

Congressional Record

PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE
SEVENTY-FOURTH CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 80—PART 4

MARCH 11, 1936, to MARCH 31, 1936

(Pages 3545 to 4686)



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1936

LIBRARY
FEDERAL BUREAU OF INVESTIGATION

CONGRESSIONAL RECORD

PROCEEDINGS AND DEBATES

SECOND SESSION OF THE
SEVENTY-FOURTH CONGRESS

THE UNITED STATES
OF AMERICA

VOLUME 38—PART 4



GOVERNMENT PRINTING OFFICE
WASHINGTON, D. C.

1916

Congressional Record

SEVENTY-FOURTH CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, MARCH 11, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 10, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 514) authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Davis	Loneragan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahay	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Bulkley	Glass	Mintion	Trammell
Bulow	Gore	Moore	Truman
Burke	Guffey	Murphy	Tydings
Byrd	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hatch	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh
Carey	Holt	O'Mahoney	Wheeler
Clark	Johnson	Overton	White
Connally	Keyes	Pope	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Nevada [Mr. McCARRAN], the Senator from New Hampshire [Mr. BROWN], the Senator from Rhode Island [Mr. GERRY], the Senator from Nevada [Mr. PITTMAN], and the Senator from New Mexico [Mr. CHAVEZ] are necessarily detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

REPORT OF BELLEAU WOOD MEMORIAL ASSOCIATION

The VICE PRESIDENT laid before the Senate a letter from the honorary president of the Belleau Wood Memorial

Association, transmitting, pursuant to law, the annual report of the association for the year ended December 31, 1935, which, with the accompanying report, was referred to the Committee on Military Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions adopted by the executive committee of the Kentucky Bar Association and the board of governors of the Oregon State Bar, favoring the enactment of the joint resolution (H. J. Res. 237) for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which were referred to the Committee on the Library.

Mr. TYDINGS presented a memorial of sundry citizens of Cumberland, Md., protesting against war and favoring immediate reduction of arms, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by Private William H. Rotan Post, No. 219, Veterans of Foreign Wars of the United States, of Baltimore, Md., protesting against the removal of Maj. Gen. Johnson Hagood from command of the Eighth Corps Area of the Army, which was referred to the Committee on Military Affairs.

Mr. WALSH presented a resolution of the Legislature of the State of Massachusetts, protesting against legislation that interferes with absolute neutrality or which might restrict trade with warring nations beyond embargoes on arms, ammunitions, and implements of war, which was referred to the Committee on Foreign Relations.

(See resolution printed in full when laid before the Senate by the Vice President on the 5th instant, p. 3410, CONGRESSIONAL RECORD.)

He also presented a resolution adopted in New York City by the executive committee of the Technical Association of the Pulp and Paper Industry, favoring an increase of \$1,000,000 in the appropriation for forest-products research as authorized in the Forest Research Act of 1928, which was referred to the Committee on Appropriations.

He also presented a letter in the nature of a petition from the Business and Professional Club of Boston, Mass., praying for the enactment of House bill 5051, to amend the Civil Service Act relating to termination of services of married persons in the Government service, which was referred to the Committee on Civil Service.

He also presented the memorial of Immaculate Conception, No. 294, Catholic Daughters of America, of Roslindale, Mass., remonstrating against ratification of the so-called proposed child-labor amendment to the Constitution, which was referred to the Committee on Education and Labor.

He also presented petitions of members of Local Union No. 1929, of Holyoke, and Carpet Workers' Local Union, No. 4232, of Worcester, both of the United Textile Workers of America, in the State of Massachusetts, praying for the enactment of the so-called Ellenbogen bill relating to the textile industry, which were referred to the Committee on Education and Labor.

He also presented a petition of the school committee of Ayer, Mass., praying for the enactment of the bill (S. 2190) to provide public educational facilities for certain children where adequate educational facilities are lacking, which was referred to the Committee on Education and Labor.

He also presented letters in the nature of petitions from the Worcester Laundry Owners Association, Good Will Laundry, Muir's Laundry, People's Laundry, Worcester Wet Wash, Home Service, and A-1 Laundry, all of Worcester,

and the superintendent of Webster District Hospital, of Webster, in the State of Massachusetts, praying for the enactment of legislation to repeal the excise tax on coconut oil used for soap-making purposes, which were referred to the Committee on Finance.

He also presented a letter in the nature of a petition from the Business and Professional Women's Club of Boston, Mass., praying for the enactment of the so-called Kerr bill, relating to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a letter in the nature of a memorial from Washington Council No. 14, Junior Order United American Mechanics, of Allston, Mass., remonstrating against the enactment of Senate bill 2969, relating to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented petitions of the Parent-Teacher Group of Hingham, Mass., and Mr. and Mrs. E. Talmadge Root, of Somerville, Maine, praying for the enactment of legislation to abolish compulsory block-booking and blind buying of motion pictures, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the Boston (Mass.) Chamber of Commerce, protesting against the enactment of Senate bill 3363, to provide for Federal incorporation of companies engaged in interstate or foreign business, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of memorials from Hamilton-Menham Grange, No. 297, of Hamilton; Millers River Grange, No. 176, of Orange; Quaboab Pomona Grange, No. 15, of Leicester; Rochester Grange, No. 257, of Rochester; and Guiding Star Grange, No. 1, of Greenfield, all of the Patrons of Husbandry, in the State of Massachusetts, remonstrating against the enactment of the bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, which were ordered to lie on the table.

He also presented a letter in the nature of a petition from the Alice A. Clarke Auxiliary, No. 28, United Spanish War Veterans, of Attleboro, Mass., praying for the enactment of the bill (S. 3545) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, which was ordered to lie on the table.

He also presented letters in the nature of petitions from Local No. 47, International Brotherhood of Firemen and Oilers, of Brockton, and Local Union No. 141, International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, of Chicopee, in the State of Massachusetts, praying for the enactment of the so-called Black-Connery 30-hour-workweek bill, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3870) granting a leave of absence to settlers of homestead lands during the year 1936, reported it with an amendment and submitted a report (No. 1679) thereon.

Mr. NEELY, from the Committee on Rules, to which was referred the bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government, to include all other employees in the legislative branch, reported it with amendments.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 6544) to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and

entry under the mining laws, reported it with an amendment and submitted a report (No. 1680) thereon.

Mr. ROBINSON, from the Committee on Foreign Relations, to which was referred the bill (S. 4135) for the relief of Helen Curtis, reported it without amendment and submitted a report (No. 1681) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 10, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 1837. An act for the relief of W. W. Cook; and

S. 2889. An act for the relief of the Bend Garage Co. and the First National Bank of Chicago.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORBECK:

A bill (S. 4245) granting a pension to Dennis Moran (with accompanying papers); to the Committee on Pensions.

By Mr. MINTON:

A bill (S. 4246) to provide for the reconstruction of the George Rogers Clark Home and the erection of a memorial at Clarksville, Ind., as a memorial to Gen. George Rogers Clark at his home place, and for other purposes; to the Committee on the Library.

By Mr. McNARY:

A bill (S. 4247) granting an increase of pension to Clara Y. Corben (with accompanying papers); to the Committee on Pensions.

By Mr. BAILEY:

A bill (S. 4248) for the relief of Clark F. Potts and Charles H. Barker; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 4249) to provide for the appointment of First Lt. Wayne W. C. Sims, Medical Corps Reserve, as a first lieutenant, Medical Corps, United States Army; to the Committee on Military Affairs.

By Mr. GIBSON:

A bill (S. 4250) to create an executive department of the Government to be known as the Department of Territories and Insular Affairs; to the Committee on Territories and Insular Affairs.

By Mr. WALSH:

A bill (S. 4251) granting a pension to Mary Roode (with accompanying papers); to the Committee on Pensions.

By Mr. OVERTON:

A bill (S. 4252) to provide for the modification of the contract of lease entered into on June 12, 1922, between the United States and the Board of Commissioners of the Port of New Orleans; to the Committee on Commerce.

By Mr. FRAZIER:

A bill (S. 4253) authorizing and directing the Secretary of the Interior to enroll on the tribal rolls of the Choctaw and Chickasaw Nations all Choctaw and Chickasaw claimants whose names appear in the citizenship cases hereinafter mentioned and who were duly and legally enrolled by the Federal court, and the heirs now living of all such claimants, born prior to the closing of said tribal rolls by an act of Congress; to the Committee on Indian Affairs.

By Mr. ASHURST:

A joint resolution (S. J. Res. 228) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; to the Committee on the Library.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 514) authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. ROBINSON. Mr. President, I offer an amendment to the legislative appropriation bill for reference to the Committee on Appropriations. I also ask that there may be printed in the RECORD and appropriately referred, in connection with the submission of the amendment, a letter from the Comptroller General of the United States.

There being no objection, the amendment submitted by Mr. ROBINSON intended to be proposed by him to House bill 11691, the legislative appropriation bill, was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following:

"The appropriations for salaries and mileage to Senators and for clerical assistance to Senators as made in the act of May 30, 1934 (48 Stat. 817 and 819), shall be construed as available, respectively, for the salary of Senator RUSH D. HOLT, for the period from January 3 to June 21, 1935, and for the compensation of his authorized clerical help for services rendered during said period."

The letter presented by Mr. ROBINSON was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, January 4, 1936.

HON. JOSEPH T. ROBINSON,
United States Senate.

MY DEAR SENATOR: In line with your recent request that a provision be suggested for insertion in early legislation that will allay doubt as to the legality of salary payments heretofore made to Senator RUSH D. HOLT and for his clerical help during the period from January 3 to June 21, 1935, permit me to suggest the following provision for inclusion in the next legislative branch appropriation bill, possibly as a paragraph at the close of the provisions relating to the Senate:

The appropriations for salaries and mileage to Senators and for clerical assistance to Senators as made in the act of May 30, 1934 (48 Stat. 817 and 819), shall be construed as available, respectively, for the salary of Senator RUSH D. HOLT for the period from January 3 to June 21, 1935, and for the compensation of his authorized clerical help for services rendered during said period.

Cordially yours,

J. R. McCALL,
Comptroller General of the United States.

AMENDMENTS TO WAR DEPARTMENT APPROPRIATION BILL—RIVERS AND HARBORS

Mr. CONNALLY submitted an amendment intended to be proposed by him to House bill 11035, the War Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 68, line 10, to strike out "\$138,677,899" and insert in lieu thereof the figures "\$188,677,899."

Mr. SHEPPARD submitted an amendment intended to be proposed by him to House bill 11035, the War Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 68, line 10, to strike out "\$138,677,899" and insert "\$188,677,899."

INVESTIGATION OF RESETTLEMENT ADMINISTRATION

Mr. BARBOUR submitted the following resolution (S. Res. 248), which was referred to the Committee on Agriculture and Forestry:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, three from the majority political party and two from the minority political party, is authorized to make a full and complete investigation of the Resettlement Administration with a view to determining particularly (1) the nature and extent of all expenditures made or proposed to be made by such Administration, (2) the nature and extent of projects undertaken by it and the advisability of undertaking future projects, (3) the effect of each such project on State and local taxation and on local real-estate values, (4) the extent to which such projects have benefited and will benefit labor, and (5) the circumstances relating to the securing of persons as tenants or purchasers in connection with such projects and the effect on such persons of becoming such tenants or purchasers. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers,

and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

THE LATE ASSOCIATE JUSTICE OLIVER WENDELL HOLMES

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the late Associate Justice Oliver Wendell Holmes, of the Supreme Court of the United States, delivered by Hon. Martin T. Manton, senior judge of the United States Circuit Court of Appeals for the Second Circuit.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the radio audience, on this anniversary of the birthday of the late Justice Holmes, we must recall that it was John Marshall who molded our Constitution into a system of coherent and dynamic principles; it was he who gave it body and form. It was Justice Oliver Wendell Holmes who, more so than any other jurist in our national life, took the same principles and adapted them to the ebb and flow of the economic, social, and political currents of the day; it was he who breathed into those principles the breath of a newer, a fresher, and a richer life. He went on the theory, as he once expressed it, that "a constitution is not intended to embody a particular economic theory, whether of paternalism and the organic relation of the citizen to the state or of laissez faire." The greatest service of Marshall to his country was in stabilizing our political structure through the enunciation of certain fundamental formulas deducible from the words of the Constitution. The greatest service of Justice Holmes to his generation and those to come has been in making our body of constitutional doctrine rational, liberal, and modern. "The interpretation of constitutional principles," he said, "must not be too liberal. We must remember that the machinery of government would not work if it were not allowed a little play in its joints." Marshall spoke for an era of political reconstruction; Holmes for a period of economic and social reconstruction. To these two oracles of the law, our country owes undying gratitude.

It fell to the peculiar lot of Justice Holmes to show that the Constitution, if sympathetically interpreted, is adequate to solve any of the vibrant social and economic questions which arise in the course of our history. His frequent dissents from the conservative majority opinions go to demonstrate that questions of constitutional interpretation depend as much on the prejudices of the judge as on fixed canons of interpretation. It is in this respect that Mr. Justice Holmes' contribution to the cause of constitutional government is most noteworthy. Few have rendered more valuable service to their country; fewer still have had the capacity and vision to follow him. If ever there was one who, in high place, assailed outgrown and narrow views of our Constitution, that one was Justice Holmes. He realized that stagnation in the interpretation of the Constitution was intolerable if our form of government was to endure the shock of social and economic forces; and he betook himself to the happy task of calling upon the teachings of science and philosophy to build up a school of constitutional liberalism which is destined to become the dominant legal philosophy in the not distant future. He often charged his colleagues with injecting their own economic theories into the interpretation of statutes and the Constitution, thus departing, as he thought, from the judicial line of duty to interpret the law as it is and not to pass upon its wisdom. "While the courts must exercise a judgment of their own," he remarked, "it by no means is true that every law is void which may seem to the judges who pass upon it excessive, unsuited to its ostensible end, or based upon conceptions of morality with which they disagree. Considerable latitude must be allowed for differences of view, as well as for possible peculiar conditions which this Court can know but imperfectly, if at all. Otherwise a constitution, instead of embodying only relatively fundamental rules of right, as generally understood by all English-speaking communities, would become the partisan of a particular set of ethical or economical opinions, which by no means are held semper ubique et ab omnibus."

This apostle of constitutional liberalism would have condemned, no doubt, some recent attempts to maintain our people chained in perpetuity to the much abused economic doctrine of unrestricted laissez faire, for I recall that on one occasion, while still defending the principle of private ownership, he remarked that "As the size of a private fortune increases, the interest of the public in the administration of it increases."

There is not, in the history of our judiciary, another example of a legal mind, in so exalted a position, which has been more friendly to the interests of the labor movement, more opposed to the exploitation of child labor, more in favor of equal rights for women on the matter of wages and hours of work, more insistent on the fullest expression of the right of freedom of speech, more bent on allowing the fullest play to the forces of intellectual emancipation, and more vehemently opposed to the doctrine of the strict construction of our Constitution. If blind, selfish, partisan reaction calls—if it dares—Mr. Justice Holmes disloyal to the ideals and institutions of his country, those who view

the future of our country with any degree of concern, will see in his resounding liberalism the only way out of the atmosphere of confusion, uncertainty, and reaction which seems to beset us at this moment. He himself had the satisfaction, while still on the bench, of seeing many of his earlier dissenting opinions become the opinion of the majority of the Court in later cases, and perhaps we may live to see the day when his broad views will become the prevailing tone of our highest tribunal.

The conflict now rife between the forces of reaction and progress in the judicial and political spheres is not new by any means. His masterly dissents from the majority opinions during his long and honorable career on the bench show that he could not always see eye to eye with his more conservative colleagues on important questions of constitutional law and policy. It was not then, as it is not now, the Constitution which is at stake in these clashes between the so-called conservative and the liberal wings of the Court, but some pet economic or social theory thrust into the Constitution by the exponents of the old order. It is in the refusal of the judiciary to see that the world moves on that the danger lies, if danger there be; it is in their belief that the Constitution is the receptacle of their own private economic or social doctrines that makes for doubt of the day and so ominous of the future. No judicial pronouncement or legal doctrine can hold back the momentum of the economic and social forces now playing havoc with preconceived notions the world over; and herein lies the essential difference between the liberalism of Mr. Justice Holmes and the conservatism of those who disagree with him—his views moved along and expanded with the times; theirs stagnated in dangerous contentment with the past. It is around the liberalism of Mr. Justice Holmes that Progressives of all shades of opinion should gather. He was a liberal, yet he was not a radical; he was a dissenter, yet he was not destructive. His dissents show that it is possible to hold two views of the Constitution—the view of reaction and the view of progress; that it is all a matter of preconceptions—of social and economic prejudices.

The views of Justice Holmes are all the more remarkable when we consider the traditional conservatism of the New England society of which he always was a part. Yet, like his celebrated forbears, he seems to have been endowed by high Heaven with an understanding, a humaneness, a practical wisdom, a polish of mind, a moral sanity and tolerance which contributed to build him up into the towering and influential figure that he was. His was a life dedicated to the service of the law, and especially attuned, morally and intellectually, to the delicate task of the judicial profession. He was the almost perfect type of the perfect judge.

THE LATE GEN. WILLIAM MITCHELL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter published in the New York Herald Tribune of Sunday, March 1, 1936, relative to the late Gen. William Mitchell.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of Mar. 1, 1936]

GENERAL MITCHELL'S FORESIGHT—HE ADVANCED VIEWS SIMILAR TO THOSE OF GENERAL DOUHET

To the New York Herald Tribune:

In the passing of the brilliant and gallant Gen. William Mitchell, aviation loses one of its earliest and most earnest advocates. Military aviation in the Army and the Navy loses its most vigilant critic.

A skilled pilot with battle experience, General Mitchell's vehement fighting for his own views, while in the Army as one of the air generals and assistant to the Chief of the Air Corps, brought on a clash with Army discipline similar to the experience of his great Italian flying contemporary, the late Gen. Giulio Douhet. Soon after Italy entered the war, Douhet publicly issued his celebrated criticisms of Army plans and operations. He was tried by a general court martial and sentenced to 1 year in prison.

The Caporetto disaster so fully confirmed Douhet's predictions that he was released and placed at the head of Italian aviation. His subsequent activities, great air maneuvers, and his studies and writings much influenced the defense organization of the principal European powers. Most European countries now have a council or a secretary of national defense with three equal services—navy, air, army—each under a civilian head or secretary.

Mitchell believed that under the control of the Army and the Navy the new arm could never develop to its reasonable capacity. This came, in his opinion, from the fact that the older services saw the chief function of air forces as auxiliaries to aid the surface ships of the fleet and the ground units of the land contingent. General Mitchell visualized a separate air force coequal with the Army and Navy. He early predicted great increase in the speed, size, and range of the airplanes. He saw these qualities double in the bombers in the last 4 years. He desired large planes capable of crossing the Pacific Ocean and felt that aircraft carriers would never be able to transport other than relatively small airplanes.

The outlines of General Douhet's doctrine of war are—the land and the sea forces should maintain the defensive (illustrated in the great forts along the French and Belgian frontiers); the massed air forces take the offensive, not in the former effort to destroy the hostile army, but to penetrate deep into the enemy

country; all the national armed forces of a country should be under a single chief. Also, to avoid duplication, competition, and cross purposes, the preparation and supply of all a nation's forces must be under a single organization.

We have had no comprehensive study of the general organization that is best for our own national defense since the advent of the airplane. The nearest to such a study was that of the Federal Aviation Commission (the Howell Board). This Commission of five civilians not connected with either the Army or Navy was appointed under a resolution of Congress and had \$60,000 for expenses.

The Commission's work was the study and survey of all phases of aviation. The best organization for the national defense was outside the scope of the Commission. However, in its report of January 1935 the Commission stated, "While this matter lay beyond our scope, we have considered it so serious that we recommend that the whole problem be made the subject of extended examination by some appropriate agency in the near future." Congress has as yet taken no action on this pressing and wise suggestion.

WILLIAM C. RIVERS,

Major General, United States Army (Retired).

New York, February 25, 1936.

SENATE INVESTIGATIONS—ARTICLE BY JOHN T. FLYNN

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by John T. Flynn, published in the Washington Daily News of Tuesday, March 10, 1936, relative to Senate investigations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of Mar. 10, 1936]

PLAIN ECONOMICS

By John T. Flynn

THE GREATEST AND MOST USEFUL FUNCTION OF THE SENATE IS INVESTIGATION—IT WOULD BE A PUBLIC CALAMITY TO CRIPPLE THIS ARM OF THE SENATE

NEW YORK.—An attack—apparently an organized attack—has been launched on Senate investigations. The indictment is that innocent people are dragged to Washington and mercilessly questioned without benefit of counsel, while their private papers are raked through and their private affairs exposed ruthlessly.

But let us see how far this is true. Take the great investigations of the last 4 years—first, the investigation of Wall Street and the banks by the Senate Banking and Currency Committee and Mr. Pecora. Would anybody undo that investigation? What innocent persons were dragged to Washington in that investigation without benefit of counsel?

As a matter of fact, I can see the picture now. On one side of the table sat Mr. Pecora, patriotically serving the Government at the pitiful salary of \$235 a month. On the other side was Mr. Wiggin, of the Chase Bank, surrounded by a host of the biggest and most expensive lawyers and an army of accountants and clerks. At almost every question asked by Mr. Pecora, Mr. Wiggin turned to his lawyers and accountants and held a little conference before answering.

This scene was duplicated a dozen times. These great businessmen could scarcely give their middle names or the names of their partners without consulting their staffs and lawyers.

And what was the upshot? The facts about banks in Detroit, Cleveland, the National City and Chase National in New York were brought to light. The head of the National City was forced to resign. Mr. Wiggin of the Chase, who had retired, was forced to give up his juicy life pension of \$100,000 a year, and now the stockholders of the bank are suing for large sums. In Cleveland some of the bankers have been convicted. In Detroit they are yet to be tried.

That investigation cost about \$275,000. It brought into the Government, from just two or three taxpayers, six times that amount in income taxes and must have saved countless millions besides, to say nothing of the great reforms effected in our financial system—the Securities Exchange Act, the Securities Act of 1933, the Glass-Steagall Act of 1933.

What innocent persons were dragged without counsel before the Munitions Committee? Those who think the Morgans were manhandled in Washington ought to read the record of the investigation. And can it be that any decent group is going to try to stop the lobby investigation, which has already revealed such shocking practices by lawless utility magnates?

During the Hoover administration the Senate passed a resolution limiting salaries in investigations to \$300 a month. This was done to cripple investigations. Another method of crippling them is to deprive them of the necessary funds. That's the move which is on now. The greatest and most useful function of the Senate is investigation. It would be a public calamity to cripple this arm of the Senate.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes.

Mr. GLASS. I ask unanimous consent that the formal reading of the bill may be dispensed with, that it may be read for amendment, and that the amendments of the committee may be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the first amendment reported by the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Treasury Department—Office of the Secretary", on page 5, line 3, after the name "District of Columbia", to strike out "\$1,000,000" and insert "\$1,099,140", so as to read:

Bureau of the Mint and Mints and Assay Offices, including not to exceed \$85,640 for personal services in the District of Columbia, \$1,099,140.

The amendment was agreed to.

The next amendment was, under the subhead "Office of chief clerk and superintendent", on page 6, line 14, after the words "Treasury Department", to strike out "\$520,000" and insert "\$529,720", so as to read:

Salaries: For the chief clerk and other personal services in the District of Columbia, including the operating force of the Treasury, Liberty Loan, and Auditors' Buildings and the Treasury Department Annex, Pennsylvania Avenue and Madison Place, and of other buildings under the control of the Treasury Department, \$529,720.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous and contingent expenses, Treasury Department", on page 8, line 9, after the word "for" and the semicolon, to strike out "\$150,300" and insert "\$160,000", so as to read:

For miscellaneous and contingent expenses of the office of the Secretary and the bureaus and offices of the Department, including operating expenses of the Treasury, Treasury Annex, Auditors' and Liberty Loan Buildings; newspaper clippings, financial journals, books of reference, law books, technical and scientific books, newspapers, and periodicals, expenses incurred in completing imperfect series, library cards, supplies, and all other necessary expenses connected with the library; not exceeding \$10,000 for traveling expenses, including the payment of actual transportation and subsistence expenses to any person whom the Secretary of the Treasury may from time to time invite to the city of Washington or elsewhere for conference and advisory purposes in furthering the work of the Department; freight, expressage, telegraph and telephone service; purchase and exchange of one passenger automobile (at a cost not exceeding \$2,500) for the Secretary of the Treasury and of motor trucks, and maintenance and repair of motor trucks and three passenger automobiles (one for the Secretary of the Treasury and two for general use of the Department), all to be used for official purposes only; file holders and cases; fuel, oils, grease, and heating supplies and equipment; gas and electricity for lighting, heating, and power purposes, including material, fixtures, and equipment therefor; purchase, exchange, and repair of typewriters and labor-saving machines and equipment and supplies for same; floor covering and repairs thereto; furniture and office equipment, including supplies therefor and repairs thereto; awnings, window shades, and fixtures; cleaning supplies and equipment; drafting equipment; ammonia for ice plant; flags; hand trucks, ladders; miscellaneous hardware; street-car fares not exceeding \$500; thermometers; lavatory equipment and supplies; tools and sharpening same; laundry service; laboratory supplies and equipment, removal of rubbish; postage; uniforms for Treasury guards not exceeding \$1,200; custody, care, protection, and expenses of sales of lands and other property of the United States, acquired and held under sections 3749 and 3750 of the Revised Statutes (U. S. C., title 40, secs. 301, 302), the examination of titles, recording of deeds, advertising, and auctioneers' fees in connection therewith; and other absolutely necessary articles, supplies, and equipment not otherwise provided for; \$160,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Commissioner of Accounts and Deposits", on page 9, line 22, to strike out "\$279,520" and insert "\$285,920", so as to read:

Salaries: For Commissioner of Accounts and Deposits and other personal services in the District of Columbia, including the Division of Bookkeeping and Warrants, \$285,920.

Mr. McNARY. Mr. President, I did not until a moment ago observe the presence of the Senator from Tennessee [Mr. McKELLAR]. I recall that 3 or 4 years ago he was very active and enthusiastic in his efforts to decrease all appropriations carried in appropriation bills. I observe

that the three amendments which have been agreed to all represent increases in appropriations. I think some explanation should be made why increased appropriations are now proposed, when some years ago increased appropriations were so greatly condemned.

Mr. McKELLAR. All the amendments to the bill do not represent increases. There are a number of increases, but none over the amount estimated by the Budget, and there are several decreases, one outstanding one below the amount contained in the bill as sent to the Senate by the House. Does the Senator want to know about the item at the bottom of page 9, which is the amendment now before the Senate?

Mr. McNARY. I was speaking with general application. The Secretary starts to read the amendments, all so far showing increases in appropriations, and not a word of explanation is offered. I was just asking, in a general way, why so many increases in appropriations are now made, and why it is so popular to add to appropriations now when it was so wrong to do the same thing a few years ago?

Mr. GLASS. Mr. President, I may say to the Senator—

Mr. McNARY. I was directing my remarks more particularly to the Senator from Tennessee in connection with this particular matter.

Mr. McKELLAR. I will be glad to say about this bill, as I have about other bills, that where items needed to be cut down, I have endeavored to reduce them.

I call the Senator's attention to the amendment on page 61.

Mr. McNARY. I have regard to that amendment, but I think it involves a very large subject and should be considered specifically.

Mr. McKELLAR. I call the Senator's attention, for instance, to something that perhaps he has overlooked. Take the post-office items; they have generally been increased to the amount of the Budget estimates. The reason is that not long ago Congress passed what was known as the 40-hour-week bill. The Department officials came before the committee and showed that with the 40-hour-week bill it would be impossible for them to get along on less than the amounts recommended by the Budget. They made out a good case, and, insofar as I know, the entire committee, Republicans as well as Democrats, agreed that these comparatively small increases should be made.

Mr. GLASS. I may invite the attention of the Senator from Oregon to the fact that the net decrease by the Senate committee under the total amount approved by the House is \$14,711,277.

Mr. McNARY. I must repeat that I am not here to quarrel with anyone particularly, and much less the chairman of the committee. The Senator in charge of the bill, the Senator from Tennessee [Mr. McKELLAR], 3 or 4 years ago—

Mr. GLASS. The Senator from Virginia is in charge of the bill, I may say to the Senator.

Mr. McNARY. Yes; I think so; technically.

Mr. McKELLAR. No; actually. I am here to help him and to take any responsibility that is mine.

Mr. McNARY. I am not complaining if it takes two Senators to handle the bill. In any event, I am referring to the Senator from Tennessee. As I recall, 3 or 4 years ago, during another administration, when I was in charge of the bill making annual appropriations relating to the agricultural interests of the country, the Senator from Tennessee, in a great spirit of enthusiasm for a reduction in the expenses of the Government, proposed an amendment decreasing every item carried in the bill 10 percent.

Mr. McKELLAR. Yes; and that amendment carried. May I say to the Senator further—

Mr. McNARY. I do not yield for the moment. I recall that as chairman of the committee I realized the reasonableness of some of the arguments of and to some extent the philosophy of the position occupied by the Senator from Tennessee and agreed to a reduction in several of the items. The Senator from Tennessee was not content with a 10-percent reduction, and in some instances insisted upon a reduction of as much as 30 percent. That was a few years ago,

when the Senator from Tennessee was exhibiting unusual zeal in cutting down Government expenses. Here, today, partly in charge of the bill, he brings before the Senate a measure containing amendments which in practically every instance increase the amounts approved by the House.

Mr. McKELLAR. The Senator is mistaken about that.

Mr. McNARY. Generally they are increases. What I ask the Senator is, What has caused the difference in his attitude and philosophy 3 years ago under another administration and his attitude and philosophy now? Then he strongly advocated decreasing governmental expenditures, and now he favors expanding them.

Mr. McKELLAR. Several years ago, when the appropriation bill referred to by the Senator from Oregon was brought before us, it carried extremely extravagant items. The proposals had gone beyond all bounds. Thereupon, in keeping with the spirit of the law which had been enacted, known as the Economy Act and in strict accordance with that act, I moved that the appropriations be decreased by 10 percent. As I remember, the Senate overwhelmingly agreed and the amounts were cut down.

Because of the tremendous extravagance proposed, the Senate took the same view that I did, and, as I remember, the Senator from Oregon took exactly the same view and supported the reductions which I then and there proposed.

The pending bill is a most reasonable bill. The Senate committee has decreased the total approved by the House. It is true that some of the smaller items were increased to the amount of the Budget estimate; in fact, most of them were. However, in the items for the Post Office Department, where most of the increases are proposed to be made, the increases are caused by a bill passed by the Senate reducing the number of working hours to 40 per week. It was absolutely necessary, as shown by the testimony taken by the committee, that the Budget estimates should be allowed. We would have to take notice of those differences anyway and would have to meet them either in this bill or in a future deficiency bill, and accordingly they were included in this bill.

I have no apologies to make. I have not changed my position at all. I think extravagant waste of money anywhere should be curtailed by the Senate on all occasions. I felt that way previously. I still feel that way. I think the amendments which have been inserted in the bill by the Senate Committee on Appropriations are all proper and none of them is extravagant. If the Senator has any doubt about it, I invite his attention to the fact that there are a number of Republicans on the committee who agreed almost unanimously to every amendment that has been recommended to the bill. The first real criticism comes from the Senator from Oregon.

Mr. McNARY. I am not criticizing the appropriations. I am merely drawing attention to the very different position the Senator from Tennessee occupies now as compared with that which he occupied a few years ago. This is the fifth bill which carries appropriations for governmental activities, and the voice of the Senator from Tennessee has not been raised against an increase in a single item in any of the bills.

Mr. McKELLAR. The position of the Senator from Tennessee is very different from what it was then. In the committee he had no opportunity at that time to accomplish his desire. He had to come on the floor of the Senate and to the best of his ability see that reductions were made in cases where extravagant expenditures had been proposed, as they were then. The Senator from Oregon agreed with me at that time, and I think the Senate is going to agree with me this time, that the appropriations carried in the pending bill are economical and should be granted.

Mr. McNARY. The Senator from Tennessee was a member of the Committee on Agriculture and Forestry several years ago during the time of which I speak. He was a member of this body.

Mr. McKELLAR. I was; and I am not excusing myself in any way. I took the same position then that I am taking now, that extravagant appropriations ought not to be made. Where I found extravagant items of appropriation

in this bill I made a fight against them in the committee, and the amounts were reduced or the items were left out of the bill.

Mr. McNARY. I may observe that modesty never kept the Senator from Tennessee off his feet in those days.

Mr. McKELLAR. No; and modesty does not keep the Senator off his feet in these days. The Senator from Oregon is wholly mistaken about any change in position on the part of the Senator from Tennessee.

Mr. McNARY. I still say the Senator this year and last year has exhibited a very different spirit with respect to appropriations than he did under another administration.

Mr. McKELLAR. That is the Senator's opinion, and the Senator is welcome to retain that opinion if he so desires; but the truth is that the Senator from Oregon is wholly mistaken.

Mr. GLASS. Mr. President, I hope we may proceed with the bill, and not with a controversy between Senators. I am a little curious to know why the Senator from Oregon should pick out the Senator from Tennessee for criticism when all the other members of the Appropriations Committee are just as much responsible for the bill as is the Senator from Tennessee. I am chairman of the subcommittee having the bill in charge, and heard every particle of the testimony.

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Virginia yield to the Senator from Michigan?

Mr. GLASS. I yield.

Mr. COUZENS. I understand why the Senator from Oregon [Mr. McNARY] raised the question. It was, as I recall, because the Senator from Tennessee [Mr. McKELLAR] was the most energetic and violent advocate of cutting down appropriations to the extent of 10 percent several years ago, and I think we all concurred in his efforts. Evidently at that time he did not have so much confidence in the Appropriations Committee when he disagreed with their recommendations at that time and proposed a 10-percent reduction. I wonder if the Senator from Tennessee would approve an amendment which I might propose to reduce all items in the pending bill 10 percent?

Mr. McKELLAR. No; because I do not think extravagant appropriations are contained in the bill which the committee has reported which would justify a reduction of 10 percent. I think the Senator from Michigan would make a mistake to offer such an amendment.

I thought I was right when I proposed reductions several years ago during the Hoover administration, and the Senate agreed to my proposal. It was adopted and approved. Why? It was because there were facts behind me, because there had been extravagant appropriations which the Senate could not approve. If there are any such appropriations in the pending bill and the Senator will point them out and state the reasons, as I did 4 or 5 years ago, I shall be very happy to join him in an effort to bring about reductions. I know the Senator from Oregon is a fair man and I know he would not propose such a thing without having positive information as to whether an appropriation should be reduced 10 percent. The facts are different this year from the facts which existed 3 or 4 years ago. Extravagant appropriations proposed at that time were cut down.

Mr. GLASS. Mr. President, I suggest we proceed with the bill, and if any Senator desires to offer an amendment, let it be duly considered.

Mr. COUZENS. Does the Senator from Virginia object to our discussing the bill?

Mr. GLASS. Oh, no; I never object to discussion. The Senator may proceed to speak if he desires.

Mr. COUZENS. The only point I raise is that the Senator from Tennessee offered a blanket amendment covering every item, without respect to the merits of any item; so it must be assumed that the Senator from Tennessee believed that every item in the bill was wrong, and therefore he wanted a 10-percent cut made in all of them.

Mr. McKELLAR. The Senator from Michigan wishes to be fair. When I offered that amendment, as I remember,

this body was Republican. I think the Senator will agree to that, will he not? I offered the amendment, and when I did so I had the facts backing it up; and the Senate—which, at the time, was a Republican Senate—agreed with me that those were such extravagant appropriations that they ought to be cut down 10 percent; and, although the Senate was opposed to me politically, it voted with me, because of its belief that the appropriations ought to be cut down.

Mr. COUZENS. Of course, the Senator understands that the Republicans apparently were much more willing to cooperate with the Democrats at that time than the Democrats are willing to cooperate with us at this time in an effort to cut down expenses.

Mr. McKELLAR. If the Senator from Michigan has any facts to show that any or all of these appropriations ought to be cut down 10 percent, and if he will offer his amendment and give the facts as to why the appropriations should be cut down, I have no doubt he will find the Democrats just as willing to vote for a reduction as the Republicans were.

Mr. COUZENS. I have some doubt about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 9, line 22.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 10, line 2, after the word "expenses", to strike out "\$1,273,210" and insert "\$1,473,210", and in line 9, after the words "Federal Prison Industries", to insert "Railroad Retirement Board, Social Security Board", so as to read:

Division of Disbursement, salaries and expenses: For personal services in the District of Columbia and in the field, stationery, travel, rental of equipment, and all other necessary miscellaneous and contingent expenses, \$1,473,210.

The amendment was agreed to.

The next amendment was, under the subhead "Public Debt Service", on page 12, line 23, after the words "District of Columbia", to strike out "\$2,000,000" and insert "\$2,073,000"; and in line 25, after the word "exceed", to strike out "\$1,975,000" and insert "\$2,048,000", so as to read:

Salaries and expenses: For necessary expenses connected with the administration of any public-debt issues and United States paper-currency issues with which the Secretary of the Treasury is charged, including the purchase of law books, directories, books of reference, pamphlets, periodicals, and newspapers, and the maintenance, operation, and repair of a motor-propelled bus or station wagon, for use of the Destruction Committee, and including the Commissioner of the Public Debt and other personal services in the District of Columbia, \$2,073,000: *Provided*, That the amount to be expended for personal services in the District of Columbia shall not exceed \$2,048,000.

Mr. McNARY. Mr. President, may I have an explanation of that item?

Mr. McKELLAR. It is in connection with the Public Debt Service; and I read from the testimony:

The 1937 Budget, as submitted to Congress, contained an estimate of \$2,073,000 for salaries and expenses, Public Debt Service. The House Committee on Appropriations, in its report on the Treasury and Post Office Departments appropriation bill, recommends an allowance of \$2,000,000, which is \$73,000 under the Budget estimate. The allowance, it is stated, is based upon the present rate of expenditure and the existing vacancies in the present number of authorized positions.

For more than 2 years the volume of work handled by the Public Debt Service has been greatly increased, due to the huge refunding occasioned by the retirement of the fourth and first Liberty Loans and their replacement by other interest-bearing obligations of the United States at lower rates of interest. The expense of new issues, of course, is borne in this service by the indefinite appropriation for "Expenses of loans." However, there has been an inevitable effect upon the regular work of the service by reason of these operations, and certain expenses for which the indefinite appropriation will be available until June 30, 1936, must thereafter be borne by the regular appropriations. It is not believed that the regular appropriation for 1937 can stand a cut of \$73,000, which is the equivalent of 50 employees of the lower grades, without impairment and curtailment of essential functions.

I think that sufficiently shows why the committee allowed the extra \$73,000.

Mr. McNARY. Is the Senator reading from a speech of his, or from something else?

Mr. McKELLAR. I am reading from the evidence in the case, as furnished by the Department.

Mr. GLASS. The Senator from Tennessee is reading from a letter from the Secretary of the Treasury.

Mr. McKELLAR. The letter is in the evidence.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Internal Revenue", on page 18, line 12, after the word "districts", to strike out "\$48,512,980" and insert "\$49,768,830", so as to read:

Salaries and expenses: For expenses of assessing and collecting the internal-revenue taxes and to administer the applicable provisions of the act of October 28, 1919, as amended and supplemented (U. S. C., title 27), the act of August 27, 1935 (49 Stat. 872-881), the act of January 11, 1934 (48 Stat. 313), Public Resolutions Nos. 40 and 41, approved June 18, 1934 (48 Stat. 1020-1021); and the internal-revenue laws pursuant to the act of March 3, 1927 (U. S. C., title 5, secs. 281-281e), the act of May 27, 1930 (U. S. C., title 27, secs. 103-108), and Executive Order No. 6639, dated March 10, 1934; including the Commissioner of Internal Revenue, Assistant General Counsel for the Bureau of Internal Revenue, an assistant to the Commissioner, a special deputy commissioner, four deputy commissioners, one stamp agent (to be reimbursed by the stamp manufacturers), and the necessary officers, collectors, deputy collectors, attorneys, experts, agents, accountants, inspectors, investigators, chemists, supervisors, storekeeper-gaugers, guards, clerks, janitors, and messengers in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents and the several supervisory districts, to be appointed as provided by law; the securing of evidence of violations of the acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; telegraph and telephone service, rent in the District of Columbia and elsewhere, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872-881), and the operation, maintenance, and repair of property acquired under such title III; for the purchase (not exceeding \$50,000), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary, for official use of the Alcohol Tax Unit in field work; and the purchase of such supplies, equipment, furniture, mechanical devices, laboratory supplies, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents, and the several supervisory districts, \$49,768,830, of which amount not to exceed \$9,527,740 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Federal Alcohol Administration", on page 20, line 19, after the word "evidence", to strike out "and" and insert "of", so as to read:

Salaries and expenses: For the purpose of administering the provisions of the Federal Alcohol Administration Act, approved August 29, 1935 (49 Stat. 977), including personal and other services and rent in the District of Columbia and elsewhere; supplies and materials; equipment; communication service; stationery; travel and subsistence expenses as authorized by law; maintenance, repair, and operation of automobiles; law books, books of reference, magazines, periodicals, and newspapers; contract stenographic reporting service; the securing of evidence of violations of the act; and miscellaneous and contingent expenses; \$400,000, of which sum not to exceed \$218,800 shall be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Coast Guard", on page 23, line 6, after the word "duty", to strike out "in the District of Columbia" and insert "at Coast Guard headquarters", so as to read:

Office of the Commandant: For personal services in the District of Columbia, \$389,240: *Provided*, That no part of any appropriation contained in this act shall be used to pay any enlisted man of the Coast Guard while detailed for duty at Coast Guard headquarters if such detail increases the total number of enlisted men detailed on such duty at any time above 10.

Mr. GLASS. Mr. President, I ask that that item be passed over, since I propose to offer an amendment to it later on.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 24, line 16, after the word "men", to strike out "\$17,512,000" and insert "\$17,580,933", so as to read:

Pay and allowances: For pay and allowances prescribed by law for commissioned officers, cadets, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, surfmen, substitute surfmen, and two civilian instructors, including not to exceed \$94,000 for retired pay for certain members of the former Life Saving Service authorized by the act approved April 14, 1930 (U. S. C., title 14, sec. 178 a), and not exceeding \$6,000 for cash prizes for men for excellence in gunnery, target practice, and engineering competitions, for carrying out the provisions of the act of June 4, 1920 (U. S. C., title 34, sec. 943), rations or commutation thereof for cadets, petty officers, and other enlisted men, mileage and expenses allowed by law for officers; and traveling expenses for other persons traveling on duty under orders from the Treasury Department, including transportation of enlisted men and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof, expenses of recruiting for the Coast Guard, rent of rendezvous, and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; transportation and packing allowances for baggage or household effects of commissioned officers, warrant officers, and enlisted men, \$17,580,933.

The amendment was agreed to.

The next amendment was, on page 25, line 12, after the word "station", to strike out "or of any permanent extension at any aviation shore station", so as to read:

No part of the appropriations contained in this act under the Coast Guard, nor of any appropriation heretofore made, shall be used for the construction for the Coast Guard of any new permanent aviation shore station, but this limitation shall not apply to expenditures for completion of construction for which funds were made available prior to February 5, 1936.

Mr. McNARY. Mr. President, will the Senator explain that amendment?

Mr. McKELLAR. Striking out these words is almost entirely, if not quite entirely, for the purpose of clarifying the language of the appropriation. It has not any real effect. It is purely a question of language.

Mr. COUZENS. Mr. President, may I ask the Senator if language means anything in a Democratic administration or not?

Mr. McKELLAR. Yes; it means just as much in a Democratic administration as it does in a Republican administration.

Mr. COUZENS. Will the Senator try to explain this language which he says is so simple? He himself does not seem to understand it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield; and, if so, to whom?

Mr. GLASS. I yield to the Senator from Kentucky.

Mr. BARKLEY. The minority having no other issue, why not allow them to find one in this bill, so that they may go before the country with it?

Mr. McKELLAR. I shall be very happy to do so. If the Senator from Michigan will read the paragraph, he will see that what I have stated is correct.

Mr. COUZENS. I have read it.

Mr. GLASS. Mr. President, Commander Waesche appeared before the committee and asked that those words be stricken out, because they were not at all necessary. He said:

We feel that it may well interfere with the improvements and extensions to air stations in the way of ramps, fueling systems, etc.

Mr. COUZENS. Mr. President, may I ask whether this inhibition has been in prior bills, or whether this is a new undertaking?

Mr. GLASS. That I do not know, and the testimony does not show.

Mr. HALE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Maine?

Mr. GLASS. I do.

Mr. HALE. The House, as I understand, provided that no part of the appropriation should be used for the construction of any new permanent aviation shore station, or

any permanent extension of any existing aviation shore station.

Mr. GLASS. Yes.

Mr. HALE. The Senate committee cut out the provision applying to the permanent extension of any existing aviation shore station, so that the Coast Guard may make improvements to existing stations, but they may not start any new ones.

Mr. GLASS. Yes; for which the Senator from Maine voted.

Mr. HALE. I voted for it because it was justifiable.

Mr. GLASS. So did I.

Mr. McKELLAR. Yes; and the words which are the subject of the amendment ought to be stricken out, just as the committee has recommended.

Mr. HALE. I agree with the Senator.

Mr. KING. Mr. President, I should like to ask some member of the Appropriations Committee for the reason which justifies the large appropriation for the Coast Guard.

I remember that a number of years ago, during the period of prohibition, it was urged with a great deal of zeal upon both sides of the Chamber that we must strengthen the Coast Guard Service; and, as I recall, upon one occasion we appropriated \$12,000,000 to build or buy new boats for the Coast Guard. The prohibition question now has been relegated to the rear, and the reason which then impelled those large appropriations does not now exist. It seems to me we are trying to build up the Coast Guard Service as a sort of an adjunct to the Navy or, rather, to perform the duties of a second navy. I think the appropriations for the Coast Guard are entirely too large.

Mr. GLASS. Responding to the Senator, I think the item to which he refers has been passed over; but we are perfectly willing to return to it if the Senator wishes us to do so.

Commander Waesche testified before the committee:

We are up against a very difficult situation in connection with repair appropriations. In the first place, we have increased our aviation facilities, which has increased the amount of money needed for repairs to planes and the appropriation for repairs has not been proportionately increased. In addition a number of our vessels at the present time are reaching the stage where they need major reconditioning all at one time. We built a number of vessels from 1924 to 1928, and that whole group of vessels are reaching the point where they all need major repairs.

I will say to the Senator, however, that the appropriation is within the Budget estimate.

Mr. KING. Mr. President, that would not be a compelling argument so far as I am concerned.

Mr. GLASS. It is not compelling to me; but I desired to have the Senate have the information.

Mr. KING. In my opinion, the Budget Bureau has been too generous in many of the appropriations it has recommended. It is apparent that the reasons which formerly justified the large appropriations for the Coast Guard Service do not now exist. Having once built up the organization, however, the determination is to perpetuate it; and as the years go by we shall find demands for an increase in the appropriations for the Coast Guard.

Moreover, everyone knows that our foreign trade and commerce has been materially diminished. Formerly it was alleged that the Coast Guard Service was necessary for the protection of our coasts against smuggling, and we were told that because of the increase in importations we needed to have Coast Guard vessels at the various ports. A few years ago customs duties from imports brought into the country amounted to between five and six hundred million dollars. Now that they are cut in two, amounting to perhaps less than \$300,000,000 last year, we are still keeping up this high standard of appropriations, though there is not now the necessity for the large Coast Guard Service that was built up during prohibition, and during the period when the customs receipts were very great.

Personally, I think there ought to be a great reduction. The Senator just called attention to the testimony, wherein it was stated that some of the Coast Guard boats built only a few years ago are now, not obsolete but in need of repairs. Even battleships and other great naval craft which we build for our Navy have a life tenure of 25 to 30 years, although

some of the navalists insist that the longevity period should be reduced materially. But many of the Coast Guard boats are practically new, and those asking the appropriations are justifying these enormous demands for the Coast Guard Service by alleging that these vessels, many of which are new, need extensive repairs.

I desire to challenge attention to another point. I think the Government is at fault in having so many organizations engaged in the acquisition of airplanes. If we should pursue a wise course, we would have one organization, whether it was under the Army or under the Navy, or under any other organization. It should be a board or an organization which would receive the proof in regard to the demands for aviation, whether on land or sea, or for the Coast Guard or what not. If we establish, as we are establishing, half a dozen organizations to build, or to acquire by purchase or otherwise, airplanes for Government service, we are bound to have duplication. We cannot develop a scientific and properly coordinated system by having half a dozen organizations engaged in the manufacture or purchase of airplanes, either for peace or for war.

Great Britain is realizing this fact, and the Government of Great Britain has now done what we ought to have done. I have a bill pending here to accomplish that result, and I have offered it repeatedly. Great Britain is bringing under one organization all of the forces which make for the defense of the nation. Then she will have an assistant secretary for the Army, an assistant secretary for the Navy, and an assistant secretary for aviation, but there will be one coordinated organization. Here we are scattering our organizations, when, in the interest of efficiency and in the interest of better government, we ought to consolidate in the interest of economy.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, on page 25, line 12.

The amendment was agreed to.

Mr. KING. Mr. President, I shall later move to amend.

Mr. COUZENS. Mr. President, may I draw the attention of the Senate to a statement appearing in the CONGRESSIONAL RECORD of May 6, 1932? I quote from the statement:

It seems that the administration has been proceeding on the plan that it was all poppycock about our having an empty Treasury; that it was merely a vague assertion that we have one, and that all we had to do to bring about prosperity was to continue to get money out of a bankrupt Treasury and distribute it among the people.

I wonder if Senators can tell whether it was a Republican or a Democrat who made that speech.

Mr. McKELLAR. I do not recall.

Mr. GLASS. I do not recall.

Mr. COUZENS. Senators will find that the speech was made by the distinguished Senator from Tennessee [Mr. McKELLAR], who was at that time driving down appropriations because they were drawing upon an empty Treasury.

Mr. McKELLAR. Mr. President, if the Senator will look at the record, he will find that under the Hoover administration the national debt was increased \$5,000,000,000, and they might as well have gone out and burned that money, and thrown the ashes to the winds. It was a reckless extravagance, and the criticism I made at that time was a proper one, if I made the criticism.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 26, line 15, after the word "heading" and the semicolon, to strike out "\$175,000" and insert "\$180,000", so as to read:

Contingent expenses: For contingent expenses, including subsistence of shipwrecked and destitute persons succored by the Coast Guard and of prisoners while in the custody of the Coast Guard; for the recreation, amusement, comfort, contentment, and health of the enlisted men of the Coast Guard, to be expended in the discretion of the Secretary of the Treasury, not exceeding \$40,000; instruments and apparatus, supplies, technical books and periodicals, services necessary to the carrying on of scientific investigation, and not exceeding \$4,000 for experimental and research work; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals; wharfage, towage, freight, storage, advertising, surveys, medals,

labor, newspapers, and periodicals for statistical purposes; not to exceed \$5,000 for cost of special instruction, including maintenance of students; and all other necessary expenses which are not included under any other heading, \$180,000.

The amendment was agreed to.

The next amendment was, on page 26, line 17, after the word "boats", to change the appropriation for repairs to Coast Guard vessels and boats from \$1,800,000 to \$1,900,000.

The amendment was agreed to.

The next amendment was, on page 26, line 24, after the word "office", to change the total appropriation under the Coast Guard, exclusive of Commandant's office, from \$23,-631,330 to \$23,805,263.

Mr. KING. Mr. President, I not only desire that the Senate shall not agree to this increase, although it is small—two or three hundred thousand dollars is not much—but I should like to move to reduce the appropriation for the Coast Guard to \$20,000,000, and if the amendment is proper at this time, I shall submit it.

Mr. GLASS. Mr. President, does the Senator desire now to move a reconsideration of the vote by which the amendment was agreed to?

Mr. KING. The clerk just read the item. I did not know it had been agreed to.

Mr. McKELLAR. The Senator knows this is just the total that is allowed.

Mr. KING. I understand.

Mr. McKELLAR. The Senator desires to move to amend it?

Mr. KING. If my motion should prevail, it would necessitate perhaps a return to the various items and would necessitate scaling them down so as to come within the total. Perhaps it would be better to offer the amendment as an independent motion as to each of the items which swell the total to \$23,000,000.

Mr. GLASS. The Senate could better understand then what the Senator from Utah desired to do.

Mr. KING. I will ask that the amendment be passed over, and I shall recur to it and move to amend some of the items so as to bring the total within \$20,000,000.

The PRESIDING OFFICER. Does the Senator desire to offer an amendment to the committee amendment? The Chair was unable to hear the Senator.

Mr. KING. I move to strike out "\$23,805,263" and to insert in lieu thereof "\$20,000,000."

The PRESIDING OFFICER. The Senator from Utah offers an amendment to the committee amendment, which the clerk will state.

The CHIEF CLERK. In the committee amendment on page 26, line 24, it is proposed to strike out "\$23,805,263" and to insert in lieu thereof "\$20,000,000."

Mr. KING. Mr. President, as I indicated, this is perhaps not the most logical way to proceed. In order to attack this item perhaps it would be necessary to reconsider the votes by which the preceding amendments were agreed to, which, added together, make the \$23,000,000. But if my motion shall prevail, and the appropriation shall be reduced to \$20,000,000, I will then return to the various items which aggregate the \$23,000,000 and ask for corresponding reductions in them, so as to bring the total to \$20,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 26, line 24.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Secret Service Division", on page 29, line 3, after the name "District of Columbia", to strike out "\$50,000" and insert "\$53,160"; so as to read:

Salaries: For the Chief of the Division and other personal services in the District of Columbia, \$53,160.

The amendment was agreed to.

The next amendment was, on page 29, line 25, after the name "United States", to strike out "\$850,000" and insert "\$906,575", so as to read:

Suppressing counterfeiting and other crimes: For expenses incurred under the authority or with the approval of the Secretary of the Treasury in detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction dealers and pretended dealers in counterfeit money and persons engaged in counterfeiting, forging, and altering United States notes, bonds, national bank notes, Federal Reserve notes, Federal Reserve bank notes, and other obligations and securities of the United States and of foreign governments, as well as the coins of the United States and of foreign governments, and other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control; purchase (not to exceed \$25,000), exchange, hire, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary; purchase of arms and ammunition; traveling expenses; and for no other purpose whatsoever, except in the performance of other duties specifically authorized by law, and in the protection of the person of the President and the members of his immediate family and of the person chosen to be President of the United States, \$906,575.

Mr. KING. Mr. President, I should like to have a statement of the reasons for the increase in this appropriation.

Mr. GLASS. Mr. President, the explanation is that Mr. Moran, who has been at the head of the Secret Service of the Government for 35 years and who is universally regarded as a very conservative as well as a very discerning, acute man, came before the committee and pointed out that this appropriation was necessary. He said:

We carried this year and were allowed on our regular force 180. When you deduct from that 27 clerks or field clerks and 15 men assigned to the White House work for the protection of the President and his family you only have about 137 or 138 field men to cover the United States. With that force we must protect the country, the people of this country against counterfeiters and forgers and the like.

Our duties have been increased very materially in the last 2 or 3 years. We do all of the work of the Farm Credit Board. We do all the work in connection with the adjusted-service certificates. We are now charged with work under the Federal Deposit Insurance Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Public Health Service", on page 35, line 19, after the word "exceed", to strike out "\$24,500" and insert "\$27,740", and on page 36, line 8, after the word "vehicles" and the semicolon, to strike out "\$663,220" and insert "\$666,460", so as to read:

Division of Mental Hygiene: For carrying out the provisions of section 4 of the act of June 14, 1930 (U. S. C., title 21, secs. 196 and 225); for maintenance and operation of the narcotic farm, Lexington, Ky., in accordance with the provisions of the act of January 19, 1929 (U. S. C., title 21, secs. 221-237), including personal services in the District of Columbia (not to exceed \$27,740) and elsewhere; traveling expenses; necessary supplies and equipment; subsistence and care of inmates; expenses incurred in pursuing and identifying escaped inmates and of interment or transporting remains of deceased inmates; purchase and exchange of farm products and livestock; law books, books of reference, newspapers, and periodicals; furnishing and laundering of uniforms and other distinctive wearing apparel necessary for employees in the performance of their official duties; transportation when necessary, within continental United States and under regulations approved by the Secretary of the Treasury, of persons voluntarily admitted and discharged as cured; tobacco for inmates; purchase and exchange, not to exceed \$800, and maintenance, operation, and repair of motor-propelled passenger-carrying vehicles, \$666,460.

The amendment was agreed to.

The next amendment was, on page 37, line 20, after the word "work", to strike out "\$1,155,160" and insert "\$1,500,000", so as to read:

Diseases and sanitation investigations: For carrying out the provisions of section 603 of the Social Security Act, approved August 14, 1935, and section 1 of the act of August 14, 1912, including rent and personnel and other services in the District of Columbia and elsewhere and items otherwise properly chargeable to the appropriations for printing and binding, stationery, and miscellaneous and contingent expenses for the Treasury Department, the provisions of section 6, act of August 23, 1912 (U. S. C., title 31, sec. 669), to the contrary notwithstanding, the packing, crating, drayage, and transportation of the personal effects of commissioned officers, scientific personnel, pharmacists, and nurses of the

Public Health Service upon permanent change of station, and including the purchase (not to exceed \$5,000), exchange, maintenance, repair, and operation of passenger-carrying automobiles for official use in field work, \$1,500,000.

Mr. COUZENS. Mr. President, I should like to have an explanation of that substantial increase.

Mr. McKELLAR. Mr. President, I am very glad to give the Senator the facts as stated by the Secretary of the Treasury. His statement is to be found on pages 52, 53, 54, and 55 of the hearing. The committee asked the reason for the estimate, and Dr. Thompson responded as follows:

Well, Mr. Chairman, under the Security Act there is authorized to be expended annually \$2,000,000 for research and investigation of public health, including the necessary technical work to the States in supervising the allotment of \$8,000,000 for public health work in the States, and in the regular appropriation to the Public Health Service for this particular line of work we had \$255,160, making a total of \$2,255,160.

The Director of the Budget, however, estimated that \$1,500,000 would be sufficient for this work and it was afterward reduced by the House committee to \$1,155,160.

Senator McKELLAR. Now, what are you supposed to do with the \$345,000?

Dr. THOMPSON. Mr. Chairman, it mostly goes into two general fields of work; in industrial hygiene, which is the study of the health problems in industry; and into our National Institute of Health, in which we have control of biologics. There is need of a great deal of additional research work in connection with the control of biologics in this country.

Senator McKELLAR. Well, you have more money than you had last year?

Dr. THOMPSON. Yes, sir; we have more money, Mr. Chairman, considerably more; but these problems are very real and are very important. We have confronting us in industrial hygiene the question of silicosis.

Dust in mines—a matter which has been very much in the public notice during the past few weeks and months, as the Senator will recall.

There is need for a lot of studies of the silicates, which at the present time we have no satisfactory information about as to whether they are harmful dusts or not, and unless we can have funds to make investigations of the silicates and other similar dusts where we also have very little information—

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COUZENS. Do I understand correctly that the Appropriations Committee accepted this increase without any itemization of the way in which the money was to be expended?

Mr. McKELLAR. The committee provided it for the purposes distinctly stated by Dr. Thompson—for investigation work in industrial hygiene, which we have just explained, and also for our National Institute of Health, in which, as he said, "we have control of biologics."

Mr. GLASS. If the Senator from Michigan will refer to page 721 of the House hearings—

Mr. COUZENS. Mr. President, I have no such copy. There is no such copy on the desk of Senators.

Mr. GLASS. I shall be glad to lend the Senator a copy.

Mr. COUZENS. I should like to have the Senator advise me concerning this matter.

Mr. GLASS. There is a break-down which appears in the hearings.

Mr. COUZENS. It does not appear in the record just how those increases are brought about.

Mr. McKELLAR. I read the break-down:

1. Bureau administration.....	\$41,795
2. Cancer investigations.....	79,030

And certainly there is nothing more important.

3. Child hygiene investigations.....	\$49,780
4. Clinical research studies.....	33,520
5. Cooperative studies.....	44,858
6. Dental studies.....	20,800
7. Dermatoses investigations.....	12,645
8. Heart disease studies.....	23,740
9. Industrial hygiene investigations.....	143,460
10. Leprosy investigations.....	21,280
11. Malaria investigations.....	87,740
12. Mental hygiene studies.....	29,040
13. Milk investigations.....	89,060
14. National Institute of Health.....	309,546
15. Nutrition studies.....	21,100

The next provision is made for a subject I cannot pronounce, but which is epidemiology. I believe I have pro-

nounced it properly. If that pronouncement is improper, any Senator who wishes to do so may correct me.

16. Poliomyelitis (epidemiology).....	\$35,985
17. Public health instruction.....	9,211
18. Public health methods.....	30,320
19. Rocky Mountain spotted fever.....	28,650
20. Statistical investigations.....	55,065
21. Stream pollution investigations.....	119,830
22. Tuberculosis investigations.....	26,200
23. Venereal disease studies.....	33,540
24. Vital statistics.....	17,130
25. Supervision of State activities—sec. 601, title 6, Social Security Act.....	109,060
26. Miscellaneous.....	7,615
27. Printing and binding.....	20,000

Mr. COUZENS. Has the Senator the total of all the items?

Mr. McKELLAR. The total is \$1,500,000.

Mr. COUZENS. May I ask the Senator, in that long list of investigations and activities to be undertaken, how many new ones there are which heretofore have not been entered into?

Mr. McKELLAR. I think all of them have been heretofore entered into.

Mr. COUZENS. I think not. I should like to be enlightened. I am not on the Appropriations Committee, but I am unofficially informed that many of the items are new undertakings on the part of the Government.

Mr. GLASS. Very likely. The appropriation for silicosis is entirely new.

Mr. HALE. Mr. President, will the Senator yield?

Mr. GLASS. I yield.

Mr. HALE. The facts are that last year the Public Health Service had, for diseases and sanitation investigation, \$1,005,000. This year the House has increased that item to \$1,155,000, or an increase of nearly \$150,000. The Senate is proposing further to increase it to \$1,500,000.

Mr. GLASS. Which was the Budget estimate.

Mr. HALE. It seems to me that if we increase last year's appropriation \$150,000, that is really all that is necessary.

Mr. KING. I think so.

Mr. HALE. That will enable them to go ahead with some of the investigations which are new, and some of the others which are continuing investigations.

Mr. McKELLAR. Some are old and some are new.

Mr. COUZENS. I should like to be informed, if the Senator from Tennessee can tell us, what are the new investigations which are undertaken. Certainly the committee members ought to know that.

Mr. McKELLAR. The investigation of silicosis is one of the new ones. Practically all of them have been carried on for the past year or two and only a very few of them are new. The investigation of silicosis is entirely new.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COPELAND. I was not present in the committee when this matter was considered. I have long held the belief that the Public Health Service ought to be either an independent department of government or placed somewhere else than in the Treasury Department. It is now only a small part of a great institution. Ever since I have been in the Congress, and before that time, I have had the impression that the Public Health Service has been robbed. What I mean by that is that there are many activities which, as I see the matter, ought to be carried on more vigorously by the Federal Government.

When I was commissioner of health in a large city of New York State, if I may refer to it, I had a larger annual appropriation than has the Public Health Service representing the entire Federal Government. Many States are doing splendid work. I happen to know that in the State of Michigan, in which I take pride because it is my native State, the Senator from that State [Mr. COUZENS] has spent millions of dollars in promoting the public health; and through his individual aid and his splendid, generous gifts that State is having the benefit of advanced work in which other States and the citizens of the whole country should share.

As I said, Mr. President, I was not present in the committee when this matter was considered. All I know about it is the statement I heard the Senator from Tennessee read just now. He spoke about industrial hygiene. If there is one thing which ought to be done in this country, it is to make certain that those who work in hazardous trades are protected.

It may well be said, "Why not leave that to the States?" Of course, the application of this knowledge must be left to the States; but somebody must originate the methods which are needed to protect society. I take it that the only function of the Federal Government is to do those things which will contribute to the welfare of the entire country.

Certainly in the case of industrial hygiene, let alone the problem of silicosis—which is tremendously important, as has been pointed out, and which has been so frequently mentioned in the press—there may be worked out devices, ways of protecting men and women who work in dusty places. There are other things by way of control of chemical fumes and other hazards which are associated with industry which may be worked out, and properly worked out, by the Federal Government for the benefit of all the people.

Then the Senator from Tennessee [Mr. McKELLAR] read about the biologics, meaning the vaccines and the serums. Progress is all the time being made in that field, and it ought to be developed.

Only recently there has been a rumor that certain diseases which have heretofore been considered to be incurable may be cured by the application of scientific remedies or agents which are developed in these central laboratories.

So, Mr. President, without knowing the particulars at all, I am convinced that we ought not to be niggardly as regards these matters, because they have to do with the human health.

We do not hesitate to vote money for hog cholera and Bang's disease—

Mr. GLASS. Which does not exist.

Mr. COPELAND. And many other ailments of animals. We talk about diseases of plant life, and are making large appropriations for the eradication of the Dutch elm disease. I am glad of it, but are we not going to do the same thing for the human beings of our country? Are we not going to do it for men, women, and babies? So far as I have any influence, I want to sustain any increased appropriation in that particular field. I am opposed to many appropriations we are making, and bitterly opposed to them, but when it comes to human health, the relief of pain and the extension of human life, I want to be on the side of those who propose adequate appropriations to promote such objectives.

Mr. GLASS. Mr. President, it may readily be admitted that the members of the Appropriations Committee, with the exception of the Senator from New York, have little or no knowledge of the science of medicine. We have to rely upon the Public Health Service for statements made. There was available to us the hearings on the House side, which are quite elaborate and which are available to any Member of the Senate who cares to study the problem. But we do not know anything about medicine, and we are unwilling to take the risk of being niggardly with appropriations when it comes to the public health. For that reason, and upon the urging of the Public Health Service, the committee recommended the increase, which is not beyond the estimate of the Budget Bureau. We have a right to assume that the Budget Bureau itself goes carefully into these matters and satisfies itself that the appropriations should be made. Frankly, I do not think the Budget Bureau knows any more about it than I do, and that is nothing.

Mr. HALE. Mr. President, I move to amend the committee amendment, in line 20, on page 37, by striking out "\$1,500,000" and inserting the figures "\$1,250,000." That will provide a 25-percent increase over what the Bureau had last year for this purpose.

Mr. GLASS. Mr. President, may I ask the Senator why he did not suggest that proposed change in the committee and give a good reason for it?

Mr. HALE. I did make the proposal in the committee, and it was defeated by a vote of 5 to 4.

Mr. GLASS. There has not been any politics in the committee at all; there has not been any division at all in the slightest degree on party lines.

Mr. HALE. I repeat that in the committee I made the exact motion which I have now made on the floor, and the motion was defeated.

Mr. GLASS. I confess that I have not any patience with trying to make politics out of appropriations for the Public Health Service or any other appropriation, so far as that is concerned. I have nothing to do with such efforts.

Mr. HALE. There is no question, Mr. President, about the action of the committee on the proposal made by me.

Mr. GLASS. The Senator could have offered his amendment in the committee, but he did not do it.

Mr. McKELLAR. Mr. President, before the Senate votes on this amendment, I wish to make a suggestion to the Senator from Michigan and the Senator from Maine concerning this appropriation.

As has been stated, the Public Health Service is vitally important to the American people, and I think it is doing a wonderful work. I should be glad if the Senator from Maine and the Senator from Michigan would visit the Earle Theater this week and see there Mr. Paul Muni's wonderful characterization of Dr. Pasteur, who was a great chemist and the leader in the science of bacteriology during his professional life in the last century beginning in the sixties and extending probably nearly to the close of the century. The picture is a remarkable one. The investigations now being made by the Public Health Service are exactly in line with the investigations that Dr. Pasteur was conducting even at that early date.

I had some doubt, as the Senator from Maine knows, about increasing this appropriation to a million and a half dollars, but after I sat through that picture I never had a doubt about what we had done concerning this particular item. The picture itself is the finest argument for the allowance of this appropriation I ever saw, and, of course, it had no possible connection with it except that, as everybody knows, Dr. Pasteur in his researches in bacteria developed the germ theory of the transmission of disease and initiated the serum treatment which had much to do with stamping out hydrophobia.

So I am sure that if the Senators referred to, who are complaining of this increase in the appropriation of \$340,000, will go to the theater mentioned and see that picture they will change their minds about the matter and probably want to increase instead of diminishing the appropriation.

Mr. COUZENS obtained the floor.

Mr. GLASS. Mr. President—

Mr. COUZENS. Mr. President, if the Senator from Virginia will desist for a few moments, I should like to make it plain that I am in no sense criticizing the amount of money proposed to be spent for the purposes which were amplified by the Senator from New York, but I submit that if Senators will read from line 4 to line 20, inclusive, on page 37 of the bill they will not find a word within that whole paragraph which indicates how this money is going to be spent and where. I have tried to get an explanation—

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Virginia?

Mr. COUZENS. I should like to complete my statement before I yield to the Senator.

Mr. GLASS. I thought I had yielded to the Senator from Michigan?

Mr. COUZENS. I understood that I was recognized, and I am speaking in my own time.

The PRESIDING OFFICER. The Senator from Michigan was recognized and holds the floor in his own right.

Mr. COUZENS. I raised this question because of the ambiguity of this particular provision. If Senators will read it, they will find, beginning in line 4, it says:

Diseases and sanitation investigations: For carrying out the provisions of section 603 of the Social Security Act, approved August 14, 1935—

Then there are incorporated in the same paragraph appropriations for the Public Health Service. The Senator from New York and no other Senator can tell from reading that paragraph how much of the appropriation is to be devoted to carrying out the Social Security Act of 1935 and how much is to go to the other provisions as applied to the Public Health Service. If the Senator from New York will explain to the Senate what proportion of the \$1,500,000 is going to the services he recommends, I will be entirely in favor of leaving the appropriation as it stands.

Mr. COPELAND. Mr. President, the Senator has appealed to me—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from New York?

Mr. COUZENS. I yield.

Mr. COPELAND. While, of course, as I said awhile ago, I am a member of the Appropriations Committee, I have been engaged on various hearings on the ship-subsidy bill, and I was not present in that committee; but I assume, according to the long-established practice of the Appropriations Committee, that the hearings indicate how the money is to be expended.

I understand the attitude of the Senator from Michigan. He is not opposing this item if it can be shown that the money is actually going to be used for some human benefit. I think it is incumbent upon the committee to reassure the Senator from Michigan that that is the case.

So far as I am concerned, since the Senator has yielded to me for a moment, let me say that I would rather have some money, say half a million dollars, used for the protection of the human family than to have 50,000 Passamaquoddy Bay projects voted on and public money used for them in the United States or elsewhere. It is human relief in which I am interested, as I know the Senator from Michigan is. I think he makes a proper appeal to the committee when he asks for what purpose the money is to be used.

Mr. COUZENS. Mr. President, I should like to continue for a moment, although, if the Senator from Tennessee will tell me, I will yield to him and await his explanation. However, a reading of the entire paragraph indicates that the appropriation is all confused with the Social Security Act and the Public Health Service. There is no division showing which department is going to spend the money; but there is a broad authority for spending a million and a half dollars without any specifications whatsoever. In other words, if I read the section correctly, the whole million and a half dollars may be spent to buy passenger-carrying automobiles; it may be spent for the transportation of personal effects of commissioned officers; it may be spent for any one of the enumerated objects within that paragraph; and there is not a word to indicate how much is going to be spent for human welfare, to which the Senator from New York so well refers.

I think that before we do this thing we are entitled to know where the money is going. We all know the incompetency and inefficiency of most bureaus, regardless of whether they are conducted by Democrats or Republicans. I am rather surprised that the Senator from Virginia should indicate that there was any politics in this matter so far as I am concerned, because I am not half so much a partisan as is the Senator from Virginia, for I vote sometimes with the Democrats and sometimes with the Republicans. So far as my interest in this matter is concerned, it is in no sense partisan.

I will yield to the Senator from Tennessee or to the Senator from Virginia, if either one will tell me what part of the million and a half dollars is to be used for purposes contemplated by the Social Security Act, what part of it is to be used for the Public Health Service, and how much of it is to be used for automobiles under the wide expanse of authority that is granted by this paragraph of the bill.

Mr. GLASS. Mr. President, I have been a member of the Committee on Appropriations since the first day I entered the Senate, and, so far as I can recall, it has never been the practice of the Appropriations Committee to set forth in detail in the appropriation bill every item for which the money is to be used. On the other hand, there are 200

pages of testimony relating to this appropriation of \$1,500,000 and other items included in the bill. That testimony is accessible to any Senator who is interested in the matter.

It seems to me an extraordinary contention that the committee should include all these details in an appropriation bill. It never has been done, and I do not imagine it ever will be done.

As to partisanship, I do not intend to get into any controversy with the Senator from Michigan beyond saying that when I get out on the stump in a campaign no one can be more partisan than I have been and intend to be hereafter, but I challenge any one of my colleagues to point to a sentence I have ever uttered in the Senate of a partisan nature in the consideration of public questions. I have not accused the Senator from Michigan of doing anything of the kind, because I have as great respect for him as for any Senator in this body.

Mr. President, I want to apologize profoundly to the Senator from Maine [Mr. HALE] for saying awhile ago that he did not offer the proposal in the committee. He did offer it in committee. I had failed to recollect it and I apologize to my friend for saying he did not. I was misled by his talk about a 4-to-5 vote. I thought he was trying to separate the sheep from the goats, and I am not going even to say which were the sheep and which were the goats. [Laughter.]

Mr. HALE. I thank the Senator.

Mr. McKELLAR. Mr. President, the Senator from Michigan said perhaps all this money could be spent for automobiles. I call his attention to the wording of this provision in line 17, page 37, of the pending bill:

And including the purchase (not to exceed \$5,000), exchange, maintenance, repair, and operation of passenger-carrying automobiles for official use in field work.

Out of the \$1,500,000 only \$5,000 may be spent for automobiles under the very wording of the bill itself.

As to what the appropriation is going to be used for, that is stated in section 603 (a) of the Social Security Act, a copy of which I have before me, and in order that the Senator may have the facts about it, I desire to read that section, as follows:

Sec. 603. (a) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$2,000,000 for expenditure by the Public Health Service for investigation of disease and problems of sanitation (including the printing and binding of the findings of such investigations), and for the pay and allowances and traveling expenses of personnel of the Public Health Service, including commissioned officers, engaged in such investigations or detailed to cooperate with the health authorities of any State in carrying out the purposes specified in section 601: *Provided*, That no personnel of the Public Health Service shall be detailed to cooperate with the health authorities of any State except at the request of the proper authorities of such State.

(b) The personnel of the Public Health Service paid from any appropriation not made pursuant to subsection (a) may be detailed to assist in carrying out the purposes of this title. The appropriation from which they are paid shall be reimbursed from the appropriation made pursuant to subsection (a) to the extent of their salaries and allowances for services performed while so detailed.

(c) The Secretary of the Treasury shall include in his annual report to Congress a full account of the administration of this title.

If the Senator will take that language and the language on page 721 of the record, which I have already read, he will find it is as specific as any appropriation in this bill, or, perhaps, in any other bill.

Mr. COUZENS. This question may settle the matter in my own mind: What proportion, if any, is going to be spent by the Social Security Commission and what proportion by the Public Health Service, or is it all to be spent by the Public Health Service?

Mr. McKELLAR. It is all to be spent by the Public Health Service. The appropriation of \$1,500,000 we are now making is to be spent for the public-health work as outlined in the Social Security Act, section 603. There the Senator will find a direct authorization of an appropriation of \$2,000,000, and the appropriation here made is less than the authorization.

Mr. COUZENS. What I am trying to get at, and I think the Senator will not object to giving me the information, is what proportion of the \$1,500,000 is to be spent for carrying out the Social Security Act, or whether it is all to be spent for that purpose, or whether some of it is to be spent for activities previously authorized.

Mr. McKELLAR. For the activities previously authorized, and then an addition was made covering the activities authorized in section 603 of the Social Security Act. It all comes under the head of "disease and sanitation investigations." It is left to the Public Health Service to make these investigations and report to Congress. They are required to report to Congress what they do.

Mr. COUZENS. I am still unable to get an answer to my question. How much of the \$1,500,000 is to be spent under section 603 of the Social Security Act—all of it?

Mr. McKELLAR. Oh, no.

Mr. COUZENS. That is what I want to know.

Mr. McKELLAR. It is to be spent under the very terms of the act.

Mr. COUZENS. I think the Senator still does not understand the point I am endeavoring to make.

Mr. McKELLAR. Yes, I do. It is to be spent for the purpose of carrying out the provisions of section 603 of the Social Security Act approved August 4, 1935, and section 1 of the act approved August 14, 1912. The bill does not say how much shall be spent under the old act nor does it say how much shall be spent under the new act. The Public Health Service is given the \$1,500,000 to spend under the two acts according to their discretion, with the exception which I have explained in answer to the Senator's inquiry about automobiles. His statement in that regard was incorrect because only \$5,000 of the amount may be spent for automobiles.

Mr. COUZENS. I understand the Appropriations Committee does not know how much of the \$1,500,000 is to be spent under the pending bill.

Mr. McKELLAR. It is not stated. The most the committee can do is to give the 27 items showing the break-down indicating how the money is to be spent.

Mr. GLASS. Oh, no! If the Senator will refer to the hearings, he will find there are 4 pages giving in detail how the money is to be spent.

Mr. McKELLAR. That is in the Budget.

Mr. GLASS. Yes; it is in the Budget, but it was placed in the hearings of the committee and shows the salary of each official employed, and for what the money is to be spent. It is available to any Senator.

Mr. COUZENS. May I ask the Senator from Virginia if, under the pending bill, the administration would be justified in using the money in any other way than is specified in the Budget?

Mr. GLASS. I should say they would not be.

Mr. COUZENS. It seems to me, from the language of the bill, that they would be so justified, and that is one of the points I am trying to clear up. I am still trying to find out how much of this money is to be spent under the new Social Security Act which was passed last year.

Mr. BYRNES. Mr. President, I may be of some assistance to the Senator from Michigan by calling attention to the fact that a statement contained in the House hearings itemizes the \$1,500,000. Among those items, 27 in number, is one for "supervision of State activities, section 601, title 6, Social Security Act, \$109,060." No other item indicates that it is specifically for the Social Security Act. Other items are set forth. I shall be glad to hand that statement to the Senator as it appears in the House hearings.

Mr. COUZENS. The Senator from South Carolina has answered the question I have been trying to get answered as to how much of this appropriation is to be used for carrying out the Social Security Act and how much to carry out the old objectives of the Public Health Service.

Mr. McKELLAR. I read from the House hearings at page 721, and read that very language to the Senator at the time. He overlooked it.

Mr. COUZENS. No; I do not overlook it. The Senator did not point out that that was the only item in the whole list which was applicable to the Social Security Act, while the Senator from South Carolina did so point it out.

Mr. McKELLAR. I am very much obliged to the Senator from South Carolina for making that specific, but I did read the following:

Supervision of State activities, section 601, title 6, Social Security Act.

Mr. HALE. Mr. President, the Senator from Michigan has referred to the inefficiency of many of the bureaus of the Government.

I do not think the Public Health Service are in any way inefficient. I think they do excellent work. I believe, however, that they can get along for the coming year with an increase of 25 percent over what they had last year.

The Senator from South Carolina [Mr. BYRNES] has shown that the Public Health Service need \$109,000 to carry out certain provisions of the Social Security Act. The House has already given them nearly \$150,000 more than they had last year. My amendment gives them nearly \$100,000 in addition to that. It seems to me a 25-percent increase ought to enable them to operate for the coming year.

We know that all activities of the Government desire to increase their scope; and the more we give them, the more they want. I think we should hold them down to a reasonable basis, and I think my amendment does that.

I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maine [Mr. HALE] to the amendment of the committee.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Costigan	Lewis	Robinson
Bachman	Couzens	Logan	Russell
Bailey	Davis	Lonergan	Schwellenbach
Barbour	Dieterich	Long	Sheppard
Barkley	Donahay	McAdoo	Shipstead
Benson	Duffy	McGill	Smith
Bilbo	Fletcher	McKellar	Steiwer
Black	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Bulkley	Glass	Minton	Trammell
Bulow	Gore	Moore	Truman
Burke	Guffey	Murphy	Tydings
Byrd	Hale	Murray	Vandenberg
Byrnes	Harrison	Neely	Van Nuys
Capper	Hatch	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh
Carey	Holt	O'Mahoney	Wheeler
Clark	Johnson	Overton	White
Connally	Keyes	Pope	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

The question is on the amendment offered by the Senator from Maine [Mr. HALE] to the amendment of the committee. [Putting the question.] By the sound the "noes" seem to have it.

Mr. HALE. I call for a division.

On a division, the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, under the subhead "Bureau of the Mint—Office of Director of the Mint", at the top of page 39, to insert:

For the establishment, equipment, and maintenance of an assay office at Helena, Mont., \$22,000, to be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division—Public Buildings Branch", on page 39, line 21, after the word "societies", to insert "and educational exhibits", and on page 40, line 3, after the word "advertis-

ing", to insert "expenses of educational exhibits, specifically approved by the Secretary of the Treasury", so as to read:

General administrative expenses: For architectural engineering, mechanical, administrative, clerical, and other personal services, traveling expenses, including expenses of employees directed by the Secretary of the Treasury to attend meetings of technical and professional societies and educational exhibits in connection with subjects related to the work of the Division of Procurement, Public Buildings Branch, and transportation of household goods, incident to change of headquarters of all employees engaged in field activities, not to exceed 5,000 pounds at any one time, together with the necessary expenses incident to packing and draying same; advertising, expenses of educational exhibits, specifically approved by the Secretary of the Treasury, testing instruments, law books, books of reference, technical periodicals and journals, drafting materials, especially prepared paper, typewriting machines, adding machines, and other mechanical labor-saving devices, and exchange of same, carpets, electric-light fixtures, furniture, equipment, and repairs thereto, telegraph and telephone service, freight, expressage, and postage incident to the transportation of drawings to and from the office and such other contingencies, articles, services, or supplies as the Secretary of the Treasury may deem necessary and specially order or approve in connection with any of the work of the Procurement Division, Public Buildings Branch; rent in the District of Columbia and elsewhere, including ground rent of the Federal building at Salamanca, N. Y., for which payment may be made in advance, \$920,000; of which amount not to exceed \$494,940 may be expended for personal services in the District of Columbia and not to exceed \$289,060 for personal services in the field.

The amendment was agreed to.

The next amendment was, under the subhead "Procurement Division—Branch of Supply", on page 48, after line 15, to insert:

With the approval of the Director of the Bureau of the Budget, there may be transferred to the appropriations, "Salaries, Office of Treasurer of United States, 1937", "Contingent expenses, Treasury Department, 1937", "Printing and binding, Treasury Department, 1937", and "Stationery, Treasury Department, 1937", from funds available for the Agricultural Adjustment Administration, Home Owners' Loan Corporation, Farm Credit Administration, Tennessee Valley Authority, Federal Farm Mortgage Corporation, and Reconstruction Finance Corporation, such sums as may be necessary to cover the expenses incurred in clearing of checks, servicing of bonds, handling of collections, and rendering of accounts therefor: *Provided*, That a statement of any transfers of appropriations made hereunder shall be included in the annual Budget.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Post Office Department—Salaries in bureaus and offices", on page 50, line 6, to strike out "\$360,000" and insert "\$372,270", so as to read:

Office of the First Assistant Postmaster General, \$372,270.

The amendment was agreed to.

The next amendment was, on page 50, line 8, to strike out "\$566,040" and insert "\$573,580", so as to read:

Office of the Second Assistant Postmaster General, \$573,580.

The amendment was agreed to.

The next amendment was, on page 50, line 10, to strike out "\$766,440" and insert "\$771,860", so as to read:

Office of the Third Assistant Postmaster General, \$771,860.

The amendment was agreed to.

The next amendment was, on page 50, line 12, to strike out "\$442,800" and insert "\$452,200", so as to read:

Office of the Fourth Assistant Postmaster General, \$452,200.

The amendment was agreed to.

The next amendment was, on page 50, line 14, to strike out "\$81,000" and insert "\$81,280", so as to read:

Office of the Solicitor for the Post Office Department, \$81,280.

The amendment was agreed to.

The next amendment was, on page 50, line 15, after the word "inspector", to strike out "\$201,380" and insert "\$216,000", so as to read:

Office of the chief inspector, \$216,000.

The amendment was agreed to.

The next amendment was, on page 50, line 16, after the word "agent", to strike out "\$40,880" and insert "\$42,000", so as to read:

Office of the purchasing agent, \$42,000.

The amendment was agreed to.

The next amendment was, on page 50, line 17, after the word "Accounts", to strike out "\$103,000" and insert "\$106,860", so as to read:

Bureau of Accounts, \$106,860.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Post Office Department", on page 51, line 17, after the word "for" and the semicolon, to strike out "\$81,000" and insert "\$85,000", so as to read:

For contingent and miscellaneous expenses; stationery and blank books, index and guide cards, folders and binding devices, including purchase of free penalty envelopes; telegraph and telephone service, furniture and filing cabinets and repairs thereto; purchase, exchange, maintenance, and repair of tools, electrical supplies, typewriters, adding machines, and other labor-saving devices; maintenance of motor trucks and of two motor-driven passenger-carrying vehicles, to be used only for official purposes (one for the Postmaster General and one for the general use of the Department); street-car fares; floor coverings; postage stamps for correspondence addressed abroad, which is not exempt under article 47 of the London convention of the Universal Postal Union; purchase and exchange of law books, books of reference, railway guides, city directories, and books necessary to conduct the business of the Department; newspapers, not exceeding \$200; expenses, except membership fees, of attendance at meetings or conventions concerned with postal affairs, when incurred on the written authority of the Postmaster General, not exceeding \$2,000; expenses of the purchasing agent and of the Solicitor and attorneys connected with his office while traveling on business of the Department, not exceeding \$800; and other expenses not otherwise provided for; \$85,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Chief Inspector", on page 54, after line 3, to strike out:

Salaries of inspectors: For salaries of 15 inspectors in charge of divisions and 560 inspectors (including 20 additional inspectors for the fiscal year 1937), \$2,176,000.

And in lieu thereof to insert:

Salaries of inspectors: For salaries of 15 inspectors in charge and 15 assistant inspectors in charge of divisions and 625 inspectors, \$2,425,000.

The amendment was agreed to.

The next amendment was, on page 54, line 13, after the word "charge", to insert "assistant inspectors in charge", and in line 24, after the word "Service", to strike out "\$573,000" and insert "\$650,000", so as to read:

Traveling and miscellaneous expenses: For traveling expenses of inspectors, inspectors in charge, assistant inspectors in charge, the chief post-office inspector, and the assistant chief post-office inspector, and for the traveling expenses of four clerks performing stenographic and clerical assistance to post-office inspectors in the investigation of important fraud cases; for tests, exhibits, documents, photographs, office, and other necessary expenses incurred by post-office inspectors in connection with their official investigations, including necessary miscellaneous expenses of division headquarters, and not to exceed \$500 for technical and scientific books and other books of reference needed in the operation of the Post Office Inspection Service, \$650,000.

The amendment was agreed to.

The next amendment was, on page 55, line 4, after the word "of", to strike out "159" and insert "194", and in line 6, after the word "headquarters", to strike out "\$446,100" and insert "\$465,000", so as to read:

Clerks, division headquarters: For compensation of 194 clerks at division headquarters, \$465,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the First Assistant Postmaster General", on page 56, line 4, after the words "fourth class", to strike out "\$47,500,000" and insert "\$48,000,000", so as to read:

Compensation to postmasters: For compensation to postmasters, including compensation as postmaster to persons who, pending the designation of an acting postmaster, assume and properly perform the duties of postmaster in the event of a vacancy in the office of postmaster of the third or fourth class, and for allowances for rent, light, fuel, and equipment to postmasters of the fourth class, \$48,000,000.

The amendment was agreed to.

The next amendment was, on page 56, line 8, after the word "offices", to strike out "\$6,750,000" and insert "\$6,800,000", so as to read:

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, \$6,800,000.

The amendment was agreed to.

The next amendment was, on page 56, line 13, after the word "substitutes", to strike out "\$186,500,000" and insert "\$187,500,000", so as to read:

Clerks, first- and second-class post offices: For compensation to clerks and employees at first- and second-class post offices, including auxiliary clerk hire at summer and winter post offices, printers, mechanics, skilled laborers, watchmen, messengers, laborers, and substitutes, \$187,500,000.

The amendment was agreed to.

The next amendment was, on page 57, line 15, after the word "Service", to strike out "\$124,500,000" and insert "\$135,300,000", so as to read:

City delivery carriers: For pay of letter carriers, City Delivery Service, \$135,300,000.

The amendment was agreed to.

The next amendment was, on page 57, line 17, after the word "messengers", to strike out "\$7,000,000" and insert "\$7,250,000", so as to read:

Special-delivery fees: For fees to special-delivery messengers, \$7,250,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Second Assistant Postmaster General", on page 57, line 25, after the name "Alaska", to strike out "\$207,245" and insert "\$450,000", so as to read:

Star-route service, Alaska: For inland transportation by star routes in Alaska, \$450,000.

The amendment was agreed to.

The next amendment was, on page 58, line 17, after the words "sum of" to strike out "\$31,550" and insert "\$33,050", so as to read:

Railroad transportation and mail messenger service: For inland transportation by railroad routes and for mail messenger service, \$102,000,000: *Provided*, That not to exceed \$1,500,000 of this appropriation may be expended for pay of freight and incidental charges for the transportation of mails conveyed under special arrangement in freight trains or otherwise: *Provided further*, That separate accounts be kept of the amount expended for mail messenger service: *Provided further*, That there may be expended from this appropriation for clerical and other assistance in the District of Columbia not exceeding the sum of \$60,922 to carry out the provisions of section 5 of the act of July 28, 1916 (U. S. C., title 39, sec. 562) (the space basis act), and not exceeding the sum of \$33,050 to carry out the provisions of section 214 of the act of February 28, 1925 (U. S. C., title 39, sec. 826) (cost ascertainment).

The amendment was agreed to.

The next amendment was, on page 60, line 7, after the word "otherwise", to strike out "(exclusive of mail carried under contracts awarded under the provisions of the Merchant Marine Act of 1928), \$9,450,000" and insert "\$14,300,000"; in line 10, after the word "exceed", to strike out "\$7,962,500" and insert "\$8,230,000"; and in line 13, after the words "excess of", to strike out "\$7,962,500" and insert "\$8,230,000", so as to read:

Foreign mail transportation: For transportation of foreign mails by steamship, aircraft, or otherwise, \$14,300,000: *Provided*, That not to exceed \$8,230,000 of this sum may be expended for carrying foreign mail by aircraft under contracts which will not create obligations for the fiscal year 1938 in excess of \$8,230,000: *Provided further*, That the Postmaster General is authorized to expend such sums as may be necessary, not to exceed \$165,000, to cover the cost to the United States for maintaining sea-post service on ocean steamships conveying the mails to and from the United States, including the salary of the Assistant Director, Division of International Postal Service, with headquarters at New York City.

Mr. COPELAND obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. McNARY. The Senator now is about to address himself to the transportation item?

Mr. COPELAND. I am.

Mr. McNARY. That involves the foreign-mail service?

Mr. COPELAND. It does.

Mr. McNARY. I think it is important; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Reynolds
Bachman	Couzens	Logan	Robinson
Bailey	Davis	Loneragan	Russell
Barbour	Dieterich	Long	Schwellenbach
Barkley	Donahay	McAdoo	Sheppard
Benson	Duffy	McGill	Shipstead
Bilbo	Fletcher	McKellar	Smith
Black	Frazier	McNary	Steiwer
Bone	George	Maloney	Thomas, Okla.
Borah	Gibson	Metcalf	Thomas, Utah
Bulkley	Glass	Minton	Townsend
Bulow	Gore	Moore	Trammell
Burke	Guffey	Murphy	Truman
Byrd	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hatch	Norbeck	Van Nuys
Caraway	Hayden	Norris	Wagner
Carey	Holt	O'Mahoney	Walsh
Clark	Johnson	Overton	Wheeler
Connally	Keyes	Pittman	White

The PRESIDING OFFICER (Mr. GEORGE in the chair). Eighty-eight Senators having answered to their names, a quorum is present.

The question is on agreeing to the committee amendment on page 61, beginning in line 4.

Mr. COPELAND. Mr. President, in order that this matter may be understood by all of us, I desire to ask whether my interpretation of the amendment pending, and those immediately following, is correct. As I understand the matter, the amendment on page 61, beginning in line 4 and going through line 11, strikes out of the bill the appropriation which has been made since 1928 for ocean-mail contracts. If that amendment were adopted, in connection with those on the preceding page, it would mean that hereafter no money would be provided for ocean-mail contracts, that the mail would be carried on the poundage basis, and an appropriation of four or five million dollars would be made, sufficient to pay the poundage. Have I stated the matter correctly?

Mr. GLASS. Yes; except that I would not say that it is correct to state that no appropriation will be made. No appropriation will be made in the pending bill for ship-subsidy purposes.

Mr. COPELAND. I am glad the Senator makes the statement; indeed, my purpose in rising to speak is to ascertain what is in the mind of the committee. I have to present an alibi as to this item, as I did before. I was not present at the meeting of the Committee on Appropriations when this was considered, but, of course, was advised as to what had been done.

If the amendment on page 61, line 4, shall prevail, and the House shall agree to it, and no ship-subsidy legislation or substitute provision for the support of the merchant marine shall be adopted, what, in the opinion of the committee, will be the effect upon the merchant marine?

Mr. GLASS. It was the opinion of the committee that in that event the amount deducted from the pending bill would very likely be included in the next deficiency bill for the merchant marine.

Mr. COPELAND. Mr. President, I have this to say about the procedure. I do not rise to start any discussion or to make any fight for the holders of mail contracts. I am in full sympathy with the plan which has been put forward by the President to be frank with the public and openly to admit that we are paying a sum out of the Treasury to establish parity. This is essential in order that American ships may compete with their foreign rivals in such manner as to maintain our standards of American living, also to build ships in American shipyards, paying the difference occasioned by the American cost, which goes to American labor. I am in favor of that plan; but I will now state what causes me concern about the matter.

As the matter stands under the present law and under the existing arrangement, putting it very crudely, we have a club over those steamship lines which have ocean-mail contracts. In my judgment it would make it easier to deal with the problem confronting us if we had this appropria-

tion in the background. On the other hand, it may be that by striking out the appropriation we will put the ship lines on notice that they must conform to a new system.

Mr. President, I was shocked yesterday. There was a hearing before the Committee on Commerce on the subject of subsidy legislation. This is what surprised me: In spite of the fact that the shipowners are on notice by the action of the committee making the report which is reflected in the pending bill, through the Steamship Owners Association they came to us with a 23-page argument, which for about 20 pages I thought was a very appropriate and proper argument; it laid down proposals for amendments to or improvement of the pending bills. But the last two pages of the argument were, in effect, an insistence that the old plan be carried on.

My distinguished friend from Maine [Mr. WHITE], co-author of the Jones-White Act, holds a view which I share—that, properly administered, the Jones-White Act would build up an American merchant marine. It has done a good deal. What arouses me, however, is the fact that the shipowners do not realize that that act is out of the window. No one on this floor is more convinced than am I of the fact that the old act is dead. But I know that we cannot have ships built and operated under the American flag unless we do one of two things: Either we shall have to provide funds out of the Treasury to establish parity in building and parity in operation between American standards and foreign standards, either that money will have to be taken out of the Treasury or, if we are not satisfied to do that and still wish to maintain an American merchant marine, it must be done by Government building and operation. I do not think anyone within the sound of my voice will dispute that statement.

Of course, to me, Mr. President, it is unthinkable that we should go back to Government ownership and operation. We had that system after the war, and we miserably failed. Just before the war and during the war the Federal Government spent \$4,000,000,000 in building ships. Four billion dollars! The war ended, and we had them on our hands, and we now have hundreds of them on our hands. They were ships which were built to meet war emergencies, for transporting troops and transporting supplies. They were absolutely unsuited to the needs of modern commerce. But we attempted to make use of those ships. We tried to induce private corporations to buy them and operate them; but finally we were forced to enter into contracts with private parties for the operation of the ships. In very recent years, just before the enactment of the Jones-White Act, between 1920 and 1928, the operating losses of the Government fleet amounted to as much as \$100,000,000. If there ever was an example of the fallacy of Government ownership and operation of the merchant marine, here is the finest example I know.

Mr. President, I know there are Members of the Senate, men whom I love and honor, who think that the way we should handle the merchant marine now is by building ships, chartering the ships if we can find persons to hire them, or, if not, operating them ourselves. Sometime in the near future we shall have to fight out that issue; and we have very formidable opponents, I am sure.

What we are proposing to do by the amendment on page 61 is to wipe out the appropriation we have made year after year, to carry out solemn contracts we have made with ship operators.

As I said in the beginning, I am not here in an attempt to defend the contracts. It has been charged that all of them are fraudulent or that most of them are. It has been charged that many of them are the result of collusion and fraud. Of course I should have to ask, if that is true, Why has not the Department of Justice long since exercised its duty to bring about cancellation? Why has not the Comptroller General refused to honor these checks? The President for 2 years past has had the power of cancellation by an amendment to the Independent Offices Appropriations Act of nearly 3 years ago, permitting him by or before a certain date to cancel the contracts; and then last year we extended the time, so that he has until the 31st of the cur-

rent month in which to cancel them. If the contracts were entered into by collusion, or if they are fraudulent, unlawful, illegal, immoral, or indecent, why have they not been canceled? They have not been. They are in existence.

If we take the action proposed by the amendment on page 61, we shall place the Government in the position of repudiating 42 contracts. In the absence of any effective legislation between now and the 30th of June, and a readjustment which will make possible voluntarily turning back the contracts to the Government, on the 1st day of July the Government of the United States will be in the position of repudiating 42 contracts upon which we are pledged as a Government to pay \$26,500,000 a year.

Mr. President, if that should be the result of this bill, it would be infinitely worse than what was done with reference to gold, because, if I recall correctly, the owner of the gold dollar got 59 cents; his contract was reduced less than half. By this act we shall totally, absolutely, and fully cancel and repudiate the contracts upon which we have entered.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. In the light of the testimony which was taken by the committee, of which I was a member, and which resulted in the cancellation of a large number of the air-mail contracts—and the evidence showed, as I recall, that there was ground for challenging the validity of some of the contracts with the steamship companies—was not some action taken by the Postmaster General looking to a cancellation or modification of contracts which had been entered into with some of the shipping companies?

Mr. COPELAND. I have no knowledge whatever of the air contracts. I know nothing about the air contracts; but by the action of the committee referred to by the able Senator from Utah, everybody concerned was put on notice that it was the opinion of his committee that many of these ocean-mail contracts were fraudulent, that collusion entered into their formation, and that in consequence they were illegal.

I think the Senator had not yet returned to the Chamber; I know he was at an important committee meeting; but I had suggested that the power has resided in the President of the United States for nearly 3 years to cancel one or all those contracts or to modify them. That was provided in the act of Congress passed in June 1933. All the time, too, the Attorney General's office has been on notice that it was the opinion of the committee that these were improper contracts, and the Comptroller General all this time has paid the checks. If they were illegal, if they were fraudulent, why have they not been canceled?

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. What action was taken by the Postmaster General in the light of the testimony that was elicited by the committee to which I refer? The point I am getting at is, my understanding was that he challenged the legality of some of these contracts—I shall not state the reasons why he did so—and that, as a result of his challenge, some composition was entered into between the holders of the contracts and the Government under the terms of which they were permitted to operate for a limited period of time.

Mr. COPELAND. It is very interesting, Mr. President, that, with the exception of one contract, which was recently canceled by agreement between one shipping line and the Postmaster General—and not on the basis of what the Senator has in mind—every single contract today, so far as I know, is exactly where it was when the committee began its work. Not one has been changed; not one has been modified. There has been no competition of differences. The contracts are exactly where they were when the committee started its work.

The conclusion of this matter, as I see it, is this: Every agency of the Government has been put on notice about these contracts, but no one in authority has done anything about them. I think I voice the sentiment of the Senator from Maine [Mr. WHITE], who knows more about shipping certainly than I do, and, I believe, more than all the rest

of us do, and who sat through all the hearings and debates in 1928, as I did in the Commerce Committee of the Senate—he was then in the House—when I say that these contracts are legal contracts. I will ask the Senator from Maine if I am right in so stating?

Mr. WHITE. Mr. President, if the Senator will yield, I wish to thank him for his very gracious reference to me. It is true that I sat through the hearings before the so-called Black committee, and I read, I think, in their entirety, the reports of the Postmaster General to the President. In my opinion, there is doubt as to the legality of only one of these contracts; and it is an interesting thing when one studies the report of the Postmaster General to find that, while he expresses the opinion that many of the contracts were illegally entered into, while he expresses the opinion that many of the contracts should be modified, he does not, in his report to the President, affirmatively recommend the cancellation of the contracts.

Mr. COPELAND. I am sure the Senator from Maine has stated the case exactly as it is. There have been charges heralded all over the country and repeated abroad—for shipping is a matter of interest to every country—that these contracts are unlawful and fraudulent; and yet, Mr. President, for nearly 3 years there reposed power in the President—and that power is in his hands now, and will be until the 31st of March—so that any day, any moment he could cancel or modify any one of those contracts. He could tender to the holder of a contract a sum of money which the President, in his judgment, believed the holder to be entitled to by reason of the modification or cancellation, and then, under the law, the contractor could go to the Court of Claims and make an effort to collect more. But it has not been done.

Now the question arises—and my only purpose in talking about it is to get the consensus of the Senate—is it wise now to take an action which may result, whether we pass subsidy legislation or not, in a very serious embarrassment to the American merchant marine? Why do I say that? It is utterly impossible to operate our ships without Government aid. We have established the policy of extending aid, and if the subsidy bill which I myself presented to the Senate the first day of the session, and which since that time has been modified by conferences between the Post Office Department and the Commerce Department and the White House, were to be passed as written, we will say by the first of April, under its terms—and in this particular the terms of the other bills which are pending, the Guffey bill and the Gibson bill, are identical—the President then must select the personnel of the maritime authority. Under my bill, if the Senate will forgive me for speaking of it in that way—I really do so to designate it; I do not think I have any particular pride in its present form, but I take ownership of it for a moment—under my bill provision is made for a maritime authority of three members. Under the Guffey bill it is to be composed of five members. I have forgotten what number is provided in the Gibson bill, but I think it is five. After the enactment of the bill, the President then must select under my bill three men, and the restrictions are so great they cannot be shipping men. No one who has ever seen an ocean would be eligible. I mean to say if he has been connected with shipping in any way for 3 years past he would not be eligible. The President would have to find men; and their names would have to come to the Senate for confirmation.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH. I assume from what the Senator has said that he believes his bill, the merchant-marine bill, has some relationship to the present subject matter?

Mr. COPELAND. An intimate relationship.

Mr. WALSH. So I understand. Now, I should like to ask the Senator if he thinks there is very much likelihood of his bill being enacted into law at the present session?

Mr. COPELAND. Well, Mr. President, I know what a determined group can do. I recall what was done in 1922, I think

it was, by a group of "Young Turks", who I think were new Members of the Senate.

Mr. WALSH. I will relieve the Senator from embarrassment.

Mr. COPELAND. No; I do not want to be relieved; I want to answer.

Mr. WALSH. Is it not a fact that what action should be taken upon the pending amendment depends upon whether the so-called merchant marine bill is to be passed?

Mr. COPELAND. One hundred per cent.

Mr. WALSH. That is what I thought, but up to date it is impossible to forecast what the outcome will be. I am only asking these questions to get the Senator's viewpoint. I do not wish to embarrass him.

Mr. COPELAND. The question the Senator asks me is somewhat embarrassing.

Mr. WALSH. Then I will withdraw it.

Mr. COPELAND. No; the Senator need not do that. But there is a rule that the White House shall not be quoted. There is no such rule so far as anything I may say is concerned. Now, in order that the Record may be complete—

Mr. WALSH. The rule applies to the Senator but not to the White House?

Mr. COPELAND. That is correct, but here is the situation: Let me tell the Senate all I know about it. Last year—

Mr. WALSH. I really do not want to divert the Senator from the course of his argument.

Mr. COPELAND. I want to answer the question, because I want the Senate to know the facts.

Mr. WALSH. My purpose was to ascertain whether the Senator's bill can be eliminated from any consideration as to what we should do at this time in connection with the pending matter.

Mr. COPELAND. The Senator must not be impatient with me if I hem and haw a little bit. He realizes, of course, my embarrassment.

Mr. President, last year we finally reached what we called the "star print" of the ship-subsidy bill. We had exhausted all the earthly numbers and so we went to the heavenly atmosphere to get a name for the bill, and we called it a "star print." The "star print" was the subject of conferences between the Post Office Department and the Commerce Department all through the summer.

I think the President was entirely right in desiring to have the departments having to do with the matter compose their differences. That was expected. So the conferences went on all through the summer and through the fall, but they could not get anywhere.

Then, in December, with the aid of certain experts, we prepared the bill which was reported and which is now Senate bill 3500. That bill did not prove to be satisfactory to the Post Office Department or the Commerce Department, particularly the Post Office Department, where they have all the genius and knowledge relating to the American merchant marine.

In the preparation of the last bill I deliberately chose to exclude from it everything that was not mentioned in the President's message of last year. I took his message as a yardstick, with one or two very slight exceptions which perhaps my friend from Missouri [Mr. CLARK] might think were vital; but still it was not acceptable. Through all the winter and springtime there has been discussion. I think the action of the Appropriations Committee in taking the stand it did finally hastened matters to the point where it was thought it was an acceptable bill.

The bill was brought to me by the Postmaster General and the Secretary of Commerce and was received by me with the impression that it was a part of the administration program.

Mr. McKELLAR. Was it approved by both Departments?

Mr. COPELAND. Yes.

Mr. BLACK. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Alabama?

Mr. COPELAND. I yield.

Mr. BLACK. I do not understand that the Senator desires to leave the impression with the Senate that it has been approved by the President?

Mr. COPELAND. If the Senator had been present to hear my whole statement, he would realize that I was contending that the bill was brought to me by those representatives to whom I have referred, and I was given the very decided impression that now the bill was satisfactory.

Mr. BLACK. To whom?

Mr. COPELAND. To the administration. I am not going to argue with the Senator.

Mr. BLACK. I do not care to have the Senator argue with me. I was asking for information because I do not understand anyone has the right to state that the bill has the approval of the President.

Mr. COPELAND. May I ask Senators present if I have not hedged sufficiently so that I have not said that? I had the impression that it had the approval of the White House, but I have not said the White House indicated to me that it was its bill. Does that answer the Senator?

Mr. BLACK. As I understand the Senator, he does not know whether it has the White House approval or not.

Mr. COPELAND. There we are again. [Laughter.]

Mr. GLASS. Mr. President, I may state that the Appropriations Committee had information which it thought was authentic to the effect that the President approved the bill.

Mr. WALSH. If the Senator has finished his reply to my question, I should like to ask another question.

Mr. COPELAND. Very well.

Mr. WALSH. The Senator stated the amendment has relationship to his bill. Is it the opinion of the Senator that by the adoption of this amendment his bill is more likely to be taken up for consideration and action taken upon it?

Mr. COPELAND. I thought so until yesterday afternoon.

Mr. WALSH. I rather inferred from something I thought I heard subrosa from the Senator from Virginia that he thought the adoption of this amendment would help to further the enactment of the Senator's legislation.

Mr. GLASS. It was not meant to be sub rosa, because I was going to state openly to the Senate that we could never get the departments together upon the bill until we adopted this amendment or until the committee authorized its chairman to communicate with the Secretary of Commerce and the Postmaster General and put them upon notice that we were going to discontinue this sort of fraud.

Mr. WALSH. I suppose the Senator has had, as I have had, representations from shipping companies who have contracts, protesting vigorously against the amendment to the pending bill and claiming that it would be to their financial ruin. Has the Senator been so advised?

Mr. COPELAND. I have.

Mr. WALSH. I do not know, whether that is true or not. I should like to inquire if there were any investigations or hearings held to find out what the effect would be upon the American merchant marine as the result of the adoption of this amendment without other legislation.

Mr. COPELAND. We had hearings yesterday afternoon, to which I have referred, where the positive statement was made that if this action should be taken by the Congress and no legislation should be enacted to take its place, the American merchant marine would be absolutely ruined.

Mr. WALSH. That is the representation which was made to me, but I confess I am unable to say whether it is founded upon facts or not. Therefore, I inquire again, has there been any study or investigation made or hearings held to determine the effect of the removal suddenly of this amount of subsidy money from the American merchant marine?

Mr. COPELAND. There have been many such hearings and discussions in several committees of the Senate, and particularly in the Commerce Committee, of which I happen to be chairman.

Mr. WALSH. In reference to this particular item?

Mr. COPELAND. On the question of whether the American merchant marine could survive without aid. This question relates to the item under consideration, or, in the absence of the financial support heretofore given, to some substitute for it.

I have no doubt, I may say to my able friend from Massachusetts, that if we were to remove all Government aid from shipping very few lines would survive. One of them would be a line out of the Senator's city of Boston—the United Fruit Line. The International Mercantile Marine would survive, and perhaps two or three other lines; but the great majority of them would not. They are operating on a shoestring. That was well brought out by the Black committee. Unless they have this financial aid they cannot continue to operate.

Mr. WALSH. Would the Senator's bill now pending before his committee remove this item and repeal this law?

Mr. COPELAND. Yes; it would give the Maritime Authority the same power that we have heretofore given the President; and that Authority would be directed within a year to cancel or modify every contract and to readjust the financial system in accordance with the new plan without the aid of the money in the pending bill.

That is the thing I have in mind—whether or not we are premature in wiping out the appropriation or whether it would be wiser to continue it this year. I would not ask that it be continued a whole year. I got pretty mad yesterday, as Senators who were there will remember, because of the absolute stupidity of the shipping men. I think if there ever were in the world a lot of "dumb Doras"—whatever that term means; it sounds good to me anyway—they are the men engaged in the American shipping.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. As I understand the Senator, he has in mind an agreement between the Department of Commerce and the Post Office Department and the shipping people themselves. Does not the Senator believe if this amendment should be adopted and the \$22,000,000 were cut out, it would come nearer to bringing the matter to a head before his committee and before the Congress than anything else that could be done?

Mr. COPELAND. That is possible. I think the prospect has been helpful. I believe the action of the committee has aided in an agreement between the two departments, which was impossible of accomplishment before.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. NORRIS. If the shipping men of the country are so dumb—I believe the Senator used that term?

Mr. COPELAND. I used the term "dumb Doras", though I am not just sure what it means.

Mr. NORRIS. If they are such ignoramuses, does not the Senator think it is a mistake to appropriate public money and let them have it? Does he not believe we ought to have at least good businessmen to handle it?

Mr. COPELAND. I do not doubt they are good businessmen. I do not want to give the wrong impression. I think they are good businessmen.

The Senator from Nebraska has perhaps sometimes wondered why it is that one guard can take care of 20 inmates in an insane asylum. It really is quite remarkable, when we stop to think about it, that 20 husky insane persons, big, strong fellows, can be taken care of by one little guard. He can take care of them because there is never any unity on the part of the 20 inmates. They never get together.

Mr. GLASS. A good many of them have been getting together here lately, and getting out, too. [Laughter.]

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. I wonder if the Senator has suspected that the steamship people might not be quite so dumb as they appear on the surface to be? I have been informed by creditable people that the representatives of the Steamship Association who appeared before our committee yesterday and protested against the bill of the Senator from New York had appealed to them to support the bill. I am wondering if there is wisdom in their idea of relieving the Senator's bill from the odium of their support by appearing and insulting the Senator from New York, incurring his antagonism because

of their ingratitude, and really at the same time assisting the bill by making an appearance against it?

Mr. COPELAND. Perhaps the Senator thinks I am one of the "dumb Doras."

Mr. CLARK. No; I can very readily understand that the Senator from New York is very much outraged at the attitude of these gentlemen, on the principle—

How sharper than a serpent's tooth it is
To have a thankless child!

I did not blame the Senator for what he said last night, and I acquit him of any participation in collusion in this attitude on the part of the steamship companies; but it appears to me that it might be very smart strategy for them apparently to criticize the bill of the Senator from New York by indicating that it would deprive them of some rights, and insisting that they would stand only on the Jones-White bill, and do nothing else, and at the same time very much prefer the passage of the bill of the Senator from New York by relieving that bill of the odium of their support.

Mr. COPELAND. I sincerely hope the Senator is right.

Mr. CLARK. I have reason to believe that I am, Mr. President.

Mr. COPELAND. I do not think so.

These people who have contracts believe they have vested rights. They believe they are going to be protected in them, and I think probably they will be. The only thing I have in mind is whether it is wise for us actually to give them the sympathetic support of the people who believe in the sacredness of contracts by putting our country in the attitude of actually repudiating the contracts. That is what we shall do if we pass this bill in the form proposed by the committee. We have 42 contracts which, so far as we know, are legal contracts. It has been alleged that they are not, but certainly they are contracts which run from 3 to 8 years each.

Mr. WALSH. Mr. President, would the adoption of this amendment, if it should be adopted by the Congress, be a violation and a repudiation of those contracts?

Mr. COPELAND. It would.

Mr. GLASS. Oh, no, no!

Mr. WALSH. One Senator says "yes" and the other says "no." Which is right?

Mr. GLASS. The Committee on Appropriations did not undertake to deal with maritime matters. This is supposed to be a bill appropriating money for the Post Office Department, but in this respect it is not a bill appropriating money for the Post Office Department. Since 1928 it has been used as a ship-subsidy bill.

If the Congress wishes to enact a ship-subsidy bill, very well; let the Congress do it; but Congressmen are tired of going before the country and undertaking to explain, as has been asserted here, and is in the CONGRESSIONAL RECORD, that the Government is paying \$750,000 to carry twelve and a half dollars' worth of mail to South American republics. That is what is going on.

The Senator from New York says the shipping men are dolts. I think they are pretty smart. I think they think we are dolts. We are not going to get any agreement with them as long as we continue this appropriation. That is all they want.

We have not discussed in the Appropriations Committee whether these contracts are valid or invalid. We have not undertaken to repudiate any contracts. The Department may go on and make as many contracts as they please; they may resume operations under the contracts they have already made, or they may modify them if the Postmaster General is correct in his statement that the contracts are fraudulent. We have not undertaken to deal with that question. We are now simply making an appropriation for carrying foreign mail, and we are advised by the Postmaster General that, on the poundage basis, \$4,500,000 will entirely cover the cost of carrying foreign mails; so no repudiation is involved in the report of the Appropriations Committee.

Mr. COPELAND. The only doubt I have about the wisdom of the action is the brief period between the date when we imagine we may adjourn and the 1st of July.

Mr. GLASS. What I have said in response to that to the Senator from New York and to others, is that it was thought by the Appropriations Committee that if Congress wishes to appropriate \$22,000,000 to subsidize shipping, it will have ample opportunity to do that between now and adjournment. Inevitably, there will be another deficiency bill; and if Congress wishes to appropriate \$22,000,000 to subsidize shipping, it will have ample opportunity to do it; but we ought to stop this miserable fraud of pretending to appropriate \$26,500,000 to carry foreign mails when we are advised by the Post Office Department that it requires only \$4,500,000, if quite that much.

That is all the Appropriations Committee has done; and it ought to have been done long ago.

Mr. COPELAND. Mr. President, I take it from what the distinguished chairman of the committee says that in the event of the passage of a ship-subsidy bill, in all human probability, at least so far as his committee is concerned, there will be the recommendation of whatever funds are needed. I do not think the funds needed will exceed the amount that has been heretofore appropriated. In my judgment, the necessary amount will be less; but I assume that in the event of the enactment of a ship-subsidy bill there will be, in the deficiency bill, the necessary amount of money. So I do not have to worry about that part of the matter.

Of course, however, that does leave us in this position: If we do not pass a subsidy bill, if we do not make provision through some other appropriation act for the money to take care of the shipping, on the 1st day of July, 42 of the great steamship lines of this country, practically all the ships we have in foreign service, will be without means of carrying on.

That is a large problem. I do not know that this is the time to settle it; yet, after all, by taking this action today we are doing the very thing I suggest: We are putting ourselves in the position of repudiating contracts and of taking away from these lines the money necessary to enable them to operate.

Now let me say a word more about that subject:

Under the Jones-White Act the money allocated by the Postmaster General to a given line was only indirectly related to the poundage of mail. The Senator from Virginia [Mr. GLASS] has spoken about "a hatful of mail", and I have forgotten how much money appropriated to carry it—an enormous sum. Of course, however, the amount allocated by the Postmaster General was to cover not alone the difference in cost of operation to establish parity, but also the money for construction. That money, which presumably under the subterfuge of the act was supposed to be given for service rendered, as a matter of fact was the contribution of the Government to the building of refrigerator ships which the Navy believed to be badly needed. That is the explanation. There are sufficient explanations of these things, but that is aside from the point.

Now the question is, Are we ready today to vote out of the pending appropriation bill the sum of money which we have been putting in the annual bills since the passage of the Merchant Marine Act of 1928, in the hope that it may facilitate agreement upon a ship-subsidy bill which may be passed? All the time we have in the background the possibility—and I think, from what the Senator from Massachusetts said, perhaps the probability—that there will be no ship-subsidy legislation. In that event on the 1st of July we shall have repudiated our contracts, and American shipping, as I see it, will be destroyed.

Mr. GLASS. Mr. President, the story involved in this controversy is to me a very simple one.

For a number of years in the Post Office appropriation bill we have been appropriating \$26,500,000 to carry foreign mail. As the Senate knows, the Postmaster General has very bitterly denounced many of these contracts, if not all of them, as being fraudulent, irregular, and contrary to the law which required advertisement and bidding, and he has asked authority to put a stop to that sort of thing, with the result that the Post Office Department conferred with the

Commerce Department with a view to ridding the Post Office Department of the annual charge of \$26,500,000 for carrying foreign mails, when the proper charge should have been less than \$4,000,000.

These negotiations have been in progress for a period of 2 years. The Post Office Department reported to the chairman of the Committee on Appropriations that it could not get the Department of Commerce to come to any agreement whatsoever with respect to these matters. That feature of the controversy was taken up by the Committee on Appropriations when it was proposed to repeat this fraudulent transaction—and I say fraudulent because it is not \$26,500,000 for carrying foreign mails; it takes less than \$4,500,000 to carry foreign mails, and the balance is a ship subsidy.

We determined then to subtract from this appropriation about \$22,000,000, and, acting upon the advice of the Post Office Department, to appropriate \$4,500,000 for carrying foreign mails. As chairman of the Committee on Appropriations, I was authorized to communicate our determination to the Secretary of Commerce and to the Postmaster General. That I did; and the day after I did so the Department of Commerce and the Post Office Department came to an agreement upon a proposed bill to subsidize the shipping of this country, an agreement which they had never been able theretofore to reach.

The Committee on Appropriations was advised that they had come to that agreement, and I was told that it was an agreement satisfactory to the President of the United States. I have never talked with the President about it, and I do not know of my own knowledge that it is agreeable to him, but I was very definitely told that it was.

Mr. NORRIS. Mr. President, I note that the amendment merely strikes out the entire appropriation. Is \$4,500,000 appropriated at some other place in the bill?

Mr. GLASS. Yes; on the preceding page.

Mr. McKELLAR. On page 60, line 9, the Senator will find the provision.

Mr. GLASS. The Committee on Appropriations more readily agreed to do this because it was not an appropriation for carrying the foreign mails, upon the supposition that if the Congress of the United States really wants to appropriate \$22,000,000 for ship-subsidy purposes, it will be given ample opportunity to do that when the next deficiency bill is presented.

Talk about these shipping men being stupid! They are discerning. They are wise. If I were not speaking in the Senate, I might say they are tricky. They know perfectly well that if this appropriation goes through, as long as we make the appropriation they will never agree either to a cancellation or a revision of existing contracts, although the Postmaster General has pronounced some of the contracts to be fraudulent, and perhaps all of them to be irregular.

Those men are businessmen. The Senator from New York says they are businessmen. Undoubtedly, they are businessmen. They have business prescience and sense enough to know that if the Congress keeps on making this fraudulent appropriation under the guise of furnishing money for carrying the foreign mails, their contracts will never be touched and never will be revised in any sense.

I do not know that the contracts are fraudulent; I do not know anything about them, nor does the Committee on Appropriations know anything about them. Some members of the committee, some of the outstanding, some of the most experienced members of the committee, believe the contracts to be fraudulent; but whether or not they are fraudulent, they are never going to be reconsidered or modified unless we stop making this appropriation under the pretext that it is for carrying the foreign mails, when that is not what it is for.

Mr. BLACK. Mr. President, I desire to say just a few words with reference to the situation now being discussed, particularly with regard to the bill introduced by the Senator from New York upon the agreement finally made by the Post Office Department and the Commerce Department.

I have endeavored to get in touch with the Postmaster General, since the discussion rose on the floor, but I find that he is in New York. I endeavored to get in touch with

the Postmaster General because I was directly and positively told by those who participated in the agreement that the President had not seen the bill, had not approved the bill, was not approving the bill, and that it was the result only of an agreement between the Post Office Department and the Department of Commerce.

Mr. GLASS. Mr. President, if the Senator will permit an interruption, I was told by those who were directly involved in the controversy that the proposed agreement was not only satisfactory to the two departments but was satisfactory to the President, and would be handed in to the Senator from New York according to the agreement on the following Monday; and I was told this on the preceding Saturday.

Mr. BLACK. The statement I made was not in any way intended to indicate that the Senator had not received exactly the information which he said he had received. I was able a few moments ago to get in touch with the Second Assistant Postmaster General, who participated in the agreements. I asked him the direct question. I told him I was not sure as to the information which had been given me as to whether the President had approved this bill. He stated to me that if the President had ever approved it, he had no knowledge of it.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. NORRIS. I should like to be informed what difference it makes, so far as this appropriation is concerned, whether these two departments have agreed on some other bill or not. I am not sure that does not have a bearing, but I cannot see the relevancy of that information.

Mr. BLACK. I shall be glad to answer the Senator's question as to the reason why I made the statement.

So far as I am concerned, whether the President is for the bill or not will not affect my own ideas of the measure, and I do not think it should affect the action of the Committee on Appropriations. I fully agree with the distinguished chairman of that committee in the statement he has made that whatever is done hereafter this appropriation should not be made in this manner, for it is a fraud on its face.

I can state my reason for bringing this matter on the floor at this time. It is that I think the bill which has been offered is so indefensible, is so outrageous, and opens up the doors of the Treasury so much wider even than they have been opened heretofore that I do not want any statement to be given either to me, to the distinguished chairman of the committee, or to anyone else that the President was for it unless the President himself made the statement that he was for this particular bill.

Mr. GLASS. Mr. President, I have never talked with the President about it. I have never seen the particular bill referred to, or any other bill on this subject. All I am trying to do is to eliminate this fraud from the Post Office appropriation bill.

Mr. BLACK. With which effort I am in thorough accord. A Senator sitting beside me has just suggested that I make it plain that the bill to which I am referring is not the appropriation bill, with which I am in hearty accord—

Mr. GLASS. I understand that.

Mr. BLACK. But the bill offered by the Senator from New York, having the agreement of the Post Office Department and the Commerce Department.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. COPELAND. Please make clear that the reference is to the bill which I presented as it was modified by agreement between the Post Office Department and the Department of Commerce. Please indicate that the reference is not to my original bill. The Senator is referring to the bill which is now under consideration by the committee, which is the bill which contains the amendments of the Post Office Department and the Commerce Department. So far as I am concerned, it becomes the bill of the Post Office and Commerce Departments.

Mr. BLACK. Mr. President, I shall be glad to distinguish between the two, because I think the latter bill, as offered by

the Post Office Department and the Commerce Department, is a decided improvement, if a thing so bad can be improved, on the bill originally offered by the Senator from New York.

I simply wanted to place in the RECORD the statement that I am in hearty accord with the action of the Appropriations Committee. Whatever is done, it is my judgment that honesty requires that we cease to appropriate money ostensibly for carrying the mails, when in reality it is not used for carrying the mails.

It is ridiculous, for instance, to appropriate money for carrying the mails on boats when the evidence in many hearings has shown beyond dispute that the only letters ever carried are letters which are written by the companies themselves and placed on the boats for the purpose of complying with the law. I do not criticize the companies for writing those letters. It shows, however, the absurdity of the situation when we appropriate money for carrying the mail, when in reality it is a subsidy.

I am thoroughly in accord with the idea expressed by the chairman of the Appropriations Committee that if we are to grant a subsidy it should be honestly and squarely called a subsidy. The President's message was to that effect. In that message he did not outline the bill which was to be passed. Of course, even if he had done so, Senators would still exercise their own judgment as to which measure they would support. I believe it will be in the interest of fairness and honesty to pass this appropriation bill as recommended by the committee and then, if the Congress desires to pass a subsidy measure, it may be done.

I have made this statement simply in order that there may be no misunderstanding until finally the President may reach a decision on some particular measure. If he does, I assume he will send a message concerning it. However, I believe that at this stage the proper and accurate statement is that the bill introduced by the Senator from New York, amending his previous measure, is simply a bill agreed to by the Post Office and Commerce Departments.

Mr. GLASS. It may be said that, if neither that bill nor any other ship subsidy bill is reported to the Senate for action, but the Senate wishes to appropriate \$22,000,000 for shipping purposes, the Senate may do so in the next deficiency bill.

Mr. BLACK. The Senator is correct; and I myself think the action now proposed will actually aid to get some kind of legislation along such lines that we shall not be compelled to apologize for the legislation on the ground that the law on its face is a deception.

Mr. GLASS. It is the only thing that will aid it, and it is the only thing that has ever brought into agreement the Commerce Department and the Post Office Department.

Mr. WHITE. Mr. President, I desire to say a brief word about this amendment and the situation as it has developed here in the course of the debate.

I confess I do not have the feeling about this amendment that perhaps I should have; for, as I see it, through the action or inaction of the present administration, the American merchant marine is doomed, and it makes little difference whether this amendment stays in or whether it goes out.

The Senator from Virginia [Mr. GLASS] has referred to the present mail payments as fraudulent or dishonest, or words of that import. I freely concede that this action is an indirect method of subsidizing the merchant marine; but I deny that it is either fraudulent or dishonest, for it is a thing which has been done openly, it is a thing which has been notorious to all men, it is a course of action which was in the minds of the Congress of the United States when the act of 1928 became law through its action. It is not dishonest, it is not fraudulent, but it is rendering aid to merchant ships in precisely the way that Congress intended. It is indirect, and in that sense the Senator from Virginia is justified in his criticism.

Mr. President, the action of the committee, as I understand, is based upon the understanding or the allegation that the mail contracts which have been entered into are fraudulent and illegal.

Mr. GLASS. Oh, no, Mr. President; the Senator totally misstates the case.

Mr. WHITE. Then I withdraw that statement.

Mr. GLASS. We did not discuss the contracts at all. We have not said the payments were fraudulent; but I have said, and I do repeat, that this appropriation is fraudulent because it pretends to be an appropriation for carrying the ocean mail, and it is not that at all.

Mr. WHITE. Mr. President, I withdraw what I said about members of the Committee on Appropriations, and I make the statement that the assaults on these payments have generally been made because of the allegation that the contracts are fraudulent.

I should concede freely, I should concede openly, that there are many of these contracts which, in my view, are improvident, many of them which are unwise, some of them which should not have been entered into at all; but I deny that the contracts are illegal. I differ radically from the Senator from Alabama in the view he holds with respect to that matter. I disagree entirely with the Post Office Department, with respect to that matter. I call attention to the fact, as the Senator from New York [Mr. COPELAND] has already done, that no one with responsibility, with respect to these contracts, has moved upon the assumption that the contracts are illegal. For more than 2½ years of time the President of the United States has had authority under the act of Congress to cancel or to modify any of the contracts upon the ground of their illegality, or upon the ground that they were contrary to the public interest, and the President has acted in no single case.

The Attorney General's office is charged with the enforcement of the laws of the United States. It is charged with a due regard for the interests of the United States. A representative of the Attorney General's office was present throughout the hearings of the Black committee. If there is an illegal contract, if the United States has been defrauded, manifestly it is the duty of the Attorney General's office to act in the premises; and yet no action has been taken by that authority in the 2½ years of time during which this matter has been under consideration and has been a matter of controversy.

Mr. McKELLAR. Mr. President—

Mr. WHITE. I hope the Senator will not interrupt me. I shall be very brief.

Mr. McKELLAR. I merely desire to call attention to the fact that while the President has not canceled the contracts, he has recommended an entirely different system which does not include these contracts at all, and which would mean their virtual cancellation by a new law.

Mr. WHITE. The President has recommended a different system, and he has recommended that new contracts of a different character be substituted for the existing contracts.

Another officer of the Government has responsibility. That officer is the Comptroller General of the United States. Year after year payments have been made under these contracts, and never has the Comptroller General of the United States assumed to say that any payment has been illegally made.

There are the three officials, the three departments of this Government with a direct responsibility to stop payments, to cancel these contracts, to move in some direction with respect to these contracts, if they were obtained collusively or fraudulently or if they were illegal.

Mr. President, I give it as my opinion, for whatever it may be worth, that no court will find the contracts illegal. In my opinion, they may all be justified under the letter and under the spirit of the law.

What will be the practical effect of the withdrawal of this appropriation? At the present time there are about \$89,000,000 of construction loans outstanding, money owed to the Government of the United States; and an authority of the Department of Commerce tells us that, if mail payments are withheld, companies owing \$37,000,000 of that \$89,000,000 will be in the hands of receivers almost overnight. He tells us that there are contractors owing something like

\$12,000,000 more who are right in the twilight zone, almost ready to knock on the door of the bankruptcy courts. Forty-nine million dollars is put in jeopardy by withholding this appropriation of \$26,000,000.

That \$89,000,000 is owed by some 21 companies having mail contracts in the United States today. In my opinion, out of those 21 contracts there are not more than 3 contractors who will be able to meet their obligations, if we withhold the annual appropriation under which the payments to them by the terms of the contracts should be made. It is proposed that we shall save here \$26,000,000, and if we do we shall have companies owing the Government of the United States in excess of \$49,000,000 in the bankruptcy courts or in receivership almost overnight, and the United States will get out of the transaction nothing, or it will get back on its hands ships it does not want.

Mr. President, that is the practical phase of this problem. I say that I do not feel so keenly about it as perhaps I should, because I am frank to say I see little to encourage me in the belief that merchant-marine legislation is to be enacted during the life of this Congress. I have almost a certainty that merchant-marine legislation which will be effective in behalf of the American ships will not be enacted during this Congress.

Mr. President, the real question here is not whether we are going to appropriate \$22,000,000 or \$26,000,000. The real question here is whether we are going to bankrupt companies of the United States to which we are under contractual obligation. The real question is whether we are going to haul down the flag and get off the seas.

Mr. GLASS. Mr. President, is that the real question? This money would not be available until the 1st of July, and between now and the adjournment of the present session of Congress, if the Congress desires to appropriate \$22,500,000, to save the shipping interests it will have ample opportunity to do so. The money appropriated here will not be available until the 1st of July.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment reported by the committee.

The next amendment was, on page 61, after line 3, to strike out:

Foreign mail service, Merchant Marine Act: For transportation of foreign mails under contracts authorized by the Merchant Marine Act of 1928 (U. S. C., title 46, secs. 861-889; title 46, secs. 886-891x), including the cost of advertising in connection with the award of contracts authorized by said act, \$26,500,000: *Provided*, That no part of the money herein appropriated shall be paid on contract no. 56 to the Seatrain Co.

The PRESIDING OFFICER. The question is on agreeing to the amendment which has just been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 61, line 21, to strike out "\$12,000,000" and insert "\$12,250,000", so as to read:

Contract Air Mail Service: For the inland transportation of mail by aircraft, as authorized by law, and for the incidental expenses thereof, including not to exceed \$18,800 for supervisory officials and clerks at air-mail transfer points, and not to exceed \$42,000 for personal services in the District of Columbia and incidental and travel expenses, \$12,250,000.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Fourth Assistant Postmaster General", on page 63, line 14, after the word "boxes" and the semicolon, to insert "not to exceed \$35,000 for the salvage, repair, assembly, and installation in units of lockboxes obtained from public buildings demolished or not longer used for post offices and for the purchase and installation of new lockboxes to complete and supplement such units, to be furnished to post offices of the second and third classes."

Mr. MINTON. Mr. President, I object to that amendment on this basis: It seems that the Post Office Department desires to expend the sum of \$35,000 for resalvaging and repairing certain post-office boxes taken from vacated

Government buildings. I understand that the manufacturer of these boxes, whose factory is located in Indianapolis, Ind., can and will manufacture them new and furnish them for a price equivalent to the price for which the Government says it can salvage them. If that be the case, there would seem to be no reason why the Government should be in the business of repairing post-office boxes when it can buy them new for less than it can repair them and reinstall them in other buildings.

Mr. McKELLAR. Mr. President, the trouble is that I think the Senator from Indiana has been misinformed. The Post Office authorities very strongly urge the restoration of the limitation of \$35,000 for the rehabilitation of Government-owned lockbox equipment salvaged from vacated Federal buildings. This matter is fully discussed in the hearings. To date a total of 30,096 lockboxes have been reconditioned and shipped to postmasters, and there are approximately 120,000 lockboxes still to be reconditioned. The restoration of the limitation of \$35,000 would prevent the interruption of the progress on this work. The Fourth Assistant Postmaster General feels so strongly on the question of the restoration of the \$35,000 item that he is meeting the cuts of the House committee of \$20,000 for the purchase of twine, \$75,000 for conveyor systems, and \$25,000 for complete equipment for first- and second-class offices.

The Department, Mr. President, feels that a great saving will be effectuated by reconditioning the old lockboxes taken from buildings that have been vacated and using them in new buildings when the boxes so reconditioned are just as good as new ones would be. I ask that the amendment be agreed to.

Mr. MINTON. Mr. President, the fact simply is that the Government goes into the lockbox business.

Mr. McKELLAR. Oh, no; it is using the lockboxes that it already has.

Mr. MINTON. It does not use them for its own purposes, except that it leases them or sells them to postmasters who have to furnish boxes in the post offices which they operate. It is not that the Government is using them in any post office where the Government itself has to furnish the boxes, but it wants to take its old boxes and sell them to the postmasters whom it requires to buy post-office boxes. So what it amounts to is that the Government is taking this old equipment, going into the market, competing with the manufacturer, and furnishing boxes that are remade, to postmasters who have to buy them at a price for which they could buy them new.

Mr. McKELLAR. Some years ago there was an investigation of what is known as the Keyless Post Office Box Co., which, I think, was located out in the Middle West. It was found that they were the sole makers of the lockboxes, and naturally that company would like to continue to have the complete monopoly of the lockbox business. The lockboxes covered by this item that the Government can use—they are already in existence, and they can be used at a very great saving. By all means, it seems to me that the amendment ought to be agreed to, and I hope the Senate will agree to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment was, on page 64, line 24, after the word "expenses", to strike out "\$2,345,000" and insert "\$2,380,000", and on page 65, line 6, after the word "except", to insert "lock boxes, as herein provided and", so as to read:

Post-office stationery, equipment, and supplies: For stationery for the Postal Service, including the money-order and registry system; and also for the purchase of supplies for the Postal Savings System, including rubber stamps, canceling devices, certificates, envelopes, and stamps for use in evidencing deposits, and free penalty envelopes; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the act of June 25, 1910 (U. S. C., title 39, sec. 760); for miscellaneous equipment and supplies, including the purchase and repair of furniture, package

boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; not to exceed \$35,000 for the salvage, repair, assembly, and installation in units of lockboxes obtained from public buildings demolished or not longer used for post offices and for the purchase and installation of new lockboxes to complete and supplement such units, to be furnished to post offices of the second and third classes; for post-marking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening machines, and computing machines, copying presses, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased and rented quarters; for miscellaneous expenses in the preparation and publication of post-route maps and rural-delivery maps or blueprints, including tracing for photolithographic reproduction; for other expenditures necessary and incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural-delivery service, and for letter boxes; for the purchase of atlases and geographical and technical works not to exceed \$1,500; for wrapping twine and tying devices; for expenses incident to the shipment of supplies, including hardware, boxing, packing, and not exceeding \$55,000 for the pay of employees in connection therewith in the District of Columbia; for rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including not to exceed \$35,000 for salaries of 13 traveling mechanicians, and for traveling expenses, \$2,380,000.

The next amendment was, on page 66, line 11, to strike out "\$12,750,000" and insert "\$13,000,000", so as to read:

Rent, light, and fuel: For rent, light, fuel, and water, for first-, second-, and third-class post offices, and the cost of advertising for lease proposals for such offices, \$13,000,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public buildings, maintenance and operation", on page 68, line 10, after the word "activities", to strike out "\$14,500,000" and insert "\$15,300,000", so as to read:

Operating force: For personal services in connection with the operation of public buildings, including the Washington Post Office and the Customhouse Building in the District of Columbia, operated by the Post Office Department, together with the grounds thereof and the equipment and furnishings therein, including telephone operators for the operation of telephone switchboards or equivalent telephone switchboard equipment in such buildings jointly serving in each case two or more governmental activities, \$15,300,000: *Provided*, That in no case shall the rates of compensation for the mechanical labor force be in excess of the rates current at the time and in the place where such services are employed.

Mr. COUZENS. Mr. President, it appears that the House of Representatives agreed upon \$14,500,000 and the Appropriations Committee of the Senate expanded it \$800,000. I think an explanation should be made.

Mr. McKELLAR. Mr. President, will the Senator from Michigan kindly restate his question? I was diverted for a moment.

Mr. COUZENS. There is an amendment on page 68, line 10, increasing the amount appropriated by the House from \$14,500,000 to \$15,300,000, an increase of \$800,000 without any explanation whatsoever.

Mr. McKELLAR. This item relates to the operating force in public buildings.

The Committee on Appropriations of the House of Representatives in presenting this bill to the House, as appears on page 23 of Report No. 1935, doubted if the general average of occupancy of new buildings would reach the estimated figure of 6 months. The Fourth Assistant Postmaster General points out, however, that on page 549 of the hearings before the House subcommittee, the chairman stated:

I believe our committee last year estimated that there would be about a 60-percent occupancy, and cut your appropriation accordingly.

His estimate for 1936 was based on a 60-percent occupancy, while the estimate for 1937 was based on a 50-percent occupancy, or 10 percent less than that allowed by the committee

last year. On page 798 of the Treasury hearings before the House subcommittee, Admiral Peoples stated:

The schedule of work contemplates and requires that 90 percent of the total number of projects authorized under the act of August 12, 1935, should be on the market by the end of February.

The restoration of the amount eliminated by the House of Representatives is essential for the employment of personnel for the operation of new Federal buildings upon their completion and to permit of the vacation of postal quarters under lease.

As the Senator from Michigan knows, a great many of the new buildings are being completed; a number have been completed in the District of Columbia. This is the estimate by Admiral Peoples, of the Procurement Division of the Treasury, and Mr. Purdum, the Fourth Assistant Postmaster General. I wish to say that I have had a long acquaintance with these gentlemen, one of whom, Admiral Peoples, I have known since the World War, and I can say that he is one of the most careful, prudent, and economical businessmen of whom I know in connection with the Government. And I think this appropriation ought to be allowed.

Mr. COUZENS. Does not the Senator from Tennessee believe that there is a very large difference represented by dollars between the opinion of the Appropriations Committee of the House and the Appropriations Committee of the Senate?

Mr. McKELLAR. Yes; but it is because a very large number of these new buildings have been completed; but, at the same time, the appropriation recommended will save the Government because of the discontinuance of present leased buildings throughout the country. I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the Committee on Appropriations.

The next amendment was, on page 69, line 2, after the word "herein", to strike out "\$4,650,000" and insert "\$4,700,000", so as to read:

Operating supplies, public buildings: For fuel, steam, gas, and electric current for lighting, heating, and power purposes, water, ice, lighting supplies, removal of ashes and rubbish, snow and ice, cutting grass and weeds, washing towels, telephone service for custodial forces, and for miscellaneous services and supplies, tools and appliances, for the operation of completed and occupied public buildings and grounds, including mechanical and electrical equipment, but not the repair thereof, operated by the Post Office Department, including the Washington Post Office and the Customhouse Building in the District of Columbia, and for the transportation of articles and supplies authorized herein, \$4,700,000.

The next amendment was, on page 69, line 18, after the word "safes", to insert "safe and vault protective devices", and in line 20, after the word "Department", to strike out "\$600,000" and insert "\$650,000", so as to read:

Furniture, carpets, and safes, public buildings: For the procurement, including transportation, of furniture, carpets, safes, safe and vault protective devices, and repairs of same, for use in public buildings which are now, or may hereafter be, operated by the Post Office Department, \$650,000.

The amendment was agreed to.

The next amendment was, on page 72, after line 15, to insert a new section, as follows:

SEC. 4. No part of the money appropriated under this act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate upon vote has failed to confirm the nomination of such person.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, with the exception of the one passed over, which will be stated.

The CHIEF CLERK. On page 23, line 6, after the word "duty", it is proposed to strike out "in the District of Columbia" and insert "at Coast Guard headquarters", so as to read:

COAST GUARD

Office of the Commandant: For personal services in the District of Columbia, \$389,240: *Provided*, That no part of any appropriation contained in this act shall be used to pay any enlisted man of the Coast Guard while detailed for duty at Coast Guard head-

quarters if such detail increases the total number of enlisted men detailed on such duty at any time above 10.

Mr. McKELLAR. Mr. President, I ask that that amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. GLASS. Mr. President, I ask the Senate to return to page 20, to the item under the subhead "Federal Alcohol Administration", and I offer the amendment which I send to the desk.

The CHIEF CLERK. It is proposed, in behalf of the committee, on page 20, line 21, after the word "expenses", to strike out the words "\$400,000, of which sum not to exceed \$218,800 shall be expended for personal services in the District of Columbia", and to insert in lieu thereof "\$550,000", so as to make the paragraph read:

FEDERAL ALCOHOL ADMINISTRATION

Salaries and expenses: For the purpose of administering the provisions of the "Federal Alcohol Administration Act", approved August 29, 1935 (49 Stat. 977), including personal and other services and rent in the District of Columbia and elsewhere; supplies and materials; equipment; communication service; stationery; travel and subsistence expenses as authorized by law; maintenance, repair, and operation of automobiles; lawbooks, books of reference, magazines, periodicals, and newspapers; contract stenographic reporting service; the securing of evidence of violations of the act; and miscellaneous and contingent expenses, \$550,000.

Mr. GLASS. Mr. President, the Budget Bureau estimated the amount now suggested, and I am not mistaken in supposing the President wants it, because I have a personal letter from him in which he states he very carefully considered the item, that he went into the matter very thoroughly before estimates were submitted, and feels that the amount is essential in the proper administration of liquor control. I hope the Senate will adopt the increased amount, at least, and let it go to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia in behalf of the committee.

The amendment was agreed to.

Mr. GLASS. I send to the desk another amendment in behalf of the committee and ask its adoption.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 61, line 18, it is proposed to strike out "\$18,800" and insert in lieu thereof "\$22,200", and in line 19 to strike out "\$42,000" and insert in lieu thereof "\$46,460", so as to make the paragraph read:

Contract Air Mail Service: For the inland transportation of mail by aircraft, as authorized by law, and for the incidental expenses thereof, including not to exceed \$22,200 for supervisory officials and clerks at air-mail transfer points, and not to exceed \$46,460 for personal services in the District of Columbia and incidental and travel expenses, \$12,250,000.

Mr. GLASS. That does not increase the total appropriation. It merely changes the allocation of funds.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia in behalf of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendments, the question is, Shall the amendments be engrossed and the bill be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

Mr. BARBOUR. Mr. President, in connection with the continuing debate on Panama Canal toll legislation, Senate bill 2288, I think it most important that before prescribing by law a method of assessing tolls which differs from the

one that has been in effect for over 20 years, the Senate should know, as nearly as is possible, just how this new method will affect the tolls paid by the various classes of ships using the Canal.

There can be no possible question that if tolls are assessed under this bill at the rates suggested by the Secretary of War, there will result an enormous increase in the tolls of the general cargo and passenger ships, and a very substantial decrease in the tolls of tankers and other bulk carriers that for the most part are industrially owned and do not serve the public as common carriers, notwithstanding the additional charge of 10 cents a ton on laden tankers. Furthermore, the increases imposed on American ships are much heavier proportionately than those imposed on foreign ships of the same classes, and the decreases enjoyed by foreign bulk carriers are proportionately greater than those granted American ships of this class.

I have here a tabulation which shows how this bill would affect the traffic that actually moved through the Canal during the past 2 fiscal years. This tabulation reflects the changes that the bill will bring about much more accurately than data based on an earlier period, when the character of the Canal traffic was quite different than it is today.

I ask to have this tabulation printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Effect of bill on actual traffic
FISCAL YEAR 1934

	Increase (+) or decrease (-)	Percent of increase (+) or de- crease (-)	Increase (+) or de- crease (-) per transit
Passenger ships:			
United States registry.....	+\$471,762	+22	+\$1,371
Foreign registry.....	+375,171	+10	471
Total.....	+\$846,933	+15	+742
Shelter-deck freighters:			
United States registry.....	+147,229	+7	+349
Foreign registry.....	+101,488	+2	95
Total.....	+248,717	+4	+167
Other dry-cargo ships:			
United States registry.....	-92,950	-3	-109
Foreign registry.....	-285,794	-9	-364
Total.....	-378,744	-6	-231
Oil-tank ships:			
United States registry.....	-371,425	-11	-587
Foreign registry.....	-242,233	-14	-784
Total.....	-613,658	-12	-651

FISCAL YEAR 1935

Tank ships:			
United States registry.....	-\$234,990	-10	-\$516
Foreign registry.....	-242,948	-13	-723
Total.....	-477,939	-11	-604
All other cargo-carrying ships:			
United States registry.....	+731,566	+9	+437
Foreign registry.....	+441,170	+4	+165
Total.....	+1,172,736	+6	+299

The PRESIDING OFFICER. The question is on the adoption of the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY].

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Borah	Coolidge	Glass
Ashurst	Bulkeley	Copeland	Gore
Austin	Bulow	Couzens	Guffey
Bachman	Burke	Davis	Hale
Bailey	Byrd	Dieterich	Harrison
Barbour	Byrnes	Donahay	Hatch
Barkley	Capper	Duffy	Hayden
Benson	Caraway	Fletcher	Holt
Bilbo	Carey	Frazier	Johnson
Black	Clark	George	Keyes
Bone	Connally	Gibson	King

La Follette	Minton	Reynolds	Trammell
Lewis	Moore	Robinson	Truman
Logan	Murphy	Russell	Tydings
Loneragan	Murray	Schwellenbach	Vandenberg
Long	Neely	Sheppard	Van Nuys
McAdoo	Norbeck	Shipstead	Wagner
McGill	Norris	Smith	Walsh
McKellar	O'Mahoney	Steiwer	Wheeler
McNary	Overton	Thomas, Okla.	White
Maloney	Pope	Thomas, Utah	
Metcalf	Radcliffe	Townsend	

The PRESIDING OFFICER. Eighty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the committee amendment.

THE NATIONAL DEBT

Mr. McKELLAR. Mr. President, last night I delivered a short radio address, which ordinarily would be placed in the RECORD by unanimous consent. However, it is very short and will take only a few minutes for me to deliver here, which I desire to do at this time.

Mr. President, propaganda is one of the most vicious and ingenious methods of deceiving the American people. It is well known that the great majority of news agencies and newspapers of this country are strongly partisan and many of those which are not partisan are ultraconservative. So-called news coming out of Washington is almost exclusively controlled by these agencies and papers. The result is that the newspapers of the country, and this includes not only Republican but many of the Democratic papers, print whatever may be sent out of Washington criticizing and abusing the Roosevelt administration, and, as a consequence, many honest people are misled by this propaganda.

No better illustration of the power of this propaganda can be found than the statements constantly flaunted before the American people concerning the increase of the national debt by the Roosevelt administration. The substance of this propaganda, whatever its various forms, is that in 1920, under the Wilson administration our national debt rose to a peak of \$26,500,000,000; that the economical Republicans, led by the thrifty Andrew W. Mellon, Secretary of the Treasury in three Republican administrations, by December 31, 1930, had, by his skill and ability as a financier, reduced the national debt to \$15,700,000,000; that the wicked, wasteful, and reckless Democrats, under the Roosevelt administration, have increased that debt from \$15,700,000,000 to \$31,000,000,000 or more; or, as the usual cry is, that Roosevelt has more than doubled the national debt.

This propaganda has been advertised thousands of times in thousands of publications and by thousands of speakers during the past 3 years. This propaganda never remotely suggests that the great majority of the Republicans during the war voted for the war debt of \$26,500,000,000. It does not even remotely suggest that the reason the national debt was reduced after the war was not because of the thrifty, ingenious, and financial wizard (?) Andrew W. Mellon, but because of the following provision of law governing that reduction passed by the Democratic administration under Woodrow Wilson, approved March 3, 1919. I quote that law:

That there is hereby created in the Treasury a cumulative sinking fund for the retirement of bonds and notes issued under the First Liberty Bond Act, the Second Liberty Bond Act, the Third Liberty Bond Act, the Fourth Liberty Bond Act, or under this act—

Which was afterward called the Victory Bond Act—

and outstanding on July 1, 1920. The sinking fund and all additions thereto are hereby appropriated for the payment of such bonds and notes at maturity or for the redemption or purchase thereof before maturity by the Secretary of the Treasury.

Our great United States Senator CARTER GLASS, one of the ablest Secretaries of the Treasury ever to occupy that office, was the author of that amendment; and, instead of Mellon's having anything to do with reducing the public debt except clerical service, exactly the contrary was the fact. It was reduced by reason of the mandate of a Democratic law, as recommended by the then Democratic Secretary of the Treasury, CARTER GLASS, than whom there is not a truer patriot, nor greater statesman, nor a more far-sighted financier in

this or any other country. If Mr. Mellon had failed to carry out this law, he would have been subject to impeachment and trial by the Senate; and yet this propaganda would have people believe that the thrift and financial shrewdness (?) of Mr. Mellon reduced the national debt. Poppycock! He was merely carrying out the law that had been passed in a previous administration.

In like manner these propagandists tell us in clarion voice that the national debt was reduced to \$15,700,000,000 on December 31, 1930; but never is there the remotest allusion to the fact that thereafter, between December 31, 1930, and March 4, 1933, Hoover increased the national debt more than \$5,000,000,000! Nor, perhaps have the people ever seen the figures or been told that when Hoover went out of office on March 4, 1933, the national debt had been increased to \$20,700,000,000! In other words, after December 31, 1930, Mr. Hoover increased the national debt in the remaining 2 years and 2 months over \$5,000,000,000!

Here I am not speaking from information gathered elsewhere. I have obtained from the Treasury Department itself the figures I am now giving. I have taken them from the books of the United States Government.

What are the real facts as shown by the books of the Treasury concerning the increase of the national debt by Mr. Roosevelt? Plainly stated, they are that when Mr. Hoover turned the Government over to Mr. Roosevelt on March 4, 1933, the national debt was \$20,700,000,000. I hope Senators will keep that figure in their minds for a moment. Since that time the debt has been increased by Mr. Roosevelt to \$28,800,000,000. It is true that on the 4th of March 1936 the national debt as reported by the Treasury was \$30,500,000,000, but that report shows that there was a cash balance in the general fund at that time of \$1,700,000,000; and, therefore, that sum being deducted, the national debt was less than \$28,800,000,000 on March 4, 1936.

I am giving the round numbers. I have the exact dollars and cents all the way along. In this address I am merely giving the round numbers in millions and billions.

In other words, in spite of all this propaganda about the increase in the national debt by Roosevelt, spread over the pages of millions of tons of newspapers and news-agency stories and like tons of magazine stories in the last 3 years, the facts are that the Treasury figures show that in the last 2 years and 2 months of Hoover's administration the debt was increased \$5,000,000,000, and in the last 3 years of Roosevelt's administration the debt has been increased \$8,800,000,000 more!

Keep these figures in mind: Under Hoover the debt was increased \$5,000,000,000 in 2 years and 2 months. Under Roosevelt the debt was increased \$8,800,000,000 in 3 years. Yet these news agencies, newspapers, and magazines continue to publish accounts of the "extravagances" of the Roosevelt administration, and refer to the "economies" of the Hoover administration. All poppycock! Hoover adds to the national debt \$5,000,000,000 in 2 years and 2 months, and, so far as beneficially affecting the depression is concerned, he might as well have gotten together \$5,000,000,000, reduced it to ashes, and then scattered the ashes in the ocean! On the other hand, Roosevelt spends \$8,800,000,000 in 3 years, and makes the country prosperous and happy, and restores prosperity to our people; and yet this pernicious and untrue propaganda would make the public believe that Roosevelt has squandered the taxpayers' money without doing any good, while Hoover and Mellon would have saved the country if they had had the opportunity! They had the opportunity for 4 years, and our country was bankrupt when Mr. Hoover went out of office.

Not only that; the net national indebtedness is not \$28,800,000,000 today. When it got down to \$15,700,000,000 in December 1930 the Government owned no commercial obligations to offset any part of the debt; but on March 4, 1936, it owned \$3,900,000,000 of what might be called commercial assets, like stock in banks, loans and mortgages made by the R. F. C., and the like, and also \$2,000,000,000 of credit in the stabilization fund, or a total in round numbers of \$5,900,000,000, which, by a simple subtraction, would reduce the debt to \$22,900,000,000; and in order to be perfectly just to

the Hoover administration, because these figures come from the record, I wish to say that \$2,000,000,000 of this commercial paper or equities in banks accumulated during the Hoover administration. Three billion nine hundred million dollars of these offsets or equities or obligations, which are sound offsets to the debt, arose in Roosevelt's 3 years, and \$2,000,000,000 arose during Mr. Hoover's Presidency. The result, however, is that when these obligations now owned by the Government are taken from the national debt—and they are perfectly good obligations, and are proper offsets—the net national debt on March 4, 1936, was \$22,800,000,000. So the real result is that Mr. Roosevelt has increased the actual national debt comparatively very little since he took office, instead of having destroyed the country by increasing the national debt, as has been so often said:

But oh what a difference in results there has been! Hoover increased the national debt \$5,000,000,000 in 2 years and 2 months, and the depression was worse than when it had begun. His haphazard, unplanned, and in some cases entirely fruitless spendings resulted in thousands of failed banks, receiverships everywhere, business on its last legs, industry hopeless, helpless, and insolvent, and agriculture destroyed, the prices of all agricultural products having gone down to even less than cost of production.

Ah, but how different has been the result of Roosevelt's spending! It is true that the national debt has increased \$8,800,000,000, not for the moment counting the \$5,900,000,000 of good, merchantable assets that I have just explained. But the banks today are all solvent.

Under our \$5,000 guaranty not a depositor in a bank has lost any money during the past 3 years of Roosevelt's administration. Business is booming all over the country. Anyone with a grain of sense must know, from reading the daily newspapers, that it is booming in every part of our common country.

Transportation is in the black again. Industry is back on its feet, and is getting better every day, and agriculture is better than it has been in the last 15 years. Our whole country is prospering. Prosperity is not around the corner, as was claimed in the Hoover administration, and improperly claimed, because they never could find the corner behind which it was hiding. Prosperity is out in front in every part of our beloved country, inviting every industrious person to enjoy its benefits, and the plain men and women of our land are praising Roosevelt for his planned and effective policies which have removed the depression from our midst.

Mr. President, possibly the severest critics of the Roosevelt administration are bankers, publishers, and newspapers, and this apparently without regard to party politics. I have no quarrel with these three powerful groups of our citizens. As a rule they have all three been unusually kind to me, but I do for a moment express my utter incapacity to understand why so many in these groups should be bitterly opposed to the President and his administration when he and that administration have done as much for these three groups as for any other three groups that could be mentioned in the country, or more.

It must be remembered that prior to March 4, 1933, innumerable members of these three groups were in the hands of receivers, and exceedingly few of them were making any money at all. In 1932 the net incomes from income-reporting banks amounted to \$16,280,938, while in 1934 the net incomes of banks reporting incomes had increased to the enormous amount of \$50,230,071. Besides, while there were six or eight thousand bank failures in the Hoover administration, there have been only 31 since Mr. Roosevelt came into office, and the Comptroller of the Currency tells me that practically all of the 31 failures were due to defalcations of officers or employees.

Besides that, by reason of the Federal Deposit Insurance Corporation Act, approved by President Roosevelt, substantially not a dollar has been lost by any bank depositor in America. Can my good friends, the bankers, wonder that with this vast increase in the profits and business of banks since 1933 some of us marvel that so many of these bankers are criticizing and opposing the Roosevelt administration,

which has safely brought them out of utter financial ruin and restored them to prosperity?

The publishing and allied interests are in exactly the same boat. In 1932, the last income-tax year of Mr. Hoover, the taxable income of these companies was \$58,804,346. Under Mr. Roosevelt, in 1934, their reported income had risen to the enormous figures of \$202,487,285.

Lastly, let us consider the newspapers. In 1932, the last year of Hoover's administration, there were only 60 newspapers reporting net incomes at all, and the amount was \$25,248,175, while in 1934 many more were reporting net incomes, and their combined net incomes had increased to \$38,458,480. The facts are that probably no industry in the country has increased its net earnings since the 4th of March 1933, as has the newspaper industry. Yet, notwithstanding this, taking them by and large, the great majority of the newspapers of the United States are opposing President Roosevelt's administration, which has safely pulled that great and splendid industry out of the mire of failure and ruin and restored it to prosperity.

I close by appealing to these great industries in all kindness and fairness not to lay themselves open to the charge contained in the well-known quotation from Shakespeare's *King Lear*:

How sharper than a serpent's tooth it is
To have a thankless child!

I say to my banking friends, my newspaper and publisher friends, this administration has done too much for their prosperity and happiness for them to proscribe and abuse it. Propaganda may be facts and propaganda may be fiction, but I have given facts.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment of the Senator from North Carolina [Mr. BAILEY] in the nature of a substitute for the amendment reported by the committee.

Mr. GORE. Mr. President, several Senators have spoken to me within the last few minutes, expressing the wish and the hope that the pending measure might go over until tomorrow. On the last roll call but few more than a quorum answered, and I should like to ask the leader on this side whether it would be agreeable to have the bill go over.

Mr. ROBINSON. I have no objection to that being done, if other Senators who are interested in the subject do not object. I see the Senator from North Carolina present in the Chamber, and it is his amendment which is pending. I may state to the Senator from North Carolina that the Senator from Oklahoma proposes that the pending question go over until tomorrow.

Mr. BAILEY. Mr. President, I see no reason for that, but I certainly would not discommode my friend the Senator from Oklahoma, and if he desires to have the matter go over I shall not object.

Mr. GORE. I should like very much to have it go over.

Mr. McNARY. Mr. President, I ask the Senator from Arkansas whether it is the desire and purpose of the Senator from Oklahoma to have the Senate proceed with his bill tomorrow to a final conclusion?

Mr. GORE. Yes; it is my desire to have the measure taken up as soon as we assemble tomorrow and proceeded with until it shall be finally disposed of.

ROBERT L. MONK—VETO MESSAGE (S. DOC. NO. 186)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, as follows:

To the Senate:

I return herewith, without my approval, S. 1683, entitled "An act for the relief of Robert L. Monk."

This bill provides that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Robert L. Monk shall be held and considered to have served honorably in the First Regiment Alabama

Volunteer Infantry from May 6, 1898, to October 31, 1898, and to have been honorably discharged from such service.

I am advised by the Secretary of War that no record is found to show that Robert L. Monk was ever a member of the military forces of the United States covering the period specified, and the enactment of this bill into law would, in effect, be a discrimination against many others who have claimed similar service and who have been denied Federal recognition. It would establish a dangerous precedent, to which I cannot subscribe.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 11, 1936.

Mr. BLACK. Mr. President, I ask that the veto message be printed and referred to the Committee on Military Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CLARK in the chair), as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit, vice Nathan P. Bryan, deceased.

Mr. ROBINSON, from the Committee on Foreign Relations, reported favorably the nomination of Francis R. Stewart, of New York, now a Foreign Service officer of class 4 and a consul, to be also a secretary in the Diplomatic Service.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 12, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 11 (legislative day of Feb. 24), 1936

PUBLIC WORKS ADMINISTRATION

Herman G. Baity, of North Carolina, to be Director of the Public Works Administration in North Carolina.

JUDGE OF THE POLICE COURT, DISTRICT OF COLUMBIA

Edward M. Curran, of the District of Columbia, to be judge of the police court for the District of Columbia, vice Gus A. Schuldt, term expired.

PROMOTIONS IN THE NAVY

Commander Joseph J. Broshek, an additional number in grade, to be a captain in the Navy from the 1st day of January 1936.

Lt. Comdr. Samuel R. Shumaker to be a commander in the Navy from the 1st day of January 1936.

Lt. Joseph H. Seyfried to be a lieutenant commander in the Navy from the 1st day of July 1935.

The following-named lieutenants to be lieutenant commanders in the Navy from the 4th day of October 1935:

George W. Mead, Jr.

Harry D. Power

James H. Doyle

Lt. Charles L. Surran to be a lieutenant commander in the Navy from the 1st day of December 1935.

Lt. Norman S. Ives to be a lieutenant commander in the Navy from the 1st day of January 1936.

Lt. (Jr. Gr.) Thomas J. Kimes to be a lieutenant in the Navy from the 31st day of October 1935.

Lt. (Jr. Gr.) James V. Query, Jr., to be a lieutenant in the Navy from the 1st day of January 1936.

Lt. (Jr. Gr.) Warren B. Sampson to be a lieutenant in the Navy from the 3d day of January 1936.

Ensign Earl T. Hydeman to be a lieutenant (junior grade) in the Navy from the 2d day of June 1935.

The following-named citizens of the United States to be assistant dental surgeons in the Navy, with the rank of lieutenant (junior grade), from the 3d day of March 1936:

Bernard H. Faubion

Jack H. Sault

John H. Paul

Carl A. Schlack

Benjamin W. Oesterling

Galen R. Shaver

Frank M. Kyes

Eric G. F. Pollard

Lloyd W. Colton

James R. Justice

Elmer S. Boden

Gerald L. Parke

Thomas O. Dillard

William M. Fowler

Edward J. Holubek

Kenneth O. Turner

John J. Flatherty

Arthur R. Frechette

Stanley W. Brown

Lewis H. Daniel

Robert S. Snyder, Jr.

Rush L. Canon

Frank E. Jeffreys

George R. Tucker

Aloysius C. Grosspietsch

William H. Snyder

John P. Crampton

Stephen T. Kasper

Kenneth M. Broesamle

Reimers D. Koepke

Walter W. Crowe

Ralph Bates

Carpenter Louis J. Shapard to be a chief carpenter in the Navy, to rank with but after ensign, from the 1st day of October 1935.

The following-named pay clerks to be chief pay clerks in the Navy, to rank with but after ensign, from the 5th day of September 1935:

Charles W. Harvey

John Peak

CONFIRMATIONS

Executive nominations confirmed by the Senate March 11 (legislative day of Feb. 24), 1936

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

First Lt. James Stewart Neary to Ordnance Department.

First Lt. Logan Clarke to Field Artillery.

Second Lt. Robert Nabors Tyson to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Lee Stanley Fountain to be lieutenant colonel, Dental Corps.

John Lloyd Schock to be lieutenant colonel, Dental Corps.

Charles Walter Lewis to be lieutenant colonel, Dental Corps.

POSTMASTERS

ARIZONA

Leonard D. Redfield, Benson.

MAINE

Delta F. Smith, Mapleton.

Hiram Ricker, Jr., South Poland.

Lester E. Goud, Topsham.

Edward C. Bridges, York Village.

NEW JERSEY

Arthur C. King, Beach Haven.

William J. Quinn, Caldwell.

Aloysius J. Kaiser, Dover.

C. Stuart Tobin, Glen Ridge.

Richard R. Newman, Spring Lake.

Elizabeth C. Brill, Stewartsville.

OKLAHOMA

Melvin L. Clow, Holdenville.

Vera L. Moreland, Hominy.

Floyd A. Rice, Strong City.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 11, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed are the undefiled in the way, who walk in the law of the Lord. Blessed are they that keep His testimonies and that seek Him with a whole heart. Merciful Father, Thou hast commanded us to keep Thy precepts diligently. They are a call to life, free from vexatious cares and the fears that tyrannize the soul. O Thou blessed High Priest, look upon us in our need; have compassion and share with us our weakness, that we may not fail to reach the goal of a more perfect life; feed the fountains of our being that cleanse and purify the heart. May we not miss life's richest treasures in vain pursuits. Heavenly Father, bless all who may be perplexed, those who are borne down with cares, and those whose burdens seem more than they can bear. To the Triune God be eternal praises, world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made on the 4th of this month in the RECORD on the general subject of Freedom of Speech.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, did I understand the gentleman to say his remarks of the 4th of this month?

Mr. MAVERICK. Yes. I may say to the gentleman that I want to make certain additions and corrections which are not very long so that it will be a complete speech and not separated.

Mr. RICH. The gentleman's speech is four pages long now. If he is going to redraft the whole speech it might be too long.

Mr. MAVERICK. Speeches come in here 19 and 20 pages long and the gentleman does not object.

Mr. RICH. Certainly. We object to all these 19-page speeches.

Mr. MAVERICK. I can assure the gentleman I am making a reasonable request.

Mr. RICH. The gentleman has already made a speech four pages long.

Mr. MAVERICK. What of it?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I do not think the gentleman from Pennsylvania should object.

Mr. RICH. May I say to the gentleman from Texas that his speech is in the RECORD now, and takes up four pages. Now he wants to revise it.

Mr. ZIONCHECK. Oh, he may want to condense it.

Mr. RICH. He says he is going to add to the speech.

Mr. MAVERICK. I am going to add a small amount, relevant and necessary to the whole. I will not abuse the privilege, I can assure the gentleman.

Mr. RICH. After this, will the gentleman be careful to make his speech right the first time?

Mr. MAVERICK. I thank the gentleman, and I will try my best to do better in the future. [Laughter.]

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on March 3 by the addition of two paragraphs that will not take more than 1 inch?

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, what can the gentleman from Michigan put in an inch that is worth while?

Mr. HOFFMAN. It will not be any telephone plug in a switchboard.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Under the special order for today the Chair recognizes the gentleman from Oregon [Mr. PIERCE] for 15 minutes.

PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. I should be sorry to take up the time of my colleagues for any statement which is not constructive and I believe it is not best to use this floor for purely personal controversy.

Mr. MAVERICK. Will the gentleman yield?

Mr. PIERCE. I yield to the gentleman from Texas?

Mr. MAVERICK. I want to cross-examine the gentleman now to determine whether he is a good American. How long has the gentleman's people been in this country?

Mr. PIERCE. They came here in 1630. [Applause.]

Mr. MAVERICK. That worries me because my own people came here in 1620, although that seems to be the *Mayflower* date. But I claim, anyhow, having gotten in earlier. Hence, the gentleman is only an immigrant. So I should like to ask him a question. Does he not think it better that we retain our democratic processes and political democracy, and fight communism and fascism that way rather than by attacking fascism and communism through the stoppage of free speech? We hear a lot about "Americanism" and the Constitution—these consist in following our essential traditions of freedom. To do otherwise is not true Americanism; to deny free speech is to violate the Bill of Rights, which is an integral part of our Constitution. Fascism and communism is admittedly the control of the will of the people by a single authority and marching feet. Do you not believe the will of the American people should be free, subject only to our Constitution, with its duties, rights, and immunities?

Mr. PIERCE. I think I can agree with the gentleman from Texas.

Mr. MAVERICK. I thank the distinguished gentlemen and former Governor of Oregon. He is recognized not only as an efficient Representative of his State but as a credit to the great West. I am glad, as a younger Member of Congress, to pay tribute to an able man, who understands real democratic government and who intelligently battles for the rights of his people and against communism.

Mr. PIERCE. I should prefer not to yield further, because I have carefully prepared these remarks, and I am anxious that the Members listen to what I have to say.

I cannot, however, ignore the remarks of my Oregon colleague, the genial judge from Portland, made before this body on Monday, March 9. At that time he criticized and ridiculed me because I justified the Columbia Broadcasting System for granting radio time to the leader of the Communist Party. The broadcasting company followed that with time granted for a reply by a Member of this House. One of the judge's friends, commenting upon his congressional career, has said that the judge has not yet learned that the

House is not just a glorified Elks' club. I think possibly this change from his usually humorous trend to red baiting may indicate that he has become conscious of the fact that a political campaign is in the offing. It is well that his constituents and mine should understand what apparently underlies this attack upon my plea for freedom of speech, of the press, and of the radio. We are in agreement in appreciation of the fundamentals of our Government worked out in suffering and struggle—freedom of speech, freedom of the press, and equality of opportunity. The basis of discontent which creates "isms" is the fact that present conditions do not afford equality of opportunity nor freedom in fullest measure.

The Communists and Russia need no defense at my hands and I have none to offer, but the sacred institutions of America are entitled to defense on every platform and from every source. I do know that most of the early settlers came to American shores to escape religious persecution and tyranny of kings and the privileged ones. Here came the Puritans, William Penn, and Roger Williams. Nowhere in history can you find a parallel to the first settlements on these shores. It was freedom from oppression of the Old World that brought them here. It was true that after they came here they themselves were sometimes intolerant. The Puritans punished the Quakers. Only Rhode Island and Maryland had full religious freedom granted, but it was the birth of a new world. Freedom was in the air in this new country—freedom from the traditions of the Old World, from conditions that had fettered, bound, and enslaved the common man for untold centuries. Those were the things that cemented the Colonies during the dark days of the Revolution. Patrick Henry stirred the people when he eloquently spoke of liberty and freedom. Out of those 8 years of suffering and privation came the freest and best government that the whole world has ever known.

THE JUDGE TALKS FOR HOME CONSUMPTION—ELECTION YEAR TALK NOT IMPORTANT

The judge, like all the rest of us, desires to be reelected. He is a candidate for Congress, and among those to be appeased, if his candidacy is to be successful, is his local press. One of these papers is now taking the same viewpoint he expressed; in fact, I am not sure it is not using the same words which the judge put into the CONGRESSIONAL RECORD on Monday. I regret very much that a usually liberal and valuable paper in Portland is defending the Oregon criminal-syndicalism law. There has been a definite movement for the repeal of this law ever since it was enacted, and it came to the front during the last regular session of the Oregon Legislature. At that time the Portland papers took issue with each other and the battle was on. I shall, therefore, be glad to discuss this matter somewhat as I have thought about it and been active on it ever since it came before the people of Oregon. Headlines in a Portland paper after my previous talk on this subject were "PIERCE Wants Free Speech for Radicals", yes, and for reactionaries also. If it does not cover all types of thought, it is not free speech. I respect an honest difference of opinion, I realize that our different points of view are due, largely, to temperament, but I do here, as elsewhere, object to hidden motives which I propose to expose to the light of day.

The judge erupted verbally not long ago in a political address in this city. He then declared, so I read in the press, that our President has established a dictatorship, has encouraged the spread of communism, and that the New Deal from "its inception has done everything possible to do away with liberties and freedom." Editorial comment in a leading Oregon newspaper is entitled "Ekwall's Bunk", and asks what freedom has been lost and what liberty infringed, and suggests that it may have been the right to exploit child labor, now restored to our reactionary citizens. It points to the judge's diatribes as proof that no one is interfering with his freedom of speech.

Some years ago a real reformer had made a great and strong argument against an opponent. The opponent was so severely worsted in an honest argument that he despaired of success and said to his financial backer, "I can't answer. I am out of the game." The financial wizard came back and said, "Don't answer. Call him a Socialist." So the judge,

yielding, possibly, to the judgment of his friends looking out for the utilities, calls me a Communist, abandoning real argument. So a little group here in the House can see under every bush a Communist. They realize that it helps their cause to call "Communist" every man who lifts his voice for the rights guaranteed by the Constitution. The red baiting is probably fostered by those who desire fascism and create this fear as an excuse for the seizure of arbitrary power. They refuse to help to prevent collapse by dealing with the fundamental problem faced by the American people today, the maldistribution of wealth. This concentration of wealth in the hands of a few has resulted in curtailment of consumer buying power, and this is our basic difficulty. One of my colleagues reminded me recently that the people of three of the great nations of the world have surrendered their liberties for bread. I believe we can work it out, retaining our liberty, with our bread, too, properly and justly divided.

BONNEVILLE POWER IS THE REAL ISSUE

Another point which must not be overlooked is that the gentleman who finds himself at odds with a large number of his constituents on certain economic and social questions must court privileged groups as well as the press in order to secure votes. I have no intention of attempting to thwart his ambition to return to Congress, but it is perfectly apparent that in attacking me he spoke as an ally of those forces which have for many years constituted my battle front. He was, by that attack on this floor, moving into the Second Oregon Congressional District, out of his own sphere, in order to help his constituents, the utilities, with whom I have battled for many years. The managers of these utilities do not, of course, desire to see me returned to Congress; but there is more involved than is at first apparent, and more than concerns a congressional campaign. Indeed, it is reliably reported to me today that the same utilities whose agents are now being investigated by a Senate committee have a sizeable purse ready for a contender for my place in Congress. All the money is not spent in Washington, D. C.

There are now in committees of this House three different bills providing for the use of the electric current generated at the great Bonneville Dam. On that matter my colleague and myself have opinions widely at variance. This must be apparent to any person who noted our different positions on the holding-company bill of last session. These positions were taken in the open, through votes and speeches on the floor, so they are undoubtedly clearly understood. My colleague from Portland vigorously defended the holding companies and opposed the passage of regulatory legislation, which I favored by voice and vote. We represent different constituencies. The judge has a city with a compact constituency, largely trading and industrial. I represent the far-flung grazing grounds and wheatfields of the high plateaus of eastern Oregon. It is natural that we should have different points of view on many questions and different interests, but we are both vitally concerned with the matter of control and distribution of that power at Bonneville. The question is shall it be reserved for the utilities and a single city or county at tidewater, or shall it benefit all who may advantageously use it? The decision will be made here in Congress.

FREEDOM OF SPEECH

The judge fears communism. I fear special privilege. Since the issues are so great and so marked, I shall not further dwell upon any differences in our attitudes toward public questions. I should not like to add to the convictions of many disillusioned people who complain of legislative smallness and ineptitude and feel that great places are sometimes filled by little men. I shall, therefore, address myself to definite points brought out by my colleague.

First, the matter of the use of the radio for broadcasting a talk on communism. Now, as I understand it, communism is a philosophy which deals with social and economic life. Those who hold these views have formed a political party, which is legalized in many of our States, including Oregon. It may have candidates for local, State, and Federal offices. This being true, it seems to me extremely unwise to allow people to be left ignorant as to its tenets. The judge should

have listened in because his intemperate statements show that he needs the information which was broadcast. I regard communism as an unthinkable alternative to our form of government. I do not subscribe to its theories, but I observed in the broadcast no license nor abuse of free speech. Yes, I believe it is best to bring communism out into the open. Surely it is better that it should take to the air than that it should be forced into underground passageways. I fear all secrecy—secret personal vices, secret political vices, secret alignments with powerful privilege seeking political advantage. The subversive movements in public life are those which are secret. Does my colleague for one minute think that this country would be safer and better if communism were driven into subterranean channels? It is perfectly plain to anyone who reads that radio speech that there is no glamour in communism. It was also perfectly plain that our colleague from New York, who was allowed the privilege of refuting the statements made by the Communist leader, had no real fear of communism, because he devoted his radio rebuttal to abuse of the New Deal and practically ignored the communistic trend. No; there is no need to quarrel over communism. There must be a cause for its existence. Would it not be the part of wisdom to ascertain that cause and remove it? What has been the history of suppression to still discontent? It has always driven the discontented closer together. The blood of martyrs has always made millions of converts. My dear Judge, is it not better to let them talk it out? If denied, hungry, discouraged men will declare, in every room and park where they gather, that they have not had fair play; they will believe the country fears them. My dear Judge, with your judicial mind, decide which would make the most converts now—that speech of Browder a few nights ago or the knowledge that this great Nation fears open expression of political ideas?

My genial Judge, have you forgotten Voltaire's reply to his opponent in the French Assembly—

I wholly disapprove of what you say, but will defend to the death your right to say it.

Any restriction of free speech is dangerous, because it implies the setting up of standards by groups which would restrict other groups. No one can foresee who will be the next victim.

My colleague, you and I have the same ends in view. We both want to preserve American institutions. We both want to preserve the capitalistic system under which we have prospered so marvelously. Would to Heaven we might by some edict bring to the light of day all these secret machinations and deal with them openly! The Congress realizes the importance of this matter when it appoints investigating committees to learn of the doings of special privilege. These committees are not always as effective as they should be, but they are a last resort in the effort to stay the manipulation of government through secret channels.

FREEDOM OF THE PRESS

I have no fear of theories nor of dreams, but I do fear the tangible actualities of money control of Government and of the press. I fear the hidden enemies, the microbes not yet isolated and dealt with. My colleague values freedom of the press. He states that he would "rather live in a country without a government at all than be deprived of freedom of the press." Who is opposed to freedom of the press? I certainly am not. Why not a free radio also? They perform the same functions of news dissemination and interpretation and advertising mediums. Any governmental restriction on freedom of the press will never be tolerated in this Nation.

But how free is the press? Have you read Seldes on the subject? How long since the commercial advertising press has been free from the domination of the advertisers who pay the bills? Why are we unable to secure decent and adequate food and drug legislation in this country? Is it the will of the press or of the advertisers? I have been told by a great advertiser, upon whom the press of a certain city is dependent for a large part of its income, how he stopped the great presses at night in order to have desired changes made in news items as well as in editorials. Does that constitute freedom of the press? I am thankful for

our small local papers and our weekly press near to the people who know the owners and editors and can estimate their characters and understand them. The rural press does sometimes give space to the canned editorials of the utility promoters and other big business parasites. The people are, however, not deceived, as they know the earmarks of such news agencies and recognize them by the differences, in diction as well as thought, between the smooth appeals of big business and the honest opinions of the local editors.

OREGON'S CRIMINAL SYNDICALISM ACT

Now, a word about the criminal-syndicalism law of Oregon. The judge has quoted it to you. It was adopted during the after-war red-baiting frenzy, when we had not been fully informed in regard to the propaganda measures which operated during the war. It is, of course, true that any overt act against government or any act of treason or incitement to treason, can be dealt with under the law without any criminal-syndicalism act. We now know something more about propaganda, though we are still, in a measure, its victims. I am proud of some things in my record of some 50 years of public life, and I take great satisfaction and pride in the fact that I opposed the adoption of that act in our liberal Oregon. We Oregonians, leaders in the establishment of popular government, are restive under this act, and it would undoubtedly have been repealed if we could have devoted our full attention to it, but the attacks upon our system of government from other sources have diverted this attention to defense of our fundamental political organization. The State election of January 31, 1936, should teach a lesson to all Oregonians. That lesson is that the people of Oregon value their liberties and are not yet ready to surrender them. It also shows that they understand somewhat the secret manipulations of those who would destroy popular government. Now, the wrong in the criminal-syndicalism law does not rest entirely in the act itself but in the uses to which it has been put. It has been applied only for the control of that economic order, members of which call themselves Communists, those who openly avow the desire for change. It has never been, and probably never could be, applied to others who have secretly endeavored to manipulate destructive governmental changes. That is the basis of my main objection to the act. The judge quoted the section which provides that any person who advocates the expediency of committing any violence or unlawful act for profit is among those guilty of criminal syndicalism, but the law has never been invoked against such persons. The meaning conveyed by quoting the law depends upon the words emphasized in capitals, and I have never known the baiters to print in capitals those two words, "for profit." I also object to the statute because it is difficult to determine without bias what constitutes literature advocating the unlawful acts cited. Under the law, a poor fellow in Oregon going about with a donkey and some communistic literature goes to the penitentiary for 5 years. The malefactors of wealth go scot free. Do you think the law would ever touch a Liberty Leaguer, whatever he might say? What was ever done to punish those holding company officials and great corporation executives which made what John T. Flynn calls "outrageous raids upon the savings of the American people"? I have not heard that any of them have been punished for their crimes. He continues, "We have, of course, an economic problem and a social problem and a political problem. But we have also a problem of civilization and America had better look to her civilization."

MEN ARE ENTITLED TO JOBS

During the same session in which I voted against the criminal-syndicalism law in Oregon, I introduced and tried to bring before the people a constitutional amendment that would have guaranteed a job to every Oregonian, and that was 17 years ago. If passed, it might have headed off some of the communism and other "isms." I am willing to vote to balance the Budget now, if you are willing to enforce an income and inheritance tax similar to that in England, but I am not willing to vote to balance the Budget if we have to say to ragged and hungry millions, "We cannot

feed you any more and we have no jobs for you. You must stand the pangs of hunger for now we are engaged in balancing the Budget." Such action would make Communists.

As I have said, Oregon is liberal. Our people are liberal-minded. We have a very high rating for literacy. Our people are readers and thinkers and students. We subscribe to more periodicals than the people of the other States. We are politically conscious. In some communities Communists have met to discuss their theories without interference or apparent effect.

STRAW BALLOTS

The judge refers to my straw-ballot bills, and that interests me, and I am glad to take this opportunity to say that I have no objection to free and open, honestly conducted straw ballots. What I desire is to satisfy Congress that straw ballots, which mold public opinion, are actually what they purport to be and are not manipulated in order to influence opinion. They sometimes give a totally false impression of political opinion and should, in my judgment, be controlled, as are other political propaganda methods, in that the sources of support should be revealed to the public.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

IT IS THE SAME OLD FIGHT

Mr. PIERCE. Mr. Speaker, in the many years of my public life I have supported some causes which were at the time unpopular. I have seen many of them come into public favor. I think of the years of struggle for the State income tax. Who were the enemies we fought? They were those who front us now. I voted for the guaranty of bank deposits. Who were those intrenched opposite us in that fight? The same forces which confront us now. I voted with others for popular government in Oregon 35 years ago and I renewed the fight this last January. The face of the enemy was decidedly familiar. Our next great fight is to control Bonneville power in the interests of the people. This little ripple among the Oregon delegates in Congress shows that the battle has begun again, and the same old familiar enemy is drawn up in opposition. Yes; I should have added that one of my greatest fights was to compel the utilities to pay taxes on their valuations fixed for rate-making purposes. Does that explain anything to my friends on this floor? I notice that a certain influential and able editor in Portland commended Mayor LaGuardia for taking this step a few weeks ago. The result in Oregon was an attempted recall of myself as Governor. In fact, the utilities and other specially privileged groups put \$15,000 on the table in Portland one evening toward the expenses of a recall election, figuring it cheaper to get rid of one Governor than to pay increased taxes each year. How public opinion has changed on that matter! Those constituents of my colleague who may wreck democracy are those who would make it safe for holding companies instead of making holding companies safe for democracy. It is the same old fight we had last spring. This is a fight for the control of water power, and it is part of the campaign of the utilities to get that control. Red baiting should not divert attention from the real matter at issue between my colleague and myself.

Let us bring it all out in the open, along with communism and the other evils which are said to threaten the structure of our Government. It is partly greed and political privilege which have brought about the conditions that have produced 30,000 Communists in these 48 States, one Communist voter in every 1,300 voters. My, what a menace! The real cure is control of the greedy and powerful ones who manipulate parties and legislative bodies. These groups, so influential in matters of State and National legislation, have gained great wealth through privilege, and they used that wealth to gain more privilege. They are truly entrenched. Curb them and provide work for all, and the Communists will disappear like mist before the bright summer morning sun. Any other method is a confession of incompetence.

A businessman with a conscience recently wrote:

After all is said, business is but a privilege. Ours is not a right but a franchise. * * * If this be so, then the Government, representing both the people who gain most by our present system and those who suffer most, has the right and duty to control and organize this privilege so as to raise and fortify the general level of American life. (Fels. This Changing World.)

While I was Governor of Oregon William J. Bryan visited the State. I had many pleasant hours with him on that, his last trip to the West. He told me many stories—this one I shall never forget. He said after he had made his second race for the Presidency he and his wife were visiting in England. They were invited out to a great house for a week end. When it came time to go into the banquet he was given as his dinner companion a lady of high rank who had been reared in wealth in New York. During the long, pleasant dinner she was an interesting companion. Toward the close of the banquet she turned to Bryan and said, "Colonel Bryan, I can't understand my New York friends. They have every means of knowing all about you. I have studied you for 3 hours this evening. I think you are a wonderful man and would make a great President of the United States. Why are my New York friends so deathly afraid of you?"

He replied, "My dear Duchess, your friends in New York need me much more than I need them. All I have said to your friends in New York is 'Quit stealing!' Those who come after me will say, 'Put it back!' That will hurt your friends in New York." Has that time come, and are they hurt? Are they trying to draw across the path the red herring of communism? [Applause.]

[Here the gavel fell.]

COMMITTEE ON INDIAN AFFAIRS

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the committee may be allowed to sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

UINTAH, WHITE RIVER, AND UNCOMPAHGRE BANDS OF UTE INDIANS

Mr. ROGERS of Oklahoma. Mr. Speaker, by direction of the Committee on Indian Affairs, I ask unanimous consent that the bill (H. R. 6019) authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, be recommitted to the Committee on Indian Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMUNISM

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. SNYDER of Pennsylvania. Mr. Speaker, reserving the right to object—I do not like to object—

Mr. EKWALL. Then do not object if you do not like to. Mr. SNYDER of Pennsylvania. This is a controversial question, and I gave up about 2 hours of the time of our committee yesterday.

Mr. BLANTON. The gentleman is entitled to 5 minutes. Mr. SNYDER of Pennsylvania. I shall not object to this request for 5 minutes, but please do not ask for any additional time.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, will not the gentleman from Oregon ask for 10 minutes tomorrow, because I think a little thought upon this subject will bring out a better talk, and I am going to object at this time, but I shall not object on tomorrow.

The SPEAKER. The gentleman from Oregon asks unanimous consent to address the House for 5 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. EKWALL. Mr. Speaker, I ask unanimous consent to include in my remarks an editorial from the Portland (Oreg.) Journal on this subject.

Mr. BANKHEAD. Mr. Speaker, I shall have to object to the editorial.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. EKWALL. Yes.

Mr. BLANTON. I want to say to my colleague from Oregon that I voted against the utility monopolies for the "death sentence"—

Mr. ZIONCHECK. Point of order, Mr. Speaker.

The SPEAKER. The gentleman from Oregon has yielded to the gentleman from Texas.

Mr. ZIONCHECK. The point of order is that the gentleman from Oregon has not any time yet.

The SPEAKER. The gentleman from Oregon has been recognized for 5 minutes, and has yielded to the gentleman from Texas.

Mr. BLANTON. I want to say to my friend from Oregon that I voted against the utility monopolies and supported Chairman RAYBURN and voted for the "death sentence", and public-utility money is being spent now in my district to defeat me; but nevertheless I wish to say to him that, in my judgment, he being a Republican and I being a Democrat, my distinguished colleague from Oregon [Mr. EKWALL] is such a valuable public servant that it would be a public calamity if he were defeated in Oregon this year. We need him here. [Applause.]

Mr. EKWALL. I thank the gentleman.

(Mr. EKWALL addressed the House and subsequently withdrew his remarks.)

Mr. O'CONNOR. Mr. Speaker, I rise to the point of order that the gentleman has used words in debate—

Mr. EKWALL. I withdraw the words.

Mr. O'CONNOR. I do not care whether he withdraws them or not, I demand that the gentleman's words be taken down.

Mr. EKWALL. Let them be taken down.

Mr. BLANTON. The gentleman from Washington invited and provoked them. His conduct toward the gentleman from Oregon was outrageous in doing that, and we ought to have fair play for the gentleman from Oregon.

The SPEAKER. The gentlemen will take their seats, and the Clerk will report the words objected to.

Mr. BLANTON. A point of order, Mr. Speaker.

The SPEAKER. What is the gentleman's point of order?

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER. The Chair has recognized the gentleman from Texas to state his point of order. The gentleman from Washington will permit the gentleman from Texas to state it.

Mr. BLANTON. My point of order is that the gentleman from Washington provoked the statement made by the gentleman from Oregon.

Mr. ZIONCHECK. A point of order, Mr. Speaker.

The SPEAKER. The gentleman from Texas is stating his point of order.

Mr. BLANTON. My point of order is that the gentleman from Washington provoked the reply made by the gentleman from Oregon. I ask in all fairness that the Speaker submit the question to the House to vote upon it, and allow the House to decide whether the gentleman from Oregon was within his rights in making his reply in kind, which action the Speaker has the right to take under the rules of the House.

Mr. ZIONCHECK. I object, Mr. Speaker.

Mr. SNELL. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MAVERICK. Will the gentleman from New York withhold that for me to make a request?

Mr. SNELL. No; I will not.

Mr. MAVERICK. I wanted to make a good suggestion.

The SPEAKER. The gentleman from New York makes the point that no quorum is present. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House. The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 33]

Amile	Darden	Haines	Oliver
Ayers	Dear	Halleck	Patton
Barden	DeRouen	Harlan	Robinson, Utah
Berlin	Dickstein	Healey	Romjue
Buckbee	Dingell	Hoeppel	Ryan
Bulwinkle	Dorsey	Hook	Sadowski
Burnham	Doutrich	Kee	Sanders, La.
Caldwell	Fenerty	Keller	Scott
Cannon, Wis.	Ferguson	Kennedy, Md.	Sears
Casey	Fitzpatrick	Kvale	Seger
Cavicchia	Flannagan	Lamneck	Short
Clark, Idaho	Gambrill	Lanham	Steagall
Clark, N. C.	Gasque	Larrabee	Summers, Tex.
Cole, Md.	Gassaway	Lesinski	Thomas
Collins	Granfield	Merritt, Conn.	Tinkham
Cooley	Gray, Ind.	Mitchell, Ill.	Tobey
Cox	Gray, Pa.	Montague	Underwood
Crowther	Greenway	Murdock	West
Culkin	Greenwood	Nichols	

The SPEAKER. Three hundred and fifty-five Members have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move that all further proceedings under the roll be dispensed with.

The motion was agreed to.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that these gentlemen be permitted to take these remarks out of the RECORD, because we are talking too much, wasting too much time, and indulging far too much in personalities, and after they take them out, we proceed with our business.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. O'CONNOR. Reserving the right to object, my purpose in asking that the remarks of the gentleman from Oregon be taken down was not directed against the gentleman from Oregon, but against a situation which has existed here in the House for weeks.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. ZIONCHECK. I object.

The SPEAKER. The objection comes too late.

For the information of the House, the Chair will read from rule XIV and make a short comment upon it.

Rule XIV reads as follows:

When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker", and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

The Chair reads further from section 361 of Jefferson's Manual, which also governs in this House:

No person, in speaking, is to mention a Member then present by his name, but to describe him by his seat in the House, or who spoke last, or on the other side of the question; nor to digress from the matter to fall upon the person, by speaking reviling, nipping, or unmannerly words against a particular Member.

The Chair regrets to say that there has grown up a practice in this House under which personalities are frequently indulged in; there has also grown up a practice whereby Members fail to address the Chair and get the consent of the Member speaking to interrupt. Those things, of course, provoke disorder and interfere with the orderly procedure of the House. The Chair hopes that Members will observe these rules, and that hereafter they will refrain from personalities, and confine themselves, when speaking, to the subject matter of debate.

Again, there has grown up in the House the practice of addressing a Member in the first person, which is not in accordance with parliamentary practice.

The Chair thinks it proper to make these statements and to say that hereafter, while the present occupant of the chair is presiding, whenever any Member violates these rules, he will be called to order by the Speaker. [Applause.] The Chair also requests Members who are presiding as Chairmen of the Committee of the Whole House on the state of the Union, that while they are in the chair they pursue a similar practice. The Chair regrets that these occurrences take place and thinks they have become entirely too frequent for those who like to see the rules complied with and who are anxious to see parliamentary forms observed in the House. Parliamentary procedure cannot obtain unless

there is a strict observance of these rules. The Chair thinks the entire membership will be glad, out of their respect for the dignity of this great body, of which they are a part, to assist the Chair in seeing that the rules are observed. [Applause.]

Mr. BLANTON. Mr. Speaker, I move that the gentleman from Oregon be permitted to proceed in order.

Mr. ZIONCHECK. Mr. Speaker, may I make a unanimous-consent request?

The SPEAKER. Not unless the gentleman from Oregon [Mr. EKWALL] yields for that purpose. The gentleman from Oregon has 3½ minutes remaining.

Mr. ZIONCHECK. Will the gentleman from Oregon yield to me to make a unanimous-consent request?

Mr. EKWALL. First, Mr. Speaker, I desire to submit a unanimous-consent request myself. I ask unanimous consent that my time be extended 10 minutes, because part of it has been consumed and I have not yet touched upon my reply to the address of the gentleman from eastern Oregon.

The SPEAKER. The gentleman from Oregon asks unanimous consent that he have 10 minutes in which to address the House. Is there objection?

There was no objection.

Mr. EKWALL. Mr. Speaker, I now yield to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Speaker, the request that the gentleman from Oregon [Mr. EKWALL] has made is the request that I was about to make myself—that his time be extended for 5 minutes. Now that that is unnecessary, will the gentleman yield for an observation?

Mr. EKWALL. I yield.

Mr. ZIONCHECK. Mr. Speaker, I did make a remark, which probably will not appear in the RECORD, that I thought the gentleman from Oregon [Mr. EKWALL] would make a fool of himself to answer the gentleman from Oregon [Mr. PIERCE] immediately and not take time for deliberation and answer him the next day.

Mr. BLANTON. Mr. Speaker, I ask that the offensive words again used be taken down.

Mr. MAVERICK. Mr. Speaker, I rise to a point of order, and my point of order is that the gentleman from Washington [Mr. ZIONCHECK] is in effect substantially repeating what he said before, but in an insidious way, and is making an attack on the gentleman from Oregon. I ask that he be held out of order, and that he stop this attack. It is nonsense to keep on this talk. It is out of order and should not be considered.

Mr. BLANTON. Mr. Speaker, I ask that the repeated offensive words of the gentleman from Washington be taken down.

Mr. ZIONCHECK. Oh, that comes too late. The gentleman is not "sparking" this morning. He makes the point too late.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the repeated offensive words of the gentleman from Washington be eliminated from the RECORD.

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. The gentleman from Texas asks unanimous consent that the words uttered by the gentleman from Washington be stricken from the RECORD.

Mr. MAVERICK. Oh, what is this, Mr. Speaker, a kindergarten? Let us proceed.

The SPEAKER. The gentleman from Oregon will proceed.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield further to me?

Mr. EKWALL. Mr. Speaker, I will admit that for a moment I forgot the biblical admonition to turn the other cheek, and for having been somewhat hasty I apologize to the other Members of the House and to the Speaker.

As I expected, the gentleman from Oregon [Mr. PIERCE] did not answer my Monday attack on communism. The gentleman made a typical "Pierce" talk, as we know it in Oregon. He said that I feared communism. I do not fear communism, because by fearing it I would insult the intelligence of a vast majority of the people of my State and of this country. I do not fear, but I do loathe communism.

The gentleman says that I am seeking reelection. Well, gentlemen in glass houses should not throw stones. We are all up for reelection. But I am not so anxious to return to Congress that I am willing to champion the cause of the Communists and their ilk in this country. [Applause.] No; much as I have enjoyed my work in Washington and much as I would miss my many friends in Congress, I would rather suffer an honorable defeat than to be reelected through the influence of such an un-American group.

The gentleman from eastern Oregon [Mr. PIERCE] made a rabble-baiting speech, but beware of the man who cries "wolf! wolf!" He tries by implication to tie me in with special privilege, as he calls it, and he mentioned the Bonneville Dam. I am just as much interested in the great Bonneville Dam and in getting reasonable power rates for the people of my district and my State as is the gentleman from eastern Oregon [Mr. PIERCE]. Last year I introduced in the House an identical bill to one introduced in the Senate by Hon. CHARLES L. McNARY, Oregon's senior Senator, who is also the distinguished minority leader. This bill, H. R. 8994, provided in substance that the Bonneville Dam should be completed, maintained, and operated under the direction of the Secretary of War and the supervision of the Chief of Engineers. The Federal Power Commission was therein given control of all rate matters pertaining to power to be generated. Does the gentleman question the integrity of the Secretary of War, the Chief of Engineers, and the members of the Federal Power Commission?

The gentleman resorts to the old tactics and trick phrases of the "parlor pinks" in the use of such terms as "predatory interests" and "malefactors of great wealth"; but he will not fool the people of my district.

Talk about one not being sincere. The gentleman professes to be such a sincere Member. He claims to have fought a sales tax in the State of Oregon for years. Still he came here and bent the knee to the Townsend-plan crowd when they demanded that he vote for the Townsend plan in this body. That does not show consistency. He now claims to be for the Townsend plan. The very basis of that plan is a supersales tax, a pyramided sales tax, that is so much worse than any ordinary sales tax that a man ought to be ashamed of himself who claims to be against a sales tax and then advocates the Townsend plan.

I did not intend to make a personal attack, but I want to say that I had a perfect right to answer the gentleman's address on Friday when, to my way of thinking, he made an ideal talk for communism. I am against communism now, and I will be against communism if I live to be a hundred years old, because it is wrong; it is improper; it is un-American. I will always raise my voice against it, regardless of who comes to its defense.

I am sorry that these personalities have entered into this talk today, but I have said exactly what I mean.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. EKWALL. I yield.

Mr. RANDOLPH. Is it not a fact that the gentleman's real opposition to communism is not based so much on the different economic thought of that country as against ours, but the fact that communism works and fights for the overthrow of our churches, schools, and homes?

Mr. EKWALL. Absolutely. As I said in my remarks on Monday, communism seeks to destroy everything that has made America great. [Applause.]

The SPEAKER. The time of the gentleman from Oregon has expired.

SPECIAL COMMITTEE TO INVESTIGATE OLD-AGE PENSION PLANS

The SPEAKER laid before the House the following announcement:

Pursuant to the provisions of House Resolution 443, Seventy-fourth Congress, the Chair appoints as members of the select committee to investigate old-age pension plans the following Members of the House:

Mr. BELL, of Missouri; Mr. LUCAS, of Illinois; Mr. GAVAGAN, of New York; Mr. TOLAN, of California; Mr. HOLLISTER, of Ohio; Mr. DITTER, of Pennsylvania; Mr. COLLINS, of California; and Mr. HOFFMAN, of Michigan.

THE LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes; and pending that, Mr. Speaker, I ask unanimous consent that general debate shall continue throughout the day and until 2:30 o'clock tomorrow afternoon, at which time the bill is to be read for amendment with the understanding that it will be disposed of before we adjourn tomorrow evening.

Mr. TABER. And will the gentleman couple with his request the further request that the time be equally divided between the gentleman from Pennsylvania [Mr. SNYDER] and the gentleman from New Jersey [Mr. POWERS].

Mr. SNYDER of Pennsylvania. Certainly. Mr. Speaker, I further request that the time be equally divided between the gentleman from New Jersey [Mr. POWERS] and myself.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill, H. R. 11691; and pending that asks unanimous consent that general debate on the pending bill continue throughout the day and until 2:30 o'clock tomorrow afternoon, at which time the bill shall be read for amendment, and that the time be equally divided and controlled by the gentleman from New Jersey and himself. Is there objection?

Mr. HUDDLESTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HUDDLESTON. Does the gentleman's request preclude a motion to adjourn before the bill is finished? The gentleman stated that debate was to continue until 2:30 tomorrow, and that then the bill was to be read and disposed of before adjournment tomorrow evening.

The SPEAKER. The Chair did not put the request in that way. That is a matter for the House to decide.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11619, the legislative appropriation, with Mr. BUCK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair hopes it will be unnecessary to repeat the admonition given the Members of the House by the Speaker a few moments ago. The bill now before us, the legislative appropriation bill, is one which vitally affects this body and the other body. It is entitled to receive your serious attention and consideration.

The Chair requests that order be preserved without the necessity of having frequently to admonish the Members.

The gentleman from Pennsylvania.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. ZIONCHECK].

Mr. ZIONCHECK. Mr. Chairman, as a member of the subcommittee upon the legislative appropriation bill, I, for one, do not agree with all its provisions, but as a member of that committee I am going to vote for the measure, and am not going to vote for any amendment thereto unless it has a great deal of merit, and I doubt whether such amendments will be offered.

I do not think there is a subcommittee of the Committee on Appropriations that has given more serious and earnest consideration to any appropriation measure at any time. I think the hearings, if read, will disclose this conclusively. There are, however, a couple of matters to which I should like to draw the attention of the House, not to change the

present bill but that we may be better advised when this measure comes up again, providing we still are members of this committee, because an election does intervene.

The first thing to which I call attention is an item in the bill making appropriation for the stationery account of Members, \$125 for each Member. As the present law and regulations thereunder stand, a Member can buy \$125 worth of stationery or by proper procedure can withdraw the entire \$125 and even play poker with it if he wishes. Some Members, a few, do not use \$125 of stationery in a year; but there are many Members, in fact, most of the Members, who use not only \$125 worth of stationery but \$225, and some \$525 a year for legitimate congressional business in order to serve their constituents as they are entitled to be served.

I made the suggestion, and the suggestion was discussed a great deal, that this amount be increased from \$125 to at least \$200 a year, but withdrawing the privilege of drawing down money. In other words, if a Member with a \$200 stationery account draws but \$50, he cannot get the other \$150 in cash. If he does not use it, the money reverts to the Treasury of the United States. I think that is a suggestion worthy of consideration. Even TOM BLANTON uses more than \$125 worth of stationery for his speeches.

Mr. MAVERICK. Mr. Chairman, I object.

Mr. ZIONCHECK. Do not get obstreperous. I withdraw the remark.

Mr. MAVERICK. I object to the remark the gentleman made to me.

The CHAIRMAN. The gentleman from Washington will proceed in order and avoid the mention of the given name of any Member of the House.

Mr. ZIONCHECK. Mr. Chairman, I amend that immediately by saying the gentleman from Texas, and if I offended the gentleman from Texas, why I am sorry—indeed sorry.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ZIONCHECK. Mr. Chairman, you know I do not think this House is a circus despite the fact that some of you may think that I think so. The fact of the matter is I even object to a person clapping on this floor and hooting down Members who try to express their sincere convictions on the floor of the House. The ones who are shouting the loudest for order are the ones who do most of this ballyhoo and make—well, I will not use the word. Why can there not be dignity to this House?

There are 435 Members here representing 130,000,000 people, or, at least, they should be representing them. You know, when someone talks for a little 5-percent-interest group, the Economy League, or the other league that proceeded to oust the President out of the Democratic Party, with the help of Alfred E. Smith—and I refer to the Liberty League—there is a respectful audience and everything is quiet, but when you start to talk for the people you are a radical. Well, I am a radical, and I am damn proud of it! What do you think of that? If I were not, I would not be honest with my constituents. I try to work and help these people to see if they can get a job, so that they can live with dignity and live while they work. Enough of that.

Another matter that I should like to call the Committee's attention to is that in this legislative bill there is an appropriation of \$50,000 for the purchase of books for the Congressional Law Library. Last year there was an appropriation of \$90,000, but \$40,000 was used for the purchase of law books for the sanctum sanctorum known as the Supreme Court of the United States, the holy of holies.

Mr. KNUTSON rose.

Mr. ZIONCHECK. Does the gentleman from Minnesota object to that?

Mr. KNUTSON. Mr. Chairman, I do not believe one body of the Government should criticize another.

Mr. ZIONCHECK. Well, I am going to criticize the Supreme Court until they start representing the people for a change, and I am going to do it as long as I want to. What do you think of that?

There is provided in this bill \$50,000 for law books for the greatest library in the country, our library, the judiciary library, when, as a matter of fact, Harvard University alone,

one institution, spends \$75,000 a year for their lawbooks. We are going to pinch pennies and save upon our congressional law library. It just does not make sense to me, although I am going to vote for this. I think in the future, however, we should discuss these things realistically. We should look at the cold facts. We should be dignified to ourselves, have a little pride in ourselves, and not start pinching pennies just because the Senators buy soda pop and have ice delivered to their offices every morning and have a beauty parlor down there with operators in it. Why should we get a complex? Even the gentleman from Texas objects to that.

Mr. Chairman, I yield back the balance of my time.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. Dockweiler].

Mr. DOCKWEILER. Mr. Chairman, I have several items to discuss relating to the legislative appropriation bill. First of all I call attention to the fact that this bill provides \$100,000 to be supplied the Committee on Accounts to take care of the expenditures and expenses of special committees as they may be selected by the House through resolution; \$100,000 in this bill is supposed to cover the expenses of these special committees for the year 1937.

I read recently in the press that a special committee that has just been selected by resolution of the House intends to request the sum of \$50,000 from the Committee on Accounts. Of course, if this particular committee, organized for the purpose of investigating the Townsend plan, succeeds in securing \$50,000 from the Committee on Accounts, only half that sum will be left for the rest of the special committees. If I could see any reason for \$50,000 being spent in this way, I might not object, but I cannot see any reason, and in anticipation of the moment when we will be asked to vote upon such an expenditure I shall register my vote against it.

It is not a question of whether we believe in the Townsend plan or not. The question is whether we have the right, considering all the circumstances of the case, to appropriate \$50,000 of the taxpayers' money in this manner, when you have all of the central Townsend organizations here in Washington—Dr. Clements, Mr. Townsend, his three regional organizers, his auditors, and all of the records of his corporation that has returned income taxes. You have the whole shooting match right here in Washington, and why this committee needs \$50,000 I am at a loss to understand.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. No; not for the moment.

Now, on another matter, this House, conjointly with the Senate, has to appropriate money for other special committees organized either by the Senate or by the House. There is a special committee of the Senate known as the Committee to Investigate Lobbies, or the lobby activities that have occurred, particularly with reference to the utility bill that was pending in the last session of the Congress. This committee, during the interim of the vacation, utilized the agency of the Federal Communications Commission to go out, hither and yon, in the offices of the communications agencies of the country, the Western Union and the like, and corral, so we are told, hundreds of thousands of telegrams.

Since when, Mr. Chairman, has the House of Representatives or the Senate acquired the right to transcend the Constitution of the United States? It might be well to remind ourselves that article IV of the first 10 amendments to the Constitution, the so-called Bill of Rights, reads as follows:

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

As a member of that distinguished profession known as the law, what lawyer would have the hardihood to issue a subpoena duces tecum that did not in some way adequately describe the messages or the communications that he sought by court order to obtain?

Mr. Chairman, we have a written Constitution and we have, if I may use the term, an unwritten constitution—those Anglo-Saxon concepts that have come down to us that were not actually transcribed in so many words in the Constitution of our land.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I cannot yield at this moment.

The concept that a man's home is his castle comes down to us from Anglo-Saxon-Norman times, and is as well founded in the jurisprudence of this country as in any specific language of the Constitution.

Mr. Chairman, there are certain things that we have always held sacred, the communications between husband and wife, the communications between confessor and penitent, the communications between lawyer and client, and every State in the Union has written this safeguard in its own particular constitution.

Now, for a committee of this House or of the Senate to go broadcast into the country and without any specification or direction to collect everybody's personal telegrams and communications in various law firms, Mr. Chairman, is not only illegal but is a severe violation of the original concepts of the people of this country.

I hold no brief for the utility crowds that were here last year, but as a member of the profession of the law—and there is pending today before the Supreme Court an appropriate writ that has been requested by one of the distinguished law firms of this country, a writ to prevent the use of this information that was gathered in what I regard as an illegal fashion—I think I have no right to sit supinely by in this House as a Member of the Congress, or, I may say, sit spinelessly by, and permit any committee of this House or Senate to transcend the authority of the Constitution and to trespass upon the rights of individuals.

Considering the type and character of communications that have been corralled by this committee through the use of the agency of the Federal Communications Commission, I am reminded of the time when I used to read some of the old Latin classics, including the Ciceronian speeches in the Roman Senate, one particularly, as you may recall, in defense of Milo. Why, Mr. Chairman, in those Roman days a senator was allowed to go back, not only to cover the entire history of the man who was charged with an offense but he even went so far as to delve into the personal history and conduct of the parents of such a man. Why, it is like a Roman holiday we are having here if we can use any method or means to secure this information.

Now, Mr. Chairman, I am coming back to a particular committee that has just been appointed—the committee to investigate the Townsend plan. I hope it confines its investigation to the jurisdiction it has been granted specifically by virtue of the resolution and that it will not have the right to investigate and display before the world the personal conduct or the personal misadventures, if I may say so, of any of those involved.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Except as that conduct might be directed to the activities of the Townsend clubs and organizations.

I am going to pass to another subject right now, and I do not want to be interrupted on the subject I have just discussed. I have just expressed my views, and I am fearful if I am interrupted I might be diverted to some other train of thought.

Now, my friends, we are providing for the Library of Congress in this bill \$2,225,000 for the annex. There has already been spent \$175,000 and the Public Works has granted to the project \$2,800,000.

With these three funds and more the annex will be completed. This will give to the Library of Congress 50 percent more space than it now has.

The Library of Congress is a distinctive institution, one which we have every reason to be proud of. It is, I think, without fear of contradiction, the greatest library in this country.

It now contains over 5,000,000 books, most of which are worth while.

It has an endowment to date of \$780,936, and from this endowment they have an annual revenue of \$35,000. There are other gifts that total the value of \$2,500,000, such as books and collections of art works.

So it is not inappropriate for Congress to pay serious attention in its supply bill to the needs of the Library of Congress. It was created several decades ago as an agent for Members of Congress. It was not an agency for the public originally, but was intended for the men of Congress, that is to say, the Senators and Members of the House of Representatives; and, secondly, for other departments of the Government. The record will show that all of the departments of the Government utilize the Library of Congress to an excessive extent.

Naturally the law division has received considerable attention. The law library, as well as the rest of the Library, is most serviceable. It was not until 1930 that several Justices of the Supreme Court appeared before the Legislative Appropriation Committee and requested that a substantial sum be appropriated for accumulations of law books, and from that time as much as \$50,000 annually has been appropriated for that purpose.

There is another activity of the Library which should interest us. By general statute enacted by Congress the Library has been used as an agency for the dissemination of books for the blind. These books are, of course, Braille books.

(The time of Mr. DOCKWEILER having expired, he was given 5 minutes more.)

Mr. DOCKWEILER. Dr. Putnam, the distinguished curator of our Library, testifies as follows, page 245 of the hearings. He says:

We have been able to provide, out of this appropriation, about 130 new titles of Braille, books in Braille, and thus far a little over 30, between 30 and 40, sets of disks for talking books. We could have bought more of them if they had been produced, but the production of those is very slow, and then the talking machines, that is, the apparatus for reproducing the disks, without which the disks are useless, are thus far in the hands of only about 2,500 blind people in this country; but that is proceeding. Mr. SNYDER. You do not buy the machines, then? You just buy the disks?

Dr. PUTNAM. Under this appropriation, yes, sir; but under the emergency appropriations they decided to put \$211,000 into the manufacture of these machines and committed to us the task of spending it.

Now, these machines, which are manufactured under the direction of the American Foundation for the Blind, consist of a phonograph apparatus and also incidentally of a radio receiving set.

He goes on to testify that under the emergency appropriations they received \$211,000 for the manufacture of machines for the reproduction of these disk machines. These machines cost approximately \$42 each, and 5,000 such machines can be manufactured with the appropriation of \$211,000.

I call attention to the fact, as I did last year in my address on this subject matter when this same bill was under consideration, that a very fine avenue of charity could be developed throughout the country in every community by those who are inspired to do charity, by purchasing one of these machines and giving it to a blind institution in the separate communities, so that the disks which are disseminated by the Library of Congress upon request, and upon which are recorded the fine pieces of literature, drama, and poetry, could be utilized in the blind institutions in the various communities and thus avoid the necessity of some blind people acquiring knowledge of the Braille method. I do not know whether blindness in this country has increased or decreased, but I suppose, like the poor, the blind will be always with us, and I trust that my remarks will be read by those who might be inspired to do this bit of charity for the blind people of separate communities throughout the country.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. MILLARD. What do these machines cost?

Mr. DOCKWEILER. Forty-two dollars. They are just like a phonograph which operates at a slower revolution.

The disk is a very large record, and the machine is a combination phonograph and radio. I myself inspected one of these in the Congressional Library and have seen it operate and heard it. It is a method of not only building up the mind but provides wholesome recreation to the blind people, because when one of these disks is used any number of people can hear it, whereas a Braille book, which is costly to disseminate and prepare, can be read by only one person at a time.

Mr. Chairman, I commend the committee for its work, and particularly to I commend the chairman for his indefatigable efforts in endeavoring to report a bill to the House that will at least save some money from the Budget reported to us. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield now to the gentleman from Maine [Mr. MORAN].

Mr. MORAN. Mr. Chairman, the American merchant marine is a subject of tremendous concern and interest to this particular Congress.

First, let us start with one basic fact on which agreement is universal, and that is that the American merchant marine is in a deplorable condition today. Individuals may differ as to the remedy, but no one disputes that fact. As of January 1, 1935, the United States possessed only 10 percent of the vessels of 2,000 gross tons and over, engaged in international trade. That is not the worst of it. Most of the few ships we do have are old and obsolete; only 4½ percent of our ships are 10 years of age and under. In addition to that, there is practically no construction work now in American shipyards; for the quarter ended March 31, 1935, the United States was constructing only 1½ percent of the ships under construction. To summarize, we have a very small proportion of the ships engaged in international trade; most of the few we do have are obsolete, and we are making no effort to build up our merchant marine even by replacements, let alone additional tonnage construction. Under the present policy we will not have any merchant marine at all within a very short period. The Jones-White Act of 1928 has proven a dismal failure.

Second, let us recall a second basic fact upon which there is universal agreement; namely, that our American merchant marine has not been and probably cannot be made self-sustaining without some assistance; that if we want a merchant marine, we must subsidize it by some method, at the expense of the taxpayers. This is due to differences in construction costs, operation costs, and to competitive disadvantages caused by the subsidy policies of our competitors. Right here some persons argue that if a merchant marine cannot pay its own way, we do not want a merchant marine, and there are plausible arguments along that line, such as permitting our competitors, who can perform this service cheaper, to perform it, on the ground that it would be to our ultimate benefit as consumers of the service, and facilitate international trade. But I am inclined to agree with President Roosevelt's message to Congress on March 4, 1935, when he said that there are three reasons why we need an adequate merchant marine: (1) For the maintenance of fair competition in time of peace; (2) to carry on neutral peaceful foreign trade in the event of a major war in which we are not engaged; and (3) for the maintenance of necessary commercial intercourse in the event of a war in which we are engaged and also for naval auxiliaries. We all remember the exorbitant freight rates we were obliged to pay during the World War when we had insufficient tonnage to move our goods, and when other nations diverted their tonnage to war purposes. War again threatens in Europe, and again we find our merchant fleet in much the same condition as in 1916.

If you agree with me that an adequate merchant marine is essential, even though the taxpayer must stand a part of the cost, then there are four possible methods or policies, namely:

First. Subsidized private ownership and subsidized private operation.

Second. Government ownership and Government operation.

Third. Government ownership and private operation.

Fourth. Combination or compromise of these policies.

Let us consider these four possible methods in order:

1. SUBSIDIZED PRIVATE OWNERSHIP AND SUBSIDIZED PRIVATE OPERATION

This is the method now being used; the result has been and is now a complete failure. Shortly after the World War we decided upon private operation and practically gave away our World War constructed merchant ships; we sold some of the ships for around 2 cents for every dollar they cost us. As a result of the 1920 and 1928 acts we started out in earnest to obtain a merchant marine under this system. The taxpayers, in addition to giving away the ships, have been paying \$30,000,000 a year in disguised subsidies to operate them. The only result of our vast losses and expenditures is an antiquated merchant marine that is fast disappearing from the seas. Advocates of this method admit the failure but say the system is right; that what is needed is more and bigger subsidies. Let me give you, by a concrete example, what the shipping interests ask now of the taxpayer. Assume that it costs \$1,000,000 to build a certain cargo ship in an American shipyard; it is contended that the same ship can be constructed abroad for \$600,000; the taxpayers are asked to make a cash grant of that \$400,000 difference, to be known as a construction subsidy. Next, the Government is asked to loan in addition 75 percent of the foreign construction cost, or \$450,000; that operation is called a construction loan. That makes a total grant and loan amounting to \$850,000, leaving only \$150,000 balance on that million-dollar ship, which may be met by a "trade-in" of an obsolete ship for which the Government will get next to nothing, being obliged to scrap it; and thus for little and perhaps no cash outlay whatever the so-called shipowner gets a million-dollar ship. And this is what they call private ownership. Expressed another way the proposed system of those who are in theory to become the private owners calculate this way: "2 and 2 are 4; the Government should give us 2, and inasmuch as we do not have the other 2, the Government should loan us that 2 also."

With the Government granting and loaning at least 85 percent of the money, and perhaps the full 100 percent, you see in full bloom that type of spurious Americanism and individualism and private initiative which enables these shipowners and operators to let the taxpayer buy their ships and pay most of the cost of operating them, while they wave the flag, pocket the profits, and argue that Government ownership is bolshevistic and un-American.

As a matter of real fact we have Government ownership now, even if not in name. The Government's investment in mail-contract ships—excluding the industrial United Fruit Co.—is one and thirty-nine hundredths times the stockholders' interest in all assets. Under the present system, is it bolshevistic to suggest that since the Government has the equity it should also have the title? And under the proposed new system, is it bolshevistic for the Government to provide 100 percent of the cash, but the good old American system if the Government provides 85 percent of the cash? Does only 15 percent measure the difference between communism and democracy?

Every conceivable form of subsidy has already been advanced to private shipping interests—sale of Government vessels at gift prices, sometimes as low as 2 cents on a dollar; big loans at low interest, as low as one-eighth of 1 percent; and ridiculously extravagant mail contracts. These financial aids were granted on the theory that they were needed to build an adequate merchant marine, but they were not used for that purpose. They have been drained off into the pockets of promoters—men who have been much more interested in high finance than in the high seas. Holding companies have been superimposed upon holding companies to drain off the taxpayers' money into high salaries for these flag-waving promoters.

One of the scandals has been due to the scheme of making women members of the family dummy stockholders in subsidiary companies, to whom the profits are piped out. Women and children first has always been the rule of the sea, but this is the first time that the able and astute gen-

tllemen who have been so successful in milking the Treasury have managed to apply this wisdom to the financial aspects of shipping by having their wives and children as dummy stockholders in these profit-absorbing subsidiaries.

The shipping molasses barrel has long been recognized as the sweetest that ever existed in Washington. Innumerable flies have fed upon its contents—selfish businessmen, promoters, lobbyists, attorneys, agents, and plain politicians. For years it has been guarded by the Shipping Board, and more recently by the Department of Commerce. But the Government has become weary of attempting to create a merchant marine by pouring money into the shipping molasses barrel through the bung hole, only to have it drained off through the numerous spigots subsidiary companies have inserted in the barrel head.

There is no time tonight to detail the abuses under this system. For instance, right now the taxpayers are paying money subsidies to industrial giants that transport their own products in their own ships. With that black picture before us, the only remedy the shipping crowd offers is give them more money.

I wish my good New England neighbors could be in Washington day after day and see what we are up against here. There never was a more powerful lobby than the shipping lobby. I read into the *Record* a letter sent by one shipbuilder to another, bragging about obtaining passage of the 1928 Jones-White law and listing how \$150,000 was spent in lobbying. One of the items was \$23,000 for "hotel expenses in Washington." You can use your own judgment as to what that means. These shipping people are very clever, and they keep us hunting all the time for the "niggers in the woodpile" in the bills they have introduced. One shipping company paid over \$750,000 to Washington representatives for legal and special fees. These shipping boys even chip in a certain percentage of the subsidy payments they receive from the taxpayers, thus creating a pool for lobbying, whereby they use the taxpayers' own money against him.

We fought them to a standstill in the last session of Congress, but it was a mighty close call. Congressman WEARIN, of Iowa, and I led the fight for 3 days on the floor of the House against the Bland-Copeland bill, which not only perpetuates the flagrant abuses of the past, but intensifies, magnifies, and aggravates them. The Bland-Copeland bill is the same old racket, played with jokers and aces up the sleeves of those who have received millions and given to the American people next to nothing in return.

2. GOVERNMENT OWNERSHIP AND GOVERNMENT OPERATION

Time prevents dealing exhaustively with this possible method. I will simply say that I do not favor it.

3. GOVERNMENT OWNERSHIP AND PRIVATE OPERATION

Because I believe America must have an adequate merchant marine, and because I know that all the shipping crowd together have not money enough of their own to build one single ship of the *Manhattan* type, it is my belief that this is the only system under present conditions which will actually produce a merchant marine. I have introduced a bill, known as the Moran bill, providing that the Government shall build and own the ships and let them out for private operation under a charter system. Operators can bid competitively for the charters, and in this way the public interest will be protected against the frauds which are practically unavoidable under the present system or under the new system proposed by the shipping crowd. In event of war we would then own the ships for our military use without paying outrageous prices for them. Also, the Government could work out a regular replacement policy, so vital to an adequate merchant marine. If we can build warships, we can build a merchant marine; both are vital for national defense.

4. COMBINATION OR COMPROMISE PLAN

I would be perfectly willing to aid private interests in obtaining a privately owned merchant marine if it can be done without robbing the taxpayers. Also, I would be agreeable to selling Government-owned ships at any time to private interests at a fair price. At the same time I want to see enacted into law the alternative that if private ownership

cannot be worked out on a basis equitable to the taxpayer, that the Government will go ahead and build ships, because I want to see, one way or the other, an adequate merchant marine. In this way I differ from the shipping crowd, who, despite their patriotic protestations, have no interest whatever in the creation of an American merchant marine unless they are the ones to own and operate it. Such a compromise, containing both plans, is offered to Congress at this session by the Guffey bill. With its fundamental principles I am in hearty agreement.

To date every shipping measure passed by Congress has been written by private interests, their attorneys or lobbyists. Two measures now before Congress were not so written—the Moran bill and the Guffey bill. Can the spell be broken and one of them passed?

CONCLUSION

In conclusion, let me express the hope that the people of New England realize how vital to them is the matter of an adequate merchant marine. Our people have always "gone down to the sea in ships." With a splendid shipping heritage and tradition behind us, and with a determination that the glories of the past shall be projected into the future, let us work unitedly to the end that American ships, flying the American flag and manned by sturdy New England sailors, may again be seen in all the ports of the world. [Applause.]

Mr. WEARIN. Mr. Chairman, will the gentleman yield?

Mr. MORAN. Yes; I am glad to yield to the distinguished gentleman from Iowa.

Mr. WEARIN. The gentleman is obviously making a very carefully prepared statement with reference to merchant-marine policy, and I consider him unusually well qualified to do that because of his careful study of the subject and the excellent bill he introduced in the last session of Congress. The point I particularly wish to raise at this juncture is this: The gentleman referred to the deplorable state of the American merchant marine at the present time. I want the gentleman to make this point clear, if he agrees with me, that it comes at the end of a period of years extending from 1928 to the present time, under which we have had one of the most liberal subsidy policies that has ever been known in the history of American shipping, obviously intended to develop a merchant marine and certainly costing enough to have done so.

Mr. MORAN. That is certainly correct, but even under the liberal policy of the last few years the advocates of that type of legislation today say that even that liberal policy is not enough in their opinion to produce a merchant marine, and certainly the millions of dollars paid out in subsidies have not in fact produced a merchant marine. Our shipping men have been more interested in building private fortunes for themselves than in building a merchant marine. The bill I have introduced will end that system entirely and will produce a real American merchant marine at nowhere near the losses or the cost to the American people imposed upon them by the present system.

Mr. WEARIN. It seems strange to me that we do not have a merchant marine at present, which state of affairs is admitted by the subsidized shippers themselves, even though we have practically given them a fleet and paid them over one hundred and sixty millions since 1928 to operate it. Now we are being presented through the press and through other propaganda agencies, such as this little sheet, entitled "Foreign Trade-Merchant Marine News", published in Cincinnati and circulated among the Members of Congress, with articles to the effect that we ought to go on and advance more subsidy to an ostensibly privately owned merchant marine, which in reality is not privately owned at all, because of the fact that the United States Government holds the principal portion of the obligations against the ships.

Mr. MORAN. I refer to the present system as a subsidized private ownership and subsidized private operation, because when one looks at the figures today, no one can contend that we actually have private ownership. The Government has the equity and merely lacks the title.

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABOR].

Mr. TABER. Mr. Chairman, about a week ago the President of the United States presented a message to the Congress asking for a large amount of new taxes. At that time he stated that there was a considerable loss in the original Budget that he submitted to Congress because of the decision of the Supreme Court invalidating the A. A. A. As a matter of fact, his Budget for 1937 was improved by the difference between \$619,000,000 and about \$547,000,000, because the disbursements would have exceeded under his estimates the tax receipts by \$72,000,000.

Now, that situation results in just this: We do not have the tax requirements that we would have if the statement had been correct. He submitted a group of tax proposals, amongst others a tax upon the surpluses of corporations that have not been declared in dividends. What is the result of that and what is the situation? The Ways and Means Committee began hearings and it found out that the biggest part of the result of that proposal would be to tax the surpluses of mutual savings banks which belong to the depositors, and the surpluses of mutual insurance companies which belong to the policyholders, and the surpluses of National and State corporation banks, which those banks are required to build up so as to make proper reserves for the deposits that are made in those banks; that the ordinary business corporation was accustomed to declaring dividends which ran up to 75 or 80 percent of their earnings, and sometimes, in years of depression, ran even above that figure, and that the source of revenue from that proposition was going to be very small unless they got into the taxing of mutual savings banks, mutual building and loan associations, mutual life-insurance companies and banks. I understand that the Ways and Means Committee has been conducting hearings on this subject and that the state of confusion is growing worse every day, as it could be expected to grow worse with that kind of a proposition.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TREADWAY. I think the gentleman intended to say that a subcommittee of the Committee on Ways and Means was listening to the so-called experts of the Department and not that the Ways and Means Committee was conducting hearings. There have been no hearings called on the tax measure to date within the knowledge of the Republican members.

Mr. TABER. I supposed that was "hearings"—the kind of hearings we get these days. [Laughter.]

Mr. TREADWAY. Well, it is a question of definition, possibly.

Mr. TABER. I think so.

Mr. TREADWAY. The so-called experts are laying before the subcommittee certain figures, and they are making progress rapidly backward.

Mr. TABER. Well, that is to be expected. [Laughter.] In addition to that there was a suggestion that we might have some more processing taxes by levying a tax on the food that the poor must eat. I do not believe the situation in this country is such that we ought to levy large taxes on the poor and large taxes on the institutions that mainly cater to the poor, such as mutual insurance companies, mutual savings banks, and the banks themselves. I do not believe that is the place to put taxes.

The situation is about this: There is not a single appropriation bill for any department of the Government which, if it were approached from the standpoint of just exactly what was needed to carry it on, with no frills and no trimmings, could not be cut from 20 to 25 percent. Some of our committees have done a fairly good job of cutting. On some of the bills I have offered amendments which have received considerable support from those in the House who believe in economy, in an attempt to save money. On the Treasury-Post Office Departments appropriation bill they cut it as far as it was possible with the general situation that was presented. On the Interior Department appropriation bill I offered a motion to recommit, to cut off about \$4,700,000, to

bring it down to last year's figure. There was absolutely no excuse for the increase in that amount. When the War Department appropriation bill was being considered I offered a motion to recommit in an attempt to save about \$60,000,000. That money was not sought to be spent for national defense, but for river and harbor projects which had absolutely no merit, and most of which had never been properly approved by the Congress. When the Department of Agriculture appropriation bill was being considered I offered an amendment which would have reduced that bill upward of \$25,000,000 without hurting a single decent appropriation which was required to take care of the interests of the Government or the people.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. Would the gentleman inform the Committee of the Whole, now considering the state of the Union, if his suggestion of a 25-percent cut in all these appropriation bills were put into effect, how much saving there would have been in the aggregate amount?

Mr. TABER. Close to a billion dollars.

Mr. TREADWAY. Will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. The tax measure to which the gentleman has just referred, so far as suggestions have been presented by the Treasury Department, seems, by their figures, which, of course, have not been verified other than by their own experts, to call for additional taxation of something like \$620,000,000. If the gentleman's savings were put into effect, there would therefore be no need of this additional tax money, would there?

Mr. TABER. Not a bit.

Mr. TREADWAY. I thank the gentleman for the information.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BACON. As a matter of fact, the expenses for the ordinary departments of the Government, the ordinary housekeeping departments of the Government, are up over a billion dollars during the past year?

Mr. TABER. That is correct.

Mr. BACON. That does not take into consideration the different emergency appropriations for the various alphabetical set-ups?

Mr. TABER. That is true. In addition to that, at the same time that that tax message arrived here, right on the heels of it was a messenger from the Senate with the Department of the Interior appropriation bill, with an increase of \$62,000,000 over what it was when it passed the House, and every single thing in there, except about \$3,000,000, was with a Budget estimate from the President of the United States.

Mr. BACON. As a matter of fact, if we appropriate only what we appropriated last year for the fiscal year 1936, and cut a billion dollars off, this tax bill might not be necessary?

Mr. TABER. It would not be necessary at all. There have also been funds appropriated which have not been expended. I want to read to you some of them and let you judge of the ability of Congress to take those funds.

There is \$1,790,000,000 for the R. F. C. not expended and no possibility they can ever use over \$300,000,000 or \$400,000,000 under any circumstances.

One hundred and eighty-three million dollars has been allocated to the Resettlement Administration for just plain foolishness.

A tremendous amount, \$108,000,000, has been allotted for this so-called emergency housing, to waste the money and build buildings the poor cannot live in and absolutely destroy the market for high-grade residential apartments, not in the least catering to slum clearance or to the poor.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TREADWAY. Will the gentleman be kind enough to give us the aggregate figures of the amount available for these various projects in the last 2 years, the amount remaining available? I do not think it is cash.

Mr. TABER. The gentleman refers to the so-called emergency appropriations?

Mr. TREADWAY. Yes; I do not think it is actual cash, but there has been allocated—in some way there is money available for doing certain things. How much does it amount to?

Mr. TABER. It amounts to \$5,973,000,000, according to the statement that came to me this morning from the Treasury Department.

Mr. TREADWAY. Let me understand the gentleman, Mr. Chairman—\$5,973,000,000?

Mr. TABER. That is it.

Mr. TREADWAY. Mr. Chairman, does the gentleman think that, in view of this enormous balance, there is any occasion whatsoever to make a further tax assessment on the American people of any kind or description?

Mr. TABER. If we spend the money that has already been appropriated, of course we have got to raise it somehow, either by bond issues or by taxation; but we should not spend very much more of this because there is absolutely no need for it. We should spend what we need for legitimate relief and cut out the rest of the operations.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. I would like to ask the gentleman whether or not included in this \$5,973,000,000 there is any amount allocated to the Passamaquoddy Bay project?

Mr. TABER. I think there is, but I cannot say exactly because I cannot tell whether they have spent on this Quoddy project all that has been allocated to it; but I understand they are going ahead with the project and I understand its own sponsors say it has no practical or commercial value; that the only value of it is that it puts people to work. Whether they have any relief roll up there which justifies the spending of this money just to put people to work, I doubt.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. TREADWAY. Would the gentleman classify the Quoddy project in what he describes as the useless outfits?

Mr. TABER. There is no question about it.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. COCHRAN. Our Republican friends seem to be playing a little game all by themselves without interruption. The gentleman from New York does not mean to say he is absolutely in favor of reducing every appropriation we have made 25 percent?

Mr. TABER. Not every appropriation, but I think on the average the departments in Washington and in the field could get along with a 25-percent cut if it were properly and reasonably distributed; a 25-percent cut below the appropriations that are asked for the fiscal year 1937 by the Budget.

Mr. COCHRAN. But the gentleman knows, of course, that there are certain appropriations which neither he nor I would cut; for instance, the public debt, the veterans' appropriations; and appropriations of this character must be reduced when he comes to talk about a reduction of 25 percent, unless he reduces some appropriations 50 or 75 percent. Is not this correct?

Mr. TABER. Yes; but when it is remembered that a 25-percent reduction would only bring the figure to what they were spending in 1935, the gentleman has not very much of an argument to urge their being put up above that figure.

Mr. COCHRAN. I agree with the gentleman in some respects, but remember we restored some of the items eliminated in the economy law. If the gentleman is going to talk about cutting the total appropriations 25 percent, he is not basing his argument on a sound premise, for he admits we

cannot cut the veterans' appropriation, and he admits we cannot cut the public-debt appropriation. Why not eliminate these from the total before starting to make the estimate in amount of money of what could be saved?

Mr. TABER. The basis for my figures show it can be done, because the estimates for 1937 are at least \$1,000,000,000 above the 1935 expenditures. This makes the total so high that we can in almost every case cut 25 percent from them and be all right.

Mr. COCHRAN. In other words, it will be necessary to cut some activities 50 percent or more and some none; is that it?

Mr. TABER. That would have to be done.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. REED of New York. I was very much interested in the gentleman's statement about Passamaquoddy Bay project, and that brought to my mind the Florida canal project. Am I correct in my impression with reference to the proposed canal across Florida that, although the Board of Army Engineers turned it down, yet large sums of money are now being spent on a preliminary survey for the canal? Does the gentleman know how much has been expended?

Mr. TABER. I understand they are spending large sums. I understand they have dug a ditch right in the middle of where the thing is supposed to go, but they have not the slightest idea whether the ditch will be in the right place if they should dig the canal. [Laughter.]

Mr. COCHRAN. Will the gentleman yield for just one more question?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. COCHRAN. Will the gentleman place in his remarks the 1937 estimates which he would cut 25 percent or more?

Mr. TABER. I will be glad to do that.

Mr. COCHRAN. I should be very pleased to read those figures tomorrow or the next day whenever the gentleman puts them in.

Mr. TABER. I will not put them in my remarks today, but I shall include them in an extension of remarks later. It will take a day or two to figure up all the details.

Mr. COCHRAN. It would be very valuable to have the figures before we start considering this and other appropriation bills. We may at that time take into account the gentleman's suggestion.

Mr. TABER. I would like to have the suggestion considered.

Mr. COCHRAN. If the bill is passed by the House we are not going to reduce the amount. The time to take action is before we pass the bill and therefore I would like to see the figures before the remaining bills are passed.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. SAUTHOFF. Does the gentleman from Missouri say he is in favor of the \$6,500,000 set apart for the Jefferson Memorial in the city of St. Louis?

Mr. COCHRAN. I may say in reply to the gentleman's question that the city of St. Louis put up over \$2,250,000 toward the project which is to create a park along the river front. The gentleman has not put me on the spot, for I am willing to be placed on the spot. The commission desires as the total sum for the complete memorial \$30,000,000. I say to the gentleman and to the Members of the House, as well as to the people in the city of St. Louis, that I am not in favor of a \$30,000,000 memorial being built on the river front of the city of St. Louis. I am in favor of going along with what we have now and establish the park, but I will never vote for an authorization or appropriation to place a \$20,000,000 memorial building on the river front of my city or for that matter any place in the United States.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman from New York 5 additional minutes.

Mr. DIRKSEN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I would like to clear up the misapprehension in the mind of the gentleman from Wisconsin. The memorial referred to is a \$30,000,000 memorial, and the Federal share is \$22,500,000.

Mr. COCHRAN. That was proposed by a commission, but no such authorization was ever made and, in my opinion, this Congress will never vote for such an authorization. I know I will not.

Mr. TABER. Mr. Chairman, I do not yield further.

Mr. Chairman, may I say to the Members of the House that the Passamaquoddy project and the Florida ship-canal project are included in those cases where a small allotment has been made, as I understand it, out of relief money in order to go ahead and get started in a sort of half-baked way. They will get their nose under the tent and then the Congress later may feel obliged to appropriate the rest of the money. I hope the Congress of the United States will have courage enough to refuse to appropriate the balance of the money for projects of that kind.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. WOODRUFF. Has the gentleman informed the Committee what has become of that timber belt approximately 100 miles wide and something like 1,000 miles long that we heard so much about some time ago?

Mr. TABER. That turned out to be a complete farce. We had that matter up when the agricultural appropriation bill was being considered, and it was conceded even by the folks out in that country where it was supposed to be created in that the trees would not live. It was also conceded that it was a foolish thing, a waste of money, and a colossal scandal.

Mr. WOODRUFF. Does the gentleman mean to tell the Committee it was so bad that the people who originated the idea have now abandoned it?

Mr. TABER. I would not accuse them of abandoning the idea. I may say that the gentlemen who represented the districts in which it was to be created found such a bad feeling resulted that they themselves insisted upon its abandonment.

Mr. FIESINGER. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. FIESINGER. The gentleman has said something about the Florida ship canal and the Army engineers digging down there, but did not know where they would locate the ditch, or something to that effect. I do not know what the status of that proposition is, but that item was eliminated from the War Department appropriation bill, as I understand the situation.

Mr. TABER. The gentleman is correct, and very properly so.

Mr. FIESINGER. So there probably is nothing being done because there will be no appropriation to carry out the work?

Mr. TABER. But I want to put the Members of the House on guard. There is an agitation going on over in the Senate now to put that farce back into the War Department appropriation bill. I hope the Members of the House will be on their guard, and if that sort of amendment comes back here they will insist on its being eliminated from the bill.

Mr. FIESINGER. I am in perfect accord with the gentleman on that proposition.

Mr. TABER. That is why I believe in referring to it and keeping the people awake on that subject.

Mr. BACON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. BACON. Since the House cut that item out of the bill I understand that some relief money has been allocated with which to carry on this project until such time as the Senate proposal may override the House proposal. This brings up a very serious tendency to start new functions of government with relief money, only allocating relief money to carry on a small part, then dropping it and coming along later with a plea to Congress to appropriate in the regular appropriation bills a sufficient sum of money to complete the job begun with relief money. That, to my mind, is a very serious and dangerous tendency.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FIESINGER. May I ask the gentleman from New York if the matter to which he refers has anything specifically to do with the Florida canal?

Mr. BACON. It has.

Mr. TABER. Now, I want to go into one or two other matters that have come up in the same way in the Interior bill.

There is a scheme to go into what they call the Big Thompson-Grand Lake project, and I believe this project will cost \$40,000,000 and open up another million acres of land.

On top of this, we have been spending a lot of money on what they call the Rocky Mountain National Park, which covers the biggest part of this section of the map I have here, and provides for an underground canal 11¼ miles long, under a mountain 11,000 feet high, and the canal is to be 9 feet in diameter, pumping the stone or whatever they get out of it out of the end of the canal from which they are digging. Just think of it. It is the most ridiculous thing I ever heard of, and there is an authorization to start this project in this Interior Department appropriation bill.

This is some of the stuff your Interior Department appropriation bill conferees have got to fight when they get over to the Senate.

On top of this, there are new irrigation projects amounting to \$57,000,000 that are recommended in the Budget that are in this bill and ought not to be there.

If I had an hour I could take the time and analyze them so that, I believe, every Member of the House would realize that this is nothing more than a raid on the Treasury and something to hurt agriculture and to destroy the financial standing of the Government, because some of these projects will cost five or six times the amount carried in the appropriation.

Another one of these projects I want to call particular attention to is the Grand Coulee, where \$63,000,000, if I recall the figures correctly, was allocated and all of it was pulled away except \$15,000,000, and then they let contracts, mind you, without authority of law, without having the money appropriated, or without any contract authorization, for \$29,000,000, and to cover up this situation there is an appropriation in the Interior bill of \$20,000,000. We ought not to allow such things as this to go on.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. Will the gentleman incorporate in his remarks the total ultimate cost of these projects he is speaking about that were started out of funds other than those appropriated by the Congress?

Mr. TABER. I will. I think the Members of Congress ought to have the figures in front of them. I think they ought to be aroused to the situation that is confronting them, because we can never raise the taxes to balance the Budget or meet the expenses of the Government if we go on with such expenditures.

I hope that what little I have been able to say here this afternoon will do something toward stirring up the membership of the House to their responsibilities here to keep down these appropriations.

There has been a tendency on the part of the Committee on Appropriations in the House to bring in bills with some cuts. There has been a tendency on the part of that committee to show some economy, but, frankly, when these bills have come back from the other body, any thought of economy is the furthest from what must have inspired them. They are so far beyond reason, so far beyond any legitimate thought of running the Government of the United States and meeting our responsibility here as legislators and our responsibilities to the ordinary folks back home who have to pay the taxes, that it is absolutely discouraging and absolutely disgusting.

I hope this House will stand against these increases. [Applause.]

The total cost of projects, together with the present appropriation and the future costs that are contained in the Interior Department appropriation bill, is set forth in the following table, namely:

Name of project	Total cost Department's estimate	Present appropriation	Future cost
Grand Lake-Big Thompson.....	\$22,000,000		\$22,000,000
Gila project.....	20,000,000	\$2,500,000	18,425,000
Salt River, Ariz.....	6,844,000	2,300,000	200,000
Central Valley, Calif.....	170,000,000	16,000,000	139,000,000
Grand Valley, Colo.....		200,000	
Boise project, Idaho.....	5,800,000	1,800,000	3,000,000
Boise project, Idaho, drainage.....	200,000	160,000	40,000
Carlsbad project, New Mexico.....	2,500,000	900,000	600,000
Deschutes project, Oregon.....	1,065,000	450,000	50,000
Owyhee project, Oregon.....	18,000,000	400,000	1,500,000
Grand Coulee.....	60,000,000	20,000,000	3,000,000
Columbia Basin.....	389,000,000	250,000	388,500,000
Yakima project.....	14,446,600	2,500,000	7,633,000
Provo River project.....	10,000,000	1,750,000	5,000,000
Casper-Alcova project, Wyoming.....	20,000,000	4,000,000	1,000,000
Riverton project, Wyoming.....	8,670,000	9,000,000	2,870,000
Shoshone project, Wyoming.....	6,500,000	1,000,000	4,000,000
Total.....	773,025,600	54,110,000	574,815,000

¹ This will just about build the tunnel; total cost will be \$40,000,000.

This covers only new projects which are included in the Senate bill but were not in the bill as it passed the House. The House Appropriations Committee absolutely refused to consider these estimates.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I listened with interest to the remarks made by my colleague from New York [Mr. TABER] on the mounting appropriations. It is well for him to call the attention of the Congress to the fact that all this spending must be met by taxes, and he rendered a real service by showing where the waste and extravagance exists. It is one of our great problems.

I propose to take a few minutes this afternoon to speak of world problems—the problems of France, Germany, Great Britain, and Italy, who are on the verge of war and on the precipice of mutual destruction occasioned by the march of German troops into the Rhineland that was demilitarized by the Versailles and Locarno Treaties.

Perhaps there is some moral justification for the German troops entering the demilitarized zone along the Rhine. I know American troops would enter California if it had been taken away from us or if any of the Canadian border States had been demilitarized by an enforced war treaty a generation ago.

I am not here to defend the aggressive and provocative policy of Germany. Of course, it does mean repudiation of the Versailles Treaty as well as the Locarno Treaty. However, the United States never approved of the Versailles Treaty, and as a veteran of the World War, I have always considered that the Versailles Treaty was conceived in hatred, cupidity, and revenge. I have always known that it was unworkable and would be abrogated by force within our generation, and that it was a breeder of war instead of preserving peace and good will among nations.

On the other hand, this problem is not our problem. Our problem is to mind our own business and to keep out of all European boundary disputes and ancient blood feuds and stop passing moral judgment on European nations. As I have said before, if they want to arm to the teeth and go to war, that is their war and not our war.

The time, however, to wage war on war is in time of peace. The Congress a little while ago—and I commend those Democratic Members who refused to take their orders from the White House or the Secretary of State or the chairman of the Committee on Foreign Affairs [Mr. McREYNOLDS], who tried to force on this Congress a bill under his own name and backed up by the Secretary of State and the President of the United States, giving the President the power to lay economic sanctions against warring nations, which would have been the first step toward war by involving us in all European controversies.

I am making this statement now because when the neutrality bill came up a few weeks ago extending the embargo on munitions of war to belligerent nations I was unable to get any time to speak. The bill as passed was really written by independent Democratic members of the committee, with the aid of all the Republican members, and repudiated completely the recommendations made in the bill introduced and previously reported by Chairman McREYNOLDS with the blessings of the State Department and the President.

Imagine bringing a bill of that kind, affecting, possibly, the lives of millions of Americans, into the House under a gag rule with 20 minutes' debate on a side. The chairman of the Committee on Foreign Affairs [Mr. McREYNOLDS], upon which I have served for 15 years and am the ranking member, not only of my party but I have served on it longer than anyone else, offered to give me 4 minutes' time to speak on the neutrality bill. I accepted the 4 minutes. Then he repudiated his offer and gave me none at all, because I proposed to state the facts and to show that this bill was a complete disavowal, retreat, and rout from the demands of the Secretary of State and of the President, to give them power to lay economic sanctions, and I point out here and now that that was the most discourteous act that has happened to me since I have been a Member of this House for the past 16 years. I was not allowed 4 minutes', or even a minute's, time to express my views on such a vital bill which was passed under suspension of rules, without opportunity for amendment or adequate discussion. That is one of the reasons why I have taken this time today. I have every confidence in the Democratic Members of this House on foreign affairs, because they have proved themselves worthy of it recently. I have no confidence in this administration as far as the President is concerned, or the Secretary of State, or the chairman of the Committee on Foreign Affairs of the House, because they are internationalists, because at heart they are for the League of Nations, the World Court, for giving the President power to determine the aggressor nation, and for placing economic sanctions. A year ago the chairman of the Committee on Foreign Affairs [Mr. McREYNOLDS], under his own name, brought into the House a bill giving the President power to determine the aggressor nation, a hostile act, an act of war, and not an act of peace, but thank God the Senate of the United States voted it down. That is why I have no confidence in these internationalists, who want to involve us in foreign affairs, in entangling alliances, in world disputes, and in foreign boundary disputes.

But as long as most of the Democrats in the House take the position they have in the last month the country has nothing to fear, because they have served notice on the chairman of the Committee on Foreign Affairs, the Secretary of State, and upon the President that they refuse to give President Roosevelt any more power to involve us in any foreign wars or boundary disputes of any kind. It seems to me this is the time to stop, look, and listen.

We went into the World War to make the world safe for democracy and to end wars, but today democracy is a laughing stock in a large part of Europe and in the military dictatorships of the Old World. Mussolini, Hitler, and Stalin all tell us free Americans that our democracy has failed, that we are no longer able to govern ourselves, that we must import some foreign form of dictatorship to replace our free institutions.

We went into the World War because we were forced into the war against our will. We are a peaceful and a peace-loving Nation. Our ships flying American flags were attacked by German submarines without warning. Against our will we went into that war, and we did our part and turned the tide of defeat into victory. We asked for nothing, and we got exactly what we asked—nothing at all; no plunder, no reparations, no indemnities, and no conquered territory. Then we brought our troops home, and soon after we brought our troops home our former allies whom we have saved began to repudiate their war debts; and finally, now, today, they are not even paying the interest on the war debts; they are not even paying interest on the money that we loaned them after the armistice. You re-

member what President-elect Roosevelt said when former President Hoover asked him to cooperate with him between November and the time the President would take office on March 4, 1933. He said, "No; I propose to solve this problem myself; I refuse to cooperate." This administration has been in power for 3 years, and it has not received a penny on war-debts payments except from Finland. I suggest that after 3 years and before this next election in November the President take some steps before he goes to the people to recover some of these war debts. We all know the settlement was fair—probably the fairest ever made—but we also know that these nations have welched and repudiated their debts; and it may be necessary for us to take 10 cents on the dollar if we are to get anything at all.

I would like to see a commission appointed to open up this whole question, and even if we can get enough money nowadays to pay the adjusted-service certificates of our World War veterans. That would be something. That would be half a loaf instead of nothing at all. They took this money of ours after the armistice and paid their own soldiers with it, and why should not we ask for the repayment of the money that we loaned them after the armistice, and that alone would be enough to pay for the adjusted-service certificates?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. FISH. For a short question.

Mr. RANKIN. Did not the gentleman from New York vote to fund those debts whereby we gave those European countries \$6,200,000,000 of American money?

Mr. FISH. Certainly I voted for that on the recommendation of the World War Debt Funding Commission, upon which were two very prominent Democrats, a unanimous recommendation; but we have not got anything out of it under this administration. I would rather take 10 cents on the dollar than nothing at all.

As Germany, France, Italy, and Great Britain have been driven to the precipice of war, I want to ask what about the McSwain bill to take the profit out of war? I have already paid all the tribute I can to the Democratic side for helping to extend the embargo on arms and munitions of war, but what about the universal-service bill backed by the American Legion, where, in case of a future war, labor, capital, and manpower will be drafted equally? I honestly believe if the Democratic leadership in the Congress would bring up that bill and give it a chance to be voted upon it would have 90 percent of the Members behind it, both in the Congress and without; but what is holding it up?

Mr. McFARLANE. Will the gentleman yield?

Mr. FISH. I yield briefly, certainly.

Mr. McFARLANE. Does not the gentleman know that we passed that legislation last session, and it is buried in a pigeonhole over in the Senate, where it will probably die?

Mr. FISH. I knew that. I am glad the gentleman stated it; but, after all, you have a Democratic Congress and a Democratic Senate. You say to me, "Bring it out." How could I bring it out? You are responsible for legislation. You have a 3 to 1 vote in the Senate and a 3 to 1 vote here. I believe that bill would be a great deterrent to war. I do not mind saying that I loathe and abhor war. There is almost nothing that I would not do to prevent war or to make it less likely. Take the profit out of war, so in another war industry will not make all these unlimited millions. I believe there were 23 new millionaires made in the United States during the last war. They will not have that incentive to go to war, if the universal-service or draft bill is enacted into law. I believe in the incentive of the profit system and in the American industrial system based upon private initiative and reasonable profit; but, if we do not take the profit out of war in future wars, particularly the munition industry, then I am for Government ownership and operation of the munition industry in America. [Applause.]

Mr. LUDLOW. Will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. LUDLOW. The gentleman is making a most interesting and illuminating address. I wonder if he would tell

the House what he thinks of a popular vote on the declaration of war.

Mr. FISH. I will say to the gentleman that I introduced such a resolution 5 or 6 years ago in the Committee on Foreign Affairs. I am still for it.

Mr. LUDLOW. Does not the gentleman think that would be a deterrent to war?

Mr. FISH. I certainly do. I will vote for it. Such a man as Ambassador Houghton, of New York, a former Member of this House, an ultraconservative, if there is one, Ambassador to both Germany and Great Britain, advocated the very same thing. I see some objections to it, but it ought to be brought up and discussed, because at least the people ought to have a right to say whether we go to war or not.

Mr. LUDLOW. Mr. Chairman, will the gentleman indulge me further?

Mr. FISH. Very briefly; yes.

Mr. LUDLOW. I would like, with the gentleman's indulgence, to say that I have introduced such a resolution, House Joint Resolution 167, and there is a petition, no. 28, pending at the Speaker's desk, to discharge the Committee on the Judiciary from consideration of that resolution. I wish every Member would sign that petition.

Mr. FISH. I will say to the gentleman that I will be glad to sign it. I did not know it was before our committee. At least we ought to discuss such a proposal and vote on it. I do not believe anybody has discussed the question of war or peace since this session of Congress began, and yet it is the greatest problem in the world today, even greater than our own problems, making some of them appear very small when we hear them discussed. I am with the gentleman, but pending that I am for national defense. I am for an adequate national defense. I am for a navy second to none. I stand with Bourke Cockran when he made the statement that "a second best navy is like a second best hand in poker—it is not worth a damn."

I believe in national defense for purposes of defense but not for aggression. We have no selfish or ulterior motives in America. There is no Member of this House, Republican or Democrat, who would vote to take an inch of territory anywhere in the world; yet all these old nations of the world look upon us as imperialistic and militaristic. Let us be fair. We are a peaceful, peace-loving Nation. We have a few jingoes in our midst, even in Congress and among the people back home, but 99 percent are peace loving. They want to keep out of these European entanglements. We have had one World War, and that is enough. My remarks today are aimed at asking the Congress to take up these war debts, to take up the McSwain bill, to consider a referendum vote on war, to urge a multilateral treaty against the sale of munitions of war. We have agreed not to sell them to belligerent nations. Why should we not ask other nations of the world not to sell them? We have entered into the Kellogg-Briand Pact to arbitrate our international disputes. That is a multilateral treaty agreeing not to go to war as an instrument of national policy except in defense of our own territory. Is not the next logical step to ask those same nations, since we refuse to sell munitions of war, to sign a multilateral pact likewise not to sell munitions of war? If you outlaw war, you ought to outlaw munitions and the sale of munitions of war. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. Fish] has expired.

Mr. POWERS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I thank the gentleman from New Jersey for granting me this time. There are just two matters to which I wish to direct attention. First, I have here a communication from the gentleman from Oklahoma [Mr. NICHOLS] calling attention to the fact that some of the C. C. C. camps are to be abandoned and enrollment curtailed.

Mr. Chairman, I want to join with my colleague the Honorable JACK NICHOLS, of Oklahoma, in his protest against reduction of Civilian Conservation Corps. The activities of this branch of the Government are worth while, and money

expended on C. C. C. camps does return dividends. It is reported that many of these camps are to be abandoned and the number of young men enrolled in this Civilian Conservation Corps is to be reduced.

Many of us have expressed vigorous objection to the waste of public funds, but I do not know of anyone who has considered the activities of the C. C. C. camps subject to that criticism. The C. C. C. work ought to be continued, and instead of a reduction in enrollment, additional young men should be permitted to join this organization, and the scope of its activity should be enlarged. If this order to abandon camps where money has already been spent to construct the same, and to discharge many young men already in these camps, many of whose families are on relief rolls, it will be just another example of governmental inefficiency. I do not know who is responsible for the bad advice that has been given the executive officials. I do say that they have had bad advice from someone, because the abandonment of these camps and the reduction of the personnel is not an economy at all, and will serve to add to the present ranks of the unemployed, and will make the relief problems of our communities more complicated and burdensome.

I sincerely hope that this order may be rescinded, and that the worth while work now being carried on by the Civilian Conservation Corps may be continued. [Applause.]

THE GREAT LAKES-ST. LAWRENCE WATERWAY PROJECT

Mr. Chairman, I wish now to speak of the St. Lawrence waterway project. A group of public-spirited citizens are in session today at Detroit, Mich., for the purpose of furthering efforts to complete the Great Lakes-St. Lawrence waterway project. I think it fitting to call attention to this important conference which is now in progress. A treaty has been negotiated with Canada, and is now pending before the Senate of the United States. This treaty has failed of ratification.

The conference now in session at Detroit has met to discuss the reasons for the failure of the treaty, and to devise new means and methods of having a treaty made with Canada, which can and will be ratified by the Senate of the United States.

It is not my purpose to go into detail about the St. Lawrence waterway project. Most of you are familiar with the fact that the St. Lawrence waterway project is a plan to improve the Great Lakes and the St. Lawrence River so as to permit ocean-going boats to enter the Great Lakes, and likewise permit boats to leave the harbors of the Great Lakes and go direct to the ocean. In other words, the people of the Midwest would have the ocean literally moved several hundred miles inland. The St. Lawrence project, when completed, will give 40,000,000 people an ocean port. It will give them access to the markets of their own country and of foreign nations. It will give them cheap water transportation.

Powerful opposition has developed against this worth-while plan. I do not here go into detail as to the causes and sources of that opposition. On some other occasion I expect to discuss them.

It is to be regretted that during this period of time, when the Government is spending enormous sums of money, and when millions of people are out of work, that a treaty cannot be negotiated with Canada, because thousands of unemployed people could be given employment in completing one of the greatest projects of modern times.

I want to wish for the people who are attending the seaway conference all possible success in their efforts to overcome the opposition to the seaway treaty, and to bring about an early ratification. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, on the 7th of February, in my home city of Wausau, Wis., which is the county seat of Marathon County, a large dairy-producing county, there was a meeting of interested parties, including farmers, businessmen, and dairymen, at which time resolutions were adopted protesting against the Canadian and Swiss reciprocal-trade agreements. The resolutions adopted at this meet-

ing protested against what they claimed to be a reduction in the tariff rates on butter and other dairy products. The preamble of the resolution contained the statement that the tariff on butter coming in from Canada had been reduced from 14 cents to 8 cents. The persons who wrote this particular part of the resolutions were in error, because reciprocal-trade agreements thus far negotiated do not specifically reduce the tariff on butter but do reduce the tariff on other dairy products.

However, in closing their resolution they expressed themselves as follows:

Resolved, That the tariff on butter, cheese, and all other dairy products be restored to such a figure as will furnish adequate protection to our dairy farmers.

They made their position very clear that they wanted more protection for dairy products. Taking the resolution as a whole, no one can come to any other conclusion than that this group of dairy farmers and other citizens were protesting against the provisions of the Canadian reciprocal-trade agreement, which reduced the tariff on dairy products.

This resolution was forwarded on the 10th of February by Mr. E. J. Benson, who is chairman of the Marathon County Board of Supervisors and one of those participating in the meeting, to both United States Senators and to the 10 Members of the House representing the State of Wisconsin in the United States Congress.

The junior Senator from Wisconsin [Mr. DUFFY] apparently forwarded this letter to Secretary of State Hull, because on last Saturday the Milwaukee Sentinel carried an Associated Press dispatch in which it quoted at length from the reply of Secretary Cordell Hull to Senator DUFFY. In this reply an attempt was made to justify the Canadian reciprocal-trade agreement. I have not seen the letter that was sent by Secretary Hull to Senator DUFFY. I have only the newspaper dispatch I referred to a moment ago. I do not know whether the information was released to the newspapers by the Secretary of State or by the junior Senator from Wisconsin. In the newspaper article no reference is made to the fact that there was a reduction made by the reciprocal-trade agreement with Canada in the tariff on cheese. No reference was made at all to the fact that 1,500,000 gallons of cream, either fresh or sour, can be imported, practically all of which will come from Canada at a rate reduced from 56.6 cents per gallon under the tariff act to 35 cents a gallon under the reciprocal-trade agreement. This amount of cream could be used to manufacture more than 6,000,000 pounds of butter; and, if used for that purpose, such butter would actually go on the American market with a tariff reduction which would approximate the reduction of from 14 cents to 8 cents a pound referred to in the resolution. No mention was made of that in this news release. Neither did this letter refer to the fact that the tariff on Cheddar cheese which is generally known as American cheese, was reduced from 7 cents to 5 cents and the ad-valorem duty from not less than 35 percent to not less than 25 percent. No reference was made of these provisions in this newspaper dispatch; but the Secretary of State is quoted as having stated in his letter to Senator DUFFY, as follows:

"No reduction has been made in the duty on butter in any trade agreement negotiated with a foreign country under the Trade Agreement Act of June 12, 1934," Hull wrote. "On the other hand, the trade agreement with Canada has resulted in a tariff reduction from 14 to 12 cents per pound on butter imported into Canada from the United States.

"Thus the trade-agreement program as consummated so far has, in relation to butter, done the exact reverse of what the Marathon County Board of Supervisors believe it has."

He makes quite a point of the fact—and that is the only point in this newspaper article and, I presume, the main point of his letter—that Canada agreed to permit our butter to go into Canada at a 12-cent rate instead of at the rate of 14 cents. He apparently believes this should be a great boon to the dairy industry.

Mr. Chairman, last week I had occasion to look up the price of butter on the Montreal and Chicago markets. The Montreal market on butter that day was 22½ cents and the Chicago market was 35½ cents. If we were to export butter into

Canada and pay the duty of 12 cents, it would mean that the American exporters would receive only 10½ cents a pound for such butter as went to Canada after paying the 12 cents tariff under this act. Let us take the Montreal price of 22½ cents. Deducting the 12 cents tariff, there is left a net of 10½ cents, without any deduction for transportation, which our exporters would receive for the butter.

Mr. Chairman, when butter is selling on the Chicago market for 35½ cents a pound, does anyone think an American exporter would be foolish enough to take the same butter and export it to Canada and receive only 10½ cents a pound? It is ridiculous to assume such a thing could possibly take place.

They try to make some point of the fact we are exporting butter to foreign countries. We export very little. Do you know how much butter we exported to Canada in 1934? One thousand seven hundred and eighty-nine pounds. There were 1,789 pounds of butter exported from this country to Canada in 1934, having a total value of \$617. During the same year we imported 8,809 pounds of butter from Canada, having a value of \$2,151. In 1935 we exported a little more butter to Canada. During the first 11 months of that year we exported to Canada 29,432 pounds of butter, having a total value of \$4,395; but I call attention to the fact that of the 29,432 pounds exported to Canada in the first 11 months of 1935, about 28,000 pounds were exported in the months of August and October.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BOILEAU. Mr. Chairman, I may say further that of this total amount of 29,432 pounds there was exported to Canada in the month of October alone 22,560 pounds, so that the very great percentage of all the butter exported from the United States to Canada in 1935 was exported in the month of October.

Do you know what American exporters received for this butter sent over to Canada? For 22,560 pounds of butter exported to Canada in the month of October 1935 they received a total of \$2,506. That is about 11 cents a pound for butter exported to Canada in October of last year, and at the same time the average price for butter on the Chicago market was 25.39 cents.

New Zealand butter on the London market sold for 25.81 cents at that time. Practically all of the butter sent over to Canada during the year 1935 was exported during the month of October at a price of 11 cents, and at the same time the Chicago market was 25 cents, showing conclusively that this butter was sent over there under abnormal conditions. It was not an ordinary transaction. During the following month, in November 1935, we exported only 3 pounds of butter to Canada.

Mr. Chairman, I have tried to ascertain the facts, but there does not seem to be an explanation forthcoming. We who have been studying this matter have come to the conclusion that the exports in October 1935 must have been of some butter that had been shipped in here from a foreign country, and because of price conditions or something else, the importers got a tariff draw-back and exported it into Canada. The point I am trying to make by the use of these figures is that Canada does not ordinarily buy our butter. The Canadian price is always too low for them to buy any appreciable amount of our butter. The only time they will buy our butter, whether there be a 12 or 14 cent tariff duty, is when our price is so low that we cannot afford to sell it to them. It is impossible at the present time for our farmers to sell butter in Canada and receive more than 10 or 11 cents a pound. We cannot afford to enter that kind of a market. Therefore the reduction from 14 to 12 cents a pound on butter going from this country to Canada is absolutely of no benefit to us. There is no sense to it. We cannot take advantage of it.

Mr. Chairman, I call attention further to the fact that New Zealand as a part of the United Kingdom has certain trade preferentials with Canada, which will prevent Canada at all times from being a large user of our dairy products.

It cannot buy American dairy butter even with a 12-cent tariff. Canada is not going to buy any of our dairy products, and consequently our dairy farmers will derive no benefits from the trade agreement. It does not help us.

I should like to point out also that this trade agreement with Canada in every respect is detrimental to the dairy interests of this country. There are no concessions for the dairy industry in its provisions. The ridiculous, foolish provision which reduces the tariff on butter from 14 to 12 cents means nothing, because under no condition will they ever buy a large amount of our butter. Even now our price is about 13 cents higher than theirs, and in a short time you will find a great amount of butter coming into the United States, even though we have a tariff rate of 14 cents on such importations. It is silly. Whoever put that so-called concession on butter into the agreement must have thought that we were a lot more gullible than we really are. We are not accepting that as a concession to us. [Applause.] Our farmers realize that there is no benefit to be derived by them as a result of this trade agreement. They realize, however, that when you reduce the tariff on Cheddar cheese from 7 cents to 5 cents a pound that it does mean an awful lot of harm to our farmers.

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. LAMBETH].

Mr. LAMBETH. Mr. Chairman, I requested this time in order to ask the gentleman from Wisconsin [Mr. BOILEAU] a question or two. The gentleman has just made a very earnest and impassioned statement on behalf of his dairy farmers. We all know the gentleman from Wisconsin has assumed a rather nonpartisan viewpoint with regard to legislation dealing with farm problems and has helped us in the tobacco- and cotton-growing States so far as legislation is concerned. In fact, I know of no Member of the House who has heretofore taken a more national viewpoint relative to the problems of agriculture.

Mr. BOILEAU. I thank the gentleman.

Mr. LAMBETH. The gentleman has spoken here and attacked our reciprocal-trade agreement with Canada. He made particular reference to its effect on the dairy producers of his State. I should like to ask the gentleman one or two questions.

In the first place, I think the gentleman will agree with me that we have got to look at this problem from a national viewpoint; that is to say, that tariff legislation in the past has been built up along lines of logrolling. This is the question I want to put to the gentleman. Does he not think that if this trade agreement with Canada will result in increased employment in this country, due to a restoration of trade with Canada to more nearly normal levels, as existed prior to the Hawley-Smoot Tariff Act, this will mean more buying power in the United States for the products of the dairies of Wisconsin?

Mr. BOILEAU. I may say to the gentleman that he refers to logrolling; and I want to say to him further that this logrolling is going on under the reciprocal-trade agreements, only the logs are being rolled off of our skids and put on the skids of the industrialists. [Applause.]

Mr. LAMBETH. I want the gentleman to answer my question. I do not believe the gentleman has answered the question.

Mr. BOILEAU. I will say to the gentleman that this country, by and large, will be worse off rather than better off if American agriculture is traded off for American industry.

Mr. LAMBETH. Will the gentleman permit me in my own time to ask him another question?

Mr. BOILEAU. The gentleman has not given me time to answer.

Mr. LAMBETH. The gentleman comes from a section of the country which produces much wheat, and he must be aware of the fact that in 1929 the United States exported to Canada wheat in the value of \$27,308,190, while in 1934, after the passage of the Hawley-Smoot Tariff Act, the value

of our wheat exported to Canada was only \$15,758. Under the trade agreement, Canada has reduced duty on wheat imported from the United States from 30 to 12 cents per bushel.

The farming industry is dependent on foreign markets if the farms of America are to produce in anything like normal quantities. It is to be regretted that the dairy industry does not feel that it has received fair treatment, but if farming conditions are to improve the problem must be considered from the national viewpoint. It would be extremely unwise to revise our trade agreements in the interest of some special industry and thus start tearing down the structure that promises to be of such great help to the agricultural and business interests of the country as a whole. The reduction of crops is necessary because we have lost our foreign markets. The trade agreements give promise of bringing back these markets and in this way making unnecessary further and continued drastic curtailment of farming operations.

The same selfish interests—termed the "hog combine"—which wrote the Hawley-Smoot prohibitive tariff bill are now seeking to wreck this reciprocal-trade policy of the Roosevelt administration, a national program in the interest of all the people, particularly the unemployed and consumers. I am confident the gentleman will not aline himself with that group.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, the rural sections of my congressional district, like many of yours, are made up almost exclusively of small farms. We produce no cotton, very little wheat, and perhaps not more than one-fourth of the corn we consume. Much of the income of our farmers is derived from stock raising, poultry, dairy products, fruits, vegetables, and so forth.

I have had hundreds of complaints from the farmers of my district against the A. A. A. They contended that the A. A. A. helped the big farmer, but was very little benefit to the small farmer, as benefits were extended almost exclusively to the big cotton planters of the South and the great wheat, corn, and hog raisers of the North and West. The other day when what I termed as the political, dictatorial, and unconstitutional so-called farm-conservation program was before the House proposing to put into the hands of the Secretary of Agriculture approximately \$500,000,000 to build up a political machine and to pay out this money to the big cotton planters of the South and the wheat and corn growers of the North and West, an amendment was offered by the Republicans to limit the amount that any farmer could receive in any 1 year of this relief to \$2,000. This amendment was objected to by the Democrats. Motion was made by the Republicans to recommit the bill to the Committee on Agriculture with instructions that they report it back with an amendment limiting the amount of benefits any one farmer could receive in any 1 year to \$2,000, and on a roll call, of course, I voted for this motion, as did nearly every other Republican, but the Democrats, having a big majority in the House, defeated it.

Congressman TABER, of New York, a Republican, introduced a resolution, House Resolution 426, on February 21, 1936, which provided that the Secretary of Agriculture be required to furnish to the House of Representatives the names and post-office addresses and the amount paid to each farm producer receiving \$2,000 or more in each calendar year under the A. A. A. This resolution was referred to the Committee on Agriculture, which is about 3 to 1 Democratic.

This Committee on Agriculture, controlled by our Democratic friends, made an unfavorable report on this resolution and recommended that the resolution be not passed. On March 2, 1936, this resolution was called up in the House and, as I recall, the chairman of the Committee on Agriculture, a good Democrat, made a motion to table the resolution. The roll was called, and 101 Members voted against the motion to table—these were practically all Republicans—and 244 voted to table the resolution; and, as I recall, all of these were good Democrats, and, of course, the resolution was defeated—

and the Secretary of Agriculture will not be required to furnish the representatives in Congress of the American people the names and post-office addresses of the persons who have been paid \$2,000 or more a year of benefits under the A. A. A. The adverse report of the Committee on Agriculture filed with their report a letter from Hon. Chester C. Davis, who was the Administrator of the A. A. A. He is the man who distributed more than \$1,100,000,000 benefits under the A. A. A. He says in his letter that this information cannot be had, that it is not available; but he makes a more remarkable statement than that in his letter wherein he says "in addition to the fact that the suggested material is not available—the A. A. A. has protected the interests of the individual contract signers by withholding public announcement of individual contract figures. These contracts were agreements between the Secretary of Agriculture and the individual contract signer, and it has been held that the individual producer was entitled to confidential treatment of the contract information." Is not that a very remarkable statement? In the first instance he says that the information is not available and in the second he says that it would not be furnished if it were available because he desires to keep secret all of these contracts for these benefits. He has paid out \$1,100,000,000 and yet he says that he is unable to furnish information of the names and post-office addresses of the persons who received \$2,000 or more of these benefits in a single year. Have they destroyed the records? I have always understood that the Federal Government kept a record of every penny that has been paid out by the Government. Are there no records of this \$1,100,000,000 that have been handed out, and a big part of it just before election time? If the records are not available, why not? Who has them? Why keep these contracts secret? Will they not bear the light of day? Who is being shielded by this secrecy?

BIG FELLOWS GOT THE MONEY

Of this \$500,000,000 that the New Deal administration is turning over to Mr. Wallace with dictatorial powers and with practically no strings on it at all, the farmers themselves will not receive as much as \$400,000,000. It is claimed that Mr. Wallace, the Secretary of Agriculture, has under him an army of more than 140,000 officeholders. Of course, they will get a big slice of this money. These officeholders will be relieved before the farmers.

Now, there are approximately 7,000,000 farmers in this country. If this fund should be divided equally it would only give each farm about \$60. Were we Republicans wrong when we were demanding that no person could be paid more than \$2,000 in any one year? It has been freely talked on the floor of this House for some time that last year one big landowner in Texas received over \$200,000 of the A. A. A. money not to produce cotton, and so forth. I heard a gentleman, whom I regard to be truthful, say that he saw a check for more than \$113,000 to a man under the hog contract. This man had 4½ acres of ground. He was one of these garbage-can hog raisers. He was paid \$113,000 not to raise hogs. Yet the New Dealers say that these funds are to help the farmers. There are many rumors of persons receiving \$10,000, \$40,000, \$50,000, and as high as \$75,000 of these so-called farm benefits. A short time ago a distinguished Democratic Congressman, representing one of the city districts of Boston, stated on the floor of this House that some firm or individual in his district received a check for \$10,000 or more for not raising hogs right in the great city of Boston.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I cannot yield, I do not have the time. I am sorry. Now, if we are going to help the farmers of America this help should be distributed as widely as possible. You cannot help the small farmers of my district and your district unless you place a limit on the fund so that the big fellows will not gobble it all up. I cannot understand the attitude of my Democratic friends in this House refusing to put a limit of \$2,000 on the amount that any one farmer shall receive of this money in a year, and I was greatly disappointed when our Democratic friends voted, almost solidly, to defeat the resolution requiring the Secretary of Agriculture to report to the House the names and post-

office addresses of all persons who have received more than \$2,000 a year of this farm-relief money. The small farmers in my district and in your district have been receiving nothing, or only a few crumbs that have fallen from the tables of the great cotton planters and the great wheat and corn farmers of the North and West.

How was this money spent in 1933, 1934, and 1935 raised? By heavy processing taxes—sales tax—on cotton, wheat, corn, rice, rye, pork, and so forth. Who paid it? The consumers of flour, meal, meat, and other necessities of life. Who were these consumers? The small farmers of your district and mine, miners, the railroad workers, shop and mill workers, and our other citizens. They have a right to know if the tax dollars taken from their sweat was paid to the amount of \$200,000 to one great plantation of thousands and thousands of acres. They have a right to know if \$113,000 was paid to one garbage-can hog raiser and \$10,000 was paid to another so-called hog raiser not to raise hogs in the middle of a great city.

Now the President has asked Congress to put \$500,000,000 of new taxes on the American people to raise the money to turn over to Mr. Wallace to spend in this good election year of 1936. Two-thirds of all taxes are paid by the common people. The big fellow puts his taxes on his products and hands the taxes to the consumer. Now these taxpayers have a right, through their Members of Congress, to see that no farmer shall receive more than \$2,000 in benefits from this fund, because if you are going to pay a part of the big fellow's \$10,000, \$113,000, and \$200,000 the money will give out and the millions of little farmers will receive nothing. As we have shown, if this fund were equally distributed among all the farmers of the Nation they would get on an average of less than \$60 apiece.

If we are going to pay these huge sums to a chosen few, of course, the ordinary and small farmers of your district and mine will not even get crumbs. To limit the amount to \$2,000 that any person may receive of these benefits is so manifestly right and fair that I cannot understand why our Democratic friends oppose it. The farmer, with his thousands of acres, and the garbage-can fellows can take care of themselves. They do not need this relief. I want to bring relief to the ordinary and small farmer of my district and the Nation.

The Democrats voted down the proposition for the Secretary of Agriculture to give the post-office addresses and names of those who had received \$2,000 or more of the \$1,100,000,000 paid out under the A. A. A. in 1933, 1934, and 1935, and the administration has kept these matters secret and refuses to give out the information, because, in my honest opinion, if the American people should learn the facts and see what abuses have been made and the favoritism practiced, this administration would be denounced from one end of the land to the other.

Nearly \$700,000,000 of this \$1,100,000,000 were paid out to the great wheat growers of the North and West. A few, and only a few, of the farmers of my district and yours received any of these benefits, and they only received crumbs; but the people of your district and mine did pay the high processing taxes—sales taxes—to make these funds available. I want the Republicans in the House and Senate to fight and to continue to fight until this information is forthcoming, so that the American people, who have paid these sales taxes, may know the facts. The small farmers of our Nation have been outraged and discriminated against, and, in my opinion, the publication of this information will clearly demonstrate that fact. [Applause.]

PARTISAN POLITICS

It is most interesting to study the record showing the disbursement of this A. A. A. money. Very little was sent out in July and August in any year. In 1934, when there were many races on for Senators, Congressmen, and Governors, countless millions of dollars were sent out in checks in October. These checks reached the beneficiaries—I cannot say the farmers, because they were not all farmers; many of them were garbage-can, so-called hog raisers and others were

imposing upon the Government—just before the November election. There was a tremendous fall-off in the checks sent out in November after the elections. The Democrats know that this is a political bill. They have given Mr. Wallace, Secretary of Agriculture, dictatorial powers. They are turning over to him approximately \$500,000,000 without any strings. A good Democrat Congressman from my own State said on the floor of the House when this measure was up that "Mr. Wallace was given greater powers in the spending of this \$500,000,000 than had been given to any man in this country. He had dictatorial powers over the farms and farmers of this country", and this good Kentucky Democrat voted against the bill. They did not want Mr. Wallace to have any strings on this big sum of money. They did not want the benefits to any one person limited to \$2,000. They wanted him to be able to go out and play Santa Claus in his own way, and, in my opinion, in such a manner as would promote the candidacy of Mr. Roosevelt. These Democrats know that this so-called farm bill will be knocked out as being unconstitutional when it reaches the Supreme Court; but, of course, this cannot happen until the money has been spent and the election is over. If we are going to give out money to help the farmers, I wanted a provision in the bill to make it possible for the ordinary and small farmers of my district to get their part of the money. A man who is such a big farmer that he will receive more than \$2,000 of benefits out of this fund does not need the help. Let us help those who need the help. [Applause.]

AMERICAN MARKETS TURNED OVER TO FOREIGN FARMERS

My good friend, Mr. BOILEAU, from Wisconsin, who made such a valiant fight to prevent the discrimination against dairy farmers and stock raisers in this so-called farm-relief bill, just concluded a speech pointing out how the reciprocal-trade agreement between this country and Canada has adversely affected the dairy interest in this country. These reciprocal-trade agreements entered into between this administration and the various countries of the world have taken a big part of the American markets from our own farmers and turned it over to the farmers of foreign countries. We have put heavy sales taxes—processing taxes—on our farm products and raised the price of them, and we have paid our farmers to cut out about 40,000,000 acres of productive lands and produced a scarcity of farm products in this country. The scarcity of farm products and the high prices have produced a very attractive market in this country for the cheaply produced products of foreign countries, and I wish to again emphasize what these sales taxes and reciprocal-trade agreements have done to our import and export trade. In 1935 the importations of wheat from foreign countries into our country increased 2,500 percent over 1934. The importation of pork products from foreign lands increased 3,200 percent in 1935 over 1934, and importations of beef products from various foreign countries into our own country increased 6,000 percent in 1935 over 1934. In other words, we have simply turned over this fine American domestic market for farm products to foreign countries.

I favor a farm program that will protect this American market for American farmers and encourage American farmers to produce sufficient wheat, meat, rye, corn, butter, eggs, poultry, and so forth, to supply our American market; and if we have a surplus, and it would lower the price to sell that surplus in foreign markets, for this country to compensate American farmers for that loss. In my opinion, that would be a sane farm policy. It would insure good markets and good prices for our farmers, and that policy would be a small burden on the American taxpayers as compared with the policy we have been pursuing, and this would be a permanent policy and the American farmer would be free. There would be no favoritism and partisanism shown to a few of the great cotton planters of the South, the wheat and corn growers of the North and West. All farmers would receive a square deal. [Applause.]

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I have not the time. I am sorry.

SHALL WE PAY MINERS AND OTHER WORKERS NOT TO PRODUCE?

I have pointed out that we have collected in all about \$1,500,000,000 in sales taxes—processing taxes—to pay out mostly to big landowners not to produce. At the same time, we have and are paying out other millions of dollars to bring unproductive land into production by reclamation and irrigation projects. What would the people think of the proposition to pay coal miners not to dig coal, to pay railroad workers not to run trains, to pay the shop workers not to build engines and cars and other machinery, to pay the factory workers not to make furniture, clothing, and to pay the millions of other unemployed people not to make toys, dresses, and thousands of other articles? The policy to tax the people to pay the cotton planter, the great wheat and corn grower, and the garbage-can man not to raise hogs, not to produce, cannot be right until we tax the people to pay the miners and these other workers—factory, shop, and mill workers—not to produce. No country every enjoyed prosperity with scarcity. At this time, when there are 12,625,000 unemployed, according to William Green, president, American Federation of Labor, and 20,000,000 Americans needing relief, according to Harry Hopkins, the Relief Administrator, is certainly no time to destroy the necessities of life and then have them shipped in from foreign countries. The policies of the present administration have contributed to unemployment and have added to the relief rolls.

Let us do the sane, sensible, constitutional, and permanent thing for agriculture, industry, commerce, and labor. For one, I am unwilling to follow this group of political "brain trusters" into the swamps and bogs of paternalism and socialism.

The other nations of the world have come out of the depression and have very little unemployment. The New Deal is not in charge of those countries. Most of them are reaping the benefits of the folly of the New Deal policies in turning over our great American market to the producers of farm and industrial products of foreign countries.

These other countries still believe self-reliance, industry, thrift, and economy are virtues not to be despised. In our own land we not only see unemployment on the increase and relief still at its peak after we have increased the deficits of our country more than \$13,000,000,000 and will at the end of this administration see a national debt of more than \$35,000,000,000.

It is time that we begin to think in terms of the great American policies and ideals that made us the finest, the richest, and most wonderful Nation on earth.

MR. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from New York [MR. MARCANTONIO].

MR. MARCANTONIO. Mr. Chairman, a great deal has been said and a great deal has been attempted with reference to legislation for the protection of organized labor in the United States. We passed the Wagner-Connery bill last year, and prior to that a half-hearted defeatist effort had been made to enforce section 7 (a) of the N. R. A. With all this talk about protecting labor in the United States, we find, however, that the Government of the United States has been guilty of giving out contracts for Government work to builders in the shipbuilding industry, such as the Bethlehem Co., which has a contract to do some work for the Navy out in San Francisco, where there is now raging a strike; and, also, for instance, last year a contract to the New York Shipbuilding Co. in Camden, N. J., where a strike was in existence for 13 weeks, settled only after the President stepped in. We have now in Rutland, Vt., and the towns adjoining Rutland, the Vermont Marble Co., doing Government work and subjecting its workers to the worst form of terrorism and exploitation. The Vermont Marble Co. furnished the marble for the United States Supreme Court Building, as well as for the Sailors and Soldiers Monument, and it has at present \$5,000,000 worth of Government contracts. The employees of the Vermont Marble Co. are out on strike. Just what is this Vermont Marble Co. strike? It is a strike which has been in existence since November. It is a strike upon the part of the workers of the Vermont Marble Co., about 800 of them, who are demanding a decent

living wage, and I take this opportunity to present to my colleagues and to call the attention of the country to the nature of the conditions these men have been working under in Rutland, Vt. Incidentally, a committee of prominent citizens in many of the Eastern States went up to Rutland, Vt., to conduct an investigation, and this investigation brought forth many interesting facts.

For instance, the workers in this Vermont Marble Co. received as little as 50 cents and 20 cents a week. That may sound very, very strange, it may sound like fiction, and it sounds unbelievable, but nevertheless the evidence reveals that the men there were receiving 30 cents an hour and receiving \$13.30 per week. They were living in company buildings, and they had to pay rent, light, water charges, and pasturage charges. The company took out the charges for rent, the charges for light, the charges for water, the charges for pasturage, and the heads of those families went home on Saturday night, in many instances, with 50 cents a week, and never did that pay envelope have a balance of more than \$5 a week. Sometimes those families consisted of 7, 8, or 10 people. I submit that even the most conservative gentlemen of this House cannot disagree with men going out on strike when they are receiving at the end of the week not more than \$5 a week, and in many instances, 50 cents and 30 cents per week. Of course, the company was very charitable to those men. They extended their charity in the following respects: When the charges due to the company exceeded the sum of \$13.30 per week, the company would voluntarily give to the worker 20 cents, so that he could travel back home. They also established a hospital. The family which owns the Vermont Marble Co. is one of the oldest dynasties in the State of Vermont. There have been three or four governors from that family. Naturally they go in for charity. They established a hospital there. This hospital gives the workers a very great benefit, to wit, the employees of the Vermont Marble Co. may use that hospital at the rate of only \$3 per day, while those who are not employees may use that hospital at \$3.50 per day. It is just like a salesman for the Lincoln automobile going up to an unemployed man on relief and informing him that he can buy a Lincoln car for \$500 less than it actually costs. [Laughter.]

Now, what is more vicious than this is that while those men were on strike—and they still are—they naturally have applied for relief and have been unable to obtain it. The State of Vermont does not spend one penny for relief. Relief is provided by the towns. The distribution of relief is in the hands of the so-called overseer of the poor, a left-over of rugged individualism. Incidentally the law of the State of Vermont provides, among other things, that when the superintendent of schools finds that a child cannot come to school because of lack of clothing or food, he directs the overseer of the poor to supply that family with proper food and clothing. In many instances this was refused, and it was repeatedly refused. The workers who are on strike have received practically no relief at all from the various overseers of the poor in that community. In one case, one decent district attorney took up the case and he indicted the overseer of the poor. The man who testified against him was the superintendent of schools. A jury trial was held and the overseer of the poor was found guilty, but it is very, very interesting indeed that the overseer of the poor, a certain John F. Dwyer, was the foreman of the Vermont Marble Co. at Central Rutland, Vt., who was represented by the law firm of Lawrence, Stafford & O'Brien, attorneys for the Vermont Marble Co., and that same law firm of Lawrence, Stafford & O'Brien also represents the town of Rutland, Vt., and of Central Rutland, and they also represent the body of selectmen of those towns. So that the strikers in Rutland, Vt., the strikers in the Vermont Marble Co. plant, are even deprived of relief due to this close tie-up between the overseers of the poor and the company, which refuses to pay these people more than a maximum wage of \$5 per week, and in many instances 50, 20, and 30 cents per week.

However, this same State which refuses to help these strikers by means of relief, has not hesitated at all in spending from \$800 to \$1,700 per week for deputies. They have 16

deputies employed, and the State pays those 16 deputies from \$800 to \$1,700 per week. The company which refuses to give any increase in wages at all is paying \$5 a day to 80 men who have been deputized by the State. Many of those deputies have been found guilty of drunkenness, assault, and reckless driving. They have terrorized those communities. In one instance a man of 70 years of age, a peddler, was beaten by these deputies. He had no connection at all with the strike, but he was almost beaten to death. It may be asked, "Why does this situation concern the Congress?" I say it does concern the Congress, because the Vermont Marble Co. today actually has \$5,000,000 worth of contracts with the Government of the United States. The marble in that Supreme Court building has been furnished by the Vermont Marble Co. This company, incidentally, which claims poverty, and which says it cannot pay any decent wages, according to the statistics given us by the Standard Statistics, which is a reliable authority and accepted by all business firms in the United States, has accounts payable \$119,000 against an inventory of \$1,000,000; cash on hand, \$65,000; accounts receivable, \$1,100,000, mostly from the United States Government; land and buildings, \$5,000,000; investments in subsidiary concerns, \$3,000,000. This same company, which refuses decent wages, has been paying a 5-percent dividend regularly on its preferred stock.

We can talk about the Wagner-Connelly bill, we can demagogue about labor all we please, we can make speeches for home consumption, about the protection of labor, but I submit that the administration cannot in one breath say it intends to protect labor and in the other breath hand out contracts to people like the Vermont Marble Co. which is exploiting labor. I do not mean to insult the dignity of the Supreme Court, but I say that the marble with which the Supreme Court building has been built is stained with the blood of the exploited wage slaves of Vermont.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Let me complete my thought first and then I shall yield.

When we passed the N. R. A. and the Wagner-Connelly Act, employers went into court and tried to have them declared unconstitutional. One thing these companies cannot have declared unconstitutional is the power of Congress to require that before a Government contract is let, the bidders shall agree to proper labor conditions and a decent standard of wages as conditions precedent. The hours of labor and the wages should be fixed in these contracts, and every bidder awarded a contract for any kind of work should be compelled to sign an agreement as to hours and wages. We cannot ask industry in one breath to give labor a square deal when in the next breath we let our contracts running into millions of dollars to people and to groups who are exploiting labor, not only profiteering on labor but the profiteering made possible by money furnished by the Government of the United States.

I believe a law should be passed by Congress compelling the Executive and the various Cabinet officers to include in every contract they let, terms as to wages and as to hours. In this manner only can we prevent exploiters from exploiting labor with Government money. In other words, we should stop demagoguing here about protecting labor's rights on the one hand when on the other we permit the administration and many of its Cabinet officers to let out contracts that disregard the rights of labor.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. McCORMACK. I think the gentleman is correct in his statement as to the power of Congress to impose conditions precedent to the granting of a contract. I have listened with great interest to what the gentleman has said, and if those facts are true, of course nobody can escape agreeing with the gentleman in his observations. I have always felt, however, that the mandatory provision of the law compelling department heads to award contracts to the lowest responsible bidder has worked a hardship in this

respect that might be obviated by giving some discretion to a department head where a bidder has satisfied him as to the payment of the prevailing wages and compliance with other conditions with reference to labor.

Mr. MARCANTONIO. I thank the gentleman for his observation.

Mr. FIESINGER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. FIESINGER. The gentleman spoke about exploiting labor and stated that the Supreme Court Building was built with the blood of wage slaves—

Mr. MARCANTONIO. I did not say that. What I said was that the marble in it was stained with the blood of wage slaves.

Mr. FIESINGER. Is it not a fact that the fault lies with Congress rather than with the Executive and the administration?

Mr. MARCANTONIO. It is the fault of both. The following is a report of impartial citizens, headed by Mr. Rockwell Kent, made after a thorough investigation of the cruel exploitation of labor carried on by the Vermont Marble Co., a beneficiary under United States contracts.

We find the conditions prior to the strike as follows:

First. That the wages received by the men working for the Vermont Marble Co. in those occupations represented by the unions were inadequate to sustain a decent standard of living.

Second. The company had continued to pay regular dividends on its preferred stock at the rate of 5 percent and has continued to pay on its common stock. The company's statement shows as of December 31, 1935, total assets of \$11,203,376 against liabilities of \$119,043, nearly half of assets being in liquid condition such as investments, cash, and accounts receivable.

Third. The company is adequately able to increase wages to its employees.

Fourth. The company has refused to bargain collectively with the union although it at all times represented a majority of the employees in quarrying and marble work, including carpenters, electricians, and railroad workers.

Fifth. The company, in refusing to sign an agreement with the union, could not have legitimately done so on the ground that the union demanded a closed shop, since that demand was waived early in the negotiations.

Sixth. The company refused even to incorporate in a working agreement provisions as to working conditions.

Seventh. The company refused to consider the question of a pay raise. It did not merely refuse to grant the demands of the strikers, but utterly refused any increase, even though the company has recently had large contracts with the United States Government, including the supplying of stone for the United States Supreme Court Building.

We find the following facts as to the period since the strike was declared:

Eighth. The strike was conducted in an orderly and lawful way by the strikers.

Ninth. We find that the company employed deputy sheriffs and paid for them out of its own funds; that such practice is not conducive to fair and impartial execution of the law, and in this case has led to abuse of authority. Subsequently the State of Vermont retained deputy sheriffs at its expense. The State of Vermont, while contributing \$800 to \$1,700 a week for the pay of deputy sheriffs to the number of 16 employed by it, gave nothing and never has given anything in the form of relief to the strikers. We find that the employment of these unneeded deputies on behalf of the company and the refusal to grant relief to strikers constitutes discrimination.

Tenth. The Vermont Marble Co. is employing upward of 80 deputy sheriffs and paying them at the rate of \$5 per day and maintenance, although the company pleaded inability to increase the wages of its workers.

Eleventh. The deputies called into the situation and employed by the company were called in reality in the capacity of professional strikebreakers, having earned that character during the Barre strike in the granite industry. They were

persons of unfit character to preserve law and order. They acted in a provocative manner and for the purpose of provoking strikers into unlawful action.

Twelfth. With the exception of one demonstration following immediately after provocation by strikebreakers under protection of deputies, there has been no disorder by the strikers. There is no evidence whatsoever to show any connection between the strikers and certain alleged dynamitings, and no substantiation for the accusation by the company against the strikers.

Thirteenth. During the strike strikers though in dire need of relief to maintain a subsistence level of life, have been denied relief, and one relief official, who is also a supervisor employee of the company, has been convicted after a jury trial of illegally refusing relief to the family of a striker.

We find that no adequate system of relief can be devised until the relief problem is faced and handled by the State itself rather than by local officials. We find that the relief situation in the communities is too closely tied up with and controlled by the Vermont Marble Co. to give the basis for any reasonable expectation that relief conditions will be improved without State and Federal intervention.

Fourteenth. We find that the company has threatened to evict at least 186 of its striking employees from their houses on April 1. We find this to be a provocative act, calculated to stir the strikers to unlawful action.

Fifteenth. We find that the company has embarked upon a policy of stirring up feeling as between the various nationalities among these workers for the purpose of creating animosities among its workers, particularly toward non-native-born employees.

Sixteenth. We find that the sheriff of the county is incapable and unfit to protect the rights of strikers.

Seventeenth. We find that the Governor of the State of Vermont has already too long failed to intervene officially in the situation and to require the company to meet with the union in an honest effort to negotiate a settlement of the controversy, and has failed to require the commissioner of industry to investigate the dispute, hold public hearings thereon, inquire into wage conditions, and offer to arbitrate the dispute, though the law of Vermont makes express provision for such action by the Governor and/or the commissioner. The commissioner, who was appointed to this office by a protégé of the persons controlling the company, has signally failed to perform his duties.

We find that the Conciliation Service of the United States Department of Labor has delayed unreasonably in making any report public of what it has found through the investigations of Conciliator Post as available in Washington.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, so long as I am a member of a committee and that committee takes unanimous action on a bill, you will find me on the floor ready at all times to defend that committee against any unjust attack anyone may make on it.

Mr. Chairman, I have in my hand a copy of the Washington Star for March 8, 1936, where practically a whole page is used in attacking the Committee on Appropriations respecting the District appropriation bill, and this attack is made under the heading "Errors and Half-truths." If you will compare the assertions and contentions made by the Star under this heading with the admissions made by the District Commissioners in their testimony before our committee, you will agree that the heading is proper, because every criticizing assertion made by the Star is an error or a half-truth.

As a metropolitan newspaper that purveys news generally to the people, outside of the one subject of taxation in Washington, and its continued efforts to get rid of me, there is no better paper in the United States than the Washington Star. It is otherwise accurate and reliable, but when it comes to fighting for nominal taxes in the District of Columbia and trying to make the Government pay most of the local civic expenses here, and when it comes to getting their tremendously valuable paper here

assessed as low as possible and paying as little tax on it as possible, and trying to down me because I oppose them, you cannot rely on a single statement it puts in its pages, not one.

UNANIMOUSLY REPORTED BY COMMITTEE OF 39 MEMBERS

First, I want to call your attention to the fact that the District of Columbia appropriation bill was unanimously reported by the Committee on Appropriations. It is the largest committee in the House of Representatives. No other House committee has more than 28 members. The Committee on Appropriations is composed of 39 Members of this House.

Some of these Members have been here for years, many of them have served here over 20 years. You will not find a more valuable Member of Congress on any committee here than our friend from New York [Mr. TABER], even if he is a partisan Republican. I fight across the aisle with him, but he is an outstanding, valuable Member of this Congress. Do you think he would stand for anything that was not fair and right to the people? He ably represents the minority. He is the ranking outstanding minority member of that big Committee on Appropriations, consisting of 39 members. Why, it is his privilege and his prerogative on this floor when a bill is brought in that is not just and fair to everyone, to get up here and denounce it. We had nearly 3 days of general debate on that bill. Every member who asked to speak on it was given time, everyone. Not a single member of that big committee of 39 members spoke against the bill. That bill came here with a unanimous report from the subcommittee that held the hearings and framed the bill. It came here with a unanimous report from the full committee—the 39 members of the Committee on Appropriations.

EIGHTY-THREE PAGES READ AND ADOPTED WITHOUT ANY AMENDMENT

Not one of the 39 members of that committee rose to attack it during the time the 83 pages of that bill were read and approved. There was not a single amendment adopted by the membership of the House.

As each paragraph of the bill was read, any Member could have offered an amendment to it. After each paragraph any Member could have spoken against it by moving to strike out the last word. The Washington Star made a ridiculous assertion here about the Chairman of the Committee of the Whole House who presided in the chair while the bill was read, and who once presided over his own State legislature in Missouri. He was fair and square. When he left the chair, upon the Speaker resuming it, he received applause from the membership because of his ability and fairness. I have reference to the distinguished gentleman from Missouri [Mr. NELSON].

Yet the Washington Star said that when the gentleman from Illinois [Mr. DIRKSEN] offered an amendment there was but one vote against the amendment, yet the Chair declared the amendment lost. Does the Star not know that the gentleman from Illinois [Mr. DIRKSEN] knows the rules of this House? Does the Star not know that he is an able Member of this House and knows how to preserve his rights? Does the Star not know that if he had had any idea he could have gotten over 8 or 10 votes for his amendment he would have asked for a division? The fact he did not ask for a division showed that he realized his amendment would receive only a few votes and had no chance whatever of passing.

VOTE 290 FOR, ONLY 26 AGAINST

The Star also stated that we would not allow the distinguished gentlewoman from New Jersey [Mrs. NORTON] to speak on her amendment to add \$3,000,000 to the Federal contribution. She did not ask to speak. She asked for no time. She could have gotten 30 minutes in general debate if she had asked for the time. If she had asked for it on the floor, before debate had been closed, she could have been granted 5 minutes on every single paragraph of the bill by moving to strike out the last word. She did not ask for even a minute. So that neither the Washington Star nor any other newspaper may again misrepresent the facts, I

quote from the RECORD just what happened, which is shown on pages 3374 and 3375 of the RECORD for March 5, 1936, to wit:

Mr. BLANTON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 10 minutes.
The motion was agreed to.

Then after debate had been exhausted, and there was no further time left for debate, the following occurred:

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. ZIONCHECK].

The amendment was rejected.

Mrs. NORTON. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

"Amendment offered by Mrs. NORTON: On page 2, line 7, after the word 'addition', strike out the figures '\$2,700,000' and insert in lieu thereof '\$5,700,000.'"

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey [Mrs. NORTON].

The question was taken; and on a division (demanded by Mrs. NORTON) there were—ayes 17, noes 54.

Mrs. NORTON. Mr. Chairman, I make the point of order that there is not a quorum present, and I object to the vote on that ground.

Mr. BLANTON. That will not secure a vote on the amendment, I will say to the gentlewoman from New Jersey. It will produce a quorum only.

Mrs. NORTON. That is all that is necessary.

Mr. BLANTON. Mr. Chairman, on that vote I demand tellers.

The CHAIRMAN. Does the gentlewoman from New Jersey withdraw her point of no quorum?

Mrs. NORTON. No. I insist on the point of order. I made the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and sixteen Members are present, a quorum.

The amendment was rejected.

It will be noted from the above that the gentlewoman from New Jersey [Mrs. NORTON] did not even ask for any time.

Then the next day, when the bill was finally passed, I quote from page 3399 of the RECORD for March 6, 1936, as to what actually occurred, to wit:

Mr. BLANTON. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. NORTON. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The SPEAKER. The gentlewoman from New Jersey demands the yeas and nays. All in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Seven Members have arisen; not a sufficient number.

Mrs. NORTON. Mr. Speaker, I demand a division.

The House divided; and there were—ayes 138, noes 11.

Mrs. NORTON. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The gentlewoman from New Jersey makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eighty Members present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 290, nays 26, answered "present" 1, not voting 113.

Hence, it will be observed, Mr. Chairman, that not one thing was done by anyone to prevent the gentlewoman from New Jersey from speaking. She did not speak because she did not take advantage of her opportunities. For, as previously stated, she could have spoken at length in general debate had she requested time. She could have moved to strike out the last word after the reading of any paragraph on any of the 83 pages of the bill.

When the paragraph she sought to amend was read, by asking for time before motion for debate had been passed, it would have been granted her, but she did not ask for time. When the Washington newspapers assert that she could not get any time to speak on her amendment they are imposing upon the credulity of the Washington people. She could have arranged for time very easily if she had asked for it at the time the chairman in charge of the bill moved to close debate. But she did not ask for it. It was her fault. She can blame no one but herself when she failed to ask for

time. Even if she had spoken an hour, she would not have changed results. Every Member present knew exactly what was the issue. Every Member knew that the issue was whether the people of the United States, in the 48 States, who have to pay all of their own taxes at home, were to be forced to pay \$2,700,000 or \$5,700,000 on the expenses of the Washington people in the District of Columbia. The lady was able to get only 16 Members to vote with her to add \$3,000,000 to the amount the people in the 48 States would have to pay on Washington local civic expenses. And when she forced a roll-call vote in the House on the passage of the bill she could get only 25 Members to vote with her against the passage of the bill, while 290 Members voted to pass the bill.

LAW REQUIRING FULL-VALUE ASSESSMENT GENERALLY VIOLATED

While the law requires all real property in the District of Columbia to be assessed at full value, this law is generally ignored and violated, and in most cases property is assessed at about one-half, or less than one-half, of full value.

I invite the attention of my colleagues, and of the people of Washington, to the renditions of prominent officials and citizens of Washington, shown on pages 19 to 48 of the hearings on the District of Columbia appropriation bill for 1937. Some of these citizens would not sell their property for three times the amount at which it is rendered for taxes.

I challenge the Washington Star to publish a list of its properties and assessed values set forth on pages 20, 21, and 22 of said hearings. It will not dare to do it. The owners of the Star know full well that they would not under any circumstances sell the Washington Star for twice the sum at which it is assessed.

TAXES OF ONLY \$2.97 PAID ON TWO PACKARD AUTOMOBILES

Mr. Fleming Newbold is the business manager of the Washington Star. His two family automobiles are both Packards, yet on the two of them he pays only \$2.97 annual taxes. This business manager of the Washington Star pays only \$1 per year for registration and license number tags on each of his Packard limousines. Is not that ridiculous? There is no other city in the United States that would permit it. This business manager of the Washington Star renders for taxes intangible property at an assessed value of \$40,728, upon which he has to pay an annual tax of only \$203.64, because the rate here is only one-half of 1 percent—cheaper than the rate in any other city in the whole United States—and he gets away with it because this is the Nation's seat of government; and his big \$5,000,000 newspaper, by condemning every Congressman who dares to oppose it, has been able to influence Congress each year to provide a large Federal contribution out of the people's Treasury to pay much of the local civic expenses here that ought to be borne by Washington people; and he and his Washington Star and other Washingtonians are thus relieved of paying a just and fair tax that the people everywhere else in the United States have to pay.

This business manager of the Washington Star has his family library exempt from taxes, no matter how much money it is worth. He has his family wearing apparel exempt from taxes, no matter how much money it is worth. He has \$1,000 of household furniture exempt from taxes. He renders all of his tangible personal property at an assessed valuation of only \$4,500, upon which he pays an annual tax of only \$67.50. This business manager of the Washington Star renders his fine residential property at 1720 Massachusetts Avenue NW. at an assessed value of only \$31,543, upon which he pays an annual tax of only \$471.82. He has his water for his above properties furnished to him for the nominal charge of only \$10.45 per year, less than a dollar per month. Where in the United States, outside of Washington, would this business manager of the Star be able to pay such nominal taxes on his properties? He cannot find another city in the United States that would let him get away with it. Yet his salary, or net income, last year was \$31,543, as published recently by several Washington newspapers. Here in Washington he pays only 2 cents gasoline tax. He pays no income tax. He pays no estate tax. He pays no inheritance tax. He pays no gift tax. He pays no sales tax. Yet

people in some other nearby cities have all of these taxes to pay.

This business manager of the Washington Star has no county tax to pay. He has no State tax to pay. He has no special school tax to pay. He has no special courthouse or jail tax to pay. He has no special water tax to pay. Yet citizens in other cities of the United States have to pay all of the above taxes in addition to their city tax. He pays only one tax on real estate, and that is \$1.50 per \$100, or \$15 on the \$1,000, with the property here in Washington generally assessed at about one-half of its real value. This business manager of the Washington Star has no sewer-service charge to pay each month. Not since sewer connection was first installed in his residence, and then at less than its cost, has he paid one cent for sewer service throughout all the years he has occupied his residence. He paid not one cent extra for the trees contiguous to his property. They were furnished without charge to him, were planted without charge to him, were protected with lumber frames around them until their growth started, have been pruned every year, have been sprayed every year, and have been replaced when any have died, all without any charge to him, notwithstanding the fact that in every other city in the United States the owner of the property, in addition to his regular taxes, has to pay for all of the above services.

This business manager of the Washington Star has his ashes gathered free; he has his garbage gathered free; he has his trash gathered free, while in some cities citizens have to pay for these services in addition to their regular taxes. This Washington business manager of the Washington Star, Mr. Fleming Newbold, does not have to pay one cent for repairing or replacing the sidewalks in front of and around his property, or for repairing or repaving the street contiguous to his property, while citizens of some other cities have to pay for such service in addition to their regular taxes. And what privileges this business manager of the Washington Star receives here in Washington at such nominal cost all of the other officials and owners of the Washington Star likewise receive in Washington. Yet they are always bellyaching because the Government does not pay more of their own civic expenses, which the people everywhere else in the United States pay for themselves.

ASSESSED BELOW REAL VALUE, EVEN PRIOR TO 1934

If you will look on pages 63 and 64 of our printed hearings, you will see that a citizen bought a piece of property for \$4,500 and made the Government pay \$11,500 for it; another citizen bought property for \$12,000 and made the Government pay \$25,000 for it; another bought a lot for \$3,800 and then made the Government pay \$8,250 for it; another citizen bought two lots for \$16,500 and then made the Government pay \$37,500 for them; another citizen bought a lot for \$11,000 and then made the Government pay \$28,500 for it; another citizen bought a lot for \$3,500 and then made the Government pay \$12,500 for it.

TAX ASSESSOR RICHARDS ADMITTED LOW ASSESSMENTS

I quote from the printed hearings on pages 64 and 65 the following:

PRICE ASKED FOR JEFFERSON JUNIOR HIGH SCHOOL SITE

Mr. BLANTON. Now, concerning the Jefferson Junior High School, at the time the first jury was empaneled for fixing the value of that site, that jury fixed a value of \$105,000. That was several times the value at which it was assessed at that time, was it not?

Mr. RICHARDS. Yes, sir. That was the part, the auditor just reminds me, that was in one ownership.

Mr. BLANTON. That was in one ownership.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. The Government refused to pay that \$105,000. They thought it was outrageous.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Then the second jury that was empaneled to condemn that property for the Government awarded \$294,000.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Yes.

Mr. BLANTON. And they fixed the amount the Government should pay for it at \$105,000. Then it was condemned in a second proceeding and Washington citizens then fixed its value at \$294,000, but we didn't take it.

I wish you would state to the committee the facts in regard to the property that was purchased in the block upon which the New House Office Building was built, and as to the manner in

which the Government was held up on the value of that property. You have made a statement on this particular land in that particular condemnation and as to the different ownerships.

Mr. RICHARDS. A part of the land was purchased outright. I appeared before the committee consisting, I think, of the Speaker of the House, the minority leader, and someone else, and made a statement as to what that property was worth, but I do not think it went to condemnation. I think it was finally purchased.

Mr. BLANTON. All of the property that was purchased outright was purchased at a price far in excess of what it was assessed for taxes at that time.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Some of it at several times its assessed value.

Mr. RICHARDS. Yes, sir.

AMOUNTS FAR IN EXCESS OF ASSESSED VALUES PAID

I now want to call your attention to what the Government had to pay for the lots upon which the new Supreme Court Building was constructed, and I quote from page 78 of the printed hearings:

SALE PRICE AND SUBSEQUENT AWARDS BY JURY FOR SUPREME COURT SITE

Mr. RICHARDS. These are some figures in regard to the site of the Supreme Court.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for \$4,500, and the jury awarded for it \$11,500; lot 19 had sold for \$5,500, and the jury awarded \$8,500; lot no. 39 sold for \$11,000, and the jury awarded \$16,000; lot no. 40 sold for \$12,000, and the jury awarded for it \$25,000; lot no. 41 sold for \$10,500, and the jury awarded for it \$16,000; lot no. 804 sold for \$8,000, and the jury awarded for it \$14,500; lot no. 32 sold for \$3,800, and the jury awarded for it \$8,250.

The following lots are in square 728:

Lot no. 801, sold for \$4,800, and the jury awarded for it \$7,500; lot no. 802 sold for \$6,000, and the jury awarded for it \$12,000; lot no. 807 sold for \$15,000, and the jury awarded for it \$26,000; lots nos. 809 and 810 were sold for \$16,500, and the jury awarded for them \$37,500; lot no. 814 was sold for \$11,000, and the jury awarded for it \$28,500; lot no. 822 was sold for \$5,650, and the jury awarded for it \$10,000; lot no. 823 was sold for \$8,500, and the jury awarded for it \$17,000; lot no. 826 was sold for \$14,500, and the jury awarded for it \$19,500; lot no. 827 was sold for \$15,000, and the jury awarded for it \$19,500; lot no. 31 was sold for \$5,100, and the jury awarded for it \$13,000; lot no. 832 was sold for \$3,500, and the jury awarded for it \$12,500.

This statement shows that in the case of property which had sold for \$163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay \$302,750 in order to secure the property for the Supreme Court Building.

SUGGESTION FROM THE OTHER SIDE OF THE CAPITOL

You will remember, Mr. Chairman, that from the one somewhere else who is always insisting on the United States making a large Federal contribution to the civic expenses of Washington, the newspapers carried a suggestion in the early part of 1934 that one way the Commissioners could lower the amount Washington people would have to pay would be to lower the assessed valuation of the property. The Commissioners took the cue immediately. Notwithstanding that it was already assessed at about one-half of its real value, the Commissioners thereafter in 2 years arbitrarily lowered the assessed value of real property \$130,000,000. This is admitted by the testimony of the president of the Board of Commissioners, and I quote his testimony given before us in March 1934 from the printed hearings:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of \$1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to \$1.50. This reduction represents a saving to taxpayers in the fiscal year 1934 of \$2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by \$80,000,000—a saving to property owners of \$1,200,000. The District budget for the fiscal year 1935 is based upon continuing the \$1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately \$50,000,000 will be made in 1935.

The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance now 7,500 cubic feet to 10,000 cubic feet. This means a saving to water users of about \$600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users.

Mr. BLANTON. By a reduction in the assessed valuation of real estate to the extent of \$80,000,000, you meant that you distributed that over the general assessments?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately \$50,000,000 will be made in 1935."

Did you make that further reduction?

Commissioner HAZEN. There was further reduction.

Mr. BLANTON. And you did make another reduction, approximately \$50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners, generally, got the benefit of that additional \$50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of \$130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about \$600,000."

That was provided?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that the property owners of the District got a saving of \$600,000 through a decrease in water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In addition to that \$600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Without extra charge?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Then you further say:

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users."

That was a saving of \$100,000 additional approximately?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. To water users here in Washington?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only \$1.50 per 100 on real estate and only \$1.50 per 100 on personal property, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

Commissioner HAZEN. We do not contemplate increasing it.

Mr. BLANTON. With that \$1.50 tax rate, you stated in your preliminary general statement, that you carried over from the last fiscal year to the present fiscal year a surplus of \$4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of—

Commissioner HAZEN. \$2,450,000.

Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of \$1,430,000.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. You have no income tax for the District of Columbia?

Commissioner HAZEN. That is true.

Mr. BLANTON. . . . The tax on intangibles in the District is now what, Mr. Donovan?

Mr. DONOVAN. \$5 per thousand.

Mr. BLANTON. That is one-half of 1 percent, is it not?

Mr. DONOVAN. That is right.

Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only \$1 per car.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. That would be \$1 per car for an \$8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

Mr. DONOVAN. It is about \$8.75.

Mr. BLANTON. Was not that the tax before Congress reduced it?

Mr. DONOVAN. It was that before Congress reduced it.

Mr. BLANTON. But Congress reduced it?

Mr. DONOVAN. You mean the 25-percent reduction?

Mr. BLANTON. Yes.

Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

Commissioner HAZEN. No.

Mr. BLANTON. And he will not have to pay any in the future, will he?

Commissioner HAZEN. No, sir.

Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

Commissioner HAZEN. I think that it is the greatest city in the United States.

Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

Commissioner HAZEN. I believe they do.

NOT INTERESTED ABOUT RAISING ANY ADDITIONAL REVENUE

If you colleagues will look on page 9 et sequentia of our printed hearings for the 1937 appropriation bill, you will see why the Commissioners are not interested in the Mapes bills, to increase the 2-cent gasoline tax, to increase the \$1 license tags tax, to pass an income tax, and other taxes that people in other cities pay, and from such hearings, I quote the following:

Mr. BLANTON. You are acquainted with the four Mapes bills?

Commissioner HAZEN. Yes, sir; somewhat.

Mr. BLANTON. One of those bills has for its purpose to increase the gasoline tax from 2 to 4 cents, to make it comparable with the gasoline tax in other cities.

Commissioner HAZEN. Yes, sir.

The answer is that we have a surplus, and we did not feel we could justifiably increase taxes as long as we had a surplus.

Mr. BLANTON. And it is because you have a large surplus—\$3,059,748.70—that you are against that increase-of-gasoline-tax bill?

Commissioner HAZEN. We have to consider the surplus.

Mr. BLANTON. What surplus do you expect to have in the general fund on July 1?

Commissioner HAZEN. \$1,992,748.70.

Mr. DONOVAN. That is only in the general fund.

Mr. BLANTON. That is in the general fund. Now, what about the water fund?

Commissioner HAZEN. In the water fund we will have \$504,000.

Mr. BLANTON. And in your gasoline-tax fund?

Commissioner HAZEN. \$563,000.

Mr. BLANTON. So that aggregates a surplus of \$3,059,748.70 on July 1.

GASOLINE TAX IN VARIOUS STATES

Mr. BLANTON. Mr. Commissioner, I call attention to the gasoline tax that is now effective in the cities of various States:

Alabama, 6 cents; Arizona, 5 cents; Arkansas, 6 cents; Colorado, 4 cents; Florida, 7 cents; Georgia, 6 cents; Idaho, 5 cents; Indiana, 4 cents; Kentucky, 5 cents; Louisiana, 5 cents; Maine, 4 cents; Maryland, 4 cents; Nebraska, 4 cents; Nevada, 4 cents; New Hampshire, 4 cents; New Mexico, 5 cents; North Carolina, 6 cents; Ohio, 4 cents; Oklahoma, 4 cents; Oregon, 4 cents; Pennsylvania, 3 cents; South Carolina, 6 cents; Tennessee, 7 cents; Texas, 4 cents; Utah, 4 cents; Vermont, 4 cents; Virginia, 5 cents; Washington (State), 5 cents; West Virginia, 4 cents; Wisconsin, 4 cents; and Wyoming, 4 cents.

But in the District of Columbia the tax is 2 cents per gallon.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield for just a slight observation?

Mr. BLANTON. Please let me give these facts first, without interruption. I cannot yield at this time.

Mr. Chairman, for fear I shall not have the time to conclude, I ask unanimous consent to revise and extend my remarks and to insert some data and excerpts that I want to use.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. BLANTON. Here are some figures that the President of the United States had gathered last year, which were

gathered under his direction, and you can take them as authentic.

TAX RATE IN DISTRICT COMPARED WITH CITIES OF SIMILAR SIZE

This report of the President's committee which he appointed to investigate the tax rate in the District of Columbia as compared with that in other comparable cities, which is entitled "Comparative Tax Burdens in the District of Columbia and Other Cities", and which was filed in the office of the Secretary of the Treasury on April 8, 1935, states that their analysis is based upon data available January 12, 1935, and from which I quote:

"The following cities of between 300,000 to 825,000 population show Washington to pay the lowest tax rate on \$1,000, to wit:

	Tax rate on \$1,000
Jersey City, N. J.	\$40.69
Boston, Mass.	37.10
Minneapolis, Minn.	30.10
Newark, N. J.	29.20
Seattle, Wash.	28.13
New Orleans, La.	27.58
Baltimore, Md.	26.70
Portland, Oreg.	26.50
Milwaukee, Wis.	26.26
Buffalo, N. Y.	25.56
Kansas City, Mo.	25.23
Louisville, Ky.	24.48
San Francisco, Calif.	20.09
Cincinnati, Ohio.	18.22
Washington, D. C.	15.00

"Table 1, appended, clearly demonstrates that the District of Columbia general property-tax rate of \$15 per \$1,000 is the lowest obtaining in any city of 300,000 or more population, and that a number of cities have adjusted tax rates of more than twice that obtaining in the District."

In our hearings, Mr. Chairman, it was disclosed that the city officials are wholly inactive and unconcerned about the back real-estate taxes that remain unpaid for each year back to 1877. They were not enough concerned to insist on a law being passed to allow the District of Columbia to take good title under proper sale for delinquent taxes. I had to go to the District Legislative Committee and urge the chairman to report such a bill, and we got her to have the bill reported and passed it here in the House a few days ago. I quote the following from the printed hearings:

UNCOLLECTED REAL-ESTATE TAXES, 1877-1935

Now, Mr. Towers, you are familiar, are you, with the statement that has been furnished by Mr. Richards here, and which came through you, I understand?

Mr. TOWERS. Yes; I got that up for him.

Mr. BLANTON. It shows an uncollected balance of real-estate taxes from 1877 to 1935 of \$1,599,568.47.

Mr. TOWERS. Yes, sir.

UNCOLLECTED TAXES FROM 1877 TO 1936

The following is an official statement of a list of uncollected balances of real-estate taxes by years from 1877 to January 1, 1936, furnished by Tax Assessor Richards under the official order of Commissioner Hazen:

List of uncollected balances of real-estate taxes to Jan. 1, 1936, in the amount of \$1,599,568.47, representing 57 years

	Balances
1935	\$687,996.30
1934	247,818.54
1933	210,001.88
1932	98,602.83
1931	80,041.71
1930	80,716.79
1929	22,304.69
1928	18,827.33
1927	25,187.34
1926	56,369.33
1925	1,625.54
1924	2,758.83
1923	7,899.34
1922	12,441.03
1921	7,182.37
1920	4,122.29
1919	3,554.29
1918	3,000.67
1917	3,882.57
1916	2,823.49
1915	3,123.45
1914	1,657.47
1913	2,125.82
1912	1,177.96
1911	1,067.08
1910	1,932.69
1909	644.83
1908	2,086.80
1907	3,278.29

List of uncollected balances of real-estate taxes to Jan. 1, 1936, in the amount of \$1,599,568.47, representing 57 years—Continued

	Balances
1906	\$1,158.27
1905	1,061.57
1904	586.24
1903	168.63
1902	599.67
1901	520.26
1900	757.04
1899	670.25
1898	1,211.50
1897	1,564.52
1896	2,548.89
1895	1,281.28
1894	1,490.71
1893	1,145.56
1892	835.19
1891	1,034.45
1890	1,205.47
1889	920.63
1888	1,080.32
1887	1,128.33
1886	905.83
1885	1,211.48
1884	1,108.62
1883	1,897.96
1882	2,164.16
1881	3,831.75
1880	10,292.91
1877	8,706.55

1,622,954.03
Less overcollection for 1910, 1925, and 1928..... 22,385.56

Total..... 1,599,568.47

Mr. BLANTON. Colonel Sultan, this list of unpaid taxes on real estate, dating back as far as 1877, shows uncollected, for 1877, real-estate taxes amounting to \$8,706.55, and all the way up, every year, there is an uncollected tax balance.

Are there any steps being taken to collect those taxes?

Colonel SULTAN. Oh, yes, sir. Just why there should be an uncollected balance going back as far as that, frankly, I cannot say.

Mr. BLANTON. In other words, there remains now, previous to the present tax year, from 1877 to 1935, uncollected real-estate taxes of \$1,599,568.47.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. BLANTON. Now, remember, Commissioner Hazen admitted that last year and the year before they had given property owners a reduction of \$130,000,000 below the then already low assessed valuation.

Mr. NICHOLS. They do that against the law.

Mr. BLANTON. Yes; they arbitrarily reduced it, in violation of the law.

Yet with these conditions prevailing, where the people of Washington, D. C., are the best treated, have the greatest advantages, and are the least taxed, the Washington newspapers are asserting that certain statesmen elsewhere than in this House are assuring these newspapers that they will restore this \$3,000,000 the House has cut off of the Federal contribution, and will restore the unconscionable high salaries that some officials here in Washington have been receiving.

Let them do it! But they are not going to do it without their people back home finding it out. And in my judgment their people back home are going to hold them responsible for such action. Their people back home are getting tired of having to pay their own high taxes in the States and then having to help the overpampered people of Washington pay their local civic expenses here. The time has come when this House of Representatives must stop being the goat. It must stop having to carry the load. It must place the responsibility where it rightfully belongs. It must let the taxpayers of the United States know exactly who it is that is annually placing this burden upon them. And I am going to take upon my shoulders the duty of letting the people of the United States know about it. The people of Washington, D. C., receive the most for their money and pay less taxes than the people in any other city in the whole wide world. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from Oregon [Mr. EKWALL].

Mr. EKWALL. Mr. Chairman, I ask unanimous consent that I may read my manuscript and revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. EKWALL. Mr. Chairman, notwithstanding the various differences of opinion of our Members from time to time, I believe that the Members of the House of Representatives are actuated by a desire to enact such laws as will be beneficial to the whole country. We have endeavored for the past few years to alleviate the suffering and privation incident to the business depression, and to devise ways and means to bring the United States out of the economic slough of despond. Our big problem is, of course, to find a method of supplying work for the ten or twelve million of our unemployed men and women. If we could do this, the depression would be over, and prosperity would be a splendid reality. It is a fact, which every economist of any standing will vouch for, that employment at a fair wage of all who are now unemployed would bring such a revival of business that the wheels of industry would hum in order to supply the demand for goods of every nature. Millions upon millions of dollars would be put in circulation, and business stagnation would be a thing of the past.

AMERICA ALWAYS LAND OF OPPORTUNITY

One thing, above every other, which has made America great, and which has made her the envy of the other nations, has been the golden opportunities which have always been open to everyone here. From the time of the War of the Revolution there have been opportunities for the poor boy or girl to start in business, and, by thrift and application, to make a success of life. A healthy body, a clear brain, and the will to win have been the open sesame to success and fortune. Innumerable men and women throughout the life of our Republic have made a very meager and inauspicious start in business, and, by dint of hard work and application and honest endeavor, have become business leaders in their respective communities. We are proud of such Americans, and the records of their achievements has filled some of the brightest pages in our business history. They have been the inspiration to countless others who have profited by their example. These people have not endeavored to find some short cut to fame and fortune, nor have they tried to invent some lotion to take the place of sweat.

Our country's wealth and prosperity have been largely built up in this manner. Real-estate values have been enhanced manifold by reason of the fact that many small, honestly conducted lines of business have brought demands for stores and good locations. This has, in turn, been most beneficial to every section of our country. It has made it possible for the owners of real estate to receive fair returns on their real-property investments, thus enabling such owners to pay their taxes to the political subdivisions. A great number of varied lines of business in the various communities must necessarily employ many men and women, and thus create a corresponding local circulation of buying power. When the Republic was much younger, the manufacturers of articles of various types sold their goods on merit and left to the individual merchants the problem of making a success or failure of merchandising. Strict application to business, scrupulous honesty, the ability to devise economical methods of handling, proper and humane treatment of employees, and the various other human attributes possessed by some and lacking in others since the beginning of time constituted the broad road between success and failure.

MONOPOLIES ARE CREATED

As time went on, however, shrewd men and women began to create methods of combining various lines of business, and huge monopolies came into being. The obvious reason for the creation of such monopolies was to corner as much business as possible and to force competition to the wall. At first those who devised such combinations were hailed as clever financiers. Our country was still comparatively young, and there was work for all who desired it. As the full realization of the effects of these huge monopolies dawned upon the consciousness of our people, and it was

observed that they exercised very powerful influence upon the manufacturers of goods by reason of their large buying power, to the detriment of smaller merchants, serious thought was given to the problem of holding them within reasonable limits. As Frankenstein fashioned a man monster which finally slew his master, so did the monster of monopoly threaten to destroy business itself.

Many years ago, Congress, realizing the seriousness of the situation, undertook to legislate on this subject effectively. Various antitrust laws were enacted, and, in a measure, reached the seat of the abuses. Theodore Roosevelt, at the height of his public career, declared monopoly the enemy, not only of the average citizen, but of free institutions. Woodrow Wilson declared private monopoly intolerable, and that those who would preserve democracy must find the way to be rid of it. Congress passed the Sherman Act, commonly known as the antitrust law, to prevent combinations or trusts in restraint of trade. The Clayton Act was passed to prevent price discrimination. The Federal Trade Commission Act was passed to prevent unfair methods of competition, but neither of these laws has been wholly effective.

ROBINSON-PATMAN EQUAL OPPORTUNITY BILL

There is now before Congress a bill known as the Robinson-Patman bill, being S. 3154 and H. R. 8442, which has for its purpose the amendment of section 2 of the Clayton Act. The bill is designed to accomplish what so far the Clayton Act has done in an impotent manner, namely, to protect the independent merchant, the public which he serves, and the manufacturer from whom he buys, from exploitation by his monopolistic competitor.

Section 2 of the Clayton Act as it now stands raises a feeble gesture against price discrimination. That gesture is futile because it still permits quantity discounts without suggesting any measure or standard to limit their abuse; because, further, it permits price discriminations to meet local competition. For enforcement the act relies upon the cumbersome procedure of the Federal Trade Commission, upon civil suits for injunction to be brought by overloaded United States attorneys, and upon private suits for injunction and for the recovery of triple damages. The latter have seldom proved effective, first, because of the weakness of the prohibition in the act itself; second, because of the difficulty of obtaining evidence; and third, because of the difficulty of proving specific damages to competitors, where damages are so obvious in fact but so indeterminable in amount.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. EKWALL. I yield.

Mr. PATMAN. I appreciate the contribution the gentleman is making toward the success of the passage of the bill he mentions. In addition to what the gentleman has already said is the purpose of the act, it is to make the Clayton Act more effective by taking some of the weasel words out.

Mr. EKWALL. Yes.

Mr. PATMAN. And putting some teeth back where they have been extracted by the Supreme Court.

Mr. EKWALL. The gentleman's remarks are correct.

EXPLANATION OF AMENDMENT

These difficulties, the proposed amendment meets in this way:

Section (a) prohibits generally price discrimination between purchasers of goods of like grade and quality, but permits differentials between wholesalers, retailers, consumers, and those who purchase for further manufacture. It also permits differentials representing differences in cost resulting from the differing methods or quantities involved in the sales and deliveries to the particular purchasers involved in the discrimination. It thus throws upon the manufacturer or chain, in case of controversy, the burden of showing that a particular discrimination falls within one of these exceptions, a requirement that is obviously fair, since he knows best what his costs are, and who his customers are, and has at his peculiar command the cost and other record data by which to justify such discriminations if such justification exists.

WHEN BROKERAGE AND COMMISSION ALLOWED

Section (b) prohibits the payment of brokerage or commission in any sales transaction where the broker is acting in fact or under the control not of the one who would pay him the commission but of the other party to the transaction. It is directed against the corruption of the true brokerage function as a real and valuable servant of commerce into a subterfuge for those unfair and coercive price discriminations which constitute such a real menace to commerce. It does not prevent or hamper anyone in rendering real brokerage services, but does not require anyone to pay brokerage; it does not forbid anyone to invest or continue his investment in a brokerage business; but it does forbid the abuse of this or other methods of control whereby the broker is converted into a servant of one part to the transaction at the cost of the other.

PSEUDO-ADVERTISING ALLOWANCES

Section (c) is aimed at the suppression of pseudo-advertising allowances, a favorite disguise for price discriminations which will not bear publicly being named as such. Again, it in no way impairs or obstructs legitimate advertising or the selection and use of such means as are economical and effective for that purpose. Where it is advantageous in these respects to do so it permits the manufacturer, for example, to employ or engage the services of his customers in their respective local communities in lieu of sending out a force of his salaried representatives to handle local advertising. It only imposes upon him two requirements, which are sufficient to remove the competitive wolf from this sheep's clothing. It requires the manufacturer either to make that allowance available on proportionally equal terms to all of his customers within the same competitive sphere or to keep the services concerned divorced from any reference to the business of the particular customer whom the manufacturer selects for the purpose.

PRESUMPTION OF DAMAGES

Section (d) is designed to aid enforcement by providing a presumptive measure of damages, thus avoiding the difficulty of proving specific damages that has afflicted this remedy under the Clayton Act heretofore. It makes the amount of the unlawful discrimination itself the measure of such damages as applied either to the volume of sales on which it is given or to the volume of the competitor's business in the same product, which is the business naturally injured thereby. It is only a presumptive rule, however, and when circumstances are such that greater damages can actually be proven the law would still permit their recovery.

This bill is designed to protect and to secure in the field of merchandising fair and decent competition. It establishes again the birthright of every free American to equal opportunity—equal opportunity to devote his talents and resources to the service of the public, where the homely attributes of honesty and fair dealing, of personality and good name, upon which his forebears build so well, will once again come into their own; equal opportunity to secure for himself that reasonable return which is commensurate with the service, devotion, and quality value of his contribution to the public.

THIS BILL FOUNDED ON GOLDEN RULE

This bill imposes no obstacles to legitimate and productive human endeavor in any path, nor to the utilization of such economical methods or processes as may be devised by the wit of man, nor to the appropriate division of the fruits of those economies between those who make them possible and those whom they serve. It leaves every person free to make what price or terms he will, to use what services or facilities he has available; but where he might otherwise do so in prejudice to the equal opportunity of his fellows, it requires him to treat all alike. It is founded on principles of human conduct as simple as the Golden Rule—it is fair and right and wholesome—it will wrong no one, and, as surely as day follows the night, it will end the retreat in the face of the business depression. The day this law goes into effect will be recorded as the low-water mark in unemployment, and

from that date we will begin in earnest the trek to the mountain top where the sunshine of happiness and opportunity and prosperity will once again shine with full force upon us.

In establishing our great Republic our forefathers set forth in the Declaration of Independence a principle that—

All men are created equal and are endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness.

This has been the keystone of our political structure, without which there would have been no republic. In order to keep our people contented and happy and to preserve for posterity the blessings which we enjoy in this country, we must not only recognize that all men are created equal; we must also, by just and equitable laws, insure to all a square deal, an equal opportunity to live and prosper; we must eliminate favoritism and special privilege wherever possible and thus perpetuate equality and fair dealing. In this manner, and this manner only, will democratic government survive. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I am most reluctant to trespass upon the time of the House at this late hour in the afternoon, but I shall avail myself of one of the prerogatives of a Member by inserting in the RECORD some tables with respect to reciprocal-trade treaties as they affect the State of Illinois, and in connection therewith I ask unanimous consent to extend my remarks and to include, in the language of my good friend from Texas, certain excerpts and data.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks and to include therein certain excerpts and data. Is there objection?

Mr. PATMAN. Mr. Chairman, I reserve the right to object. Do they relate to this banking bill now pending?

Mr. DIRKSEN. No; they relate to reciprocal-trade treaties in their effect upon the State of Illinois.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, a long time ago a Greek or Roman philosopher said: "Remember, oh stranger, arithmetic is the first of sciences and the mother of invention." That is a pretty good rule to bear in mind, because I suppose it was the inspiration of this old adage that gets around so much about liars being able to figure but figures not lying. One can use figures and distort them to his own use and probably exemplify what Shakespeare once said, that the Devil can cite Scripture for his purpose, but in the final analysis one proves exactly nothing.

When I journey from Washington to Illinois and go through Ohio I see a huge signboard out there along Route 40 which says, "Ye shall know the truth and the truth will set ye free." Occasionally we nail truth down, but do not do a very good job, and it comes up again, and when we discuss this matter of reciprocal-trade treaties and bandy figures about, if they are distorted and if they are not founded in fact, they prove just exactly nothing. So the opponents and proponents of the reciprocal-trade treaties are going to prove their case only in proportion as they adhere strictly to the facts and reliable figures. I have undertaken to do that in connection with some tables that I have assembled, dealing with the effect of reciprocal-trade treaties upon the State of Illinois. This Chamber has resounded with a lot of oratory and rhetoric with respect to reciprocal-trade treaties ever since 1933.

Much of the argument that has been advanced has been ineffective because it has been too local, and some of the argument that has been advanced is ineffective because it is too abstract. I thought it might be a rather interesting thing if one took the whole schedule of reciprocal-trade treaties and related them to every item with which imported goods might be in competition with the items manufactured in a State like Illinois or that are produced and

grown on the farms in Illinois. First of all, I want the RECORD to show the number of treaties in effect, and with what countries. Up to and including the 1st of March 1936, 10 trade agreements had been completed, the first one with Cuba on the 3d of September 1934; with Belgium on May 1, 1935; with Haiti on June 3, 1935; with Sweden, August 5, 1935; with Brazil, January 1, 1936; with Canada, January 1, 1936; with the Netherlands, February 1, 1936; with Switzerland, February 15; and with Honduras, March 2. An agreement has been signed with our little sister republic of South America, Colombia, on the 3d of September 1935, but it does not become effective until 30 days after the signature of the President of the Republic of Colombia, attached, and that signature has not yet been attached. Incidentally, agreements are pending at the present time with Costa Rica, El Salvador, Finland, France, Guatemala, Italy, Nicaragua, and Spain. With exception of the trade treaty that is in effect with Cuba, concessions that are made under this reciprocal-trade program obtain alike for virtually all of the nations with which we have any kind of a trade status, with the exception of Germany.

So that all the concessions that the United States has made thus far under these treaties to the respective countries named in the 10 treaties that have been signed will run alike to all countries everywhere in the world, with the exception of Germany. Now, how do these agreements affect Illinois? That is the whole purpose of what I want to insert in the RECORD. I am not trying to be persuasive this afternoon, because, after all, the figures are far more persuasive than any rhetoric that I may be able to advance.

The first table I am going to insert deals with Illinois industries as reported by the census of manufactures. It shows all manufacturing industries in Illinois, the number of wage earners in 1933, and the value of the products produced. In addition thereto it will show a total of 38 select industries, with the number of wage earners employed and the value of the product.

The second table will deal with Illinois crops, livestock, and livestock products; showing, first of all, the total income to the farmers in 1933 and 1934 for a total of 78 crops. Then the total of seven major crops.

The next table will show livestock and livestock products, with special emphasis upon six different items that constitute the majority portion of the income of Illinois farmers.

The next table will deal with names of imported commodities and the countries from which they are imported. It is all set up so that at a glance you can tell exactly from what countries these items are imported that are in competition with the products grown or produced in Illinois.

The next table will deal with a select group of 45 products, showing the quantity and value of the imports for 1933, 1934, and 1935. It occurs to me that if these tables are examined with any degree of application by the Members of Congress they are in themselves going to present a rather persuasive picture. But they do not go far enough unless we also show the wage scales that obtain in the different countries where the products are manufactured, that are in competition with the fabricated products from my own State. To make it more persuasive, I have included tables of wages paid in selected German industries, Swiss industries, Swedish industries, wages paid in Canada, wages paid to agricultural workers in Poland, wages paid in selected French industries, wages paid in the United Kingdom, various daily wages paid in Tokyo. These figures have been converted so as to take account of the difference in exchange on the basis of the last figure available, so that no proponent of trade agreements can say that we have left out something by which they can establish some point of dissimilarity when they undertake to make an argument.

About the only thing I want to emphasize in connection with these tables is that the meat-packing industry is not only one of the principal industries in Illinois, but that hogs and cattle make up more than half the income of Illinois farmers. However, despite that fact, the importation of

meat products jumped from 62,476,133 pounds in 1933 to 115,059,114 pounds in 1935. That is a jump of over 100 percent.

We have three watch and clock factories in Illinois, yet the value of imported watch and clock movements jumped from \$1,656,000 in 1933 to \$4,359,247 in 1935.

Corn is the principal cereal grain grown in Illinois. Yet the imports of corn jumped from a mere 160,228 bushels in 1933 to 43,242,296 bushels in 1935. That is a rather healthy increase.

Wheat ranks second as a major cereal grain grown in our State, yet the imports of wheat jumped from 31,383 bushels in 1933 to 27,438,870 bushels in 1935.

I might say in connection with corn that a friend of mine by the name of Ralph T. Ainsworth, of Mason City, Ill., who operates the Ainsworth Financial Service and who has spent a lifetime gathering farm statistics right in the Corn Belt, which he sends to farmers, farm-market operators, and others, had this to say with respect to the importations of Argentine corn. I quote him:

Argentine corn is sifting its way farther into the interior as each week goes by. The Southern Hemisphere flint corn may now be had as far north as Memphis, as far east as Buffalo, and in all that territory west of the Rocky Mountains—

And then get this significant fact—

at prices far below the price of domestic corn.

If we can ship corn by the boatload from the Argentine and unload it at Baltimore or Galveston and then send it by rail out into the Corn Belt where we grow millions and millions of bushels of corn, and the price is below the domestic market for corn, you can see what will happen. Mr. Wallace can pass that off by saying that the total importation of corn for 1935 does not exceed the corn grown in a single Iowa county, but that is quite beside the point, for if that flinty Argentine corn comes into the corn market it has a most disastrous effect upon the price, and you will see a recession. I am not a market prophet, but I venture to say that within the next 60 days you are likely to see a 10-cent drop in the price of corn largely because of this low-priced Argentine corn. If the starch factories, farmers, feeders, and others can buy this corn cheaper than they can buy domestic corn, you know what will happen to the domestic price.

Oats is the third largest cereal crop in Illinois. The importation of oats jumped from 132,337 bushels in 1933 to over 10,106,903 bushels in 1935.

It is one of the most amazing things in the history of our internal economy that we have to import so much corn, wheat, and oats when we pay good cash out of Uncle Sam's Treasury to take the most fertile acres in the United States of America out of cultivation in the Prairie State and the Illinois Valley.

Nearly one-third of the cash income of our farmers comes from milk, butter, and dairy products, yet importations of butter jumped from 1,021,806 pounds in 1933 to 22,674,643 pounds in 1935.

I am going to wind up my remarks by this very abrupt observation: That I shall be very much interested in the reactions of laboring men and farmers in Illinois when these authentic, authoritative figures come to their attention. It requires no argument and no persuasion on my part. The figures will speak for themselves.

Now, how do these agreements affect Illinois? The Census of Manufactures, published by the Department of Commerce, shows that in 1933 the manufacturing industries in Illinois, which employed more than 2,500 wage earners, had a total pay roll of 420,334 persons, and that the value of the product of such industries was \$2,502,175,233. Sixty-nine percent of these wage earners were employed in the 38 industries listed in the table which I am inserting in the RECORD, and the value of the products of these 38 industries was \$1,548,343,441. A glance at this table will indicate what these industries are, what they produce, the number of wage earners employed, and the total value of their products for 1933:

Illinois industries as reported by the Census of Manufactures

	Number of wage earners, 1933	Value of product, 1933
All manufacturing industry in Illinois.....	420,334	\$2,502,175,233
Total of 38 industries shown below.....	288,800	1,548,343,441
Meat packing, wholesale.....	23,704	310,160,083
Foundry and machine-shop products, not elsewhere classified.....	19,936	79,267,032
Steel-works and rolling-mill products.....	17,065	89,468,556
Boots and shoes, other than rubber.....	15,759	46,116,782
Printing and publishing, book, music, and job.....	15,738	81,865,204
Railroad repair shops, steam.....	15,243	33,633,465
Bread and other bakery products.....	14,919	78,572,059
Electrical machinery, apparatus, and supplies.....	14,145	55,976,596
Clothing (except work clothing), men's, youths', and boys', not elsewhere classified.....	13,448	37,748,369
Confectionery.....	13,099	64,191,558
Clothing, women's, not elsewhere classified.....	11,846	38,564,714
Furniture, including store and office fixtures.....	10,055	28,781,617
Printing and publishing, newspaper and periodical.....	8,240	93,386,000
Steam and hot-water heating apparatus and steam fittings.....	6,511	19,981,982
Engines, turbines, tractors, water wheels, and windmills.....	6,439	27,447,602
Agricultural implements.....	6,312	15,975,632
Radio apparatus and phonographs.....	5,029	22,817,933
Tin cans and other tinware not elsewhere classified.....	4,862	45,472,097
Boxes, paper, not elsewhere classified.....	4,572	23,930,864
Stoves and ranges (other than electric) and warm-air furnaces.....	4,108	16,778,871
Knit goods.....	4,052	11,595,230
Motor-vehicle bodies and motor-vehicle parts.....	3,869	15,285,209
Canned dried fruits and vegetables; preserves, jellies, fruit butters, pickles, and sauces.....	3,718	24,830,963
Petroleum refining.....	3,663	58,305,906
Millinery.....	3,517	8,975,721
Hardware not elsewhere classified.....	3,482	11,280,105
Chemicals not elsewhere classified.....	3,448	30,285,286
Leather: Tanned, curried, and finished.....	3,403	20,585,547
Nonferrous metal alloys; nonferrous metal products, except aluminum, not elsewhere classified.....	3,382	20,882,384
Cars, electric and steam railroad, not built in railroad repair shop.....	3,348	9,309,974
Glass.....	2,933	14,850,688
Paints and varnishes.....	2,893	40,260,901
Paper.....	2,868	18,388,233
Railroad repair shops, electric.....	2,830	5,880,435
Stamped ware, enameled ware and metal stampings; enameling, japanning, and lacquering.....	2,805	12,934,821
Wire drawn from purchased rods.....	2,719	17,958,126
Clocks, watches, time-recording devices, and materials and parts except watchcases.....	2,656	7,707,212
Signs and advertising novelties.....	2,244	8,889,684

Now consider the agricultural picture in Illinois. The following table is a tabulation of the principal crops and animal products for 1933 and 1934. The values stated represent cash income and do not include the value of goods consumed on the producing farm nor the amount of benefits received from the A. A. A. The crops listed below constitute 82 percent of the cash income for all Illinois crops for 1933, while livestock products listed represent 99 percent of the cash income for livestock and livestock products for 1933. The figures are taken from the United States Department of Agriculture's Income from Farm Production in the United States, 1934:

Illinois crops and livestock and livestock products

Commodity	Cash income (value of produce sold)	
	1933	1934 (preliminary)
Total for 78 crops.....	\$94,198,000	\$88,509,000
Total crops shown below.....	77,412,000	64,240,000
Corn.....	43,659,000	34,030,000
Wheat.....	18,397,000	20,653,000
Oats.....	8,569,000	2,622,000
Truck crops.....	4,165,000	3,688,000
All hay.....	1,943,000	3,114,000
Barley.....	526,000	16,000
Rye.....	153,000	117,000
Total livestock and livestock products.....	162,149,000	183,394,000
Total livestock shown below.....	160,271,000	180,884,000
Hogs.....	61,699,000	60,081,000
Milk.....	150,492,000	158,293,000
Cattle and calves.....	26,482,000	34,701,000
Eggs, chicken.....	10,898,000	14,402,000
Chickens.....	8,962,000	11,613,000
Sheep and lambs.....	1,738,000	1,924,000

¹ Includes milk sold at wholesale, milk retailed by producers, butterfat sold and farm butter sold.

A mere glance at the following tables will show the names of 45 different imported manufactured and agricultural commodities, together with the names of the principal countries from which they are imported. Similar or identical items are produced in the State of Illinois. Hence importations of these commodities make them directly competitive with the products produced in my own State. These importations therefore have a direct bearing upon Illinois industries and upon Illinois labor:

Name of imported commodity	Countries from which imported
1. Meat products.....	Argentina, Uruguay, New Zealand, Australia.
2. Castings and forgings (not elsewhere specified).....	United Kingdom, Germany.
3. Steel ingots, blooms, slabs, etc.....	Belgium, Sweden.
4. Sheets and plates of iron or steel.....	Belgium, Germany, United Kingdom, Sweden.
5. Steel bars including concrete reinforcement bars.....	Belgium, Sweden, France, Germany.
6. Wire rods.....	Sweden.
7. Boots and shoes.....	Czechoslovakia, Japan, Switzerland, United Kingdom.
8. Electrical machinery and apparatus.....	Japan, Germany, United Kingdom.
9. Furniture.....	Poland, Italy, United Kingdom.
10. Engines and turbines.....	Switzerland, Sweden.
11. Agricultural implements.....	Canada, United Kingdom, Sweden.
12. Paper boxes.....	France, United Kingdom.
13. Cotton hosiery.....	Germany, France, Japan.
14. Wool hosiery.....	United Kingdom.
15. Wool gloves and mittens.....	Germany, Japan, United Kingdom.
16. Other wool knit goods.....	United Kingdom, France.
17. Total chemicals and related products.....	Germany, Canada, Switzerland.
18. Leather.....	United Kingdom, Germany.
19. Brass and bronze and products, dutiable.....	Germany, United Kingdom, Canada.
20. Glass bottles and other containers.....	Czechoslovakia, France.
21. Glass illuminating articles.....	Czechoslovakia, Germany.
22. Chemical pigments.....	Netherlands, United Kingdom.
23. Paints, stains, and enamels.....	Netherlands, United Kingdom, Germany.
24. Paperboard, pulpboard and cardboard.....	Canada, Finland, Sweden.
25. Round wire.....	Sweden, United Kingdom.
26. Clocks, including movements and parts.....	France, Germany, Switzerland.
27. Watches, including movements and parts.....	Switzerland.

Now glance briefly at the following list of agricultural products which are imported, together with the name of the country from whence imported, and you get a conclusive idea of the imports which are in direct competition with the farmers of Illinois. Commodities, identical or similar to the commodities listed as imported, are produced on Illinois farms, as indicated by second table in this series:

Name of imported commodity	Countries from whence imported
28. Corn.....	Argentina, Canada, Mexico.
29. Wheat (for consumption).....	Canada.
30. Oats.....	Argentina, Canada.
31. Hay.....	Canada.
32. Barley, hulled or unhulled.....	Do.
33. Rye.....	Poland, Argentina, Latvia.
34. Hogs (live).....	Canada.
35. Fresh pork.....	Do.
36. Pork, hams, shoulders, and bacon.....	Poland, Canada, Germany.
37. Milk and cream.....	Canada.
38. Butter.....	New Zealand, Netherlands, Denmark.
39. Cheese.....	Italy, Switzerland.
40. Cattle (live).....	Mexico.
41. Fresh beef.....	Canada.
42. Canned meats.....	Uruguay, Argentina.
43. Eggs: Whole dried; yolks, dried; albumen, dried.....	China.
44. All poultry, dead or alive.....	Canada, Argentina.
45. Sheep and goats (live).....	Mexico, Canada.

Now, let your eye run up and down the following table and you will note this same list of 45 groups of commodities which are being imported, every one of which is in direct competition with commodities that are manufactured or produced in the factories or on the farms of Illinois. This table will indicate, without much waste of time, what quantities and the value of such commodities that were imported for the 3 years 1933, 1934, and 1935. By referring to the preceding table you can tell at a glance from what countries these items are imported.

Imports into the United States, commodities which compete with products of Illinois

Commodity and year	Imports	
	Quantity	Value
1. Meat products:	<i>Pounds</i>	
1933	62,476,133	\$9,443,164
1934	65,361,589	12,840,447
1935	115,059,124	19,177,835
2. Castings and forgings, n. e. s.:		
1933	3,220,470	203,247
1934	3,117,360	232,111
1935	2,942,542	232,579
3. Steel ingots, blooms, slabs, etc.:		
1933	2,326,334	57,714
1934	4,785,525	113,550
1935	2,821,378	75,155
4. Steel sheets:		
1933	20,833,183	289,544
1934	9,766,414	203,938
1935	24,755,306	464,501
5. Steel bars:		
1933	54,764,576	860,247
1934	46,940,295	1,139,154
1935	65,083,148	1,408,072
6. Wire rods:		
1933	29,880,365	748,163
1934	23,872,657	776,398
1935	37,586,195	1,053,085
7. Boots and shoes:	<i>Pairs</i>	
1933	4,278,564	2,390,374
1934	4,965,857	2,708,046
1935	4,579,824	2,325,048
8. Electrical machinery and apparatus:		
1933		1,546,755
1934		1,781,911
1935		2,107,506
9. Furniture:		
1933		1,060,245
1934		919,470
1935		1,048,281
10. Engines, turbines:		
1933		203,500
1934		335,203
1935		319,341
11. Agricultural implements:		
1933		1,061,945
1934		1,921,230
1935		4,597,487
12. Boxes, paper:		
1933		403,309
1934		634,460
1935		434,061
13. Cotton hosiery:	<i>Dozen pairs</i>	
1933	576,654	683,325
1934	456,087	515,607
1935	746,011	486,208
14. Wool hosiery:		
1933	217,976	599,831
1934	140,383	435,070
1935	190,748	515,123
15. Wool gloves and mittens:		
1933	46,510	104,998
1934	63,184	144,334
1935	526,904	623,429
16. Other wool knit goods:	<i>Pounds</i>	
1933	769,757	1,522,138
1934	409,898	1,129,250
1935	434,719	1,224,778
17. Chemicals:		
1933		30,852,782
1934		33,562,667
1935		33,830,438
18. Leather:		
1933		9,786,192
1934		6,347,160
1935		8,186,049
19. Brass and bronze:		
1933		586,361
1934		483,452
1935		526,281
20. Bottles and other containers of glass:		
1933		632,505
1934		790,063
1935		733,703
21. Illuminating articles of glass:		
1933		185,362
1934		188,614
1935		274,071
22. Chemical pigments (included in total chemicals, no. 17):		
1933	18,342,927	744,932
1934	13,128,521	607,551
1935	15,654,941	733,702
23. Paints, stains, and enamels (included in total chemicals, no. 17):		
1933		505,794
1934		330,447
1935		286,828
24. Paperboard, pulpboard, n. e. s., and cardboard:		
1933	13,682,817	229,692
1934	15,594,084	269,854
1935	17,370,796	285,096

Imports into the United States, commodities which compete with products of Illinois—Continued

Commodity and year	Imports	
	Quantity	Value
25. Round wire:	<i>Pounds</i>	
1933	7,043,818	\$368,048
1934	5,774,221	398,122
1935	8,789,678	551,836
26. Clocks and clock movements, clock parts:		
1933		72,842
1934		54,186
1935		94,075
27. Watches and watch movements, watch parts:		
1933		1,656,855
1934		3,351,485
1935		4,359,247
28. Corn:	<i>Bushels</i>	
1933	160,228	76,609
1934	2,959,256	1,529,993
1935	43,242,296	20,291,889
29. Wheat (for consumption):		
1933	31,383	20,856
1934	7,736,532	6,884,285
1935	27,438,870	21,072,424
30. Oats:		
1933	132,337	47,405
1934	5,580,407	1,647,660
1935	10,106,903	2,939,349
31. Hay:	<i>Short tons</i>	
1933	7,376	52,895
1934	23,259	218,542
1935	67,171	664,567
32. Barley:	<i>Bushels</i>	
1933	23,657	\$12,320
1934	6,579,767	4,939,875
1935	4,839,678	3,747,509
33. Rye:		
1933	8,005,796	3,874,062
1934	7,622,032	3,544,157
1935	9,642,523	4,755,012
34. Hogs (live):	<i>Pounds</i>	
1933	6,470	500
1934	7,716	427
1935	3,414,317	312,888
35. Fresh pork (included in total meat products, no. 1):		
1933	538,730	58,017
1934	182,480	26,277
1935	3,922,609	540,514
36. Pork, hams, shoulders, and bacon (included in total meat products, no. 1.):		
1933	1,698,667	398,177
1934	968,869	291,331
1935	5,297,335	1,261,146
37. Milk and cream: ¹	<i>Gallons</i>	
1933	73,234	40,154
1934	25,082	5,461
1935	22,854	5,417
38. Butter:	<i>Pounds</i>	
1933	1,021,806	160,626
1934	1,253,392	209,580
1935	22,674,642	3,576,942
39. Cheese:		
1933	48,396,740	10,615,267
1934	47,532,895	10,659,446
1935	48,932,643	11,200,943
40. Cattle (live):	<i>Cattle</i>	
1933	74,658	652,941
1934	59,444	616,321
1935	364,623	8,497,117
41. Fresh beef (included in total meat products, no. 1):	<i>Pounds</i>	
1933	320,775	23,926
1934	313,287	26,197
1935	8,584,114	775,948
42. Canned meats (included in total meat products, no. 1.):		
1933	43,024,980	2,812,806
1934	46,780,678	3,048,598
1935	76,653,242	5,626,393
43. Eggs, whole dried, yolks, dried; albumen, dried:		
1933	3,217,943	470,981
1934	2,723,629	371,536
1935	6,431,034	1,494,481
44. All poultry, alive and dead:		
1933		97,951
1934		94,877
1935		94,306
45. Sheep and goats (live):	<i>Number</i>	
1933	1,114	6,906
1934	1,508	11,554
1935	6,953	30,004

¹ Cream during the years 1933 through 1935 was dutiable at 56.6 cents per gallon. Imports of cream in 1927, dutiable at the lower rate of 20 cents per gallon, amounted to 4,843,138 gallons.

This factual picture, as far as I have gone, is rather persuasive in itself; but to make it conclusive, it would be both effective and informative to show what the daily wage scales are in some of the countries from which we receive these imported products. These figures have been assembled from the different numbers of the Monthly Labor Review, published by the United States Department of Labor, and the conversions which are shown from foreign into United States currencies are based on the average exchange rates for 1935. I am sure that when the Illinois wage earners become conscious of the kind of competition which they have from imported products of all kinds, produced at the following wage scales, they will appreciate how impossible it is for Illinois industry to compete with this sort of thing and quickly take up the cudgels in defense of their own jobs and their own wage levels. Similarly will the farmers rise to their own defense when they become conscious of the kind of competition which they are facing. The following wage tables will, therefore, be highly enlightening:

Wages paid in selected German industries, 1933

[Conversions on basis of average exchange rate for 1935: 1 mark equals 40.3 cents]

	Rate per hour	
	Marks	Cents
CHEMICAL INDUSTRY		
Cologne district:		
Craftsmen.....	0.80	32.2
Plant workers, special.....	.68-.70	27.4-28.2
Helpers.....	.69	27.8
Young workers:		
Male.....	.63	25.4
Female.....	.44	17.7
Hamburg district:		
Factory labor:		
Male.....	.75	30.2
Female.....	.50	20.2
IRON AND STEEL		
Rhenish Westphalia:		
Blast-furnace workers, coke and ore transportation workers, etc.....	.793	32.0
Martin steel workers.....	.853	34.4
Rolling-mill workers.....	.795-.905	32-36.5
METAL, WIRE AND CABLE		
Cologne:		
Workers over 21 years:		
Cable workers, wire drawers.....	.73	29.4
Semiskilled workers.....	.66	26.6
Unskilled workers.....	.64	25.8
GLASS INDUSTRY		
Bottles:		
Skilled and semiskilled workers, male:		
Time work.....	.690	27.8
Piece work.....	.800-.900	32.2-36.3
Helpers, male over 21 years, time work.....	.580-.610	23.4-24.6
Females, time work.....	.330-.370	13.3-14.9
Plate glass:		
Skilled and semiskilled workers, male:		
Time work.....	.700	28.2
Piece work.....	.900-1.000	36.3-40.3
Helpers, male over 21 years, time work.....	.590-.600	23.8-24.2
Females, time work.....	.350-.390	14.1-15.7
LEATHER		
Hesse & Hesse-Nassau (class 1 localities):		
Skilled workers:		
Over 22 years.....	.88	35.5
Other workers over 22 years:		
Unskilled, male.....	.77	31.0
Stitchers, cutters, and portfolio assistants, female.....	.57	23.0
Handbag workers and skivers, female.....	.62	25.0
Other workers, female.....	.51	20.6
TEXTILE INDUSTRY		
Hosiery:		
Frame workers:	Pfennigs	Cents
Male.....	75.7	30.5
Female.....	41.1	16.6
Assistants (over 20 years), female.....	42.1	17.0
Knit goods:		
Frame workers:		
Male.....	84.4	34.0
Female.....	53.1	21.4
Assistants (over 20 years):		
Male.....	61.2	24.7
Female.....	43.5	17.5

Wages paid in selected Switzerland industries, 1933

[Conversions on basis of average exchange rate for 1935: 1 franc equals 32.5 cents]

	Average hourly earnings	
	Francs	Cents
METALS AND MACHINES		
Foremen.....	1.72	55.9
Skilled and semiskilled workers.....	1.41	45.8
Unskilled workers.....	1.13	36.7
Women 18 years of age and over.....	.73	23.7
Young persons under 18 years of age.....	.52	16.9
WATCH INDUSTRY		
Skilled and semiskilled workers.....	1.44	46.8
Women 18 years of age and over.....	.84	27.3
SHOES		
Skilled and semiskilled workers.....	1.17	38.0
Unskilled workers.....	.91	29.6
Women 18 years of age and over.....	.75	24.4
Young persons under 18 years of age.....	.49	15.9
CHEMICAL INDUSTRY		
Skilled and semiskilled workers.....	1.51	49.1
Unskilled workers.....	1.24	40.3
Women 18 years of age and over.....	.79	25.7

Wages paid in selected Swedish industries, 1932

[Conversions on basis of average exchange rate for 1935: Krona equals 25.3 cents]

	Average earnings per hour	
	Kronor	Cents
IRON AND STEEL		
Men.....	1.13	28.6
Women.....	.63	15.9
Minors.....	.52	13.2
METAL MANUFACTURING		
Men.....	1.15	29.1
Women.....	.84	21.3
GLASS FACTORIES		
Men.....	0.92	23.3
Minors.....	.33	8.2
BOTTLE WORKS		
Men.....	1.03	26.1
PAPER AND PASTEBOARD MANUFACTURE		
Men.....	1.04	26.3
Women.....	.70	17.7
Minors.....	.50	12.5
CHEMICAL-TECHNICAL INDUSTRY		
Men.....	1.16	29.3
Women.....	.73	18.7
Minors.....	.58	14.7

Wages paid to agricultural workers in Poland, 1931-32

[Conversion on basis of average exchange rate in 1935, 1 zloty equals 18.9 cents]

	Annual remuneration	
	Zlotys	Dollars
Permanent farm laborers:		
Cash wage.....	226.9	42.88
Remuneration in kind.....	366.9	69.34
Lodgings.....	120.7	22.81
Fuel.....	177.9	33.62
Maintenance of livestock.....	167.0	31.56
Total value of remuneration.....	1,059.4	200.23
Contract laborers:		
Cash wage.....	687.6	129.96
Remuneration in kind.....	134.0	25.33
Lodgings.....	37.3	7.05
Fuel.....	78.5	14.84
Maintenance of livestock.....	16.9	3.19
Total value of remuneration.....	954.3	180.36

NOTE.—About 88 percent of the remuneration received by agricultural workers in Poland is payment in kind. The following tabulation shows the value of this remuneration based upon the prices prevailing in 1931-32. Wages shown are those paid in the western Province and are higher than wages paid in the other 3 Provinces.

Wages paid to farm workers in Canada, 1934

Monthly wage during summer season:

Males:	
Cash wage.....	\$18
Value of board.....	15
Total.....	33
Females:	
Cash wage.....	10
Value of board.....	12
Total.....	22

Wages paid in selected French industries

[Conversion on basis of average exchange rate for 1935: 1 franc equals 6.6 cents]

	Average hourly wage	
	Francs	Cents
METALLURGICAL AND MACHINE INDUSTRY, FOURTH QUARTER, 1934		
Highly skilled workers.....	6.40	42.2
Skilled workers.....	5.10	33.7
Ordinary workers.....	3.95	26.1
TEXTILE INDUSTRY, SEPTEMBER 1932		
Cotton and wool (Lille):		
Card cleaners: Male.....	2.91-3.07	19.2-20.3
Combers:		
Male.....	2.72-2.79	18.0-18.4
Female.....	2.32-2.42	15.3-16.0
Winders:		
Male.....	2.70	17.8
Female.....	2.25	14.9
Spinners: Male.....	4.18	27.6
Weavers: Male.....	3.43	22.6
Warpers:		
Male.....	3.69	24.4
Female.....	2.52	16.6
METALLURGY INDUSTRY, JANUARY-FEBRUARY 1932		
Skilled workers, male:		
Drawers.....	5.13	33.9
Tube drawers.....	4.78	31.5
Wire drawers.....	5.48	36.2
Special wire drawers.....	5.37	35.4
Wire drawers, copper.....	5.22	34.5
GLASS BOTTLES¹		
Saar region: Wages.....	3.64-8.33	24.0-55.0
PAPER INDUSTRY¹		
Strassburg district:		
Paper mills:		
Men.....	3.00-3.80	19.8-25.1
Women.....	2.25-2.50	14.9-16.5

¹ Period not specified; probably 1932.

Wages paid in selected United Kingdom industries

[Conversion on basis of average exchange rate for 1935: Pound equals 490.18 cents; shilling equals 24.51 cents; pence equals 2.04 cents]

	Earnings per full-time week	
	British currency	United States currency
STEEL INDUSTRY, 1932		
Open-hearth furnaces:	s. d.	Dollars
First hands.....	281 10	69.08
Second hands.....	183 1	44.87
Third hands.....	140 11	34.54
Pitmen.....	193 9	47.49
First ladle men.....	58 5	14.32
Pan fillers.....	51 11	12.72
Rolling mills:		
Rollers.....	130 5	31.97
Finishers.....	65 0	15.93
Heaters.....	103 5	25.35
Doggers.....	59 10	14.66
Electric-crane men (5-ton).....	53 6	13.11
Steam-crane slingers (put on chains, etc.).....	52 5	12.85
Platform boys.....	15 0	3.68
Do.....	18 0	4.41
Roll changers, first hands.....	47 7	11.66

Wages paid in selected United Kingdom industries—Continued

	Earnings per full-time week	
	British currency	United States currency
WOOL TEXTILE INDUSTRY, 1932		
Worsted spinnings:	s. d.	Dollars
First drawer.....	23 10	5.84
Do.....	23 1½	5.65
Rover.....	22 3½	5.46
Twister.....	23 1½	5.65
Winder.....	21 6½	5.28
Reeler.....	23 10	5.84
Warper.....	26 0	6.37
Doffer.....	19 0	4.66
Spinner.....	21 0	5.15
BOOTS AND SHOES		
Highest and lowest earnings of male pieceworkers, by occupation, in representative British shoe factory, week ending Sept. 30, 1931:		
Lastings:		
Highest earnings.....	81 1	19.87
Lowest earnings.....	60 9	14.89
Pulling over:		
Highest earnings.....	77 5	18.97
Lowest earnings.....	60 0	14.71
Pounding up:		
Highest earnings.....	74 3	18.20
Lowest earnings.....	69 6	17.03
Heeling:		
Highest earnings.....	89 11	22.04
Lowest earnings.....	68 9	16.55
Edge trimming:		
Highest earnings.....	119 4	29.25
Lowest earnings.....	82 9	20.28

Daily wages in various industries, Tokyo, June 1935

[Conversion on basis of average exchange rate for 1935; 1 yen equals 29 cents]

	Yen	Dollars
Textile industry:		
Silk reeler, female.....	0.71	0.21
Cotton spinners, female.....	.86	.25
Silk throwers, female.....	.80	.23
Cotton weavers, machine, female.....	.72	.21
Silk weavers, hand, female.....	1.30	.38
Hosiery knitters:		
Male.....	2.00	.58
Female.....	.70	.20
Metal industry:		
Lathemen.....	4.70	1.35
Finishers.....	6.01	1.74
Founders.....	4.48	1.30
Blacksmiths.....	4.65	1.35
Wooden-pattern makers.....	4.45	1.29
Stone, glass, and clay products:		
Cementmakers.....	2.53	.73
Glassmakers.....	2.64	.77
Potters.....	1.99	.58
Tilemakers (shape).....	1.40	.41
Chemical industry:		
Makers of chemicals.....	2.04	.59
Matchmakers:		
Male.....	1.10	.32
Female.....	.65	.19
Oil pressers.....	1.67	.48
Paper industry:		
Makers of—		
Japanese paper.....	1.37	.40
Printing paper.....	1.89	.55
Leather industry: Leather makers.....		
	3.24	.94
Food industry:		
Flour millers.....	2.31	.67
Sake brewery workers.....	1.35	.39
Soy brewery workers.....	2.10	.61
Sugar-refinery workers.....	2.22	.64
Confectioners (Japanese cake).....	2.00	.58
Canners.....	1.57	.46
Wearing apparel industry:		
Tailors (for European dress).....	2.00	.58
Shoemakers.....	2.58	.75
Clogmakers.....	1.12	.33
Woodworking, rope and mat industries:		
Sawyers, machine.....	1.79	.52
Joiners.....	1.85	.54
Lacquerers (chemical industry).....	2.20	.64
Ropemakers.....	1.60	.46
Matmakers (tatami).....	2.33	.68
Printing industry:		
Compositors.....	2.95	.86
Bookbinders.....	2.30	.67

Daily wages in various industries, Tokyo, June 1935—Continued

	Yen	Dollars
Building industry:		
Carpenters.....	1.95	0.57
Plasterers.....	2.43	.71
Stonemasons.....	2.87	.83
Bricklayers.....	2.67	.77
Roofing-tile layers.....	2.60	.75
Painters.....	2.34	.68
Day laborers:		
Stevedores.....	2.66	.77
Day laborers:		
Male.....	1.49	.43
Female.....	.79	.23
Fishermen.....	1.52	.44
Domestic servants:		
Servants:		
Male.....	.80	.23
Female.....	.78	.23

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I am very much obliged to the 21 Members who have remained to hear me deliver this speech. [Laughter.]

Mr. Chairman, there has been some criticism against the Columbia Broadcasting System for permitting various speakers representing various sects to use its facilities, but it can be said of the Columbia System that it does not sell out its time before a political convention to one party alone. If it sells \$100 worth of time to one side of a question, it sells an equal amount of time to the other side, and I am glad to know that they have never taken any stand other than a stand against the control of the air by money. I had the experience in my own State of seeing the air controlled by the opposition entirely. They bought up the time for 3 weeks in advance, but I think it worked to my advantage, because I got larger crowds when I told them I had been shut off the air. I want to say for the Columbia Broadcasting System that they have been fair, that they treat everybody alike, and do not want the air controlled by cash.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. I yield.

Mr. McFARLANE. In regard to whether broadcasting stations are used and how they are using their time, let me ask the gentleman if he does not believe that all speeches broadcast should be made a matter of record subject to public inspection? As it is now it is not possible for anyone to get those speeches, for a record of them is not required by law. Any speech may be read before a microphone and it is impossible for the public to get a copy of it or to tell what kind of a speech it was. I think we should require by law that a record be kept of speeches made over the radio.

Mr. BURDICK. I think the gentleman is correct.

There are Members of this House and many other leaders of the Nation who apparently have the "jitters" when the word "communism" is mentioned. Some Members have already suggested that we must at all costs stamp out this vicious system by preventing anyone, old or young, from having any information about it. I think I am perfectly safe in asserting that there are not 10 Members of this House who know what the word "communism" means.

As we hear the matter discussed around this Capitol, we find that every class of our citizens who demand free speech and the right to assemble and petition and criticize the Government are sooner or later placed in a class with Communists.

If people demand radical changes in the Government, they are at once classed by those who insist upon no change as Communists. This appellation placed against them by the reactionaries of both parties is supposed to squelch them in the court of public opinion. Any unrest is termed the beginning of communistic activities. Many good people would have us believe that every strike, every demonstration against a foreclosure of a home, is led by Communists.

The people of the United States can be driven to a mental state where they will demand some other form of government; they can be driven to rebel against this Government, and yet have no communistic intentions at all. We had a revolution once in this country. We rebelled against the established government, and I, for one, belong to the order known as the Sons of the American Revolution. We set up a form of government that suited us, but it was not communism. The Government set up was the United States of America, operating with many State and Territorial governments under one common Constitution for the General Government. There is no doubt but that the British Government dubbed us Communists. There is no doubt but that the Tories in this country thought likewise.

At the present moment there is much unrest in this country and there will be very much more. This unrest is not communism at all. It is the expression of a great mass of dissatisfied people, and, in my judgment, they have every reason to be dissatisfied. There is a cause for it. Remove that cause and there will be no unrest.

Every person who reads knows that we have enough, and more than enough, food in this country to feed everyone. Yes; we have too much, so much that we permit our Secretary of Agriculture to devise ways and means of destroying food products or in limiting the amount of food products than can be raised normally. Yet, in spite of that, there are millions in this country who today are not getting enough to eat. In the midst of plenty we have wholesale destitution. Maybe Members of Congress are smart enough to explain why this is so, but hungry people cannot explain it.

Our debts, public and private, in the United States today amount to almost twice as much as the value of all our property. If we pursue the policy of scarce money, which we are pursuing, every thinking person knows that this debt cannot be paid. The Supreme Court says we cannot cut the debts down without the consent of the creditors, because we cannot impair the obligations of a contract under the Constitution. We here in Congress refuse to change our monetary policy, so the whole Nation is up against an impossible barrier. One-third of our national income is lost in the payment of interest on a debt that is beyond our ability to pay. One-third of the Nation's buying power is thus destroyed.

Money is high-priced and hard to get; products of the farm are low-priced, labor is low-priced because of high-priced money. We have listened to scholastic advisors, who would die of starvation on a farm in 2 years, who would not be worth 25 cents a day as a laborer. They advise to leave our monetary policy alone with a high-priced dollar, and bring up the price of agricultural products by a process tax, 60 percent of which comes out of the farmers themselves. No matter what process tax they impose on the farmer and everyone else, they cannot bring agricultural products up to a parity with the present dollar.

No small farmer in America ever has or ever will be able to pay his farm mortgage under any A. A. A. bill proposed by these hairbrained theorists. Nothing short of a full value of the farmers' dollar will ever pay the mortgage, and we have now delayed so long in doing this that the accumulated interest has pushed the debt up beyond any ability to pay even under a system of the cost of production.

In other words, unless we have an increase in the volume of money in this country—so much so that money becomes cheap—these debts can never be paid. Mills will never start, men will not be put back to work because the buying power of the American people cannot be restored while they are struggling in a sea of debt and interest.

But those who hold the obligations will not give up. They demand—and they have a right to demand under the Constitution—that the terms of the contract be fulfilled. They are not inclined to wait until the debtors can scrape up enough high-priced money to pay the debt. So there we are—each day more helpless than the day before.

Do you wonder that people become uneasy? Do you wonder there are more strikes? Do you wonder that farmers gather in huge masses to protest foreclosure sales?

We can cure this unrest; we can stop these foreclosures, we can stop this interest burden; we can lower the price of a dollar and increase the value of agricultural products and the price of labor; we can bring back purchasing power; we can open the mills; we can put men to work; we can start up our dead business structure, if we will.

If we have the foresight and the statesmanship to do this, we will hear nothing more about communism.

I openly charge now that if there is any considerable movement toward communism in America that many of those who raise their voices the loudest against it are at the same time doing the most toward its growth. Reactionary business America has been for several years doing yeoman service in the cause of communism. In the meantime those of us who honestly wish to perpetuate this form of government and have the independence to point out clearly and logically those causes which have produced unrest and misery must understand that the forces of reaction will brand us as "reds," "undesirables," "demagogues," or any other name calculated to lessen our influence with the people of the United States.

America needs a new philosophy. We have grown selfish or have become slaves to greed and avarice. We have passed laws, and more laws, in a mad whirl of legislation, but it has been to no avail. Let us get back to first principles. America should reenact the Golden Rule, practice it, and live it in and out of business. We should follow the teachings of Christ and repudiate Mammon. We should melt down the golden calf and worship the God of Abraham. [Applause.]

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, Tuesday, March 17, omnibus claims bills will be considered under the rule. There are many meritorious bills in the omnibus bills, but sandwiched in between these meritorious bills, in my opinion, are many bills that should be defeated.

I have spent a great deal of time going over the bills and reports, have contacted various Government officials, and it is my purpose to briefly refer to the measures that I propose to oppose. I realize it is absolutely impossible for a Member to give special consideration to these measures, and some Members depend largely in voting for or against a bill upon the action of the committee. I have done this myself on numerous occasions.

It so happens, as chairman of the Committee on Expenditures, my attention was called to some of the bills that have been included in the omnibus bills.

There is no good reason in my opinion why a Member who has a bill included in an omnibus bill should support every bill in the measure, and I hope that even though a Member has a bill in which he or she is personally interested that will not in itself warrant a vote for the entire bill. Let us eliminate the bad and support the meritorious bills, and we will be protecting the Treasury and the taxpayer. I have tried to be fair in briefing the bills. The job is not a pleasant one, either from the standpoint of work or opposing a measure which one of my personal friends is interested in, but I feel it is a duty that must be performed. My comments on bills that are included in the omnibus bills to which I object follow:

H. R. 8236 (OMNIBUS)

TITLE I—H. R. 1366—STANLEY A. JERMAN, RECEIVER FOR A. J. PETERS CO., INC.

This bill would waive the statute of limitations to permit the Court of Claims to adjudicate a claim arising out of contracts for delivery of forage to the War Department during the years 1917 to 1919.

The fact that criminal proceedings were pending against officials of the company and others would not have prevented the seasonable filing of a civil suit. Furthermore, I understand all contracts of this company with the Government

during the years involved have long since been audited by the Departments of War and Justice and the Comptroller General's office, and a net balance (\$2,428.36) found due the company. This audit included the accounts here in question and the company was given credit for the value of all the forage delivered by it.

Does the Congress wish to have still another audit of these accounts by a fourth agency? Does the Congress wish such an audit to be made now, despite the laches of the claimant and at a time when the Government may not have available all of the pertinent documents and necessary witnesses? The amount involved cannot be determined, but is certainly above \$31,000.

TITLE II—H. R. 4147—CLAIMS OF EMPLOYEES OF MINNEAPOLIS STEEL & MACHINERY CO. AND OTHER CONCERNS

This bill proposes to pay additional compensation to employees of certain private concerns for work performed in the manufacture of war materials furnished the War Department under contracts during the late World War.

The bill does not cover employees engaged upon work under Navy Department contracts. Does the Congress wish to discriminate between employees engaged upon work under contracts with different departments of the Government?

The War Department did not request and, in fact, was not consulted in connection with the award made by the National War Labor Board in these cases—as was done in the Bethlehem Steel Co. matter; act of March 4, 1925 (43 Stat. 1603), as amended—and what legal or other obligation rests upon the Congress now to authorize expenditures approximating \$1,200,000 as gratuities to these employees of private concerns? Would not this be establishing a precedent which will induce the advancement of other similar claims?

Aside from other objections, section 5 of the bill proposes to establish a dangerous precedent whereby the paying agency would pass upon the propriety and legality of its own disbursements with no check or review by any other agency of the Government. Is not this contrary to the procedure established by the Budget and Accounting Act of June 10, 1921, requiring an independent audit of such expenditures? This bill will cost the Government \$1,200,000.

TITLE III—ST. LUDGERS CHURCH

This bill passed the Congress and was vetoed by President Roosevelt. It provides for the payment of \$3,000 to reimburse St. Ludgers Church, of Germantown, Mo., for occupation and damage caused by Government troops during the Civil War. I considered this bill a legitimate claim and voted for it, but in view of the fact that President Roosevelt once vetoed it why should it be sent back to him again.

TITLE IV—H. R. 2706—VELIE MOTORS CO.

This is another bill proposing to waive the statute of limitations to permit the Court of Claims to adjudicate claims arising out of contracts for supplies furnished the War Department during the late World War.

Not only this contract but all similar contracts with other concerns required the contractor to make deliveries of the supplies, suitably packed, boxed, and marked as instructed by the contracting officer of the Government. Crating these gun carts for export entailed no more expense than crating for domestic delivery. This company did no more in this respect than its contract called for. Does the fact that the claim, even though seasonably filed with the Department, was voluntarily abandoned at a time when the company might have filed suit in the court, justify waiving the statute of limitations at this late date when Government records and witnesses may no longer be available? Does the Congress wish to invite all other World War contractors to present similar requests by waiving the statute of limitations in this case? At least \$37,816 is involved.

TITLE V—H. R. 3101—A. C. MESSLER CO.

This bill also proposes to waive the statute of limitations to permit the Court of Claims to adjudicate a claim arising out of a contract with the War Department during the late World War.

Notwithstanding the fact that this claim had been rejected by the War Department on several occasions as being

entirely without merit, this company negligently failed to avail itself of its legal right to file suit seasonably in the Court of Claims seeking to recover the amount believed to be due. Does the Congress wish to encourage such laxity in the conduct of concerns doing business with the Government by extending the time within which to file suit to have another adjudication of a claim which a Government department has rejected time and time again, and the claimant has stood idly by without exercising its right of recourse to the courts within the time allowed by law? What extenuating circumstances are there which would entitle this claimant to such preferential treatment? Of what real value is a statute of limitations if so many exceptions are to be made in such cases?

This claim is for \$16,378.68.

H. R. 8524 (OMNIBUS)

TITLE I—S. 941—WILLIAM J. COCKE

This bill proposes to pay a contractor for alleged losses arising out of World War contracts with the War Department for the delivery of garbage to the claimant. The Court of Claims has already denied the claim (62 Ct. Cls. 108, 114).

Does the Congress wish to overrule judicial findings merely because the claimant suffered a loss or did not make anticipated profits under a contract which the Government did not breach? Does Congress wish to establish the policy of insuring that every contractor will not sustain a loss in its dealings with the Government? Is it not the rule that in the making of contracts the risk of loss thereunder must be anticipated and guarded against by appropriate covenants or insurance? Who will say the War Department would make a contract agreeing to furnish sufficient garbage to feed a given number of pigs a contractor bought?

TITLE II—S. 929—SOUTHERN PRODUCTS CO.

Under this bill the claimant would be reimbursed for expenses incurred in removing and reconditioning and for damages to a quantity of cotton taken from a warehouse commandeered by the Government under power of eminent domain during the World War.

The claim has been denied by the Court of Claims (No. A-97, decided Mar. 8, 1926) under the well-established rule that the removal of personal property from real estate taken under power of eminent domain is one of the consequences incident to the exercise of such power and for which compensation is not allowable.

Does Congress wish to overrule the court's decision under this established principle of law and invite a flood of similar claims? The bill says pay \$13,000 direct from Treasury.

TITLE III—H. R. 402—UNITED SHIPPING & TRADES CO.

The request to authorize suit against the Government by the United Shipping & Trading Co., against the Government, growing out of a collision at sea in 1918, involves \$85,000. Each Secretary of War for the past 15 years has recommended against the passage of the bill.

TITLE IV—H. R. 2713—DAVID A. WRIGHT

This bill would direct the Court of Claims to readjudicate a claim, heretofore denied by both the court and the War Department, for costs incurred by the claimant in its endeavor to secure and preparation for a contract for furnishing supplies to the War Department in 1918.

The War Department officers named in the bill as having negotiated with the claimant had no authority to enter into such a contract and none was in fact entered into as required by law (sec. 3744, Rev. Stat.). Does the Congress wish to modify this law in a particular case and thereby invite other requests for similar modifications? Does Congress wish to modify the established rule that the Government is not bound by the unauthorized acts of its agents? Is it not a fact that every person or concern, hoping to receive large contracts with the Government, incurs such expenses in varying amounts, whether or not contracts are secured? No amount listed, but undoubtedly very large.

TITLE VI—H. R. 4408—SOUTHERN OVERALL CO.

This bill would confer jurisdiction upon the Court of Claims to adjudicate a claim upon the basis of the fair and reasonable value of articles delivered to the War Department

under a contract of November 23, 1917. This claim is for \$6,000.

Does Congress wish to waive the statute of limitations, when this claimant negligently failed to file suit seasonably in the Court of Claims, after the claim had been rejected by both the War Department and the Comptroller General? What extenuating circumstances would justify such an exception? The claimant has already been paid the fair and reasonable value of the articles delivered exactly as provided in its contract. Are the terms of the contract to be wholly ignored? As Mr. Justice Bradley said:

If the contract did not express the true intention of the parties, it was the claimant's folly to have signed it (*Brawley v. United States*, 96 U. S. 168).

TITLE VIII—S. 281—FRED G. CLARK CO.

This bill proposes to pay losses sustained due to claimant's compliance with an order of the War Industries Board issued in 1918 directing that stock of wool grease on hand be withheld from sale or delivery pending further instructions. The amount is \$13,000.

Why should this claimant be granted such preferential treatment when other similar dealers are not likewise given relief? Did the Government take any property of claimant? Is there any evidence of a contract, express or implied, obligating the Government to pay for these supplies? Does Congress wish to pay a claim which both the War Department and the Court of Claims—71 Ct. Cls. 662—have denied as being without merit?

TITLE IX—H. R. 3075—MACK COPPER CO.

This bill proposes to confer jurisdiction upon the Court of Claims to reopen and readjudicate a claim arising out of the use and occupancy by the Government during the World War of a tract of land situated in California.

A similar bill, S. 1878, was vetoed by the President on September 7, 1935.

This land was purchased by the claimant for a little over \$300,000. The claimant has already been paid, pursuant to judgment of the Court of Claims—rendered on June 6, 1927, No. D-134—the sum of \$229,500, with interest on \$150,000, for the taking, use, and damages to this property. Does the Congress wish to again have this claim examined and settled, with the possibility of ultimately paying an amount in excess of the cost of the property without acquiring the title to it? Is it not fundamental that damages for use and occupancy shall not exceed the value of the land? Is there to be no end to the number of times a claim is settled and adjusted?

TITLE X—H. R. 2213—CHARLES P. SHIPLEY SADDLERY & MERCANTILE CO.

This bill to pay direct from the Treasury is for the cancellation of a lease held by Charles P. Shipley Saddlery & Mercantile Co., at Camp Funston. The original claim was for \$17,000 and the bill authorizes payment of \$11,902. The report shows the War Department considered this claim allowed and paid \$3,579. The War Department strongly opposes payment of the claim.

H. R. 8664 (OMNIBUS)

S. 267—MATTHEW E. HANNA (DECEASED), WILLARD L. BEAULAC, MARION P. HOOVER

This bill as reported carries separate items for the relief of three Foreign Service officers and employees for losses of personal property suffered by reason of an earthquake at Managua, Nicaragua, and fire immediately following the earthquake.

Earthquakes and fires resulting therefrom are not uncommon in Nicaragua, and no showing has been made that these officers and employees could not have insured their personal property against such hazards. Does the Congress wish to place the United States in the position of an insurer of the personal property of its employees? Or should they be held to provide such insurance themselves; and if they do not, should not the loss be theirs? Why should Foreign Service personnel be afforded relief of this nature and the same protection denied other officers and employees of the Government? There are no legal or equitable obligations on the United States to pay these claims, except the item of \$153.03 in the claim of Mr. Hanna, representing the amount of public

money and vouchers lost during the fire resulting from the earthquake, which would appear to be meritorious and proper for relief. Are the United States Treasury and taxpayers to be held responsible for an act of God?

H. R. 8750 (OMNIBUS)

TITLE I—H. R. 796—A. E. CLARK

This bill proposes to pay a per-diem allowance to an employee of the Census Bureau which was disallowed under the provisions of the Standardized Government Travel Regulations promulgated by the President pursuant to law. Under these regulations, there was no authority to pay Mr. Clark travel per diem while at his official station at Longview and no authority in any Government officer to bind the Government to an agreement to do so.

Does Congress wish to give one employee benefits denied thousands of others? When a person enters the Government service, does he or she not agree to be bound by a contract of employment which, if travel is to be performed, includes the provisions of the Standardized Government Travel Regulations? Does Congress wish to cause dissatisfaction and discontent among other employees by ignoring these regulations in a particular case of no more merit than thousands of others? This is a small claim, \$566, but it would be setting a dangerous precedent to pass it.

TITLE IV—H. R. 2087—DELAWARE BAY SHIP BUILDING CO.

The bill to permit the Delaware Bay Ship Building Co. to enter suit against the Government is strongly opposed by the Treasury Department, which holds it was the duty of this company to properly protect its property. The damage was the result of a collision with a Coast Guard vessel. The Government department holds there is no reasonable ground for holding the Government responsible but, on the contrary, holds the corporation is responsible to the Government for the damage to the Government vessel.

TITLE VIII—H. R. 2674—G. ELIAS & BRO., INC.

This bill proposes to pay the claimant \$24,139.28 for alleged losses in connection with changes in plans and specifications for airplane parts furnished under contracts with the War Department in 1926 and 1927.

The contracts provided for such changes in plans and specifications and required the contractor to "submit evidence to the contracting officer of the amount involved by such change or changes", and that for any change increasing the cost of performance "an equitable adjustment will be made at the time such change or changes are made." Instead of the contractor submitting evidence of increased cost at the time the changes were made, the contractor accepted the changes with the statements thereon that "Contract price and terms of delivery not affected."

Does Congress wish to allow extra compensation for losses alleged to have been sustained over 9 years ago, when no claim therefor was requested or made at the time the changes were agreed upon? Is it not a condition precedent to the payment of increased costs under a contract that claim therefor, supported by proper evidence, be filed at the time changes are made? (*Plumley v. United States*, 43 Ct. Cls. 266, 226 U. S. 545.) Are the terms of the contracts and the principles of contract law to be disregarded entirely?

TITLE X—H. R. 3218—FRED HERRICK

A similar bill, S. 491, became Private Act No. 335, Seventy-fourth Congress, approved August 27, 1935, after this title was included in the omnibus bill, H. R. 8750.

TITLE XIX—H. R. 6661—MAJ. JOSEPH H. HICKEY

A similar bill, S. 2741, became Private Act No. 388, Seventy-fourth Congress, approved February 11, 1936, after this title was included in the omnibus bill, H. R. 8750.

TITLE XX—S. 753—WALES ISLAND PACKING CO.

The claim of the Wales Island Packing Co. for \$100,000 results from a favorable decision of the Court of Claims. However, it originated before any Member of this House was ever elected to Congress.

TITLE XXIII—S. 921—C. J. MAST

This bill proposes to pay for damages to claimant's crops from 1924 to 1928 by reason of breaks in a Government irri-

gation dike caused by muskrats burrowing in the bank of the dike.

Does Congress wish to obligate the Government to pay for damages resulting from ravages of muskrats when the Government was exercising due care in trying to eliminate such predatory pests and was not otherwise negligent in operating the irrigation project? Are not such damages one of the risks assumed by farmers using water from irrigation projects? Is it not just as logical to say that the Government would be obligated to pay a farmer the value of chickens killed by a fox straying from a national forest? Only \$255 is involved, but if you pass this bill, how many more will follow?

TITLE XXIV—S. 998—GEORGE LAWLEY & SON CORPORATION

This bill, if enacted, would pay a contractor \$92,781 in excess of the contract price of two torpedo boats constructed for the Navy under contracts entered into in 1898. Delivery of the boats was delayed several years due to contractor's inability to secure certain materials promptly and to strikes in contractor's plant. The amount claimed represents increases in wages and cost of materials during the period of delay. It also appears claimant had had no prior experience in constructing torpedo boats. Congress has heretofore referred the matter to the Court of Claims, which has held that the claim is for a gratuity and therefore without legal or equitable merit. Case no. 15005, congressional, decided January 8, 1934.

Does Congress wish to adopt the policy of referring claims to the Court of Claims for hearing and adjudication and then refuse to accept the findings of said court? Are the terms of contracts and established principles of contract law to be disregarded in settling claims against the United States? Will this not encourage other concerns without experience in particular work to secure Government contracts in the belief that the Government will pay any losses sustained by them in the performance thereof?

Include conclusion of law, page 2280.

TITLE XXV—S. 1036—DR. GEORGE W. RITCHEY

This identical bill became Private Act No. 153, Seventy-fourth Congress, approved July 22, 1935. Hence the pending bill, if enacted, would authorize payment of a claim already satisfied in full.

TAX REFUNDS

There are in this bill numerous cases where it is provided to pay certain claimants or to refer their cases to the Court of Claims growing out of payment of taxes, and so forth, which cannot now be paid due to the statute of limitations, and so forth.

It has long been the established policy of Congress by its action on similar bills to refuse to act favorably on such legislation, no matter how meritorious the claim might be. I have had several such claims where the Treasury admitted an overpayment, but the relief bills were never passed.

The Treasury repeatedly has held—

The position which this Department has taken and which Congress has sanctioned is that it is a sound policy to have statutes of limitation and that the policy upon which statutes are based must be adhered to, notwithstanding hardship in particular cases.

Then, again, I quote from a Treasury report:

The Treasury Department has consistently opposed the enactment of special legislation designed to remove the bar of limitations on refunds as unfair to other taxpayers with equally meritorious claims.

One dislikes to deny a taxpayer money illegally paid or money due as an overpayment of income and other taxes, but to open the door would mean claims involving hundreds of millions of dollars. Then again some attention must be paid to the position the Government finds itself in. In making audits the Government has found where money is due, but it cannot collect because of the statute of limitations. This likewise involves hundreds of millions of dollars. It is only in fraud cases where the Government can go beyond the statute of limitations.

H. R. 9054 (OMNIBUS)

TITLE II—H. R. 3559—JOHN L. ALCOCK

Under this bill the Court of Claims would be given jurisdiction to adjudicate a claim for anticipated profits under

executory contracts between claimant and foreign buyers covering spruce lumber, which the United States commandeered for war purposes. Claimant has heretofore recovered damages for the loss on lumber in his possession at the time the Government took over all spruce timber.

Does Congress wish to obligate the Government to pay anticipated and speculative profits? Is it proper to pay a profit on goods which the claimant never owned or had in his possession? Did the claimant suffer any actual loss by having to pay damages to its customers for breach of contract resulting from an act of the United States in its sovereign capacity and as a war measure? Why should this claimant receive preferential treatment over other persons and concerns who were similarly situated?

The report shows the contention of the War Department is assailed by the committee. The War Department says in part:

If the relief be granted, it is believed such action would constitute a precedent too dangerous to even contemplate, as it would open up untold tens of thousands of claims of a like nature, for the reason that during the war the Government not only requisitioned ships which were under contract and charter at the time of their requisition, but undertook the control of wheat, sugar, coal, and other commodities of almost every nature, thereby rendering impossible the execution of previous contracts, respecting these commodities, and took over steel mills, railroads, shipyards, telephone and telegraph lines, the capacity output of factories and other producing activities. If this bill should be enacted into law, it is the opinion of this Department that it will inevitably result in a stampede and gold rush in the nature of claims upon the Government in comparison with which the Klondike gold rush would appear as a solo affair. If this should be passed, it is difficult to understand why, in principle, every soldier who was drafted into the military service would not have an equally meritorious claim against the Government for a special act of Congress for relief to compensate him for the difference between his meager Army pay and the pay, salary, or earnings he was receiving in civil life.

It seems to me, in view of such a statement from the present Secretary of War, Congress should give more than ordinary consideration to this proposed legislation and defeat the bill.

TITLE IV—H. R. 3729—HENRY W. BIBUS ET AL.

The claim of Henry W. Bibus and others grows out of the purchase of land for use by the Government during the war, for which the claimants were paid \$472,250.30. There are 11 claimants, and all but 2 received the option price. In one instance the compromise was \$5,000 less, and in the other the same amount. In four cases the Government paid more than the option price. The report shows the Government spent millions for improvements. It converted the land into highly desirable industrial property by reason of the expenditure in excess of \$6,000,000. Now the former owners want the Congress to pass a bill that might result in their securing the amount between the purchase price and the sale price—over a million dollars. The War Department is opposed to the bill, and the Congress should defeat it.

In direct contrast to this recommendation is the bill for the relief of the Western Electric Co., Inc., which originates with the War Department. This in itself is evidence that the Department is fair, because it admits the Government is obligated, prepares the bill, submits it to the Congress, and asks for its passage.

TITLE VI—H. R. 4841—RELIEF OF CERTAIN ARMY DISBURSING OFFICERS AND OTHERS

A similar bill, S. 556, became Private Act No. 214, Seventy-fourth Congress, approved August 14, 1935, after this title was included in the omnibus bill, H. R. 9054.

TITLE IX—S. 1360—TERESA DE PREVOST

The bill has been pending for many years and grows out of the so-called Alsop award of July 4, 1911, made by the King of Great Britain as arbitrator.

Mrs. de Prevost maintains this money should be paid to her by the Government because of alleged irregularities in the distribution through the State Department to claimants under the Alsop award. The United States Government held the Government of Chile was liable to the United States, acting for certain named persons and their heirs. The King of Great Britain was named as arbitrator, and he decided in

favor of the United States. The contentions of the claimant indicate a former Assistant Solicitor of the State Department resigned after the award had been made and within a few days entered the case as an attorney. If the allegations of Mrs. de Prevost are true, then the Assistant Solicitor of the State Department was guilty of unethical conduct, to say the least. This lady has spent many years around the Capitol in an effort to secure the passage of an act to reimburse her. The case is so involved I do not intend to even advance an opinion, but I do say the letter of the State Department which is referred to by the attorneys of Mrs. de Prevost should have been included in the report by the committee. The attorney's answer is printed but the Department's letter is missing. Further, if this bill is now passed, the money, as I understand it, will come out of the Treasury of the United States, as the money collected on the claim has long since been disbursed.

H. R. 9112 (OMNIBUS)

TITLE I—H. R. 237—ROWESVILLE OIL CO.

The bill is to remove the statute of limitations so far as it applies to the linters claim of the Rowesville Oil Co. arising out of a contract it had with the Government in 1919. The Judge Advocate General of the War Department indicates that at this time, with incomplete records, the Government would be at a great disadvantage in defending this suit if the bill was passed. Further, while the plaintiff made a plea at the time of cancellation of contract that it feared bankruptcy, the Judge Advocate General says:

As a matter of fact, the plaintiff did not fail. Like all industries connected with the manufacture of munitions, the plaintiff made great profits as a result of the war.

The company did not protest the cancellation clause at the time the contract was made. When the war ended there was no further use for buying linters used in the manufacture of explosives, and the cancellation clause was in all such contracts so the Government would be protected when it no longer needed the explosives. The amount involved is not indicated by the report or bill. It might be pertinent to say, however, there are now before the Court of Claims cotton linters claims amounting to over \$6,000,000.

TITLE II—H. R. 254—FARMERS STORAGE & FERTILIZER CO.

The second bill is for the Farmers Storage & Fertilizer Co., and is similar to the Rowesville Oil Co. bill.

TITLE III—H. R. 3790—WALTER W. JOHNSTON

This bill proposes to pay a balance alleged to be due claimant for services rendered in behalf of the United States Shipping Board Emergency Fleet Corporation during the years 1918 and 1919 in launching ships built for the Government at various shipbuilding yards.

In decision of April 30, 1930, no. E-455, the Court of Claims found the value of the claimant's services in launching the ships to be \$20,000, and that \$5,495 of that amount had been paid by the shipbuilding corporations, the amount of the judgment being \$14,505. Does the Congress wish to authorize this payment notwithstanding the claimant has already been paid in full, in the view of the Court of Claims?

The net judgment was paid by the Government. It amounted to \$14,505 and was paid September 6, 1930. This certainly should dispose of the claim. The bill seeking further reimbursement should be defeated.

TITLE V—H. R. 4059—ELLA B. KIMBALL

The bill to pay Ella B. Kimball, daughter and heir of Jeremiah Simonson, is a Civil War claim. It provides for payment of \$16,441.81 for furnishing supplies and labor in the construction of the U. S. S. *Chenango*. The findings of the court were submitted in 1907, but all efforts to collect the money by an act of Congress have failed, as have hundreds if not thousands of other Civil War claims.

TITLE VI—H. R. 6356—JOSEPH G. GRISSOM

The claim of Joseph G. Grissom of \$1,153.43 is another Civil War claim. This was to cover a period between the time he was commissioned by a Governor and actual date of muster in. One hundred and sixty-three such claims passed the House but were rejected by the Senate. This is the first time since 1914 this claim has been reported by a House committee.

It might be proper to recall here that in 1914 the last omnibus claims bill, including Civil War claims, was passed. At that time the late Oscar Underwood submitted an amendment, which was adopted and became law, which provided that thereafter the Court of Claims should have no further jurisdiction in claims growing out of the War of the Rebellion. I distinctly remember this amendment, as I was at that time a secretary to a Representative in Congress.

TITLE VII.—H. R. 7727—GEORGE B. MARX

The claim of George B. Marx grows out of an informal contract to make 200 wire carts for the Signal Corps in 1918. The War Department canceled the order on November 9, 1918, later considered the claim, and paid Marx \$139,876.86. Marx claims \$76,574.12. The committee, despite the objections of the War Department in the Seventy-first Congress, recommended Marx be paid \$58,259.02. The bill was defeated. Now it is proposed to refer the case to the Court of Claims. The Government should not be required to defend such a suit.

TITLE VIII.—S. 2520, T. D. RANDALL & CO.

This bill proposes to authorize the Court of Claims to readjudicate a claim for losses and damages arising out of contracts for furnishing hay to the War Department in the year 1918. The claim was referred to said court by Private Act No. 507, Seventieth Congress, approved March 2, 1929, and denied by the court for the reason there was no agreement or understanding whereby the Government was to provide cars for shipping the hay, and, there being no breach of contract by the United States, no liability resulted for the alleged losses and damages (71 Ct. Cls. 152).

Does the Congress wish in effect to amend the contracts at this late date by changing the rights and obligations of the parties thereunder so as to make the Government liable for risks which the contractor voluntarily assumed in its undertakings? Are not such risks usually assumed by those engaged in similar enterprises? Should not such risks be anticipated and guarded against by appropriate covenants in the contracts or by insurance?

This company wants \$20 and \$25 a ton for 3,600 tons of hay it contracted to furnish the Government for \$14 per ton. The Government paid the contract price.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I was reared in west Texas, I represent a west Texas district in Congress, and I do not apologize for my State, my people, or my district. I take pride in my district, and I am devoted to its interests.

Saturday night I went to a Washington theater and saw a picture show. I was astonished by a presentation by the Pathé News, which is, of course, a world-wide attraction. There was flashed upon the screen, in big broad letters, "More Dust." Following this was a view in the Resettlement Administration office showing much activity. Then appeared upon the screen the able Administrator of the Resettlement Administration, Dr. Rexford Tugwell. Mr. Tugwell made a little speech, stating that dust storms are a great menace and that the Resettlement Administration proposes to cope with the situation by the replanting of certain lands to grasses and by other proper methods. He explained that man's misbehavior had brought about this serious condition. Then the voice of a Pathé News man explained the rest of the picture.

A large map of the United States was flashed upon the screen, and the so-called dust-stricken area was outlined to include a broad strip from and including North Dakota, through South Dakota, Nebraska, Colorado, Kansas, Oklahoma, the Texas Panhandle—so ably represented by the distinguished chairman of the House Committee on Agriculture [Mr. JONES]—and down to and including much of my congressional district and some of the congressional district of Hon. R. E. THOMASON, my distinguished colleague. An arrow was then pointed right at the very heart of my district with the statement that this, the southwest portion of this vast dust bowl, was where the conditions were most acute. There follows a picture showing the people leaving

the country like refugees from the rim of an erupting volcano. The statement was then made that these people were moving to other and better lands. Then the statement was made that livestock cannot live in this territory and farming is out of the question. Then something is said about the dust of death and the scene is over. The audience is profoundly affected. The women sigh and the men groan. I heard one in the audience remark, with a note of pity, "How do those poor devils live in that country?"

Since it is charged that farming is out of the question and that cattle and men cannot live in my district, I wish to have the Record to show some pertinent facts which utterly refute this grossly unfair presentation. In the first place, most every one of my counties in this so-called "dust bowl" broke the record this year in the number of poll taxes paid. I assure you that these people intend to stay in west Texas until the election and many years thereafter. The development of this section of west Texas has been remarkable, indeed. I know of no section in the United States that has had a comparable development. The population increased 134 percent from 1920 to 1930. There has been a great increase since then, but I do not have accurate figures showing the amount, as no official census has been taken. My district that is in this so-called "dust of death" area is devoted chiefly to cotton raising. We produce cotton with a greater economy of effort than any part of the world. If we could get a fair price for it, we would abound in wealth. It is interesting to note that in 1935, with an early frost and a reduction program, the production in the counties referred to by the Pathé News was 435.5 percent greater than in 1920. In other words, just 4 or 5 short months ago my district, most of which is in the area described, harvested 430,029 bales of cotton valued at \$28,000,000. It is utterly absurd to suggest that such a productive area has become unsuitable for man and beast in so short a period as 4 or 5 months. As a matter of fact, thousands of people have left their homes in other areas of the United States and have come to west Texas for their health. To say that cattle cannot live there is likewise preposterous. Ask the Department of Agriculture if our vast herds of Hereford cattle do not compare favorably with the finest in the world.

The counties of my district which I refer to as having been so maligned and misrepresented include: Andrews, Bailey, Borden, Cochran, Dawson, Gaines, Hale, Hockley, Howard, Lamb, Lubbock, Lynn, Martin, Terry, and Yoakum. I do not like to see this country referred to as the land of the dust of death.

The Nation's Business for February 1936 has a map of the entire United States with white spots indicating good business conditions. There is a white spot indicating good business conditions right at the spot in my district that is being so maligned by the Pathé News.

If the Pathé News had got in touch with Texas Technological College at Lubbock, Tex., one of the ranking institutions of its kind in this country, the minutest facts could have been secured, and no such mistake could have possibly been made.

I am not condemning the Resettlement Administration. I am 100 percent favorable toward the purpose of its program. I am convinced that it had no intentional part in this misrepresentation. I predict that great accomplishments will be achieved by the regional offices at Amarillo and Dallas which serve my district. Regional Director D. P. Trent, at Dallas, has been doing an excellent work for some time. Director L. H. Hauter, of Amarillo, is a fine executive. He is launching upon a very worthy program in region 12. I do not question the need of an aggressive resettlement program in this area. I am heartily cooperating with this work. I am sure that Mr. Hauter deplores the injury that has been done my section of the State by the Pathé News in broadcasting to the world that the millions of dollars invested in this area are being carried away by the dust of death, and that this area is unsuited for agricultural development. Those who have given their lives and their fortunes to the development of this area and have millions of dollars invested here are anxious for the world to know the truth about west Texas.

Why, even the cautious, conservative, and efficient Federal land bank and Commissioner have outstanding obligations in Lubbock County, in this area, of \$3,851,730, and in Lamb County of \$3,236,650, and sizable amounts in other counties of this area.

Now, I do not deny that in the springtime we have sandstorms in the Texas Panhandle and Plains area. We have had them for years, and we will have them in some degree as long as the winds blow across our magnificent prairies. These sandstorms cause erosion in some degree and often injure early crops. I am in complete sympathy with a Government program of education and conservation. If we sit idly by and invoke no remedial and conservation measures, the time will come when all of America will be robbed of its priceless heritage—a fertile soil—and the type of misery and poverty and squalor such as we see in China today will be transported to our fair shores. Water erosion is much more serious than wind erosion, but both types of erosion present a national problem of first importance.

I am not at all satisfied with the new farm bill, but farsighted Americans will long praise this Democratic administration for beginning a soil-conservation program worthy of the name. We must improve this legislation, help secure for our great farming class of people equality under the law, and preserve for unborn generations the soil which is our real source of national wealth. It has been said that cities may be destroyed, but a prosperous agriculture will rebuild them, but if the farm land is washed and blown away civilization will crumble and no man or government can cherish a hope for its restoration.

I have just dispatched a telegram of protest to the main office of the Pathé News in New York requesting that this film be recalled. I should be glad for this agency and all others to know that we will go on developing the industries, institutions, and farm lands of west Texas despite this unfair incident. We in west Texas, in the parlance of the street, know how to "take it." [Applause.]

Mr. MCFARLANE. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. MCFARLANE. Does not the gentleman believe such publicity as that is very unfair and deals unjustly with our section of the country? It is liable to do great damage not only from a credit standpoint but in giving misinformation to the public generally?

Mr. MAHON. The gentleman is correct, and I thank him for his observation. May I at this time quote the following telegram which I have sent to the general manager of the Pathé News in reference to this matter. It reads as follows:

Mr. JACK CONNALLY,
General Manager, Pathé News,

35 West Forty-fifth Street, New York City:

Your news reel no. 66 playing REO Keiths, Washington, this date entitled "More Dust" is a gross injustice to a vast Midwestern area. Statements made and scenes flashed are not justified by facts. I would call to your attention that the population in that part of my State included in your presentation has increased 134 percent since 1920 and the production of the one commodity, cotton, has increased 435 percent in the same period. I will not extend this telegram to include other facts just as striking. I do not question the need for an aggressive Resettlement Administration and Soil Conservation program in the area, but I do protest that the presentation exaggerates the true condition. Its continued showing will undoubtedly destroy confidence in the ability of the area to maintain itself financially and will result in direct injury to trade and credit to our people. I respectfully protest the continued showing of this film and urge that you carefully check all facts involved, believing that your investigation will convince you that it should be recalled in the cause of fairness and justice to these people.

GEORGE MAHON,
Member of Congress, Nineteenth District, Texas.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein certain figures which I think will be of interest to the country.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time to the gentleman from Texas [Mr. MCFARLANE] as he may desire.

Mr. MCFARLANE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain excerpts.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MCFARLANE. Mr. Chairman, I desire to compliment this Committee for their splendid work in reducing the expenditures under this legislative appropriations bill. I notice from examining same that this bill is \$640,092.43 less than the same bill last year, and \$877,203 less than the total of the Bureau of the Budget estimates. The appropriations for the Senate and House of Representatives have been reduced \$355,279.18 over last year and \$168,156 below the Bureau of the Budget estimates, which shows this committee is trying to set the right example for economy, starting within our own department.

Mr. Chairman, there has been much criticism by the plutocrats through their organizations because of the money expended by this administration to restore employment and relieve human suffering, misery, and want. Our critics offer no constructive program, but seem to prefer to sit back and find fault with the wonderful progress now being made under the legislative program worked out by our great leader in the White House, Hon. Franklin D. Roosevelt. This legislative program submitted and as approved by the Congress has done more to relieve human suffering, want, and misery among the people and to bring back our country from chaos to prosperity than any program ever submitted by any President and approved by any Congress since the dawn of our civilization.

THE GREATEST GOOD FOR THE GREATEST NUMBER

This program has been widespread and has touched the lives, directly or indirectly, of all of our people and has been designed to render assistance fairly to all alike, whether it was legislation on social security for the benefit of the aged, the sick, the feeble, the blind, the crippled children, the unemployed worker, or was legislation to improve labor and working conditions, or to assist the farmer, the stockman, or the small-business man, or to better regulate the utility rates or the stock exchanges, or to stop their high rates, graft, and corruption and fraud in such matters. This administration has kept always in mind bettering the working and living conditions of the average man doing that which was best for the greatest number.

Bearing in mind this great constructive program, I want to discuss the P. W. A. relief program worked out to give the farm and home owners of America lower electric-light rates. This is the first administration since these great modern utility services have been available that has seriously attacked this problem by trying to give beneficial relief to the average home owner in the shape of cheaper electric-light and gas rates. I have been glad to cooperate wholeheartedly with this program and have been glad to work to try to secure all the benefits possible under the splendid program now being worked out as above indicated. I was glad to support the Wheeler-Rayburn bill in the last session, which is designed to regulate the utility-holding company and thus make possible better State regulation where adequate State legislation has been enacted to carry out these results.

Under this power program you will remember that I called to your attention on January 3 the municipal light-plant controversy existing in an election being held at Wichita Falls on a P. W. A. project, February 8, 1936.

At the last two city elections held in Wichita Falls, city council members were elected on a platform pledged to install municipal light and gas plants, to improve the water system, to fight for lower telephone rates, and to equalize the city taxes. No sooner had the newly elected city council begun their task to carry out this platform than they found the Power Trust controlled newspapers of the city of Wichita Falls starting a campaign to discredit and block this program in any and every way they could.

The city council members, however, refused to be bulldozed, bluffed, or steered off of the platform upon which they were elected.

They employed engineers, who prepared the data, and they filed applications with the Federal Government for a P. W. A. loan and grant with which to build a light plant and gas plant and to improve the water system. They sent their special counsel on utilities matters, Judge Sartin, and Mr. Mack Taylor, one of the councilmen, to Washington to present their light-plant application. They came to my office and told me of their mission and requested my help. I gladly assisted them in every way I could. You all know how tedious it is to work out and secure favorable approval of these P. W. A. projects. After working on these projects most of last year, last November I drove my car to Washington at my own expense and finally secured approval of the light-plant project—not for \$2,220,000, as per application filed, but for \$1,750,000, which included a \$1,260,000 loan and \$490,000 gift or grant with which to build the city a complete municipal light plant.

The citizens of Wichita Falls have now held two elections, December 11, 1935, and February 8, 1936, in which they have voted on this matter. Whether or not they would issue revenue warrants bearing 4-percent interest, and sell them to the Government at par, and use this money to build them a municipal light plant. The last election provided that only the light plant and the revenues received therefrom would secure these warrants, which was as liberal an offer as any city could hope to receive.

It is a little hard to understand how any progressive city such as Wichita Falls could be hoodwinked into voting against such a liberal offer of the Federal Government, especially, when any citizen knows or should know that only through municipal ownership can the citizens of a town ever hope, under the present order of things, to receive a fair and reasonable electric rate.

The Power Trust prevailed in the February 8 election, and the municipal light project was defeated by a vote of 3,172 to 2,805, giving them a majority of 367 votes.

MONEY SPENT

From information received from the citizens of Wichita Falls, it is evident that a large sum of money was spent in defeating the municipal light-plant project. Some estimate that at least \$50,000 was spent to defeat this election.

THE SO-CALLED CITIZENS TAXPAYERS COMMITTEE

The Texas Electric Service Co., the local agent for the Electric Bond & Share Corporation of New York, who serve the Wichita Falls area, admit they contributed to the so-called Citizens Taxpayers Committee, which they no doubt organized to carry on their fight against this project. An organization by the same name conducted a similar fight at Chattanooga, Tenn., recently, and one by a similar name is conducting a fight against a similar project at Milwaukee, Wis., and strange as it may seem, in all such contests, the Power Trust follows the same tactics, organizing the same taxpayers' committee, advertising the same malicious, willful falsehoods, hiring their radio speakers and personal house-to-house canvassers, opposing in every way possible such projects. The Federal Trade Commission hearings show that all such expenses are included in their overhead, and thus paid for by the people in the exorbitant rates charged.

At Wichita Falls this so-called taxpayers' committee was under the direction of Shields Heyser, chairman, A. W. King and J. L. Jackson, directors. Mr. Heyser issued the checks on a special account he kept in the Wichita National Bank. Photostats of several of these checks have been sent me.

HOW THE POWER TRUST FUNCTIONS

I feel sure the Congress is interested, and I believe the people generally should know just how the Power Trust sets the stage to defeat one of these P. W. A. municipal light-plant projects. So I will relate the facts as to just what they did at Wichita Falls to defeat this project.

PROPAGANDA SPREAD THROUGH SCHOOLS AND COLLEGES

First let me give you the background the Power Trust uses to take over the political control of any city wherever possible. The Federal Trade Commission hearings show how

the Power Trust has hired different professors to write books, articles for magazines, and all kinds of propaganda against public ownership of light plants and how they have distributed this propaganda throughout the schools of the Nation. These hearings show how completely the Power Trust have spread their educational program against public ownership of utilities throughout the schools and colleges of the Nation. Yes; they have even spread their propaganda in the public and high schools of the Nation. It has been truly said they have conducted this program against a city owning its own municipal light from the cradle to the grave.

WRITE-UP AND SHAKE-DOWN

These hearings show how the Power Trust has watered their stock and how they have engaged in write-ups or inflation of same, which according to the hearings before the Federal Trade Commission was known to be \$1,491,021,823 for the 18 top holding companies and their subsidiaries. Some of these holding company and subsidiaries write-ups are:

Electric Bond & Share Corporation, \$352,243,898; Cities Service, \$262,110,708; Central Public Service, \$252,462,118; Southeastern Power & Light, \$122,603,437; Midwest Utilities, \$111,072,732.

CONTROL THE PRESS

They have conducted their Nation-wide preferred stock selling schemes which is nothing more than selling the public their promissory notes bearing 5-, 6-, or 7-percent interest—if they can pay that much, after they get through paying themselves enormous salaries. Hearings further show that their plan is to distribute this stock as widely as possible in order to bribe public opinion. Carrying out this scheme the hearings show how they have distributed from \$25,000,000 to \$30,000,000 annually among the newspapers of the Nation to advertise the natural monopoly they have. Of course, the Nation being without any adequate regulation or control over these monopolistic utilities and the courts having allowed them a very reasonable profit on these watered stock values, the only thing left for Mr. Average Citizen to do is to construct your own light plant.

Now, having loaded the newspapers and the citizens of the town generally with their preferred stock—6-percent notes—they go about joining the towns' different organizations, such as the chamber of commerce, the service clubs, and so forth, and contributing liberally to civic organizations, and so forth, so that in that way it will be easier for them to continue their program of collecting excessive utility rates. Then when an election comes, being thus entrenched, the Power Trust tries to keep in the background as much as possible and work through other organizations.

HOW THE SO-CALLED CITIZENS TAXPAYERS' COMMITTEE FUNCTIONS

Let me refer to some of the things this so-called taxpayers' committee did in this last election at Wichita Falls.

I will quote a few affidavits from citizens there.

Mr. J. A. Gillentine, of 1215 North Tenth Street, says:

On February 10, 1936, at 9:30 a. m. I went to the office of Shields Heyser, chairman of the citizens taxpayers' committee, and received a check for \$17.50, balance due me in accordance with my previous agreement with him for work in connection with defeating the home-owned light plant in Wichita Falls, Tex. I made one affidavit on February 7, 1936, relative to this same matter. I have also furnished you with a photostat of the check above referred to.

Since the election was on Saturday, February 8, and the many workers employed by Shields Heyser and associates had a bonus check coming, I, like others, applied for my check early Monday morning. When I got to the office of Shields Heyser and associates, rooms 320 and 322 Staley Building, I met with about 40 others, and they were coming and going right along getting their checks. Some of these persons of the above 40 were men in charge of certain districts who had a long list of names for whom they were also to get checks. When I got into the office where my check was delivered to me I noticed a stack of executed checks about an inch thick and others being written from a blank pad.

From my observation and knowledge I can state that it is my opinion that four or five hundred persons were working on the same line of work I was.

Mr. George C. Nelson, of 2012 Ninth Street, says:

Dr. A. H. Douglas, former superintendent of the water plant of the city of Wichita Falls, Tex., and afterward city manager, and George Hodgins, former chief of police of the city of Wichita

Falls, Tex., came to me with a petition for the purpose of getting subscribers to recall Alderman J. B. Stokes, seeking my assistance in securing signatures from my friends thereon. For this service I was paid \$5 in cash by the above Dr. A. H. Douglas.

On or about December 1, 1935, I was again approached by this same George Hodgins, asking me to report to Shields Heyser's office the next day, which was Monday. I reported at Shields Heyser's office and was carried to another office on the third floor of the Staley Building, Hodgins and Heyser seeking my assistance in connection with defeating the home-owned light-plant proposition in the election of December 11, 1935.

When I discovered that among the crowd were men that led me to understand that it was no one else but the work of the Texas Electric Service Co. I refused to go any further and expressed myself in such a way that it looked dangerous to these men, and Shields Heyser gave me a check for \$15 and asked me to keep this matter quiet and forget it.

While I was in the office on the third floor of the Staley Building where this large number of paid workers were assembled, I saw considerable checks pass from Shields Heyser to these different persons.

To show how they put on the pressure, note what Mr. W. T. Sadler, an advertising signman, of 1601 Elizabeth Street, says:

About 1 week before the last election I was in the office of the Texas Electric Co. getting business from that company, when W. W. Rogers again inquired as to whether I had qualified as voter and also my wife, and I advised him that both I and my wife were qualified to vote; but as a matter of fact, I was the only one qualified. Rogers then stated to me that he was going to check on the persons obtaining business from them and that if they found that these persons had not cast their ballot in their favor it would be just too bad, meaning that no further business would be obtained. Since I wished to retain their business and was not certain they could check up on me, I cast a vote against the municipal power plant.

Mr. Craig Boyd, of 1820 Ninth Street, says:

On Saturday, February 1, 1936, Mr. Mark D. Walker, a member of the city council of the city of Wichita Falls, Tex., said he could get me a job with the taxpayers' committee. A few minutes later Mr. Shields Heyser called me and told me to come to work Monday morning, February 3. My understanding was that I would receive \$5 per day if the bonds were defeated and if they were not defeated I would receive only \$3 per day. I received \$3 per day for 6 days' work, a total of \$18.

I was working in box 15, and we met at Mr. Leslie Humphreys home 2 nights during this week and checked voters' names that we were calling on to assist in defeating the bonds. Mr. Humphreys is local attorney for the Electric Service Co. here.

From my observation of the people in the taxpayers' committee office, it is my opinion that this committee had at least 400 people on the pay roll.

THE POWER-TRUST DAILIES FUNCTION

And it seems that the Times Publishing Co., owner of both daily papers along with plenty of Power Trust stock, just could not keep from doing everything possible to defeat this election. We find them along with the mill and other large business interests after they had changed the minds of three of the council members and their special counsel on utility matters, Mr. Sartin, we then find them calling upon the M. K. & T. Railroad threatening to transfer their freight to the Ft. Worth & Denver R. R. in order to force Mr. L. C. Rodgers, an engineer of over 20 years' service, off of the council so that they would then have control of same. Then we find these two papers using bitter ridicule and sarcasm toward Mr. Rodgers, gloating over the fact that they had forced him to resign from the council; but they never intimate to the public the part they played in forcing him off the council.

We find the Times Publishing Co., through their agents, spreading every possible kind of willful and malicious misstatements in order to secure votes. For example, Mr. Walter W. Brown of 111 Waco Street, says:

On February 6, 1936, Mr. Jim Allison, of the Times Publishing Co., approached me and offered to pay me \$2.50 per day beginning that day and continuing through February 8, the day set for the voting of the bond issue for the municipal light plant. He further stated that I would be paid an additional \$2.50 per day, making the total of my services in the event of success at defeating the issue \$5 per day.

In this offer Mr. Allison proposed that I visit the irrigation project near this city and all other Federal projects and relate to the employees that they should vote against the bond issue because, if the bonds were voted, no additional benefit would come to them, in that they would not receive any additional wages over the amounts now paid them, which is \$29 per month, and that the higher wage rates paid by the P. W. A. would not go to the employees, but would go to the four councilmen known as the

"big four", especially Max Taylor and J. B. Stokes, and also to the city manager, Mark Thomas. I advised Mr. Allison that I would not consider his offer for acceptance as I did not believe the transaction was honorable and that I would not double-cross anyone.

Now, Mr. Allison and others there who spread these false statement knew or could easily have known that under the construction of the light plant under the contract the local prevailing wage for whatever the kind and character of work performed must be paid. For example, if common labor there received 50 cents per hour he would work 30 hours per week and receive \$15 per week, and wage scales for technical men would be paid according to whatever the established scale there for their service warrants.

Mr. A. L. Miller, of 1320 West Third Street, says:

On February 8, 1936, at 10:20 a. m., Shields Heyser directed me to see Rhea Howard, secretary and treasurer of the Times Publishing Co., to get money to use to buy gasoline, etc., to take voters to the polls who would vote against the bond issue. I immediately proceeded to see Rhea Howard, who gave me \$2 in cash for the purpose above stated, instructing me to be sure to carry people to the polls to vote against the bonds.

ADVERTISING PAYS

We find that the Power Trust brought down their advertising experts from Chicago—Bazel & Jacobs—who supervised the local Power Trust advertising. Mr. J. B. Thomas, vice president of the Texas Electric Service Co., from Fort Worth, with his assistants, were on the scene directing their campaign. Based on the price of \$1.75 per inch, the newspapers there received several thousand dollars from the Power Trust for their efforts. All forms of advertising, radio, and personal contact were used throughout the campaign.

THE BANKS TAKE AN ACTIVE PART

Mr. J. T. Harrell, president of the City National Bank of Wichita Falls; Mr. W. M. McGregor, president of the First National Bank; Mr. John Hirschi, president, and Mr. Pat Simmons, active vice president of the Wichita National Bank, all took a personal hand in the campaign and sent advertising to all the business houses and the citizens urging them to oppose the light-plant election. It seems that they bitterly opposed the people having lower light rates. It may be that some of these bank officials were more interested in the city's bonds they had purchased from 33 cents to 50 cents on the dollar, and were wanting to control the city's politics for that reason; or it may be that the Power Trust stock ownership or influence had something to do with it. Of course, Mr. Harrell states that he is opposed to the Government entering any kind of business.

TAX-EXEMPT BANK STOCK

Yes; it is all right for the Reconstruction Finance Corporation to purchase \$400,000 worth of preferred stock in his bank as it has in many others in order to be of assistance to them, and the preferred stock so purchased by the Reconstruction Finance Corporation from all national banks was held to be tax exempt until the recent decision of the Supreme Court in the case of Baltimore National Bank against State Tax Commission of Maryland, delivered February 3, 1936. And now legislation is pending before the House which would exempt all such preferred stock from State, county, city, school, and district taxation, thus discriminating against other national banks and certain State banks and all other citizens not so favored. And Mr. F. F. Florence, president, Texas Bankers' Association, wired all members to support this legislation. His bank, the Republic National, of Dallas, sold the R. F. C. \$2,000,000 preferred stock, and would thus save \$86,000 in local taxes, while they pay their president \$30,000 per year. For example, this would give the City National Bank a tax exemption, according to Mr. Jesse Jones' estimate, of \$4.30 per hundred, or \$17,200. Mr. Frank Kell has bitterly opposed the municipal-light-plant elections. He is opposed to lower light rates for the citizens because it would be the Government in business, yet we find he is being well taken care of by the Reconstruction Finance Corporation through a loan of \$400,000 to the Wichita Falls & Southern Railway Co. at a very low interest. The chamber of commerce and the heads of the different banks above mentioned sent each business concern in Wichita Falls a telegram on February 7, as follows:

Believing that the interests of Wichita Falls and its citizenship can best be served by the defeat of the bond issue, we respectfully urge you to go to the polls today and vote against the bonds and use your influence with your associates and employees to do likewise.

BANKS FAVORED BY GOVERNMENT

The banks now receive the following special benefits: An exclusive franchise protecting them from competition unless and until additional banking facilities are proved necessary; the free use of Government credit and the right to loan money on the average of \$10 to every \$1 the bank possesses; has relieved them of the responsibility of paying interest on demand deposits, thus saving them about \$250,000,000 per year and a reduction in interest on time deposits amounting at least \$200,000,000 per year. The interest received from tax-exempt securities is exempt from taxation, saving them about \$50,000,000 per year. They have the right to deposit Government bonds and have the Government print new money for them as needed at actual cost of printing, which amounts to about 30 cents per \$1,000. In addition to this the Government furnished \$300,000,000 of the \$339,000,000 necessary to guarantee the banks' deposits, so it seems that the banks should not complain of governmental aid to others, they being the chief beneficiaries. Yet we find the American Bankers Association and kindred organizations in the forefront opposing a reduction in utility rates or legislation that will give relief in interest rates or otherwise render aid to the average man.

POWER TRUST INJUNCTION SUITS

Many of the poor people in Wichita Falls could not pay their poll tax, much less their property tax, and the city council, recognizing their wants and needs, as had been done repeatedly for other purposes, voted to transfer \$75,000 from the water fund to the general fund to allow these folks to have a little work so that they could pay their poll taxes and vote in the municipal light plant election as American citizens should. This would not do, so we find the mayor, who started out in favor of municipal ownership, later flopped over to the Power Trust and filed an injunction suit which would bar these poor people from securing work and a chance to vote. Recently we have noticed that the same Power Trust that has enjoined the construction of municipal and power projects Nation-wide has enjoined the construction of the Brazos and Colorado River Dams. While here in Washington lobbying against the Wheeler-Rayburn bill, the representatives of the Power Trust from Texas all said they favored the Brazos and Colorado River projects. Yet, now we find them, as has been their policy throughout the Nation, enjoining the construction of these two great projects. They do not hope to win these law suits; they want to delay their construction as long as possible, hoping, of course, that they can defeat this administration and all Representatives who have voted with same, and repeal this legislation at the next session of Congress, if they are successful in electing those who will represent them instead of representing the rights of the common people. They want to continue their program of high rates and complete control and domination of the politics of the Nation from the highest to the lowest office, and their policy has always been "rule or ruin."

COMPARISON OF POWER RATES

You will recall that during the fight on the Wheeler-Rayburn bill I spoke in favor of same and at the time pointed out the excessive utility rates charged in the Nation was about \$1,000,000,000 annually above what would be considered a fair charge for this service, and that based on the electricity consumed in Texas, the consumers paid about \$25,000,000 annually more than what is considered a fair price for this service based on comparisons with the T. V. A. rates, Tacoma, Wash., and Ontario, Canada, rates. We must also take into consideration the unfortunate situation thus brought about because of the great masses of those living on the farms and in small communities that are unable to secure any electricity because of the enormous costs involved. We are now working upon the rural-electrification legislation that we hope will enable this administration to extend this electricity program to every farm home in America so that all farmers, and those

living in small communities, may enjoy the benefits of this modern utility at low cost.

Let me again call to your attention the overcharges made by the Power Trust in different counties in my district. I will mention only one town in each county as indicative of the rates charged for comparison purposes with T. V. A. rates which is recognized as a fair price for the services rendered.

ARCHER COUNTY

In Archer City, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost \$2.60, or \$31.20 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$22.20 a year; 40 kilowatt-hours a month in Archer City cost \$3.35; under the T. V. A. rates it cost \$1.20. In other words, the householder in Archer City using 40 kilowatt-hours a month would pay \$40.20 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 179 percent.

BAYLOR COUNTY

In the city of Bomarton, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost \$2.85, or \$34.20 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 per year, a saving of \$25.20 a year. Forty kilowatt-hours a month in Bomarton costs \$3.60; under the T. V. A. rates it cost \$1.20. In other words, the householder in Bomarton using 40 kilowatt-hours a month would pay \$43.20 a year, whereas under the T. V. A. rates he would pay \$14.40 a year, an overcharge of 200 percent.

CLAY COUNTY

In the city of Henrietta, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost \$2.45, or \$29.40 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$20.40. Forty kilowatt-hours a month in Henrietta cost \$3.20; under the T. V. A. rates it cost \$1.20. In other words, the householder in Henrietta using 40 kilowatt-hours a month would pay \$28.40 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 97 percent.

COOKE COUNTY

In the city of Gainesville, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost \$2.15, or \$25.80 a year; under the T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$16.80 a year. Forty kilowatt-hours a month in Gainesville cost \$2.90; under the T. V. A. it cost \$1.20. In other words, the householder in Gainesville using 40 kilowatt-hours a month would pay \$34.80 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 142 percent.

DENTON COUNTY

In Lewisville, which is served by the Community Public Service Co., 25 kilowatt-hours a month cost \$3, or \$36 a year; under T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or \$9 per year, a saving of \$27 a year. Forty kilowatt-hours a month in Lewisville cost \$3.66; under the T. V. A. rates it cost \$1.20. In other words, the householder in Lewisville using 40 kilowatt-hours a month would pay \$43.92 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 328 percent.

FOARD COUNTY

In the city of Crowell, which is served by the West Texas Utilities Co., 25 kilowatt-hours a month cost \$2.38, or \$28.56 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$19.56 a year. Forty kilowatt-hours a month in Crowell cost \$3.28; under the T. V. A. rates it cost \$1.20. In other words, the householder in Crowell using 40 kilowatt-hours a month would pay \$39.36 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of approximately 174 percent.

JACK COUNTY

In the city of Jacksboro, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost \$2.25, or \$27 a year; under the T. V. A. rates 25 kilowatt-hours cost 75 cents, or \$9 a year, a saving of \$18 a year; 40 kilowatt-hours a month in Jacksboro cost \$3; under T. V. A. rates it costs \$1.20. In other words, the householder in Jacksboro using 40 kilowatt-hours a month would pay \$36 a year,

whereas under T. V. A. he would pay \$14.40 a year, an overcharge of 150 percent.

HARDEMAN COUNTY

The city of Quanah is served by the West Texas Utility Co.; 25 kilowatt-hours a month cost \$2.25, or \$27 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$18 a year; 40 kilowatt-hours a month in Quanah cost \$3.15; under T. V. A. it costs \$1.20. In other words, the householder in Quanah using 40 kilowatt-hours a month would pay \$37.80 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 163 percent.

KNOX COUNTY

In the city of Benjamin, which is served by the West Texas Utilities Co., 25 kilowatt-hours a month cost \$2.95, or \$35.40 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year—a saving of \$26.40 a year. Forty kilowatt-hours a month in Benjamin cost \$4—under the T. V. A. it costs \$1.20. In other words, the householder in Benjamin using 40 kilowatt-hours a month would pay \$48 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 233 percent.

MONTAGUE COUNTY

The city of Montague is served by the Community Public Service Co. Twenty-five kilowatt-hours a month cost \$3.75, or \$45 a year—under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 per year, a saving of \$36 a year. Forty kilowatt-hours a month in Montague cost \$5.70—under the T. V. A. rates it costs \$1.20. In other words, the householder in Montague using 40 kilowatt-hours a month would pay \$68.40 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 375 percent.

THROCKMORTON COUNTY

In the city of Throckmorton, which is served by the West Texas Utility Co., 25 kilowatt-hours a month cost \$2.75, or \$33 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$24. Forty kilowatt-hours a month in Throckmorton cost \$3.80; under the T. V. A. rates it costs \$1.20. In other words, the householder in Throckmorton using 40 kilowatt-hours a month would pay \$45.60 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 217 percent.

WICHITA COUNTY

In the city of Wichita Falls, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost \$1.85, or \$22.80 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 per year, a saving of \$13.80 a year; 40 kilowatt-hours a month in Wichita Falls cost \$2.60; under the T. V. A. rates it costs \$1.20. In other words, the householder in Wichita Falls using 40 kilowatt-hours a month would pay \$31.20 a year, whereas under T. V. A. he would pay \$14.40 a year, an overcharge of 116 percent.

WILBARGER COUNTY

In the city of Vernon, which is served by the Vernon Municipal Light Co. and the West Texas Utility Co., 25 kilowatt-hours a month cost \$2, or \$24 a year; under T. V. A. rates, 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$15 a year. Forty kilowatt-hours a month in Vernon cost \$2.70; under the T. V. A. rates it costs \$1.20. In other words, the householder in Vernon using 40 kilowatt-hours a month would pay \$32.40 a year, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 124 percent.

WISE COUNTY

In the city of Decatur, which is served by the Texas Power & Light Co., 25 kilowatt-hours a month cost \$2.25, or \$27 a year; under the T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 a year, a saving of \$18 a year. Forty kilowatt-hours a month in Decatur cost \$3; under the T. V. A. rates it costs \$1.20. In other words, the householder in Decatur using 40 kilowatt-hours a month would pay \$36 a year, whereas under the T. V. A. rates he would pay \$14.40 a year, an overcharge of 150 percent.

YOUNG COUNTY

In the city of Graham, which is served by the Texas Electric Service Co., 25 kilowatt-hours a month cost \$2.15, or

\$25.80 a year; under T. V. A. rates 25 kilowatt-hours a month cost 75 cents, or \$9 per year—a saving of \$16.80 a year. Forty kilowatt-hours a month in Graham cost \$2.90; under the T. V. A. rates it costs \$1.20. In other words, the householder in Graham using 40 kilowatt-hours a month would pay \$34.80, whereas under T. V. A. rates he would pay \$14.40 a year, an overcharge of 141 percent.

I suggest that each consumer of electricity cut out the rates above quoted for your county and then get out your light bills and compare them and see how much you are being overcharged for the power consumed each month.

RADIO BROADCASTS

In the closing days of the February 8 light-plant election several speeches were made against the municipal light plant. I wrote KGKO broadcasting station at Wichita Falls, requesting copies of these speeches by Mr. McDonald, Mr. Montgomery, Mr. Heyser, and others, to which Mr. Harold Hough, Mr. Amon Carter's agent in Fort Worth for this station, replied:

Many of the speeches were oral, and therefore, we have no way of reproducing them to you. With respect to those speeches, which were written, we are very sure that you would find the manuscript in the possession of the speaker, and we do not doubt that a letter addressed to the speaker, who took part in the campaign, would meet with a ready response.

I then requested copies of these speeches from the Federal Communications Commission, who promised to try to secure copies of same, but after waiting 12 days to reply, they finally replied as follows:

I regret very much to advise that I am unable to comply with your request, as the Commission does not have copies of these speeches. The Commission has promulgated no regulation requiring a station to transcribe or maintain copies of speeches broadcast over its facilities; nor is there any rule of the Commission requiring persons to furnish copies of speeches in advance of rendition.

I took the matter up with some of the parties who made these speeches, and they advised me that they left a copy of same with KGKO and would not furnish same. I know that this station required me to have my speeches censored by their attorney before they would allow me to broadcast, in addition to requiring a copy to be left with them. It seems to me that all broadcasting stations should require all speeches to be electrically transcribed as delivered, and that proper legislation should be enacted to require this be done. We are entering into a national campaign which, according to Mr. Farley and other leaders, is expected to be one of the most bitter campaigns ever waged in the Nation. We should see to it in advance that proper records are made so that the people of the Nation may be protected.

THE ADMINISTRATION OF OUR TAX LAWS

We have heard a great deal of late concerning new taxes and ways and means of raising sufficient revenue to meet the necessary requirements of the Government.

I have spoken several times, specifically pointing out my views on taxation and offering amendments to existing tax laws to stop the loopholes through which much of our income now escapes.

Let me call your attention to a practice that seems to be growing. Government employees are resigning responsible positions in the different departments, especially the revenue department, and immediately accepting employment from large corporations who are greatly benefited by the confidential information secured by them as Government employees.

Last year while we were considering the amendment of the 10-percent excess profits and limitation law placed in the naval construction bill, H. R. 6604, we found the Navy and Treasury Departments very close together in their recommendations of amendments to this profits and limitation clause, which would practically destroy it. Mr. Moore testified for the Treasury Department, and his testimony shows that he was thoroughly in accord with the views of the Navy Department on amendments that would in effect practically destroy the 10-percent profits and limitation clause. Shortly thereafter, I understand, he was employed at \$12,000 per year by the Du Ponts.

Let me read a recent news item from the Washington News:

HOPSON'S A. G. E. HIRES EXPERT IN TAX SUIT

Charles M. Trammell, until 2 weeks ago a member of the United States Board of Tax Appeals, began tracing financial dealings of Howard C. Hopson today in an attempt to save the utilities magnate and his Associated Gas & Electric Co. \$40,000,000 in tax claims by the Government.

The claims, protested by the A. G. E. and its 149 subsidiaries, are for alleged income-tax and excess-profits tax deficiencies.

Trammell is a former Florida judge. He was appointed to the Tax Board in 1924 and reappointed in 1926.

Thus we find Mr. Trammell, a recent member of the Board of Tax Appeals, employed by the Associated Gas & Electric Co. to try to defeat income-tax deficiencies due the Government from 1927 to 1933. I do not believe, under the fair interpretation of our laws, that any Government employee should use his confidential information thus received in prosecuting such claims against the Government.

U. S. R. C. S., section 190, reads as follows:

It shall not be lawful for any person appointed after the 1st day of June, 1872, as an officer, clerk, or employee in any of the departments to act as counsel, attorney, or agent for prosecuting any claim against the United States which was pending in either of said departments while he was such officer, clerk, or employee, nor in any manner, nor by any means, to aid in the prosecution of any such claim, within 2 years next after he shall have ceased to be such officer, clerk, or employee.

Yet we find these employees in the different departments, as well as in the Board of Tax Appeals, who have held high positions, taking such employment to help defeat claims that the Government holds against these concerns, running into millions of dollars.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. O'CONNOR. I am in sympathy with what the gentleman states, and I believe something should be done about it. As I read the newspaper article, the technicality in this case, under which the gentleman can accept the employment, is that the statute which the gentleman from Texas just read refers to claims which the taxpayer prosecutes against the Government, and these claims which the Government is properly prosecuting against one of the utility companies, are claims prosecuted by the Government. This is the so-called "out" upon which the gentleman from Florida is relying. I do not believe such was ever the intent of the statute. I believe these employees were not intended to be permitted to go into either side of a case, whether the taxpayer was suing the Government for a refund, which is a common case, or a case like this where the Government is suing the taxpayer for more taxes. If the gentleman will read the statute again he will see it only refers to claims by a taxpayer against the Government, and in this particular case the reverse of that situation is true which Mr. TRAMMELL seems to think justifies his conduct.

Mr. McFARLANE. In answer to the gentleman's statement, let me read a decision of the Department in that regard, which is very much in point and is in keeping with what the gentleman has suggested. This is a decision of the Department of Justice (20 Op. Atty. Gen. 695) construing section 190, Revised Statutes, to apply to all claims pending in any of the departments while the attorney or agent was employed in any department, and is not limited to a claim pending in the department in which the agent was employed, whether later being prosecuted before the same or a different department.

Cases brought before the Board of Tax Appeals are instituted by the taxpayers. The Government has no right to institute a proceeding before the Board of Tax Appeals. Therefore, a Government employee, resigning from such Board and representing claims before such Board, is, as the statute says, acting "As counsel, attorney, or agent for prosecuting any claim against the United States."

All claims pending before the Board of Tax Appeals are cases where the taxes have been assessed and proceedings brought by the taxpayer in the nature of a claim to have these assessments abated.

Every petition before the Board of Tax Appeals is in the nature of the potential claim for refund of any overpayment of taxes which the Board may find has been made. The petition of the taxpayer takes the place of a claim for refund. (See sec. 322-D, acts of 1934.)

There are other decisions of the same kind, and therefore I think the Attorney General's Department has construed this section more liberally than the gentleman thinks.

Mr. O'CONNOR. If the gentleman will permit, I do not think the decision changes the point I am trying to make. "Claims in the Department", I think, refers to claims by a taxpayer, under that decision, while this is a claim by the Government itself.

Mr. McFARLANE. But under a clear and a reasonable interpretation of the law I think it ought to apply and we ought to give it the most liberal interpretation possible, and if the statute is not sufficiently broad, we ought to amend it.

Mr. O'CONNOR. I think that is the remedy—the law should be amended.

Mr. McFARLANE. I believe the above statute has been liberally construed so far; for example, in the case of *Van Meter v. Munn* (1912) (116 Minn. 444), the court held that a lawyer who had been chief clerk of an Indian reservation, could not within 1 year of his resignation from same recover from the United States for lobbying fees, for services rendered, in prosecuting a claim against the Government for timber cut from the Indians' land.

Likewise, in the case of *Ludwig et al. v. Raydure* (157 N. E. 816) certiorari denied by the Supreme Court. In that case the plaintiff was employed by the defendant to work out certain depletion information on certain oil wells, which plaintiff did within less than 2 years from his resignation from the Revenue Department.

The court held that the plaintiff could not recover for such services because of said statute, section 190 (citing 151 N. E. 645) was decisive of this case. The judge held:

A party who enters into a contract despite a statute prohibiting it cannot thereafter claim the fruits of its performance in a court of justice.

THE BOARD OF TAX APPEALS

This Board was created during the reign of Mr. Mellon (Revenue Act of June 22, 1924) and we find 11 of the 16 members serving at the present time who were appointed under the reign of Mr. Mellon with his approval. The names of these appointees are as follows:

Charles Rogers Arundell, appointed September 1, 1925.

Eugene Black, appointed October 31, 1929.

James Russell Leech, appointed January 31, 1932.

Stephen J. McMahon, appointed May 31, 1929.

Annabel Matthews, appointed in 1930.

Logan Morris, appointed March 23, 1925.

John Edgar Murdock, appointed June 9, 1926.

Herbert F. Seawell, appointed November 20, 1929.

Charles Perley Smith, appointed July 16, 1924.

John M. Sternhagen, July 16, 1924.

Ernest H. Van Fossan, June 8, 1926.

This Board was created to provide an independent review of the taxpayers' cases before assessment of deficiencies. The Bureau by reason of inadequate personnel and incompetent administration imposed ill-considered and unreasonable assessments on taxpayers. Congress sought to stop this by providing an independent review body in the Treasury Department. Unfortunately, however, the members soon surrounded their review by the rules adopted by the equity courts of the District of Columbia. This turned what was intended to be a review body into a highly technical court, before which a taxpayer is forced to employ a specially trained lawyer and provide himself with expensive witnesses in order to be given the consideration which was intended without this great expense.

In looking over the results of this body I find their rulings are so inconsistent that Bureau officials cannot be consistent in administration because of these inconsistencies. These decisions have laid the ground work and have been the cause of a flood of litigation equaled in no other country. Administration of our taxing laws is a practical matter. The

courts have held that these statutes should be construed liberally in favor of the taxpayer. I see no reason why an administrative problem of arriving at the correct tax should be turned into such a mass of litigation as has resulted from the creation of the Board.

I therefore recommend that this Board be abolished. In its stead we should create an independent review body composed not of lawyers only but of practical tax men such as auditors and engineers. Provide that this body shall function purely as a review body and without the technical requirements of a court. Provision should be made for taking testimony when a case was appealed so that the Board's findings will be given the same status as the findings of commissioners of the Court of Claims.

The creation of such a body I regard as the first step in simplification and one of the most important ones.

Mr. Robert H. Jackson, then Assistant General Counsel for the Treasury Department, and now Asst. U. S. Attorney General, in speaking before the Senate Finance Committee last year on the pending tax bill regarding practice before this Board, said:

The device of permitting a litigation of tax first and payment afterward, with no security or penalty or disadvantage whatever for the delay, is proving so costly as to present a challenge to effective enforcement.

It is stated by a retiring member of the Board of Tax Appeals that since 1926 the Government has lost two-thirds in amount of its cases before the Board of Tax Appeals, the average tax case involving a deficiency of \$28,000.

This result before the Board of Tax Appeals contrasts with the result in the Court of Claims and the United States district courts where the taxpayer must first pay his tax and then sue for refund, and where the Government appears to win a much larger percentage of the cases.

For the year ended June 30, 1935, trials in these two courts showed the following results:

Decisions in favor of the Government, or dismissals on the basis of decisions in favor of the Government, 252; amount claimed, \$16,801,896.

Decisions in favor or partly in favor of the taxpayer, or confessions of judgment on the basis of decisions in favor of the taxpayer, 135; amount involved, \$555,479.

Almost a complete reversal of the percentage where they pay first and sue for a refund that exists, as against where they do not.

In addition to this, 151 cases, involving \$9,949,000, were dismissed by the taxpayers without refund.

In speaking further regarding this Board, Mr. Jackson said:

The day has come when it is totally inadequate to the problems which it must solve. The Board of Tax Appeals decides in litigated cases about 1,600 cases a year, and we are having four or five or six thousand cases a year commenced. With that situation, where we are compelled to settle two-thirds of our cases, we are not getting the best results in the settlements, of course.

On the work of this Board he said:

The problem of enforcement is a very serious problem. We have general statistics showing a decrease in the number of cases, and I can show statistical figures of decrease in the past year; but there is not a decrease in the actual work, because the little cases get tried and the big cases get stalled. We have one case in Los Angeles that has been on trial a year.

And, further, he said:

I do not believe that we can successfully administer the income-tax laws much longer if we are going to permit the taxpayer without the payment of anything except a \$10 filing fee, to get 3 or 4 years' delay in the payment of his deficiency.

On the amount of work accomplished by this Board, he gave these figures:

It is obviously, if the ratio of losses by the Government in cases before the Board is accurately stated, a great advantage to petition for redetermination where the taxpayer can afford it. The Board has capacity actually to decide only about 1,600 contested cases a year. We have in recent years reduced the number of cases pending, but the amount involved in undecided cases has increased. July 1, 1934, we had 12,474 cases, involving \$448,493,060, pending, and on July 1, 1935, we had 10,423 cases pending, involving \$493,648,417. Thus while reducing the number of cases by 2,051, the amount of asserted deficiencies held in suspense increased last year \$45,155,337.

So, bearing in mind the above information, it is easily understood how Mr. Hopson of the Associated Gas & Electric Co., of last year's lobby fame, and other promoters of his type, as well as many so-called captains of high finance, evade tax payment without any serious consequences.

It is interesting to note how Mr. H. C. Hopson, in the case of National Public Utility Investing Corporation, Howard C. Hopson, appellant, against United States, has been able to defeat the investigation of the tax liability of this concern for the years of 1929 and 1933, inclusive, because the books of this concern are in Canada.

Quoting from the Circuit Court of Appeals of the Second Circuit, opinion rendered August 5, 1935, we find the following:

It is undisputed that when the ex-parte order was made on September 8, 1934, the appellant was the president of National Public Utility Investing Corporation as well as one of its directors and its largest stockholder. All of its stock was held by or for the appellant and his near relatives and by or for H. C. Hopson & Co., a partnership consisting of the appellant and members of his immediate family. Its business was conducted from the appellant's own office at No. 61 Broadway, New York City. * * * Until some time in August 1933, all the books and records of these corporations which the appellant has been ordered to produce were at his office in New York. In that month they were taken to Canada for use, so it is now claimed, in connection with the liquidation of the Newfoundland companies, and are now all in the possession of one Gordon McL. Daley, in Halifax, Nova Scotia, who is the attorney for the liquidator of the Newfoundland companies, R. E. Fradsham, of St. Stephen, New Brunswick. * * * On December 11, 1933, National Public Utility Investing Corporation acquired all the property of the four Newfoundland companies.

Thus we see how Mr. Hopson defies the tax examination and gets away with it.

MR. MELLON AND THE BOARD OF TAX APPEALS

We have read much the last several months concerning the trial of Mr. Mellon's tax case now pending before the Board of Tax Appeals. The average citizen no doubt wonders why witnesses for Mr. Mellon are not required to disclose certain documentary evidence the same as required in Federal equity courts. Before the committee, conducting hearings on the revenue bill of 1926, J. Kelmer Korner, Jr., then chairman of the Board, then testified:

We felt that all of the rules of evidence observed in a court of law not necessary, because there is no jury.

Before the same committee Mr. Charles D. Hamel, the first chairman of the Board, testified:

We attempted to adopt in our rules the spirit of the equity rules of the Federal courts. The Federal equity courts, as a general thing, will let nearly anything into the record for whatever it may be worth.

Yet we find Mr. Van Fossan appointed during the reign of Mr. Mellon prohibiting certain bank records from going into the record in the trial of this tax case before him.

On June 30, 1935, there were 1,477 cases before the Board which had been tried but in which decisions had not been rendered. Why is it that it takes from 1 to 2 years after hearing the cases before the Board can make its decision, even in many simple cases?

I have previously pointed out several existing loopholes in our tax laws that should be amended. These measures are now pending before the Ways and Means Committee. Several of these amendments have been favorably acted upon by this committee at previous sessions, only to have their labors stricken out by amendments in another body. I sincerely hope that this committee will give favorable consideration to these amendments in the consideration of new tax legislation soon to be presented in keeping with the President's recommendations on this subject. I heartily favor the President's recent tax message and trust that same will be speedily enacted into law. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield such time as he may desire to use to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Speaker, some days ago I stated on the floor, during consideration of the Army appropriation bill, that I intended to have something further to say concerning the permanent Neutrality Act which had been reported favorably out of the Foreign Affairs Committee at that time, but which was being put to sleep by its enemies from without and within our country. Since that time the bill has been pronounced dead, and everyone here is familiar with the fact that as a compromise there has been reenacted into law, to cover a period of 14 additional months, the temporary Neutrality Act of 1935, plus only two amendments.

The temporary Neutrality Act passed last year, and which expired on February 29 this year, provided, first, an absolute embargo upon the export of arms, ammunition, or implements of war to belligerent countries; second, prohibition of the carrying of arms, ammunition, and implements of war in American vessels to or for warring nations; third, restriction against the use of our ports by submarines of belligerent countries and the prohibition of the use of the United States as a base for supplying belligerent ships with arms, ammunition, or implements of war; fourth, restraint upon our citizens to prevent traveling upon belligerent vessels.

The so-called administration-McReynolds neutrality bill, which was reported favorably out of the Foreign Affairs Committee, added several provisions to the temporary act, the most important of which are: First, an embargo upon the export of such other articles or materials, above normal exports, as the President may find are used in the manufacture of arms, ammunition, or implements of war or in the conduct of war, when he shall find that such embargo will serve to promote the security and preserve the neutrality of the United States; second, discretionary authority to require all commercial transactions with belligerent countries to be conducted at the risk of the shipper, when such transactions threaten to involve our country in war; third, limitation of use of passports for travel on belligerent vessels from our ports and emphasizing that such travel will be at the risk of our nationals.

The new compromise temporary act expiring May 1, 1937, scraps many provisions of the permanent bill and adds to the temporary act of last year the following two additional provisions: One, prohibition of credits to belligerent governments, except ordinary short-time commercial credits to aid in financing legal exports; two, reasserts the Monroe Doctrine by exempting from its provisions American republics when at war with foreign enemies.

It is useless for me now to dwell upon my disappointment and the disappointment of millions of American citizens that a neutrality policy more comprehensive than the temporary act has not and will not be enacted into law at this session of Congress. We have had the last of neutrality legislation for this year, and everybody here knows it—that is, unless a bomb explodes in our midst, and then it will be too late. Both political parties are afraid of the subject, as this is election year and there is no desire to offend any of those foreign racial groups now so powerful in our country. It is feared that any more extensive legislation on the subject may offend the delicate sensibilities of Englishmen, or Italians, or Germans, or Frenchmen, or whatnots who happen to live within our borders—legally and illegally. These gentlemen call themselves Americans; most of them prosper here and many are fed at the public trough by the taxpayers' money—yet the hearts of many of them seem to be on the other side when legislation comes which may directly or indirectly affect the country from which they came—no matter what the best interest of the United States, their new home, may be.

There is no doubt in my mind that much good will come out of the temporary act. It would serve no useful purpose to lament now the failure of enactment into law of section 4 of the McReynolds bill, which restricted to normal peacetime amounts shipments from this country to belligerents of materials and supplies that are used in the manufacture of arms, ammunition, and implements of war. This was the section of the bill against which the onslaught was made both by certain business interests of this country which were enriched by the World War and hope to be enriched by the next; as well as by certain foreign nations and foreign elements in our own country, who felt that the section would work to the detriment of their warlike intentions abroad. I do not forget, either, that there was also wide divergence of opinion of patriotic Americans, who have no ax to grind, as to whether or not this provision would bring about the desired results. There are two sides to that question, and I am not arguing it pro or con now.

There are, however, two obstacles that proponents of neutrality in Congress have met in their efforts to pass adequate neutrality legislation about which the people of our country

should know. The first is the pernicious influence brought to bear upon Congress and the people generally through propaganda by un-American groups against neutrality legislation and the peculiar vulnerability of the United States to influences of that kind. The second is the grave danger we face and the great risk we run in passing neutrality legislation of only a temporary nature. If the principle of neutrality legislation is good for our country, it is good as a permanent policy. The problem is too big to be handled by temporary stopgap legislation. Even if the temporary act already passed is not strengthened this session by added provisions it should at least be made permanent before this Congress adjourns. It is impossible to tell now what the international situation will be or what influences and propaganda will be brought to bear to rob the American people of their birthright of freedom and peace if another great world war comes before this Congress convenes next year.

If you think I am an alarmist, take a look at the world today. Italy and Ethiopia at war. English-Italian relations strained, the press of each country firing broadsides of hate against the other, and the British Fleet, armed to the teeth, guards the Mediterranean, the life artery of the Empire. Russia arming and warning Japan that further invasion of Mongolia means war. France, in deadly fear of Germany, perfecting a mutual-assistance pact with Russia. Germany repudiates the last vestige of the Versailles Treaty and once again sends troops to the Rhine.

What does it all mean? It means that Europe is preparing for war, and only God can prevent it. It means that Europe has learned nothing from the stark-naked horror of the last World War or from the greed and selfish nationalism that preceded and followed it. It means that soon boys will be marching and dying. It means a million broken hearts. It means starvation and bankruptcy. And it should mean to us a determination to stay out of it. We owe that to ourselves. The United States has always shown a sense of obligation to downtrodden peoples all over the earth, but that does not change the fact that our primary obligation is to our own people.

Holy Writ teaches us not only that we are our brother's keeper but also that "If any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel."

I shall not at this time recount the gruesome horrors of war or the physical and moral wounds resulting from war. Humanitarians have written and spoken on the subject for ages. You, yourselves, have seen the fruits of the last Great War. Over 4,000,000 men called to the colors in this country to fight for a great ideal. Over 2,000,000 of these men sent by our country to fight on foreign soil. Tens of thousands of them never came back. Other tens of thousands returned from the camp and battle ruined for life. And what did we get out of it except disappointed hopes for the realization of a great ideal? It cost our Nation at least \$50,000,000,000, and we asked for and received nothing in return. We earned the hatred and ingratitude of the people whose national identity we had actually preserved. We have even seen many who profited in this country and elsewhere out of that war attempt to discredit the achievements of our own soldiers. We have seen powerful groups and organizations composed largely of men who made fortunes out of the World War brand as demagogues Members of this Congress who have sought to compensate, in some measure at least, our service men of that war for their wounds and sacrifices incident to their service. It does not take men or nations long to forget.

Propaganda put us in that war, rightly or wrongly, and propaganda can do the same thing again. Let us, therefore, be diligent in the future to find out from what source propaganda comes and the justice of its cause.

Allow me to quote Mark Twain on war—from *The Mysterious Stranger*:

There has never been a just one, never an honorable one, on the part of the instigator of the war. I can see a million years ahead, and this rule will never change in so many as half a dozen instances.

The loud little handful, as usual, will shout for the war. The pulpit will warily and cautiously object at first; the great big,

dull bulk of the nation will rub its sleepy eyes and try to make out why there should be a war and will say, earnestly and indignantly, "It is unjust and dishonorable, and there is no necessity for it."

Then the handful will shout louder. A few fair men on the other side will argue and reason against the war with speech and pen and at first will have a hearing and be applauded; but it will not last long; those others will shout them; and presently the antiwar audiences will thin out and lose popularity.

Before long you will see this curious thing: The speakers stoned from the platform and free speech strangled by hordes of furious men who in their secret hearts are still at one with those stoned speakers, as earlier, but do not dare to say so.

And now the whole nation, pulpit and all, will take up the war cry and shout itself hoarse and mob any honest man who ventures to open his mouth; and presently such mouths will cease to open.

Next the statesmen will invent cheap lies, putting the blame upon the nation that is attacked; and every man will be glad of those conscience-soothing falsities and will diligently study them and refuse to examine any refutations of them; and thus he will by and by convince himself that the war is just and will thank God for the better sleep he enjoys after this process of grotesque self-deception.

There we have eloquent evidence of the utter futility of this Nation's or any other nation's attempting to embark on a new road to neutrality when war clouds hover, propaganda reigns, money comes pouring in, prejudice is rampant, and reason is disenthroned.

Lord Northcliffe, of England, once said that it took about \$5,000,000 to get a small nation involved in the World War and 20 times that amount to get America in.

The next time it should be our purpose to see that propaganda alone will not involve us. The other war should have taught the American people a lesson they can never forget.

It would seem that on account of the distance of America from Europe and the absence of direct contact with the nations of that continent, we would not be so glaringly vulnerable to propaganda emanating from that side of the Atlantic. While it is true we have certain geographical advantages in this connection, it is also true that some of the constitutional privileges that helped to make this country great and a free land are the very vehicles often used to stir our people to the point of hysteria where they will be willing to go to war—I refer to the freedom of the press, freedom of speech, and now the comparative freedom of use of radio waves.

The other point of our vulnerability to propaganda is the immediate presence of foreign racial groups in our midst. Let any question come before this Congress affecting the interests of their mother countries, and you see some of these groups go to work creating an atmosphere favorable to the country from which they came. It is true that blood is thicker than water, but such practices are un-American. These people came here through the liberality of our immigration laws of former years, they came here because they knew that in all the world there was no other land to offer them the same chances for life, liberty, and happiness. They should prove themselves Americans in thought, word, and deed, or be sent back to the country from which they came. We have in this country about 16,500,000 foreign born and 7,500,000 aliens. We have here 3,500,000 aliens who are illegally in this country, and many of these are being fed and clothed with American relief money or are robbing real Americans of jobs they are entitled to. Once the mother country of certain of these aliens becomes involved in war in Europe or elsewhere, we will often find that they will exert every effort, through propaganda, to involve this country in war on the side of the home they left to come to this free land. We may just as well realize that something must be done by Congress to clear up this situation. The danger is real and must be met. The Dies bill, which is now tied up in committee, would be a long and proper step in that direction.

I would not have anyone construe anything I am saying in this connection as a reflection upon the Americanism and patriotism of several millions of the foreign-born people now in this country, who came here with the full intention of becoming naturalized at the first opportunity, who have cut away from their old home ties and who have embraced

our philosophy of life and government. They are an asset to our country and we welcome them.

In my zeal for a permanent, comprehensive, American neutrality law I would make it plain that I do not renounce the theory that international cooperation is the surest method to prevent war. In fact, international cooperation is the only way to bring about a warless world, and I hope the day will soon come when representatives of every nation can sit down around a table and decide honestly and unselfishly to outlaw war. I believe in the principles of the Kellogg Pact, in the Hague Court, and every other step that has been taken to prevent the recurrence of war that does not involve us in the results of European diplomatic duplicity. The American people turned thumbs down on the League of Nations not because its terms embodied faulty idealism, not because they do not believe in cooperative effort for peace, but because they became convinced that certain European nations, while protesting to the heavens their purity of purpose, were inspired only by selfishness, revenge, and greed.

The international road to peace is growing up in weeds and is cluttered with wrecks brought about by road hogs who attempted to travel that highway in their own selfish interest and not in the interest of peace. Through neutrality legislation we build another highway for our own safety. In the event of trouble on the international highway, we say to our own people, "You cannot travel that way. We circumscribe your rights for your own good." It may be that this new way will be rough at first, and it is possible that the drivers of the magnificent vehicles of munitions manufacturers and others who make millions out of this war business will rave about the roughness of the road and their right to travel where they please. But, gentlemen, this road and this legislation are not proposed for the benefit of those who wish to trade upon the miseries of war. It is proposed in the interest of the great masses of our people who furnish the cannon fodder for war and who shed the tears and starve because of its folly.

I would protect this road with an adequate Army and a powerful Navy, with the hope that we would never be forced to use either; but should it be necessary in defense to use them, then use them to the last grain of powder, to the last gun, to the last ship, to the last man. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11691, the legislative appropriation bill for 1937, had come to no resolution thereon.

LEAVE TO ADDRESS THE HOUSE

Mr. CROSSER of Ohio. Mr. Speaker, I ask unanimous consent that on Tuesday, March 17, after the reading of the Journal and disposition of matters on the Speaker's table, I may address the House for 30 minutes.

The SPEAKER. Is there objection?

There was no objection.

SUBCOMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. CARPENTER. Mr. Speaker, I ask unanimous consent that the Subcommittee on the District of Columbia may sit during the sessions of the House for the rest of the week.

The SPEAKER. Is there objection?

There was no objection.

THE NEW PHILIPPINE COMMONWEALTH AND CONGRESS

Mr. KOCIALKOWSKI. Mr. Speaker, on yesterday I received permission to extend my remarks in the RECORD. I have been informed by the Public Printer that it will make two and a half pages of the CONGRESSIONAL RECORD and cost \$113. I accordingly ask unanimous consent to insert the remarks in the RECORD according to the regulations of the Joint Committee on Printing.

The SPEAKER. Is there objection?

There was no objection.

Mr. KOCIALKOWSKI. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following address delivered by former Senator Harry B. Hawes, on March 6, 1936:

The Philippine problem has not been solved, contrary to popular understanding. We have laid the groundwork for its solution in a spirit of cooperation and friendly feeling.

But there is a 10-year period intervening between the inauguration of what is now the Philippine Commonwealth and what may then be a free Philippine republic.

What transpires during this 10 years will give the solution, or the revival in more difficult form, of the Philippine problem.

The eyes of the world were turned on our attitude to these 14,000,000 people when Congress had before it the bill by which we offered them their ultimate liberty as a free nation.

The eyes of the world looked to the islands, watching their reaction to our offer. Today the world, and especially the Orient, closely observes what we are doing with respect to the islands, and watches with equal interest what the islands do of their own accord.

We face the decision of crowning our 37 years of fine effort with respect to these people with the hope of a completed task or ruining the record of those 37 years by selfish blindness to our present duty.

During the 10-year period we can make or break the future of this new Christian nation.

In my opinion, there are two factors of civilization which have contributed more than any others to human progress.

The first is the Christian religion; I mean the philosophy of Christianity.

The second is colonization, where one nation takes possession of the land and directs the conduct of peoples of a different race.

The continents of North and South America were penetrated by colonization efforts of England, Holland, France, and Spain. All tried or experimented with colonization in these two hemispheres. Their problem was not so difficult because of the vast areas in these hemispheres and the small native population which inhabited them.

The United States has never been a colonizing nation for the very simple controlling reason that colonization was unnecessary. It has not, even to a limited degree, developed its own acreage. Expansion, therefore, has not been necessary.

With the exception of the acquisition of Alaska, which came into our possession by purchase to round out, as we might say, our Pacific coast line and for the protection of our fishing rights, colonization has never been approved by our people.

Some 40 years ago there was established in the Sandwich Islands an independent Hawaiian government, with an American as president, Mr. Dole, which requested the assumption of sovereignty by the United States. This was granted by our Government. The acceptance at that time—and it was my privilege as a young lawyer to represent this Republic—involved such considerations as safety for the American coast and shipping to securing a defense against the development by a foreign power of a point of naval advantage within short sailing of our shores.

With the intelligent cooperation of the American Government, one of its harbors will some day make it a Gibraltar which, if properly equipped, will do more than any one single enterprise to protect us from war in the Orient; or, in case it comes, to effect a decision favorable to the interests of the American people.

The other two noncontinental areas both came to us not by intent to colonize or acquire offshore property, but as an incident—we might almost say an accident—connected with our War with Spain in 1898.

In that year the repeated and ineffectual struggles of the people of Cuba to secure either an advance in local self-government or independence—a movement which had been successful in the larger continents of North and South America—had been a record of continuous brutalities and atrocities.

The American Nation was shocked; its sympathies were aroused by the methods then employed by the Spanish. Enterprising American newspapers told the story each day to our people, and when finally one of our great American battleships, the *Maine*, was destroyed in the harbor of Habana—it was believed at the time that it was the work of Spanish agents—our Government declared war upon Spain, distinctly stating that it was not a war of conquest for territorial expansion but one for humanity.

As the result of this war we came into possession of the Philippine Islands, a responsibility which at the time could not be avoided.

IN THE PACIFIC

The Spanish squadron in Cuban waters was quickly captured or sunk, but some 7,000 miles away, in Manila Bay in the Philippine Islands there was another squadron of Spanish warships.

Admiral Dewey was assigned the task of destroying this Pacific squadron, and on May 1, 1898, our American vessels entered the Manila harbor and secured the surrender of this Spanish squadron.

This was accomplished without the loss of a single American ship, without the loss of a single American sailor. Only one man died in our battle fleet. This was the result of a heart stroke. And Americans for the first time entered into the life of the Filipino people.

The natives of Cuba had been unable to secure their liberation from the domination of Spain, but when Admiral Dewey arrived in Manila Bay he found that, without the assistance of the United States or any other foreign nation, the native population of the

Philippine Islands had swept the Spanish from all the islands and had them surrounded in the capital city of Manila.

He found a condition where it was merely a matter of time when the Spanish, driven into one spot and surrounded, would be forced to surrender to the Filipinos.

It is necessary to relate the foregoing because we cannot understand the new Philippine Commonwealth until we become familiar with some of the historical facts back of our acquisition of these islands.

The Spanish squadron had been destroyed. Our American troops (wonderful men they were) were on the way. Upon their arrival, the Spanish commander requested that the Philippine troops be not permitted to enter the city at the time of surrender, so the Filipinos who had penned them in waited outside while the American troops marched in and took possession.

Out of this incident came bad feeling and bad blood, and after a while some fighting between the Filipino troops and our American soldiers.

This precipitated a conflict between American troops and Filipinos, a conflict which lasted over 3 years, in which we lost 4,165 men, and the Filipinos, so far as I have been able to ascertain, lost 16,000 men. We expended in this war \$185,000,000.

We went to war to liberate Cuba. We finished the war in that sector in a little less than 4 months, with a loss of only 353 in combat. Compare this with what happened in the Philippines. Three and a half months in Cuba, 3 years in the Philippines; 353 casualties in Cuba and 4,165 in the Philippines. The war in the Philippines took the lives of 20,000 men.

At that time the population in Cuba was approximately 2,500,000 or 3,000,000, and the population in the Philippines over 9,000,000.

It is probably one of the most curious facts in all history that we gave sovereignty to the Cubans in a brief struggle and we assumed sovereignty over the Philippines in a struggle lasting 3 years.

After having assumed sovereignty, there was on our part uncertainty, hesitation, and indecision as to what we were to do with them.

We were faced with the situation of restoring them to the sovereignty of Spain or transferring them to England, France, Germany, or some other colonizing nation. It was a difficult problem for our American statesmen, and they finally decided to retain American sovereignty.

Another historical fact which stands out conspicuously should always be remembered—that in our treaty of peace with Spain we granted her a period of 10 years of uninterrupted trade intercourse with the Philippine Islands.

It is interesting because the Filipino people claim, and with entire justification, that if Spain was allowed 10 years of uninterrupted trade relationships, certainly the new Commonwealth is entitled to at least this consideration, or stating it another way, to equal consideration with the right accorded Spain of uninterrupted trade relations for that period.

They believe that if we did this for Spain there are many more compelling reasons why the same consideration should now be given to the Filipino people and for at least the same period.

Our Americans found in the Philippines a race of Malays who had been under the domination of Spain for over three and a half centuries, a race which had continuously fought for its freedom, there having been 22 distinct and separate armed efforts to secure this freedom.

The Filipinos are a likable people, vivacious, with a love of music, a keen sense of humor, a ready laugh, and a courteous deportment for which we must give some credit to the Spanish. An authoritative English writer describes them "the natural gentlemen of the Orient."

Of all the teeming millions in the Orient, they are the only Christian nation. With a present population of some 14,000,000, 13,500,000 are Christians and belong to the Christian Church. Only approximately 500,000 are Mohammedans and pagans, a matter well worthy of our earnest consideration now and in the future; that is, if we believe that Christianity is one of the foremost elements in civilization.

During our occupancy of the islands there have been no violent disturbances, there have been no insurrections. Our American Army and Navy have never been compelled to fire a single gun or make an arrest since the early days immediately succeeding the war.

On the contrary, when the United States entered the World War, and we withdrew our Army and our Navy, the entire defense of the islands was entrusted to Filipino Scouts. They volunteered enlistment in the American Army, and this assistance would have been utilized had the war lasted longer. They raised money for the Red Cross and offered to donate an armed vessel for the use of our Navy.

There are in the Philippine Islands today only about 6,000 Americans; about 58,000 Chinese; scattered throughout the islands about 6,000 Japanese, but, concentrated in one spot, 14,000 additional Japanese. Of other European nationalities the total will probably not exceed the American population of 6,000.

WHAT WE DID FOR THE PHILIPPINES

While even today some of the administrative activities of our Government in the Philippine Islands are in the War Department, represented by the Bureau of Insular Affairs, the actual administration was quickly placed in the hands of a civil commission, and it was the influence of this commission and its successors, and the very able men we sent out as Governors General, which developed

a theory of governing a dependent people unique and without parallel in the history of colonial government throughout the world. Indicating that all of our American national administrations have considered our sovereignty to be more or less of a temporary character.

The administration of our other noncontinental areas, Puerto Rico and the Virgin Islands, has in recent years been given to the Interior Department. Alaska has never been under the direction of the War Department. So we find this colonial possession the only one remaining under the War Department.

It is an interesting historical fact that no other nation—and that includes England, France, Spain, Holland, and Italy—administers its colonial affairs through its department of war. They are all under some civilian direction.

The work performed by our civil commissions and the Governors General in the Philippines are models of thoughtful, considerate progress toward self-government and preparation for future responsibilities.

There was a gradual extension of Philippine autonomy, an increased replacement of American with Philippine officials, of American teachers with Philippine teachers, of an American constabulary by a Philippine constabulary, of American health officers by Philippine health officers, until today the number of Americans retained or employed in executive capacity is extremely limited.

I have read repeatedly the statement that our Government has spent \$850,000,000 on the Philippines.

This statement is fallacious if we consider the civilian population, for, as a matter of fact, with the single and sole exception of \$3,000,000 appropriated by Congress for population rehabilitation after the conclusion of the Philippine war, not a dollar has left our Treasury for the benefit of the civil population of the Philippines.

The salaries of the Governors General of the Philippines was \$18,000 a year, and the moneys spent for the support of his house, his yacht, his automobiles, and his servants have from the beginning all been paid from the treasury of the Philippine Islands.

In addition, he had set aside for his use, in the way of a cabinet or official advisers, the annual sum of 250,000 pesos (translated into American dollars, \$125,000) a year, which he spent in selecting men of his choosing to act for him in the capacity of a cabinet. This exceeds the salaries of the Cabinet officers of the President of the United States.

From the beginning of our occupancy until the present day the only money for civil purposes that ever came out of our Treasury was for the payment of the salaries of the two Resident Commissioners to the United States, amounting to \$20,000 a year.

We read of the leper colony, and one not informed believes it was financed by the American Government, but this is not correct; the support came from the Philippine treasury, not from our Treasury.

The great works of sanitation, education, and the building of roads was done with Philippine money, not American money.

The philosophy that we have given to the Philippine people from the earliest days is remarkable, distinct, and unique. We sent there school mistresses and school teachers, fine, earnest types of Americans.

Whether wisely or not, their earliest lessons to the youth of the Philippines contained our struggles for liberty, of Patrick Henry, George Washington, and of our battles for freedom.

Our soldiers who remained in the islands each year patriotically celebrated the Fourth of July. It was the occasion of patriotic speeches, all describing the struggles for liberty, independence, and self-determination.

We could not expect that it would not impress youthful minds with the value of liberty and independence. Their natural inclinations were stimulated by our American teaching.

It may be that the English and the French and the Hollanders were right in their theory of colonization and that we were wrong; but, whether right or wrong, we adopted our own course, and I, for one, am proud of it.

WHAT THE PHILIPPINES DID FOR THEMSELVES

We have seen how, during our sovereignty, the Philippines have paid the entire cost of government, but no matter what our example or what our guidance might have been, if there had not been cooperation and peaceful acquiescence to our leadership, small progress would have been made.

We must give credit to these people for this cooperation; we cannot deny it to them. We cannot take away from them the credit of no disorder, no revolt during all these years, and of quiet, peaceful acquiescence under the sovereignty of the United States, working in harmony with the plans for their development.

Their standard of living has been raised until it is now much higher than that of any oriental country.

It therefore costs them more to live in the manner taught them by Americans.

But the most amazing record is that of literacy. According to the last census, that of 1918, people who could read and write were 49.2 percent of the population over 10 years of age. It is estimated that the percentage of literacy today is at least 60 percent—higher than that of many nations, greater than that of any of the Central American Republics.

One visiting the Philippines will find, if he has the desire, Philippine graduates from practically every one of the great American universities. They have an overwhelming desire for education. They have been criticized for it by some practical-minded people who believe that they are overeducated; that is, that they are educated out of a class of manual labor and made

dissatisfied with its occupations. This may be true. It may be that their ambition has produced more lawyers, doctors, and engineers than their nation requires, but that is true in other portions of the world, even in our own country.

So while we take credit for raising these people to the highest standard in the Orient, we must be fair about it and give them credit for the things they themselves have done.

A PROMISE FULFILLED

Beginning with the administration of President McKinley and continuing through each national administration since, we find a promise more or less definite for ultimate independence. Sometimes it has been qualified by "when they are ready for it", or "when they have reached the capacity for self-government", but without exception, subject to these qualifications, we have told them and promised them that they should have their freedom ultimately if they so desired.

And now we have kept our promise.

On a recent visit to the islands our great Vice President, the Honorable John Nance Garner, referred specifically to a promise which Americans had kept and it was referred to by the able Speaker of the House, the Honorable JOSEPH W. BYRNS.

This promise was kept by finally offering them independence at the end of 10 years provided they would write a constitution which would be acceptable to our President, and that they would do certain things and preserve in the constitution those vital elements contained in the first 10 amendments to our Constitution, which we call the Bill of Rights, religious liberty, freedom of the press, trial by jury, protection against unlawful search and seizure, and all the fine things that the Anglo-Saxon people had fought for during generations.

Let me say, in passing, this constitution was written in the Philippines by Filipinos. It was not an American production submitted to them for their approval. It was the result of the work of Philippine brains.

WILL THE NEW COMMONWEALTH SUCCEED?

The Philippine Commonwealth will succeed if Philippine officials will preserve law and order and write into statute law those things that their constitution provides, and if they will continue their work of education, sanitation, and health. That is their part of the job.

But it is within the power of the United States Congress to utterly destroy them by wrecking their economic life.

It is within the power of our Congress to wreck a world record in enlightened colonization; to tear down an American ideal of 37 years; to destroy the belief in the Orient that Americans are great and liberal administrators.

It is within the power of our Congress to blot out, blur, or destroy some of the most illuminating pages of American history.

We must retain under consideration the stern fact that during our entire period of sovereignty the American Congress, by legislative enactments, has controlled all of the exports and imports of these island people.

We confined them to trade exclusively with the United States.

Until the recent unprecedented infiltration of Japanese goods into the islands, within the period of the last 5 years, the Philippines were the eighth best customer the United States had in the world.

That is something to think about. They have had no trade relations with the outside world that is worthy of consideration. They have had no opportunity to build up a trade with foreign countries. The American Congress by statute prevented this being done.

Just as some of our States depend upon their prosperity upon manufactures, others upon agriculture, others upon mining, others upon special productions of one kind or another, the three great sources of national life in the Philippines which furnish its life-blood are its sugar, its coconuts, and its hemp.

We gave Spain 10 years in which to adjust its relations with the islands subsequent to our victory. Now the question is whether we are going to destroy piecemeal the sugar business and the coconut business of the islands, and will we preserve the free flow of raw material of hemp—not the manufactured article but the raw material—for the use of our manufacturers?

Let us review what we have done almost since our offer of independence was made.

With a production of 1,570,000 tons of sugar, we have given the Philippines a quota of 1,015,000, and thus cut their exports to the United States by 500,000 tons, approximating a loss of \$35,000,000.

We have put an excise tax of 3 cents a pound on the products of their coconut groves. That is equivalent to a duty of approximately 100 percent on coconut oil.

We authorized a payment of \$23,000,000 to the islands to meet the situation arising out of the gold-clause order, merely placing their currency reserves on a parity with that of the United States, and an attempt is now being made to take that money away.

We passed a bill to give them the benefit of the excise tax on coconut oil, and there is now in the Treasury of the United States, due them under the law, approximately \$26,000,000. And it is now proposed that we take that away.

These accumulated losses of \$35,000,000, \$26,000,000 in coconut-oil-tax revenue, and \$23,000,000 under the gold clause propose a loss to them of approximately \$84,000,000 at the very beginning and in the most critical years of their experiment in national self-government.

We find, therefore, that no matter how efficiently the Filipinos may develop in the matter of government, after all it lies within

the power of our Congress to break them, to smash them, to destroy their economic and financial life.

They have selected as their President the Honorable Manuel L. Quezon, an experienced, patriotic Filipino statesman, who, with his associate, Hon. Sergio Osmena, was elected by a majority so conclusive, so overwhelming, without disorder, that they have been accepted as the voice of the people. The Filipinos are putting their house in order. It is a difficult task.

They have sent to the United States as their Commissioner—in effect their minister—an able lawyer who has served in an advisory cabinet capacity under our American Governors General and as the speaker of their legislature, the Honorable Quintin Paredes.

We have in the islands, as the representative of the President and the United States Government, a distinguished and able man, the Honorable Frank Murphy, trusted and beloved.

They are all doing their part.

With this joint leadership and an understanding American Congress, with the sympathy and interest of our President Roosevelt, the new Christian Republic is on its way, unless its economic life is destroyed by acts of our own.

Right-thinking Americans all hope that when we say "good-bye"—if we do—10 years from now, it will be done with a handshake, in a gracious manner, according to fine American traditions and in keeping with our previous record in the islands.

But, if, in reality, through misunderstanding or selfishness, it should develop that it is not a handshake—that it is in effect a kick—it would be a disgraceful gesture for our Government to make toward its long-time honor.

This we cannot do with honor.

We cannot do it without immediate loss of American prestige throughout the Orient.

It cannot be done without criticism throughout the world.

Our 37-year guardianship should not now be dimmed with littleness or uninformed selfishness.

POWERS OF THE UNITED STATES SUPREME COURT

Mr. GAVAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech that I made over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. GAVAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

The right of the Supreme Court of the United States to declare invalid acts of Congress in conflict with the Constitution is a principle of our Government so self-evident as to need no proof, and the contention that such right and power does not and should not exist is an argument so unsound on its face as to appear to need no reply. Nevertheless, exactly that contention is now being made in certain quarters in this country, has appeared in certain newspapers with considerable demagogic appeal; it must be answered, not to disprove that which needs no disproving but in order that statements the uninformed might accept as sound may not go unchallenged.

The argument has been made that the power of the Supreme Court to declare acts of Congress contrary to the Constitution void does not exist in law and is an arbitrary assumption of power unnecessary and harmful to our form of government.

I repeat, this contention is so unsound that it carries its own refutation on its face, but I shall endeavor to refute it at some length to make the answer completely clear and conclusive. I do not purport to give here the results of an exhaustive investigation of this question, not because such investigation might weaken my argument, but solely for the simple reason that no exhaustive investigation is necessary to show that this power of the highest court in our land is founded upon the highest authority, and to show that without it American constitutional government, as we know it, would cease to exist.

Before going forward with this discussion, I wish to state I do not believe that I should be criticized as being a Tory or a reactionary. To defend the power of the Court to declare improper acts of Congress contrary to the Constitution does not mean that I am opposed to a liberal interpretation or to amendments of that instrument; nor does it mean that I am opposed to progress or innovations in our system of government necessary or advisable as the result of modern developments in our economic and social situation. Nor do I feel that there is anything so sacred in the Supreme Court, or the Constitution, as to make them immune to constructive criticism, or that there is anything so immutable in each and every part of the Constitution as to condemn those who may suggest changes therein.

Now, it may be admitted at the outset of this discussion that the Constitution does not state, in so many words, that the Court may nullify acts of Congress contrary to the Constitution, but though that power may not be expressed in so many words, it is so clearly implicit in the document itself, and so obviously was intended to exist as a part of the American system of constitutional government, that no man in all our history has been able to successfully deny it, despite the many attempts, largely motivated by political expediency, to do so. For 150 years that power has been recognized and obeyed by every loyal citizen of the country, and obeyed even though, as Oliver Lodge once said:

"The court can neither lay taxes nor raise armies and is helpless to enforce its decrees unless the Nation as a whole will willingly obey them."

Though it may be argued that a reading of the Constitution nowhere reveals a power granted in express words to the Court to declare acts of the legislature invalid, a simple analysis of the principles of political economy upon which the Constitution is based and even a very slight acquaintance with the history of that document will convince even the most skeptical that the Constitution contains a grant of such power expressly and impliedly, and that without it the continued existence of the Constitution, as we now know it, would be impossible.

Well before the American Constitution came into being courts in the American Colonies, as well as in England, had refused to recognize acts of Parliament or of the colonial legislatures as binding and effective where such acts were contrary to natural justice or to the fundamental law of the land. Precedents are many and it will be possible in the short time here available to cite only a few.

David Brearley, chief justice of New Jersey, and subsequently a member of the Constitutional Convention, in the case of *Holmes v. Walton*, considered the exercise of such judicial power where the New Jersey Legislature had provided a six-man jury for certain types of trials, and the case was argued in the Supreme Court of New Jersey in 1779 on constitutional grounds. On certiorari the court held the statute void. Typical of resultant comments was that of Gouverneur Morris, who, speaking of this decision, wrote the Pennsylvania Legislature in 1785 and said:

"Such power in judges is dangerous, but unless it somewhere exists the time employed in framing a bill of rights and framing the Government was merely thrown away."

In 1796 the decision of *Holmes v. Walton* was followed in New Jersey in the case of *Taylor v. Rodney* (4 Halstead 427). In Rhode Island, in 1786, *Trevett v. Weeden* (Pamphlet of J. B. Varnum, Providence, 1787), reached a similar result. In Virginia, as early as 1782, the courts had clearly asserted the power to declare a law void for lack of conformity to the constitution. George Mason, one of the members of the Constitutional Convention, as far back as 1772, in the case of *Robbins v. Hardaway* (Jefferson's Reports Va. 109), argued against the validity of an act as being in violation of the natural law.

In 1776, in the case of *Commonwealth v. Caton* (4 Call (Va.) 1), the court unequivocally stated its power to declare invalid an unconstitutional act of the assembly. When the question was raised George Wythe, subsequently a member of the Constitutional Convention and in this very case sitting as a judge, declared:

"If the whole legislature (an event to be deprecated) should attempt to overleap the bounds prescribed to them by the people, I, in administering the public justice of the country, will meet the united efforts at my seat in this tribunal, and (pointing to the constitution) will say to them: 'Here is the limit of your authority, and hither shall you go, but no further.'"

All the judges on that bench concurred in this opinion, including Chancellor Blair, subsequently a member of the Constitutional Convention.

In 1778 the Virginia Legislature passed an act of attainder, and upon the trial of defendant for the crime of highway robbery the court disregarded the act of attainder and ordered the prisoner to be tried (Burke, History of Virginia, vol. 4, pp. 305, 306).

Again, in 1788, the year before the adoption of the United States Constitution, the question was raised in the *Case of the Judges* (4 Call (Va.) 15), when the court held that "the constitution and the acts (of the legislature) were in opposition; that they could not exist together, and the former must control the operation of the latter."

In Connecticut in 1785 in the *Synsbury case* (Kirby's Reports (Conn. 444)), the courts invalidated an act of the State assembly as being in violation of the provincial charter, which was then the fundamental law of the State.

In 1787, 2 years before the adoption of the United States Constitution, and while the Constitutional Convention was in session, the Supreme Court of North Carolina elaborately argued and considered the power of the judiciary to declare unconstitutional an act of the legislature in the case of *Bayard v. Singleton* (1 Martin, 42). The court stated that it had such power and declared an act of the legislature unconstitutional. The court said:

"But that it was clear that no act they could pass could by any means repeal or alter the constitution, because if they could do this they would at the same instant of time destroy their own existence as legislature and dissolve the government thereby established. Consequently the constitution (which the judicial power was bound to take notice of as much as of any other law whatever), standing in full force as the fundamental law of the land, notwithstanding the act (of the legislature) on which the present motion was grounded, the same act must, of course, in that instance stand as abrogated and without any effect."

In 1792 the South Carolina courts, in the case of *Bowman v. Middleton* (1 Bay 252), declared an act of the provincial legislature passed in 1712 void as a violation of Magna Carta.

Again, in New York, in the well-known case of *Rutgers v. Waddington*, decided in 1784 (Dawson's Pamphlet, 44), Alexander Hamilton contended that the Trespass Act was unconstitutional. Hamilton argued that the law violated natural justice, and the decision was placed upon that ground.

The effect of all these cases cannot be better set forth than in the words of Hampton L. Carson, Esq., former attorney general

of Pennsylvania, who states, in an able article in the *University of Pennsylvania Law Review* (vol. 60, p. 692):

"It is beyond the reach of controversy, therefore, that when the Federal Convention met in 1787 for the purpose of framing a constitution for the United States, the idea of controlling the legislature through the judiciary was familiar to its leading members. It had been asserted in New Jersey, Virginia, New York, Rhode Island, and North Carolina."

With these decisions in mind, we may now proceed to a consideration of what transpired with respect to this question during the proceedings of the Constitutional Convention itself.

Various proposals were made in the Convention to provide for a review of acts of Congress by various agencies of one sort or another, one suggestion being that a "council of revision", to be composed of the members of the Court and the President, be established to review legislation of doubtful constitutionality. Such suggestion was voted down by the Convention, and it is argued from that premise that the Convention never intended to give the Supreme Court the power to review acts of Congress. This argument, however, expounded from a proper historical viewpoint, instead of supporting, itself refutes the very contention made. Some slight investigation of the proceedings of the Convention is all that is necessary to make this clear.

On the same day this suggestion was turned down, the existing clause in the Constitution covering the question (article IV) was adopted. This clause was written almost entirely by Luther Martin, of Maryland, who publicly stated that he had framed it to put in the hands of the judiciary, not the Congress, this power (Farrand, vol. II, pp. 28-29). What more complete refutation of this argument could be found, then, than the words of Luther Martin, voting against the council of revision and advocating his own clause, then adopted in substantially the same form as it now stands, when he said:

"As to the constitutionality of laws, that point will come before the judges in their official character. In this character they have a negative on the laws."

Admitting the soundness of Martin's view, Mason, of Virginia, another member of the committee, said of the proposed Federal judiciary:

"They could declare a constitutional law void."

And Rutledge stated on the floor of the Convention:

"The judges never ought to give their opinion on a law until it comes before them."

As was said by Gerry of Massachusetts, speaking of the judiciary under the new Constitution:

"They will have a sufficient check against encroachments on their own department by their exposition of the laws, which involves a power of deciding on their constitutionality. In some of the States the judges had actually set aside laws as being against the Constitution. This was done, too, with general approbation." (Farrand, vol. I, p. 97.)

Farrand, in his *The Records of the Federal Convention*, volume II, page 28, states:

"Mr. Gov. Morris was more and more opposed to the negative (by council). The proposal of it would disgust all the States. A law that ought to be negated will be set aside in the judiciary department."

Again, Rufus King stated:

"The judges will have the power of expounding those laws when they come before them; and they will no doubt stop the operation of such as shall appear repugnant to the Constitution." (Farrand, vol. I, p. 109.)

The Convention assembled then voted down the proposition to create a "judicial council" to review unconstitutional legislation. The delegates did so, not to limit the judiciary's powers but to retain them in status quo.

Thus the proposal for the council was defeated, not on the grounds that the judges should not have the power to negative unconstitutional acts of Congress, but solely on the grounds that such a council was unnecessary and inadvisable inasmuch as the judges already possessed that power and it would be inadvisable to join them with the executive branch of the Government in the exercise of it. The Convention retained in the framework of the new government the judicial review of unconstitutional legislation, and refused to create a legislative review.

Pinckney, of South Carolina, clearly and succinctly gave the reason for the rejection, when he said:

"It will involve them (the judges) in parties, and give a previous tincture to their opinions."

So it is clear that rather than the Convention at any time denying the power of the Federal judiciary to declare an act of Congress unconstitutional, the argument solely turned on the question whether the judiciary, already possessing such power, should be joined with any other authority in reviewing legislation. It was an undisputed assumption throughout the discussion that the courts possessed the power and right, in their judicial capacity, to hold any statute violating the Constitution to be a nullity.

Having considered the precedents that existed prior to the adoption of the Constitution in 1789, establishing the judiciary's right to pass upon acts of the legislature, and realizing that all of these precedents were familiar to many of the framers of that document, let us now consider what the members of the Convention had to say in the Convention itself, and to their various State legislatures when the question of the adoption of the Constitution was before each State.

It has already been shown, and will be shown again, that many members of the Philadelphia Convention continually stated it to be their opinion that the judiciary in the normal and customary

exercise of its functions would be empowered to pass upon the validity of an act of Congress. If this was not the understanding of the framers of the Constitution and of the people at large, it can only be concluded that such contentions would have been vociferously met, and an attempt made to disprove them. Furthermore, many members of that Convention, in order to persuade their individual States to ratify the Constitution, as will be shown, made statements that the National Supreme Court was empowered to invalidate acts of the National Congress contrary to the Constitution. Again, one would necessarily conclude that if such were not the prevailing opinion at the Convention and in the State legislatures when the Constitution was being considered, such statements would have been disputed. Yet, neither in the record of the Constitutional Convention itself, nor in the records of any State convention convened to adopt the Constitution, can one find anywhere a statement denying that power.

It is to be remembered, that at the time of its adoption there was keen and hard-fought opposition to the Constitution, that the powers of the newly created President, Congress, and judiciary were everywhere debated, yet nowhere does it appear that anyone directly and substantially contended that the National Supreme Court would not have the power which we have been discussing. Continuously, various members of the Constitutional Convention and other influential citizens stated in support of the new Constitution that the national judiciary had the power to invalidate improper acts of the National Congress.

Prof. Charles A. Beard, of Columbia University, one of the ablest of present-day American historians, has come to the conclusion that there were 25 men who constituted the dominating element of the Convention; that of these, at least 16 expressly stated their belief in the power and right of the Federal judiciary to pass upon the constitutionality of an act of Congress. Seven more are on record in favor of the doctrine, while only five, or at least six, members ever opposed the policy of judicial review; and of these latter, not one ever denied that the power existed, though they may not have approved it. The evidence is overwhelming.

Upon the floor of the Convention this power was stated repeatedly, it was affirmed after the Convention, and while the Constitution awaited adoption by the States, and it was again stated by many high in authority in all three branches of the new Government after it was established, and never was its existence denied, even by the few who thought it inadvisable.

As was said by Charles H. Burr, Esq., in 60 *University of Pennsylvania Law Review*:

"When the Federal Constitution was submitted to the several State conventions for ratification, complete unanimity of interpretation was given to the judiciary clauses. To the proposition, repeated again and again, that the power had been granted to the Federal judiciary to declare void an unconstitutional act of Congress, no voice was raised in doubt, criticism, or dissent. This power of the judiciary to protect the States and the people from the aggressions of Congress was the one all-potent argument wielded by the supporters of the Constitution. And, however its detractors may have persisted in their opposition, they united in recognizing the validity of the argument."

Oliver Ellsworth, who had been a member of the Constitutional Convention and subsequently the United States Supreme Court with John Marshall, stated to the Connecticut convention met to adopt the Constitution that, "This Constitution defines the extent of the powers of the General Government. If the General Legislature should at any time overleap their limits, the judicial department is a constitutional check. If the United States go beyond their powers, if they make a law which the Constitution does not authorize, it is void; and the judicial power, the national judges, who to secure their impartiality are to be made independent, will declare it to be void. On the other hand, if the States go beyond their limits, if they make a law which is a usurpation upon the General Government, the law is void; and upright, independent judges will declare it to be so" (Elliott's Debates, vol. II, p. 196).

Again, James Wilson, a member of the Constitutional Convention, said to the Pennsylvania convention met to adopt the new Constitution: "If a law should be made inconsistent with those powers vested by this instrument in Congress, the judges, as a consequence of their independence, and the particular powers of government being defined, will declare such law to be null and void, for the power of the Constitution predominates. Anything, therefore, that shall be enacted by Congress contrary thereto will not have the force of law" (Beard, the Supreme Court and the Constitution, p. 71).

James Otis, a member of the Convention, said in support of the Constitution that "if the reasons that can be given against an act (of Congress) are such as to plainly demonstrate that it is against national equity, the national courts will adjudge it void. This may be questioned by some, though I make no doubt of it, whether they are not bound by their oaths to adjudge it void."

In North Carolina William R. Davis, delegate to the Federal Convention, discussing, in the State convention, the judiciary clause of the new Constitution, said:

"Every member will agree that the positive regulations ought to be carried into execution and that the negative restrictions ought not to be disregarded or violated. Without a judiciary the injunction of the Constitution may be disobeyed and the positive regulations neglected or contravened" (Elliott's Debates, vol. IV, p. 156).

And Governor Johnson, of the same State, said:

"Every law consistent with the Constitution will have been made in pursuance of the powers granted by it. Every usurpation of law repugnant to it cannot have been made in pursuance of its powers."

The latter will be negatory and void" (Elliott's Debates, vol. IV, p. 188).

Charles Pinckney, a delegate from South Carolina to the Constitutional Convention, speaking at the State convention to adopt the new Constitution, said of the Federal judiciary that:

"[Its] duty would be not only to decide all national questions which should arise within the Union, but to control and keep the State judiciaries within their proper limits whenever they shall attempt to interfere with its power." (Elliott's Debates, vol. IV, p. 258.)

At the Virginia convention, met for the same purpose, Madison declared:

"It may be a misfortune that in organizing any government the explication of its authority should be left to any of its coordinate branches. . . . There is a new policy in submitting it to the judiciary of the United States." (Elliott's Debates, vol. III, p. 532.)

Randolph, of the same State, said:

"If Congress wish to aggrandize themselves by oppressing the people, the judiciary must first be corrupted."

And, stated Grayson, supporting the same position:

"If the Congress cannot make a law against the Constitution, I apprehend they cannot make a law to abridge it. The judges are to defend it. They can neither abridge nor extend it." (Elliott's Debates, vol. III, p. 567.)

Patrick Henry, given in all school books as one of the greatest of American patriots, at the same convention proudly boasted of the independence of the Virginia judiciary, and said:

" . . . they had firmness to counteract the legislature . . . Yes, sir; our judges opposed the acts of the legislature. We have this landmark to guide us. They had fortitude to declare that they were the judiciary and would oppose unconstitutional acts." (Elliott's Debates, vol. III, p. 324.)

In replying to Henry, John Marshall, later Chief Justice of the United States Supreme Court, declared:

"If they (Congress) were to make a law not warranted by any of the powers enumerated, it would be considered by the judges as an infringement of the Constitution which they are to guard. They would not consider such a law as coming under their jurisdiction. They would declare it void." (Elliott's Debates, vol. III, p. 93.)

Alexander Hamilton expressed his views in the *Federalist*, volume 78, when he said:

"No legislation could, therefore, contrary to the Constitution, be valid. To deny this will be to affirm that the deputy is greater than his principal; that the servant is above his master; that the representatives of the people are superior to the people themselves; that men acting by virtue of powers may do not only what their powers do not authorize but what they forbid. The interpretation of the laws is a proper and peculiar province of the courts. The Constitution is, in fact, and must be regarded by the judges as a fundamental law. . . . If there should happen to be any irreconcilable variance between the two, that which is the superior obligation ought, of course, to be preferred; in other words, the Constitution ought to be preferred to the statutes; the intentions of the people to the intention of their agents."

Again, James Madison, who unquestionably contributed more than any other framer toward the formation and development of the Constitution, also expressed his complete approval and support of the power of the judiciary to review acts of the legislature in the *Federalist*, no. 39. Madison at times appeared to doubt its value, but he never questioned the power. At the Federal Convention, for instance, Madison stated upon the floor of the house:

"A law violating a constitution established by the people themselves, would be considered by the judges as null and void." (Farland, *The Records of the Federal Convention*, vol. II, p. 93.)

Madison was present throughout the Convention proceedings, and, though he may have doubted its wisdom, never did he contend that the judiciary did not have such power under the Constitution. Furthermore, Madison, shortly before his death in June 1836 after he had had an opportunity to hear all that was to be said on the subject and after observing the Federal judiciary in operation and after having had before him the decision and results of *Marbury* against Madison (*infra*), wrote and said:

"The jurisdiction claimed for the Federal judiciary is truly the only defensive armor of the Federal Government, or, rather, for the Constitution and laws of the United States. Strip it of that armor, and the door is wide open for nullification, anarchy, and convulsion, unless 24 States, independent of the whole and of each other, should exhibit the miracle of a voluntary and unanimous performance of every injunction of the parchment compact." (Writings of James Madison, vol. IV, pp. 296-297.)

Again one may gain much light on this question by considering what transpired upon the passage of the famous resolutions of Virginia with respect to the alien and sedition laws of 1798. A number of States adopted counterresolutions, the following being typical:

Rhode Island: "The second section of the third article on the Constitution . . . vests in the Federal courts exclusively, and in the Supreme Court of the United States ultimately, the authority of deciding on the constitutionality of any act or law of the Congress of the United States."

Massachusetts: "The decision of all cases . . . arising under the Constitution of the United States, and the construction of all laws made in pursuance thereof, are exclusively vested by the people in the judicial courts of the United States."

New Hampshire: "The duty of such decisions (as to constitutionality of congressional acts) is properly and exclusively confided to the judicial department."

In Vermont the resolutions read: "It belongs not to State legislatures to decide on the constitutionality of laws made by the general Government; this power being exclusively vested in the judiciary courts of the Union."

The Virginia Legislature was obliged to consider these resolutions of other States, and a report was drawn up by Madison, as a member of that body, who admitted:

"That the judicial department is, in all cases submitted to it by the forms of the Constitution, to decide . . . in relation to the authorities of the other departments of the Government."

Authoritative excerpts from the foregoing speeches and writings of the leading members of the Constitutional Convention, both at that Convention itself and at the various conventions met in the several States to adopt the Constitution, and the excerpts from the resolutions passed by the various States following the Virginia resolutions in 1798, are clearly sufficient to show that beyond any shadow of doubt it was universally understood, both before and after the United States Constitution was adopted, that the Federal judiciary had the right and the power to limit Congress within its constitutional powers and to invalidate any ultra vires acts passed by the National Legislature. Again, not only do the judicial decisions antedating the Constitutional Convention prove this power but other judicial decisions immediately after its adoption affirm it. In 1792 Attorney General Randolph, in an argument in a case in the Supreme Court, said:

"The sum of my argument was the admission of the power (of the Court) to refuse to execute an act of Congress" (*Hayburn's case*, 2 Dall. 409).

Again, the effect of the decision in the case of *United States* against *Yale Todd* was to determine an act of Congress of 1792 unconstitutional. (See note, 13 How. 40-52.)

Again, in *Cooper v. Telfair* (4 Dall. 194), Chase, J., held:

"It is a general opinion—indeed, it is expressly admitted by all this bar, and some of the judges have, individually, in the circuit courts decided that the Supreme Court can declare an act of Congress to be unconstitutional, and, therefore, invalid; but there is no adjudication of the Supreme Court itself upon the point. I agree, however, in the general sentiment."

In the *Federalist*, nos. 78 and 80, the independence of the newly created Federal judiciary is elaborately discussed, and the existence of the power to pass upon questions of constitutionality is taken for granted. It is there commented upon, not as a mere possibility but in order to remove any lingering objections there might be to such a practice. And, in no. 39, Madison specifically states:

"Some such tribunal is clearly essential to prevent an appeal to the sword and a dissolution of the compact."

And so we find that provision in article IV of the Constitution, which reads:

"This Constitution and the laws of the United States which shall be made in pursuance thereof and the treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby."

And the judicial authority established in article III, reading:

"The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. The judges . . . shall hold their offices during good behavior . . ."

By article IV the supreme law of the land constitutes (1) the Constitution, (2) the laws made in pursuance thereof, and (3) treaties. So an act of Congress not made in pursuance to the Constitution, but violating its provisions, is no part of the supreme law, as defined by the express language of the Constitution; and when the Court, exercising the judicial power vested by article III, is confronted with the provisions of the Constitution, on one hand, and an act of Congress in violation thereof, on the other, the Constitution alone is the supreme law, and the only power and duty of the Court is to enforce the Constitution and declare the act invalid.

And so, in the earliest case in which the question was directly brought to a point (*Marbury v. Madison*, 1 Cr. 137 (1803)), John Marshall, greatest of the Chief Justices of the United States, stated and affirmed the absolute power of the Court. Marshall cited no precedents, and for that reason some persons have argued that none existed. The answer to that contention is clearly that there were precedents so numerous that citation would have been superfluous. The principle was so obvious to Marshall and so fully recognized by the Nation at large, that he was concerned only to enunciate and affirm in clear and forceful style the principle in words that have yet to be improved upon. He said:

"The Constitution is either a superior, paramount law, unchangeable by ordinary means, or it is on a level with ordinary legislative acts, and, like any other act, is alterable when the legislature shall please to alter it. If the former part of the alternative be true, then a legislative act contrary to the Constitution is not law. If the latter part be true, then written constitutions are absurd attempts on the part of the people to limit a power in its own nature illimitable—if an act of a legislature, repugnant to the Constitution, is void, does it, notwithstanding its invalidity, bind the courts and oblige them to give it effect? Or, in other words, though it be not law, does it constitute a rule as operative as though it was a law? This would be to overthrow in fact what was established in theory and would seem, at first

view, an absurdity too gross to be insisted upon. It shall, however, receive more attentive consideration. It is emphatically the province of the judicial department to say what the law is. Those who apply the rule to particular cases must of necessity expound and interpret that rule. If two laws conflict with each other the courts must decide on the operation of each. This is the very essence of judicial duty. If, then, the courts are to regard the Constitution, and the Constitution is superior to any ordinary act of the legislature, the Constitution, and not such ordinary act, must govern the case to which they both apply. Those, then, who controvert the principle that the Constitution is to be considered in court as a paramount law, are reduced to the necessity of maintaining that courts must close their eyes on the Constitution and see only the law" (in the sense of law as the acts of legislature).

There are those who have presumed to characterize such reasoning as an argument of sophistry and a mere assumption of power without authority. To so characterize one of the greatest decisions ever written in any court is to pervert history and to reduce argument to mere partisan propaganda. That Marshall was eminently sound in his opinion, "is as demonstrable as any mathematical proposition and requires only an examination of the Constitution itself."

Some have stormed at the opinion in anger, and some have presumed to call it a mere dictum, but notwithstanding all assaults, it remains in all the force of its unquestionable truth and logic and forms an unassailable keystone in the American system of constitutional government.

In over 50 cases since the establishment of the Constitution the Court has invalidated acts of Congress contrary thereto, and its right so to do has never been questioned. Probably the greatest commentator on the American theory of government, Lord Bryce, has said:

"No feature in the Government of the United States has awakened so much curiosity in the European mind, caused so much discussion, received so much admiration, and been so frequently misunderstood than the duties assigned to the Supreme Court and the functions which it discharges in guarding the ark of the Constitution."

Furthermore, states Bryce—

"Few American institutions are better worth studying than this intricate judicial machinery; few deserve more admiration for the smoothness of their working; few have more contributed to the peace and well-being of the country."

De Tocqueville, in his *Democracy and America*, says:

"The power of the judiciary to declare a law invalid if it transgresses the powers given by the Constitution is one of the strongest barriers ever devised against the tyrannies of political assemblies."

So one could go on piling precedent upon precedent, citation upon citation, and authority upon authority, proving beyond the shadow of a doubt that the Constitution gives to the Supreme Court expressly and impliedly the full power to refuse to recognize any law or act of any branch of the Government, including the Congress, that contravenes the Constitution; but this proposition is so self-evident and so clearly ingrained in the American system of government that to make further citation of authority would be superfluous. It suffices to state that that power of the Court has stood unquestioned in the minds of all reasoning men since the foundation of the Republic, despite popular recrimination, the assaults of demagogues, the attacks of those who would wish to usurp the Constitution and make of themselves dictators, despite wars and even actual rebellion.

Such is the fact; and as we stand today admittedly this power can only be curtailed and excised from the fabric of our Government by a constitutional amendment. Whether the power is assumed or was granted is today an academic question, and the controversy is reduced to the question, Should such an amendment be made? I shall now address myself to that contention and conclude this discussion proving that such amendment is inadvisable in the highest degree and would constitute the downfall of American constitutional government. This power in the Court is absolutely imperative, it is the very essence of constitutional government in this country, and without it the Constitution becomes a mere scrap of paper.

The gist of the general argument against the Court's powers is as follows:

"That an act may be passed by the Congress, representing the sovereign will of a sovereign people, approved by the Executive, also representing all of the people . . . only to have it stricken down years later by the assumed unconstitutional exercise of power by an appointive judiciary, is, I say, an anomalous and unbearable state of affairs, and one wherein we fall short of the ability to exercise the sovereign powers of a nation."

That argument, to sum up, claims that Congress represents the sovereign will of the Nation and that therefore any act passed by Congress cannot and should not be invalidated by the Court. A nodding acquaintance with the United States Constitution is sufficient to refute such contention in anyone's mind. The Constitution, not Congress, represents the sovereign will of our people. That sovereign will is expressed only through the Constitution and Congress expresses only the will of the people under the Constitution. It has been recognized since 1789 that Congress expresses the will of the people in the ordinary course of events, but that that expression is always controlled by the sovereign will of the people, expressed, and only expressed, in the fundamental law of the Constitution.

Furthermore, it is quite elementary, but it seems necessary to repeat that this country is made up of a union of 48 sovereign

States, and superimposed thereon there exists a sovereign Federal Government. To the Federal Government, under the Constitution, are delegated certain powers, and to the individual State governments are reserved the remainder. Again, under the Constitution, to the President are delegated certain powers, to the Congress others, and to the judiciary still others. One need not stop long to realize that under this system an attempted exercise of power by the President may overlap that of Congress, and that of Congress the Supreme Court, and conversely; and that, again, an attempted exercise of power by the Federal Government may overlap that of the States, and those of the States overlap those of the Federal Government. To continue the smooth working of the Government under such an arrangement and division of functions, it is perfectly obvious that a power must be lodged somewhere in the Government to define the limits of the powers of these various organs and to say where the powers of one begin and of another end.

If it were not for the Supreme Court the State governments could arrogate to themselves powers clearly only within the jurisdiction of the Federal authority, and conversely the Federal Government could reach out throughout the land and assume powers clearly reserved to the States. Worse yet, if it were not for the existence of this power in the Court, the President could assume to himself powers reserved to the Congress, and, conversely, Congress could assume powers of the President or the courts. The President could, for instance, make Executive orders of any sort on his own volition and give to them the effect of absolute statutes.

The people elect the President, but no one has yet had the temerity to assert that they elect the President to make the laws. Even a schoolboy knows the President is supposed only to execute the laws that are made by Congress. Going further, the Congress—which, under the Constitution, is limited to certain very definite powers—could pass laws of any sort whatsoever if it were not for the existence of the judicial veto in the Supreme Court. Congress would become even more omnipotent than the British Parliament. It may be admitted here that no court in England would invalidate an act of Parliament, despite what Coke said in *Dr. Bonham's case*, that "an act of Parliament against common right and reason would be adjudged void." But it suffices to say with respect to the British Parliament that safeguards exist in England upon the Parliament's powers that do not exist in this country with regard to Congress. The American Congress is in substance comparable not to the Parliament as a whole but only to the House of Commons. In England the House of Lords may at least stay an act of the Commons for at least 2 years. Again, though it may not have been exercised since the reign of Queen Anne, the British Crown does have the power of veto over an act of Parliament. Again, the British constitution, though unwritten, has, in a country such as England, heavily imbued with tradition, a force almost equivalent to that of the laws of nature.

Congress in this country, if it were not for the Supreme Court, would be the most omnipotent lawmaking body on the face of the earth. The existing Congress could permanently legislate itself into office and prevent all future elections. If at the next election the Republican Party by some unpredicted turn of events should attain a majority in Congress, that Republican majority could legislate the President out of office and replace him with anyone it saw fit, save for the Supreme Court. Congress could violate every single provision of the Constitution; it could, for instance, establish a state religion and disqualify all those adhering to any other belief in God from voting; it could abolish freedom of speech and of the press and permit to exist only those newspapers which expressed the ideas and demands of the dominant party; it could quarter troops in any home; it could abolish every constitutional protection against the security of the people in their persons and in their homes against unreasonable searches and seizures; it could abolish trial by jury and place a person in double jeopardy for the same offense; it could abolish completely all the principles of law which have been built up in a thousand years of strife in Anglo-Saxon history to protect the citizen and his life, liberty, and property; it could pass bills of attainder and expropriate property without compensation; it could abolish courts and constitute in place of our existing judicial system dishonest and political star-chamber proceedings; it could restore prohibition; it could remove the right of suffrage for sex, religion, race, or any other conceivable reason; it could establish forced labor; it could abolish any branch of the Government and create any other. One could go on ad infinitum illustrating the evils and excesses which Congress could impose upon the Nation were the protective powers of the Supreme Court once removed. It is no answer to say that if Congress exceeded its constitutional powers the people would vote its Members out of office on the next election. The people might not even get the opportunity; Congress might legislate itself into office permanently or make illegal all political parties except the dominant one, and in any case irreparable injury could be done before the following elections.

That this is no idle talk and does not represent the far-fetched excesses of an overactive imagination is amply illustrated by current events in other parts of the world. One has only to consider the countries of Europe to realize what can be done by a dominant political party or a successful demagogue in the way of destroying the rights of the common citizen and establishing an absolute dictatorship and tyranny over the people through the control of a legislative body with those very same rights that the opponents of the Supreme Court would vest in Congress.

The very situation that exists in Europe could come to pass in this country if Congress were once given the omnipotent powers

that the opponents of the Supreme Court advocate. It is perfectly obvious that if the Court is deprived of the right and power to interpret the Constitution and to refuse to recognize any governmental act not within the Constitution, that the Constitution, for all practical purposes, would cease to exist. Both in theory and in fact that document becomes but an interesting scrap of paper to be entombed in a museum. Future generations could point to it as a "classic" example of what depths a nation may descend to when popular clamor, created and steered by clever but unscrupulous demagogues, is permitted to override the counsel of reasoning men. Is every lesson of our history to be thrown aside, is all that we have fought for to give security to the citizen in his life, liberty, and property, and his chance in the "pursuit of happiness" to be nullified in order that doubtful virtues of a dictatorship be established? The dictatorship of a majority political party, be it Democratic, Republican, Socialist, Communist, or what not, is no less hateful than the tyrannies of kings or emperors.

The unfortunate part of the arguments against the Supreme Court is that they subtly ensnare the very people whom the Court is most zealous to protect—the ordinary common man in the street. Under the guise of an interest in the mass of the people and under the cloak of promoting legislation designed to promote their social and economic welfare, the opponents of the Court argue that the Court in its decisions is in effect legislating against all social reform, and therefore to achieve that very necessary reform it is necessary to abolish the Court as we know it. Whether inspired by motives of ignorance or malice, the result that these people seek to achieve would be harmful to a degree impossible to conceive. They make the argument that the Court is a reactionary body of "old men" with "horse and buggy" ideas, who are more zealous to protect "property" than "life or liberty." Even if this be so, which it is not, is that any reason for abolishing protection of life and liberty, as well as to property? They argue that the Court's decisions represent in effect legislation created by the "nine old men" and the basis of their own personal beliefs and opinions. Nothing could be further from the fact. The Court's power is only negative, never positive; it cannot and does not legislate. It makes no statutes; it levies no taxes; it does nothing except uphold the lawful and negate the unlawful. As for the assertion that the Court's decisions represent merely the personal ideas of its members, no better answer can be given than the known fact that men who were so-called liberals when nominated have written so-called conservative opinions, and members known as conservatives when nominated, like the present Chief Justice, have consistently been on the liberal side. Probably no body of men on the face of the earth act with a greater devotion to law and duty, with more complete impartiality, or with a more objective viewpoint.

I do not propose to argue the merits of various statutes of a primarily social or economic nature passed by Congress but declared unconstitutional by the Court, such as the N. R. A. It should be sufficient for me to state here that I do not for one moment deny the probable necessity of certain economic and sociological reforms under present conditions in this country. But under the Constitution, unless one is willing to pervert plain English, the power does not exist in the Congress to create many of the lately proposed reforms. No better example could be cited than the N. R. A., which, for the moment, I shall assume to be a universally desired statute. But the answer to the existing lack of power in Congress to so legislate is not to cut off the power of the Court to protect the people, but to increase the power of Congress to benefit them. And the way to increase that power in Congress is clearly set forth in the Constitution itself (art. V) by amendment. The United States Constitution very possibly is not an up-to-date document and does not give to Congress the powers which may be necessary to meet modern needs. But that does not mean that the Court should be obliged to pervert its language, to rewrite the Constitution of its own notion, or to interpret that document in a so-called flexible manner to meet such needs.

If the Constitution does not meet modern needs, let it be amended. When one asks for an amendment to the Constitution, one is immediately met by the argument on the part of those whose social concerns are exceeded only by their haste and ill consideration that the process of amendment is too slow. One needs only to cite the last amendment to the Constitution to refute such a contention. The twentieth amendment, repealing prohibition, was introduced in Congress on February 20, 1933, and was ratified on December 5, 1933. Seven months had elapsed. If necessary, I do not doubt that the process could be speeded up to 3 or 4 months. What more speedy process for creating social reforms could be asked for than one that permits the alteration of the fundamental law upon which this country operates within a period of a few months? But the opponents of the Court do not advocate amendments giving Congress the powers needed; rather, they prefer to curtail the power of the Court. Why so? Because curtailing the power of the Court would not give to Congress merely the additional power needed and which the country might wish the Congress to have, but it would give to Congress omnipotent power so that Congress might, at the dictation of one political party or one political leader, commit the catalog of acts above set forth. What a paradox would be created—that a Congress acting under the United States Constitution could do anything under the sun in violation of that very same Constitution!

These so-called liberals who advocate the overthrow of the Court are, whether purposely or unconsciously, advocating the very antithesis of true liberal principles and attempting to pave

the way for the overthrow of the American system and the establishment of a system that would put us on the same low plane on which the nations of Europe now find themselves.

I can do no better, in closing, than to quote the opinions of Lord Brougham, who said:

"The power of the judiciary to prevent either the State legislature or Congress from overstepping the limits of the Constitution is the greatest refinement in social quality to which any set of circumstances has ever given rise or to which any age has ever given birth."

And of Gladstone, who stated:

"* * * the American Constitution is the most wonderful work ever struck off at a given time by the brain and purpose of man."

THE WORLD WAR DEBTS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short table.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker, there is no subject, with the possible exception of neutrality, that presents the picture of international affairs and world-wide opinion with such cogent emphasis and dangers, as well as focal points of irritation, as that of the collection of the World War debts. Certainly everyone must admit that the ultimate goal of all peace-loving, sincere nations must be won by the eliminations of these points of friction which obstruct mutual and multilateral concord.

Insofar as the three great sovereignties of the Old World—England, France, and Italy—are concerned the failure of each of them to respectfully treat their debts to us is seemingly as provocative of resentment and anger as any other imaginable subject. However, coolness, understanding, and pitiless logic are needed in the discussion of this subject; and retaliation, which precludes study and blinds perspective, should be absent in all sympathetic considerations.

Roughly we know that England owes us more than four billions, Italy over two billions, and France more than three and one-half billions. We know further that the transfer of money out of a country has very limited possibilities, and this is especially true with the existent paucity of gold and silver supplies in these countries. Beyond this, too, the paper currency cannot be utilized except in very limited payments. No one should forget that paper money fluctuates in value with the possibilities of its convertibility into gold. Certainly, if we accept paper money from a foreign nation, it would be practically worthless unless we could send it back for gold when the stress came.

Private citizens of a defaulting nation sell goods and services, carry supplies, accept and use remittances, entertain tourists and travelers, and for these acts they may be said to receive foreign exchange. We have placed in appendix B a statement of international balances over a period of 38 years. Let us assume that the debtors receive actual checks of American citizens on American banks and also get American money. Obviously, if the French Government could have all of those checks and species of American currency it might well turn them over to the United States Government in lieu of the debt. But this could only be done by taxation on the part of the French Government to permit them to purchase those checks or specie of currency from French citizens and in no other practical way.

Quite the contrary, we know that such is not the case, and that those who are receiving payments from Americans obtain it almost invariably in foreign exchange without the transfer of such checks, gold or currency. The somewhat baffling intricate operation of foreign exchange must be understood before one can proceed.

A debtor country must sell to foreigners more goods and services than it purchases from those foreigners, or, conversely, the creditor nation must be willing to purchase more goods than it sells. Let us take an absurd example to illustrate. Suppose that French citizens have sent over a half billion dollars worth of goods to American citizens. American importers pay for those importations directly to the Treasury of the United States, and the Government of this

country credits that half billion dollars to the French debt. What is the situation in France? Thousands of French nationals hold paper debts against American citizens who have just substituted the United States in their places. It is clear that the French Government must step in somewhere and make whole these debtors. It orders all such French exporters to turn in their invoices to the French treasury and receive equivalent value. But before it can purchase these obligations the French Government must have money only obtainable by legislative authorization and a tax program permitting such exchanges. Under such circumstances the taxes imposed to buy these obligations must be borne by the people of France. Even under this simple theoretical plan the citizens of France pay, and they must pay in the practical manipulations of international exchange also.

Certainly, if the rich treasures of art were to be sold to citizens in the United States, such a four-corner transaction might be employed.

However impracticable these two suggestions might seem, they should disclose the overpowering need for the debtor country to effect a surplus credit in the creditor country. It had been said by some that the problem resolves itself into the power of a debtor country to earn foreign exchange, otherwise expressed by saying that the debtor nation must have a surplus of exports over imports or a favorable balance of trade.

United States may therefore have an opportunity of receiving debt payment if it is willing to accept an import surplus, thus securing more goods and services than it exports to the country in debt.

Many times during the debt discussions we have had suggestions offered that all France needs to do is to purchase all the bonds of French citizens covering American investments and turn them over to the United States. Our country would then be forced to sell these bonds to obtain the money to credit the French Government. So far as it goes, this is a worth-while expedient, but the volume of such transactions is relatively small.

However, its proffer might at least display willingness on the part of the French Government. It must be explained, moreover, that the removal of this capital income would of necessity eliminate the possibility of future annual interest payments, a by no means small factor in international exchange.

Here is another suggestion. Senator J. HAMILTON LEWIS said recently in the United States Senate:

I now invite the attention, sir, of this honorable body to the prospect of the payment of some of these debts by the transfer to us of land adjacent to and connected with the American Continent and not in use by our debtors.

When this subject was touched upon by me not long since, suggesting transfer to the United States of islands in the Caribbean Sea, continental America, to this England, through one of her spokesmen, rightfully intimated that to transfer certain sections of her populated islands to the ownership of the United States would result in the transfer of some of its citizens, against their will, to become Americans. In that connection I suggest that a short while past we yielded to England in a boundary commission Alaskan territory claimed as property of the United States under treaty of purchase from Russia. This concession was for the purpose of peace and harmony. In this procession of proceedings at London I held a very insignificant portion, being then a Member of the House of Representatives as Congressman at Large from the State of Washington, the farthest western State and nearest to Alaska.

Sir, I propose that the strip of country which we then yielded be now returned to the United States as part compensation for the debt due by England. I propose, sir, that that part of Alaska, not being occupied, having no citizens of the British dominions upon it, may be transferred as any other land; and therefore, sir, go to the payment of the debt due by England and thus contribute to the peaceful relations which ought to exist between debtor and creditor when the debtor has paid his debt to the creditor under which friendly relations as now prevail between the United States and its debtors.

Incidentally, in this, seeing the loan of France to Italy, as is her privilege, I suggest that in the Antilles there are islands uninhabited in any form whatever, possessing, it appears, some area which the United States might use for aerial bases upon which to prepare for defense against assaults in that direction upon our

country. Let France yield that territory, where there are no French citizens, and both nations, as described by me, contribute to the payment of their debts to the United States in the manner I define.

Thus upon these international questions I suggest, sir, that as an example of peace and harmony and newly devised brotherhood we have the transfer of this land as a contribution on the debts due to the United States, looking to the payments by these debtors to the United States of debts which at this time are long since due. On this debt not even the installments of interest are offered. Senators, it is high time this, our Government, sustained the resolution I tender—that our Government now take up the question with these nations for the purpose of having yielded to us in perfect fairness, in absence of money to pay, this tribute of land in part payment of the debts and as a just recognition of our sacrifice.

Mr. Levinson, former aide on the Kellogg Pact and alleged author of the phrase of the "outlawry of war", has a plan which he terms "liquidating world depression" which in the matter of debts recommends a reduction of the round total of ten to six billions. From that sum he would take the two and seventh-tenths billions already paid by the allied nations. The remainder of three and three-tenths billions would be accepted as a base for a 12-year payment plan of two hundred and seventy-five million a year with no provision for the payment of interest except that the installments are to bear 5 percent after maturity.

He offers no plan for individual contributions, but suggests that this be left to each nation to work out. His plan also touches credits for the army of occupation costs, Mixed Claims Commission, a holiday on armaments, a gold-standard return, and other phases not pertinent to the debt discussion.

Other suggestions include the sale of rare paintings, crown jewels, and articles of great intrinsic value. Still others favor the extension of university education in debtor nations whereby, for instance, 1,000 American boys and girls would go to Italy, for example, and enjoy all the comforts of education, culture, and convenience at the expense of the Italian Government. The Kingdom of Italy would reimburse by taxation proceeds, of course, the merchants or institutions of that nation for the expense of these quasi-Rhodian scholars. How would we benefit? Well, if the fair value of these expenses was \$10,000,000, we would credit that amount to the Italian account. Our Government would then either grant these scholarships outright as a Federal aid or charge a reasonable fee for them to the colleges, the States, or persons interested.

The latest proffered scheme is said to be linked up with the reciprocal-trade treaties wherein the debtor nations might well be allowed to ship their surplus products to this country. In a less euphemistic sense we might say that we are allowing them to dump their exportable surpluses on these shores in credit for their debts, a dangerous precedent.

Another phase of this many-sided question is presented by Mr. Truman Winslow in an article entitled "How We Could Collect Part of Our War Debts":

For several months Treasury officials have been worried by the continued flow of gold to the United States, because the loss of gold in foreign countries may complete the wreckage of foreign exchange and cause a further decline in world trade. This condition removes hope of recovering part of the debts in gold. And the shipment of goods in settlement of the debts would clutter up our domestic market.

There seems to be only one other way. Many foreign countries have large stocks of silver and others can add to their stocks. Great Britain can draw on the silver hoard of India; other nations can draw on the world bullion market.

If we should reduce the war debts about 50 percent and accept payment in silver over a period of years, the war-debt problem could undoubtedly be worked out. The question is, What would we do with the silver? But it might also be asked, What would we do with the gold? Gold and silver have little use in themselves. Their chief service is in settlement of international debts.

A silver-settlement policy would have advantages from the standpoint of economics and no great disadvantages.

Silver thus received would not increase the amount of paper money in circulation, since it would be deposited in the Treasury without issue of new paper money. The same applies to gold received in settlement of war debts.

As many nations turned to the silver-bullion market for silver, its value would increase in terms of gold money, which means that gold money would decrease in terms of silver money. This would

tend to break the gold corner, bringing hoarded gold into the world bullion market.

The increased price of silver in terms of our gold money would cause a corresponding increase in the foreign-exchange price of silver money. This would decrease the price of our farm products in silver-standard countries, since their silver money would buy more American gold dollars. Thus the farmer could sell more in silver-standard countries, and surpluses now being destroyed might be sold abroad without decreasing the domestic value of farm products.

The American farmer could produce more and receive good prices for his entire crop. He would, in turn, have more money to spend. Industrial centers would benefit.

The increased price of silver exchange, furthermore, would decrease the volume of oriental products dumped on our domestic market.

Our Government could agree to accept silver at a fixed price at \$1.29 an ounce, and for a while foreign governments would profit, since they can purchase silver on the open market now for about 53 cents. However, as foreign purchases began to remove silver bullion from the world market the price would increase rapidly to the true economic price of \$1.29 per ounce or more. The silver now held by the Treasury would then represent a true profit for our Government, since most of it was purchased for 60 cents or less.

Clearing up the war debts would improve trade. They have contributed to the world depression.

If our Government sees the practical side of the war-debt question, much may be done toward restoration of normal world trade. The fact that silver settlement may not be considered orthodox should carry little weight when compared to the practical benefits.

In one of the loftiest speeches on the debt question ever delivered to a representative body, the President of the United States set out the basis of all future discussion of the war debts in his speech on June 30, 1934. He used particularly two phrases, "determined effort" and "substantial sacrifices", as necessary characteristics of the efforts of the debtor nations in their attitude toward the payment of these debts. He talked also of the scrutiny which the American public might justifiably impose on defaulting nations in their employment of their available resources, and he strongly intimated that the exploitations of these resources for unproductive nationalistic expenditures would be a cause of apprehension in this country.

Such a warning is, of course, consistent with our policy looking toward adequate disarmament on a world-wide basis. We all know only too well the lying propaganda which allowed British expenditures in naval increases before the Great War on the false supposition that the Germans were expending huge sums secretly on their navy. It was intimated in England that the public expenditures were improperly and secretly handled to hide these secret payments. We know that that lying propaganda was used to force greater increases in the English House of Commons, and it was exposed during the World War by Lloyd George and Winston Churchill. As a matter of fact, Germany never spent over fifty-eight million prior to 1914 in any single year, while, on the contrary, the English did raise ninety-three million in 1914.

All of these war scares, especially in the matter of armament, should be viewed with suspicion and apprehension by us in this country. If there is real sincerity in the world in the effort to reduce armaments, it ought to be manifested in the efforts of debtor nations to square themselves in their desire to either try payments in part or reduce their armaments.

No sensible person can read the following excerpts from the great speech of our Chief Executive delivered on June 30, 1934, without realizing that we in America are anxious to do something to clear our slates of this vexatious problem.

I am aware that the President in his speech is anxious to deal at all times with these nations individually and with that there should be no objection, although some provision ought to be made for a change to group discussions if made necessary, by the conditions of today.

The Chief Executive said in part:

It is a simple fact that this matter of the repayment of debts contracted to the United States during and after the World War has gravely complicated our trade and financial relationships with the borrowing nations for many years.

These obligations furnished vital means for the successful conclusion of a war which involved the national existence of the borrowers, and later for a quicker restoration of their normal life after the war ended.

The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government in the absence of payment from foreign governments is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty Bonds and the later refunding bonds.

It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors, but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts.

We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question. The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources—whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States, or for purposes of unproductive nationalistic expenditure or like purposes.

In presenting this report to you I suggest that, in view of all existing circumstances, no legislation at this session of the Congress is either necessary or advisable.

I can only repeat that I have made it clear to the debtor nations again and again that the indebtedness to our Government has no relation whatsoever to reparations payments made or owed to them, and that each individual nation has full and free opportunity individually to discuss its problem with the United States.

We are using every means to persuade each debtor nation as to the sacredness of the obligation, and also to assure them of our willingness, if they should so request, to discuss frankly and fully the special circumstances relating to means and method of payment.

What is the approach? and shall it be revision downward?

Prof. Nicholas Spykman, of Yale, in *The United States and the Allied Debts*, says in his closing pages of a splendid monograph, which though written some years ago, still is pertinent and suggestive:

Statesmanship is not merely a question of sound economics and strength of moral conviction, but it is above all an intuitive understanding of political possibilities and a fine feeling for choosing the right moment. The present is not the right moment. There is little hope of obtaining a revision just now. The present Congress is not likely to be any more lenient than the previous one and too much occupied with internal problems to be in a mood for a generous consideration of Great Britain's difficulties.

If Great Britain wants to obtain a more lenient agreement, it must first create a more favorable public opinion. A mere request based solely on the justice of her claim is not going to bring results. What is needed is a practical proposal that will not be too expensive for the American taxpayer. Not only would this improve the general attitude toward Great Britain in the United States but it would also provide a practical talking point. The reduction in receipts from Great Britain could then be balanced by a reduction in naval expenditures and the American taxpayer could afford to be generous without having to pay for it. This applies not only to Great Britain but also to the other debtors. If Europe wants the United States to make further reductions, it will have to make businesslike proposals which the American Government can accept without having to increase the tax burden of its citizens and which offer the Nation clear and substantial benefits.

The form of proposal most likely to receive a favorable reception would be an offer to pay in a lump sum instead of over a long period of years. The American people will show themselves exceedingly reluctant to accept a downward revision of the yearly payments, but they will undoubtedly be willing to grant a very substantial discount in calculating present values of future payments. Such a proposal would be an offer of a cash benefit to the present generation of American taxpayers in exchange for promises of doubtful value to pay their grandchildren. The American business sense can be trusted to see the advantage of such a proposal and to allow a very substantial discount. But the possibility of making such offers rests in the last instance on the possibility of the commercialization of the present debts and reparations.

The road toward further readjustment must therefore go through the Young plan. But if Europe wants to succeed in making the United States assume a larger part of the burden of the world catastrophe, it must open its eyes to the political realities of American life and cease its criticism of American blindness to the economic realities of European life. Only businesslike proposals from individual governments presented in a form that takes account of American prejudices and avoids emphasizing the relation between debts and reparations is likely to find acceptance. If Europe is capable of that much statesmanship, it will find the people of the United States willing to do their share in the final liquidation of the horrible nightmare of useless destruction of life and wealth which almost caused the complete annihilation of western civilization.

Another authority in the person of Prof. Herbert Wright, of Catholic University, in his introduction to a study of the same problem by Wildon Lloyd, has said about Lloyd's valuable study on the debts:

After removing some popular illusions and misconceptions concerning the nature of the war debts, he shows with inexorable logic that the war debts are not ordinary commercial debts and that payments on them cannot be met in full by any nation and by some of them not at all. In view of these facts, he contends:

a. That no interest whatever should be charged on debts of such a character;

b. That equity and justice (as well as enlightened self-interest) demand that the principal of the war debts be reduced by at least one-half because of the difference between war-time prices and normal prices; and

c. That all cash payments already received by the United States be deducted from the revised principal.

We, however, should not forget that under section 9 of the refunding debt agreement we have the privilege of asking for marketable obligations from our debtor nations. The following extract from the British agreement is identical with all the others and expresses our power under that agreement. It ought to be clear from the realization of this unexercised privilege and right that this country has been more than fair in withholding its privileges under this compact. But it does exist, as this excerpt shows:

EXCHANGE FOR MARKETABLE OBLIGATIONS

Great Britain will issue to the United States at any time or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds proposed to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions, as to date of issue and maturity, rate or rates of interest, exemption from taxation, payment in bonds of the United States issued or to be issued after 6th April 1917, payment before maturity, and the like, as the bonds surrendered on such exchange, except that the bonds shall carry such provision for repayment of principal as shall be agreed upon; provided that, if no agreement to the contrary is arrived at, any such bonds shall contain separate provision for payments before maturity, conforming substantially to the table of repayments of principal prescribed by paragraph 6 of this proposal and in form satisfactory to the Secretary of the Treasury of the United States; such payments to be computed on a basis to accomplish the retirement of any such bonds by 15th December 1984, and to be made through annual drawings for redemption at par and accrued interest. Any payments of principal thus made before maturity on any such bonds shall be deducted from the payments required to be made by Great Britain to the United States in the corresponding years under the terms of the table of repayments of principal prescribed in paragraph 6 of this proposal.

Great Britain will deliver definitive engraved bonds to the United States in accordance herewith within 6 months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will, at the request of the Secretary of the Treasury of the United States, deliver temporary bonds or interim receipts in a form to be agreed upon within 3 months of the receipt of such request. The United States, before offering any such bonds or interim receipts for sale in Great Britain, will first offer them to Great Britain for purchase at par and accrued interest and Great Britain shall likewise have the option, in lieu of issuing to the United States any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding amount of bonds issued hereunder and held by the United States.

All of these suggestions point to one necessity, and that is that if we are ever to have a real armament conference the pressure and the Archimedean lever of international influence may well come from the insistence of this country in the matter of debts.

In 1926 there appeared in the Irish Statesman this suggestive paragraph:

The forgiveness of war debts will only make it easier for any of the countries forgiven to start cheerfully on some new war. There is a great deal to be said for the Shylock attitude. If wars have to be paid for, there will be much more hesitation before starting on wars in the future.

Can we finally ignore the privilege afforded us under the refunding agreement as quoted above in the typical instance of section 9 of the British agreement? Is it not time to act and show these nations that we have been exceptionally fair and reasonable and that their apparent inattention is a cause of spirited misgiving?

I have a resolution which calls for a conference of nations with especial reference to our rights to demand marketable obligations. I trust that my colleagues will study this question and afford the House the benefits of that study.

APPENDIX A

International trade balance between the United States and the world, 38 years, 1896-1933, inclusive

[Figures in millions of dollars]

	July 1, 1896- July 1, 1914	July 1, 1914-22	1923-29	1930-33	Total
UNITED STATES BILL OF ITEMS TO WORLD					
1. Merchandise exports.....	31,033	46,952	33,711	9,554	121,250
2. Shipping and freight charges received.....	86	1,793	836	389	3,104
3. Interest and dividends received on United States private capital invested in foreign countries.....	760	1,470	4,770	2,440	9,440
4. Foreign tourists' expenditures in the United States.....			941	409	1,350
5. Immigrants' remittances and charity received in the United States.....			269	52	321
6. Foreign government expenditures in the United States.....			216	143	359
7. Miscellaneous items.....	409	537	2,193	1,043	4,182
8. Unestimated items, errors, omissions, etc. (net).....	243	3,766		696	4,705
9. United States currency exported (net).....		166			166
10. Gold exported (net).....				119	119
11. Interest and principal received by United States Government on loans to foreign governments (war debts).....		800	1,442	473	2,713
Private capital items					
12. Net increase or decrease in foreigners' long-term investments in the United States.....	2,000	2,422	2,131	261	1,970
13. Net increase or decrease in foreigners' short-term investments in the United States.....		200	2,437	2,550	87
	34,531	53,262	43,946	13,029	149,768
WORLD BILL OF ITEMS TO UNITED STATES					
1. Merchandise imports.....	22,180	25,766	28,735	7,923	84,604
2. Shipping and freight charges paid.....	727	1,966	1,117	617	4,427
3. Interest and dividends paid on foreign private capital invested in the United States.....	3,800	965	1,787	557	7,109
4. United States tourists' expenditures in foreign countries.....	3,230	700	4,617	2,062	10,609
5. Immigrants' remittances and charity paid to foreigners.....	2,550	2,800	2,404	766	8,520
6. United States Government expenditures in foreign countries.....		2,225	466	444	3,135
7. Miscellaneous items.....	570	11	2,132	1,021	3,754
8. Unestimated items, errors, omissions, etc. (net).....			143		143
9. United States currency imported (net).....			210	160	370
10. Gold imported (net).....	174	1,746	175		2,095
11. United States Government loans to foreign governments (war debts).....		10,304			10,304
Private Capital Items					
12. Net increase or decrease in United States long-term investments in foreign countries.....	1,000	6,509	5,843	14	13,366
13. Net increase or decrease in United States short-term investments in foreign countries.....		270	1,297	525	1,032
	34,531	53,262	43,946	13,029	149,768

¹ Decrease.

² Accrued interest at time of refunding is not included in this amount.

WASTE AND TAXES

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a speech that I made over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address which I made over a National Broadcasting Co. network, March 6, during the program "Congress Speaks":

Good evening, ladies and gentlemen of the radio audience. The Republican floor leader in the House of Representatives must spend so much of his time nowadays digging for the important facts of government so artfully concealed in the flowery verbiage of New Deal reports that he finds little time to speak in Congress.

I am doubly appreciative, therefore, of this opportunity to discuss the present urgent Budget situation in Washington before the vast audience of the National Broadcasting Co.

The Federal Budget sometimes may appear far removed from the daily life of the American citizen. But when new and burdensome taxes are proposed, every contributor to the national wealth is eager to know how much of the added revenue is to be wrung from his own anguish and toil.

In the crowded but not too pleasant news of this week two items of major interest stand side by side. One notes the Treasury's March financing, which floated the largest issue of Government securities ever offered by a National Treasury in time of peace in all human history.

And beside this news is the American Federation of Labor's monthly survey of unemployment, showing 12,600,000 workers still seeking jobs—as many as there were at the height of the depression in the summer of 1932—and there are still over 20,000,000 on relief.

The third news item illuminates completely the prevailing policy of New Deal bootstrap recovery. This item, of which we shall hear a great deal during the next 3 or 4 months, is President Roosevelt's demand for \$1,137,000,000 in new taxes.

Viewed together, these news reports present the whole picture of boondoggling triumphant.

For 3 years the substance of the Nation has been dissipated recklessly in ill-considered experiment, in waste, incompetence, and political spoils. Now the bill must be paid.

The official Treasury statement for March 2—that is, last Monday—shows us how fast New Deal squandering is devouring the substance of real national recovery.

The fiscal year 1936, which began on July 1 last, now has been under way for 8 full months.

During these 8 months, Treasury outgo has exceeded Treasury revenues by \$2,400,000,000.

Quite naturally, we all ask, as so many have asked almost daily during the last 3 years, "Where's the money coming from?"

In a word, this showing means that the Treasury is operating "in the red" at the rate of \$300,000,000 a month—or \$10,000,000 every day of the week, including Sundays and holidays.

Reckless squandering of other people's earnings and savings has been a first principle of New Dealism, in every phase of every vision, for 3 long years.

But until the current fiscal year the Treasury deficit averaged only about \$8,000,000 a day.

Increasing the national deficit by \$2,000,000 a day in the face of the glorious "recovery" so often proclaimed by the President and his Postmaster General represents an historic accomplishment in Wallingford finance.

The new economic law patched together by the New Dealers since 1933 can almost be set to music. It just goes round and round. The more recovery we have the more money is demanded for relief and "emergency" agencies.

Perhaps the whole program does not hang together. Often it does not make sense. But it is going to cost more billions of dollars than America can pay without a dangerous drain upon her productive energies—more billions than the people can pay without facing a lowered standard of living, in our own as well as in future generations.

A report this week from the United States Civil Service Commission shows 805,000 people on the pay rolls of the executive branch of the Government as of February 1, 1936.

This represents an increase of 245,000 pay rollers since March 1933.

And now Secretary Wallace is just launching a new venture in political farm relief, which will call about 5,000 more of the party faithful to the Government pay rolls.

The report of the Civil Service Commission shows the transfer of 1,395 employees from the temporary rolls of the defunct N. R. A. to the permanent rolls of the Department of Commerce during January.

The legislation under which the "little N. R. A." has functioned since the Supreme Court declared the "big N. R. A." unconstitutional 8 months ago expires on April 1.

But the gentleman who manages the Democratic patronage has contrived by some means to transfer the N. R. A. payrollers to places of safety in the permanent establishments.

Emergencies may come and emergencies may go, but the spoils' pay roll marches on forever.

The country understands clearly by this time, I think, that the message sent to Congress by Mr. Roosevelt on Tuesday was not a fiscal program to buttress the strained resources of the Federal Treasury.

The message simply computed the additional money needed to carry the measures which the present session of Congress has lashed upon the Nation's back.

But the tax bill to raise this needed revenue is yet to be written. I expect it will be written by the Democratic majority of the House Ways and Means Committee.

At present that committee is a council of many tongues. Denounced from all sides as sheer folly, the President's proposal to tax all corporate reserves out of existence already has been abandoned. But what sort of a tax bill ultimately will be presented to the House of Representatives is a mystery still confounded by an astonishing bewilderment in the New Deal high command.

Their dilemma is very real. They must have new revenues at this session of Congress—or else they must find something else to use for money.

But the New Deal is not yet ready to present a tax program which will actually bring in the needed funds.

The New Deal called the tune but is not yet ready to pay the piper.

It is ready, however, to prosecute anew its dangerous and unconscionable warfare upon the Supreme Court of the United States—the Court which has dared to say six times during the last 2 years that the Constitution still lives!

The New Deal is ready to play political hide-and-seek with the entire Nation by proposing a half-baked tax program, which obviously will not yield the revenue needed.

But if you can fool all of the people all of the time, these tax proposals may yield rich political revenues.

They embody an alluring demagogic appeal to a Nation harrassed and distracted by long-delayed recovery—a recovery still held back by the repeated blows of New Deal politics.

In brief, the President's tax suggestions to Congress present but one more verse in the New Deal's unchanging theme—"soak the saver."

But the National Budget cannot be balanced by political vengeance.

No matter where taxes are levied, every man and woman in the Nation pays them. They are paid in daily toil, in higher prices for every necessity of life, in cruel assessment upon industry, thrift, and frugality.

Excessive taxes, wherever laid, sap the productive energies of a people and prostrate the spirit of ambition and invention, which is the keystone of America's greatness.

The choice is before the Congress today.

There is but one way out!

It is to curtail reckless spending, stamp out spoils, restore the competitive civil service, and enact an honest tax measure to bring in revenues equal to outgo.

If the New Deal Congress will not enact such a program, a Republican House of Representatives will assume the task after the November elections.

I thank you, and goodnight.

THE CAUSE OF UNREST AND HOW TO REMOVE IT

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, in normal times—that is, from 1909 to 1914—the average number of persons out of work was approximately 1,500,000 annually. Today it is no exaggeration to say that 12,000,000 are out of a job who could fill one if there was an opportunity.

The number of those unemployed has increased every year since 1914, and unless we make radical changes in our national policy, that number will increase naturally. We first realized the great perplexing problem of the unemployed in 1932, and it was frequently charged that this situation was due to the Republican administration. The administration at the moment was not responsible alone for this situation. Since Roosevelt has been President the Congress, which has been overwhelmingly Democratic, has given the President everything asked for to carry out the policy of feeding the hungry and supplying jobs for those who could get no jobs. Appropriations were made without giving time for debate, because the situation was said to be urgent. The money has been appropriated, and the program was put into operation to artificially create jobs. But the plan did not work, and there are about as many out of a job now as there were before the program was started.

In my judgment there is more behind this steady condition of unemployment other than the fault of the Democratic Party, or, at least, it is fair to say that the Democrats, like the Republicans, have failed to understand that much of this unemployment was due to causes which they have neglected to carefully examine and understand. No amount of relief appropriations will ever solve the situation, and if we do not go to the root of the trouble we will be alarmed to discover that in spite of all we can do the ranks of the unemployed will be gradually increasing. When enough of the population are without jobs and hungry the present Government will be changed and something else tried. The majority of the people under our Constitution have the right to change the Government or destroy it altogether.

The whole danger ahead lies in the fact that a discouraged and hungry people, suffering from a loss of confidence in this Government, may set up a much worse form for themselves and for the minority who do not wish to change the present form of government. There will inevitably follow, in some part of the course of change, a dictatorial government such as is now in operation in Russia, Germany, and Italy. When that time comes we can be said to have lost the free Government intended by the framers of this one.

It is also a historical paradox that those who desire most to preserve any given form of government, through their own

ignorance and refusal to meet new situations, contribute the most toward the defeat of the thing they most desire.

A few examples may be in order: Insurance companies who hold mortgages against farmers have for the past 3 years insisted on foreclosing on farmers who cannot pay interest and principal. When asked to delay and let the farmer have a chance to pay out when conditions will warrant the mortgagee appeals to the court and asserts his right to his "pound of flesh" under the Constitution. The courts grant their prayer and the farm is foreclosed and the occupants turned out to the tender mercies of public and private charity. Today there are 10,000,000 farm people whose 2,000,000 homes are subject to foreclosure. The Frazier-Lemke Bankruptcy Act was designed to delay proceedings, but the mortgagees appealed to the courts to brand this act as unconstitutional. The Supreme Court said it was unconstitutional, as it clearly denies the mortgagee certain rights guaranteed to them under the Constitution. The act was repassed with changes, but the mortgagees are busy getting the act before the court again with the object of having it declared a violation of their constitutional right. What will it avail in the struggle to bring about normal conditions in this country to dispossess 10,000,000 people? Where will they go? What will they do? Will they swell the great tide of the unemployed? Will this action hasten the day when government and the Constitution will be a memory instead of a fact? Do the mortgagees want to save the Constitution? Yes. Do they want to save the Government? Yes; but they take a course to accomplish their ardent wish which dispossesses 10,000,000 people and compels them to enter the ranks of the unemployed and the hungry. It means just 10,000,000 more people added to the distressed million now who will compose the great mass of the people who some day will assert that this form of government is incapable of sustaining justice and equality and should be terminated.

Several hundred thousand city home owners with mortgaged homes and without jobs are about to be put out of their homes. The bondholders are as helpless as the home owners. The bondholders made the mistake of turning their business over to the banks. The banks organized pools and trusts. Through this method high salaries, commissions, and fees have taken about all that could be collected. The owners are being foreclosed upon by a wholesale method and will finally be put out of their homes. Where will they go? What will they do? Will they swell the soup lines? They will be forced into the line-up of the distressed millions. The soup lines will become stingy in doling out soup because of so many to feed. Millions will suffer. Millions will prematurely die. Thus more fuel will be added to the fire now burning, which in time will destroy this Government. Who is working overtime to drive the people to desperation? It is the very class which shouts the loudest to "save the Constitution" and save the Government.

No further examples are necessary to establish the fact that instead of the decrease of unemployed we can look to the increase of unemployment if we follow the methods of dealing with people who are financially distressed.

You may say this all sounds bad, that it is pictured worse than it really is; I pledge my word that, knowing intimately the actual condition of poor people, I am not overstating the situation. The next natural query is, What is actually wrong; what is the source of all this manifestation of unrest, unemployment, and suffering?

It is unnecessary to point out in figures all the details of our present situation. It may suffice in this discussion to say that fully half of our population are on some form of relief, either public or private; that there are 12,000,000 people looking for a job that can find no job no matter what steps the Government takes to supply an artificial job. Some more data may, however, be added that is of great concern to those who desire and are determined to bring peace and quiet out of confusion.

Fifty percent of the farmers of America now do not own their homes. A larger percent of the workers in fields other than agriculture have no homes of their own. These two classes constitute the great buying power of American business.

The factors which have contributed the most to this situation to the exclusion of all other factors are:

The granting of special privileges to a relatively small class, which conferred advantages not enjoyed by all. This was done through acts of Congress and acts of the State legislatures.

Permitting our natural resources to be used and controlled by private interests instead of operating them for the benefit of all the people.

Permitting private interest to use the money and credit of the Nation for their own profit while the mass of the people have been and now are compelled to carry an unbearable load of interest. At the present moment the interest on the private and public debt take annually one-third of the national income. Instead of lightening the burden of interest on the people, it is becoming more unbearable as each month passes. Every dollar handed over the counter of business is actually 66 cents, and the other 34 cents is a payment of interest. The buying power, therefore, is discounted one-third, and as a result the purchasers, the sellers, the manufacturers, and labor are all in turn penalized by this ever-present and never-satisfied institution of interest.

While the frontier lasted, this program was quite unnoticed, but with the last homestead taken and with every acre exploited, we suddenly have come face to face with actual facts as they are. Those who have exploited our frontiers and our resources, our property and our homes, have nothing left to exploit except human lives, and that is being done at this very moment. Millions in this country are not living on a standard of living conducive to health and decency.

What shall we do now to change the situation and permit the great mass of the American people to live in a land of plenty under a standard of living commensurate with the opportunities offered by the greatest country on earth?

We were 150 years getting into the present situation, but we cannot take that long to get out. Immediate action is necessary. This Congress can do much, if it will. I would suggest the following action:

First. A national moratorium to suspend for a period of 2 years the collection of all mortgages against homes in the United States in which the Government is interested as endorser of notes, bonds, or otherwise.

Second. Build a new finance system for farmers and home owners like the proposal offered in the Frazier-Lemke farm-refinance bill.

Third. Establish a Bank of the United States and junk the Federal Reserve System, making the Bank of the United States a bank of issue, reserving in that bank the sole and exclusive right to issue money.

Fourth. Permit the Bank of the United States to issue sufficient media of exchange to do the Nation's business. Call in the outstanding bonds which draw interest and are tax free, and pay them in full in cash, and thus reduce the interest on the public debt over a billion dollars annually.

Fifth. Provide a home including a house and a tract of ground for every family in the United States by loans by this Government at interest rates that will pay the cost of administration and create a surplus fund in a home-building administration. Make every such home when paid for not subject to any mortgages or lien.

Sixth. Establish a just system of transportation rates that will not destroy the interior of this country and thus encourage the diffusion of manufacturing throughout the country. This can be done by the development of our natural waterways and thus release the interior from freight rates that strangle all attempts of manufacturing.

Seventh. Provide for the aged of this country with adequate social security and put out of business poorhouses, poorfarms, and said social workers and relief administrators.

Eighth. Adopt a national policy of taxation that will tax the American people according to their ability to pay. Those who have large incomes should shoulder the burden of taxation. If they have been more fortunate than others, they should be willing to bear the burdens of the less fortunate. Those who are the recipients of large inheritances have the ability to bear a heavy tax burden and should be willing to

do so. Large fortunes and large estates are usually the result of an unfair division between capital and labor, and being so, there is an added reason why this property should not escape taxation.

Ninth. Make a declaration of war impossible, except through a referendum to the people of the Nation, except in case of invasion.

Tenth. Destroy the blind adherence to party government.

It goes without saying that many who read this program will find themselves ready to condemn it as too radical and, purely from selfish motives, oppose it. Those are still unconvinced that any radical change is necessary and that in some way they may be able to cling fast to their property created under the banner of some special privilege or the monopolization of some natural resource. If those are unwilling to embrace a reasonable change, they may prepare themselves for an unreasonable one. If we are to maintain our present form of government and make it respond to the greatest good to the greatest number, the program announced will not fall far short of accomplishing this purpose. Anything less will not be acceptable to the mass of the people.

The day is fast approaching when the American people will demand action; failing in that, they will take action themselves. When they do, it will be hasty action, mad action, unreasonable action; but only such action as has been forced upon them.

Edwin Markham's poem *The Man With the Hoe* has described more than one instance of misgovernment in the history of the world in these lines:

How will it be with kingdoms and with Kings,
Those who have made him the thing he is,
When this dumb brute shall rise to answer God,
After the lapse of centuries?

If we do no more than we have done in the past 3 years in the way of legislation, our condition will not improve and will get worse, and we will have more out of a job 3 years from now than we have today.

There is nothing wrong with the territory in which we live. It is the same territory we have always had in days of great prosperity when people were busy and happy. It still produces enough—and more—for all. Our great natural resources hold in store benefits for the millions now living and those to be born in generations to come. Yet, in spite of the greatest blessings ever bestowed by Providence on a free people, we have substantially half of our population in distress. We have too many who have more than they need and millions without anything—even hope itself has been taken away from them. Since this situation exists in a land of plenty, it must be due to the way we have managed our affairs.

I think every Member of this House will concede we have the best form of government ever established on earth. We still have, and there is nothing fundamentally wrong with it. Under it we could enjoy the blessings of free government to all. The fault, and it is a grievous fault, lies in the fact that we have failed to correct abuses which have grown up in that Government. Selfish interests have eaten holes in the bottom of our ship of state. We refuse to rid the ship of the destroyers and spend our time in trying to cork the holes.

Why do we remain idle? Have we no leadership of this age capable of foresight enough to protect the Government and preserve the principles of free government to future generations? I do not think we have lost the power to think and reason and do justice. I think we are capable of measuring up to the responsibilities of government and in the education of the people in that system. In Congress, from my own personal observation, I am sure that Congressmen follow party more than they do their own dictates of conscience. Many Members—perhaps most Members under our election system—are primarily concerned with their own reelection and the reelection of their party. To take this or that stand might jeopardize their chance of reelection. The party whip is cracked and their own independent judgment is submerged in the party call.

The people tire of one administration and put in another pledged to every reform asked by the people. That new party starts out on its journey, but before it ever begins to

undertake what it promised to do the obstacles to be overcome prevent action. The party in power subsides in its ardor to carry out its pledges, even if it ever had any intention to do so. The welfare of the party becomes the issue. The welfare of the people is forgotten. That is true no matter which of the two major parties may be in power. When powerful business interests contribute to both parties it should be evidence enough that the contributors know both parties.

The remedy is to break down the power of political parties as such and vote men into office on the sole question of principle. I think the hour has struck when the voters must cast aside the halo of the name of the party and march to the polls to elect men who stand for a principle regardless of party. When that time comes, and it should come quickly, the abuses that have grown up in this Government can be eliminated. Only through such means can the Government be perpetuated.

The gravest situation with respect to unemployment and the future of this Government concerns the youth of this country. Our young people have always been the actors, the doers of things in the history of all our past. They were the best pioneers, the best soldiers, and in many ways the best statesmen.

The youth of America today demand an opportunity for expression—they have the same right to plan, to hope, and build for the future that we all had when we were young. To throttle this instinct in the youth of America is the most dangerous thing that is being permitted today. All opportunities to them are shut off; they are met daily by the statement that there is no job open to them; around them they see the never-ending line of the unemployed. No matter what their school advantages have been, there are millions of the youth of this country who cannot find any opportunity anywhere to actually begin their life as a useful citizen of this Republic. To my mind, this situation is the most deplorable result of our financial and economic break-down. To delay one day longer in establishing economic order, if we have the power to do so, is to throttle the ambition and hopes of youth. Being responsible for a continuation of this situation rests to a great degree upon Congress. Delay means playing with dynamite.

Abuses or the use of this Government in favoring private interests which through the years have become powerful, sometimes more powerful than the Government itself, has brought about a situation of distressed millions in a land of plenty. Nothing but sheer, unafraid independence can now rescue this Government from the hands of those interests. The party system of today has utterly failed in this task. It is urgent that this independence of thought and action take form immediately. The voters of this Nation are equal to the situation; we have leaders who are equal to the occasion; but the thing we lack is an "idea." Once the thought of independent action, not stifled by party ties, once takes root with the people, the undertaking to substitute the general welfare of all the people for the old doctrine of "special interests" will be under way. Under this interpretation of the functions of government, we can re-establish equal opportunities for all, a chance for all, a living for all who will work; we can establish justice instead of injustice, and bring the blessings of liberty to a free people, as was described in the preamble of the Constitution of the United States.

No government in all the world ever made a greater assertion in the interest of freedom; read it:

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution of the United States of America.

Our duty as Congressmen is to make this provision of the Constitution actually mean what it says.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HAINES, for 2 days, on account of death in family.

To Mr. CALDWELL, for 1 week, on account of important business.

To Mr. LARRABEE, for 1 week, on account of important business.

To Mr. WOOD, for 2 weeks, on account of important business.

To Mr. GRANFIELD, for today, on account of attending funeral.

To Mr. LANHAM, for today, on account of illness.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes.

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees.

ADJOURNMENT

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), the House adjourned until tomorrow, Thursday, March 12, 1936, at 12 o'clock meridian.

EXECUTIVE COMMUNICATIONS, ETC.

705. Under clause 2 of rule XXIV a communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, United States Senate, for the fiscal year 1936, in the sum of \$115,000 (H. Doc. No. 423), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SIROVICH: Committee on Patents. H. R. 10492. A bill granting a renewal of patent no. 60731 relating to the badge of the Girl Scouts, Inc.; without amendment (Rept. No. 2152). Referred to the Committee of the Whole House on the state of the Union.

Mr. SIROVICH: Committee on Patents. H. R. 11562. A bill to renew patent no. 25909, relating to the badge of the United States Daughters of 1812; without amendment (Rept. No. 2153). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McFARLANE: Committee on Naval Affairs. H. R. 7546. A bill to correct the military record of Anthony Marszelewski; without amendment (Rept. No. 2151). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11672) granting a pension to Charlie J. Dupree, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER: A bill (H. R. 11738) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. DISNEY: A bill (H. R. 11739) to amend the last paragraph, as amended, of the act entitled "An act to refer

the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States"; approved February 7, 1925; to the Committee on Indian Affairs.

By Mr. GREEN: A bill (H. R. 11740) to provide for registration of aliens and a certificate of identification; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 11741) to provide for the suspension of immigration of aliens into the United States; to the Committee on Immigration and Naturalization.

By Mr. HOEPEL: A bill (H. R. 11742) to increase the authorized strength of warrant officers of the Army; to the Committee on Military Affairs.

By Mr. McSWAIN (by request): A bill (H. R. 11743) to promote national defense by creating a separate promotion list for Air Corps officers in the United States Army; to the Committee on Military Affairs.

By Mr. SCRUGHAM: A bill (H. R. 11744) to provide that the capital-stock tax and the stamp tax on issues of stock shall not apply in respect of certain corporations organized solely for the purpose of taking over the assets of insolvent banks; to the Committee on Ways and Means.

By Mr. TONRY: A bill (H. R. 11745) to amend the World War Adjusted Compensation Act; to the Committee on Ways and Means.

By Mr. MILLER: A bill (H. R. 11746) to amend sections 3 and 4 of the National Stolen Property Act, approved May 22, 1934; to the Committee on the Judiciary.

By Mr. RANKIN: A bill (H. R. 11747) extending the time for making the report of the Commission to Study the Subject of Hernando De Soto's Expedition; to the Committee on the Library.

By Mr. HILDEBRANDT: A bill (H. R. 11748) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. SAMUEL B. HILL: A bill (H. R. 11749) to provide funds for cooperation with Wellpinit School District No. 49, Stevens County, Wash., for the construction of a public-school building to be available for Indian children of the Spokane Reservation; to the Committee on Indian Affairs.

By Mr. KING: A bill (H. R. 11750) relating to the pensioning of justices of the Supreme Court of the Territory of Hawaii upon resignation or retirement or removal upon the sole ground of mental or physical disability; to the Committee on the Judiciary.

By Mr. KOCIALKOWSKI: A bill (H. R. 11751) to provide a civil government for the Virgin Islands of the United States; to the Committee on Insular Affairs.

By Mr. McFARLANE: Resolution (H. Res. 449) directing the Comptroller of the Currency to transmit certain information to the House of Representatives; to the Committee on Banking and Currency.

By Mr. MAY: Resolution (H. Res. 450) requesting the President of the United States to reinstate Maj. Gen. Johnson Hagood to active duty and assignment to his former command of the Eighth Corps Area; to the Committee on Rules.

By Mr. McKEOUGH (by request): Joint resolution (H. J. Res. 520) for the purpose of restricting the application of section 1 of article XIV of amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MONTET: Joint resolution (H. J. Res. 521) to provide for the modification of the contract of lease entered into on December 29, 1930, supplemented by agreement of October 20, 1931, between the United States and the Board of Commissioners of the Port of New Orleans; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROSBY: A bill (H. R. 11752) granting a pension to Alice Eppler; to the Committee on Pensions.

By Mr. COLMER: A bill (H. R. 11753) for the relief of Norwood W. Alley; to the Committee on Claims.

By Mr. ELLENBOGEN: A bill (H. R. 11754) granting a pension to Henrietta F. Lowry; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 11755) granting an increase of pension to Mary E. Frank; to the Committee on Invalid Pensions.

By Mr. JENKINS of Ohio: A bill (H. R. 11756) granting a pension to Ted Spires; to the Committee on Pensions.

By Mr. POWERS: A bill (H. R. 11757) granting an increase of pension to Bella J. Roberts; to the Committee on Invalid Pensions.

By Mr. ROBSON of Kentucky: A bill (H. R. 11758) for the relief of D. L. Mason; to the Committee on Claims.

Also, a bill (H. R. 11759) for the relief of Arnold Blanton; to the Committee on Claims.

Also, a bill (H. R. 11760) for the relief of Mat Hensley; to the Committee on Claims.

Also, a bill (H. R. 11761) for the relief of Clyde Thorpe; to the Committee on Claims.

Also, a bill (H. R. 11762) for the relief of Lillie Price; to the Committee on Claims.

By Mr. TARVER: A bill (H. R. 11763) for the relief of E. W. Garrison; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 11764) granting an increase of pension to Mary B. Kaiser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11765) granting an increase of pension to Carrie B. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11766) granting an increase of pension to Catherine Berrigan; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10498. By Mr. CULKIN: One hundred and fourteen petitions from Woman's Christian Temperance Union from various States bearing 5,152 signatures favoring antiblocking legislation; to the Committee on Interstate and Foreign Commerce.

10499. Also, petition of 14 residents of Copenhagen, Lewis County, N. Y., urging passage of House bill 8739; to the Committee on the District of Columbia.

10500. Also, petition of the board of trustees of the village of Pulaski, N. Y., opposing Senate bill 3958 and Senate bill 3959; to the Committee on Interstate and Foreign Commerce.

10501. By Mr. JOHNSON of Texas: Petition of agricultural committee, Bryan and Brazos County Chamber of Commerce, and George G. Chance, J. Webb Howell, Percy Terrell, John D. Rogers, John D. Quinn, W. S. Barron, Travis B. Bryan, S. J. Emory, Clarence Moore, Mrs. Lee J. Rountree, F. L. Henderson, and W. C. Davis, all of Bryan, Tex., favoring House Joint Resolution 508, providing for full payment of all excess cotton tax exemption certificates; to the Committee on Agriculture.

10502. By Mr. LAMBERTSON: Petition of H. C. Feller and seven other citizens, all of Leavenworth, Kans., favoring passage of House bill 3263; to the Committee on Interstate and Foreign Commerce.

10503. Also, petition of Pascal Lewis and 16 other citizens, all of Topeka, Kans., favoring passage of House bill 3263; to the Committee on Interstate and Foreign Commerce.

10504. Also, petition of Mrs. L. A. Spencer and 23 other citizens, all of Sabetha, Kans., favoring passage of House bill 8739; to the Committee on the Judiciary.

10505. By Mr. McMILLAN: Petition of patrons of star-route service from Moncks Corner, S. C., requesting increase in the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10506. By Mr. O'MALLEY: Petition of the Michigan Park Citizens Association of the District of Columbia, setting forth need for public-school facilities in that area; to the Committee on the District of Columbia.

10507. By Mr. Sisson: Petition urging passage of House bill 8739, a bill pertaining to the prohibition of sale of alco-

holic beverages in the District of Columbia; to the Committee on the District of Columbia.

10508. By Mr. THOMAS: Petitions of citizens of Troy, N. Y., asking passage of House bill 8739, known as the Guyer bill, to restore the District of Columbia to its former prohibition status; to the Committee on the District of Columbia.

10509. By the SPEAKER: Petition of the Oregon State Bar; to the Committee on the Library.

10510. Also, petition of the city of Portland, Oreg.; to the Committee on Rivers and Harbors.

10511. Also, petition of the Association of American State Geologists; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, MARCH 12, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 11, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Overton
Ashurst	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Dieterich	Loneragan	Russell
Benson	Donahay	Long	Schwellenbach
Bilbo	Duffy	McAdoo	Sheppard
Black	Fletcher	McGill	Shipstead
Bone	Frazier	McKellar	Smith
Borah	George	McNary	Stelwer
Bulkley	Gibson	Maloney	Thomas, Okla.
Bulow	Glass	Metcalf	Townsend
Burke	Gore	Minton	Trammell
Byrd	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Wagner
Caraway	Hatch	Neely	Walsh
Carey	Hayden	Norbeck	Wheeler
Clark	Holt	Norris	White
Connally	Johnson	O'Mahoney	

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness, and I further announce that the Senator from New Hampshire [Mr. BROWN], the Senator from Nevada [Mr. McCARRAN], the Senator from Indiana [Mr. VAN NUYS], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GERRY], the Senator from Nevada [Mr. PITTMAN], the Senator from Utah [Mr. THOMAS], and the Senator from Missouri [Mr. TRUMAN] are necessarily detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily detained from the Senate.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

INVESTIGATION OF CAMPAIGN EXPENDITURES IN 1936

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, with an amendment to the amendment reported by the Committee on Privileges and Elections, Senate Resolution 225. I ask unanimous consent for the consideration of the resolution at this time.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 225) submitted by Mr. ROBINSON on January 30, 1936, referred to the Com-

mittee on Privileges and Elections, and on February 6 reported from that committee with an amendment, on page 3, line 18, after the word "aggregate", to insert "\$100,000", and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various Presidential candidates, Vice-Presidential candidates, and candidates for the United States Senate, in both parties, the names of the persons, firms, or corporations subscribing the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in 1936.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and to contests before primaries, conventions, and the contests and campaign terminating in the general election in 1936.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpoena or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate \$100,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

Mr. McNARY. My attention was diverted for a moment. I ask, What is the purpose of the resolution?

Mr. BYRNES. Mr. President, I will say to the Senator that it is similar to resolutions which have been adopted in preceding Congresses providing for an investigation of campaign expenditures. The resolution has been reported unanimously by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. McNARY. Is the sum made available by the resolution similar to sums provided by former resolutions on the same subject?

Mr. BYRNES. The amount proposed by the resolution as reported by the Committee on Privileges and Elections was \$100,000, but the Committee to Audit and Control the Contingent Expenses of the Senate reduced it to \$30,000, which is the amount provided in former resolutions of a similar character.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The amendment reported by the Committee to Audit and Control the Contingent Expenses of the Senate to the amendment reported by the Committee on Privileges and Elections was, on page 3, line 18, after the word "aggregate", to strike out "\$100,000" and insert in lieu thereof "\$30,000."

The amendment to the amendment was agreed to.

The resolution as amended was agreed to.

Mr. McNARY subsequently said: Earlier in the day the Senator from South Carolina [Mr. BYRNES] offered for the Senate's consideration Senate Resolution 225. Upon reflection

I recall that the Senator from Delaware [Mr. HASTINGS], who is necessarily absent, desired to propose an amendment to that resolution. For that reason I at this time wish to enter a motion to reconsider the vote by which the resolution was adopted.

The PRESIDING OFFICER. The motion to reconsider will be entered.

NON-INDIAN CLAIMANTS OF INDIAN LANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a supplemental report relative to non-Indian claimants who were found by the Pueblo Lands Board to have occupied and claimed land in good faith but whose claims were not sustained and whose occupation was terminated under the act of June 7, 1924, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

Mr. WALSH presented a petition of the National Fire Protection Association, of Boston, Mass., praying for an increase in the appropriation to develop additional methods for farm fire prevention of existing research studies on spontaneous heating and ignition of agricultural products, which was referred to the Committee on Appropriations.

He also presented a petition of the division of conservation of natural resources of the Massachusetts State Federation of Women's Clubs, praying for adequate appropriations for the control of the dutch elm disease, which was referred to the Committee on Appropriations.

He also presented a memorial of the Massachusetts Forest and Park Association, of Boston, Mass., remonstrating against the construction of a tunnel in Rocky Mountain National Park for irrigation purposes, which was referred to the Committee on Appropriations.

He also presented a memorial of the Women's Trade Union League, of Worcester, Mass., remonstrating against an increase in the appropriation for the National Guard, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Great Council of Massachusetts, Degree of Pocahontas of the Improved Order of Red Men of Massachusetts, favoring the enactment of legislation providing for a bureau of alien deportation in the Department of Justice, which was referred to the Committee on the Judiciary.

He also presented a memorial of Past Councilors Association of Massachusetts, Junior Order United American Mechanics, of Haverhill, Mass., remonstrating against the enactment of legislation relating to the deportation of aliens, which was referred to the Committee on Immigration.

He also presented a petition of Elizabeth L. McNamara Auxiliary, No. 23, United Spanish War Veterans, of Malden, Mass., praying for the enactment of Senate bill 3545, to provide travel pay to enlisted men who were held in the Philippines beyond their terms of enlistment in the War with Spain, which was referred to the Committee on Claims.

He also presented a petition of the Massachusetts Society for the Prevention of Cruelty to Children, of Boston, Mass., praying for the enactment of legislation to prohibit certain practices of the motion-picture industry in relation to block booking and blind selling, which was referred to the Committee on Interstate Commerce.

He also presented a petition of members of First Division Chapter, National Council of Officials of the Railway Mail Service, of Boston, Mass., praying for the enactment of House bill 10267, to adjust salaries of supervisory officials of the Railway Mail Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of Stockbridge Grange, No. 295, Patrons of Husbandry, of Stockbridge, Mass., remonstrating against the enactment of Senate bill 1632, to regulate commerce by water carriers, which was ordered to lie on the table.

FAIR TRADE BILL—PETITION

Mr. WALSH. I present a petition signed by John Viegas, secretary, New Bedford Retail Grocers and Provisions Deal-

ers Association, New Bedford, Mass., and over 700 other food dealers of southeastern Massachusetts, urging the enactment by the Congress of the so-called Robinson-Patman fair-trade bill, and ask that it lie on the table.

There being no objection, the petition was received and ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H. R. 3254) to exempt certain small firearms from the provisions of the National Firearms Act, reported it without amendment and submitted a report (No. 1682) thereon.

Mr. COPELAND, from the Committee on Appropriations, to which was referred the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, reported it with amendments and submitted a report (No. 1683) thereon.

Mr. WALSH, from the Committee on Finance, to which was referred the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes, reported it without amendment and submitted a report (No. 1684) thereon.

Mr. MURRAY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1871) granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, reported it with an amendment and submitted a report (No. 1685) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 4254) for the relief of Anna O'Brien and William O'Brien; and

A bill (S. 4255) for the relief of Adolph Micek, a minor; to the Committee on Claims.

By Mr. BACHMAN:

A bill (S. 4256) granting a pension to Henry Watson; to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 4257) to provide that individual income-tax returns may be made under oath or accompanied by a written declaration that they are made under the penalties of perjury; to the Committee on Finance.

By Mr. TYDINGS:

A bill (S. 4258) for the relief of the leader of the Naval Academy Band; to the Committee on Naval Affairs.

By Mr. DUFFY:

A bill (S. 4259) to provide for the establishment of a Coast Guard station at Marinette, Wis.; to the Committee on Commerce.

By Mr. NEELY:

A bill (S. 4260) making Nancy J. Litman eligible to receive the benefits of the Civil Service Retirement Act; and

A bill (S. 4261) for the relief of Charles Tabit; to the Committee on Claims.

By Mr. BONE:

A bill (S. 4262) granting a pension to Harriett Ware; to the Committee on Pensions.

A bill (S. 4263) for the relief of the estate of Ezra Fislerman; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4264) for the relief of Earl J. Thomas; to the Committee on Commerce.

A bill (S. 4265) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States Military Reservation of Fort Bliss, Tex.; to the Committee on Military Affairs.

By Mr. TRAMMELL:

A bill (S. 4266) to amend the Social Security Act to provide for aid to transients; to the Committee on Finance.

By Mr. SHIPSTEAD:

A bill (S. 4267) to increase the processing tax on certain oils, to impose a tax upon imported soybean oil, and for other purposes; to the Committee on Finance.

A bill (S. 4268) to establish additional national cemeteries; to the Committee on Military Affairs.

By Mr. NORBECK:

A bill (S. 4269) to authorize the reexamination of the claims of individual Sioux Indians heretofore filed under the act of May 3, 1928, and report to Congress thereon; and

A bill (S. 4270) to authorize the investigation by the Secretary of the Interior of the loss of Indian allotments in certain cases and for a report thereon; to the Committee on Indian Affairs.

CHANGE OF REFERENCE

On motion of Mr. POPE, the Committee on Commerce was discharged from the further consideration of the joint resolution (S. J. Res. 227) to authorize the completion of work contemplated by Executive Order No. 7075, and it was referred to the Committee on Interstate Commerce.

AMENDMENT TO WAR DEPARTMENT APPROPRIATION BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 11035, the War Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 3, line 10, to strike out "\$303,960" and insert "\$323,960." On page 69, line 12, after the word "navigation", to insert "and to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935."

On page 68, line 20, to strike out "\$138,677,899" and insert "\$158,677,899."

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION—AMENDMENT

Mr. GIBSON submitted an amendment intended to be proposed by him to the bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board and increase efficiency in administration of the steamboat inspection laws, and for other purposes, which was ordered to lie on the table and to be printed.

ADDITIONAL CLERK UNDER SERGEANT AT ARMS

Mr. McNARY submitted the following resolution (S. Res. 249), which was ordered to lie on the table:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to increase the number of clerks at \$1,800 under the supervision of the Sergeant at Arms and Doorkeeper by one.

INVESTIGATION OF COST OF CERTAIN PELTS

Mr. POPE submitted the following resolution (S. Res. 250), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in cost of production of the following domestic articles and of any like or similar foreign articles: Dressed or dyed Persian lamb pelts, Russian pony pelts, squirrel pelts, and mole pelts.

HEARINGS BEFORE COMMITTEE ON BANKING AND CURRENCY

Mr. FLETCHER submitted the following resolution (S. Res. 251), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or any subcommittee thereof, hereby is authorized to sit during the sessions, recesses, and adjourned periods of the Seventy-fifth Congress at such times and places as it deems advisable, to make investigations into all matters within its jurisdiction, and to compile and prepare statistics and documents relating thereto as directed from time to time by the Senate and as may be necessary, and to report in due course to the Senate the result thereof, to send for persons, books, and papers, to administer oaths, and to employ such expert stenographic, clerical, and other assistance as may be necessary; and all the expenses incurred in pursuance hereof shall be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

SALARIES AND POSITIONS UNDER SECRETARY OF SENATE

Mr. LEWIS submitted the following resolution (S. Res. 252), which was ordered to lie on the table:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the

fiscal year ending June 30, 1937, is hereby directed to make the following changes in salaries and positions under the supervision of the Secretary of the Senate, to wit:

Assistant financial clerk: Strike out "assistant financial clerk, \$4,200" and insert "assistant financial clerk, \$4,500";

Executive and assistant Journal clerks: Strike out "executive clerk and assistant Journal clerk, at \$3,180 each" and insert "executive clerk, \$3,180; assistant Journal clerk, \$3,360";

Library and stationery assistants: Strike out "assistant librarian and assistant keeper of stationery, at \$2,400 each";

Clerks: Insert "one at \$3,180";

Strike out "two at \$2,640 each" and insert "one at \$2,640";

Strike out "one at \$2,400" and insert "five at \$2,400 each";

Strike out "four at \$2,040" and insert "two at \$2,040 each";

Strike out "two at \$1,740 each" and insert "four at \$1,740 each";

Insert "two at \$1,860 each";

Strike out "two assistants in the library at \$1,740 each";

Laborers: Strike out "one in Secretary's office, \$1,680" and insert "two in Secretary's office at \$1,680 each";

Document room: Strike out "first assistant, \$3,360" and insert "first assistant, \$2,640";

Strike out "second assistant, \$2,400" and insert "second assistant, \$2,040";

Strike out "four assistants, at \$1,860 each" and insert "three assistants, at \$2,040 each."

SALARIES AND POSITIONS UNDER SERGEANT AT ARMS OF SENATE

Mr. LEWIS submitted the following resolution (S. Res. 253), which was ordered to lie on the table:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to make the following changes in salaries and positions under supervision of the Sergeant at Arms and Doorkeeper, to wit:

Deputy Sergeant at Arms and storekeeper: Strike out "\$4,440" and insert "\$5,400";

Clerks: Strike out "one at \$2,640" and insert "one at \$3,180"; strike out "one at \$2,100" and insert "two at \$2,100 each"; strike out "three at \$1,800 each" and insert "four at \$1,800 each";

Janitor: Strike out "\$2,040" and insert "\$2,700";

Laborers: Strike out "three at \$1,320 each" and insert "two at \$1,320 each";

Skilled laborers: Strike out "five at \$1,680 each" and insert "six at \$1,680 each";

Messengers: Strike out "one at card door, \$2,400 and \$240 additional so long as the position is held by the present incumbent" and insert "one at card door, \$2,400 and \$600 additional so long as the position is held by the present incumbent";

Folding room: Strike out "assistant, \$2,160" and insert "assistant, \$2,400";

Telephone operators: Strike out "13 at \$1,560 each" and insert "14 at \$1,560 each";

Capitol Police: Strike out "captain, \$2,460" and insert "captain, \$3,000."

INVESTIGATION OF LOBBYING ACTIVITIES—INCREASE IN EXPENDITURES

Mr. BLACK, from the Special Committee to Investigate Lobbying Activities, reported the following resolution (S. Res. 254), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 165 of the Seventy-fourth Congress, first session, providing for an investigation of lobbying activities in connection with the so-called holding-company bill (S. 2796), agreed to July 11, 1935, is further amended by substituting the figures "\$75,000" for the figures "\$50,000", in line 12, page 2, of the resolution.

Mr. BLACK. I desire to state that this resolution is reported by direction of the entire committee appointed under Senate Resolution 165.

BOY SCOUTS JAMBOREE—POSTPONEMENT OF A BILL

Mr. COPELAND. Mr. President, on February 20, 1936, the Senate passed the bill (S. 3586) to authorize the Secretary of War, the Secretary of the Navy, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Treasury to lend Army, Navy, Coast Guard, and other needed equipment for use at the National Jamboree of the Boy Scouts of America; and to authorize the use of property in the District of Columbia and its environs by the Boy Scouts of America at their national jamboree to be held during the summer of 1937, and subsequently the House passed an identical bill, which was sent to the Senate, and passed. A motion was entered to reconsider the vote by which the Senate bill was passed, and the House was requested to return the bill to the Senate. The bill has been received, and I now ask unanimous consent that the vote

by which the Senate bill was passed may be reconsidered, and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, is so ordered.

CURRENCY EXPANSION—THOMAS-CAROTHERS DEBATE

Mr. FRAZIER. Mr. President, on March 8, 1936, there occurred a radio joint debate under the auspices of the National Economy League, the question discussed being "Is an expansion of the currency necessary and sound?" The affirmative was upheld by the senior Senator from Oklahoma [Mr. THOMAS], the negative position being taken by Dr. Neil Carothers, of Lehigh University. I ask unanimous consent that the two addresses may be printed in the Record.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

THOMAS-CAROTHERS DEBATE ON CURRENCY EXPANSION

(A radio joint debate under the auspices of the National Economy League, from New York City, on Mar. 8, 1936)

The question discussed was: Is an expansion of the currency necessary and sound?

The affirmative was upheld by Hon. ELMER THOMAS, United States Senator from Oklahoma, and the negative position was taken by Dr. Neil Carothers, of Lehigh University.

For the affirmative, Senator THOMAS spoke as follows:

"This discussion will be in the nature of a debate. Dr. Neil Carothers, of Lehigh University, will join me on this program.

"The following question has been submitted for our answers: Is an expansion of the currency necessary and sound?

"Before attempting to answer the question I must define the issue. The interrogatory presents two questions:

"First. Is an expansion of the currency necessary?

"Second. Would an expansion of the currency be sound?

"The first question: Is an expansion of the currency necessary?

"By an expansion of the currency I do not mean inflation. Inflation means the unwarranted, unjustifiable, and excessive issuance of irredeemable paper currency.

"I do not now and have never favored such a financial policy.

"Knowing the history of nations and the effect of the fluctuation of the value of monetary units upon civilization, I have heretofore and do now condemn inflation as an inhuman crime against the people. However, inflation is no more harmful than deflation. Deflation is the direct opposite of inflation and means the contraction of the amount of currency in circulation.

"By currency I mean gold coin, silver coin, or paper money. By currency I do not mean bank credit. Currency is money. Bank credit is only a substitute for money. While bank credit serves as a medium of exchange and may be converted into money, bank credit is not money. Currency as herein defined measures prices. Bank credit or substitute money does not measure prices.

"The number of currency dollars in circulation, in the main, controls the value of the dollar. An increase in the number of currency dollars in circulation means increasing the supply of price-measuring money units.

"When dollars are plentiful, dollars are cheap; and when dollars are cheap, prices are high. On the other hand, when dollars are scarce, prices are high; and when dollars are high, prices are cheap.

"The value of money depends upon the number of dollars in circulation.

"If there be those who disagree with the economic principles just stated, then I must leave them to answer, not me but the master financial minds of the thousands of years of recorded history.

"In 1920 money was plentiful—in fact, so plentiful that prices were the highest in decades.

"In 1921 and 1922 prices were lowered by reducing the amount of money in circulation.

"In 1932 money was scarce—so scarce and so valuable that prices were the lowest in generations.

"In 1933 the administration at Washington proceeded to raise prices by lowering the value of the dollar. The value of the dollar in foreign exchange was lowered by reducing the gold content of such dollar. The value of the domestic dollar was and is being reduced through a planned and orderly increase of Federal Reserve notes and a wider use of silver.

"The contraction of the currency just after the World War reduced prices. The expansion of the currency now is increasing prices.

"By expansion of the currency I mean a planned, orderly, and controlled increase in the number of currency dollars in circulation.

"It might be asked: How can we expand the currency in an absolutely safe and orderly manner?

"Under existing law the Federal Reserve System may expand the currency at will through the policy of open-market operations. Under this policy the Federal Reserve banks may enter the open market and purchase bonds and pay for such bonds with Federal Reserve notes. This policy places new money in circulation and thereby directly expands the currency.

"The present expansion of the currency through the issuance of silver certificates presents no problem of currency control. We issue such certificates against newly mined or purchased silver and

the amount of new money placed in circulation is limited and controlled by the amount of silver acquired.

"If money should become too plentiful and prices should rise too high, the Federal Reserve System now holds billions of bonds which could be sold, and thereby any amount of currency may be removed at will from circulation.

"Again I say, currency dollars and not bank credit control the value or buying power of the dollar. The expansion of bank credit will not accomplish the end we seek to attain.

"All must admit that the issuance and placing in circulation of new dollars—be such dollars gold, silver, or paper—will expand the currency, make money more plentiful and thereby cheaper, and the result will be higher prices.

"We had a higher general price level in view when I introduced the monetary adjustment amendment in 1933. The amendment worked. Higher prices are the result of the operation of the law.

"Prices for raw materials and basic American products, while higher than 3 years ago, still are too low to enable producers to pay costs of production and have left a reasonable margin of profit. Until legitimate business shows a reasonable profit, governmental budgets will not be balanced; public borrowing must continue; banks dare not expand their credit; industry must continue to seek Federal loans; and the unemployed must continue to be supported by the Government.

"I contend that an expansion of the currency is absolutely necessary in order to bring about the following imperative accomplishments:

"First. The general price level must be raised sufficiently to permit producers, wage earners, and industry to survive and make reasonable profits.

"Second. Business must be stimulated and profits must be increased in order to make possible the collection of sufficient taxes to balance the Budget.

"Third. The price level must be raised in order to make it possible for banks to renew the policy of making commercial loans.

"Fourth. The price level must be raised prior to any substantial reduction in public relief spending and most certainly before we can stop such spending altogether.

"Fifth. The price level must be raised slightly more before we can possibly have a return of general and permanent prosperity.

"If there be those who disagree with our demand for a slightly higher general price level, then I would call attention to the following facts:

"Today our total tax burden is some \$10,000,000,000 per year. Our total massed interest burden is another \$10,000,000,000 annually; and our total massed debt burden, public and private, is estimated to be \$250,000,000,000. As taxes, interest, and debts increase, the amount of money available to the people must likewise be increased. As taxes, interest, and debts go up, the value of the dollar must come down.

"Those who refuse to recognize and acknowledge the obvious validity of these principles of economics are courting defaults, repudiation, bankruptcy, and disaster.

"Before passing to the second part of the question—Would an expansion of the currency be sound?—permit me to suggest that, as a member of the policy-making branch of our Government, I must consider the money question, not from a theoretical standpoint, not from the viewpoint of any one group or class of our citizens, but from the standpoint of the broad general public interest. However, if I represented a constituency composed of the ultra rich, a constituency owning and operating banks, trust and insurance companies, I would not change my position on the money question in a single particular.

"In order for the holders of bonds, notes, and fixed investments to collect interest and eventually the principal, the debtors must be able to pay. For debtors to pay they must be able to earn profits, and to secure profits the price level at all times must be regulated, adjusted, and maintained in harmonious relationship with the tax, interest, and debt burdens resting upon the people.

"In addition to holding that planned and controlled expansion of the currency is necessary, I contend that such an expansion would be thoroughly sound.

"Let me call attention to the following facts:

"On last Thursday, March 5, we had a total monetary gold stock of \$10,167,000,000. On the same date we had a total monetary silver stock in the sum of approximately \$1,500,000,000.

"On that date our metallic monetary stocks of gold and silver totaled some \$11,667,000,000.

"Our monetary gold stocks amount to almost one-half the monetary gold of the world. Our monetary silver stocks amount to almost one-fifth of all the monetary silver known to exist in the world.

"Against this vast hoard of gold and silver we have in circulation of all kinds of money the total sum of \$5,843,000,000. Tonight we have gold and silver in our Treasury in the sum of almost \$6,000,000,000, which is used neither as money nor as the basis for the issuance of new currency. Our monetary metallic base is sufficient to permit of the issuance of some \$6,000,000,000 of new currency, and each such new dollar would be backed by 100 cents of gold and silver.

"I contend that from the standpoint of financial soundness there would be no obstacle to the issuance of so much new money; however, I have not and do not now advocate the issuance of that much new currency.

"From the beginning of the depression I have demanded, consistently, the restoration of the 1926 general price level. In 1926

business was good; wage earners were employed and the country was prosperous. In that year the dollar was valued, in terms of purchasing power and as measured by the Bureau of Labor Statistics, at 100 cents.

"It is to the value of the 'Coolidge dollar' of 1926 that I wish to have our Government return.

"I am frequently asked as to the amount of new money necessary to be placed in circulation to restore the 1926 price level. No one could answer such a question accurately, and any answer would be only a guess.

"In 1921 and 1922 some \$1,500,000,000 of real money were taken out of circulation and the result was a fall of 50 percent in prices. At this time I do not think it would require so large a sum to accomplish the purpose we have in mind—the restoration of the Coolidge era of prosperity price level.

"In conclusion, using the gold and silver in our Treasury as the basis, those who seek to refute the economic principles controlling the value of money as outlined tonight must argue with the history of nations.

"If it is contended that the expansion of the currency will not raise prices, then why oppose the policy?

"If it is contended that prices can be raised by an expansion of bank credit, then, in 1930, when bank credit was inflated to the highest point in history, why did we not have correspondingly higher prices?

"If it is contended that the general price level is now high enough, then why are budgets unbalanced; why are banks not making loans, and why do we have millions unemployed and other millions on public relief?

"We have tried every form of relief save following through with the monetary-adjustment program. Insofar as we have gone satisfactory results have been secured. Only a short section of the road remains to be traveled.

"The money question is primarily a domestic problem; however, national and international stabilization of currencies must precede permanent world-wide prosperity and economic stability. But before we are ready to consider permanent international stabilization of the dollar in foreign exchange we must regulate and adjust the value of such dollar so as to serve best our own domestic economy.

"Our foreign-exchange dollar with its present gold content is perhaps approximately correctly valued.

"Our domestic dollar—being neither tied to nor redeemable in gold—is more valuable than our foreign-exchange dollar, and it is the excess value in the domestic dollar over the foreign-exchange dollar that we demand should be eliminated.

"Our policy of maintaining a dual-valued dollar is responsible for the enormous influx of gold coming to America. This gold depletes the basis for the stability of the currency of our 'good neighbors' and has forced our Government to build a prison in Kentucky for its protection.

"In order to reduce the value of the domestic dollar to a value comparable to the value of the foreign-exchange dollar; in order to balance the Budget; in order to make it possible for banks to resume the making of commercial loans; in order to reduce unemployment, and in order to check and eventually remove the necessity for public-relief spending, I contend that a slight additional expansion of the currency is necessary and that such expansion will be sound."

For the negative, Dr. Carothers spoke as follows:

"I have been invited by the National Economy League to join with Senator ELMER THOMAS in a brief discussion of this question: 'Is expansion of the currency necessary and sound?' While I did not have the opportunity to know in advance just what Senator THOMAS would say in the broadcast he has just finished, he very courteously outlined for me what he has in mind, and by this courtesy he has enabled us to come together on a concrete issue, without any shadow boxing with the grave matters before us.

"Let me say in advance that I am convinced that Senator THOMAS and I have identically the same aim, that both of us are concerned only with the welfare of our country. I recognize that Senator THOMAS has in the past 3 years played a leading role in the monetary policies of the Nation. My appreciation of the dignity and importance of his position in our country's Government is equaled only by my disapproval of his views on our monetary policy. If I am blunt in my discussion of these views, it is only because of the importance I attach to any proposals that he has presented to you.

"The economic system which supports our more than a hundred million people is the most complicated machine in the history of the world; and in this great, complicated machine, money is the most complex and delicate of all its parts. The first principle of the science of money is that the effects of money changes on prices and prosperity are always different from the surface effects that everybody can see.

"This idea that prosperity can be promoted by expansion of the currency is very old. It was used by John Law 200 years ago, when he explained to King Louis how expanding the currency would make every Frenchman rich, and ended up by making nearly all Frenchmen paupers. It was used by Members of the First Congress of this Nation, the Continental Congress, in favor of an expansion of the currency that bankrupted the war-torn Colonies. It was used again in our Civil War, in favor of an expansion of the currency that would have cost the North the war if the South had not been persuaded by its Congressmen to make a still larger expansion of the currency. It was used in support of the famous inflation law of 1933, which popularly bears the name of Senator

THOMAS himself, under which we have already followed a policy of currency expansion so wholeheartedly that we have destroyed our monetary system.

"This argument for expansion of the currency has been advanced in the United States in every depression since 1860. It is the only economic argument advanced by the advocates of the Townsend delusion. This one notion about money has probably caused more suffering than the belief in witchcraft.

"Let's examine this argument for expansion of the currency. Here it is. A depression is a condition of low prices, slack trade, unemployment, reduced spending, and diminished consumption. These are obviously tragic things, causing heartache and suffering. The way to cure these great evils is to increase spending. You can increase spending by forcing money into circulation. The money, like the music, goes round and round. I almost said: 'Yo, ho.' The money increases demand, stimulates business, and encourages employment. Debtors are relieved. Production is promoted. The depression is ended. Government is the only agency that can print money. It can force it into circulation by boondoggling or by subsidies to favored groups or by supporting a horde of bureaucrats. Therefore, the proper procedure in times of depression is for the Government to pump paper money into circulation. Whatever the excuse for the spending, the plan is always to use the power of the Government to pour out printing-press money, and the argument is always this argument that the money will go round and round and revive business.

"What's wrong with this idea? In the first place it is too simple. It is like those puzzle contests in which the reader thinks he will get a prize for filling in the missing letters in the name of the great city, N-W, Y-K. It's too easy. If this scheme would work there never would be a depression. Just as soon as one started Congress would merely pump out some paper money and the depression would be over. Forget money theory for a moment and consider the fact that no depression in history has ever been ended by the issue of paper money.

"The paper-money argument ignores the plain facts about money. We live in a credit economy, in which circulating money, whether gold or paper, does about one-tenth of our business. The other nine-tenths is done with credit instruments, chiefly checks drawn against bank deposits. These bank deposits grow out of business activity. Thus business activity creates its own currency. There simply is no such thing as not having enough currency to carry on business. What a country needs in depression is not more money but more business activity. And now we come to the most important fact of all. The surest and most vital encouragements to business are these three: Confidence in the future of business, confidence in the soundness of the money system, and confidence in the good sense of the Government.

"The issue of paper money by government in small quantities has no important effect whatever on employment, on consumption, on business. It goes into circulation briefly, builds some useless bridge across a creek, or pays for some lessons in tap dancing, and then goes into banks to swell the deposits. It does not go round and round. It stops right there. All that it has done is to add to Government debt. Our Government has spent, in exactly 3 years, in an effort to stimulate business, the almost incredible sum of \$20,000,000,000, and here we are tonight, 6 years after the depression began, solemnly debating the question whether two billions more will end the depression. Senator THOMAS, coming from Oklahoma and knowing horses, knows what pushing on the reins does. It does not make the horse go. It slows him down or makes him run away. Pumping paper money into circulation is just pushing on the reins. If you issue a little, it does nothing. If you issue a lot, it makes the economic horse run away.

"Let us face here tonight some very unhappy facts, simply because facing them is the only way to save the country from a final disaster. In 1933 this country reached the bottom pit of depression, the low point in economic stagnation. The turning point had been reached. In the spring of that year Congress passed the money law which bears Senator THOMAS' name. This law permits inflation of the currency by every known method. At the time the law was passed this country had 40 percent of all the monetary gold on earth, much more than was needed to meet all public and private debts, much more than was needed to finance recovery. Even before the law was passed the Government had repudiated its solemn obligations both at home and abroad and had confiscated nearly \$5,000,000,000 in gold belonging to private citizens. Since the law was passed we have debased our gold coinage 41 percent and adulterated what is left of our gold standard with a billion dollars in useless silver. The ostensible purposes of this strange program were to raise prices to the 1926 level, to relieve debtors, and to end depression. Do you recall what Senator THOMAS said the bill would do? He said that it would take \$250,000,000,000 from the rich, who had it, and give it to the poor, who did not have it.

"What are the results of this law after 3 years? Has it ended unemployment? There are 10 million still unemployed. Has it ended depression? There are still 20,000,000 persons on relief. Has it raised prices to the 1926 level? General prices have risen just 9 percent since the dollar was debased 41 percent. Has it taken the wealth away from the rich? The rich have become richer in the past 3 years, some of them directly through this devaluation law.

"So much for what this 1933 law to expand the currency has not done. Let's see what it has done. First, it has destroyed our money system. We have no standard money. We have only a

floating mass of nondescript, irredeemable paper money, while there lies in the Government vaults a great mass of idle gold and silver, so dead that the Government is planning to bury it in a hole in Kentucky. Second, it has retarded recovery all over the world by sucking gold from foreign countries badly in need of it, by demoralizing the recovery of foreign trade, and by preventing the international stabilization of currencies on which world peace and world prosperity alike depend. Third, and worst of all, it has set the stage for a calamitous inflation. The failure of the whole money program led the Government to a desperate effort to squander its way out, which has resulted only in a huge burden of debt and a vast accumulation of unused private bank deposits.

"There are \$11,000,000,000 of idle gold and silver in the vaults. Yet the total circulation of money in the country is less than \$6,000,000,000. The difference of five billions measures the gigantic failure of 3 years' effort to expand the currency. All that it has done is to prove once more the elementary principle that business creates currency, not currency business.

"And now tonight we have presented to us a proposal to issue two or three billion dollars of paper money. For 3 years they have taken the horse to water and tried to make him drink, and we are now considering a plan to put a little more water in the tank. And this when there are freely available at any moment that business can use it enough excess reserves and unused bank credit to provide any sum up to a hundred billion dollars. It is proposed to issue this paper money against the gold and silver in the vaults. But that gold is locked up and a new issue of paper money would be merely an unneeded addition to the floating mass of irredeemable paper we now have.

"The mounting Government debt, the swollen bank deposits, and the excess bank reserves make an explosive combination ready to blow up in a headlong inflation. Did you see where a great university has asked authority to change its bond assets to more speculative securities in a last effort to save its endowment from inflation? Do you see the advertisements offering to tell rich men how to protect their fortunes against inflation? The issue of unneeded paper money at this time might easily be the match to set off this explosion.

"Senator THOMAS and I have the same desire here tonight. We both want to see the end of a depression that ought to have been over long since. We both want to see an end to unemployment and distress. We both want to see this country escape the miseries of inflation. But we differ fundamentally as to the policy to achieve these ends. I am going to tell you here how we can end depression and avoid inflation. Have the Government quit spending money like a drunken sailor. Have the Government restore an honest gold-standard currency. And have the Government guarantee to the people that juggling the currency will not again be tried in this Nation. It has suffered enough already."

REGULATION OF IMMIGRATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Pittsburgh (Pa.) Sun-Telegraph of March 9, 1936, entitled "Control Aliens."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh (Pa.) Sun-Telegraph of Mar. 9, 1936]
CONTROL ALIENS!—THE REYNOLDS BILL FOR THE REGULATION OF IMMIGRANTS SHOULD BE PASSED

The bill of Senator REYNOLDS, of North Carolina, requiring the registration of all aliens in this country, a rigid system of selective immigration and the deportation of all undesirables, will appeal to every patriotic and intelligent American as a needed regulation in a very important field of Government responsibility, and should be promptly passed.

The purposes of the bill are several, and each is vital.

It would rid the country of lawbreaking aliens and bar the entrance of aliens who are criminally communistic or associated with any organization advocating the overthrow of our Government by force and violence.

It would also relieve the Federal and State Governments, as well as private charitable organizations, of the expense of maintaining a horde of destitute foreigners in addition to the millions of our own people who are now dependent on our overstrained relief agencies, both public and private.

Another merit of the bill is that it would simplify the problem of finding reemployment for Americans who are out of work by saving available jobs for our own citizens.

The registration and fingerprinting of all aliens in the country would be required, and in addition there would be set up under the bill a system of intelligence tests for admission of immigrants to this country and effective machinery for the prompt deportation of undesirables.

The extent to which the influx of aliens under our present lax administration adds to the burdens of our citizens was revealed by Senator REYNOLDS in his speech in the Senate accompanying the introduction of his bill.

"In 1935", he said, "189,000 aliens of all classes were admitted; in 1934 the number was 163,000; and in 1933, 150,000.

"Each year since 1933", he continued, "we have admitted more and more immigrants in disregard of our millions of Americans who were seeking employment on every hand and in every section of the country."

The Reynolds-Starnes bill is a constructive step in the direction of a solution of our alien problem.

It is infinitely to be preferred to the Kerr bill, sponsored by the Department of Labor.

Unlike the Kerr bill, it substitutes impersonal and legal tests for admission and deportation instead of the discretionary powers asserted by the administration and so liable to abuse.

The Reynolds-Starnes bill does not attempt to deal with so-called deportation hardship cases, which are in part the subject of the Kerr bill.

The much needed power to exclude or expel any person whose presence or activities are inimical to the public interest is, by the terms of this bill, confided to the Executive.

It would be better that this power should be lodged in the courts to insure its impersonal exercise in accordance with the law, and nothing else.

To confer it upon the Executive is, in effect, to lodge it with an Executive subordinate, and to invite abuse through an unwise amplitude of discretion.

The power, however, to exclude or expel undesirables is one which is possessed and exercised by every enlightened nation save our own.

This country is dedicated to liberty, and only those who love liberty and will maintain and defend it, and not abuse it, should be allowed to immigrate to our shores.

In fact, the Reynolds-Starnes bill shows careful drafting and a just appreciation of the grave abuses that have resulted from our weak and vacillating policy with regard to immigration.

It not only points the way to a just solution of this vital administration problem, but travels far along the way of achieving such a solution.

WILL CONGRESS FAIL?—EDITORIAL FROM THE CHARLESTON GAZETTE

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Charleston Gazette of March 5, 1936, entitled "Will Congress Fail?" This editorial was written by a distinguished and beloved former Member of this body, Hon. William E. Chilton.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Charleston (W. Va.) Gazette of Mar. 5, 1936]

WILL CONGRESS FAIL?

Life is short, maybe too short. Few men live to see their original thoughts accepted. Socrates, centuries before Jesus, exposed the errors of the old thought, died for the idea that the soul is immortal. The people from whom descended the men and women who now grapple with the problems of life in the United States, lived through centuries when thought was a slave to tyranny, ignorance, and superstition. Copernicus, Galileo, and Roger Bacon, dared not to express the thoughts that later gave us modern machinery and most of the conveniences of home. Yes; any new deal has always been dragged through and over all the rough going that entrenched power could devise. Those who have thought ahead of their day have been made to suffer or die. People have acted like children called upon to swallow castor oil after taking calomel.

Take these thoughts to your study and consider them in connection with human impatience, such as expected Washington to defeat England, when his army was ragged, hungry, and without guns and ammunition. The fellows who are always united to preserve the status quo can always find a plausible reason, and the means for checking for awhile the wagon of progress. Those now seeming only to acquiesce in the demand for relieving the farmer, the worker, and the small-business man, are saying: "Go on and amend the Constitution; if the people want to change it, the Constitution provides the way." Then they look for a roar of "ayes". In the first place, a proposal to amend must receive the affirmative vote of two-thirds of both branches of Congress. That is hard to get even after the subject matter has been fully discussed and considered.

But the proposed amendment is not submitted to the people but to the legislatures of the several States, or to conventions in the several States, "as the one or the other mode of ratification may be proposed by the Congress." The "people" must take their consolation in the words, "We the people of the United States" in the caption. Below those words the "people" are left to "cut in" as, if, and when they may be able to do so.

Draw near and observe that—

1. It requires three-fourths (now 36) of State legislatures or conventions to ratify an amendment.

2. There is no provision for selecting the members of the conventions. Why can they not be appointed? The Tories and their henchmen are always organized to check any progress but their own.

3. It would require, in most of the States, at least 4 years to change the political complexion of both branches of the legislatures of 36 States. The people vote tickets made and alined on partisan issues. It is difficult—almost impossible—to elect State legislators committed to the ratification of a constitutional amendment. There is almost the certainty that other State questions and personal considerations will complicate the election issue; and where one of the leading political parties goes a hundred percent Tory, and seeks to draw the decisions of the courts into an attitude of endorsement of governmental policy, then Congress is challenged, as was the English Parliament under the leadership of Cromwell.

The people cannot turn out a Federal judge as they can a Member of Congress. The framers of the Constitution, however, provided for this contingency of public demand and national necessity on one hand, and an opposition with magnifying glasses looking for constitutional points to delay or obstruct the legislative branch. In England that kind of a clash between the legislative branch and a stubborn king, claiming prerogatives hateful to the people, lost the head of that king and the throne of another; and it delayed, but did not destroy, the onward march of Anglo-Saxon freedom. The acts of Parliament are now the "supreme law of the land" in England.

Congress has the constitutional power to end the present emasse. That power is written in plain English in section 2, article 3, of the Constitution.

But the people are helpless until and unless the Congress shall exercise that power to "protect its prerogative."

No case involving the A. A. A., the N. R. A., or any other economic policy can go to the Supreme Court except an appeal.

This section 2, article 3, of the Constitution is not a stranger to the courts. It has been construed by the Supreme Court to mean exactly what it says:

"In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction." That means that such cases may be instituted in the Supreme Court. Section 2 then provides:

"In all the other cases before mentioned the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make."

Congresses in the past have made "exceptions" and "regulations" to the exercise of the appellate power, and the Supreme Court has governed itself by these "exceptions" and "regulations."

The cases in which the Court has recognized the power of Congress to make "exceptions" and "regulations" to the grant of appellate jurisdiction have been cited in the House by Congressmen RAMSAY, of West Virginia, and CROSS of Texas—probably by others of which we are not advised.

From the speeches of these Congressmen, we can cite the following cases, 260 U. S. 226; 3 U. S. 321; 105 U. S. 381; 148 U. S. 372; 210 U. S. 281.

What is the matter with the Congress? The people cannot exert their power nor express their will except through the Congress. The Court exercises its power—granted, inferred, or usurped—when opportunity presents itself. Thus the Court's decisions become the "supreme law of the land." What is Congress doing to "protect its prerogative" of being the repository of "all legislative power"? Was the Congress bluffing when it passed the laws constituting the New Deal? If not, why not regulate the appellate power and make such exceptions as may be necessary, at least to avoid the consummation that it is the supreme law of this land that the Congress has no power to help the farmer. Power? Congress has the written grant and needs only the will. If the Congress refuses at this time to exercise its granted power, then the people will decide in November whether that is the kind of Congress they want in Washington.

ADMINISTRATION OF OATH TO SENATORS IN THE IMPEACHMENT TRIAL

Mr. McNARY. Mr. President, I am advised that the junior Senator from Vermont [Mr. GIBSON] desires to take the oath as a juror in the impeachment proceedings.

The VICE PRESIDENT. After a thorough survey of the situation, the best judgment of the Chair is that Senators who have not heretofore taken the oath as jurors of the court should take it after the Senate resolves itself into a court; all Senators who have not as yet taken the oath as jurors will take the oath at that time.

Mr. ROBINSON. Senators who have not taken the oath should take notice now that the opportunity to do so will be afforded when the court convenes at 1 o'clock today.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on the adoption of the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY] for the committee amendment.

Mr. GORE. Mr. President, I feel almost like apologizing to the Senate for taking any of its time in a further discussion of the pending legislation, but I feel that a duty rests upon me as chairman of the committee to make some further presentation of the subject.

The main points in the controversy have been discussed over and over, time and time again. I shall therefore try to avoid vain repetition, although I do not hope to be completely successful. I shall in the main address myself to the points raised by the Senator from North Carolina [Mr. BAILEY] in his remarks 2 or 3 days ago. I shall try to bring

the discussion back, as it has wandered afield, to the fundamental or to the practical issues which divide the opponents and proponents of the measure.

The practical issue is whether the United States shall regulate and prescribe the tolls which shall be charged and collected on ships transiting the Panama Canal or whether the tonnage and tolls shall be determined by the shipping concerns themselves. That is the practical point involved in the controversy. I should think it unfortunate if the discussion should turn on the use or the misuse of any particular word. Two or three days ago I referred to the pending substitute as a "sham." I find on consulting the dictionary that some of the synonyms of "sham" carry an offensive implication. I disclaim any intention or purpose in my use of the word to convey any such implication. Some synonyms do not carry such an implication, but I withdraw the word entirely, because I wish to eliminate any extraneous questions from debate.

I may not be able to follow the Senator from North Carolina [Mr. BAILEY] in the order of his presentation, but I shall at least begin at the beginning. The Senator from North Carolina stated that he intended to show from the record that, so far as we have any evidence whatever, the shipping interests are supporting the pending legislation. He then added very frankly, "That is a bald statement."

I always like to agree with the Senator from North Carolina, and upon that point at least we are in present agreement. It was a rather bald statement that, so far as we have any evidence whatever, the shipping interests are supporting the pending legislation.

I think, however, there is one other point upon which we will equally agree. That statement is either right or it is wrong. The statement that the shipping interests are supporting this legislation is either correct or it is incorrect. That statement is either supported by the evidence or it is not supported by the evidence. The Senator from North Carolina said that it is supported by the evidence. I say that it is not supported by the evidence.

Not only do I say it is not supported by the evidence, but I say it is contradicted by all the evidence. I undertake to say that so far as the record goes and so far as I have been able to search it, there is not a single witness in all the record to support that statement. So far as I have been able to search the record, there is not one word of evidence to sustain that statement.

This is not a matter of inference or deduction or speculation. It is a matter of fact which can be determined by evidence and by proof, and I shall furnish the proof.

I wish to observe first, however, that it would be strange indeed if every Governor of the Canal Zone for the last 20 years has been urging this legislation, to find that they had, or that they now have, the support of the shipping interests in furthering the legislation.

It would be strange if every Secretary of War since 1914 has urged this legislation to find that the shipping interests have been, or now are, supporting the pending legislation. That would be a revelation.

It would be passing strange if President Wilson was, and if President Roosevelt now is, supported by the shipping interests in their desires to further the passage of the pending legislation.

It is strange that the Senators from the great shipping State of Maine should be here fighting the proposed measure if we should find the shipping interests in their State are supporting this legislation.

It would be strange indeed to find that the Senators from the great shipping State of New York are opposing this legislation while the shipping interests in their State are supporting it.

It would be wondrous strange to find that all Senators from the Pacific Coast States, I believe with one notable exception, are in array against the pending legislation and strange to find that the great shipping interests on the Pacific coast are supporting the measure.

Mr. President, upon what evidence does the Senator from North Carolina base his statement that the shipping inter-

ests are supporting the legislation? He invokes the evidence of two witnesses, Mr. Duff and Mr. Petersen. I send to the desk a salient statement in each one's testimony, which I ask to have read to the Senate.

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Without objection, the clerk will read as requested.

The legislative clerk read as follows:

Mr. PETERSEN. Mr. Chairman, I would like to say on behalf of the Pacific coast interests that I have represented them here for about 4 years now, and that we are in hearty accord with the suggestions of the Governor of the Canal that there should be a single system of measurement. We have been on record on that, time after time. * * * So that we are all in favor of the single system of measurement and have been for a long time.

Mr. DUFF. Mr. Chairman, I merely would say in conclusion, that in reply to what Congressman Denison stated, I do not believe it quite correct to say that steamship companies would never agree to a plan for a single system of measurement. On the contrary, a single system of measurement is considered desirable. But we do protest strongly against any toll assessment under a new system that will increase the present total tolls assessed on American ships.

Mr. GORE. Mr. President, the Senator from North Carolina has evidently confused as identical two things that are different. Both of these witnesses declared that they are opposed to the dual system of measurement. The dual system is so indefensible, it is such a self-evident and preposterous absurdity, that neither of those gentlemen was willing to go on record as favoring the dual system of measuring ships passing through the Panama Canal. A dual system which permits the *Empress of Britain* to pass through the Panama Canal, paying \$12,000 less per transit than when she passes through the Suez Canal, did not appeal to these two gentlemen as just; and I will say that Mr. Petersen is a rather audacious gentleman and would not hesitate to defend whatever he thought was defensible. But it does not follow, from the statement that they oppose the dual system of measurement, that they favor and that they are supporting the pending measure, because that is not a fact.

I send to the desk the last hearings held on this subject before the Senate Committee on Inter-oceanic Canals, and I ask to have the clerk read the marked names as they are numbered—the names of the representatives of the shipping companies and the companies represented.

The PRESIDING OFFICER. Without objection the clerk will read, as requested.

The legislative clerk read as follows:

Statement of W. J. Petersen, Pacific American Steamship Owners' Association of the Pacific Coast.

Mr. GORE. Mr. Petersen appeared before the committee not in support of this measure but against it.

The legislative clerk read as follows:

Statement of Ira L. Ewers, McCormick Steamship Co. and Charles Nelson Co., Sudden & Christensen.

Mr. GORE. Mr. Ewers appeared in opposition to this measure, and not in support of it.

The legislative clerk read as follows:

Statement of A. J. McCarthy, vice president, American Lines Steamship Corporation.

Mr. GORE. Mr. McCarthy appeared in opposition to the bill, and not in support of it.

The legislative clerk read as follows:

Statement of R. R. Adams, vice president, Grace Lines, Inc.

Mr. GORE. Mr. Adams appeared, not in support of the bill, but in opposition to it.

The legislative clerk read as follows:

Statement of H. W. Warley, vice president, Calmar Steamship Corporation and Ore Steamship Corporation.

Mr. GORE. Mr. Warley appeared in opposition to the measure, and not in its favor.

The legislative clerk read as follows:

Statement of Oliver P. Cromwell, traffic manager, Luckenbach Steamship Co.

Mr. GORE. Mr. Cromwell appeared as a witness opposing the legislation, and not supporting it.

The legislative clerk read as follows:

Statement of D. S. Morrison, vice president, Williams Steamship Corporation, and assistant chairman, executive committee, American Hawaiian Steamship Co.

Mr. GORE. Mr. Morrison appeared in opposition to the bill, and not in support of it. He has been doing us the honor to sit in the gallery during this debate.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I do.

Mr. BAILEY. Will the Senator permit me to read just a few lines from the concluding paragraphs of the majority report of the Senator's committee?

Mr. GORE. Yes.

Mr. BAILEY. I read from page 11, as follows:

This whole subject has been so well summarized in an editorial of the March 1935 issue of the *Marine Review*, a journal devoted to the interests of shipping, that your committee begs leave to quote the following paragraphs from said editorial:

"The Panama Canal rules are the logical standards for assessing the tolls"—

This bill proposes to establish the Panama Canal rules—

"They represent a thorough survey and study of vessel management. They embody the experience of the past. By adopting a single system, using these rules, endless controversy and continual inconvenience are forever eliminated.

"Keeping these rules as the basis, with whatever amendments may be necessary to suit present-day standards and types of ships, and an agreed-upon fair charge per ton"—

Precisely what the Senator contends that this bill does—

"will bring about a solution once for all of this controversial subject which will be satisfactory to all fair-minded men."

That is from the report. I take it that it will not be denied that the *Marine Review* is a journal devoted to the interests of shipping, and it will not be denied that the majority report concludes with the statement from the magazine representing the shipping interests, and quotes it as supporting the proposed legislation.

I am not making any contention here as to the facts. I am simply saying what the evidence is.

Mr. GORE. Mr. President, the *Marine Review*, like the two witnesses referred to, could not make a stand against the discontinuance of the dual system of measurement. I do not think it has any defense. It has few, if any, defenders.

In order further to present the attitude of the shipping interests of this country in respect to the pending measure, while I had not intended to do so, I should like to have read to the Senate the list of witnesses appearing in the House hearings of last year.

Mr. DUFFY. Mr. President, will the Senator yield before the reading begins?

Mr. GORE. Yes; I yield.

Mr. DUFFY. Is not the question that is up here now as to the position of the shipping interests? I think nobody will deny that every representative of a shipping line vigorously opposed the bill, and is still opposing it. The question of shipping interests, however, may be broader than that.

Mr. GORE. Yes, sir; there is no doubt about that. I will say that there may be shipping companies and associations in this country which do favor the pending measure. Those shipping concerns which have not abused the privilege, have not manipulated their structures, have not availed themselves of these devices to reduce their tonnage and to reduce their tolls, might well favor the passage of this measure. It would protect them against unfair competition. My point was, they have not so far appeared and testified before any committee of either branch of Congress, so far as I know.

The PRESIDING OFFICER (Mr. POPE in the chair). Without objection, the list of witnesses referred to by the Senator from Oklahoma will be read.

The legislative clerk read as follows:

Statements of Ira L. Ewers, J. Alex. Crothers, Edward P. Farley, D. S. Morrison, Edgar F. Luckenbach, A. J. McCarthy, R. R. Adams, R. H. Horton, W. J. Petersen.

Mr. GORE. The first list of witnesses, I believe, named 8 different witnesses, representing 13 concerns. I believe there are some 9 or 10 witnesses in the list just read, all of whom represent shipping companies or shipping associations.

Mr. President, we are not left in any doubt as to the position of Mr. Petersen, who, I believe I may say, was one of the star witnesses of the Senator from North Carolina. We are not left in any doubt as to what his attitude is in regard to the pending bill; and I ask that the clerk may read from his testimony on page 41 of the hearings before the Senate committee.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

We would, therefore, suggest the elimination of section 1 of the bill, pass section 2, eliminate section 3, and provide for the appointment of a committee to consider the whole subject matter and report back its findings, and then this committee and the committee in the House could proceed more intelligently than at the present time.

Mr. GORE. Now I ask to have the clerk read as marked on page 43.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The legislative clerk read as follows:

If you insist upon the passage of a bill, pass one that will settle controversies by eliminating section 1 of this bill, thus permitting conditions to remain as they are for the time being and until a committee reports its findings, as provided in section 2.

Mr. GORE. Mr. President, Mr. Petersen is one of the witnesses referred to by the Senator from North Carolina. The Senate has just listened to his statement, read from the hearings. What does Mr. Petersen recommend?

When Senate bill 2288 was originally introduced it contained three sections—1, 2, and 3. What did Mr. Petersen recommend? That the committee strike out section 1, which is the substantive part of the bill; Mr. Petersen recommended that the committee strike out section 3 of the bill, which provided when the different sections should go into effect; and Mr. Petersen recommended that the committee report, and the Congress pass, section 2 of Senate bill 2288.

What was section 2 of Senate bill 2288? It authorized the President to appoint a commission to make a study of the subject and report back. Section 2 of that bill is almost identical with the pending substitute, offered as an amendment by the Senator from North Carolina. In fact, in his remarks the Senator from North Carolina stated that he had taken section 2 of the original bill and had embodied it in his substitute.

Mr. Petersen wished to mutilate this bill, as I see it. He wished to strike out section 1, which is the substantive legislation in this measure. He desired to have the committee report and the Senate pass a measure creating a new commission to make another study of Panama Canal tolls.

Mr. Petersen wished the committee to report section 2 alone, which is now pending in the substitute; but the committee preferred to take the advice and recommendation of the half dozen or more Governors of the Panama Canal Zone. The Senate committee preferred to take the advice and the recommendations of the dozen Secretaries of War, every one since this question arose, including both Democrats and Republicans.

The Senate committee did not respond to Mr. Petersen's recommendation; and I hope the Senate will not now accept the recommendation of Mr. Petersen in the premises but will, rather, rely upon the recommendation of the responsible and constituted authorities of the United States.

Let us suppose that Mr. Petersen's recommendation is adopted by the Senate. Let us suppose that this substitute shall be agreed to and be enacted into law.

What, then, will be our situation with reference to this much-controverted subject? Will the shipping interests acquiesce in the report of this new commission when it shall be submitted?

President Wilson promulgated the existing Panama Canal rules in 1913. They were predicated upon an exhaustive report which had then recently been made, the most

exhaustive and, as high authority has stated, the best report upon the subject ever submitted in any language. This report had but recently been made when President Wilson promulgated the rules for measuring the Panama Canal tonnage and the tolls to be applied and collected for the passage of ships through the Canal.

Were the shipping interests concluded by that? Did they acquiesce in that? Did they accept the recommendations as scientific, sound, just, and equitable? The shipping interests protested the proclamation of President Wilson, and their protest eventuated in the ruling on the part of the Attorney General, which brought all this confusion upon us.

Mr. President, only 4 years ago, in 1932, the Bureau of Efficiency prepared and submitted an elaborate report on the subject of measuring vessels transiting the Panama Canal and on the subject of the proper tolls to be charged. I hold that report in my hand. It covers more than 80 pages. It concludes with a series of recommendations, which I will print in my remarks without taking the time to read.

This report was up to date when it was submitted. Did it conclude the shipping interests? Did they acquiesce in the report? Did they agree that it was modern, and up to date, and scientific, and just, and equitable? Not at all. At the very next session of Congress which convened after this report was submitted another hearing was had in the House of Representatives, and the shipping interests appeared as one man in opposition to the proposed legislation.

Not only that; on the second day of January last year the shipping interests submitted a questionnaire to the Panama Canal authorities. Twenty-nine questions were submitted. An exhaustive and comprehensive reply was made by the authorities of the Panama Canal, and that reply is contained in the House hearings of last year at page 60. The statistical results of that hearing are contained in the last Senate hearing at page 106, covering practically all the controverted points, exhausting the subject.

Were the shipping interests concluded by the answer submitted on the part of our authorities to their own questionnaire? Did they acquiesce in the conclusions? Did they discontinue their fight to control tolls themselves by manipulating their vessels? Not at all.

A hearing was then in progress, and a hearing has since been conducted by the Senate, and in spite of these four investigations, extending from 1912 down to last year, they have persisted in their opposition to the proposed legislation without variableness or shadow of turning.

Mr. President, if the proposed substitute be enacted, another investigation will be held, and the recommendations of the investigating body will correspond in the main with all the other reports, beyond any doubt, and when the new report is submitted will it meet with any more favor in the eyes of the shipping concerns than have these comprehensive reports in the past?

Mr. President, it is not more facts the shipping interests desire to obtain. It is less tolls that they wish to pay. That is their motive; that is their object; and if they can adjourn the day when they will be required to pay just, reasonable, and uniform tolls, they will have scored a victory. If the proposed substitute is adopted, it will not further the final determination of this issue; it will not eliminate an insuperable, obstructing object in the way. It will only mean one more investigation, it will only mean one more report, in our progress toward the 7th report to be sought and obtained by the shipping interests. As long as they can resort to this method of postponing the day when the dual system shall be abolished, they will escape payment of the tolls which they ought to pay the Government of the United States for using the great facility placed at their convenience at the expense of the people of this country.

Mr. President, I want Senators to look this situation in the face, because there is an anomaly about it which cannot fail to challenge their attention and challenge their interest. The existing Panama Canal tolls measure was enacted in 1912. It fixed a maximum toll of \$1.25 per ton; it fixed a minimum toll of 75 cents per ton. It authorized the President, after investigation, to fix and prescribe an official toll

to be charged and collected at some point between those two limits, between the maximum and the minimum. In his proclamation the President fixed \$1.20 per ton as what was then regarded as a just and reasonable toll. One dollar and twenty cents was the official toll promulgated.

What does the pending measure propose? It proposes to reduce the maximum toll of \$1.25 to \$1 per ton, and the shipping interests are opposed to that. The pending bill proposes to reduce the minimum toll from 75 cents to 60 cents per ton, and the shipping interests are opposed to that reduction.

If the President should accept the recommendation which the Secretary of War has made public, the President of the United States would fix the official toll at 90 cents a ton instead of \$1.20 a ton, the present official toll.

The shipping interests are opposed to reducing the official rate from \$1.20 to 90 cents. Is there not something strange about their opposition to this? Why would the shipping interests insist upon retaining these high rates, instead of laboring in season and out in support of this measure in order to reduce the rates? There is a reason, and that reason grows out of the dual system of measurement as applied to vessels passing through the Canal.

In 1913 the President prescribed the rules for measuring vessels passing through the Panama Canal, and fixed \$1.20 a ton as the official rate. That was challenged by the shipping interests on the western coast, and the Attorney General of the United States held that the phrase "per net registered ton", as used in the Panama Canal Act, did not apply to net registered tons as ascertained under the Panama Canal rules of measurement, but as ascertained under the United States rules of measurement, as they are called.

The Panama Canal rules of measurement are based on the earning capacity of the ship, based on the cargo-carrying capacity of the ship. The United States rules are not. They had been evolved during several generations, with a view not to ascertain the earning capacity of the vessel, but with a view to cutting down the harbor tolls and the port charges in ports where our vessels enter, here and abroad. Because other countries accept our tonnage certificates, by comity we accept the tonnage certificates of the vessels of other countries.

The charges are low, and there has been a sort of competition to exempt this space and that space, and to cut down the tonnage under the United States rules of measurement in order to cut down these port charges and harbor dues.

The rules of measurement are not at all suited to the Panama Canal. When the Suez Canal was first opened, it adopted that sort of system, taking the measurements of different countries as the measure upon which tolls should be levied in transiting the Suez Canal. It was soon found that they were utterly inapplicable; and a different system, based upon the earning capacity of the ship, was substituted. The Panama Canal rules of measurement promulgated by President Wilson in 1913 were based on the same principle in the light of that experience—that is, based on the earning capacity of the ships.

Let us see how this thing works. Let us say that a Japanese ship—and I want to say that Japan was one of the latest offenders in this matter—let us say that one of these new Japanese ships pulls up to the anchorage of the Panama Canal, and she measures 10,000 tons in accordance with the Panama Canal rules of measurement. That is her earning capacity. Under the present rate she would pay \$1.20 a ton, or \$12,000 for passing through the Canal. But she asks that her tonnage be measured by the United States rules of measurement; and, owing to her ingenuity in availing herself of these later devices, that ship measures not 10,000 tons—these ratios are correct—she measures 6,800 tons under the United States rules of measurement.

That brings upon her the maximum charge of \$1.25 a ton. But \$1.25 a ton on 6,800 tons amounts to \$8,500. So the ship pays \$8,500 for passing through the Canal instead of paying \$12,000. That vessel pays \$500 less in the present situation than she would pay if the pending measure were enacted into law, and a rate of 90 cents a ton were promul-

gated by the President. Ninety cents a ton would require her to pay \$500 more than she now pays under this confusing and ridiculous system of double measurement.

The next ship which steams into port is an American ship. She is on her maiden voyage, with exactly the same earning capacity as the Japanese ship; but she has not resorted to all these devices, and it might be possible for that American ship to be required to pay from \$2,000 to \$3,000 more for passing through the American canal than the Japanese ship which just preceded the American ship pays for passing through.

Let us take a hypothetical case. Let us assume that the Senator from North Carolina [Mr. BAILEY] and I both—

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. GORE. I yield.

Mr. BORAH. The statement which the Senator is making seems to me of most extraordinary importance. Do I understand from the Senator's statement that under the present regulations and the law, the American ship might be compelled to pay very much more than the foreign ship in passing through the Canal?

Mr. GORE. Yes; and I am going to illustrate that a little further. I am going to assume that the Senator from North Carolina and I each own a sister ship of the *Empress of Britain*. They will be domestic, but the example illustrates the point. The Senator from North Carolina sends his ship down to the sea. It passes through the Panama Canal, and it pays for transiting it what it pays for passage through the Suez Canal—\$29,000. My ship is the next to pull into the lock. It is a sister ship to the one owned by the Senator from North Carolina, identical from stem to stern and from keel to topmast; but I have taken advantage of all these devices under the United States rules of measurement; and my ship, loaded to her lines, passes through the Canal and pays less than \$18,000 for the transit.

That is what happens. That happens now. When the *Empress of Britain* passes through the Suez Canal she pays the Suez Canal authorities \$29,000 for the transit; and when she passes through the Panama Canal she pays less than \$18,000 for the transit; and I will say to the Senator from Idaho she cuts down her tonnage 3,300 tons by this simple device:

She had a cloakroom on one of her pleasure decks, where the passengers could park their cloaks and hats and wraps. Her owners found out that by converting that cloakroom into a so-called cabin they could reduce her toll-paying tonnage 3,300 tons; and they did put a bed in that cloakroom with a portable chiffonier and washstand, and by that simple device lifted 3,300 tons out of her toll-paying capacity.

The pending bill is designed to abolish that sort of system. The shipping interests of this country do not want that system abolished. They are here, in season and out, protesting against the passage of such legislation, and have been for 22 years. The Attorney General's decision was handed down on the 25th of November 1914. Within 3 months Mr. Adamson, the then chairman of the House Committee on Interstate and Foreign Commerce, introduced a bill to correct this mischief. The bill has passed the House four times, but never on any previous occasion has it advanced as far as it now has advanced in the Senate.

Mr. BAILEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I yield.

Mr. BAILEY. I wish to make a statement, in view of the Senator's comparison of the Panama Canal with the Suez Canal.

The Panama Canal is a canal owned by the United States and operated presumably for the public benefit, and especially for the benefit of the public of the United States. The Suez Canal is a private corporation, and it is making profits and declaring dividends at the rate of 200 percent per year. I do not see why the fact that they get \$3,000, \$5,000, or \$10,000 more by reason of having a monopoly

should justify the United States in pursuing a similar policy. I cannot see the basis for the argument.

Let me make one other suggestion and then I promise not to interrupt the Senator further.

The Panama Canal under the existing conditions is a paying institution. Why should we wish to increase the rates? Why should we wish to change the system under which it is paying?

Mr. GORE. Mr. President, there is no man in the Senate for whom I have a higher regard than the Senator from North Carolina. I sometimes think in this debate he is rather disparaging his own talents. It seems to me he is trying to convince the Senate that he knows less about more things concerning this legislation than any man in the Senate. I do not agree with him altogether.

Mr. BAILEY. Mr. President, that has been the point of my argument for several days on this subject—that nobody here knew anything about it, and therefore we needed a commission to find the facts. I am not resenting or repudiating or denying the statement that I do not know much about it, and I am asking the Senate to appoint a commission which will inform us.

Mr. GORE. Another commission to reiterate what has been said so often? I shall not turn back to that point.

Mr. President, if the Senator from North Carolina thinks the *Empress of Britain* ought to pay the Suez Canal authority \$29,000 when she passes through that canal, and, owing to these devices, ought to pay the Panama Canal authorities or ought to pay the Government of the United States less than \$18,000 for the same service, it is his privilege to take that position. But the Senator is mistaken in this, as are other Senators. The object of this proposed legislation is not to increase the aggregate receipts of the Panama Canal. This measure is not intended to make a profit-bearing instrumentality of the Panama Canal. The total charge for the maintenance of the Canal and other charges connected with it are about \$25,000,000 a year under the present tolls. If enacted the pending measure will not increase the aggregate receipts from the operation of the Panama Canal. It is not intended to do so. It is intended to correct the inequalities. It is intended to correct the absurdities which have sprung up under this dual system of measurement, resulting from the ruling of the Attorney General.

The VICE PRESIDENT. Will the Senator from Oklahoma suspend for the purpose of enabling the Senate to carry out its order with reference to the impeachment proceedings?

Mr. GORE. Of course, I yield, and I will resume as soon as the business of the Senate sitting as a court shall have been concluded.

IMPEACHMENT OF HALSTED L. RITTER

The VICE PRESIDENT. The Senate is now sitting as a Court to try articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida.

At 1 o'clock the Secretary to the Majority (Leslie L. Biffle) appeared and said:

I have the honor to announce the managers on the part of the House of Representatives to conduct the impeachment proceedings in the impeachment of Halsted L. Ritter, United States district judge for the southern district of Florida.

The VICE PRESIDENT. The managers on the part of the House of Representatives will be conducted to the seats assigned them in the area in front of the Secretary's desk.

The managers on the part of the House, Hon. HATTON W. SUMNERS, of Texas; Hon. RANDOLPH PERKINS, of New Jersey; and Hon. SAM HOBBS, of Alabama, were conducted to the seats provided in the space in front of the Secretary's desk on the left of the Chair.

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Borah	Byrnes
Ashurst	Benson	Bulkeley	Capper
Austin	Bilbo	Bulow	Caraway
Bachman	Black	Burke	Carey
Bailey	Bone	Byrd	Clark

Connally	Hale	McNary	Russell
Coolidge	Harrison	Maloney	Schweilenbach
Copeland	Hatch	Metcalf	Sheppard
Costigan	Hayden	Minton	Shipstead
Couzens	Holt	Moore	Smith
Davis	Johnson	Murphy	Steinwer
Dieterich	Keyes	Murray	Thomas, Okla.
Donahay	King	Neely	Townsend
Duffy	La Follette	Norbeck	Trammell
Fletcher	Lewis	Norris	Tydings
Frazier	Logan	O'Mahoney	Vandenberg
George	Loneragan	Overton	Wagner
Gibson	Long	Pope	Walsh
Glass	McAdoo	Radcliffe	Wheeler
Gore	McGill	Reynolds	White
Guffey	McKellar	Robinson	

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

The Sergeant at Arms will make proclamation.

The SERGEANT AT ARMS (Chesley W. Jurney). Hear ye! Hear ye! Hear ye! All persons are commanded to keep silence on pain of imprisonment while the Senate of the United States is sitting for the trial of the articles of impeachment exhibited by the House of Representatives against Halsted L. Ritter, United States district judge for the southern district of Florida.

Mr. ASHURST. Mr. President, I ask unanimous consent that the Journal of the proceedings of the last session of the Senate sitting as a Court of Impeachment be considered as having been read and that the Journal be approved.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The Chair will inquire if there are any Senators present who have not taken the oath as members of the Court? If there are, let them do so now.

Mr. COSTIGAN. Mr. President, before the oath is administered to members of the Court of Impeachment, if this is the appropriate time, I desire, by unanimous consent, to present a request to be excused from participation in these proceedings, to stand aside and to make a statement with reference to my request.

The VICE PRESIDENT. Is there objection to the Senator from Colorado being excused from serving as a member of the Court? The Chair hears none, and the Senator is excused.

Mr. COSTIGAN. Mr. President, as part of my request, may I ask unanimous consent to have printed in the RECORD the statement to which I referred?

The VICE PRESIDENT. Is there objection? The Chair hears none.

The statement of Mr. COSTIGAN is as follows:

On March 9, 1933, in the Harold Louderback impeachment proceedings, as reported in Senate Document No. 73 of the Seventy-third Congress, first session, pages 14-15, in advance of taking oaths to sit as jurors or Senators in the Court of Impeachment, the Senator from Idaho [Mr. BORAH] and the Senator from California [Mr. JOHNSON], at their respective requests and by unanimous consent of the members of the Impeachment Court, were permitted to stand aside in the trial. At that time the chairman of the Judicial Committee [Mr. ASHURST], with his usual care and decisiveness, helpfully commented on the procedural problems and the propriety of such a request.

On March 10, at page 3485, the CONGRESSIONAL RECORD correctly notes my absence when the roll was called, prior to oaths being administered to Members of the Senate, and I was not that day, nor have I since been, sworn as a member of the Court of Impeachment in the Senate impeachment proceedings of Halsted L. Ritter about to commence.

At this time I am tendering my request to the Senate to be excused in these proceedings, as was done in the former impeachment trial on request of the Senators from California and Idaho.

It is not disputed by me that such a request is reasonably subject to the convenience, discretion, and approval of Senators who have already been sworn. It is therefore doubtless desirable that the following further statement be made with reference to this request.

While I am not aware of partiality that would affect my judgment, if sworn, I am conscientiously of the opinion that I ought not to sit as judge or juror in the trial of the respondent, Halsted L. Ritter. This conclusion is not based on knowledge of or information I have on the merits of charges involved in the impeachment proceedings. As to the truth or falsity of such charges I have only such knowledge or information as have other Members of the Senate generally. No one has attempted to discuss such charges or their truth or falsity with me, nor have I expressed any opinion about them. I have not seen or communicated with

respondent or any member of his family in recent years, with the exception of a brief chance meeting with the respondent about a year ago. At that meeting the conversation did not exceed 2 or 3 minutes' duration, and it was in no wise related to the issue or issues to be tried. Nevertheless, it should be stated that Mrs. Costigan and I have long known respondent, his wife, and children. Our personal acquaintance began in our home city, Denver, Colo., a number of years before respondent and his family moved to the State of Florida. Of course, I was not a Member of the Senate when respondent was appointed to his present Federal position and was not among those who recommended his appointment or confirmation. But the friendly acquaintance with respondent and his family, which thus began in Denver, was personal and social, and was professional to the extent that at least on one occasion we were associated on the same side in important litigation.

Although I am not conscious of any other attitude than impartiality dictates, I feel, under the specified circumstances, that I ought not to be expected to serve as judge or juror in these impeachment proceedings. I therefore ask unanimous consent of the Senate that I may be permitted at this time to stand aside and may be excused from taking the oath required of members of this Court of Impeachment.

The VICE PRESIDENT. The Chair will now administer the oath to those Senators who have not heretofore taken it or been excused.

Mr. GIBSON, Mr. STEINWER, Mr. CAREY, Mr. NORBECK, Mr. LA FOLLETTE, Mr. KEYES, Mr. COUZENS, Mrs. LONG, Mrs. CARAWAY, Mr. MALONEY, Mr. DIETERICH, Mr. BLACK, Mr. HARRISON, Mr. MURRAY, Mr. CLARK, Mr. BYRD, and Mr. GUFFEY rose from their seats, and the oath was administered to them by the Vice President.

Mr. ASHURST. Mr. President, I rise to make the announcement that the Journal Clerk will take down the names of those Senators who have taken the oath today.

The VICE PRESIDENT. The Journal Clerk will take the names.

The Secretary will read the return of the Sergeant at Arms.

The Chief Clerk read as follows:

SENATE OF THE UNITED STATES,
OFFICE OF THE SERGEANT AT ARMS.

The foregoing writ of summons addressed to Halsted L. Ritter, and the foregoing precept, addressed to me, were duly served upon the said Halsted L. Ritter by me by delivering true and attested copies of the same to the said Halsted L. Ritter at the Carlton Hotel, Washington, D. C., on Thursday, the 12th day of March 1936, at 11 o'clock in the forenoon of that day.

CHESLEY W. JURNEY,
Sergeant at Arms, United States Senate.

The VICE PRESIDENT. The Secretary of the Senate will administer the oath to the Sergeant at Arms.

The Secretary of the Senate, Edwin A. Halsey, administered the oath to the Sergeant at Arms, as follows:

You, Chesley W. Jurney, do solemnly swear that the return made by you upon the process issued on the 10th day of March 1936 by the Senate of the United States against Halsted L. Ritter, United States district judge for the southern district of Florida, is truly made, and that you have performed such service as therein described. So help you God.

The VICE PRESIDENT. The Sergeant at Arms will make proclamation.

The Sergeant at Arms made proclamation as follows:

Halsted L. Ritter! Halsted L. Ritter! Halsted L. Ritter! United States district judge for the southern district of Florida, appear and answer to the articles of impeachment exhibited by the House of Representatives against you.

The respondent, Halsted L. Ritter, and his counsel, Frank P. Walsh, Esq., of New York City, N. Y., and Carl T. Hoffman, Esq., of Miami, Fla., entered the Chamber and were conducted to the seats assigned them in the space in front of the Secretary's desk, on the right of the Chair.

The VICE PRESIDENT. Counsel for the respondent are advised that the Senate is now sitting for the trial of articles of impeachment exhibited by the House of Representatives against Halsted L. Ritter, United States district judge for the southern district of Florida.

Mr. WALSH (of counsel). May it please you, Mr. President, and honorable Members of the Senate, I beg to inform you that, in response to your summons, the respondent, Halsted L. Ritter, is now present with his counsel and asks leave to file a formal entry of appearance.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the appearance will be filed with the Secretary, and will be read.

The Chief Clerk read as follows:

IN THE SENATE OF THE UNITED STATES OF AMERICA
SITTING AS A COURT OF IMPEACHMENT

MARCH 12, 1936.

The United States of America v. Halsted L. Ritter

The respondent, Halsted L. Ritter, having this day been served with a summons requiring him to appear before the Senate of the United States of America in the city of Washington, D. C., on March 12, 1936, at 1 o'clock afternoon to answer certain articles of impeachment presented against him by the House of Representatives of the United States of America, now appears in his proper person and also by his counsel, who are instructed by this respondent to inform the Senate that respondent stands ready to file his pleadings to such articles of impeachment within such reasonable period of time as may be fixed.

Dated March 12, 1936.

HALSTEAD L. RITTER,
Respondent.
CARL T. HOFFMAN,
FRANK P. WALSH,
Counsel for Respondent.

The VICE PRESIDENT. What is the pleasure of the Court?

Mr. ASHURST. Mr. President, I inquire if the honorable managers on the part of the House and the honorable counsel for the respondent have reached any agreement as to a date upon which witnesses shall be summoned to appear and as to the date the trial shall begin.

Mr. Manager SUMNERS. Mr. President, I have to inform the Senate that the managers on the part of the House and counsel for the respondent have not been able to reach an agreement as to when the trial shall begin. The difficulty is that the managers on the part of the House are very anxious, if possible, to avoid the trial of the articles of impeachment taking place in what we know as the closing days of the session of the Congress. Aside from that, the managers can accommodate themselves to whatever is the necessity and convenience of counsel for the respondent and whatever is the judgment of the Senate. That is the difficulty we have.

I wonder if we might make an inquiry? Would it be possible for counsel for the respondent and the managers to have some further opportunity for conference upon that point, and also to have a conference with the honorable chairman of the Senate Committee on the Judiciary?

Mr. KING. Mr. President, pursuant to the request made by the honorable managers on the part of the House that a reasonable time be afforded for consultation between the Managers on the part of the House and counsel for the respondent, I move that the Senate, sitting as a Court of Impeachment, take a recess for 30 minutes.

The motion was agreed to; and (at 1 o'clock and 15 minutes p. m.) the Senate, sitting as a Court of Impeachment, took a recess for 30 minutes.

At the expiration of the recess at 1 o'clock and 45 minutes p. m., the Senate, sitting as a Court of Impeachment, reassembled.

Mr. POPE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Overton
Ashurst	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Dieterich	Loneragan	Russell
Benson	Donahay	Long	Schwellenbach
Blibo	Duffy	McAdoo	Sheppard
Black	Fletcher	McGill	Shipstead
Bone	Frazier	McKellar	Smith
Borah	George	McNary	Stelwer
Bulkley	Gibson	Maloney	Thomas, Okla.
Bulow	Glass	Metcalf	Townsend
Burke	Gore	Minton	Trammell
Byrd	Guffey	Moore	Tydings
Byrnes	Hale	Murphy	Vandenberg
Capper	Harrison	Murray	Wagner
Caraway	Hatch	Neely	Walsh
Carey	Hayden	Norbeck	Wheeler
Clark	Holt	Norris	White
Connally	Johnson	O'Mahoney	

Mr. LEWIS. I reannounce the names of absentee Senators and the reason for their absences which I gave on a previous roll call.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

The Chair is advised that there are some Senators who have not as yet taken the oath as members of the Court. If there are any Senators in the Chamber who have not as yet taken the oath as members of the Court and desire to do so now, the Chair will at this time administer to them the oath.

Mr. WHEELER and Mr. DAVIS rose, and the oath was administered to them by the Vice President.

The VICE PRESIDENT. What is the pleasure of the Court?

Mr. ASHURST. Mr. President, I inquire of the honorable managers on the part of the House and the honorable counsel for the respondent if they have been able to agree as to the date on which the trial shall begin?

Mr. Manager SUMNERS. Mr. President, the managers on the part of the House have been in consultation with counsel for the respondent, and we have arrived at this agreement: Counsel for the respondent will have their response or reply in the hands of the managers on March 26, but will have until March 30 to file their response in the Senate. It has been suggested that when that is done then an agreement can be arrived at as to when the trial shall begin. That seems to have been the method pursued in the English case, and I am advised by some Senators that that seems to have been the custom in determining these matters in advance.

Mr. WALSH (of counsel). We agree to that, Mr. President.

The VICE PRESIDENT. Is there any unanimous-consent request to be made by any member of the Court?

Mr. ROBINSON. Mr. President, I think there is not a clear understanding as to the arrangement which has been entered into between the managers and the counsel for the respondent. It is my understanding, and if I am in error someone who is better informed will please correct me, that the agreement is that counsel for the respondent will place their response in the possession of the managers on the part of the House not later than the 26th instant, and that the Court may reconvene again on the 30th when the response will be filed in the Senate.

The VICE PRESIDENT. Is there objection to that agreement?

Mr. ASHURST. Mr. President, I respectfully insist that there ought to be a time set when the trial shall begin. Am I to understand from the honorable managers on the part of the House and the honorable counsel for the respondent that the trial will begin on the 30th of March?

Mr. Manager SUMNERS. No, sir.

Mr. ASHURST. Then no definite date is set?

Mr. WALSH (of counsel). Mr. President, I was going to suggest—I do not have the calendar before me—that Friday will be the 27th of March.

Mr. ASHURST. Yes; Friday will be the 27th of March.

Mr. WALSH (of counsel). Yes. It has been mentioned as the 26th. It is Friday that we are to have the response in the hands of the managers on the part of the House.

Mr. ASHURST. Yes. Friday will be the 27th. The 26th will fall on Thursday.

Mr. WALSH (of counsel). There was simply an error made in the date. The date agreed upon is the 27th.

The VICE PRESIDENT. The Chair understands the situation to be as follows: The respondent will have his answer in the hands of the managers on the part of the House on the 27th instant.

Mr. Manager SUMNERS. Yes, Mr. President.

The VICE PRESIDENT. And that the trial will begin on the 30th.

Mr. Manager SUMNERS. No, Mr. President.

The VICE PRESIDENT. The Chair wishes to get that matter correctly presented.

Mr. ASHURST. It has been suggested—and accurately so—that the issue will not be joined until March 30. I respectfully urge that the Court, for many reasons, do not

adjourn until it fixes a date for the beginning of the trial. Amongst the reasons is the fact that an order must be entered directing the Sergeant at Arms to subpoena the witnesses, and that both the honorable managers and the respondent should file their lists of witnesses and serve copies of the lists on each other. Manifestly the Senate cannot enter such an order unless and until there is a date set upon which the witnesses are to appear and a date set upon the trial to begin.

The VICE PRESIDENT. Has there been a meeting of the minds between the managers on the part of the House and the counsel for the respondent?

Mr. Manager SUMNERS. Mr. President, may I announce to the Senate that the managers on the part of the House and counsel for respondent are not able to agree on the time when the trial shall begin?

The VICE PRESIDENT. Then the Court must fix the time when the proceedings of the trial will begin. The Chair understands there is an agreement between the managers on the part of the House and counsel for the respondent that the reply will be in the hands of the managers on the part of the House by the 27th instant, but there is no agreement as to when the trial shall begin.

Mr. ASHURST. Mr. President, I move that the trial begin on Monday, April 6, and that witnesses be subpoenaed to appear at 1 o'clock p. m. on that date.

The VICE PRESIDENT. Is there any discussion?

Mr. WALSH (of counsel). Would it be proper for me to make a suggestion?

The VICE PRESIDENT. Indeed, sir.

Mr. WALSH (of counsel). When we attempted to make this agreement with the managers on the part of the House the difficulties which presented themselves were discussed. They may not be able to get ready in 6 days. We are taking this time to file our answer knowing, as we did when we discussed the question, that it would take more than 30 days, but we are willing to get our answer in in the way we have agreed, and then we will know what witnesses we have stipulated away, we will know what witnesses we have to subpoena, and the honorable managers will know what witnesses they have to subpoena. I am just making that suggestion. Of course, I would not be bold enough to discuss it with members of the Court.

At that date I have no doubt we can reach an agreement on the trial date. I think both sides are very anxious to expedite this matter.

The VICE PRESIDENT. There is only one motion before the Court at the present time, and that is the motion of the Senator from Arizona [Mr. ASHURST] that the trial begin on the 6th day of April. The agreement, as the Chair understands, has been made by the managers on the part of the House and the counsel for the respondent that the respondent's reply shall be in the hands of the managers on the part of the House by the 27th of this month. The Senator from Arizona has now moved that the trial begin on the 6th day of April. The question is on that motion.

The motion was agreed to.

The VICE PRESIDENT. What is the further pleasure of the Court?

Mr. ASHURST. Mr. President, I send to the clerk's desk an order, which I ask may be read and agreed to.

The VICE PRESIDENT. The clerk will read the proposed order.

The Chief Clerk read as follows:

Ordered, That lists of the witnesses be furnished to the Sergeant at Arms by the managers and by the respondent, and said witnesses shall be subpoenaed to appear on Monday, the 6th day of April 1936, at 1 o'clock p. m.

The VICE PRESIDENT. Without objection, the order is entered.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. COPELAND. It has been suggested to me that the time set—the 6th of April—is too early to give full consideration to all the matters involved. As one member of

the Court I am anxious that there should be nothing done by us which would seem unduly to hurry the proceedings or seriously embarrass the doing of justice to all concerned. I simply speak of that because, with all respect, I think that the counsel for the respondent was sort of swept off his feet and not given full opportunity to present his difficulties.

Mr. ASHURST. Mr. President, the observations of the able Senator from New York [Mr. COPELAND] are well becoming, and I am glad he made them, but I believe that no harm will be done and no advantage taken of the managers or the respondent by fixing the date of trial for April 6. I am sure that the Senate will acquit me of any intention precipitately to rush into this matter, but, frankly and in good faith, I do not perceive why April 6 is not an appropriate date. My judgment is that March 30 would afford ample time.

Mr. President, in order that Senators, sitting as judges and jurors, may have an opportunity to study this matter, I ask for the adoption, after it shall have been read, of the order which I send to the desk. This is in haec verba the same order that was adopted in the Louderback case.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

Ordered, That in addition to the rules of procedure and practice in the Senate when sitting on impeachment trials, heretofore adopted, and supplementary to such rules, the following rules shall be applicable in the trial of the impeachment of Halsted L. Ritter, United States judge for the southern district of Florida:

1. In all matters relating to the procedure of the Senate, whether as to form or otherwise, the managers on the part of the House or the counsel representing the respondent may submit a request or application orally to the Presiding Officer, or, if required by him or requested by any Senator, shall submit the same in writing.

2. In all matters relating immediately to the trial, such as the admission, rejection, or striking out of evidence, or other questions usually arising in the trial of causes in courts of justice, if the managers on the part of the House or counsel representing the respondent desire to make any application, request, or objection, the same shall be addressed directly to the Presiding Officer and not otherwise.

3. It shall not be in order for any Senator, except as provided in the rules of procedure and practice in the Senate when sitting on impeachment trials, to engage in colloquy or to address questions either to the managers on the part of the House or to counsel for the respondent, nor shall it be in order for Senators to address each other; but they shall address their remarks directly to the Presiding Officer and not otherwise.

4. The parties may, by stipulation in writing filed with the Secretary of the Senate and by him laid before the Senate or presented at the trial, agree upon any facts involved in the trial; and such stipulation shall be received by the Senate for all intents and purposes as though the facts therein agreed upon had been established by legal evidence adduced at the trial.

5. The parties or their counsel may interpose objection to witnesses answering questions propounded at the request of any Senator, and the merits of any such objection may be argued by the parties or their counsel; and the Presiding Officer may rule on any such objection, which ruling shall stand as the judgment of the Senate, unless some Member of the Senate shall ask that a formal vote be taken thereon, in which case it shall be submitted to the Senate for decision; or he may, at his option, in the first instance submit any such question to a vote of the Members of the Senate. Upon all such questions the vote shall be without debate and without a division, unless the ayes and nays be demanded by one-fifth of the Members present, when the same shall be taken.

Mr. BORAH. Am I to understand, under the proposed order, that all questions a member of the Court might desire to address to a witness must be submitted in writing?

Mr. ASHURST. Yes. That is the rule in impeachment proceedings.

Mr. BORAH. That may be the usual procedure, but I think it a very poor practice.

Mr. ASHURST. The opinion of the able Senator from Idaho would have great weight with me; I do not desire to be brought into even the most courteous competition with him as a lawyer and student of the Constitution, but the rule, as suggested, has been followed in at least three cases.

Mr. ROBINSON. Mr. President, I may say, in response to what the Senator from Idaho [Mr. BORAH] has said, that not only has it been the rule that has prevailed in recent trials of this nature, but the rule is a sound one, and without some such rule it would be impossible, or at least very difficult at times to have orderly procedure.

The VICE PRESIDENT. The Chair calls the attention of the Senator from Idaho to rule XVIII governing the conduct of impeachment proceedings, which is as follows:

If a Senator wishes a question to be put to a witness, or to offer a motion or order (except a motion to adjourn), it shall be reduced to writing and put by the Presiding Officer.

That is already in the rules of the Senate, regardless of what is contained in the order presented by the Senator from Arizona.

Mr. BORAH. Nevertheless, Mr. President, it is, in my opinion, an obstacle to securing the real facts in regard to a matter of this kind.

The VICE PRESIDENT. The question is on agreeing to the order submitted by the Senator from Arizona.

The order was agreed to.

Mr. HATCH. Mr. President, when the Chair stated the procedure a moment ago I understood that the response was to be served on the managers by the 27th of March. I did not understand, however, that a date was fixed to file the response with the Court. I invite the attention of the Senator from Arizona to that point. Something was said about the 30th of March, but no date has been fixed, as I understand, for filing the response with the Senate.

The VICE PRESIDENT. The Chair will state to the Senator from New Mexico that the response of the respondent is to be placed in the hands of the managers of the House by at least the 27th of March. What is the suggestion of the Senator?

Mr. HATCH. That some time be fixed for filing the response with the Court.

Mr. ROBINSON. Mr. President, evidently the Senator from New Mexico did not hear when I stated the agreement, which was that the response shall be placed in the possession of the managers on the part of the House on the 27th of March, and that it must be filed with the Senate as a Court on the 30th of March. That agreement was entered.

Mr. HATCH. That was the understanding that I had of the statement of the Senator from Arkansas, but a statement was made by the Chair which I did not understand.

Mr. ROBINSON. The Chair submitted the question whether there was objection to the agreement; there was no objection, and it was ordered entered.

The VICE PRESIDENT. What is the further pleasure of the Court?

Mr. ASHURST. Mr. President, inasmuch as it is agreed and ordered that the counsel for the respondent shall file their response or answer with the honorable managers on the 27th of March, it will not be necessary that the Court be in session to hear such answer read. Therefore, Mr. President, at the proper time, I shall move that the Senate, sitting as a Court of Impeachment, when it adjourns, shall adjourn until March 30, and now, if there be nothing further, if neither the honorable managers on the part of the House nor the counsel for the respondent have anything to suggest, and no Senator has any motion to make, I move that the Senate, sitting as a Court of Impeachment, now adjourn until Monday, March 30, 1936, at 1 o'clock p. m.

The VICE PRESIDENT. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate sitting as a Court of Impeachment adjourned until Monday, March 30, 1936, at 1 o'clock p. m.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

(The following occurred while the Senate, sitting as a Court of Impeachment, was in recess from 1:15 o'clock until 1:45 o'clock, during which time it resumed the consideration of legislative business:)

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY].

Mr. GORE. Mr. President, I desire to make it perfectly clear that the pending legislation is not designed to convert

the Panama Canal into a money-making institution or to realize a profit over and above the actual requirements to meet its budget. The annual cost of operating the Canal is about \$10,000,000. The annual charge to cover the capitalized cost, bonds, and other obligations amount to about \$15,000,000. The present tolls realize about that sum annually—on the average about \$25,000,000 a year.

If this measure becomes a law and the 90-cent rate is promulgated, the aggregate receipts from the Canal will be approximately the same. It is desired to keep the receipts of the Canal within those requirements. It is entirely a mistaken conception to conclude that any purpose now exists anywhere to increase the aggregate receipts from the operation of the Panama Canal.

Mr. President, I shall try once again to summarize what this measure would do if enacted into law. The Senator from North Carolina [Mr. BAILEY] said, and perhaps aptly, that the objectives have not been adequately stated. I shall try to state the purpose and the object and the effect. That this has not been done is my fault, perhaps, or my misfortune.

If the pending measure becomes a law it will abrogate the dual system of measurement now prevailing in the Panama Canal. As I understand, everybody agrees upon that point.

It will also result in the establishment of one uniform system of measurements to apply to all commercial ships passing through the Canal. Those rules of measurement will be based on the earning capacity of the ship.

It will also result in the imposition of one fixed uniform official toll based on tonnage, based on the earning capacity of the ships.

Not only that, but it will abolish, I repeat, the present dual system of measurement. It will take it out of the hands of shipowners to determine what their tonnage is and what tolls they shall pay the Government of the United States.

Not only that, but it will do away with the present discrimination which exists between ships of exactly the same earning capacity where one owner has resorted to certain devices to cut down the tonnage and the tolls and where the other vessel owner has not resorted to those devices to cut down his tonnage and his tolls.

The junior Senator from Oregon [Mr. STEIWER] a few days since raised a constitutional question, asserting that the pending bill would delegate legislative power to the President of the United States. The junior Senator from Oregon generally discusses subjects in a manner, and as a rule, I may say without extravagance, as luminous as sunlight itself; but I think on that occasion the Senator fell into a sun spot.

The Panama Canal and the Panama Canal Zone are the property of the United States. The United States owns that property in the double character of a sovereign and as the proprietor. It has a right to fix tolls for the use of its property. Congress has the right to delegate that power to the President of the United States without raising any of the constitutional questions referred to by the Senator from Oregon. The Constitution expressly provides that Congress has plenary power to make all needful rules and regulations with respect to the territory of the United States.

The junior Senator from Oregon and the Senate were not standing face to face with the question as to whether or not we shall delegate this power to the President of the United States or delegate this power to some commission prescribing the rules for its procedure. The question pending is whether the Congress shall delegate to the President of the United States now, as it did in 1912, the power to prescribe and fix rules for the use of the Panama Canal, or whether Congress shall delegate or continue to delegate that power to the various shipping companies in this country and to the shipping companies of every nation on the earth.

Under the dual system of measurement the power to regulate tolls is largely vested in the shipping companies. Shipping companies of this country, shipping companies of England, shipping companies of Japan, and shipping companies of other countries, exercise the power now to determine in

large measure what tolls they shall pay the United States for the use of this great interoceanic highway. The purpose of the pending legislation is to stop that practice and to take over this sovereign power and have it exercised by the Congress of the United States instead of delegating it to the various shipping concerns.

Let us see what has happened under the present dual system. Last year the average tolls charged vessels passing through the Panama Canal were 85.4 cents per ton. That was the average, 85.4 cents per ton. The French vessels on the average paid 80 cents per ton to go through the canal, or 5 cents less than the general average. The Danish ships paid 80 cents a ton for passing through the Canal, or 5 cents per ton less than the general average. Norwegian ships and commercial ships of other nations paid 80 cents a ton for passing through the Canal, or 5 cents a ton less than the general average.

Mr. BAILEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. I yield?

Mr. BAILEY. The Senator, as I understand, is contending that under the existing system the Norwegian, Japanese, and English ships pay less than the American ships.

Mr. GORE. Not the English ships.

Mr. BAILEY. Well, the ships of other nations.

Mr. GORE. Yes; some of them. Some pay more.

Mr. BAILEY. And is the Senator saying that the American shipping interests wish to maintain the situation under which they have to pay more in our Canal than the foreigners?

Mr. GORE. Yes, sir.

Mr. BAILEY. Very well. It is the first time I have ever heard of a man cutting his own throat, however.

Mr. GORE. That is the anomaly of this situation; but I shall show in a moment why that is true.

The English ships paid 87 cents a ton for passing through the Canal, about 2 cents more than the average; and this may strike Senators as strange. On the average, the ships of Japan pay 94 cents a ton for passing through the Canal. Some of her later vessels pay on only 68 percent of their tonnage, and some of her older vessels which have been reconditioned pay less than the average rate.

Here is the absurdity of this situation, Mr. President:

We wish to pass this bill, prescribing a uniform rule for the measurement of these ships based on their earning capacity, and then fix one uniform official toll to be charged on every vessel of every country passing through the Canal, and make every shipowner pay the same rate of toll on the tonnage of his vessel based on its earning capacity.

The present system permits the very anomaly to happen which I am describing. It permits those countries which go farthest in adopting these devices to cut their tolls down below the average, down below the official rate, while other countries which do not resort to those devices pay more than the average rate.

If this bill passes, and the 90-cents-a-ton rate is promulgated, Japanese ships will pay 90 cents a ton on their earning capacity; English ships will pay 90 cents a ton on their earning capacity; and all other ships, of whatever flag, will pay 90 cents a ton when they pass through the Canal based on their earning capacity. I repeat that the American shipping concerns are opposing the pending bill, notwithstanding in some cases they pay more than other ships, and in other instances they pay less than the ships of other countries.

Here is a figure which cannot be disputed:

In 1931 the tonnage that passed through the Panama Canal in the aggregate went through for \$7,000,000 less than if the vessels had paid on their earning capacity. Four million dollars of that saving went to foreign vessels. Three million dollars went to American vessels. We paid a subsidy of \$4,000,000 in that year to foreign shipping in order to pay a subsidy of \$3,000,000 in that year to American shipping.

That is not all.

Mr. BAILEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. GORE. Yes, sir.

Mr. BAILEY. As I understand the Senator, that comes to \$7,000,000, does it not—\$4,000,000 for foreign vessels, and \$3,000,000 for American vessels?

Mr. GORE. Yes.

Mr. BAILEY. At the same time, since the Canal paid, that would have been a surplus. That would have been beyond what is contemplated by the whole theory of the Canal and the law.

Mr. GORE. Mr. President, that is on the assumption that the vessel owners had not resorted to these devices, and had paid the official rates. The Senator forgets that the present official rate is \$1.20, while under this measure it will be reduced to 90 cents, and will obviate the very surplus to which the Senator has referred.

Mr. GEORGE. Mr. President, may I ask the Senator a few questions? I am really seeking light on this subject.

Mr. GORE. Certainly. Would the Senator mind my making one other statement on this very point, which presents the picture better than it is now presented—just one other statement?

Since the Canal was opened there has been a subsidy of that sort amounting in the aggregate to \$84,000,000. Forty-seven million dollars of that amount was enjoyed by foreign ships. Thirty-seven million dollars of it went to ships that fly the American flag. We paid foreign ships \$47,000,000 in order to pay American ships a subsidy of \$37,000,000.

If we wish to subsidize American ships, let us do so; and we could have subsidized them to the extent of \$37,000,000 during the history of the Canal, and could have avoided subsidizing their competitors to the extent of \$47,000,000.

That is what this bill is intended to correct. The shipping concerns do not want it done because they can manipulate their tonnage—and I shall not go through those various and sundry details—in such a way as to cut down the tolls they pay.

I now yield to the Senator from Georgia.

Mr. GEORGE. Mr. President, I wish to ask the Senator from Oklahoma, the chairman of the committee, if I correctly understand that the present official rate is \$1.20 per ton.

Mr. GORE. Yes, sir.

Mr. GEORGE. Is that the maximum rate?

Mr. GORE. Oh, no. The maximum rate under existing law is \$1.25, and the minimum rate is 75 cents. The official rate, as promulgated by the President, is \$1.20 per ton.

Mr. GEORGE. So that if the Canal is not paying its cost under the present law, the rate could be raised. Do I understand that that is the case?

Mr. GORE. No; it could not be raised above \$1.25.

Mr. GEORGE. But it could be raised above \$1.20?

Mr. GORE. It could be raised from \$1.20 to \$1.25; yes, sir.

Mr. GEORGE. And \$1.20 is the prevailing rate?

Mr. GORE. That is the present fixed official rate; but I will say to the Senator, as I stated a moment ago, that the average rate paid by all shipping, taken in the aggregate, is a little over 85 cents per ton.

Mr. GEORGE. It is just on that point that I desire to ask the Senator a few questions.

I do not get the Senator's point when he compares the cost of a ship of a given tonnage passing the Suez Canal and passing the Panama Canal. Perhaps that is my fault, and I shall not ask the Senator to go into that subject; but it seems to me we do not need to compare them at all, because certainly the Panama Canal stands on a different basis from the Suez Canal. I think if the Senator will examine our treaties, and I am quite sure if he will examine the treaty which is now before the Foreign Relations Committee, he will find that the neutrality of the Panama Canal as a channel of trade and commerce is especially emphasized.

I do not wish to go into that question, however.

Mr. GORE. No; it is foreign to this one.

Mr. GEORGE. What I do wish to ask the Senator is, Why is it not possible for one ship of the exact tonnage of another ship so to arrange itself by these devices, under the existing dual system, as to put itself on an equality with the ship that pays the less toll?

Mr. GORE. Mr. President, I had avoided that point, because I have heretofore discussed it in detail; but I shall be glad to explain it to the Senator.

Let us assume that the Senator from Georgia and I own companion ships, identical in every detail, measuring 10,000 tons each, according to the Panama Canal rules of measurement.

The Senator's ship goes through the Panama Canal. He has resorted to no devices to reduce its tonnage measurement. Under the Panama Canal rules of measurement, it measures 10,000 tons. It so happens that it would not quite measure that under United States rules in any event. The tonnage would be a little less; but let us waive that point. The Senator would pay \$12,000 for the passage of his ship through the Canal.

My ship pulls in next to his. It is a companion ship in every particular. On the shelter deck of my ship I have cut what is called a tonnage opening, some 4 or 5 feet by 18 or 20 feet. Around that opening there is a coaming some 12 inches high. I may put over that opening planks cut to fit the opening. Over that I spread a tarpaulin, and I tie a rope around this tarpaulin and around the coaming, making it watertight and airtight; but that is a temporary closing of the hatch or the opening. That one device takes all the space between that shelter deck and the next deck below, perhaps 2,000 tons of cargo-carrying space, out of the requirement to pay tolls. Even though every inch of it be loaded with every ounce it will carry between those two decks, it does not pay any tolls.

Now, let us go a little further than that. The space in the Senator's ship between the shelter deck and the next deck below may not carry 1 ounce of freight, and yet the Senator's ship pays tolls on 2,000 tons. If the Senator had cut an identical opening in his ship corresponding with the one in my ship, had put the same sort of planks over the opening and the same sort of tarpaulin over the planks, but instead of using a rope to tie around the coaming to tighten the enclosure, had put a steel band around the coaming and had driven wedges in between the band and the coaming, that would have been a permanent closing of this tonnage opening, and the Senator would still have been required to pay tolls on his tonnage, when the only difference was that I had used a rope and mine was a temporary closing, while the Senator had used a steel band and it was a permanent closing.

There are other small details which will help to carry out this "show"—though I do not want to be offensive by the use of the word—when I cut this tonnage opening in the shelter deck of my ship. I would have had to put in some freeing ports in the sides of the ship near the deck below and some scupper pipes to let the water run out—the theoretical water, which never comes in.

The only object of that opening in the deck of my ship was to cut down my tolls. It is not used for putting in cargo or taking it out. The regular cargo hatches are used for that purpose. The only purpose and the only effect is to cut down my tonnage and cut down my tolls, and that is the reason why the shipping interests of this country do not want this measure enacted into law. They do not want that privilege taken away from them. They do not want to give the President the power to fix tolls. They want to reserve that power in their own hands.

Mr. GEORGE. Mr. President, I wish to ask the Senator again, why is it that ships of the same kind cannot install the same devices, if we call them devices?

Mr. GORE. They can.

Mr. GEORGE. Can all ships install these devices?

Mr. GORE. Some of them cannot on account of their construction. Some of them do not yield themselves to these devices owing to their structure.

Mr. BAILEY. Mr. President, if I can faithfully follow the argument, it is that all the ship of the Senator from Georgia had to do was to use ropes.

Mr. GEORGE. That is exactly what I am trying to get at.

Mr. GORE. That is all; but this is the point—

Mr. GEORGE. Mr. President, will the Senator allow me to ask a question?

Mr. GORE. Certainly.

Mr. GEORGE. As I understand the Senator from Oklahoma—and I have tried to follow him with exceeding care—the pending bill does not have as its object the collection of more tolls in the aggregate.

Mr. GORE. No.

Mr. GEORGE. If that be true, and there is a discrimination between vessels merely of the same tonnage, my inquiry is, Why cannot all of the boats of the same type install the same devices or appliances, or whatever they may be called, and get the lowest rate of tolls permissible?

Mr. GORE. Mr. President, generally speaking, they could. As I indicated a moment ago, there are, perhaps, some which from their structure could not lend themselves to these peculiar devices. I will say to the Senator that this evil is a progressive evil. It is getting worse year by year. Japan has 20 old ships which ply the Canal. They have not resorted to these devices in the past, but within the last year they have reconditioned two of those vessels and have materially cut down their tonnage and have materially cut down the tolls they pay to the United States.

To illustrate to the Senator one of the other devices by which the Japanese ships cut down their tonnage, they used to be coal-burning ships, and, naturally, had bunkers in which to carry their coal. They have been converted into oil-using vessels. A certain percentage of a ship's capacity is exempt on account of engine rooms and propelling space. They cut a door between the old coal bunkers of the ship and the engine room, and by that device materially reduced the toll-paying tonnage, because the bunker space became part of the engine room and increased it beyond 13 percent of the gross tonnage.

Here is another strange feature of our United States rules of measurement. If a ship's engine room is 13 percent or less of the total tonnage of the ship, then she receives a reduction for propelling power corresponding with the actual size of the engine room plus 75 percent of the engine-room space as a fuel allowance. But if they increase the engine-room space to between 13 percent and 20 percent of the gross tonnage, 32 percent of the entire gross tonnage of the ship is allowed as a deduction for propelling power. This is an arbitrary allowance and amounts to much more than the 175-percent method mentioned before.

Some owners have resorted to this to a greater degree than others, some to a lesser degree. The question is, Ought the practice to be tolerated, ought it to be continued, ought the Government of the United States to prescribe the tolls on a fair and equitable basis, which it will charge for the service of passing ships through the Canal, requiring all owners to pay a just and reasonable charge, a uniform charge, or should this question be left to the caprice and whim, I need not say to the avarice or to the cupidity, of these various shipping concerns? Is the system rational?

Mr. President, the 90-cents-a-ton rate corresponds substantially with the present average rate, which is eighty-five and a fraction cents. If we made allowance for certain deductions for public rooms, which the Secretary of War will make or recommend if this measure be enacted, the average rate last year would have been eight-seven and a fraction cents instead of 85 cents per ton, and for 1934 the average charge would have been 88 cents instead of 85 cents. So that this 90 cents a ton corresponds substantially with the present average rate, but it obviates all these discriminations.

The Senator from Georgia can see this point: My ship passes through the Canal, say, for \$2,000 less than he pays. He pays the freight. My cheaper rate does not inure to the benefit of the shipper, it operates as a subsidy to me. I simply make my rate just enough below his to insure a cargo,

and to subject him to what might be regarded as unfair competition, and I pocket the subsidy.

The VICE PRESIDENT. Will the Senator from Oklahoma suspend so that the Senate may carry out the order with reference to the impeachment proceedings.

Mr. GORE. I yield.

At this point (at 1:45 p. m.), the recess of the Senate sitting as a Court of Impeachment having expired, the impeachment proceedings were resumed.

CROP-PRODUCTION LOANS

After the conclusion for the day of the impeachment proceedings, the Senate resumed the consideration of legislative business.

Mr. SMITH. Mr. President, will the Senator from Oklahoma yield to me to present a matter other than the unfinished business?

Mr. GORE. I yield.

Mr. SMITH. Mr. President, all Members of the Senate are familiar with what has occurred in reference to the so-called seed-loan bill. The committee has authorized me to make a report as to what has transpired to date. It will be recalled that the committee addressed a letter to the President of the United States, setting forth what was contained in certain telegrams from the regional managers of the seed-loan offices, and suggesting an amount that would be immediately necessary to meet the conditions. The President replied to that letter, and I ask that the clerk read the President's reply, and then I will ask to have printed in the RECORD, according to the order of the committee this morning, the original bill, the veto message, the Executive order, the letter written by the committee, and the reply of the President thereto. I ask that that be done in chronological order, as I have been instructed so to do by the committee.

The PRESIDING OFFICER (Mr. MINTON in the chair). The clerk will read, as requested.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, D. C., March 9, 1936.

HON. ELLISON D. SMITH,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

MY DEAR SENATOR: This is in reply to the letter of March 5, 1936, addressed to me by yourself and other members of the Senate Committee on Agriculture and Forestry, with respect to the allotment of funds under my Executive order of February 28, 1936, for the purpose of making loans to farmers during the year 1936 for production of crops.

I note that you and your committee members are of the opinion that at least \$28,500,000 should be immediately allotted for the making of these loans and are requesting that this be done.

In my Executive order I set aside, or earmarked, not to exceed \$30,000,000 for this purpose, of which \$7,000,000 was immediately allotted, and I stated that additional allotments would be made from time to time as might be necessary. I propose to carry out this program. The Governor of the Farm Credit Administration advises me that an additional \$13,000,000 will be required on or about March 20, at which time I shall cause that sum to be made available. He further advises that additional funds may be required on or about April 10, at which time I will take the necessary action to see that such amount as may be shown to be necessary is supplied. I cannot see why this arrangement should not be satisfactory to all concerned.

It is not practicable to make an immediate allotment of all of the funds estimated to be required, since it is necessary to follow the routine of drawing in unobligated balances from various allotments of emergency funds and making them available for the making of crop-production loans. This will be done, of course, as rapidly as possible and in ample time to meet the needs of the Farm Credit Administration.

I trust that the foregoing will be sufficient to assure you and the members of your committee that adequate provision will be made for providing funds for the making of the loans in question as the need for them becomes necessary.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. BORAH. Mr. President, am I correct in understanding from the letter of the President that on the 20th of March there will be \$13,500,000 available?

Mr. SMITH. There will be \$20,000,000 available.

Mr. BORAH. That is, \$20,000,000 will be available on and after the 20th of March?

Mr. SMITH. "On or about" as the letter says.

Mr. BORAH. That disposes of the entire matter, veto and all?

Mr. SMITH. Yes.

Mr. President, I wish to make just a brief statement and then I am through with this matter. As one member of the committee I did not think, and do not now think, that this sum is at all adequate, but on account of the lateness of the season, crops being planted now and whatever contracts are necessary having been made, we have agreed to accept the amount—not to accept it, but we have agreed to let the matter drop for the reason that perhaps half a loaf is better than no loaf at all.

I now ask that the documents referred to by me may be printed in the order I have indicated.

There being no objection, the documents were ordered to be printed in the RECORD, as follows:

Seventy-fourth Congress of the United States of America; at the second session, begun and held at the city of Washington on Friday, the 3d day of January 1936

An act to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes

Be it enacted, etc., That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor", is hereby authorized to make loans to farmers in the United States and in Alaska, Hawaii, and Puerto Rico, during the year 1936, for following, for the production of crops, for planting, cultivating, and harvesting of crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes. Such loans shall be made and collected through such persons and agencies, upon such terms and conditions, and subject to such regulations, as the Governor shall prescribe.

SEC. 2 (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting, is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, registration, and examination of records (including certificates) shall not exceed 75 cents per loan, and may be paid from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ percent per annum.

(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed \$500: *Provided, however,* That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe, that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act.

SEC. 3. (a) The moneys advanced by the Governor in connection with each loan made under the provisions of this act are declared to be impressed with a trust to accomplish the purposes provided for by this act (namely, for following, for the production of crops, for planting, cultivating, and harvesting of crops, for supplies incident to such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes); and may be used only for the purposes stated in the borrower's loan application, and until so used shall continue subject to such trust and be free from garnishment, attachment, or the levy of an execution.

(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of this act; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of this act.

(c) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

(d) Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or by imprisonment for not more than 6 months, or both.

SEC. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by the Classification Act of 1923, as amended. For the purpose of carrying out the provisions of this act and of collecting loans made under acts of the same general character, including loans made by the Governor with funds appropriated under the provisions of the Emergency Appropriation Act, fiscal year 1935, the Governor is authorized to use the facilities and services of any agency, institution, or corporation operating under the supervision of the Farm Credit Administration, and any officer or employee of any such agency, institution, or corporation, or of the Farm Credit Administration, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such agencies, institutions, and corporations are hereby expressly em-

powered to enter into agreements with the Governor for the accomplishment of such purposes.

Sec. 5. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any moneys so appropriated, and all collections of both principal and interest on loans made under this act, may be used by the Governor for making loans under this act and for all necessary administrative expenses in carrying out the provisions of this act and in collecting outstanding balances on crop production, seed, and feed loans made under prior legislation of the same general character.

(b) Expenditures for printing and binding necessary in carrying out the provisions of this act may be made without regard to the provisions of section 3709 of the Revised Statutes.

Message from the President of the United States returning, without approval, the bill (S. 3612) entitled "An act to provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes"

February 24 (calendar day, Feb. 26), 1936.—Read; referred to the Committee on Agriculture and Forestry and ordered to be printed

To the Senate:

I return herewith, without my approval, S. 3612, a bill entitled "To provide loans to farmers for crop production and harvesting during the year 1936, and for other purposes."

This bill authorizes an appropriation of \$50,000,000 from the general fund of the Treasury for loans to farmers during the year 1936, for production of crops—principally seed loans.

In approving the bill providing \$40,000,000 for crop production loans for 1934, I stated that I did so on the theory that it was proper to taper off the crop-loan system, which had been initiated on a large scale as early as 1931, rather than to cut it off abruptly, particularly since such loans would serve a useful purpose in aiding certain farmers unable to qualify for crop-production loans through the newly established farmers' production credit associations, and that the 1934 loan by the Government should thus be considered as a tapering-off loan.

It is true that I gave my approval to a \$60,000,000 crop-production loan for 1935, but this loan was primarily for relief purposes principally in the drought-stricken areas, and I recommended to the Congress that the cost of such loans should properly be defrayed from the appropriation for relief purposes. Accordingly \$60,000,000 was reappropriated from unobligated balances under allocations from the appropriation of \$525,000,000 for relief in stricken agricultural areas contained in the Emergency Appropriation Act passed the previous year.

In my Budget message, transmitting the 1937 Budget, I stated: "If the Congress enacts legislation at the coming session which will impose additional charges upon the Treasury for which provision is not already made in this Budget, I strongly urge that additional taxes be provided to cover such charges."

No provision was made in the financial program for the fiscal year 1936, or the fiscal year 1937, for additional crop loans, and, notwithstanding my Budget statement, quoted above, the Congress by this bill authorizes an additional draft upon the Treasury for \$50,000,000 for new crop loans, without making provision for any revenue to cover such loans.

However, while I am returning this bill without my approval, I recognize that there still exists a need for crop-production loans to farmers whose cash requirements are so small that the operating and supervisory costs, as well as the credit risk, make credit unavailable to them at this time through the usual commercial channels and who, unless extended assistance of this character, would no doubt find it necessary to seek some other form of relief from the Government. This is particularly true with respect to those areas in which unusual conditions prevail because of drought, dust storms, floods, rust, and other unforeseen disasters.

I fully agree with the Congress that provision should be made for such borrowers during the year 1936, but I feel that other borrowers should seek credit elsewhere.

I am convinced that the immediate and actual needs to which I have referred can be met during the year 1936 by an expenditure of funds materially less than that proposed in the bill under discussion.

Furthermore, these needs can be met, without the necessity of enacting authorizing legislation, through an allocation of funds by me from the appropriation provided in the Emergency Relief Appropriation Act for 1935, which appropriation, I am informally advised by the Comptroller General of the United States, can be utilized for such loans as I might indicate by Executive order to be desirable and necessary as relief measures.

I believe, therefore, that a special appropriation by the Congress at this time is both inadvisable and unnecessary. That being so, and in the absence of such legislation, I propose in order to meet this need to issue an Executive order within the next few days.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

February, 26, 1936.

Seventy-fourth Congress of the United States of America; at the second session, begun and held at the city of Washington on Friday, the 3d day of January 1936

An act to provide for loans to farmers for crop production and harvesting during the year 1936, and for other purposes

Be it enacted, etc., That the Governor of the Farm Credit Administration, hereinafter in this act referred to as the "Governor",

is hereby authorized to make loans to farmers in the United States and in Alaska, Hawaii, and Puerto Rico, during the year 1936, for following for the production of crops, for planting, cultivating, and harvesting of crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes. Such loans shall be made and collected through such persons and agencies, upon such terms and conditions, and subject to such regulations, as the Governor shall prescribe.

Sec. 2. (a) There shall be required as security for any such loan a first lien, or an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting is to be financed, in whole or in part, with the proceeds of such loan; or, in case of any loan for the purchase or production of feed for livestock, a first lien upon the livestock to be fed. Fees for recording, filing, registration, and examination of records (including certificates) shall not exceed 75 cents per loan, and may be paid from the proceeds of the loan. Each loan shall bear interest at the rate of 5½ percent per annum.

(b) The amount which may be loaned to any borrower pursuant to this act shall not exceed \$500: *Provided, however,* That in any area certified by the President of the United States to the Governor as a distressed emergency area, the Governor may make loans without regard to the foregoing limitations as to amount, under such regulations and with such maturities as he may prescribe therefor.

(c) No loan shall be made under this act to any applicant who shall not have first established to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such regulations as the Governor may prescribe, that such applicant is unable to procure from other sources a loan in an amount reasonably adequate to meet his needs for the purposes for which loans may be made under this act.

Sec. 3. (a) The moneys advanced by the Governor in connection with each loan made under the provisions of this act are declared to be impressed with a trust to accomplish the purposes provided for by this act (namely, for following, for the production of crops, for planting, cultivating, and harvesting of crops, for supplies incident to such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes); and may be used only for the purposes stated in the borrower's loan application, and until so used shall continue subject to such trust and be free from garnishment, attachment, or the levy of an execution.

(b) It shall be unlawful for any person to make any material false representation for the purpose of obtaining, or assisting another to obtain, a loan under the provisions of this act; or willfully to dispose of, or assist in disposing of, except for the account of the Governor, any crops or other property upon which there exists a lien securing a loan made under the provisions of this act.

(c) It shall be unlawful for any person to charge a fee for the purpose of preparing or assisting in the preparation of any papers of an applicant for a loan under the provisions of this act.

(d) Any person violating any of the provisions of this act shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or by imprisonment for not more than 6 months, or both.

Sec. 4. The Governor shall have power, without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, to employ and fix the compensation and duties of such agents, officers, and employees as may be necessary to carry out the purposes of this act; but the compensation of such officers and employees shall correspond, so far as the Governor deems practicable, to the rates established by the Classification Act of 1923, as amended. For the purpose of carrying out the provisions of this act, and of collecting loans made under acts of the same general character, including loans made by the Governor with funds appropriated under the provisions of the Emergency Appropriation Act, fiscal year 1935, the Governor is authorized to use the facilities and services of any agency, institution, or corporation, operating under the supervision of the Farm Credit Administration, and any officer or employee of any such agency, institution, or corporation, or of the Farm Credit Administration, and may pay for such services and the use of such facilities from the funds made available for the payment of necessary administrative expenses; and such agencies, institutions, and corporations are hereby expressly empowered to enter into agreements with the Governor for the accomplishment of such purposes.

Sec. 5. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000,000, or so much thereof as may be necessary, to carry out the provisions of this act. Any moneys so appropriated, and all collections of both principal and interest on loans made under this act, may be used by the Governor for making loans under this act and for all necessary administrative expenses in carrying out the provisions of this act and in collecting outstanding balances on crop production, seed, and feed loans made under prior legislation of the same general character.

(b) Expenditures for printing and binding necessary in carrying out the provisions of this act may be made without regard to the provisions of section 3709 of the Revised Statutes.

JOSEPH W. BYRNS,

Speaker of the House of Representatives.

KEY PITTMAN,

President of the Senate pro tempore.

[Endorsement on back of bill:]

I certify that this act originated in the Senate.

ED. A. HALSEY, Secretary.

Executive order allocating funds to the Farm Credit Administration and prescribing rules and regulations for the making of emergency crop loans under the Emergency Relief Appropriation Act of 1935

By virtue of and pursuant to the authority vested in me by the Emergency Relief Appropriation Act of 1935 (49 Stat. 115), it is hereby ordered as follows:

1. There is set aside from funds provided by the said act for the use of the Farm Credit Administration for the purpose of making loans to farmers during the year 1936, under limitation (b) in section 1 of the said act, in the United States, Hawaii, and Puerto Rico, for following, for the production of crops, for planting, cultivating, and harvesting crops, for supplies incident to and necessary for such production, planting, cultivating, and harvesting, and for feed for livestock, or for any of such purposes, under such terms and conditions as the Governor of the Farm Credit Administration (hereinafter referred to as the Governor) may prescribe, a sum not to exceed \$30,000,000, of which the sum of \$7,000,000 is hereby allocated to the said Administration to be supplemented from time to time by such additional allocations as may be necessary.

2. The amount which may be lent to any one borrower shall not exceed \$200, and each applicant for a loan shall establish to the satisfaction of the proper officer or employee of the Farm Credit Administration, under such conditions as the Governor may prescribe, that the applicant is unable to procure such loans from any other source: *Provided*, That preference shall be given to the applications of farmers whose cash requirements are small.

3. Loans made under the provisions of this order shall be secured by a first lien, or by an agreement to give a first lien, upon all crops of which the production, planting, cultivating, or harvesting is to be financed, in whole or in part, with the proceeds of such loans or in case of any loan for the purchase or production of feed for livestock a first lien upon the livestock to be fed. Such loans shall be made and collected under such regulations as the Governor shall prescribe, and shall bear interest at the rate of 5½ percent per annum.

4. Fees for recording, filing, registration, and examination of records (including certificates) in connection with each loan made hereunder shall be paid by the borrower: *Provided, however*, That such fees aggregating not to exceed 75 cents per loan may be paid by him from the proceeds of his loan. No fees for releasing liens given to secure loans shall be paid from the funds made available hereunder.

5. The funds hereby or hereafter allocated may be used also for all necessary administrative expenses in carrying out the provisions of this order to and including June 30, 1937.

6. In carrying out the provisions of this order, the Farm Credit Administration may (a) make expenditures for supplies and equipment, traveling expenses, rental of offices, printing and binding, and other necessary expenses; and (b) accept voluntary and uncompensated services, appoint officers and employees without regard to the provisions of the civil-service laws and regulations, and fix the compensation of any officers and employees so appointed without regard to the Classification Act of 1923, as amended.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 28, 1936.

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, March 5, 1936.

HON. FRANKLIN D. ROOSEVELT,

The White House, Washington, D. C..

DEAR MR. PRESIDENT: We, the undersigned members of the Senate Committee on Agriculture and Forestry, ask that \$28,500,000 be immediately allocated for seed-loan purposes.

Telegrams received indicate that this is a minimum amount necessary for those, who without funds, must make arrangements now for planting their crops. The committee, in a lengthy session, discussed this matter today. The regional managers of the seed loan have indicated the amounts necessary for their districts. From the tone of these telegrams, or most of them, this amount is indicated as being needed now.

In order that those who receive this aid may know how to arrange their affairs it is absolutely necessary for them to be advised at this time when and how much they may depend upon. The planting season is on, and it is indispensable that this information be available for them.

Yours very sincerely,

Ellison D. Smith, Burton K. Wheeler, Elmer Thomas, George McGill, W. J. Bulow, Hattie W. Caraway, Louis Murphy, James P. Pope, Carl A. Hatch, Theodore G. Bilbo, Lewis B. Schwellenbach, Arthur Capper, Peter Norbeck, Lynn J. Frazier, Henrik Shipstead.

THE WHITE HOUSE,
Washington, D. C., March 9, 1936.

HON. ELLISON D. SMITH,

Chairman, Committee on Agriculture and Forestry,

United States Senate.

MY DEAR SENATOR: This is in reply to the letter of March 5, 1936, addressed to me by yourself and other members of the Senate Committee on Agriculture and Forestry, with respect to the allotment of funds under my Executive order of February 28, 1936, for the purpose of making loans to farmers during the year 1936 for production of crops.

I note that you and your committee members are of the opinion that at least \$28,500,000 should be immediately allotted for the making of these loans and are requesting that this be done.

In my Executive order I set aside, or earmarked, not to exceed \$30,000,000 for this purpose, of which \$7,000,000 was immediately allotted, and I stated that additional allotments would be made from time to time as might be necessary. I propose to carry out this program. The Governor of the Farm Credit Administration advises me that an additional \$13,000,000 will be required on or about March 20, at which time I shall cause that sum to be made available. He further advises that additional funds may be required on or about April 10, at which time I will take the necessary action to see that such amount as may be shown to be necessary is supplied. I cannot see why this arrangement should not be satisfactory to all concerned.

It is not practicable to make an immediate allotment of all of the funds estimated to be required since it is necessary to follow the routine of drawing in unobligated balances from various allotments of emergency funds and making them available for the making of crop-production loans. This will be done, of course, as rapidly as possible and in ample time to meet the needs of the Farm Credit Administration.

I trust that the foregoing will be sufficient to assure you and the members of your committee that adequate provision will be made for providing funds for the making of the loans in question as the need for them becomes necessary.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The VICE PRESIDENT. The pending question is on agreeing to the amendment in the nature of a substitute offered by the Senator from North Carolina [Mr. BAILEY].

Mr. GORE. Mr. President, when I was interrupted I was observing that the plan of reduced tolls and permitting ships to evade the proper payment of tolls is a progressive evil. Statistics show that it is growing worse year by year. An end ought to be put to this practice.

I dislike to harp too much on the recent Japanese ships, but they illustrate the point. Japan until recently was paying tolls on 94 percent of the tonnage on which she ought to pay, as compared with an average of 85 percent. Four Japanese ships recently put into commission will pay on 68 percent of the tonnage on which they ought to pay. This illustrates the growing evil.

I may say to the Senator from Georgia [Mr. GEORGE], whether present or absent, that there is no one who has had the hardihood to defend this dual system of measurement and these absurd consequences which follow it.

Mr. President, may I have read at the desk at this point a few remarks made by former House leader Mondell, delivered in the other House October 1, 1919, when this endless question was then before the House for consideration?

The PRESIDING OFFICER (Mr. BURKE in the chair). Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

MR. MONDELL. Mr. Chairman, the question is, Shall we have a rule of measurement for the computation of the tolls of the Panama Canal which fairly measures the carrying capacity of the vessel, or shall we have a rule which tempts men to build ships in such a way as to enable them to carry cargo and dodge the payment of tolls—a rule under which certain classes of cargo go through the Canal without the payment of the tolls other classes of cargo pay? In other words, shall we have an honest rule based on the carrying capacity of the ships, or shall we have a dishonest rule under which certain ships and certain classes of cargo will enjoy a certain exemption from tolls, while all other ships and all other cargoes pay full tolls?

It is the fair, reasonable, sensible, honest rule, and it can injure no man.

Mr. GORE. That speech was delivered in the House of Representatives some 17 years ago, when the House was undertaking to rectify the evils resulting from the dual system of measurements. The speech is as fitting today as it was then, and we may be as far from a solution of the question today as we were then.

I now wish at this point to have read at the desk a few remarks delivered in the House of Representatives on the same day by Representative Esch, of Wisconsin, a gentleman known personally to many Members of the Senate, and one who stands high in the esteem of Congress and the country.

Mr. Esch was chairman of the House Committee on Interstate and Foreign Commerce and reported the bill.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

MR. ESCH. The effect of this decision was practically to destroy the Panama Canal rules of measurement and substituting therefor the rules of measurement prescribed by the United States statutes. There also resulted a discrimination between vessels of different nationalities and a reduction in the revenues. I wish to state as one of those who helped to frame the Panama Canal Act that we thought we were framing legislation which would enable the Panama Commission to fix tolls under the rules prescribed by the proclamations of the Presidents. It was not our purpose that the tollage should be determined by the United States rules of measurement based upon net tonnage, but the decision of the Attorney General stands to this day, and it is to relieve the operations on the Isthmus of the decision of the Attorney General that this bill has been introduced (CONGRESSIONAL RECORD, Oct. 1, 1919, p. 6214).

MR. ESCH. Mr. Chairman, this bill comes before this Congress with the endorsement of the Secretary of War. It comes here with the endorsement of Colonel Harding, Governor of the Panama Canal Zone. It comes here with the endorsement of General Goethals, who knows more about the Canal and its administration than any other living man. It comes here with the endorsement of the Commissioner of Navigation, who stated that the Panama Canal rules of tollage and measurement were the most scientific rules in any nation in the world. For these reasons we ask that this bill be passed (CONGRESSIONAL RECORD, Oct. 1, 1919, p. 6216).

MR. GORE. Mr. President, the present dual system of measurement results in a ship subsidy—a subsidy not prescribed by the Congress of the United States, a subsidy not fixed by the Government of the United States, but a subsidy which is measured and determined by the ship companies themselves. It is a subsidy not limited to American vessels alone. It is a subsidy which is availed of by foreign vessels as well; a subsidy availed of by the competitors of our own shipping concerns.

I submit to the Senate, if we are to have a ship subsidy, let us limit it to ships of our own registry, ships bearing our own flag. In order to secure a small subsidy to American vessels, let us not continue to pay a much larger subsidy to foreign vessels. That is the point I wish to make in this connection.

The question has been raised as to what effect the pending measure would have, if passed, upon the transcontinental railroads.

MR. PRESIDENT, the railroads did not appear at the hearings before the committee of either House. They made no protest against the pending bill. I think we may safely infer from their absence that their interest was not vitally affected; but we need not rely upon that inference. It is perfectly obvious that their interest will not be materially affected, because this measure, if passed and put into effect, will not materially affect the average rate of tolls now charged for passage through the Panama Canal. I have already indicated that making certain allowances for social halls or public rooms and the like, the average rate charged for 1935 was 87 cents per ton, and the average rate charged for 1934 was 88 cents per ton. We are given assurance that this measure, if enacted and carried out, would impose a toll of 90 cents a ton. That would not materially affect the Pacific railroads. It is a mere trifle; and I may say to Senators that this measure was not drawn ad captandum. It is drawn in the light of the history of the Canal. It is drawn in the light of all the experience we have had. It is drawn in the light of the status quo, and it is prepared with a view to occasioning the least possible disturbances in present relationships.

The shipping concerns are opposed to the bill because they fear its enactment would entail an increase in the tolls which they pay. Undoubtedly it would require concerns which are now paying less tolls than they ought to pay to pay more tolls. Concerns which today—and no doubt there are some—are paying more tolls than they ought to pay would under this measure pay less tolls than they are now paying. That would be merely ironing out these discriminations and anomalies—a course to which I think no one can object.

Of course, Senators understand that the rate referred to here—90 cents a ton—relates to the tonnage of the ships. It has no relation to the freight or to the freight rates charged on the cargoes carried by the ships; and no comparison of rates would be admissible, I believe, as between the ships and the railway companies. So I feel safe in assuring the Senate that there would be not the slightest reaction against the interest or unreasonableness in favor of the transcontinental railroads. The effect would be immaterial.

There is one other point to which I wish to call the attention of Senators.

It has been repeatedly stated here that section 1 of this bill as originally introduced carried substantive legislation, and that section 2 provided for raising a commission to make an investigation and report. Senators have made the point that we propose, first, to legislate, and then to investigate; and they have insisted that we ought first to investigate and then to base our legislation on the report or the results of the investigation.

If that point really represented the facts it would, of course, be well taken. It would be perfectly absurd to legislate first and then to investigate afterward. It would be a good deal like the mob which wanted the jury to give up the room where they were considering the guilt or innocence of the accused party in order that the mob might lay out the criminal in the jury room. They had already taken summary action in the premises.

What does this bill do? Because, if that objection were true, the bill would propose an absurdity and ought not to be enacted.

I ask Senators to go back to March of last year, when this bill was introduced. As I say, section 1 contained substantive legislation. It fixed a maximum rate of \$1 per ton in order to protect the shipping concerns. It fixed a minimum rate of 60 cents per ton in order to protect the Government. It then authorized the President to ascertain and promulgate an official rate somewhere between the maximum and the minimum. That is what section 1 provided. The bill, as introduced, provided that section 1 should go into effect on September 1, 1936.

On the first day of the coming September, section 1 was to go into effect. The investigation called for in section 2 did not relate to the objective set out in the substantive portion of section 1. The investigation authorized in section 2 related to new conditions which have arisen with reference to shipping which the President should take into account when promulgating the new rules of measurement under section 1.

Section 2 authorized a commission to be raised to make a study and a report as to the rates of toll which should now be imposed in view of the changed conditions of shipping; and the President, when he proceeded to carry into execution section 1, authorizing him to fix tolls, would have the report of the committee at hand, ready to proceed; and section 2, providing for the commission, was to go into immediate effect. If this bill had passed in June last, the President then would have appointed the commission, and section 2 required the commission to submit its report on or before January 1 of the current year—on or before January 1 last—in order that the President might then take into account the results of its studies and of its recommendations, and embody those suggestions in his proclamation when he proceeded to carry out the powers vested in him under section 1.

MR. PRESIDENT, that explains the anomaly and the purpose. The difference between these dates—January 1 last and September 1 next—was intended to give the shipping companies an opportunity to adapt themselves to the new rules of measurement, to prepare for the new tolls that would be imposed, and to get in shipshape, to set their houses in order, looking to the execution of this measure when it went into effect.

That is all the measure does. It does not, in section 2, raise a commission which is to make any study and report as a predicate for section 1, because section 1 fixes a maximum

and a minimum which ought to be fixed, and ought to be fixed now, and authorizes the President to promulgate a system of rules of measurement and tolls. Those two powers which are reposed in the discretion of the President are to be exercised by him on the basis of the report, when submitted. It saves time. It obviates another unending delay. That, I take it, is the reason why the shipping companies are opposed to the bill. It would be ready for enforcement on the 1st day of September.

I repeat, this measure has been drawn not recklessly or ad captandum or without regard to all interests concerned. It has been drawn with reference to all those interests, and it protects them. If the proposed legislation does not pass now, I am afraid it never will pass, because, as I have already suggested, the jurisdiction over this subject in the House of Representatives has been transferred from the Interstate and Foreign Commerce Committee, a friendly committee, to the Merchant Marine and Fisheries Committee, which I am informed—and I speak only upon that information—is a committee unfriendly to the pending legislation.

There are one or two other collateral points to which I shall merely make reference.

The Senator from North Carolina [Mr. BAILEY] argued ably and conclusively that the American merchant marine is an essential auxiliary alike to the American Army and the American Navy. There is no dispute upon that point. That is merely demonstrating what is self-evident. But I believe that the Secretary of War, charged peculiarly with the common defense, may as safely be trusted in the consideration of legislation of this sort as may the shipping concerns, who naturally wish to keep their tolls down. There is no controversy on that point.

The Senator from North Carolina also suggested that our coastwise trade ought to be given some special consideration or favor.

That is a question worthy of debate and consideration. It is immaterial now, because our coastwise trade does not now enjoy any particular favor or consideration under existing law. It will occupy the same status, if the pending measure becomes law, which it now occupies. So that point is really foreign to the appropriate consideration and decision of the issue now involved.

Mr. President, the Senator from North Carolina pleaded eloquently, like the old Roman motto, *Fiat lux*—let there be light. I should certainly be the last to resist a prayer of that kind. Why not, as a matter of practical legislation, defeat the pending substitute for the bill? I should then have no objection to attaching the substitute to section 1 as an amendment. Section 2 was included in the bill when it was originally introduced, providing for the investigation. I have no particular objection to the investigation. I do not think it is necessary; but if other Senators disagree with me, I defer to their judgment.

I ask Senators to defeat the pending substitute; and if they do so, I will then, if it be in order, offer to attach the substitute as an amendment to section 1 in order that the measure may pass; and if there be any additional data, if there be any further information available, or if Senators desire to exhaust the possibility and be assured that there are no further data available, I shall have no objection to that course.

NATIONAL BOY SCOUT JAMBOREE

Mr. COOLIDGE. Mr. President, I ask that the Senate proceed to the consideration of House Joint Resolution 443. This measure merely seeks to reenact a joint resolution which the Senate passed last year, and which was approved on June 17, relating to the Boy Scout Jamboree, which was abandoned last year because of an epidemic of infantile paralysis. The only difference between the measure passed last year and the one I am now asking to have considered is that in this joint resolution the date is made 1937 instead of 1935.

The PRESIDING OFFICER (Mr. BURKE in the chair). Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 443) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937.

Mr. COOLIDGE. Mr. President, I may say that my reason for asking consideration of the joint resolution at this time is that about 800 of the Boy Scouts are in session at French Lick at this time, and they would like to have the measure passed while they are in session, between the 11th and the 18th of March.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed, as follows:

Resolved, That Public Resolution No. 31 of the first session, Seventy-fourth Congress, approved June 17, 1935, is hereby amended as follows: In section 1 of the public resolution after the words "to be held in the United States in" the figures "1935" are amended to read "1937."

THE KERR TOBACCO ACT, THE BANKHEAD COTTON ACT OF 1934, AND THE POTATO ACT OF 1935

Mr. GLASS. Mr. President, I report favorably without amendment from the Committee on Appropriations House Joint Resolution 514, authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes. I ask for the immediate consideration of the joint resolution.

The necessity for the proposed appropriation arises out of the fact that the Bankhead Cotton Act, the Kerr Tobacco Act, and the Potato Act of 1935 were repealed, and commitments had already been made under them. The unpaid obligations of these Government activities totaled the amount which is unanimously reported by the Committee on Appropriations.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Virginia?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That not to exceed \$1,068,825 (to be available until Sept. 1, 1936) of the appropriation of \$296,185,000 for "Payments for agricultural adjustment" contained in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public Act No. 440, 74th Cong.), may be used by the Secretary of Agriculture for the following purposes:

(1) So much as may be necessary, not to exceed the sum of \$1,026,000 (notwithstanding the repeal by Public Act No. 433, 74th Cong., of Public Law No. 483, 73d Cong., as amended, known as the Kerr Tobacco Act, and Public Law No. 169, 73d Cong., as amended, known as the Bankhead Cotton Act of 1934, except sec. 24 thereof, and secs. 201 to 233, both inclusive, of Public Law No. 320, 74th Cong., known as the Potato Act of 1935), for the redemption of tax-payment warrants as provided in such Kerr Act, including administrative expenses necessary therefor; for salaries and administrative expenses incurred on or before February 10, 1936, under such three acts, or sections of acts, repealed; for such personal services and means in the District of Columbia and elsewhere, including rent, printing and binding, travel, and other administrative expenses incurred after that date as the Secretary of Agriculture and the Commissioner of Internal Revenue, respectively, deem necessary, in order expeditiously to complete and preserve all of the administrative records showing the various transactions and activities involved in the administration of such acts; and, if no other funds are available, for such salaries and administrative expenses as were incurred on or before February 10, 1936, in the operation of the several cotton tax-exemption certificate pools established pursuant to regulations prescribed under said Bankhead Act, and such salaries and administrative expenses thereafter incurred as the Secretary of Agriculture finds to be necessary for the purpose of completing the work relating to and liquidating, as soon as may be, such pools.

(2) So much as may be necessary, not to exceed the sum of \$42,825, for salaries and necessary administrative expenses in the District of Columbia and elsewhere, to complete the work of auditing vouchers and payment of freight bills in transactions entered into by the Secretary of Agriculture with relation to the purchase and sale of seed as a result of the allocations to the Secretary of Agriculture authorizing the purchase and sale of seed made pursuant to the Emergency Appropriation Act, fiscal year 1935.

The Secretary of Agriculture shall transfer to the Treasury Department, out of the funds made available by this joint resolution, such sums (not to exceed a total of \$175,000) as are required for

the Bureau of Internal Revenue to carry out the above-stated purposes.

SEC. 2. The sum of \$453,100 of the appropriation of \$296,185,000 referred to in section 1 hereof shall be returned to surplus immediately upon the enactment of this joint resolution.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT obtained the floor.

Mr. TOWNSEND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	Keyes	Overton
Ashurst	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Dieterich	Long	Russell
Benson	Donahey	McAdoo	Schwellenbach
Bilbo	Duffy	McGill	Sheppard
Black	Fletcher	McKellar	Shipstead
Bone	Frazier	McNary	Smith
Borah	George	Maloney	Steiwer
Bulkeley	Gibson	Metcalf	Thomas, Okla.
Bulow	Glass	Mintom	Townsend
Burke	Gore	Moore	Trammell
Byrd	Guffey	Murphy	Tydings
Byrnes	Hale	Murray	Vandenberg
Capper	Harrison	Neely	Walsh
Caraway	Hatch	Norbeck	Wheeler
Carey	Hayden	Norris	White
Clark	Holt	O'Mahoney	
Connally	Johnson		

The PRESIDING OFFICER. Eighty-three Senators having answered to their names, a quorum is present.

Mr. HOLT. Mr. President, yesterday Mr. Harry L. Hopkins, chief generalissimo of the expenditure of relief funds in the United States, wrote me a letter in reply to a number of charges I had made in the United States Senate about conditions in connection with the Works Progress Administration in West Virginia.

I do not know where Mr. Hopkins bought the whitewash, but if I could have had the contract for the whitewash he used in this report, I could retire for life on just the commissions. He whitewashed enough to make a center line from the city of Charleston clear to the city of Washington, and proceeding, according to his usual practice, to erect buildings like the famous house which Chic Sale told us how to construct, he had enough whitewash to whitewash every one of them which he had constructed during the particular time of his administration.

I stated in West Virginia, and I repeat here, that the investigation conducted by Mr. Hopkins' agents under the leadership of Mr. Alan Johnstone was a sham, a fraud, and a farce. There was no intention to investigate. There was no intention in their minds to bring in any reports, except to clear the W. P. A. itself. To find Mr. McCullough guilty would have been to find Mr. Hopkins guilty, and sending any of Mr. Hopkins' force down to investigate Mr. McCullough in the State of West Virginia was like sending "Baby Face" Nelson down to investigate John Dillinger.

Not only that: I really believe that Albert B. Fall, when he was in charge of the Department of the Interior, at least would have brought in a more fair report and a more honest report relative to the Teapot Dome than Harry Hopkins has brought in about the W. P. A. in the State of West Virginia. I think this letter should be preserved in the Smithsonian Institution. There are more lies per square inch in that particular report than in any other report in the history of the United States. In other words, the whole thing was "covered up."

When I brought the charges, Mr. Johnstone came to me and said, "Whom do you want me to see in West Virginia?" I gave him a list of a number of men to see. Did he see them? Not very many. Here are the reports from the men, the names of whom I gave him to go and see to get particular information to substantiate my charges. Here is what Senator Dan Fleming, president pro tempore of the Senate of the State of West Virginia, said in a letter of March 10:

I received a wire from Mr. Johnstone asking that I come to Charleston to meet him if convenient for me to do so. I wired him that I would meet him the next day, Saturday, at 1 o'clock. I called at his room and found that he was out of the city, but had left an assistant to interview me.

Here is a letter I received from a relief administrator whose name I gave him as a particular person to see:

Johnstone sent me the following telegram: "I am advised by Senator RUSH D. HOLZ that you have information which will assist me in my inquiry of the W. P. A. in West Virginia. Will it be possible for you to confer with me here at the Daniel Boone Hotel today or tomorrow?" I wired Johnstone that I would be glad to meet him for an interview at the Daniel Boone Hotel Saturday at 2 o'clock p. m. On arriving at the appointed time I was met by one of Mr. Johnstone's men, a Mr. Shulkin, who wanted to know if I would talk to him in place of Johnstone. He explained to me that Mr. Johnstone was out.

Here is a letter from another one I asked him to call on:

Relative to Alan Johnstone, the W. P. A. investigator, a telegram was received here Friday afternoon asking Pat to go to Charleston either Friday afternoon or Saturday and hand over to Johnstone such affidavits as were available, and any other information we might have relative to the W. P. A. set-up in this district.

It was physically impossible for us to drop everything and rush to Charleston. We already had made definite plans to spend Saturday in Jackson County. We had conferences set for Friday afternoon and today with labor leaders here, and tomorrow we have been invited to attend the opening of court in Wayne County.

We wrote to Mr. Johnstone telling him that the affidavits were available here, and that we could put him in touch with their authors, and others interested in W. P. A. efficiency here, if he could find time to visit Huntington. Thus far, we have not heard from him.

Oh, he wanted to investigate, Mr. President! I am sure he wanted to investigate!

Here is a letter from a man in Logan County, the name of whom I gave him. Here is the letter. Mr. Sedinger wrote:

Due to my not receiving a telegram from Mr. Johnstone, who was investigating the W. P. A., until I reached Charleston on Sunday, I was unable to see him on Monday when I called him at the hotel. I hope, however, that he will be back in Charleston soon and I will have an opportunity to see him at that time. You, however, have the information which I gave you in Charleston recently; and if he desires to investigate those complaints he would have no trouble in doing so.

That is not all. Here are some more of the witnesses, just to show how he dodged the whole thing. Here is a letter from the man in charge of one of the county taxpayers' leagues:

We have not seen Mr. Johnstone, but reported circumstances of interview with one of his staff Saturday, which information you have heard. Nothing since.

Here is a wire from the prosecuting attorney of one of the counties of West Virginia:

Johnstone not in Point Pleasant, to my knowledge. Received letter from him asking me if I wanted to see him, making no definite suggestion for engagement, and not suggesting visiting Mason County, and not asking for any information or the names of individuals whom he could contact.

Oh, yes; Mr. Johnstone conducted a very thorough investigation! Here is another man, whose name I gave him, who was an employee of the W. P. A. He wired me the following:

Johnstone made no effort to see me.

Here is another one from the oldest member of the House of Delegates in the State of West Virginia:

Did not see Johnstone or have any communications from him.

Here is another letter from a man who was the director of the Wheeling district, Hon. George Oldham, who was chairman of the finance committee of the house of delegates, whose name was on the list:

Johnstone called about 10 o'clock Thursday and wanted me to come to Fairmont Hotel to see him. It was impossible for me to leave here, due to several prior engagements. He did not come to Wheeling to see me.

I could go ahead along this line, Mr. President. Those are just the reports of some of the witnesses who had facts, but Mr. Johnstone did not want the facts. Harry Hopkins did not want the facts about the W. P. A. to be known to the people of the State of West Virginia. He is more extravagant with his words than he is with the people's money, and he is about as reckless in handling his words as he is in handling the money of the people of the United States.

I spoke about whitewash a minute ago. Do Senators know what Mr. Hopkins and his friends have done? They have appropriated approximately \$644,000 for sanitary privies in the State of West Virginia and approximately \$224,000 for feeding children! That is a wonderful exhibit of what he is trying to do.

Let us go a little bit further and see about the investigation as conducted by Mr. Johnstone, who is the star investigator of Mr. Harry Hopkins, whom I spoke about as being "cocky Harry." He is cocky, because he is sitting back on the money bags, and too many of the Senators and too many of the people are fearful of saying anything about it for fear their States will be punished.

I desire to say the persons I named in the W. P. A. staff to contact Mr. Johnstone, after they told Mr. Johnstone a story, were fired from the W. P. A. Let me give you a telegram from one of them.

I told Mr. Johnstone to see Mrs. Helen Gardner, and here is what she replies:

Senator RUSH D. HOLT:

Was seen in your office. Dismissal notice yesterday.

HELEN GARDNER.

But, of course, there is nothing wrong about that—not a thing in the world.

Then down at Charleston the administrative assistant and office manager came in and gave me a story, and yesterday he was fired without any reason at all. He fired him because he told the truth.

I shall give the Senate some more instances at a later date; but I do not want to continue to hold the Senate for so very long, because if I started today telling the rottenness of the W. P. A. in West Virginia, the Senate could not adjourn in time for the conventions. It is the most rotten, reckless expenditure of public money ever known in our State.

I could tell Senators many incidents that I know of. Do Senators know what it costs the W. P. A. to cut down a tree in West Virginia? We have figured it out. It costs them \$27 to cut down one tree! That is a wonderful work-relief program they are giving in that State!

Mr. Johnstone comes out in his famous—I do not know what kind of a sheet you would call it—and says that the people in the Parkersburg office had had money demanded from them for my political broadcasts. That is another one of the lies that Mr. Hopkins tells.

Here is a telegram from Parkersburg. I quote it, and put it in the RECORD:

Have wired Associated Press: "Was in charge of arrangements for broadcast of Senator HOLT's speech at St. Marys on February 8. Mr. McCullough's charge that assessment was levied against W. P. A. employees to pay for this broadcast is absolutely false." ALBERT HOY.

Not only that, but he goes ahead and sends me another telegram and wants to know if Mr. McCullough would tell how much he collected from the Parkersburg people for his Christmas present, instead of the political broadcasts. How much do Senators suppose this broadcast cost? It cost \$109, and they are very fearful that that would hurt the expenditure of money in West Virginia.

Another thing: Mr. Tucker, who was fired yesterday, used to be my secretary here, and went back to Charleston on the W. P. A. One day the investigator came in to see him. He demanded of him, "Where are the letters from Senator HOLT?"—not from any other person in official life, but "Where are the letters from Senator HOLT?" This young man showed him the letters from me. He said, "Some of those letters are missing. Where are they?" and he put Mr. Tucker through a regular third degree of questions. He was not interested in any letters that were in Mr. McCullough's office or Mr. Smith's office, but he repeated, "Where are the letters from Senator HOLT about the W. P. A.?" and he said, "If you cannot produce them, we will get them from his file in Washington."

Oh, there is no doubt about that, because someone went into my desk while I was down in Charleston. While I was investigating W. P. A. in Charleston, somebody broke in my office and investigated what was in my desk in Washington.

Of course, I would not imply that this wonderful man who would whitewash, and who had such charges as that against him, would do it.

Let me go a little bit further into the charge concerning the W. P. A. Mr. Johnstone, through Mr. Hopkins, says that there is no politics in West Virginia; that everything is lily white and pure; that if anyone mentioned politics he would be put out.

I am going to submit for the record the list of every single person in the State office of the Works Progress Administration and who appointed him, every person in the Lewisburg office, every person in the Elkins office, every person in the Charleston office, and I gave the Senate a list of those in the Fairmont office the other day. Here are the letters sent me by the directors themselves. I wish Senators would check them and see how many political endorsements are listed.

Mr. President, I ask unanimous consent that these names and recommendations be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

WORKS PROGRESS ADMINISTRATION,
Charleston, W. Va., January 28, 1936.

Hon. RUSH D. HOLT,

United States Senator, Washington, D. C.

MY DEAR SENATOR HOLT: In keeping with your recent request for the names, salaries, and sponsors of the respective persons upon the administrative pay roll in the State offices of the Works Progress Administration, I beg to hand you herewith the same.

Trusting that this information is that which you desire, or that your request contemplated, I am,

Sincerely,

F. W. McCULLOUGH,

Works Progress Administrator for West Virginia.

Works Progress Administration—West Virginia

STATE ADMINISTRATOR'S STAFF

Name	Salary per month	Sponsor
Abe Forsythe	\$300.00	H. F. Fitzpatrick.
Leonard W. Mosby	283.66	W. E. Chilton, Jr., Gazette.
Mary H. Camp	208.33	G. I. Neal, F. W. McCullough.
Mary F. Hill	135.00	F. W. McCullough.
A. L. Kenna	125.00	Jo N. Kenna.
Annabelle Dadisman	120.00	Forrest Poling.
Anita Toothman	120.00	Dr. R. J. Wilkinson.
Hilda Price	105.00	L. W. Mosby.
Ethel Hanley Jones	105.00	Selene Gifford.
Fanny Field	105.00	Jo Kenna.
Margaret T. King	85.00	H. R. Pinkard, editor, Herald Advertiser.
Mary Cook Waller	85.00	Dr. Roy B. Cook, Charles Lively.
Irene Summers	85.00	Joe Doring.
Gates Hume	70.00	Charleston Gazette, Robert Smith.
Randolph Irving	65.00	Forrest Poling.

DIVISION OF FINANCE AND REPORTS

Ben H. Puckett	\$375.00	U. S. Treasury and regional examiners.
Maurice Lipian	250.00	B. H. Puckett.
O. P. Frame	200.00	Braxton County committee.
W. B. Calder	175.00	Mr. Kennedy, of Securities and Exchange Commission.
Morris McConihay	175.00	Dr. G. C. Robertson.
George Neil Daniels	175.00	Becknell.
B. T. Beazley	150.00	J. H. Long.
Paul B. Shanks	150.00	C. H. Hardesty.
John W. Sheffield	150.00	Logan County commission.
J. D. Stone	150.00	Distress case.
Alma Jarrell	130.00	Joe L. Smith.
George A. Brooks	125.00	J. H. Long.
R. H. Stebbins	125.00	B. H. Puckett.
Margaret Shriver	110.00	Dr. G. C. Robertson.
Maitland Cadden	100.00	E. C. St. George.
Gladys Clay	100.00	G. C. Worrell.
Elva French	100.00	United Mine Workers of America.
Charlotte Jeffries	95.00	Dr. Ward H. Wylie.
Jo Long Almon	105.00	Do.
Alice Risk	105.00	Distress case.
Aldine Kirk	105.00	J. H. Long.
Mary Bee	105.00	George I. Neal.
Elizabeth Looser	100.00	Do.
Pauline Bass	105.00	Distress case.
Frances Roach	100.00	J. H. Long.
Inez E. Burgess	85.00	Logan County commission.
Nelle Rice	85.00	United Mine Workers of America.
Nadine Harvey	65.00	Joe L. Smith.

OFFICE MANAGER AND CHIEF CLERK

R. W. Hall	\$200.00	E. L. Beck, Dr. R. J. Wilkinson.
E. T. Jones	200.00	B. H. Puckett.
R. L. Southern	150.00	Congressman J. Kee.
Eleanor A. Freed	105.00	Dr. Robertson.
Lillian Heater Ancion	105.00	Rush Holt.

Works Progress Administration—West Virginia—Continued
OFFICE MANAGER AND CHIEF CLERK—continued

Name	Salary per month	Sponsor
Helena Carrier.....	\$85.00	F. W. McCullough.
Chester C. Leonard.....	85.00	H. Robinson.
Anna Mae Crane.....	65.00	E. G. Johnson.
W. L. Pence.....	65.00	Do.
F. L. Rectenwald.....	65.00	F. W. McCullough.
Catherine Shea.....	65.00	Jack Shea.
Rae Hillery.....	54.00	Dr. Robertson.

¹ P. B. X. operator.

DIVISION OF LABOR MANAGEMENT

H. B. Colebank.....	\$350.00	M. M. Neely, Rush Holt, Van Bittner.
D. P. Phares.....	283.33	Do.
D. S. Ware.....	208.33	Do.
U. A. Knapp.....	200.00	Do.
E. M. Rymer.....	120.00	H. B. Colebank.
Helen M. Warwick.....	105.00	Do.
Mayme G. Hadveck.....	105.00	D. P. Phares.

DIVISION OF PROJECTS AND PLANNING—PROFESSIONAL AND SERVICE PROJECTS

Clyde Billups.....	\$300.00	Van Bittner, E. C. St. George.
Dean L. Ricketts.....	175.00	Walker Long.
Myrtle R. Cooke.....	105.00	V. A. Bittner.
Nedra Moses.....	105.00	Glenn Callaghan.

COMPENSATION DIVISION

C. L. Heaberlin.....	\$275.00	Rush Holt, Van Bittner, M. M. Neely.
Frank W. Springer.....	155.00	W. A. Thornhill.
Gladia Pauley.....	105.00	C. L. Heaberlin.
W. R. Kerns.....	85.00	Do.
Hila Shumate.....	85.00	Do.

DIVISION OF INFORMATION AND PUBLICATION

J. Samuel Kean.....	\$105.00	Charleston Daily Mail, L. W. Mosby.
H. C. Smith.....	105.00	Clyde Billups.
Frances Stanley.....	105.00	Do.
Suella Stalnaker.....	85.00	T. Townsend.
Evaline Luckwell.....	85.00	Kanawha County committee.
Kathleen Edelman.....	65.00	Do.
Mary V. Harris.....	65.00	M. M. Neely.
Mildred Harwood.....	65.00	Kanawha County committee.

DIVISION OF PROJECTS AND PLANNING—WOMEN'S PROJECTS

Dora Garlitz.....	\$266.66	M. M. Neely, Rush Holt.
Marie Niles.....	100.00	Dora Garlitz.
Lucy M. Lohan.....	105.00	M. M. Maloney.
Mildred Mastin.....	85.00	E. R. Hubbard.
Ethel Zacks.....	85.00	Dora Garlitz.
Elizabeth Waldron.....	65.00	Distress case.

DIVISION OF PROJECTS AND PLANNING—EDUCATIONAL PROGRAM

Glenn S. Callaghan.....	\$300.00	Rush Holt.
A. H. Toothman.....	200.00	Dr. Joseph Rosier, M. M. Neely.
John M. Love.....	150.00	David Ware.
George B. White.....	105.00	Labon White, W. W. Trent.
Goldie Scott.....	85.00	Glenn Callaghan.
Bessie Casdorff.....	65.00	J. B. Easton.

DIVISION OF SAFETY

M. C. McCall.....	\$275.00	Borrowed from the U. S. Bureau of Mines.
William E. Kight.....	200.00	F. B. Poling, Dora Garlitz.
W. F. Short.....	200.00	F. W. McCullough.
A. E. Morgan.....	200.00	H. E. Webb, superintendent, Chesapeake & Ohio.
F. H. Rhea.....	200.00	M. C. McCall.
Stanley Spoor.....	200.00	Wellman, editor, Huntington Advertiser.
W. P. Kelly.....	200.00	E. C. St. George.
Mary C. Eddins.....	105.00	Ann Wetherby.
Ruth Locke.....	105.00	E. C. St. George.

CHIEF ENGINEER'S STAFF

E. Clere Smith, Jr.....	\$375.00	M. M. Neely, H. Hardesty.
Edward Hart.....	225.00	M. M. Neely.
J. C. Myers.....	200.00	Joe Kenna.
John R. Rice, secretary to G. G. Lancaster.....	175.00	G. G. Lancaster.
Kay Rogers.....	120.00	R. H. F. Parsley, Wayne County committee.
Eva Rhodes.....	105.00	G. Lancaster.
Jeanette Groninger.....	105.00	S. T. Mallison, H. M. Cogan.
Betty Bronson.....	65.00	Virgil Ross, Home Owners' Loan Corporation.

Works Progress Administration—West Virginia—Continued
PERSONNEL DIVISION

Name	Salary per month	Sponsor
E. C. St. George.....	\$300.00	F. W. McCullough.
Dorothy Montgomery.....	105.00	L. O. Gastineau; Veterans' Placement Office.
Juanita Miller.....	85.00	Kanawha County committee.

DIVISION OF PROJECTS AND PLANNING

H. M. Cogan.....	\$283.33	Arthur Koontz.
Scott A. Trevarthen.....	225.00	E. L. Bailey.
J. H. Moore.....	200.00	Kanawha County committee.
W. L. McMorris.....	200.00	E. C. Smith, Jr.
R. O. Lewis.....	175.00	John L. Lewis, Van Bittner.
A. B. McCutcheon.....	120.00	J. H. Long.
Agla McVey.....	105.00	Ralph Hiner.
Frances McAlhatten.....	105.00	A. J. Barnhart.
Josie Lee Priode.....	105.00	Senator J. Green.
Mary V. Waldo.....	105.00	R. E. Sherwood.
W. R. Wortham.....	165.00	M. M. Neely.
C. T. Smoot.....	105.00	E. C. St. George.
Mariam Parkhurst.....	105.00	H. M. Cogan.
Strossia Brooks.....	85.00	Do.
Thomas Arnold, Jr.....	85.00	Frank Drumheller.
Margaret White.....	65.00	E. G. Johnson.

First district administrative personnel (January 1936)

Name	Position	Recommended by—
ADMINISTRATIVE		
Forrest B. Poling.....	District director.....	
Mark O. Pugh.....	Office manager.....	E. C. Bennett.
Ruth Schaffner ¹	Secretary to director.....	Howard L. Robinson.
Celeste Hickman.....	Junior stenographer.....	Mark O. Pugh.
Virginia K. Johnson.....	PBX operator.....	(?).
James A. McDonald.....	Under clerk, store.....	D. P. Phares.
FINANCE AND REPORTS		
John F. Parsons.....	Supervisor, finance.....	(?).
Russell Rollins.....	Supervisor, tool and equipment inventory.....	(?).
Hansford Dye.....	Clerk, tool and equipment inventory.....	Rush D. Holt and M. M. Neely.
Robert M. Hall.....	Supervising pay-roll clerk.....	Rush D. Holt.
John A. Gilbert.....	Pay-roll clerk.....	(?).
Frank Grove.....	Supervisor pay roll, assignment records.....	J. Buhl Shahan.
Dana Fitzwater.....	Comptometer operator.....	(?).
H. Wayne Powers.....	Senior stenographer.....	(?).
Virginia Kismar.....	Individual earning, record clerk.....	John Caplinger. ¹
Hazel Rollins.....	Junior stenographer.....	Harry Taylor, Jennings Randolph, and Leo Casey.
Katherine Isner.....	Under stenographer.....	M. M. Neely, D. P. Phares, and Bryon Hamilton. ¹
Adrian Parrack.....	Typist.....	M. M. Neely and J. Buhl Shahan. ¹
Leona Skidmore.....	Pay-roll typist.....	John Parsons. ¹
Raymond Thomas.....	Proofreading clerk.....	(?).
Evelyn Keller.....	do.....	(?).
Kathleen Piercy.....	Typist.....	(?).
ADMINISTRATIVE CONTROL		
E. C. Bennett.....	Chief engineer and assistant director.....	Assigned from Charleston.
Frank L. Downey.....	Area engineer.....	M. M. Neely.
Adam Marshal.....	Area engineer.....	(?).
George H. Higgs.....	do.....	(?).
John C. Potts.....	do.....	William W. Downey.
Russell C. Quinn.....	do.....	(?).
Harry D. Scott.....	do.....	(?).
Charles E. Minor.....	do.....	(?).
Frank A. Mayola.....	Chief requisition clerk.....	Leo A. Casey.
Darl B. Welch.....	Junior clerk.....	Frank A. Mayola.
Junita Phillips.....	Junior stenographer.....	E. C. Bennett.
Anne Steffe.....	do.....	Wm. W. Downey.
Lillian Blackford.....	do.....	John Alfriend.
Julia Moats.....	Under stenographer.....	(?).
Opal M. Sheets.....	do.....	(?).
Gertrude Holliday.....	do.....	Forrest B. Poling.
Brenice Wilmoth.....	do.....	(?).
PROJECTS AND PLANNING		
John B. Archer.....	Supervisor.....	Assigned from Charleston.
J. H. Roush.....	Senior staff engineer.....	John B. Archer.
Forrest Houdysbell.....	Junior engineer.....	(?).
Rella L. Butcher.....	Director, women's work.....	Mrs. Dora Carlitz.
Elinor Lee.....	Home economist.....	John Alfriend and W. W. Downey.
Martha Bogdonovich.....	Junior stenographer.....	(?).
Odessa Manning.....	Under stenographer.....	Forrest B. Poling.

[See footnotes at end of table]

First district administrative personnel (January 1936)—Continued

Name	Position	Recommended by—
LABOR MANAGEMENT		
Leo A. Casey	Supervisor	Assigned from Charleston. Geo. Dixon.
Harley O. Staggers	Safety representative	Harry Taylor, Leo Casey, M. M. Neely.
Harold B. Woodford	do	M. M. Neely, Buhl Shahan. John Caplinger, and D. P. Phares.
Guy Means	do	Forrest B. Poling.
Glenn B. Orr	Labor inventory clerk	Assigned from Charleston. A. M. Starling. ¹
William E. Taylor	Senior clerk	George Arnold.
Una M. Emmart	Senior stenographer	D. P. Phares, J. Buhl Shahan.
Howard C. Myers	Junior clerk	Shaffer.
Olive I. Painter	Junior stenographer	Wm. Hamby and Claude Shaffer.
Columbia White	Under clerk	J. Buhl Shahan and M. M. Neely.
Martha D. Brown	do	Thaddeus Pritt, Dr. F. E. Baron.
Goldie K. Sponagle	do	J. Buhl Shahan, Jennings Randolph.
INTAKE AND CERTIFICATION		
Helen A. Gaynor	District supervisor	Assigned from Charleston. (?)
Mary Hervatine	Junior stenographer	(?)

[See footnotes at end of table]

First district administrative personnel (January 1936)—Continued

Name	Position	Recommended by—
COMPENSATION		
Fairfax Brown	Supervisor	M. M. Neely, D. P. Phares, and Rush D. Holt.
Clarence Workman	Claim inspector	Assigned from Charleston. (?)
Pauline Collett	Typist	(?)

¹ Miss Schaffner was employed, as indicated, upon the recommendation of Howard L. Robinson as to her stenographic ability and accepted by me because of her geographical residence for the reason that I wanted a secretary who had no connections in the first district. Miss Schaffner was at that time a resident of Clarksburg.

² All persons indicated in this manner were placed on the administrative pay roll of this office after having been called in to the office and after having worked long enough to convince us of their ability to perform the services assigned to them. These persons were employed because of their own personal ability, and not because of recommendations, political or otherwise.

³ Persons indicated in this manner were tentatively selected upon their apparent merits, except as otherwise indicated, and were all approved as to qualifications by Ben H. Puckett, State supervisor of finance, after his inspection of their personal application and history and after having had, with the exception of typists, a personal interview.

⁴ The persons indicated in this manner are all serving as engineers and their appointment was requested by me upon the recommendation of E. C. Bennett, chief engineer, who had personally interviewed each one and was acquainted with their training, experience, and ability in engineering work.

⁵ Miss Bogdonovich was recommended to me by a Legionnaire friend, W. C. Ingram, of Davis, W. Va., and she was employed after a trial of her ability and I might add that she is now one of the best and most conscientious workers on the administrative staff.

Works Progress Administration, West Virginia, Charleston district office

Title	Name	Monthly rate	Annual rate	Recommended by—
EXECUTIVE DIVISION				
District director	S. Grover Smith	\$283.33	\$3,400	Kanawha County committee.
Secretary	Julia G. Barkley	120.00	1,440	S. Grover Smith.
OFFICE MANAGEMENT				
Office manager	Dorr M. Tucker	225.00	2,700	Senator Rush D. Holt.
Senior stenographer	Frances L. Gluesenkamp	105.00	1,260	Dorr Tucker.
Messenger and supply clerk	Chester C. Whitney	65.00	780	Plus R. Levi.
ADMINISTRATIVE DIVISION				
Assistant district director	Jos. R. Blackburn	266.66	3,200	Senator Neely.
Senior engineer	Frances G. Davidson	200.00	2,400	F. W. McCullough.
Do	Harry L. Haverstick	200.00	2,400	Do.
Do	E. B. Snider	200.00	2,400	Grover Smith.
Do	M. J. McChesney	200.00	2,400	Kanawha County committee.
Do	Harry L. Butler	200.00	2,400	Ann Wetherby, Welch.
Do	Rupert M. Wilson	200.00	2,400	Logan County committee.
Do	H. Fred Willfong	200.00	2,400	W. A. Thornhill, Jr.
Do	John G. Wingfield	200.00	2,400	J. R. Blackburn.
Senior statistician	F. W. Gibson	155.00	1,860	Senator Rush D. Holt.
Junior engineer	A. J. Foy	150.00	1,800	E. C. St. George.
Do	H. S. Dilcher	150.00	1,800	Kanawha County committee.
Do	E. R. Wiley	150.00	1,800	
Do	Leslie A. Fields	150.00	1,800	
Do	J. B. Alderson	150.00	1,800	
Senior stenographer	Elsie E. Nichols	105.00	1,260	
Junior stenographer	Kathrine L. Gramm	85.00	1,020	S. G. Smith and Dorrr Tucker.
Do	Earle B. Hall	85.00	1,020	Plus R. Levi and S. G. Smith.
Do	Virginia Wash	85.00	1,020	Chas. Gazette.
Do	Jane Thom	85.00	1,020	Distress case.
Do	Edythe Abbott	85.00	1,020	Homer Hannah.
Do	Edna G. Scott	85.00	1,020	G. C. Robertson and G. Smith.
Do	Lynwood L. Frost	85.00	1,020	
Do	Pearl Goldberg	85.00	1,020	
Do	Helen Hazel Frame	85.00	1,020	Mrs. Camp.
DIVISION OF WOMEN'S WORK				
Director	Sallie B. Spencer	200.00	2,400	Kanawha County committee.
Area supervisor	Ethel May Bennett	120.00	1,440	Senator John Greene, Mingo.
Do	Hope Fitzgerald	120.00	1,440	C. Henderson, Montgomery.
Under stenographer	Verna L. Null	65.00	780	Kanawha County committee.
DIVISION OF FINANCE AND REPORT				
Supervisor	H. S. Trotter	225.00	2,700	Ben Puckett and S. G. Smith.
Assistant supervisor	A. G. Breedlove	175.00	2,100	E. C. St. George.
Do	Chester A. Cawley	175.00	2,100	Kanawha County committee.
Toll and equipment supervisor	C. E. Rippetoe	135.00	1,620	
Junior accountant	Huley A. Browning	120.00	1,440	Logan County committee.
Do	Adam Cavender	120.00	1,440	Kanawha County committee.
Do	Farris Tabet	120.00	1,440	Do.
Senior clerk	Ben F. Watson	105.00	1,260	F. W. McCullough.
Do	William F. Brackett	105.00	1,260	Mrs. S. W. Price, Scarbo.
Senior stenographer	Mamie M. Hatcher	105.00	1,260	H. S. Trotter.
Junior clerk	John R. Strango	85.00	1,020	Sen. John Greene.
Do	Donald T. Ellis	85.00	1,020	Kanawha County committee.
Do	Genevieve Kohlbecker	85.00	1,020	F. C. St. George.
Junior stenographer	Alice Little	85.00	1,020	United Mine Workers of America.
Do	Edith M. Ulbrich	85.00	1,020	Do.
Do	Winnie T. Willis	85.00	1,020	Dorr Tucker.
Do	Orva W. Carden	85.00	1,020	Wyoming County committee.
Do	Frances Richardson	85.00	1,020	Kanawha County committee.
Do	Virginia Givens	85.00	1,020	United Mine Workers of America.
Junior typist	May Shears Hively	85.00	1,020	Earl Brawley.
Do	Victoria Tabet	85.00	1,020	Distress case.
Under typist	Betty Jane Jarrett	65.00	780	Kanawha County committee.
Do	Betty Jane Stewart	65.00	780	Distress case.
Do	Clarice McClung, distress case	65.00	780	J. DeGruyter, Jr.

Works Progress Administration, West Virginia, Charleston district office—Continued

Title	Name	Monthly rate	Annual rate	Recommended by—
DIVISION OF FINANCE AND REPORT—CON.				
Under typist.....	Mable Epling.....	\$65.00	\$780	E. C. St. George.
Do.....	Mary F. Campbell.....	65.00	780	A. M. W. A.
Do.....	Alvena Mays.....	65.00	780	Kanawha County committee, distress case.
Do.....	Helen Farley.....	65.00	780	W. A. Thornhill, Jr.
Do.....	Lillian Matthews.....	65.00	780	Kanawha County committee; E. C. St. George.
Do.....	Elmo Williams.....	65.00	780	William Blizzard, N. M. W.
Do.....	Irene Vaughn.....	65.00	780	Logan County, Dr. Sarley.
Do.....	Virginia Meadows.....	65.00	780	Mrs. Ann Weatherby.
Verification clerk.....	Leo C. Withrow.....	65.00	780	United Mine Workers of America.
SAFETY DIVISION				
Safety inspector.....	Charles Waugh, Jr.....	125.00	1,500	H. E. Dillon, Jr.
Do.....	Grover C. Johnson.....	125.00	1,500	Ann Weatherby.
Do.....	Louis A. Veasey.....	125.00	1,500	Kanawha County committee.
Senior Stenographer.....	Pearl Steel.....	105.00	1,260	Plus Levi.
Claim examiner.....	Benjamin E. Tolbert.....	140.00	1,680	Senator John Greene, Mingo.
Do.....	Charles Edward Bowman.....	135.00	1,620	Harberlin.
INTAKE AND CERTIFICATION				
Supervisor.....	Adah D. Hereford.....	150.00	1,800	E. C. St. George.
DIVISION OF LABOR MANAGEMENT				
Supervisor.....	A. L. Snyder.....	258.33	3,100	Senators Holt, Neely, and V. A. Bittner.
Assistant supervisor.....	Howard Kuhn.....	208.33	2,500	Do.
Supervising clerk.....	C. W. Poling, Jr.....	125.00	1,500	G. C. Steel, Logan County; G. N. Daniels.
Do.....	F. W. Blizzard.....	120.00	1,440	U. M. W. of A.
Senior stenographer.....	Nelle McLloyd.....	105.00	1,260	Labor organizations.
Junior stenographer.....	Emily Lee Hale.....	85.00	1,020	Do.
Do.....	Joann D. Songer.....	85.00	1,020	Do.
Do.....	Daphene V. Sanders.....	85.00	1,020	E. C. St. George.
Junior stenographer.....	Willie Stell.....	85.00	1,020	Labor organizations.
Do.....	Mildred Stover.....	85.00	1,020	Do.
Under stenographer.....	Millie C. Ross.....	65.00	780	Do.
Do.....	Eileen K. Ellis.....	65.00	780	E. C. St. George, distress case.
Senior clerk.....	Sam L. Belk.....	105.00	1,260	F. W. McCullough.
Junior clerk.....	Margaret M. Bell.....	85.00	1,020	Labor organizations.
Do.....	Clara Fox.....	85.00	1,020	Do.
Do.....	Opal Westfall.....	85.00	1,020	Rush D. Holt.
Do.....	H. A. Drew.....	85.00	1,020	Labor.
Do.....	Doris M. Staats.....	85.00	1,020	H. B. Colebank.
Do.....	Dorothy Hudson.....	85.00	1,020	Henry Colebank.
Under clerks.....	Gertrude M. McDermott.....	65.00	780	John Easton and Blizzard.
Do.....	Jack A. Barnette.....	65.00	780	Labor organizations.
Do.....	Margaret Maser.....	65.00	780	Do.
Do.....	Annie F. Whiddon.....	65.00	780	Silene Gifford.
Total (97 employees).....		11,196.65	134,360	

Works Progress Administration in West Virginia, Jan. 27, 1936
SECOND DISTRICT, FAIRMONT

Title	Name	County	Salary	Recommendations
ADMINISTRATIVE CONTROL				
Acting director and chief engineer.....	Harold F. Kramer.....	Taylor.....	Annual \$3,200	W. J. Gates and associates, Robert F. Roth.
Office engineer.....	C. Crow Batson.....	Monongalia.....	2,400	F. Guy Ash, Colonel Robinson.
District supervisor, women's work.....	Irene Gillooly.....	Harrison.....	2,100	Howard L. Robinson and associates.
Area engineer.....	W. L. Burton.....	Marshall.....	2,100	W. C. Ferguson and associates.
Do.....	Earl E. Brane.....	Harrison.....	2,100	Howard L. Robinson and associates.
Requisition engineer.....	O. R. Wilson.....	Preston.....	2,100	Harold F. Kramer, Robert F. Roth, and J. V. Gibson.
Liaison officer.....	H. Sutton Sharp.....	Marion.....	2,100	C. E. Smith.
Administrative assistant.....	Mose McKay Darst.....	Monongalia.....	2,000	Terrence Stewart, Walter S. Hart.
Area engineer.....	James C. Reich.....	do.....	1,800	Jake Wharton, Walter S. Hart.
Do.....	Ray Shaw.....	Hancock.....	1,800	Sheriff J. A. Tope and associates.
Do.....	Homer E. Poling.....	Barbour.....	1,800	W. J. Gates and associates.
Office engineer.....	James W. Hewitt.....	Harrison.....	1,620	Harold F. Kramer.
Area engineer.....	L. F. Oneacre.....	Wetzel.....	1,500	A. C. Chapman and associates.
Do.....	C. W. Monroe.....	Marion.....	1,500	Homer C. Toothman and associates.
Junior engineer.....	Harry W. Weaver.....	Wetzel.....	1,500	A. C. Chapman and associates.
Supervising clerk.....	J. Paul Finley.....	Hancock.....	1,500	Sheriff J. A. Tope and associates.
Home economist.....	Aileen Berdine.....	Wetzel.....	1,500	A. C. Chapman and associates.
Senior stenographer.....	Besse J. Vernon.....	Hancock.....	1,200	Sheriff J. A. Tope and associates.
Do.....	Anne Rady.....	Harrison.....	1,200	Howard L. Robinson and associates.
Do.....	Mildred Stalnaker.....	Marion.....	1,200	Robert F. Roth.
Senior clerk.....	Bess A. Orr.....	Preston.....	1,200	J. V. Gibson and associates.
Junior stenographer.....	Leah Lipson.....	Marion.....	960	A. M. Rowe.
Requisition typist.....	Helen Welmer.....	do.....	720	C. E. Smith.
Do.....	Jane C. Staggers.....	do.....	720	Do.
PROJECTS AND PLANNING				
Supervisor.....	George J. Gow.....	do.....	1,800	Homer C. Toothman, C. E. Smith.
Assistant supervisor.....	W. J. Gates.....	Taylor.....	2,400	M. M. Neely, Rush D. Holt.
Junior engineer.....	Emory A. Hoke.....	Preston.....	1,500	Harold F. Kramer.
Senior stenographer.....	Fern Gwyn.....	Marion.....	1,200	C. E. Smith.
Junior stenographer.....	Clara Tetl.....	do.....	960	C. E. Smith, Frank Miley, Van A. Bittner.
LABOR DEPARTMENT				
Supervisor.....	Harry C. Loudon.....	do.....	3,100	Van A. Bittner, Frank Miley.
Assistant supervisor.....	P. F. Buckley.....	do.....	1,800	Do.
Supervising clerk.....	Joseph Holtz.....	Monongalia.....	1,500	F. Guy Ash, Frank Miley, Harry C. Loudon.
Senior clerk.....	W. G. Smallridge.....	Harrison.....	1,260	Howard L. Robinson and associates.
Senior stenographer.....	Maxine Hughes.....	Taylor.....	1,200	W. J. Gates and associates.
Do.....	Marie C. Silber.....	Marshall.....	1,080	W. C. Ferguson and associates.
Junior stenographer.....	Filomena Micozzi.....	Preston.....	960	J. V. Gibson and associates.
Junior clerk.....	Olive T. Mason.....	Marion.....	840	C. E. Smith.
Under clerk.....	Steve J. Antalis.....	Hancock.....	780	Sheriff J. A. Tope and associates.

Works Progress Administration in West Virginia, Jan. 27, 1936—Continued
SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Salary	Recommendations
LABOR DEPARTMENT—continued				
Under clerk	Wade H. Robinson	Harrison	Annual \$780	Howard L. Robinson and associates.
Do	Mildred Kress	Brooke	780	Robert L. Ramsey and associates.
Do	Lelah M. Mauler	Taylor	780	W. J. Gates and associates.
Typist	Margaret J. Yager	Barbour	780	Do.
Do	Dorothy Evans	Preston	780	J. V. Gibson and associates.
Do	Ruth Stewart	Wetzel	780	A. C. Chapman and associates.
Under clerk	Lena Coffman	Marion	720	Earl Smith.
Do	Mary Ellen Knight	do	720	Frank Miley.
INTAKE AND CERTIFICATION				
Supervisor	Anne Tryon	Marshall	1,200	Selene Gifford.
Do	Katherine Dearien	Monongalia	1,200	Do.
Senior stenographer	Edythe M. Satterfield	Marion	960	Homer C. Toothman and associates.
Under clerk	Ruth Posten	do	720	C. E. Smith.
FINANCE AND REPORTS				
Assistant supervisor	Samuel T. Burke	do	2,100	Marshall E. Ashcraft.
Certifying officer	Grover C. Starkey	Harrison	1,500	Howard L. Robinson and associates.
Assignment supervisor	J. Harry Meredith	do	1,500	Do.
Pay-roll clerk	Stanley C. Lantz	Monongalia	1,500	Terrence Stewart, Walter S. Hart.
Assistant supervisor tools and equipment	C. Glenn Emerson	Preston	1,500	J. B. Gibson and associates.
Verification clerk	James Madison Lyon	Harrison	1,320	Howard Robinson and associates.
Material and supply clerk	Vincent Tropea	Marion	1,260	Homer C. Toothman and associates.
Posting clerk	Alex V. St. Clair	Monongalia	1,200	Walter S. Hart, Jake Wharton.
Senior stenographer	Jessie D. Cox	Marion	1,200	J. Clyde Morris.
Master card file operator	Lee Bowman	Taylor	1,020	W. J. Gates and associates.
Supervising typist	Rosanna Wilson	do	1,020	Do.
Comptometer operator	Helen Louise Spring	Marion	960	Homer C. Toothman and associates.
Verification clerk	John Martin Creighton	do	960	Do.
Do	Roy Hunter	do	960	Fred M. Jamison.
Posting clerk	Paul L. Falkenstine	Marion	960	Homer C. Toothman and associates.
Verification clerk	William Ray Donlin	do	780	Do.
Do	George W. Ullom, Jr.	do	780	Do.
Do	George L. Kerr	do	780	Do.
Do	Walter C. Upperman	do	780	Fred M. Jamison.
Typist	Gladys Barton	do	780	Homer C. Toothman and associates.
Do	Josephine Thomas	Wetzel	780	A. C. Chapman and associates.
Do	Nannie Belle Herron	Hancock	780	Sheriff J. A. Tope and associates.
Do	Mary Dott Hefner	Barbour	780	A. D. Marks.
Do	Eleanor McCarthy	Marion	780	Homer C. Toothman and associates.
Do	Eunice T. Bennett	do	780	Do.
Do	Kathryn McKeever	do	780	Frank Miley, Tony Teti.
Do	Virginia C. Rodgers	do	780	Fred M. Jamison.
Do	Jennie M. Boyce	do	780	Do.
OFFICE MANAGEMENT				
Office manager	Fred M. Jamison	do	2,900	Homer C. Toothman, C. E. Smith, and Alfred Neely.
Supervising clerk	Irene Fowler	do	1,200	C. E. Smith.
Junior clerk	W. D. Straight	do	1,020	M. M. Neely.
Junior stenographer	Gertrude S. Morgan	do	960	Fred M. Jamison.
Junior clerk-receptionist	Martha H. Mitchell	do	840	C. E. Smith.
Junior clerk-messenger	Louis Prozillo	do	840	Homer C. Toothman and associates.
Supply clerk	W. J. LaFollette	do	720	Harry C. Loudon.
Under clerk-telephone operator	Josephine Scott	do	720	C. E. Smith.
SAFETY DEPARTMENT				
Supervisor	William Short	do	2,400	Transferred by D. Witcher McCullough.
District safety representative	Ray Dillon	Taylor	1,500	W. J. Gates and associates.
Do	Albert Angellilli	Marion	1,500	Frank Miley.
Do	C. E. Chaddock	Ohio	1,500	George W. Oldham.
Junior clerk	T. B. Henderson	Marion	1,020	M. M. Neely.
Typist	Martha E. Sheets	Monongalia	780	Jake Wharton.
COMPENSATION DEPARTMENT				
District compensation officer	James P. Burns, Jr.	Marion	2,000	Appointment made in Charleston.
Claim adjuster	C. O. McVicker	Harrison	1,440	Frank Miley.
Do	Thurlow W. Harmon	Ohio	1,440	George W. Oldham.
Field investigator	H. E. Peters	Marion	1,200	Frank Miley, Harry C. Loudon.
Stenographer	Fern Yost	do	960	Jakes P. Burns, Jr.
PROCUREMENT DIVISION				
District procurement officer	W. O. Flesher	Monongalia	2,100	Jake Wharton.
Stenographer	Mabel V. Grimes	do	960	Do.
NATIONAL YOUTH ADMINISTRATION				
District director	George Jackson	Harrison	1,800	Herbert Fitzpatrick, National Committee.
Stenographer	Betty Jane Cross	Marion	780	Glenn S. Callaghan.
County representatives:				
Barbour	K. C. Epling	Barbour	1,800	Do.
Brooke, Hancock	Kenneth H. Hill	Hancock	1,800	Sheriff J. A. Tope and associates.
Marshall, Wetzel	Glenn Jolliffe	Wetzel	1,800	A. C. Chapman and associates.
Harrison	Harold Stewart	Harrison	1,800	Howard L. Robinson and associates.
Marion	Eugene Watkins	Marion	1,800	Homer C. Toothman and associates.
Monongalia	Richard B. Tibbs	Monongalia	1,800	Terrence Stewart, Evelyn Yorke.
Ohio	Charles Nickison	Ohio	1,800	Robert J. Riley and associates.
Preston	William T. Brice	do	1,800	F. Witcher McCullough.
Taylor	Grant Fretwell	Preston	1,440	J. V. Gibson and associates.
	Charles T. Wolfe	Taylor	1,800	W. J. Gates and associates.
EDUCATION AND RECREATION				
District director	Florence H. Wilkinson	do	2,100	Prof. Joseph Rosier and others.
County representatives:				
Barbour, education	Edna Brown Boyles	Barbour	1,440	Glenn S. Callaghan, State office.
Brooke, education	Herbert T. Minnis	Brooks	1,440	Do.
Hancock, education	Donald M. Hartford	Hancock	1,440	Do.
Harrison:				
Recreation	Wade Garrett	Harrison	1,330	Do.
Education	Winifred Mayer	do	1,440	Do.

[See footnotes at end of table]

Works Progress Administration in West Virginia, Jan. 27, 1936—Continued
SECOND DISTRICT, FAIRMONT—continued

Title	Name	County	Salary	Recommendations
EDUCATION AND RECREATION—Cent.				
Marion:				
Education.....	Leslie E. Haught.....	Marion.....	\$1,440	Glenn S. Callaghan, State officer
Recreation.....	Wilford R. Wilson.....	do.....	1,320	Do.
Marshall, education.....	R. G. Stewart.....	Marshall.....	1,440	Do.
Monongalia:				
Education.....	P. E. Hampstead.....	Monongalia.....	1,440	Do.
Recreation.....	Virginia Berry.....	do.....	1,200	Do.
Ohio:				
Recreation.....	Jack C. Maloney.....	Ohio.....	1,330	Do.
Education.....	Teresa Kossuth.....	do.....	1,440	Do.
Preston, education.....	John Hunt.....	Preston.....	1,440	Do.
Taylor, education.....	Clyde Hickman.....	Taylor.....	1,440	Do.
Wetzel, education.....	Mildred B. Monger.....	Wetzel.....	1,440	Do.
SANITATION DIVISION				
County supervisors:			<i>Monthly rate</i>	
Barbour.....	Walker Dadisman.....	Barbour.....	125	W. J. Gates and associates.
Brooke.....	George S. Hoover.....	Brooke.....	125	Robert J. Riley and Robert L. Ramsey want him off.
Hancock.....	Thomas T. Timothy.....	Hancock.....	125	Sheriff wants him off.
Harrison.....	Leon W. Collins.....	Harrison.....	125	Howard L. Robinson and associates.
Marion.....	W. A. Lawler.....	Marion.....	125	O. K., M. M. Neely.
Marshall.....	Harry Knox.....	Marshall.....	125	W. C. Ferguson and associates.
Monongalia.....	R. W. Hancock.....	Monongalia.....	125	O. K., Jake Wharton.
Ohio.....	George L. Johnson.....	Ohio.....	125	Robert J. Riley wants him off.
Preston.....	R. Milford Hardesty.....	Preston.....	125	O. K., J. V. Gibson and committee.
Taylor.....	Ralph S. Kunst.....	Taylor.....	125	W. J. Gates and associates want him off.
Wetzel.....	Andy W. Finley.....	Wetzel.....	125	O. K., A. C. Chapman.
NUTRITION SUPERVISORS				
			<i>Annual</i>	
Barbour.....	Monna Phillips.....	Barbour.....	1,140	Forrest B. Poling and associates.
Brooke.....	Margaret Sanders.....	Brooke.....	1,020	Robert L. Ramsey and associates.
Hancock.....	Nina M. Young.....	Hancock.....	1,200	J. A. Tope and associates.
Harrison.....	Beatrice Scott Smith.....	Harrison.....	1,272	Howard L. Robinson and associates.
Marion.....	Pauline N. Henderson.....	Marion.....	1,296	Mrs. Blanche Shack.
Marshall.....	Margaret H. Peel.....	Marshall.....	1,356	A. C. Chapman and associates.
Monongalia.....	Ida L. Wilson.....	Monongalia.....	1,356	Terrence Stewart, Evelyn Yorke, and Bill Hart.
Ohio.....	Mary E. Gaynor.....	Ohio.....	1,140	Robert J. Riley and associates.
Preston.....	Georgia Wilson.....	Preston.....	1,392	J. V. Gibson and associates.
Taylor.....	Anne E. Cruise.....	Taylor.....	1,200	W. J. Gates and associates.
Wetzel.....	Blanche L. Heinzman.....	Wetzel.....	1,356	A. C. Chapman and associates.

WHEELING—SUBDISTRICT OFFICE

Manager.....	George W. Oldham.....	Ohio.....	\$2,700	Rush D. Holt.
Area engineer.....	H. B. Wilson.....	do.....	2,100	Rush D. Holt, John B. Easton.
Supervising stenographer.....	Matilda Leichtl.....	do.....	1,320	Geo. W. Oldham.
Senior stenographer.....	Matilda Sauter.....	do.....	1,140	Do.
Senior clerk.....	Alma Gravius.....	do.....	1,020	Do.
Under clerk.....	Pauline A. Stollar.....	do.....	780	Do.

Total, on Fairmont administrative pay roll.....	97
Total, on Wheeling administrative pay roll.....	6
Total, this list paid on projects.....	52

Grand total..... 155

¹ These salaries are not included in the administrative pay roll paid on projects.

² \$25 expenses.

Administrative personnel, third district

Name and title	Monthly salary	Recommended by—
J. N. Alderson, acting director.....	\$266.66	
Mary M. Arbuckle, under stenographer.....	60.00	Hon. John Kee, Member of Congress.
F. A. Wyant, assistant director and chief engineer.....	258.32	Selected in Charleston.
W. H. Yeager, supervisor projects and planning.....	200.00	Hon. Kerth Nottingham, county chairman; Dr. O. L. Allen, Marlinton.
J. N. Berthy, Jr., field construction engineer.....	175.00	Selected by director and chief engineer on efficiency basis.
Arthur G. Booth, field construction engineer.....	175.00	A. J. Lubliner, Bluefield; Mr. Mathew Holt to Mr. Wyant; Hon. Landen T. Reynolds, county chairman, Mercer County; Hon. M. M. Neely, Member of Senate.
H. M. Venable, field construction engineer.....	175.00	Selected by director and chief engineer on efficiency basis.
W. H. Corder, junior staff engineer.....	150.00	E. C. Smith, Jr., assistant administrator and chief engineer.
H. F. Hackett, junior staff engineer.....	150.00	E. C. Smith, Jr., assistant administrator and chief engineer.
Robert L. Miller, junior engineer.....	100.00	County chairman Summers County and other leading Democrats, Summers County.
Marion E. Smith, senior file clerk.....	80.00	Hon. John Kee, Member of Congress; Hon. M. M. Neely, Senate.
Deecie E. Hanna, junior stenographer.....	80.00	Hon. G. P. Alderson, United States marshal; Mr. S. M. Austin, attorney, Lewisburg, W. Va.
Virginia J. Wood, under stenographer.....	60.00	Selected on efficiency basis by J. N. Alderson, district director.
Virginia M. Betts, under typist.....	60.00	Selected personnel office, on efficiency basis.
E. S. Puckett, supervisor, finance and reports.....	241.66	Selected on efficiency basis by district director.
Charles M. McVey, assistant supervisor, finance and reports.....	125.00	Mr. Ben H. Puckett, State supervisor, finance and reports; Mr. E. O. St. George, State personnel officer.

Administrative personnel, third district—Continued

Name and title	Monthly salary	Recommended by—
D. P. Hines, senior clerk.....	\$100.00	Hon. Rush D. Holt, Senator.
D. C. Humphreys, senior clerk.....	100.00	Dr. W. E. Myles, chairman, Greenbrier County committee; Mr. J. W. McClung, sheriff, Greenbrier County.
H. Frank Hunter, senior clerk.....	100.00	Mr. H. G. Harper, mayor, Princeton; Hon. M. M. Neely, Senator.
Homer S. Hurley, senior clerk.....	100.00	Selected by Mr. B. H. Puckett, State supervisor of finance and reports, on efficiency basis.
Thomas P. Doughty, Jr., junior clerk.....	80.00	Hon. M. M. Neely, Senator; Mr. W. E. Myles, county chairman, Greenbrier County.
J. Arlan Hartsook, junior clerk.....	80.00	Selected on experience and efficiency basis.
P. A. Herold, junior clerk.....	80.00	Hon. M. M. Neely, Senator.
Walton W. Hicks, junior clerk.....	80.00	Hon. G. H. Crumpecker, State director F. H. A.
W. P. Ware, Jr., junior clerk.....	80.00	Mr. F. G. Lobban, member State executive committee.
John Coleman McCue, proofreader and typist.....	60.00	Dr. W. E. Myles, county chairman, Greenbrier County.
Gordon Umbarger, junior typist.....	80.00	Hon. C. J. Bell, Summersville.
Mary L. Holcombe, junior stenographer.....	70.00	Hon. Rush D. Holt, Senator.
Richard Alderidge, under stenographer.....	60.00	Selected for emergency need and found competent.
Mary E. Fitzwater, under stenographer.....	60.00	Mr. H. V. Sumers, Nicholas County, and other leading Democrats of Nicholas County.
Virginia Feller, comptometer operator and typist.....	80.00	Hon. M. M. Neely, Senator.
Mary Frank Jackson, supervisor women's work.....	150.00	Mr. Van A. Bittner; Hon. M. M. Neely, Senator; Mrs. Gilmer Easley, member county executive committee, Greenbrier County.
Blanche H. Crickenberger, district field supervisor women's work.....	100.00	Dr. W. E. Myles, county chairman, Greenbrier County.

Administrative personnel, third district—Continued

Name and title	Monthly salary	Recommended by—
Nellie B. Brackman, under stenographer.	\$60.00	Hon. John Kee, Member of Congress.
Mason Bell, office manager and personnel officer.	200.00	Selected in Charleston; Hon. G. P. Alderson, United States marshal.
Zela Bland, reception clerk and switchboard operator.	100.00	Hon. M. M. Neely, Senator.
John S. Kramer, junior clerk.	80.00	Hon. John Kee, Member of Congress; Hon. M. M. Neely, Senator.
Ardela McKenzie, under stenographer.	60.00	Mr. Hugh Dunn, postmaster, Richwood; Mr. A. E. Dillinger, attorney, Richwood; Mr. T. W. Ayers, attorney, Richwood.
Charles F. Livesay, under clerk.	60.00	Hon. John Kee, Member of Congress, Hon. M. M. Neely, Senator.
R. W. Alt, supervisor, labor management.	241.66	Selected in Charleston.
G. T. Brooks, assignment clerk.	120.00	Selected in Charleston at suggestion of Mr. H. E. Becknell, area supervisor of reports.
Beulah Dean, junior stenographer.	80.00	Mr. R. W. Alt, supervisor labor management.
Raymond L. Dempsey, junior clerk.	80.00	Hon. F. W. McCullough.
Virginia E. Duncan, junior clerk.	80.00	Mr. R. L. Crotchin, county administrator, Monroe County; committee members Monroe County.
Ralph L. Landers, junior clerk.	80.00	Hon. G. P. Alderson, United States marshal.
John S. Rose, junior clerk...	80.00	Miss Ethel Hinton, county chairman, Summers County; Dr. D. M. Ryan, Hinton, to Mr. Wyant; Hon. John Kee, Member of Congress.
Grace L. Wylie, junior clerk...	70.00	Trained assignment worker, requested by the State assignment clerk.
Pearl E. Anderson, under stenographer.	60.00	Dr. Gory Hogg, Lewisburg; Hon. W. H. Sawyers, Hinton.
Mildred E. Thompson, under stenographer.	60.00	Hon. Rush D. Holt, Senator.
Helen Gillespie, under typist.	60.00	Mr. R. W. Alt, labor supervisor.
Mary Karr McLaughlin, under typist.	60.00	Selected on efficiency basis.
R. A. Miller, district safety inspector.	135.00	Dr. W. E. Myles, county chairman, Greenbrier County; Mr. John H. Bowley, deputy marshal.
Cecelia McCue, supervisor intake and certification.	150.00	Selected in Charleston.
W. R. Blankenship, district claim adjuster, compensation.	140.00	Mr. J. W. McClung, sheriff Greenbrier County; Mr. J. M. Holt, former prosecuting attorney, Greenbrier County; selected by State supervisor of compensation.
V. L. Allen, district claim examiner.	135.00	Selected by State supervisor compensation and chief personnel officer.
Faye McClung, under stenographer.	60.00	Selected on efficiency basis.

Mr. HOLT. Mr. Johnstone says that there is no politics in West Virginia. He decries the use of politics. Let me read a letter from Mr. McCullough to my colleague [Mr. NEELY], in which he says:

Please be advised that Mr. Harmon has been in this office, and I feel that in the future he will be in sympathy with the things that are being done in Putnam County.

Oh, no politics; he was just in sympathy with building something down there!

Let me go ahead and list these. This is what the personnel director of the Fairmont district said on October 30:

I am glad to inform you that we are following certain orders from so-and-so and so-and-so on any suggestions as to personnel in Hancock County.

Here is a letter dated November 25:

You will note in Brooke, Hancock, Harrison, Marshall, Ohio, and Taylor Counties the word "no" is typewritten opposite the name of the sanitation supervisors.

Of course, the Senate knows what they are; I need not explain it.

That means these fellows are not with us, and we are going to change these men as quickly as possible. I thought if you had any special reason to contact these foremen, timekeepers, and superintendents, I wanted you to know that the above-mentioned names marked "no" on this list are not our friends.

Oh, Mr. President, of course there is no politics in West Virginia.

Here is a letter dated November 1, which I want to read into the RECORD, written by the same man:

I am enclosing a copy of the county sanitation supervisors; tentative lists of the safety and compensation departments. By way of explanation, about 6 weeks ago—

I want the Senate to get this—

about 6 weeks ago two meetings were held in this office. Those present were: Howard L. Robinson—

I will now identify him. He is United States attorney for northern West Virginia.

William J. Gates, Sandy Toothman—

Who is my colleague's political boss in his home county.

Harry C. Loudon, and Frank Wiley. At that time the enclosed lists were discussed.

Now get this; they were not then satisfied with the people who were there.

By telephone, we contacted J. V. Gibson, Preston County; A. C. Chapman, Wetzel County; W. C. Ferguson, Marshall County; Robert J. Riley and George W. Oldham of Ohio County; Robert L. Ramsey and Abe Pinsky, Brooke County; and Sheriff J. A. Tope, Hancock County.

Of course, they "contacted" them. Let me go ahead with this letter—

After hearing all recommendations and suggestions, the second meeting was held and these lists were drawn up. These lists have been filed with Mr. E. C. St. George, chief personnel director of the Works Progress Administration in Charleston, and an arrangement with him made, whereby these men would be drawn and placed on the pay roll for work as their services were demanded.

Then, he goes ahead and says:

This program has been started with the agreement with Mr. St. George—

Mr. St. George is the State personnel director—

and Mr. McCullough—

The Senate knows who he is—

that the substitutions shown on the list would be changed as soon as—meaning about 1 month after the program is under way in each county, where substitutions are necessary.

To date no substitutions have been made in the sanitation department, but it is our intention, beginning next week, to notify Dr. Eddy, who is in charge of the sanitation program, to start replacing these men in each county, where replacement is necessary.

Now let me read from a letter dated August 1, signed by the same man:

The time to correct mistakes is before they are made, if possible; consequently we don't want anyone on these jobs who is not right. These hundreds of applications going in should be taken around to the "designated" leaders in each county and sorted; then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

What did he mean by "next year"—1935?

Let me go a little further and quote from the director of the Wheeling district. Here is what he says:

I was amused at the letter from Mr. Roth, the former director for the Fairmont district. It was common knowledge at the time I came into the organization that Roth was to be fired and a new director appointed.

This was the man who sent the telegram, who said there was not any politics in it. By the way, he got a new job last night. He is to be appointed in charge of the division in my home district—the man who sent a telegram here criticizing me. All right. That is quick work.

I was so informed by Ned Smith, Mose Darst, and also by Witcher, and the reason given was that he was "playing with Tusca Morris"—

Of course, Senators can ask my colleague who Tusca Morris is—

one of NEELY's political enemies; in fact, they told me that Roth and Ashcraft were both to "go", due to their having given Tusca a copy of the pay-roll sheet from the Fairmont office, showing not only the names but the amounts each one was receiving. They had quite a time over this and finally found the sheets under the rug.

It is a bear-in-a-rug proposition.

Here is what he says about an employee who reported.

... He came into my office, produced a little red book, and informed me that his instructions were:

"In Hancock, J. A. Tope—in Brooke, Abe Pinsky—in Ohio, Robert Riley—in Marshall, Tuck Ferguson, and in Wetzel, A. C. Chapman, would name 50 percent of all employees and that he would name the balance."

Of course, there is no politics at all!

I want also to put in the RECORD the actual names handed me by the personnel director of the State, showing who suggested the nutrition supervisors who have charge of feeding the children. I ask that that be inserted in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Suggested nutrition supervisors

County	Name	By whom recommended
DISTRICT NO. 2		
Ohio.....	Mrs. Pauline Henderson.....	Homer Toothman.
Hancock.....	Nina Young.....	J. Alfred Tope.
Wetzel.....	Miss Etta Kiger.....	A. C. Chapman.
Taylor.....	Anna Cruse.....	W. J. Gates.
Barbour.....	Ruth Forney.....	A. D. Marks and approved by Forrest Poling.
Marshall.....	Margaret Peale.....	Mr. Ferguson.
Preston.....	Mrs. Georgia Wilson.....	Democratic committee
Harrison.....	Beatrice Scott Smith.....	Howard Robinson.
Monongalia.....	Mrs. Ethel De Ville.....	Jake Wharton.
DISTRICT NO. 5		
Cabell.....	Mrs. Estella Tabor, Margaret Smith Whalen, assistant.	Mr. Taylor.
Clay.....	Miss Mildred Keith.....	Colebank.
Wayne.....	Mrs. Fannie Smith.....	Mr. Fry.
Lincoln.....	Miss Beatrice Adkins Hamilton.	Mr. McGhee.
Jackson (Ripley).....	Miss Dorothy Snaith.....	Mr. Parsons.
Putnam (Hurricane).....	Miss Dorothy Tallman.....	Dr. Ervin.
Mason.....	Mrs. Ethel Reynolds.....	Mr. Matherson and county court.
Roane (Spencer).....	Miss Louise Snodgrass.....	County court.
DISTRICT NO. 6		
Mingo.....	Mrs. Helen Reid.....	Senator Greene.
Logan (Logan).....	Mrs. Ed Oakley.....	Mr. Joyce.
McDowell (Welch).....	Mrs. Nell Reyburn.....	Mrs. Weatherby.
Wyoming.....	Mrs. Ora Saunders.....	Mr. Clay.
Boone.....	Mrs. Virginia Hopkins.....	Mr. St. George.
Fayette (Ansted).....	Lillian Rule Craig.....	
Raleigh (Beckley).....	Mrs. Harriet Barrett.....	St. George.
Kanawha.....	Mrs. Blanche Meredith.....	O. K.

Mr. HOLT. It has been said that the United States attorney for the northern district did not have anything to do with the W. P. A. A man who is now an employee of the W. P. A. made an application to Robert Roth. He had no connection whatever with Howard L. Robinson, who was United States attorney for the northern district. He had no contact with him orally, by letter, or by messenger. Yet, after he has made application, here is a letter he gets on the 16th day of September 1935. Here is the original letter on the United States attorney's stationery. He says:

I would like to see you tomorrow, if it will be convenient for you to come to the office to see me. You will find me on the ninth floor of the Union National Bank Building.

Sincerely yours,

HOWARD L. ROBINSON.

Then on the 23d of October he writes the following letter:

OCTOBER 23, 1935.

I understand that the airport project in Harrison County, just east of Bridgeport, will get under way in the course of the next week or 10 days, and will probably last about a year.

If you think that the work would not be too far away for you, I would like to know if you would be interested in a position as timekeeper at the project, so that I can recommend you for that post.

Sincerely yours,

HOWARD L. ROBINSON.

He writes him again on the 31st of October. Oh, no; he does not have anything to do with it at all.

A man said before a committee in Charleston that the district attorney for the southern district of West Virginia was naming the set-up. He said he named all the appointees. The district attorney wrote me a letter under date of March 4. I will ask the Senate to listen to it very carefully—written by the man who was charged with naming the appointments. Here is the exact language of the district attorney's letter:

I think I can safely say that fully one-half, and I think much more than one-half, of the appointments made in the Huntington office have been made without my recommendation.

No; he did not name all of them. He just named half of them in a whole district of the State of West Virginia. This letter, dated March 4, 1936, is from George I. Neal, United States attorney for the southern district of West Virginia.

May I quote from a letter of December 24 written by J. J. West, acting director of the fifth West Virginia district of the Works Progress Administration? Here is what he says:

All of this personnel except the equipment operators has been selected by this office with the advice and cooperation of friends of the Administration throughout the district.

Oh, no; no politics at all! That letter is from a district director. What did that district director do? Let me read to you. Here is a letter from Huntington received this morning. Mr. West used to be in the city council. This is what happened:

Because J. J. West was and is the W. P. A. Administrator, or rather director here and until 2 weeks ago was also a member and chairman of the finance committee of our city council. He has in his employ as such director wives, children, and other relatives of five of the members of the council.

There are 13 members of the city council of Huntington, and he has put the immediate families of 5 of those 13 members on the pay roll in order to control them.

I exhibit to the Senate, to show that he is not interested in politics, a copy of the record indicating his influence in the Huntington City Council meeting. All underscored portions indicate where J. J. West took part. He is a director of the W. P. A.

I have another letter from Charleston naming certain individuals. I will not name them, because it is not necessary, but it contains a list of five members of the Kanawha County committee, every one of whom was put on the W. P. A. list. No politics at all!

Let us go a little bit further. Here is a letter written on the 26th of November 1935 by the administrative assistant in my colleague's home city and home district.

MR. GEORGE OLDHAM,

Director, Sub-Office, W. P. A. District No. 2,

Wheeling, W. Va.

DEAR MR. OLDHAM: I hand you herewith a list of doctors in Ohio County.

Kindly separate the Democrats from the Republicans and list them in order of priority so that we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.

Yours very truly,

MOSE M. DARST,
Administrative Assistant.

In other words, if a man would go to a Republican doctor he could die if he was injured. I will quote that again.

Kindly separate the Democrats from the Republicans and list them in order of priority so that we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.

Darst was carrying out his assignment from higher-ups.

Harry Hopkins may think a whole lot of people are dumb, using his favorite expression, I want to tell him that the people of West Virginia are not so "damn dumb" that they will not take care of him at the first opportunity.

Let us go a little further into the political set-up in the relief projects. I want to read another letter. Here is a letter that a man who is an applicant for a job in Parkersburg wrote on the 25th day of February to the sheriff of Calhoun County. I have here a photostatic copy of the letter. Here is what he says:

PARKERSBURG, W. VA., February 25, 1936.

Due to the fact that the professional and service division has been combined with women's division, it greatly handicaps my opportunity of being of service to my friends in the various sections of this district, and I have a proposition in mind that if successful in matriculation would enable me to assign people you need and ask for in your county.

In other words, relief workers. Get this:

I have a proposition in mind that if successful in matriculation would enable me to assign people you need and ask for in your county.

After he wrote this on the 25th of February, on the 29th of February he was called down to Charleston and had a conference with Mr. McCullough and was put on the pay roll on the 1st day of March 1936. This [indicating] shows that he was put on the pay roll at \$150 a month—\$1,800 a year—to look after historic and scenic markers and redistribution and reindexing.

Not only did they put him in the district but on March 10 there was an order from Frank A. Wyant, acting director, saying to take him off the project pay roll and put him on the administrative pay roll. Do you know how many people

are on that particular pay roll on which this man is? I understand 28 workers, and they put him on and took \$1,800 out of the fund to pay him.

Here is another letter I want to read at this time about that same man. Here is what he said:

DEAR—

I will not quote his name because there is no need of involving him at this time.

We are mighty glad you are back on the job and know we have a friend of the court in Parkersburg.

There is a letter that had been sent at that particular time. Let us go a little bit further. I ask to place in the RECORD the letter containing the actual order, of which I have a photostatic copy, where the Charleston division assigned five engineers—Mr. E. B. Snider to get \$200 a month, Mr. H. R. Wiley to get \$150 a month, Mr. A. J. Foy to get \$150 a month, Mr. J. B. Alderson to get \$150 a month, and Mr. H. S. Dilcher to get \$150 a month, and charge the same to the road project. Where there was only \$20,000 to spend they put on that project \$800 worth of engineering service a month, beside the engineers they already had. The timekeeper would not charge it, and on the 17th day of February, 1936, a letter was sent to him telling him not to put them on, that they would be put on in the office. I ask that the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WORKS PROGRESS ADMINISTRATION,
Charleston, W. Va., February 17, 1936.

Re: Project no. 65-41-3016.

Mr. J. W. FARRY,

W. P. A. Timekeeper, 1803 McClung Street, Charleston, W. Va.

DEAR SIR: We have been requested by Mr. S. Grover Smith, district director, to advise that it is not in accordance with instructions received in this office that you will not include on your time report time for the following persons:

Mr. E. B. Snider.

Mr. A. J. Foy.

Mr. H. R. Wiley.

Mr. J. B. Alderson.

Mr. H. S. Dilcher.

This time will be submitted to this office by Mr. Dorr Tucker, office manager.

Yours very truly,

HARRY S. TROTTER,

District Supervisor, Division of Finance and Statistics.

Let me read from an actual copy of a letter of March 5, 1936, after the investigation was started. Here is the actual letter:

The division of operations is firmly convinced that the problem as outlined above may be solved in a simple routine manner and in strict accordance with Federal regulations. We further believe that it will not be necessary to alter or destroy any official records as has been suggested in round-table discussion of the matter.

Get that:

I further believe that it will not be necessary to alter or destroy the official records as has been suggested in round-table discussion of that matter.

Here is the letter itself written on the 5th day of March, addressed to this particular person.

Here is the best one of all. I do not know whether Senators can see it or not. Here is a piece of hay-baling wire. I do not know whether any of you are farmers or not, but if you are I would not advise you to buy this kind of hay wire, because if you should use three strands of it around an acre of land it would cost you \$93,000. This hay-baling wire I refer to was purchased on an order signed for and agreed to. This wire, one-sixteenth of an inch by 12-inch lock wire, cost \$38.75, or \$77.50 for 24 inches of this lock wire. If anyone cares to inspect it, here is the purchase order which I now exhibit to the Senate. I am going to take this wire down to an alchemist and have it inspected to see if there is any platinum in it.

Of course, Mr. Hopkins would not say that there was anything wrong about paying \$93,000 for enough of this wire to put around an acre of ground. Oh, no!

Here are some more expenditures of money for engineering, as written to me by an engineer, and I am going to put

these in the RECORD. Of course, this is in the lily-white picture of the W. P. A. in the State of West Virginia. All right!

Here is project no. 56250, known as the Madison Avenue project. The money appropriated was \$42,222. The engineers report that all this money has been spent, but the project was closed down and only approximately 2½ percent of it was completed, including a piece of approximately 1 cubic yard of rock, which would amount to approximately \$482 per cubic yard.

Think of that, \$482 for a cubic yard of rock to be removed. That is in Cabell County, where the Administrator is from.

Here is another project, the project at Sixth and Eighth Avenues. One thousand nine hundred and fifty-five dollars per month was paid for engineers, which should not exceed in the extreme more than \$300. This project is closed down now because of lack of funds. How could we expect it to be otherwise when they are paying \$1,955 for supervision?

Here is the Fifth Street project, a sewer. On this project there have been 62 lineal feet of 21-inch sewer laid at a cost of \$7,300, costing approximately \$120 per lineal foot of sewer line. Oh, Mr. Hopkins is a wonderful Administrator.

Here is the Kanawha Avenue project, \$32,000, and the actual engineering cost of that, according to the engineers, was but \$2,500, or only one-fourteenth of the cost of that particular thing.

I also want to tell about Huntington. Senators know I went to West Virginia, and I will tell about that later, too, but I want to relate about this project. I found in one project where there was only \$90,000 to be expended there were 64 bosses. Think of that! Sixty-four bosses on a \$90,000 project—not relief workers but supervisors put on at the request of politicians down in my State.

May I give the supervisory costs on some more projects which I have brought along in that particular group? On a \$3,392 project I find the supervising cost is \$239.40 a month. On a \$50,000 project the supervisory cost is \$1,454.80 a month plus five other supervisors who get 50 cents an hour, and there is no way to figure out how much that amounts to.

On a \$34,000 project I find the supervisory cost was \$1,048.40 a month plus 11 other supervisors getting 50 cents an hour.

On a \$41,500 project I find four men, supervisors, timekeepers, and timekeepers for the timekeepers getting \$1,358.60 a month, and besides that there are 10 other people who received 50 cents an hour as foremen and subforemen. They ran out of names. They might well have had some straw bosses.

Let us look at some more projects listed here. I find a \$40,000 project where the monthly expense for foremen and supervisors alone was \$1,085 plus seven other timekeepers at 50 cents an hour. I admit they have to keep time on these people. They have been keeping time on them for a long period of time.

It is said the administrative costs were only 4 percent. Let us look and see if the costs were 4 percent. I find in a single county, in the last month, in this one district, that the supervisory cost alone was \$45,118, but the only expenditure they charged was—how much? How much do you suppose they charged for supervisory cost? I have the names of the supervisors who drew \$46,000. The way they do that is to have the supervisors appointed and put them in charge of projects, just like they did these five engineers. That expense is charged to the poor fellow that has to work, and if the funds run out the men are run out and the brass hats get all that is left.

They gave me a wonderful group of costs showing the non-relief workers were getting 7.2 percent. The best I can figure is that the supervisory costs, the cost of administration, the cost of material, the cost of equipment, and the other costs would exceed 55 cents on every dollar spent in West Virginia. Yet they say that is not cruel.

A few moments ago I gave a figure about the famous little houses they build out in the country in West Virginia. Here is the amount spent on them. They allocated \$624,344 on them and \$244,171 on feeding mouths in our State, and for taking care of crippled children they allocated \$21,495, as compared to the \$640,000 I mentioned a moment ago; then to distribute food to the needy—and that is what I thought

the relief act was for—we find that the total amount was only \$67,805 in the State of West Virginia.

Has Mr. Hopkins, or have any of his agents, denied the fact that all these men have had these increased salaries? In order that you may not forget them, may I repeat them again and put in the Record? because I want it made so plain that Harry Hopkins can understand it.

Here is the list of persons:

Mr. Ed Hart, of the board of control, formerly received \$2,400. Today he is on the W. P. A. pay roll at \$2,700.

I find that Mr. Ben Puckett was on the pay roll of the F. E. R. A. at \$3,600. Today he is on the pay roll of the W. P. A. at \$4,500.

Mr. Elmer St. George was drawing \$3,060. He drew \$3,600.

Mr. Cornwell, of the F. E. R. A., drew \$2,600, and today he is drawing \$3,000.

Mr. Walter King was employed by the F. E. R. A. at \$3,300. Today he is drawing \$3,500.

Mr. J. D. Alexander was drawing \$2,340. Today he is drawing \$4,500.

Of course, Harry Hopkins will tell you that the responsibility of this is on some "dumb politician." All right.

Mr. Amos Morton was drawing \$1,800. Today he is drawing \$3,000.

Mr. Morris McConihay was drawing \$1,440. Today he draws \$2,100.

June Moore was drawing \$1,320. Today he draws \$2,000.

Mr. Nebarith drew \$1,620. Now he draws \$3,300.

Mr. Homer Frame was drawing \$1,800. Today he is drawing \$2,400.

Mr. Jim Myer was getting \$2,100. Today he is getting \$2,400.

Mr. E. D. Johnson was getting \$1,560. Now he gets \$2,400.

I find that Mr. Melton Maloney was getting \$1,800, and on the W. P. A. he got \$3,000.

I find that Mr. Joe Blackburn was drawing \$2,400, and was put on the W. P. A. pay roll at \$3,200.

Mr. Dewey Phares was getting \$5 a day when he was working for the railroad, and he was put on the W. P. A. pay roll at \$3,400.

Mr. Mosby, a newspaper writer, you will remember, is the one who painted that beautiful lily. I think they must have had in mind that there were going to be lilies put over this investigation, because in the February issue the "Progressor" painted a beautiful lily. This man gets only \$3,300 a year for painting lilies on the "Progressor."

All right. I find that Mr. McPherran was on the pay roll at \$3,000, when he was formerly getting \$2,400.

Frank Carte was on the pay roll at \$2,400, and was formerly getting \$1,800.

I find that Mr. Kelly was on the pay roll at \$2,400. Before he drew \$1,716.

But what is the use of going ahead with this? There is plenty of it in West Virginia. There is plenty of it that Mr. Hopkins could see if he wanted to see it, but he does not want to see it. He wants to dodge. He wants to cover it up, because the responsibility lies at his door, and he ought to be required to take the responsibility.

Now, what about this tremendous supervisory cost? Let me show you what has to be gone through with before the final man gets relief.

They have a man here in charge of the W. P. A., and under him they have a State W. P. A., and under the State W. P. A. they have a district W. P. A., and under the district W. P. A. they have an area W. P. A., and under the area W. P. A. they have a county W. P. A., and under the county W. P. A. they have a project W. P. A. How on earth can we expect the man down at the bottom to get anything after they get through with that, I should like to know, after knowing the men that handle it?

In other words, in the State of West Virginia they have to keep the State office, they have to keep the district office, they have to keep the area office, they have to keep the county office, they have to keep the project officers, before poor old John Smith, down at the bottom, gets a penny; and if the funds give out he is the first man to lose out. They

have taken these people from private employment—not relief workers—and put them on the pay roll at tremendous increases in salary, in order that some politician may be pleased.

As you know, I went down to investigate the W. P. A. in West Virginia, and, as I said, this woman came to see me, and she was fired the next day.

I called up on Monday and asked Mr. Ben Puckett if he would give me the amount of rent they paid down in Charleston. I understood that they were paying a dollar a square foot for space for which the F. E. R. A. paid 89.65 cents, and I wanted to find out the facts and other information. He said, "It will take a little time to get it, and if you will wait until tomorrow morning I will have it, sure." "All right", I said; "I will wait, Mr. Puckett." So I sent over Tuesday morning, and the report was not ready. I sent over again Tuesday night, and what was the reply? The reply was this: "I cannot give it to you, because I have had orders not to give you any information."

No criticism of Mr. Puckett. He was ordered to do so by his superior. That was during the investigation. In other words, he had promised it, and in 1 day's time he was forced to reverse himself on that particular matter.

I had heard that the order had been issued to clamp down this censorship, so that I could not get particular records that I wanted, so I called up an assistant in the State engineer's office, a Mr. Bennett, who is a high-class man, and said to Mr. Bennett, "I should like to know the number of a certain project." I did not really want to know the number of the project. I did not care what the number of the project was. I just wanted to see if that order had been given; and here is his exact language, taken down in shorthand over the telephone:

An order has been given out that we are not to give out any information while the investigation is going on here. I called Mr. Smith and asked him if it would be all right, and he told me to have you put it in the form of a written request, and we would see what could be done about it. No criticism to Mr. Bennett. He followed the order of his superior.

In other words, if I wanted the information I could write out my request and then they would determine whether I could get it—just the number of projects down at Gauley Bridge. Oh, of course, there was no censorship down there.

Do you know how bad the condition has gotten in the State of West Virginia? I appointed to the Naval Academy a boy who works over here in the Senate Restaurant, a boy who might not have gone to the Academy. His father was demoted from the W. P. A. the next week, as a retribution. It is too bad that people have to suffer because of the fight that I have to make. Oh, of course, you will be told that he was demoted for some other reason; but it seems peculiar that the project was shut down and a new supervisor was put on immediately afterward.

There is constantly going around the fear that they cannot and will not hold their jobs, they are constantly changing projects.

You know, Mr. Hopkins in his famous letter—and it is a famous letter—says that I requested certain things about Mason County. All right; I want to show you just what I did request about Mason County.

He made it appear that I was interested in personnel down there. I want to read you part of a letter written on December 24 by the area engineer:

With reference to my recent telephone conversation with you in connection with the Mason County program, I did not at once take the matter up with you further, due to the fact your very prompt attention to the situation brought most gratifying results.

There was genuine cause for concern on the part of the people of this county that contacted you, Senator. By way of explanation, the project committees of New Haven, Mason City, and Point Pleasant, and their sponsors, had been approached at various times by representatives of the Huntington office who promised approval and allocation of funds to cover various projects, particularly the street-surfacing job in New Haven, street surfacing and storm sewers in Mason, and continuance of the old E. R. A. program in Point Pleasant, which would let several streets out of soft mud occasioned by unfinished graded base that made them impassable.

In addition, the town of Leon had been promised a project, or, failing this, a road job in that immediate vicinity that would absorb the relief case load there.

Now, it happens that both sponsors, in many cases, and private individuals had contributed funds toward preliminary engineering, preparation of maps, etc., on the assurance of those in Huntington that the projects would materialize.

Now, listen to this. Get this: These people wanted to get out of the mud.

As you will readily understand also, the political angle existed that would make it very embarrassing if they failed to materialize.

That is what I was criticizing. I said I did not care what ticket they voted for; I wanted to get the farmers out of the mud in West Virginia, and they made it appear that I was protesting because they would not employ anybody in Huntington. I did protest to West, I did protest to McCullough, and I protested to Harry Hopkins, but he sat there just as dumb as some of the people he speaks about being dumb.

All right. Another thing: The reporter took away part of my papers. While I am talking about that, I want to put in the RECORD a letter of September 10 from the Huntington Central Labor Union in protest to the administration of West in the W. P. A. in West Virginia.

The PRESIDING OFFICER (Mr. BILBO in the chair). Without objection, the letter will be printed in the RECORD.

The letter is as follows:

SEPTEMBER 10, 1935.

HON. F. WITCHER McCULLOUGH,
Works Progress Administration for West Virginia,
Charleston, W. Va.

DEAR SIR: At a regular meeting of the Huntington Central Labor Union held on August 26, and again at the next regular meeting, held on September 9, that body stated in most vigorous terms at the first meeting and reiterated even more strongly at the second meeting its deep, profound, and unalterable opposition to the appointment and his retention in the position of acting director of the fifth district, Works Progress Administration, of John J. West, and ordered conveyed to you (with copies to Senators NEELY and HOLT and to Representative JOHNSON) an insistent, vigorous protest against this man, and to ask for his removal from office forthwith and the appointment in his stead of some other of the many qualified men whose record is free from the consistently obnoxious opposition to the principles and ideals so highly cherished by this large group of your constituency that has always characterized the activities of this man, John J. West.

The central body desires to call to your attention also that John J. West, in his capacity as chairman of the Huntington City Council, true to his background, sympathies, and interests, has proposed, fostered, and apparently succeeded in passing measures of taxation that fall upon those least able to pay; at the same time he used his considerable influence against the plan of organized labor to place the proposed increase in taxes upon those most able to pay. His policy is to soak the poor and humble of small earning opportunity in favor of the interests of big business and the utilities.

Further, and especially, the Central Labor Union would have you know that during the past several years John J. West, while engaged in the general contracting business in this vicinity and in neighboring States, has ever and always refused to have any dealings with organized labor, but invariably hired only the rats, scabs, renegades, and potential strike-breakers in the field of labor as his employees.

Another thing, as an indication of the true popular estimate of his worth in civic affairs, it is pointed out that John J. West has frequently been a candidate for election to public office, but always repudiated at the polls. The only offices he has ever held have been by appointment; never elected by the votes of the people. Therefore, his removal from office in this instance would please not only your petitioners but a vast majority of the population of all rank and class who, knowing him, are thus in a position to best judge and pass upon his lack of worth.

Praying your thoughtful consideration of these representations and for a course of action favorable to the request herein laid before you, we are,

Yours sincerely,

HUNTINGTON CENTRAL LABOR UNION,
Per CHAS. R. WOODS, President.

Mr. HOLT. Now, let me read again part of the letter of this Mr. Forsythe that they say is such a fine man, who would not sell his products.

In January I applied to the State administration for a position in the liquor set-up, but Pete Gibson and his crew were effective enough to keep me out; and in the meantime I got back into my business, and also got into the sale of some road material (Kentucky sandstone rock asphalt) which I am promoting as a seal coat for bituminous roads; and then I told the State administration that I was not an applicant for a position. However, my dear friend Witcher offered me a very fine position last week; and after careful consideration with Mr. Neale and Mr. — we decided that with their help and yours and Senator NEELY's that by letting me make a decent living in business that I could do the party considerably more good than by taking a job. He has appointed John J. West to the position offered me, and his appointment is very satisfactory.

That is what he said; and he got a job at \$3,600 a year and also maintained the continuation of his place of sale of his products, according to the picture shown at that time.

All right.

I was going to put into the RECORD Mr. McCullough's statement about the Parkersburg district, which he says was so terrible that it required the dismissal of my brother, whom Mr. McCullough had put on the pay roll himself, an appointment with which I had nothing to do. He says that was done in order to correct the district. I wanted to show the Senate exactly what was said about that district in February, but, at the moment, the paper to which I had desired to refer, has been misplaced but will be produced next week.

Mr. President, Mr. Harry Hopkins did not want to know the facts; he never expected to get the facts. He wanted to whitewash Mr. McCullough. He said the charges about Mr. McCullough in connection with the Huntington State Hospital were not true.

To whom did he go? He did not go to the Governor of the State, or to the ex-Governor of the State when Mr. McCullough was in. He did not go to any member of that board of control. Where did he get his information?

I challenge Mr. Hopkins to produce the records of the Huntington State Hospital in August 1931, which show that Mr. McCullough, the present State administrator of the W. P. A. in the State of West Virginia, told Mr. Haddox, a bookkeeper of the board of control, that unless he wrote off an overdraft of \$672, or about that amount, he would see that he was fired. Who was in charge of the Huntington State Hospital? Mr. McCullough's father-in-law, Dr. Guthrie, was in charge. He came out \$672 short; I think that was the amount. He did not get that affidavit.

There is another thing I should like to have Mr. Hopkins investigate. I should like to have him investigate Mr. McCullough's activity with a Mr. Ben Jesselson, of Ashland, Ky., who had Mr. McCullough as a lawyer in a pardon case, when Mr. McCullough was on the board of control. It is said he represented this fellow in the pardon case, but the pardon was not granted. And this is the fellow running the W. P. A. in West Virginia.

Hopkins says the 42-percent loan-shark bill is all right. Mr. McCullough admitted he helped put it through. Mr. McCullough himself was so ashamed that when I charged him with it, and showed the picture of his window, he had it taken off; he wiped it off. But Mr. Hopkins says it is all right. Mr. Hopkins accepts what Mr. McCullough is ashamed of, the 42-percent loan law, which operates against the poor people of the country who have to borrow less than \$300.

I again repeat the charges I made, and I challenge Mr. Hopkins, I challenge any of them in the State of West Virginia, to meet me at any time and admit these charges or deny them.

First, that the people in the State of West Virginia had to get the O. K. of a political boss before they could get on relief.

I charge that increasing the salaries of many, he increased them far beyond reason.

I charge that he shut down projects for political punishment.

I charge that people were dismissed and intimidated and driven to the point where they would not talk for fear of losing their jobs.

I desire to say to the Senate that the State of West Virginia is ashamed of the continuation of such practices as those which have characterized the administration of the W. P. A., such reckless expenditure of money as the State has never seen.

"Boondoggling" as known in my State must come from the old term of the feudal law, "boon." Under the old feudal law the serfs had to give their lord so much money. That was called a "boon." So it is in the State of West Virginia; we have the brass hats who collect the money and who distribute it.

What did McCullough do? Let me tell more about John-son's investigation. He went into West Virginia and said,

"Did Mr. McCullough ever ask you whether you would support him if he were a candidate for Governor?"

Was not that a wonderful procedure? "Did Mr. McCullough tell you he wanted you to support him for Governor?" Of course, they would not tell him. He brought them into McCullough's own office and asked some of them that question. They knew they would lose their jobs if they said anything.

The only way to get down to the facts in this thing is to subpoena individuals and to bring in records, so that we can get the actual truth. If the things with which Hopkins has charged me are true, why should he not want a senatorial investigation?

If they cannot be proven, I certainly would be put in a bad light, but if they can be proven, they ought to be cleaned up, and those who are responsible for them should be driven from office.

Johnstone spent 8 days in West Virginia. I know how Mr. McCullough takes care of the investigators. I lived at the Daniel Boone Hotel long enough to know about that. Whenever the investigators came in to investigate Mr. McCullough's activities—the old expression will be recalled, "wine, woman, and song." Of course, I do not know about what happened at that particular time; the investigators can themselves disclose what happened.

They spent 8 hours investigating the Parkersburg office. I had those men trailed. They thought they were fooling me, but I had a man on their trail, watching where they were going. So we find that they spent 8 hours in Parkersburg, and 5 of the 8 hours were spent in Mr. Forsythe's hotel room and office. They went and looked at the files and said, "This fellow is recommended by John Jones. This fellow is recommended by Bill Smith." They did not know whether Bill Smith or John Jones were in politics or not. They never went to the people I charged with naming these directors in the State of West Virginia. In other words, their investigation was a sham; it was a fraud; it was a whitewash. But no matter how much whitewash is used, there is not enough whitewash in the world to cover up this thing in the eyes of the people of West Virginia, who know what is going on there.

Mr. Hopkins can be reckless with his money, Mr. Hopkins can be reckless with his words, but he cannot cover up the worst maladministration—I use the word seriously—ever known in the history of America. He cannot cover up those things.

Of course, "Cocky Harry" is going to sit back and say we are "too damned dumb" to understand how he is spending the money. I admit that we would be smart if we did know how he was spending it, but I do not know that much of the money spent in West Virginia that should go to the men with picks and shovels is going to the men at the top. Two hundred and twenty-five thousand dollars, or approximately that amount, is spent in running the State office. Approximately \$125,000 to \$150,000 is spent in running each of the district offices. Then there are the area officers, and the supervisors to be taken care of. There is little left for the people who work.

Of course they can whitewash it, of course they can cover it up, but they will never cover it up completely, because I state now that I am going to West Virginia again this week, and I shall come back to the Senate with more disclosures to make of the W. P. A. activities in that State. I shall come back and tell about certain things which I know to be true, but I want to get the actual documents in order to charge just exactly the details of the worst administration of funds that has ever been known, and to show that everyone knew that it was guaranteed in advance that the report would be satisfactory. That was guaranteed in advance.

When I talked to Mr. Johnson, one would have thought from his attitude that I had done something. He tried to put me through the third degree.

He said, "You did likewise, did you not?"

I said, "If I did, that does not excuse the others." I said, "Whatever I had to do with the W. P. A., I am ashamed of; what little I had to do with it I am not at all proud of, and I will regret it as long as I live."

He said, "Did you not ask for the appointment of Mr. McCullough?"

I said, "I did go along on his appointment, that is true, because there were but two candidates, one from the old rotten Relief Administration, and Mr. McCullough himself."

I did not think anything could be rottener than the F. E. R. A. in West Virginia, but I have learned something. I am just a youngster, but I learn something every day. I have learned that there is something worse than the F. E. R. A., and that is W. P. A.—"Witcher's Political Army", or now known as "Whitewashing Political Activity"—as it is administered in West Virginia.

I did go along with it, but I will offer a prayer for forgiveness for what is done in the State of West Virginia. If I am responsible for Mr. McCullough's acceptance, if I am responsible for him being in charge and direction of the W. P. A. activities in West Virginia, it is something that I regret, and something for which I will make public confession, and I hope that I will never do any such thing again.

Not only that but I think the Senate ought to know this is not a political battle, as is shown by what I requested Mr. Hopkins to do a long time ago. "Appoint a man who is not in West Virginia. Appoint a man who is not connected with Senator NEELY. Appoint a man who is not connected with Governor Kump. Appoint a man who is not connected with Witcher McCullough. Appoint a man who is not connected with RUSH HOLT. Appoint a man who is not connected with any political activity in the State of West Virginia, make him administrator of W. P. A. funds, and let him administer the W. P. A. funds."

He would not do it, because poor Harry was so busy telling the people of the country, through his press conferences and his written letters, about how much he had given to the people in expenditures of money.

I am not criticizing the expenditure of money. I am criticizing the distribution of the money. I want more of it to go to the relief workers and less of it to go to the "brass hats" who are sitting down there drawing \$150, \$200, \$300, and \$500 a month. That is what I want. I want the relief act administered for the people for whom the relief act was intended to be employed. I want to say again that, although some Senators may not like it, I am going to come back here the first of the week and tell some more concerning the W. P. A. as it affects the Fairmont district, and I am going to keep on telling it until the people know that Harry Hopkins should go down on record as the greatest teller of untruths, the greatest spender of money that this Nation has ever known; and I hope those who hear it will defend him if it is not so.

EMPLOYMENT OF PERSONNEL OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. SMITH. Mr. President, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 223, relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out certain governmental activities.

The joint resolution has been reported favorably by the Committee on Agriculture and Forestry, and has to do with establishing the personnel for carrying out the work provided for in what now is known as the new farm act. The joint resolution clarifies the situation as to the appointees. I do not think it will create any discussion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina that the Senate proceed to the consideration of Senate Joint Resolution 223?

Mr. McNARY. Mr. President, I am not familiar with the joint resolution. I think the Senator should make some explanation of it. It may be necessary for it to go over to another day.

Mr. SMITH. The joint resolution is very short, and I think most of the Senators who are not members of the committee are apprised of the nature of it.

The joint resolution is confusing in its terms. It provides for soil-erosion prevention and soil conservation, and also has in it a provision that sections 7 to 14 of the act shall

be administered as the old A. A. A. was administered. There is some confusion as to what personnel they are going to use, and those who are in a position to know have asked that this joint resolution be enacted in order to clarify the situation.

I may say that the joint resolution has already passed the House, and it merely prescribes who shall carry out sections 7 to 14 of the act; namely, just as many as are necessary of those who are now on that roll and are thoroughly familiar with the work.

THE PRESIDING OFFICER. Does the explanation of the Senator from South Carolina satisfy the Senator from Oregon?

Mr. McNARY. I prefer to read the joint resolution and have it go over for the present.

Mr. SMITH. Mr. President, I should like to state to my colleague and friend from Oregon that there is a possibility of the Senate recessing until Monday, and time is the very essence of this matter. I wish the Senator had been present when the committee passed favorably on the joint resolution. It can be very readily understood that in administering sections 7 to 14 of the act it is essential that the old personnel, so far as it may be used, shall be kept, rather than to have the personnel come from some other source.

THE PRESIDING OFFICER. Is the Senator from Oregon satisfied with that explanation?

Mr. McNARY. Mr. President, I stated, as I thought with some emphasis, that I did not wish to have the Senate consider the joint resolution at this time, that I desired to look into it. I am not aware that we are going to adjourn or recess until Monday. I will look into the joint resolution later. I have not had time to read it. I notice there is some change in the language. I do not know of any emergency situation requiring its immediate consideration.

Mr. SMITH. Mr. President, the organization of this force is progressing rapidly every day. I would have spoken to the Senator about the matter heretofore, but I was under the impression that he was in the committee when we discussed the subject fully, and the joint resolution was ordered to be favorably reported. The organization work is going on every day, and the officials are very anxious to have the question of the personnel clarified.

THE PRESIDING OFFICER. The Senator from Oregon objects to the present consideration of the joint resolution.

CHANGE OF REFERENCE

Mr. POPE. Mr. President, on March 10 I introduced Senate Joint Resolution 227, to authorize the completion of work contemplated by Executive Order No. 7075, which was referred to the Committee on Commerce. I intended to ask that it be referred to the Committee on Interstate Commerce.

I have talked with the chairman of the Committee on Commerce, and understand that he has no objection to the change of reference being made. Therefore I ask unanimous consent that the Committee on Commerce be discharged from the further consideration of Senate Joint Resolution 227, and that it be referred to the Committee on Interstate Commerce.

THE PRESIDING OFFICER. Without objection, the Committee on Commerce will be discharged from the further consideration of Senate Joint Resolution 227, and it will be referred to the Committee on Interstate Commerce.

PROPOSED INVESTIGATION OF UNEMPLOYMENT AND RELIEF SITUATION

Mr. HATCH. Mr. President, the remarks I am about to make have not been occasioned in any sense by the address just concluded by the Senator from West Virginia [Mr. Holt].

During the past several days a great many statements have been made on the floor of the Senate concerning the Works Progress Administration. Criticism has been leveled at the administration of the emergency-relief fund. Many things have been said and various charges have been made. The leader on this side, the distinguished Senator from Arkansas [Mr. Robinson], and the able senior Senator from

Tennessee [Mr. McKellar] have clearly and forcefully pointed out errors contained in some of the criticism, and each of these Senators clearly demonstrated the worth and benefit arising out of W. P. A. projects. The Senator from Arizona [Mr. Hayden], in a very comprehensive review of public-works projects, gave the Senate and the country much information and enlightenment concerning the vast and splendid program being carried on by the Public Works Administration.

It is not my intention to enter into the discussion of these matters at this time. I merely desire to call the attention of the Senate to two measures now pending before it which relate somewhat to general propositions in connection with relief—measures which I hope will be constructive and helpful.

The first measure to which I call attention is Senate bill 2711, introduced by the Senator from Virginia [Mr. Byrd] and myself at the last session of the Congress. I call attention to it now simply to show that some of us anticipated that perhaps there would be those who would seek to use for political advantage and gain the vast fund appropriated by Congress for emergency-relief purposes. The bill was designed to prevent the use of these funds for political purposes. It is not a perfect bill. It does not cover all the possible conditions which might arise, but it does aim at an evil which might arise.

Senators, and, for that matter, all others who have had any connection with public life, public affairs, and especially with practical politics, know full well the dangers which attend the spending of vast sums of money for public purposes. They know that unless checked and restrained, men will seek to use the expenditure of public funds to obtain political gain and advantage. This statement is made without regard to what political party, group, or faction is in control. In looking back over the history of the country, may I not say with pardonable pride that the Democratic Party has been freer from this sort of thing than any party.

While, as I said, it was not and is not my intention to discuss these matters today, I would digress long enough to pay this tribute to the President, the Secretary of the Interior, Mr. Hopkins, and Aubrey Williams. For whatever criticism may be heaped upon them today or in the days to come, or if there has been misuse of funds or wrongdoing any place, it has been without their consent and against their wishes and desires. In fact, the President, Mr. Hopkins, and others connected with relief have tried valiantly to keep the administration clean from the sort of thing which has been charged here on the floor of the Senate and elsewhere.

Recognizing, however, the frailties of human nature, and desiring to safeguard and protect the officials charged with the administration of the fund and to prevent some of the very things which have been criticized and condemned here, the Senator from Virginia [Mr. Byrd] and I introduced the bill to which I refer and which I shall now ask the clerk to read.

THE PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

A bill (S. 2711) to amend the Emergency Relief Appropriation Act of 1935

Be it enacted, etc., That the Emergency Relief Appropriation Act of 1935 is amended by adding at the end thereof a new section to read as follows:

"Sec. 17. No person, firm, or corporation entering into any contract with the United States or any department or agency thereof, or performing any work or services for the United States or any department or agency thereof, or furnishing any material, supplies, or equipment to the United States or any department or agency thereof, or selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such work, services, material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by this act, shall, during the period of negotiation for, or performance or furnishing of, such contract, work, services, material, supplies, equipment, land, or buildings, directly or indirectly, make any contribution of money or any other thing of value, or promise expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; nor shall any person knowingly solicit any such con-

tribution from any such person, firm, or corporation for any such purpose during any such period. Any person who violates the provisions of this section shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned not more than 5 years."

Mr. HATCH. Mr. President, I call attention to this bill now because it was introduced in the last session and because so far no action has been had on it. I believe the time is opportune for the committee having consideration of this bill to report it to the Senate and for it to be passed. Surely no person can object to the passage of a measure designed to aid and assist the officials administering the emergency-relief fund without prostituting it.

It may be said the general laws are sufficient and there is no necessity for this legislation. Before the bill was introduced, I made some investigation of that question. It is doubtful whether the general laws are sufficient. They may be. Nevertheless, it seemed to me that it would be well to attach this positive declaration as an amendment to the relief act itself, as a declaration and as a warning to all who might be concerned. I believe its effect would be good even at this day. I strenuously urge its earnest consideration and now ask that the committee report the bill and that it be passed by the Congress.

The other matter to which I referred in the beginning is a resolution which I recently introduced. It deals with the relief program and seeks an investigation. But it is an investigation of a different kind and nature than has been proposed on the floor of the Senate by other measures and resolutions which have been introduced. By this I do not mean that there should not be any investigation of corruption and wrongdoing, if such there be. Congress is charged with the duty of safeguarding its measures, and I say nothing against those who seek to go into the question of how public-works funds have been expended. That, however, is a different matter. My thought is along a different line and for a different purpose. Whether the relief funds have been expended wisely or not would not change my plan or purpose except insofar as the expenditure of those funds may furnish light as to the proper method and course to pursue in the future.

In his recent remarks the Senator from Arkansas [Mr. ROBINSON] said:

The question of unemployment and relief is a most perplexing one.

Statesmen, writers, economists, and thinkers generally agree that the problem of unemployment is most serious. It has even been said that our form of government may hang in the balance. In an able editorial appearing in the Washington Star a few days ago it was said:

Every other problem facing the country today sinks into insignificance compared with this problem of public relief.

Organized labor and industry alike agree the problem is of most serious import. Many plans have been suggested and some have been submitted to the Congress. All over the country earnest men and women are mightily concerned with this subject. The different departments of government have made their investigations and assembled much data. Other organizations throughout the country have given much time, thought, and study to how the problem can best be met. There are those who propose a continuation of the public-works program. Others insist that it should be discontinued. Direct charity or dole is urged by many as the only solution, and others as vigorously oppose that plan. There are those who claim that private industry can absorb the unemployment and that further expenditure of public funds is but waste and extravagance which will result only in national bankruptcy and ruin. Many other thoughts and theories are constantly being urged.

During the emergency period the administration has met the issue as fairly and squarely as it was possible to meet it. It carried on an emergency program of far-reaching effect and out of which much good has come and much good has been accomplished. Permanent wealth and value have been added to the resources of the Nation. Men have been employed. Many outstanding benefits have accrued and great

good has been accomplished. Yet, notwithstanding these efforts, we still have with us the problem of unemployment.

Not as a solution of the problem, but because I believe Congress should not rely on other agencies, that it should not rely on departments of the Government, nor even should it rely on the Executive for its program, I have introduced the resolution referred to, the first paragraph of which is as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to study, survey, and investigate the unemployment and relief situation, obtaining all facts possible in relation thereto which would not only be of public interest but which would aid the Senate in enacting remedial legislation. The committee shall report to the Senate, with recommendations for legislation.

By this resolution it is sought to have a committee from the Senate enter upon its own investigation of all the facts involved in this stupendous question, hoping that remedial legislation may result. I insist—to me it seems clear—that Congress is charged with the responsibility of formulating its own plans, of sponsoring its own legislation—in short, of meeting the problem fairly and squarely in an honest endeavor and attempt to find such solutions as may exist. I insist that Congress should not rely upon others, but it should perform its own duty and its own work.

Of course, we know unemployment exists, and we know somewhat of the number of unemployed. We know of efforts which have been made to relieve the situation; but there is much information which can be assembled and made available by such a committee. Surely those who have been charged with the administration of the relief funds can give us much light and much information. When it is realized that the proposed committee seeks only to assemble facts and learn the truth, I know it can and will receive cooperation from many sources.

Labor will gladly lend its support, aid, and assistance; industry will present its case, its theory, and its plans; all people concerned with the problem will be glad to work in a constructive manner, seeking to find some permanent plan which may be put into effect by Congress.

The work of the committee will not be spectacular. There will be no headlines. It will be a laborer's task. Long hours and diligent study will be involved. The best qualified men in the Senate should be assigned to the task. They should be willing to give of their time—and I hope they would be so interested that they would be willing to lay aside their other duties and devote the principal part of their time—to such a study and such an investigation. There are many Senators able to undertake the work. I have in mind one in particular whom I should like to see designated as chairman of such a committee. I shall be bold enough to suggest his name if the resolution is adopted. Needless to say, I am not thinking of myself.

I am very much in earnest when I say I hope the Senate will undertake this work, authorize a committee, and provide it with sufficient funds. There is reason to believe that something good may result from it.

I know there are those who think such studies have been made in the past and perhaps nothing new can be developed. That may be true. However, we have learned much since 1929, and there is much information now which has not been available in the past. Especially the type of the committee I have in mind will not be concerned with approaching the matter from any partisan standpoint, nor in any spirit of controversy. There will be no measure to be advocated and none to be opposed. A calm, dispassionate study by men qualified and able is what is desired by the resolution. Is it too much to ask that the Senate undertake such a study? Is it too much to ask that, after assembling all the information possible and going into the question from every possible angle, the Congress should initiate its own plan and suggest its own program?

Perhaps the thought has no merit. Perhaps such a study is unimportant. Perhaps the Senate has many things of more importance. I say to you, however, it is my thought that the question of unemployment and relief is the most

important question before the country. I lay it down as a hard-and-fast proposition that this problem must be met. It must be met intelligently. It must be met wisely. It must be dealt with honestly. To my mind, Mr. President, it is not too early for the Congress to begin its own investigation and its own study.

GOVERNMENT CONTRACTS AND EMPLOYMENT CONDITIONS

Mr. WALSH. Mr. President, I have had some correspondence recently with the War Department for the purpose of obtaining information that might be useful in a study of the subject of awarding Government contracts for supplies to the lowest bidders. I inquired to what extent this provision of the general law resulted in giving contracts to firms that have maintained low standards of wages and long hours of employment.

I have an illuminating reply from the War Department. Accompanying the letter were two charts. One chart contains an analysis of a representative number of contracts showing certain factors for the period from the date of the Supreme Court decision on the N. R. A. until June 1935. The two factors discussed are the percentage of hours worked per week and the percentage of wages paid.

These charts show that between the date of the Supreme Court decision on the N. R. A. and July 1, 1935, a total of 168 contracts were made by the War Department. There was no change in the hours worked under the N. R. A. in 70 percent of the contracts, and no change in wages in 73 percent of the contracts. There was an increase in hours worked in 26 percent of the contracts, and there was a reduction in wages in 17 percent of the concerns granted contracts. As to 10 percent of the contracts, no information was available as to wage reductions. The wage reduction after the N. R. A. decision was 25 percent in woolen-garment contracts, 25 percent in work garments, but only 30 percent showed no reduction, while no report was had on 45 percent of these contracts. The wage reduction was 30 percent in cotton garments, and 14 percent of the concerns made no report. It is to be noted that these products are among those where it is alleged "sweat shops" prevail. In the woolen textiles, the cotton textiles, and knitted garments there was no change in hours of employment or wages. After July there was very slight increase in hours worked.

To the credit of the War Department it must be stated that every means possible has been used by it to make awards of contracts for supplies to the Army to producers who maintain high ethical standards as to labor and wages. The War Department states, however, that under the present law—namely, that requiring the awarding of supply contracts to the lowest bidders—it is not possible to avoid contracts going to concerns that maintain low standards.

From time to time the War Department has requested from the Judge Advocate General his opinion in reference to certain clauses that the Department desired to have inserted in its contracts that would require a reasonably high standard of working hours and of wages. Recently, in order to keep the hours of work under the Department's contracts within a reasonable limit, the quartermaster general requested authority to incorporate in his contracts the following:

In future invitation for bids for the purchase of supplies to be manufactured, where Government inspectors are to be present at the contractor's factory during the process of manufacture * * * and that inspectors would be assigned to the contractor's factory only during the regular 8-hour workday schedule or shift generally recognized by the trade.

It is to be noted that, while this proviso in the Government contracts was to limit the hours of inspection, it was really designed to regulate hours of labor in Government supply contracts. The Judge Advocate General of the Army, in reply to the request, called attention to an opinion of the Attorney General, dated September 28, 1935, wherein he ruled that a department of the Government would have no legal authority to add a provision regarding the rates of wages and hours of labor in the absence of congressional authority, because of section 3709—

Requiring contracts for supplies or services on behalf of the Government, except for personal services, to be made with the lowest responsible bidder, after due advertisement.

In another effort to maintain certain standards the Secretary of the Treasury requested a ruling from the Attorney General on the propriety of including in Government contracts a provision excluding aliens from employment thereon. The Judge Advocate General ruled, among other things, that the clear purpose of section 3709 is to—

Secure full and free competition in supplying the needs of the United States, and the benefit to the Treasury of required acceptance of the low responsible bidder.

He further ruled that:

It removes from competitive bidding on the project an important element of cost and tends to defeat the purpose of the statute.

It was further ruled that:

In my judgment it cannot be said as a matter of law that the insertion in Government contracts of a provision limiting the contractor's field of selection of employees to American citizens would not result in increased cost to the Government. * * * Therefore, I find myself unable to recommend the insertion.

The conclusion reached from the informative letter from the Judge Advocate General is that in the absence of legislation there is no way in which Government departments, in asking for bids and making contracts for Government supplies, can distinguish between bids of producers, some of whom are paying lower rates of wages and operating longer hours than is usually recognized by the trade producing the supplies which the Government desires to purchase.

Mr. President, I ask that the letter of the Secretary of War be inserted in the CONGRESSIONAL RECORD and referred to the Committee on Education and Labor, which committee has legislation pending before it dealing with this subject and which seeks to prevent Government contracts being denied those who are not the lowest bidders merely because they do not maintain sweatshop conditions.

Mr. NORRIS. Mr. President, may I ask the Senator from Massachusetts a question?

Mr. WALSH. Certainly.

Mr. NORRIS. Does this investigation show that in addition to the increase of hours there have been instances of reduction in pay?

Mr. WALSH. Yes.

Mr. NORRIS. I should like to have the Senator give us that information.

Mr. WALSH. I will repeat it to the Senator:

The number of contracts was 168; and, mind you, these contracts were made between May 27 and July 1. In 70 percent of the 168 contracts there was no change. But in 26 percent of the cases in that period of 5 weeks there was an increase in the amount of time the employees had to work, and there was a decrease of 23 percent in the wages. In that short period of 5 weeks the decreases were most noticeable in what I choose to call the industries which embraced those that are known as sweatshops.

Mr. NORRIS. Mr. President, as I understand it, then, this study shows that following the N. R. A. decision by the Supreme Court there resulted longer hours and less pay for labor.

Mr. WALSH. Immediately and instantly in some industries. The study I have mentioned was made by a department of Government to which great credit is due for scrupulously trying to insist on incorporating in its contracts provisions for higher standards of wages and hours and better working conditions.

Mr. NORRIS. But the figures the Senator gives do not purport to cover the entire field; they are just an illustration?

Mr. WALSH. I am glad the Senator made that inquiry, because I expect to get similar information from all departments of the Government. I will also say to the Senator that an extensive study has been made by special agencies of the Government, the results of which I hope later to have available for the Senate.

Mr. NORRIS. Is the Senator's committee contemplating making a study also of what happened in private industry?

Mr. WALSH. Yes. Already much information in that regard is available, and I expect that more will be obtained later.

Mr. NORRIS. Does it point in the same direction?

Mr. WALSH. Absolutely, and I hope to present the results of that investigation to the Senate in due time.

Mr. NORRIS. So the result is, speaking purely in a financial way, that the N. R. A. decision has resulted in lower wages and longer hours?

Mr. WALSH. Yes; to a noticeable degree. I will say to the Senator, for his information, that in one case called to my attention, namely, in the case of a contract for Government overalls, the concern which got the contract obliged its employees to turn back all the extra money they had been paid under the N. R. A. However, it is only fair to say that many industries have not changed and still maintain standards set up under N. R. A.

Mr. President, I ask that the letter to which I have alluded be incorporated in the RECORD, and referred to the Committee on Education and Labor.

There being no objection, the letter was ordered to be referred to the Committee on Education and Labor, and to be printed in the RECORD, as follows:

WAR DEPARTMENT,
Washington, March 5, 1936.

HON. DAVID I. WALSH,
United States Senate.

DEAR SENATOR WALSH: Further reference is made to your letter of February 8, 1936, in which you requested information that might be useful in your study of the subject of awards of contracts to low bidders resulting in business going to firms that have not maintained high standards of wages.

There are enclosed charts giving an analysis of a number of contracts from the period of the Supreme Court decision on N. R. A. to June 1935, and from July 1935 to date. These charts will give you a picture of the condition as it exists at the present time in connection with this subject.

The War Department is using every means possible within the law to make awards of our contracts to legitimate firms who maintain high ethical standards in carrying on their activities. As the laws at present exist, it is not always possible to accomplish the result at which we aim. A recent suggestion to so word our invitations for bids for shoes was made to The Assistant Secretary of War, and by him referred to the Judge Advocate General, for an opinion as to its legality. There is enclosed for your information a copy of the memorandum from the Judge Advocate General on this subject, which may be of interest to you in your study of the general subject.

Sincerely yours,

GEO. H. DERN,
Secretary of War.

Contracts and reservations, JAG 163

FEBRUARY 10, 1936.

Memorandum for The Assistant Secretary of War.

Subject: Desire of the Quartermaster General to insert in invitations for bids for the purchase of articles to be manufactured a provision for an 8-hour workday schedule.

1. By reference slip dated January 18, 1936, Office of The Assistant Secretary of War, there was referred to this office for remark and recommendation a recommendation from the Quartermaster General that there be incorporated "in future invitations for bids for the purchase of supplies to be manufactured, where Government inspectors are to be present at the contractor's factory during the process of manufacture", the following provision:

"Inspection: No work during the process of manufacture of the articles called for herein will be done except when Government inspectors are present in the factory where the article is to be manufactured. Except during a national emergency, inspectors will be assigned to the contractor's factory only during the regular 8-hour workday schedule or shift generally recognized by the trade, and with only 4 hours on Saturday. In stating time of deliveries, the bidder must not offer to deliver quantities in excess of the amount that can be manufactured during such a period. The bidder must also make due allowance for probable difficulties which may be encountered, including deliveries running concurrently on any other contract with the Government."

The Quartermaster General gave the following reason for his recommendation:

"1. It is the understanding of this office that as a result of the recent invitation for bids calling for 500,000 pairs of shoes that one bidder obtained the contract for the entire quantity and that his promised deliveries made it necessary for him to operate his plant 24 hours a day. In addition, the price bid was so low as to result in his finding it necessary to reduce the pay of his employees working on this contract. Such a condition would appear to be undesirable and might well result in other bidders becoming disgusted with their attempts to obtain Army business to the extent that

they will cease to submit bids on our requirements. This would leave our sources of supply limited and in case of a national emergency we would not have a field sufficiently familiar with the making of Army shoes to meet our requirements."

2. While the proposed provision is labeled "Inspection", it is obvious from its context and from the statement of the Quartermaster General that it was designed to regulate hours of labor on Government supply contracts.

3. On a recent reference to this office a somewhat similar question was considered (JAG 163, Sept. 28, 1935). There the opinion was expressed that in addition to the limitation upon the War Department in the matter of modifying standard Government forms of contracts, it would have no legal authority to add a provision regarding the rates of wages and hours of labor in the absence of congressional authority therefor, adding:

"In an opinion of the Attorney General (19 Ops. Atty. Gen. 685) relative to the authority for prescribing hours of labor for the employees of Government contractors, the view was expressed:

"* * * section 3709, etc., require contracts for supplies or services on behalf of the Government, except for prisoners' services, to be made with the lowest responsible bidder, after due advertisement. These statutes make no provision for the length of the day's work by the employees of such contractors, and a public officer who should let a contract for a larger sum than would be otherwise necessary by reason of a condition that a contractor's employees should only work 8 hours a day would directly violate the law."

"This opinion was rendered on November 12, 1890, prior to the passage of the 8-hour law cited above. The principle still applies to all cases where no express exception has been made by later legislation."

The "8-hour law" (27 Stat. 340, as amended; U. S. C., 40:321, 322) referred to in the opinion above quoted restricts the service or employment of all laborers and mechanics upon a public work of the United States to 8 hours in 1 calendar day and provides a penalty for officers of the Government and contractors who intentionally violate the act.

The Comptroller General, upon considering, at the request of the Secretary of the Treasury, the propriety of including in Government construction contracts a provision excluding aliens from employment thereon stated, among other things:

"From what has been pointed out, it necessarily follows that only in a clear case of necessity in the public interest could the accounting officers properly withhold objection to the uses of public moneys that would be involved by a contractual requirement for employment by contractor on the public work involved, American citizens and aliens who have obtained first papers of citizenship over other aliens lawfully here, without legislative authority therefor.

"* * * In so contracting the basic statute to be observed in section 3709, Revised Statutes. The clear purpose of this statute is to secure full and free competition in supplying the needs of the United States (which needs are required to be clearly stated in the request for bids), and the benefit to the Treasury of required acceptance of the low responsible bidder.

"However desirable the contrary may be, it seems clear that in the present state of law the proposal to fix by contract the minimum rate of wages the contractor must pay his employees in the doing of the contract work, assuming a contract otherwise valid and enforceable could be drawn, clashes with the long-recognized intent and purpose of section 3709, Revised Statutes, in that it removes from competitive bidding on the project an important element of cost and tends to defeat the purpose of the statute; that is, to obtain a need of the United States, authorized by law to be acquired, at a cost no greater than the amount of the bid of the low responsible bidder, after full and free competitive bidding.

"What is here involved appears a matter which, in the present state of the law, is not for adjustment through administrative action in contracting, and uses of appropriated moneys in such connection without further expression and authority thereon from the Congress may not properly be approved by the accounting officers.

"* * * Only in such rare case, if one there might be under existing conditions, where the need for such stipulation could on the facts be held as required to accomplish the thing authorized by the appropriation to be done, could objection be properly withheld" (10 Comp. Gen. 294).

In addition to Revised Statutes 3709, referred to in the opinions of the Attorney General and the Comptroller General above quoted, there is also for consideration the act of March 2, 1901 (31 Stat. 905, U. S. C. 10, 1201), which requires, except in cases of emergency, that the purchase of all supplies for the Army be made after due advertisement "where the same can be purchased the cheapest, quality and cost of transportation and the interests of the Government considered."

Considering the limitations imposed by such statutes upon the inclusions in invitations of provisions tending to limit awards thereon to other than the lowest responsible bidder, the Judge Advocate General says:

"4. Though I am not in accord with the theory, which seems to have been accepted in the earlier opinions of this office, that a contractual restriction like the one here under consideration would be unlawful merely because no statute authorizes it, neither

am I in entire accord with the theory that such a provision would be legal solely because there is no statute prohibiting it. Neither the President nor the Secretary of War is limited in the exercise of Executive functions to those acts for which specific authorization may be found in statutes. The President may cause to be embodied in War Department contracts any provisions advantageous to the United States in its contractual capacity which are not in conflict with expressed or implied constitutional, statutory, or treaty provisions.

"5. Congress has seen fit to require that public works, under the direction of the War Department, be constructed and War Department supplies purchased, with certain exceptions, under contracts entered into after advertisement for competitive bids. These statutes indicate a congressional purpose that, except as otherwise directed, such works shall be constructed and such supplies purchased at a minimum cost to the Government. In my judgment, it cannot be said as a matter of law that the insertion in Government contracts of a provision limiting the contractor's field of selection of employees to American citizens would not result in increased cost to the Government. As a matter of fact, information before this office indicates that in certain cases such a provision would result in increased cost. Therefore, I find myself unable to recommend the insertion" (J. A. G. 160, Misc., Aug. 14, 1930).

In addition to the foregoing considerations of the impropriety of including such a provision as that here projected in invitations for bids and contracts awarded thereon is the further circumstance that contracts for "the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not, or for such materials or articles as may usually be bought in open market" are excepted by the act of June 19, 1912 (37 Stat. 138; U. S. C. 40, 325), from the requirements thereof that every contract made by the United States which may involve the employment of laborers or mechanics shall contain a provision that no laborer or mechanic shall be required to work more than 8 hours in any one calendar day.

4. Therefore, in my opinion, in the absence of authorizing legislation, compliance with such a provision should not be made a basis for contracting by the War Department for any of its supplies, unless, however, it is susceptible of determination and it is in fact so determined by the Secretary of War that the doing thereof would be in the interest of the Government as a contractor and not result in increasing the cost to the Government beyond compensating advantages.

Even were such determination made and use were made of the provision in bids and contracts as proposed, it does not seem necessarily to follow as a matter of course that the objective prompting the suggestion, though ever so desirable, would be accomplished. Furthermore, it would have the effect of preventing a reputable but small manufacturer willing to operate his plant in extra 8-hour shifts from bidding on such a contract.

A. W. BROWN,

Major General, the Judge Advocate General.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The Senate resumed the consideration of the bill (S. 2288) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. BAILEY] in the nature of a substitute for the amendment of the committee.

Mr. BAILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Coolidge	King	Radcliffe
Ashurst	Copeland	La Follette	Reynolds
Austin	Couzens	Logan	Robinson
Bachman	Davis	Loneragan	Russell
Bailey	Duffy	Long	Schwellenbach
Barkley	Fletcher	McGill	Sheppard
Bilbo	Frazier	McKellar	Shipstead
Black	George	McNary	Smith
Bone	Gibson	Maloney	Stelwer
Borah	Glass	Minton	Townsend
Bulkeley	Gore	Moore	Vandenberg
Bulow	Guffey	Murray	Wagner
Burke	Hale	Neely	Walsh
Byrnes	Harrison	Norbeck	Wheeler
Capper	Hatch	Norris	White
Caraway	Hayden	O'Mahoney	
Clark	Johnson	Overton	
Connally	Keyes	Pope	

Mr. RADCLIFFE. I desire to announce that my colleague the senior Senator from Maryland [Mr. TYDINGS] is necessarily detained from the Senate.

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. GORE. Mr. President, I desire to say for the benefit of Senators who have just entered the Chamber that the

question now recurs on the substitute offered by the Senator from North Carolina. I hope the Senate will vote down the substitute, in which event I will offer the substitute as an amendment to the pending bill. Then those who desire that there shall be an investigation will have their wishes complied with, those who desire permanent, substantive legislation will have their wishes gratified, and we will be troubled no more with this vexatious subject. On this question I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. KING (when his name was called). I have a general pair with the junior Senator from North Dakota [Mr. NYE], who is unavoidably absent. Therefore I withhold my vote.

The roll call was concluded.

Mr. BARKLEY. On this question I have a pair with the senior Senator from Delaware [Mr. HASTINGS]. Not knowing how he would vote, I withhold my vote.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is absent. I transfer that pair to my colleague the junior Senator from Ohio [Mr. DONAHAY], who is unavoidably detained. I do not know how either the senior Senator from Wyoming or my colleague would vote on this question. I vote "yea."

Mr. BILBO. I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. Not knowing how he would vote on this question, I withhold my vote.

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness; and that the Senator from Colorado [Mr. COSTIGAN], the Senator from Indiana [Mr. VAN NUYS], the Senator from Nevada [Mr. McCARRAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GERRY], the Senator from New Hampshire [Mr. BROWN], the Senator from Utah [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], the Senator from California [Mr. McADOO], the Senator from Minnesota [Mr. BENSON], the Senator from Illinois [Mr. DIETERICH], the Senator from Illinois [Mr. LEWIS], the Senator from Nevada [Mr. PITTMAN], the Senator from Iowa [Mr. MURPHY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from West Virginia [Mr. HOLT] are unavoidably detained.

The Senator from Virginia [Mr. BYRD] is detained in an important conference. If present and voting, he would vote "yea."

I also announce that the Senator from Rhode Island [Mr. GERRY] is paired with the Senator from Indiana [Mr. VAN NUYS]. If present and voting, the Senator from Rhode Island would vote "yea", and the Senator from Indiana would vote "nay."

The Senator from California [Mr. McADOO] is paired with the Senator from Missouri [Mr. TRUMAN]. If present and voting, the Senator from California would vote "yea", and the Senator from Missouri would vote "nay."

Mr. AUSTIN. I announce the necessary absence of the Senator from New Jersey [Mr. BARBOUR], who has a pair with the Senator from Utah [Mr. THOMAS]. If present, the Senator from New Jersey would vote "yea" on this question, and the Senator from Utah would vote "nay."

I also announce the necessary absence of the Senator from Rhode Island [Mr. METCALF], who is paired with the Senator from New Hampshire [Mr. BROWN]. If present, the Senator from Rhode Island would vote "yea" on this question, and the Senator from New Hampshire would vote "nay."

I further desire to announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from Delaware [Mr. HASTINGS], whose general pairs have been stated, are necessarily absent. If present, the Senator from Iowa and the Senator from Delaware would vote "yea" on this question.

Mr. RADCLIFFE. I announce that my colleague [Mr. TYDINGS] has been called to the city of Baltimore. I am informed that he has a pair on this question with the Senator from New Mexico [Mr. CHAVEZ]. My colleague, if present and voting, would vote "yea" on this question, and the Senator from New Mexico, if present, would vote "nay."

The result was announced—yeas 35, nays 31, as follows:

YEAS—35

Adams	Davis	Keyes	Reynolds
Ashurst	Frazier	La Follette	Smith
Austin	George	Logan	Stelwer
Bailey	Gibson	Loneragan	Townsend
Borah	Glass	Maloney	Vandenberg
Bulkley	Guffey	McNary	Wagner
Byrnes	Hale	Moore	Walsh
Coolidge	Harrison	Overton	White
Copeland	Johnson	Radcliffe	

NAYS—31

Bachman	Connally	McGill	Pope
Black	Couzens	McKellar	Robinson
Bone	Duffy	Minton	Russell
Bulow	Fletcher	Murray	Schwellenbach
Burke	Gore	Neely	Sheppard
Capper	Hatch	Norbeck	Shipstead
Caraway	Hayden	Norris	Wheeler
Clark	Long	O'Mahoney	

NOT VOTING—30

Bankhead	Chavez	King	Thomas, Okla.
Barbour	Costigan	Lewis	Thomas, Utah
Barkley	Dickinson	McAdoo	Trammell
Benson	Dieterich	McCarran	Truman
Bilbo	Donahey	Metcalf	Tydings
Brown	Gerry	Murphy	Van Nuys
Byrd	Hastings	Nye	
Carey	Holt	Pittman	

So Mr. BAILEY's amendment, in the nature of a substitute for the amendment reported by the committee, was agreed to.

Mr. GORE. Mr. President, as I stated to the Senate a few days since, my own judgment is that this substitute ought not to pass the Senate. I do not think it solves the problem. In fact, I do not think it discharges the duty of the Senate, as I see it. I think if it goes to the House it will die in the House. I do not believe this legislation will ever be enacted into law; and I may say that since the jurisdiction of the committee of the House has changed from the Interstate and Foreign Commerce Committee to the Merchant Marine and Fisheries Committee, I think an open sepulchre is awaiting this legislation when it reaches the House. I am reliably informed that a representative of the shipping concerns said yesterday that if this measure could be defeated at this session, the shipping interests would be stronger at the next session, having reference, as I took it, to the changed jurisdiction in the House of Representatives.

I may say, however, that I have conferred with others who are favorable to this legislation in some form. My associate, who has rendered invaluable service, the Senator from Wisconsin [Mr. DUFFY], and others think that the substitute—even the substitute—should pass. I do not think so, but I shall interpose no further objection.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, as amended.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STOCKYARDS AND MEAT PACKING

Mr. CAPPER. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 1424) to amend the Packers and Stockyards' Act, 1921, being Calendar No. 1453.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas.

Mr. CONNALLY. Mr. President, is the motion to take up the bill debatable?

The VICE PRESIDENT. It is.

Mr. CONNALLY obtained the floor.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. ASHURST. The Senator from Kansas [Mr. CAPPER] has been very fair. He has given notice of his intention to have this bill brought forward, and for the fairness of his procedure I thank him; but I am much opposed to the bill. I wish to be recorded as voting "no" on the motion to take up the bill.

We all say, quite naturally, "Let us take up the measure and find out about it." We are supposed to know something about the measure before we take it up. I desire to be recorded as voting against taking up the bill, and I ask for the yeas and nays on the motion to consider it.

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Arizona for the purpose of asking for the yeas and nays on this motion?

Mr. CONNALLY. The Senator from Texas does not yield at this time.

Mr. ROBINSON. Mr. President, my understanding is that there will be a prolonged debate on the motion to proceed to the consideration of the bill.

Mr. McNARY. Mr. President, I think I can answer that suggestion. After conference with the Senator from Kansas [Mr. CAPPER], I learn that he is willing that the motion remain in its present status if the Senate may take a recess until Monday.

Mr. ROBINSON. I was about to make that statement.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Texas will state it.

Mr. CONNALLY. If I yield for a motion to take a recess until Monday, will the Senator from Texas have the floor when the Senate reconvenes?

The VICE PRESIDENT. The Chair will try to see the Senator on Monday.

EMPLOYMENT OF PERSONNEL OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. ROBINSON. Mr. President, I understand the Senator from South Carolina [Mr. SMITH] wishes to submit a request for unanimous consent, and I yield to him for that purpose.

Mr. McNARY. Mr. President, will the Senator yield first to me?

Mr. ROBINSON. Very well.

Mr. McNARY. A short time ago the Senator from South Carolina asked unanimous consent for the immediate consideration of Senate Joint Resolution 223. I objected then to the consideration of the joint resolution because I had not had an opportunity to examine it. I find that the measure simply means the transfer of the personnel from the old A. A. A. organization to the new organization known as the Soil Conservation Administration, without creating a new personnel. That is my interpretation of the measure. If that be correct, I shall have no objection to consideration of the measure at this time.

Mr. SMITH. Mr. President, that is correct. Accordingly I ask unanimous consent for the immediate consideration of Senate Joint Resolution 223.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 223) relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out certain governmental activities, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 7, after the word "Administration", to insert the words "or so many thereof as may be necessary", so as to make the joint resolution read:

Resolved, etc., That notwithstanding any other provision of law the Secretary of Agriculture is authorized and directed to employ, in the city of Washington and in the field, the present personnel (including furloughed personnel) of the Agricultural Adjustment Administration, or so many thereof as may be necessary, in carrying out the provisions of sections 7 to 14, inclusive, of the Soil Conservation and Domestic Allotment Act, in the work of liquidating the Agricultural Adjustment Administration, and in the administration of the cotton price adjustment program instituted under the Agricultural Adjustment Act, as amended, whether or not any of these functions are carried out through the Extension Service, the Bureau of Agricultural Economics, or any other agency in the Department of Agriculture.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORITY TO SIGN JOINT RESOLUTION DURING RECESS

Mr. ROBINSON. Mr. President, I ask unanimous consent that the Vice President be authorized, during the recess of the Senate, to sign House Joint Resolution 514.

Mr. McNARY. Mr. President, what is the joint resolution?

Mr. ROBINSON. It is the joint resolution (H. J. Res. 514) authorizing the completion of certain records and oper-

ations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

Mr. GLASS. Mr. President, it is the joint resolution to which I called the Senator's attention a while ago.

Mr. McNARY. Very well.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of William H. Kelly, of East Orange, N. J., to be collector of internal revenue for the fifth district of New Jersey, to fill an existing vacancy.

Mr. TRAMMELL, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy and the Marine Corps.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the following nominations:

Herman G. Baity, of North Carolina, to be director of the Public Works Administration in North Carolina; and

Joe B. Mullins, of Tennessee, to be State engineer inspector for the Public Works Administration in Tennessee.

The VICE PRESIDENT. The reports will be placed on the calendar. If there are no further reports of committees, the clerk will state the first nomination in order on the calendar.

UNITED STATES CIRCUIT JUDGE—EDWIN R. HOLMES

The legislative clerk read the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination?

Mr. BILBO. Mr. President, I desire to be heard on this nomination, and I should like to have a day set specially for the matter. It will take some time to present my objections. I have been trying to reach an agreement with the Senator from Arkansas [Mr. ROBINSON] to have the 26th day of this month fixed as the date when the nomination will be considered. I have not taken any of the time of the Senate since I have been here, and I am not anxious to break the ice now.

I should prefer a little time for the preparation I desire to make to enable me to present the matter to the Senate for final decision. I was assured by the chairman of the Judiciary Committee [Mr. ASHURST] that there would be no question about ample time being afforded me to make preparation for the presentation.

Mr. HARRISON. Mr. President, will my colleague yield?

The VICE PRESIDENT. The question of the confirmation is before the Senate at the present time. Does the junior Senator from Mississippi yield to his colleague?

Mr. BILBO. I yield.

Mr. HARRISON. If the Senator would agree that the vote upon the nomination might be had definitely at some time next week, I think that would be perfectly agreeable all around. I should dislike very much to have the matter continued indefinitely and in an uncertain manner. The nomination has been pending since the last session of Congress. There have been very long hearings before the committee, and I hope it may be disposed of at a very early date.

If it would meet the convenience and accommodation of my colleague to fix a definite time to vote upon the nomination, so far as I am concerned, I should be very agreeable to such an arrangement.

Mr. BILBO. I had contemplated making a motion, and it may become necessary to make a motion, to recommit the nomination to the committee for further investigation. I

do not see why I should agree at this time to have a vote finally on the confirmation.

Mr. HARRISON. If the Senator will permit me, of course, such a unanimous-consent agreement would carry with it the understanding that we should vote upon any motion at that time, and if the motion should be defeated, then the vote would come upon the confirmation of the nomination. That would not preclude the Senator from making the motion to refer the nomination back to the committee, but if his motion should be defeated then the vote would come upon confirmation.

Mr. BILBO. I will agree to that. Will the Senator agree to fix the time for the 26th day of this month? That will be 1 week from next Thursday.

Mr. HARRISON. That is 2 weeks from today?

Mr. BILBO. Yes.

Mr. HARRISON. That is a long time. Would not the Senator be agreeable to having the vote taken at 5 o'clock next Thursday?

Mr. BILBO. I would suggest that the matter be taken up at 1 o'clock, because I contemplate using possibly 3 or 4 hours of the time of the Senate.

Mr. HARRISON. I myself do not contemplate doing much talking. It would be perfectly agreeable to me, if it meets the approval of the Senate, that the Senate should go into executive session to consider this nomination at 1 o'clock next Thursday, and I suggest that at 5 o'clock a vote be taken. I feel, however, that there ought to be some time left for the members of the committee to say something with reference to the matter.

Mr. BILBO. Will the Senator agree that the discussion shall begin at 1 o'clock next Thursday and a vote be taken at the conclusion of the discussion?

Mr. ROBINSON. On that calendar day?

Mr. BILBO. Yes; at the conclusion of the discussion.

Mr. ROBINSON. That would enable any Senator who desired to speak to have the opportunity to do so.

Mr. HARRISON. That is agreeable to me.

Mr. BILBO. I have no desire to fix an hour for a final vote.

Mr. ROBINSON. Mr. President, in view of the colloquy that has just occurred, I ask unanimous consent that on next Thursday at 1 o'clock the Senate shall proceed in executive session to the consideration of the nomination of Edwin R. Holmes; that before the end of that calendar day the Senate shall proceed to vote on all motions that may be pending or that may be offered and on the question of the confirmation unless the nomination shall be recommitted.

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, I do not know why we should waste the hour between 12 o'clock noon and 1 o'clock. I anticipate considerable debate.

Mr. ROBINSON. I think that is a good suggestion. I will modify my request that when the Senate meets on next Thursday it shall proceed at once to the consideration of the nomination, letting the remainder of my request remain as it was stated.

The VICE PRESIDENT. Is there objection to the modified request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

The clerk will state the next nomination on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Francis R. Stewart, of New York, to be Secretary in the Diplomatic Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 51 minutes p. m.) the Senate took a recess until Monday, March 16, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 12 (legislative day of Feb. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

Francis R. Stewart to be Secretary of the Diplomatic Service of the United States.

POSTMASTERS

GEORGIA

Clyde W. Hill, Blairsville.
Joseph D. Long, Bremen.
Charles L. Adair, Comer.
John L. Callaway, Covington.
Mary L. Burch, Eastman.
Robert A. Fowler, Fort Gaines.
Arthur G. Williams, Jesup.
Kenneth E. Stapleton, Lakeland.
Thomas M. Carson, Lavonia.
Augustus H. Flake, Lithonia.
William A. Pattillo, Macon.
Irene W. Field, Monroe.
Andy G. Clements, Rhine.
Olen N. Merritt, Ringgold.
Estelle S. Peacock, Rochelle.
Charlie B. Short, Thomaston.
Minnie E. Giddens, Willacoochee.

LOUISIANA

William F. Roy, Jr., Arabi.
Joseph C. Ballay, Buras.
Elizabeth Crawford, Gretna.
Henry Buller, Iowa.
H. Ernest Benefiel, Kenner.
Frank Warren, Merryville.
J. Clyde Arceneaux, Rayne.
Hubert A. Duhe, Reserve.
Stanislaus J. Waguespack, Jr., Vacherie.

NORTH CAROLINA

Joseph A. Leigh, Belhaven.
Fred M. Bradley, Old Fort.
James H. McKenzie, Salisbury.
Fred M. Pearce, Wendell.
Arthur T. Newsome, Winton.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 12, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Spera Montgomery, D. D., offered the following prayer:

Heavenly Father, grant that by Thy Holy Spirit we may grow into the fullness of that which is highest and best. We pray that we may feel that it is a most helpful service to take reverent thought of Thee, praying that our deliberations may be guided aright. Thou, in whom there is no discord, possess us with humble and contrite hearts. In our deep consciousness keep us mindful of our responsibilities, examples, and influence. Do Thou fittingly equip us to discharge our duties in the exalted relation in which we have been placed. Blessed Lord, enable us always to jealously remember who we are and whom we represent. Bless our brother men and may we lessen their discontent and swell their songs of gladness. Blessed be the Lord, who daily loadeth us with benefits; even the God, who is our salvation. In the name of our Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10919. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes.

THE PETTENGILL BILL

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. DUNN of Mississippi. Mr. Speaker, there was introduced in the Congress during the first part of the Seventy-fourth session a bill known as the Pettengill bill, and this bill will probably be presented before this body at some early date or at such time in the very near future when it shall have received a rule.

The bill in question is receiving considerable attention throughout the country and is being publicized at length by many newspapers of consequence.

This bill deals specifically with the long- and short-haul clause found in the Interstate Act, which regulates railroads, and I am advised that the Committee on Interstate and Foreign Commerce of this House has unanimously recommended the enactment of the Pettengill bill into law, and that this recommendation from the committee comes after a full and complete hearing by it.

The elimination of the long- and short-haul clause from the Interstate Act, in my judgment, is certainly necessitated by reason of changed conditions in the matter of modern transportation. This long- and short-haul clause was necessary when it was enacted into law back in 1910, because at that particular time the railroads had little or no competition of consequence, but what with the franchises or permits of convenience and necessity granted by most of the States of the Union to bus concerns, who are handling a large percentage of the freight ordinarily handled by railroads and which bus lines, as a general rule, though operating from one State to another, are not compelled to publish tariffs in any form; with water-transportation companies practically subsidized with taxpayers' money paid out of the United States Treasury and operating on a most unfair competitive scale; with aviation transportation growing in leaps and bounds, there is no way in the world to offer encouragement or future hope to the railroads of this Nation except through the elimination of the long- and short-haul clause of the Interstate Act.

No one doubts that the railroads are now highly discriminated against and that their path has not been an easy one during the past 6 years, and unless we meet modern and changed conditions with modern and changed legislation we are striking at a very vital and potential part of our commercial life.

The Pettengill bill will in no particular change any of the requirements of the Interstate Commerce Act, and the Interstate Commerce Commission will continue to hold the balance of power in the matter of discriminatory rates, and the Commission will continue also to prescribe maximum and minimum rates. Therefore, there is no reason to assume under any circumstances that harm would come to the American public in the passage of this bill.

The truth of the business is that if this clause is eliminated from the act, thousands of railroad men long since off the pay roll will be placed back to work, because the railroads will then be in a position to operate almost twice as many trains as they are operating now. This, of course, increases pay rolls, and, in turn, aids each and every little precinct and hamlet of the Nation in the matter of getting back taxes from the railroads which they have been missing to a great extent during this period of depression and unfair competition among the transportation agencies of this new era.

PITHY POINTS FROM PERSHING

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief letter from General Pershing.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, on January 28 I sent out to all the retired general officers of the Army, about 285 in number, a letter inviting them to express their opinions concerning many matters relating to national defense and promoting the welfare of the Army. For the information of the House I quote that letter.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., January 28, 1936.

MY DEAR GENERAL: About 4 years ago I addressed a letter to all general officers then on the retired list, asking that they give the Committee on Military Affairs, through me, the benefit of their experience and reflections, looking back upon a lifetime of service in the cause of national defense. I am now sending out a similar letter to all the general officers on the retired list and make the same appeal to them, in hope that out of their experience and studies we may obtain useful suggestions.

I am appealing to the retired general officers because they have received the honors of the country as a reward for their abilities and faithful services and are now receiving sufficient financial support from the Government to enable them to be relatively independent. They are, therefore, without any special obligations to any person or group and can speak with complete frankness and candor upon any matter about which they may have conscientious convictions.

I can assure all recipients of this letter that their communications will be received in complete confidence, if they so indicate, as has been the case in those who answered the communications 4 years ago.

Trusting that it may suit the convenience of many of the retired officers to give this request most earnest consideration and as early reply as possible, I remain,

Yours truly,

J. J. McSWAIN.

I have received replies from considerably more than 100 of the retired officers, and many of them have contained exceedingly valuable suggestions. A few of those officers have indicated their permission for me to make their letters public, and at the proper time I will do so. This morning I received a letter from Gen. John J. Pershing, a name known throughout the world, and I immediately wired asking for permission to publish his remarks in the CONGRESSIONAL RECORD. I have just received a telegram from him granting his permission, and accordingly I am offering his letter for printing.

I want to call especial attention to the fact that General Pershing volunteers his approval and endorsement of the Thomason Act and urges appropriation of funds necessary to make that act effective. This is very strong indeed. I also call attention to the fact that General Pershing recognizes the very supreme importance of R. O. T. C. in preparing Reserve officers for use of the country in the event of mobilization for defense. In his final report as Chief of Staff, dated September 12, 1924, General Pershing, in referring to Organized Reserves, used the following language:

3. Organized Reserves: The successful preparation for defense as contemplated in the act of 1920 for the most part depends upon the Reserve officer. Without adequate numbers, efficiently trained, and equitably allotted to the various units of staff and line, we should, in a great emergency, find ourselves exactly where we were in 1917. It should be remembered that we must turn to the Reserves for all extra officers needed, and that many would be required to fill the quotas of the Regular Army and the National Guard to start with. The efficiency of these officers is the variable in the equation, and the more nearly we are able to approximate to its maximum value the more confidently may we consider ourselves as approaching a condition of readiness.

During the World War the citizen officers constituted 95 percent of the officer strength of our forces. Two-thirds of the Reserve officers today are men who saw service in the war and who have joined up because they realize the significance of preliminary training during peacetime. There is a splendid spirit among the 80,000 or more carried on our rolls, and all they ask is opportunity to learn. Here arises one of the most difficult questions in our efforts to build up a competent Reserve force. Until very recently it has been the rule to encourage all those with war experience to enroll, and practically all applicants have been accepted. In principle it would be advantageous to have all of them who are interested and who are not beyond a certain age. But, without counting those whose civil professions would make little military training

necessary, it is probable that the list of those subject to a period of training every third year would severely tax our present facilities, to say nothing of the economical side of the question.

This statement is pregnant with significance for the cause of national defense. It is the very strongest statement of the supreme importance of the Organized Reserves in our defense system.

While General Pershing's letter is dated February 29, it was received by me only today, and I have received the following telegram consenting that the same may be used as I may wish. I wish it in the CONGRESSIONAL RECORD as evidence to all that General Pershing is still in close touch with affairs relating to the Army, and has the constructive statesmanship to see the possibilities of the Thomason Act and the importance of the R. O. T. C. Here is the telegram:

TUCSON, ARIZ., March 11, 1936.

Congressman J. J. McSWAIN,

Chairman of Military Affairs Committee:

Reference your telegram, you are at liberty to use my letter of February 29 in any way you wish.

JOHN J. PERSHING.

The following is the letter dated February 29, but received this March 11:

TUCSON, ARIZ., February 29, 1936.

HON. JOHN J. McSWAIN,

House of Representatives, Washington, D. C.

MY DEAR MR. McSWAIN: With reference to your letter of January 28, I have been following with keen interest the press reports of your activities in behalf of national defense, and regard it as very essential that your efforts meet with success. There is very little of any great importance that I could suggest along the lines of improvement in the Army that has not been or is not being considered by the active General Staff and others. I can only point out that my ideas, in general, of the organization of the Army for peacetime service and as a basis of expansion for war were embodied in the National Defense Act of 1920, the attainment and perfection of which seem to be the goal toward which you are working.

At the termination of my tour of service as Chief of Staff I made an exhaustive report, copy enclosed, including recommendations based upon my experience in the World War and later. That report expresses, in general, my views at the present time.

With reference to Army personnel, the so-called Thomason Act, which has my hearty endorsement, will provide splendid officer material, and no doubt will do much to increase enthusiasm for military training in the R. O. T. C. It is highly desirable that this act be made effective by the appropriation of the necessary funds. The R. O. T. C. and C. M. T. C. are turning out annually young men who have shown their aptitude for military training, many of whom have demonstrated initiative and leadership of a high order. These are exactly the qualities that we should look for in the selection of young men for appointment to West Point. Perhaps some modification of the present method of choosing appointees to the Military Academy might well be considered with a view of making the most promising of these young men available for selection.

As to enlisted personnel, the higher the class of men drawn into the Army the more efficient will be our armed forces. To secure the type of men desired the service must be made more attractive, and it seems to me that this can only be done by offering additional inducements. Of course, increases in grades and ratings should be provided to meet increases in the strength of the Army, but in any reconsideration of the system study should be given to methods for liberalizing the opportunities for advancement. Certainly, to my mind, the Army should not be at a disadvantage in this regard with other branches of the service.

Yours very sincerely,

JOHN J. PERSHING.

Mr. Speaker, I think most disinterested and impartial thinkers will agree with General Pershing that perhaps some modification of the present method of appointing cadets to the Military Academy should be had so that the most promising young men should be available for that training. I have always refused to appoint any young man to either the Military Academy or the Naval Academy from mere political considerations. In order to free myself from any such temptation, I have made all appointments as the result of competitive examinations conducted by the United States Civil Service Commission to which every young man in the district who applied was admitted. However, on two occasions when there was not time to conduct a competitive examination, I requested the academic authorities and the military instructors of the two colleges in the district represented by me where there are R. O. T. C. units to make the recommendations and I followed their recommendations unquestionably. I have felt

for sometime, and this has been based upon much observation and reflection, that we have not been getting the very best material available for our cadets at the Military Academy. Of course, many of the cadets are of a very high order; but I believe the average could be raised by a change in the method of selecting the cadets. I believe that impartial observers will agree with General Pershing and with many others in that conclusion.

Mr. Speaker, in the effort to find the best method possible of selecting the very best young men available to become Army officers and to take appointments to the Military Academy entirely and completely off the political auction block, I have introduced H. R. 10389, on which there will be a hearing before the Committee on Military Affairs on next Wednesday, March 18, beginning at 10:30 a. m., and I respectfully invite any Member of Congress and any citizen of the United States that may be interested in this problem to appear and offer any constructive suggestions. Surely no man can contend that the present system is perfect and incapable of improvement. I believe it is far from perfect, and that we have other thinkable ways of selecting such cadets which would be a decided improvement. About this matter there may be honest differences of opinion, but I am inviting all to present their honest opinions before the committee on next Wednesday.

Mr. Speaker, for the information of those concerned, I am printing herewith a copy of H. R. 10389:

A bill relating to the appointment of cadets to the United States Military Academy

Be it enacted, etc., That the act of July 9, 1918 (40 Stat. 894; U. S. C., title 10, sec. 1091), as amended, be, and is hereby, further amended by adding at the end thereof the following language:

"The President shall make said appointments of cadets to the United States Military Academy as a result of competitive examinations which he shall direct to be conducted under rules and regulations to be prescribed by him. All applications for examination by those seeking such appointments shall be filed with the Secretary of War before January 1 of any year during which admission is to be sought to said United States Military Academy. All such applications, to which a recent photograph of the applicant shall be attached, shall be upon forms to be prescribed by the Secretary of War, which shall be uniform in all cases for any one year and shall elicit full information concerning the applicant, his education, and other pertinent facts material to his prospective career as an officer in the United States Army, including any military training he may have received. Said examination shall be conducted prior to March 1 of each year and the results thereof announced as soon thereafter as practicable, and in sufficient time to enable all winners to prepare to enter said Academy on July 1 of such year and in no event later than May 1 of each year. Such examination shall test as near as may be practicable the general fitness of the applicants to become officers in the United States Army. In the rating of said examination the mental qualifications shall rate 75 percent of a total 100 percent, and the temperamental qualifications involving character, leadership, personality, and temperamental fitness, to become officers shall rate 25 percent. Qualifications other than mental shall be ascertained in such practical way as the regulations of the Secretary of War may prescribe by tabulating the answers to questionnaires submitted to former teachers and responsible acquaintances and by examinations of the records or certified copies thereof of the activities of each applicant in athletics, in student welfare work, and in connection with student and community life generally. In all cases there shall be submitted duly certified copies of all school records affecting each such applicant, beginning with the first year of high-school work or the equivalent thereof and continuing with any school, college, or university in which such applicant may have been a student up to the time of such application. The President may direct that the mental examinations herein required shall be conducted by the United States Civil Service Commission. All mental examinations shall be at such times and places as the President deems most convenient for the applicants, and mental examinations shall be held in at least one place in each State and congressional district for applicants seeking appointment from the several States and congressional districts. All examination papers, questionnaires, rating sheets, and other data shall be kept on file in the War Department for 5 years after each such examination. If the applicant appointed by reason of making the highest rating fails for any reason to enter said United States Military Academy on July 1 of any year as intended, the President shall appoint the applicant making the next highest rating, and so on down the list in the order of their rating, but no applicant shall be admitted as a cadet in said United States Military Academy after July 10 of any year. But each vacancy for any State or congressional district shall be filled by a new examination to permit all persons qualified since the prior examination to apply. All persons so appointed shall be bona fide residents of and actually domiciled in the State or congressional district for which appointed."

IRRIGATION PROJECTS

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I rise at this time to call the attention of the House to a table I put into the RECORD last night, showing the total cost of the irrigation projects that are in the Interior Department appropriation bill, which were not in the bill when the bill left the House. That table appears on page 3586 of the RECORD. The total cost would amount to \$773,000,000, and the appropriations for these particular projects amount to \$54,110,000, while the future cost would amount to \$574,818,000. I request the membership of the House to earnestly support the House's position in trying to keep out this terrific item of expense, which will fall on the Government and prevent us from keeping taxes down in any shape at all in the years to come.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. SNELL. As I looked over this list, as originally printed, I noticed that the projects were very carefully selected from different States, so that enough States would be represented in the omnibus bill or in the pork-barrel bill to insure putting it through another body. Did the gentleman find that to be true?

Mr. TABER. That is the situation.

Mr. SNELL. I think there are seven or eight different States where these amounts are distributed.

Mr. STUBBS. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. STUBBS. Is the gentleman willing to go on record as trying to strangle out of existence the lives of some twelve to fifteen million people out in these reclamation States?

Mr. TABER. We do not strangle out of existence those people who are there, but simply prevent the opening up of land that is not now under cultivation to be placed in competition with land on which people are paying taxes throughout the rest of the country.

Mr. BUCK. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. BUCK. The gentleman in his denunciation surely does not include the Central Valley water project of California, which is for the purpose of preserving and not opening up new areas.

Mr. TABER. It is quite an expensive proposition. According to the estimates of the Reclamation Bureau, the total cost of that project will be \$170,000,000.

Mr. BUCK. Mr. Speaker, will the gentleman yield further?

Mr. TABER. Yes.

Mr. BUCK. The gentleman is aware that project had extensive hearings before the Flood Control Committee of this House and was included in the bill which has been reported favorably from that committee.

Mr. TABER. Oh, yes; but the bill has not been passed by the House.

Mr. RICH. The Flood Control Committee adopted every project that every Member of Congress presented, whether it had any merit or not. It was the biggest pork-barrel bill that has been reported out of a committee since I have been a Member of the House.

The SPEAKER. The time of the gentleman from New York has expired.

LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania that the House resolve itself into the Committee of the Whole House on the state of the

Union for the further consideration of the legislative appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill, with Mr. Buck in the chair.

The Clerk read the title of the bill.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 7 minutes to the gentleman from West Virginia [Mr. RAMSAY].

OUR NATIONAL DEBT

Mr. RAMSAY. Mr. Chairman, I desire for a few minutes to discuss our national debt.

Mr. Hoover, in his Lincoln Day speech, quoted Mr. Lincoln's famous statement that "The Lord must have loved the poor people because he had made so many of them."

If this is the true measure of love, Mr. Hoover can truthfully exclaim "Greater love hath no man than this", because I created more poor people in the United States in 3 years than the Lord did in 7,500 years. [Applause.]

Again Candidate Hoover, in one of his most recent attacks upon the New Deal, seemed to express the opinion of the present opposition leadership when he said:

There was no failure, during his administration, to provide for those in real need.

I cannot believe that human memory is so short that it has forgotten the sickening scenes enacted in America before the present administration established relief on a national scale.

Mr. Hoover and his leaders claimed then—as he and they claim now—that the Red Cross and private charity could take care of relief.

During the winter of 1931 and 1932 the situation had become so bad that the mayors of 215 cities sent word to Washington that private charity could no longer be depended upon; Governors appealed; Senators LA FOLLETTE and COSTIGAN demanded Federal action and amassed a staggering array of evidence from more than 800 municipalities showing widespread want, hunger, and unrest. More than 300,000 young men were tramping the streets and fast developing into hoboes; 15,000,000 men were totally unemployed and 30,000,000 were only working part time. The total amount raised by the community chest councils for the year 1932 was only \$101,181,949—not sufficient to take care of the unemployed in New York City, so in New York families were existing on \$2.39 per week. In Pennsylvania and West Virginia coal fields whole families were existing on an average of \$4 per month. During all this time President Hoover was silent and his leaders in Congress were opposing the Costigan bill for relief.

Finally pressure of public opinion became so great that President Hoover and his administration agreed to a compromise offered by Speaker Garner and Senator ROBINSON, leader of the Democrats in the Senate, upon a bill carrying \$300,000,000 for relief among the States. But the Hoover administration agreed to this bill with their tongues in their cheeks, designating it as "pork."

But remember! Before one penny of this sum was distributed among the States, Mr. Hoover—through his Finance Corporation—had authorized more than \$1,000,000,000 in loans to railroads, insurance companies, banks, and other business firms.

The record of the last Republican administration does not warrant the American people listening to these same politicians with patience in their plea for a return to power so these same "gangsters-up" may return to the benevolent care of private charity, the welfare of the 10,000,000 men still unemployed. And this is the only substitute these objectors can offer. Wonderful statesmanship! And they really think they ought to win.

But when these gentlemen cry about deficits that have been caused by the recent administration in its successful effort to relieve unemployment, save business, save the homes and farms of the people, increase wages of labor and the products of the farm, mill, and mine, they should explain why the Hoover administration created a deficit of over \$5,000,000,000 in the last 3 years of his administration

in his efforts to only meet the ordinary expenses of the Government, forgetting entirely the sufferings of the people in his fright over the breaking up of over 2,000 banks during his administration and the other 8,000 that had drifted on the rocks during the administration of Coolidge and Harding. Let them also explain the European loans that were made during the Harding and Coolidge administration that should have been applied to the reduction of our own national debt instead of being given to foreign peoples and the debts now repudiated and collections denied.

Yes; before we again place these gentlemen in control of our Government let us be assured we want to turn back to these good old days of Mr. Hoover, for that is the kind of policies in which they believe; and, of course, if returned to power they will be consistent and again restore this Government to the special interests and the unemployed to the care of charity.

While discussing the hatred public-works program of the administration with one of the lawyers of big business who, like the reactionary press, rants day and night about this subject; I inquired of him what he would propose to take care of the 10,000,000 men out of employment in this country. His reply was frank and to the point: "Hell! Nothing! We need that many men out of employment in America so that labor can be kept in its place, so employers can hire them at their own terms."

Here is at least one honest objection to the efforts of the administration to give every man a chance to earn a living.

But what about the spending of money by this administration? As I understand it, the present administration will have created a deficit of some eight or ten billion dollars at the end of its present term, January 1, 1937.

During the administrations of Harding, Coolidge, and Hoover billions of dollars of American money was loaned to foreign countries upon the condition that the borrowers would spend it in America, compelling them to pay higher prices for such products than they could be purchased in the open market, thereby creating a fictitious prosperity in America. That immediately collapsed when loans were cut off, and, to add insult to injury, practically every one of such loans have been repudiated and the deficit charged to the good old United States Treasury. Yet we never hear anything about this deficit, but, instead, it has the approval and blessing of every mother's son that is now yelling about the administration taking care of our own suffering people. Admit that all of this money has been spent—as it has not, because billions of it has been loaned to home and farm owners, banks, manufacturers, and others and will come back to the Government—but, even if it has been spent and a deficit created, the very fellows who are doing the most yelling have received benefits they never dreamed of; they own most of the stocks and bonds of this country. Such stocks and bonds have advanced in value \$35,000,000,000 from their value of March 4, 1933. These owners themselves could pay off all the deficit that has been created by this administration and still be to the good by \$25,000,000,000.

I often wonder how they have the nerve. How can any man be so heartless as to desire that 40,000,000 of his own people should suffer for want of the actual necessities of life in order that employers of labor be enabled to employ them at starvation wages.

In addition to the denunciation of the present administration for spending money to feed the unemployed, the opponents of the administration make a great ado about the rise in prices—except prices of all commodities they themselves are interested in, either in manufacturing or selling. I will wager no one can quote any of such critics dissatisfied with the rise of stocks or bonds. Of course not! They own these. But they shout, "Look at the price of pork, beef, and food-stuffs."

Does any sensible or reasonable man believe that conditions could improve and that we could crawl out of the cellar of depression without a rise in prices? Such increases were necessary. It was the first objective of the administration. The President and Congress did everything they could to raise prices, well knowing that to do so would immediately start us on the road to better times and conditions.

Today the prices of meats and foodstuffs are, of course, much higher than the 1932-33 range, but about on a line for the average of 15 years before the Hoover panic.

Take, for instance, pork—the article always cited and mulled about by the critics of the New Deal. In the year of 1920 it sold at wholesale for 39 cents per pound, while today it is selling for 23 cents per pound. Of course, this seems high, when compared with the Hoover panic price of 9 cents per pound. But we must remember that the reason for these low prices in 1933 was because few in America were earning sufficient to purchase the necessities of life, and the loss of trade and sales brought everything in America down to ruinous prices that all but destroyed our country.

Does anyone believe that the farmer could continue to raise pork for the 3 cents per pound he received for his hogs in 1933? This price did not cover the cost of producing the animals, and so it was with everything the farmer raised. Wheat was selling at 30 cents per bushel; his corn was bringing him 20 cents per bushel. Of course, he could not raise either for such prices, so he fed these cereals to his hogs and cattle in order to make his own market for his crops, and because nearly every farmer had the same idea, they all produced an oversupply of both cattle and hogs for a market that had no buyer, caused primarily by unemployment and low wages. Today these products are only bringing an average of 88 percent of the prices for the same articles in the years of 1925-26.

It is true, however, that while meat and food products have reached recovery in prices equal to 88 percent of normal, wages have only reached an average of 78 percent of normal for the same period of time. It has been proven, however, that during the life of the N. R. A. and before its assassination by the court of appeals, the desired increase in the cost of living and wages were advancing exactly parallel.

It is my belief that the desired and proper thing to do is not to injure the farmer and producer by the destruction of his prices, but see to it that the earnings of the wage earner are increased commensurate with the increase of his living and housing, and this can only be brought about by the restoration of work and the chance for every man in this country to earn his living by an honest day's toil. But this can never take place so long as we have millions of unemployed who are willing to work for starvation wages in order to eke out a mere existence.

I have no patience with the theory that this country owes every man a living, but it does owe every man a chance to earn a living; a chance to rear his family in a manner that will make them true, loyal Americans, proud of their country, and enable them to utter the proud boast of their fathers: "To be an American citizen is a greater privilege than to be a king in any other land."

The American people must have been astonished at the monumental gall of certain bankers who recently attended the bankers' convention in New Orleans when they criticized and denounced the New Deal. It certainly took real and actual gall for some of these bankers, who—through their absolute incompetence, negligence, and failure—brought so much grief to the American people during the last 10 years.

From January 1, 1920, to March 3, 1933, 10,000 commercial banks, or 52 percent of the total number, were closed. It was necessary for the Government to advance to these bankers, whose banks had closed, three billions of dollars to save the remainder, 48 percent, from also collapsing.

Through Government aid millions of dollars have been restored to the stockholders and depositors of such banks that would have been permanently lost. In addition to this, the depositors have lost over three billions of dollars through these failures, which is a permanent loss and cannot be made up—even by the aid of the Government. This is one permanent deficit we never hear these bankers mention, and if it were not for the Federal Deposit Insurance Company, which materially stopped the loss of the banks and prevented more of them from collapsing and restored the confidence of the people in the security of their banks, there would not have been 10 of them left to have met and de-

nounce the administration because it was far-sighted enough to save them from utter destruction.

Talk about gall! These fellows must have forgotten very quickly, or they must believe that the American people have forgotten all about the grief they have brought this country. Why can they not go along; make loans and aid their country in a real come-back, and accept wholeheartedly the great improvement in business conditions that has taken place in our country during the past 2 years.

Mr. Chairman, the '36 campaign is fast approaching. What are the issues? The one name, the one word "Roosevelt." Are you for him or against him? That is the issue; none other.

Roosevelt represents those who believe in government of the people and by the people; in equal rights to all and special privileges to none.

The opposition oppose him. Not because he has failed to improve business conditions, not because he has failed to aid business in every way possible, but because he has aided by legislation and by all the powers of government the unemployed, the aged, the poor, and the helpless. This, the old order and some big-business men, the "gangers-up" can never forgive. Therefore the shouting, the tumult, and the noise; the charges, condemnation, and abuse by every special interest, together with their bought-and-paid-for press, who are constantly shouting "Freedom of the press"; "Roosevelt is an anarchist, Socialist, and a dictator. Why, he actually refused to take our dictation and is helping the poor. Down with him! Let's have another Coolidge or Hoover, then our voices will again be heard in Washington; we will then restore the care of the unemployed to private charity; we will transfer the burden of taxation from the broad shoulders of the rich and those who have large incomes and place it on the poor by sales taxes and higher tariffs; we will destroy the old-age pensions and unemployment insurance. In fact, we will go back to the good old days of '32, when 15,000,000 men were out of employment and 30,000,000 more were only working part time; to the time when we could employ men at our own terms and conditions."

These are the issues. Where do you stand? With Roosevelt and the new day, that is seeking better things, or with the old order of charity, unemployment, depression, coercion, low wages, and starvation? Make no mistake. This is the issue. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, for 5 long years the Frazier-Lemke bill has been before the Congress. These years have meant only 60 months to most of us, but to the farmers of the Nation who are in real distress and who have been looking toward their legislators in Washington to correct the faulty economic situation which has enmeshed them, these 5 years have seemed like 5 decades. Some criticize the farmer for looking to Washington for succor. The fact is that Washington, and almost every candidate for office from a rural district, has encouraged the farmer to look to him and to the Federal Capitol for a solution to the farm problem, and it is up to us to make good on our promises.

I believe that the time has arrived for us to act. Let us not go home again without having given the Frazier-Lemke bill a chance to be heard on the floor of the House and brought to a vote of the Members. We have tried many avenues of approach which appeared to be solutions to the problem. Some have been successful in a measure and others have been tossed out the window as unconstitutional. I commend the Congress for these efforts to alleviate farm distress.

But the farm problem is not solved. We have not exhausted every resource. It is a national headache. While the Farm Credit Administration has been of some assistance to agriculture by extending \$2,200,000,000 in financial aid to distressed farmers, we still have approximately \$5,800,000,000 in farm mortgages which are in bad shape. We are faced with the task of refinancing the larger part of this \$5,800,000,000 in unsatisfied mortgages or suffering the national disgrace of seeing them foreclosed. Foreclosure would only place them

in the hands of large finance concerns. It would eliminate the individual farmer and make tenants out of those who till the soil. We are not a Nation of tenants; we are basically a Nation of individuals who prefer to work out our own problems if given half an opportunity. This bill would not increase the national indebtedness. It would not cost the Government a dime in the long run—we believe, in fact, that the Government eventually would realize a few million dollars in profit, while the farmer would be saved and our financial structure strengthened.

Those of us who believe sincerely that the Frazier-Lemke bill, with its \$3,000,000,000 program, would alleviate a large group of distressed agriculturists are chagrined at the failure of Congress to give the bill a chance to reach the floor for open debate.

A program of such major importance, which has been reported upon favorably by the Committee on Agriculture and which has been advocated by many Members and supported by almost all farm groups, surely should be given a hearing before the House once within 5 years. Rarely has a measure been sidetracked so long. As you know, there is a petition on the Speaker's desk. When the petition bears 218 names the bill will be brought before the House for debate and a vote. At the present time the petition bears 212 names—only 6 from the objective. I am advised that no less than 234 Members have signed this petition during the current session, but that, for one reason or another, they have removed their names. Thus at no one time has the petition borne the necessary 218 names. Whenever it seems that we will attain the goal of 218 names something always occurs which causes some Members to remove their signatures.

I have signed the petition. I am no. 16 on it. I also have induced several of my colleagues to sign it. I, of course, intend to vote for the bill, because I believe in the principle involved. No one can criticize me for believing in a principle and working for it. However, if you will sign this petition so that we can get the necessary 218 names, you are not necessarily obligated to vote for the bill or defend it in debate. You may demonstrate by such action, however, that you believe no legislation of such importance to a great many people should be sidetracked because of a rule promulgated by ourselves. After all, we should not consider ourselves the sole judges of what should be heard in this legislative hall. We are the representatives in a democratic form of government. We are here to recognize the voice of our people. Those who favor the Frazier-Lemke bill, while they may not constitute the majority of the people, do constitute a large part of the Nation's population, and their voice has a right to be heard. I recommend that you sign the petition and give us a chance to get this bill out of its pigeonhole and bring it before the House for debate and a vote. No request could be more sincere. Those of us supporting the measure are confident that its merits will win the approval of the Congress. Give us a chance to present our case to you. [Applause.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, sometime ago I attended a meeting at which I saw a very interesting experiment staged. The speaker got up with a bottle in his hand and told the audience that the bottle contained ammonia. He pulled the cork out of the bottle, shook the contents over the floor, waved a paper behind it, and said, "Now, just as soon as you people in the audience smell this ammonia I wish you would put up your hands."

Almost immediately a man in the front seat stuck up his hand. He smelled ammonia. Gradually back through the audience, until they came clear to the back, the hands were still going up. People had smelled ammonia. Just as soon as the man in the back seat had signified the fact that he smelled ammonia, the speaker took the bottle and drank part of it. He said not to be disturbed about that part of the experiment, because the bottle contained pure water.

It illustrates very nicely, I think, the power of imagination. Those people in the audience knew that they should smell ammonia and immediately started to smell it. That was a harmless experiment. It was perfectly harmless on the part

of those people who stuck up their hands, but when the imagination begins to run riot and when, in addition to the imagination, the malicious element begins to enter, then it ceases to be a harmless thing and becomes a dangerous thing. I refer, of course, to the practice in recent years of individuals with very active imaginations who see red riots and troublesome radicals all over the country. They can see it in anything that comes to their attention.

We have annually a red scare, annually a red-baiting campaign. Most of the people of the country, because we have had so much of it, are beginning to realize the fact that a lot of it is purely imagination and malicious propaganda. We have heard a lot of talk recently about the same subject, but I want to take a different slant at it this morning. I want to refer to the activities of one of the most malicious red baiters in the country, the editor of a large chain of papers, Mr. Hearst, and his recent attacks upon the Works Progress Administration.

It is perhaps both futile and unnecessary to waste your time and mine in showing up the malicious and absurd perversions of facts which accompany the annual red-baiting campaign. Fortunately the great majority of our citizens have too much common sense and common decency to be taken in by such patently false and vicious propaganda.

This method of sweeping accusation and underhanded libel has so long been a weapon of the enemies of democracy that the great mass of voting and taxpaying citizens in this country recognize and ignore it as such.

But I cannot stand by and permit to go unanswered such deliberate falsehoods and gross distortions of the truth as have recently appeared in the guise of news on every street corner in this country.

I refer specifically to a recent series of articles, sponsored by that great un-American and high priest of yellow journalism, William Randolph Hearst. In these he accuses the Works Progress Administration, through its Education Division, of spending taxpayers' money to spread the "red" gospel, to preach communism, class hatred, and racial strife in the cottonfields and mill towns of the South.

That these accusations have not a single basis of truth is obvious to anyone who knows anything at all about either communism, education, or the Works Progress Administration. Ordinarily I would not bother to take the time to refute them—they would be discredited by their own falsity. But circumstances have convinced me of the real and immediate danger to freedom of thought and speech in this country. We cannot ignore the recent passage of teachers' oaths in 19 different States—oaths which on their face value are harmless enough, but whose admitted and obvious purpose is to disenfranchise those teachers who will not dishonor their profession by placing propaganda before education. We cannot ignore the attempts to legalize the suppression of free speech and free opinion by means of the Tydings-McCormack disaffection bill and the Kramer sedition bill.

It is high time that we enter the lists on behalf of our much-abused constitutional liberties, ere to late we find ourselves muzzled and buried in the bastle of San Simeon. High time that someone show up in their true colors the cheap tricks of that super sob sister of autocracy, hypocritically parading under the banner of constitutional freedom.

Let us examine the record of the W. P. A. educational program. When the Federal Government first undertook to meet the relief needs of our millions of unemployed and to find socially useful and socially needed work-relief projects, it saw the need of extending public educational opportunities and of making those opportunities genuine mediums of training for citizenship. Government of the people depends on the ability of the people to govern. To prepare citizens to understand the social, economic, and political issues of the society in which they live and on the basis of a thorough knowledge of all the facts to participate intelligently in the processes of self-government, this was the purpose for which more than a hundred years ago we established a system of free public education. But, having achieved this, we rested on our oars. Our educational facilities and our educational curriculum have not kept pace with increasingly complicated

and rapidly changing social and economic conditions. In spite of our boast of free education for all, there are at present in the United States 12,000,000 voting adults who cannot read a newspaper or write a letter, in addition to many millions more who have been forced by economic necessity to leave school at 13 or 14. It was the double objective, therefore, of giving constructive employment to thousands of unemployed teachers and professional workers and at the same time meeting the generally recognized need of the educationally underprivileged that the Government organized a work-relief project in emergency education. This project has been going on for three winters. Last winter more than 2,000,000 men and women were enrolled in classes. Over 40,000 teachers were employed in the program. Classes were conducted in 47 States of the Union—the one exception being Delaware—and were administered and supervised with the cooperation of the State departments of education. The majority of the classes were conducted in public-school buildings, the others in parish houses, settlement houses, and Y. W. C. A.'s. At this point Mr. Hearst has the nerve—or is it the naïveté?—to announce that he has just discovered that this program of emergency education has been surreptitiously undermining the morals of our good citizens, quite unbeknown to our public and State officials. Would he insinuate that these public servants are too dumb to recognize that they are sponsoring sedition and disseminating communistic literature? Or would he have us believe that those conscientious, hard-working men who daily superintend the public education of our children are wolves in sheep's clothing and secret apostles of the red gospel?

Mr. Hearst replies that he does not object to the splendid work of this project of combating illiteracy, in teaching homemaking, sewing, cooking, in establishing nursery schools, in providing vocational training. He centers his attack most ferociously on the division of workers' education. Now, workers' education is not new in the educational field—workers' education classes have been carried on in the United States since before the World War; departments of workers' education have even been incorporated into some of our State universities; in some countries in Europe—for example, in England and Denmark—workers' education has been supported by State funds and recognized as a proper and necessary function in the department of public education.

Let us look at the official memorandum of educational policies put out by the Federal office. What is workers' education and what has it done to draw down upon its head such vituperation?

Workers' education offers to men and women workers in industry, business, commerce, domestic service, and other occupations an opportunity to train themselves in clear thinking through the study of those questions closely related to their daily lives as workers and as citizens. The instruction program is based on an attitude of scientific inquiry in the light of all the facts and implies complete freedom of teaching and discussion. Its purpose is to stimulate an active and continued interest in the economic problems of our times and to develop a sense of responsibility for their solution.

Is it subversive, I ask you, for the American citizen to take an interest in what his Government is doing, to discuss the economic and social issues, upon which he is periodically asked to express an intelligent opinion? If democratic government is ever to function successfully, certainly the citizen must be equipped to understand and analyze problems of public importance intelligently and rationally. But why restrict this commendable educational program to one group of citizens as if they were a class apart? I heartily agree with the school superintendent who said, "This should be done for everybody."

As a matter of fact, it should be and is being done for everyone—workers' education is only one phase of the whole field of adult education. But at the present moment separate and special provision must be made for those men and women who have been unable to finish formal schooling, but who are, nevertheless, mature people, as vitally interested in

current affairs as any college graduate, and with far more practical experience.

For these people, for whom the average college extension course and public lecture is so much shibboleth, couched as it is in technical, academic phraseology and dealing with topics which have little relation to what the worker wants to know or learn, special educational facilities must be set up. The curriculum offered is not considered in any sense to be a substitute for classes in the elementary tools of reading, writing, and arithmetic or training in technical skills, but to supplement this practical discipline with the equally necessary training in social intelligence and citizenship.

The program works quite naturally in close cooperation with the recognized representatives of organized workers—the labor unions. It frankly recognizes the right of the worker to determine his own educational needs and to plan his own educational program. Although approximately half of the classes are held in public-school buildings, nearly all the others meet in labor temples and union halls. Advisory committees are made up of not only public officials and educators, but leading labor leaders. New responsibilities acquired by the labor movement demand an informed and trained leadership to carry them out.

Last year over 40,000 men and women workers were enrolled in these classes in 30 States in the Union. These classes were jointly administered and supervised by the State relief administrations and the State departments of education. Letters of endorsement and resolutions of approval from educators, social workers, labor leaders, students in these classes, and nationally recognized professional organizations and social organizations, are public evidence that the people of this country and their elected representatives are fully aware of the implications of this program and are vigorously supporting it.

I wish to inform you of the very splendid work being accomplished in my State through the workers' education program—

Writes the State superintendent of public instruction in a big Middle Western State.

In my opinion the workers' education program in our State is the most vital part of the emergency education program—

Is a statement which may be duplicated in every State in which the program is being carried on.

The secretary of a State employees' association writes in:

Students of these classes have been instrumental in avoiding major industrial difficulties. They are a stabilizing influence in workers' groups.

Organized labor is also behind the program, a State Federation of Labor writes in endorsing the Federal projects—

In my opinion these classes are rendering incalculable service to the masses of this country in teaching the workers many of the fundamentals in which they are so lacking.

The emphasis of the curriculum is on the social sciences—current social and economic questions—as they particularly relate to the problems of the workers and workers' organizations. Classes in American history, practical economics, economic history, community problems, government and social legislation, the history of the labor movement, industrial and labor problems, international affairs, are offered. That these involve the discussion of controversial issues is obvious; in my mind it would be deeply regrettable if they did not. Would Mr. Hearst deny that the fundamental purpose of education was not to produce citizens understanding present-day problems? How can the worker or any other citizen make intelligent decisions on matters of current policy if he is denied the opportunity to study and discuss these questions?

The social sciences may not be exact sciences but they may be studied in the true scientific spirit of impartial inquiry. Particularly in dealing with facts of a controversial nature it is important that information from every source and from every point of view be investigated. Freedom of teaching and the impartial discussion of all points of view is implicit in a workers' education program. Yet it is exactly this determination to avoid the least possibility of partisanship or indoctrination which arouses the most bitter

indignation on the part of the "red" baiters. They point to the fact that the Federal office sends out recommended reading lists on which the names of liberal and radical pamphlets and organizations appear. I have seen one of these so-called seditious bibliographies. Let me quote from the preface:

In order to insure that discussion may be based on facts and not on vague impressions, this office attempts to inform its instructors of available material on pertinent questions of the moment, written from various points of view. An attempt is made to list material which will present the authoritative points of view of each and every group concerned.

If you read the bibliography, you will find that, with what seems to me admirable impartiality and restraint, such organizations as the American Liberty League and the American Library Association are listed side by side with the American Federation of Labor and liberal organizations such as the American Civil Liberties Union. On another page, as the alphabet is no respecter of personal preference, you will find the Chamber of Commerce of the United States followed closely by the Cooperative League of the United States. Further reading shows that the majority of sources listed are such impeccable fact-finding agencies and community organizations as the United States Department of Labor, the Department of Agriculture, the United States Office of Education, the Russell Sage Foundation, the Foreign Policy Association, the Methodist Federation for Social Service, the Federal Council of Churches, and the Young Men's and Young Women's Christian Associations. In another bibliography, under a section called Current Trends, you will find not only a book published by the Socialist Rand School Press, but what our shocked critic did not choose to mention, Mr. Henry Wallace's *New Frontiers*, and last but not least Mr. Herbert Hoover's *Challenge to Liberty*. No one surely can honestly deny the right and imperative need of every citizen to obtain all the facts in a given situation in order to make an intelligent and sane choice between visionary and unsound utopias and constructive social progress. Is it possible to prevent the mass of people from obtaining these facts in any case? History is too full of examples of the colossal failures of censorship, indoctrination, and the suppression of free speech in preventing the people from "hearing the other side."

This is the program that Mr. Hearst would have us believe is surreptitiously teaching hatred of American institutions, class strife, and the destruction of democratic liberties. Let me refer to these articles—they appeared in the *Washington Herald* on February 23, 24, 25, and 27, and were syndicated broadly throughout the country. They purport to be the result of "an exhaustive personal study" made by one of Mr. Hearst's agents describing a training center for teachers in workers' education carried on at the University of South Carolina, Columbia, S. C., and a camp for unemployed women located at a Y. W. C. A. camp outside of Smyrna, Ga. As a newspaperman, surely Mr. Hearst is slipping—his agent never saw any of the projects he so glibly described! He did not get down there until long after they had closed!

Where does he get his information, then? Primarily, he says, from two W. P. A. relief teachers who resigned in disgust after discovering, they say, the foul doctrines they were forced to teach. One of these teachers actually furnished a signed statement that the program was "nothing but a propaganda machine for communism." This discovery was so intolerable to her that "when camp was over I telegraphed my resignation to the W. P. A." As matter of record, after camp closed this woman was approved for a W. P. A. job and taught in one workers' education program. She wired her resignation, curiously enough, 2 days before Hearst's reporter had interviewed the State officials in Georgia. Mr. Hearst's other informant is quoted as saying that "when camp was over I just didn't go around to the W. P. A. any more and went out hunting a job on my own." Another deliberate lie—as the record shows that this teacher was also continued on the program until she obtained a regular teaching position in the public schools.

The article goes on to state that the camp was carried on "under the sole supervision of Federal officials sent down

from headquarters at Washington", that the State W. P. A. "had no control over the program." May I presume to give Mr. Hearst a little elementary information regarding the organization of the Works Progress Administration? This camp was one of 43 similar camps for unemployed girls sponsored not by the Education Division but by the National Youth Administration. Complete responsibility for the organization and supervision of this project as well as other youth programs rested with the State youth director. The director of the camp and all the teachers were appointed by the Georgia State youth director. The statements that this reporter claims to have obtained from State officials to the effect that "they had nothing to do" with the camp are pure unadulterated cheap fiction. Field representatives from the Federal office served only as advisors. The Federal office of the Workers' Education only approved the director recommended by the Georgia officials and merely drew up a suggested curriculum outline. This outline was also followed in every one of the other 43 camps and included classes in home economics, health education, arts and crafts, recreational activities, as well as classes in civics, American history, current events, and social problems.

The training center referred to as a "hotbed of radicalism" was also one of 24 similar schools carried on for the most part at State universities in 21 other States and in Puerto Rico. The courses taught dealt only in the very simplest terms with elementary economics, political science, current events, and rural problems. At the close of the 7-weeks' term the teachers report that the students were only just beginning to get some slight understanding of what organized-labor movement means. The instruction was of such an elementary character that by the time the center closed the social-science classes had only just started to discuss the history and problems of the labor movement. "It was only on the last 2 days that we thought we ought to tell the students what such words as socialism, fascism, and communism meant", says the director. The topic of Soviet Russia was not discussed in any lecture or study group. The background and experience of the teaching staff—graduates of their local State colleges, public-school teachers with splendid records, social workers, Y. W. C. A. secretaries—is sufficient proof that they could hardly have been the fiery young revolutionaries they were supposed to be.

The chief burden of Mr. Hearst's complaint seems to be that this school was "kept so quiet" that no one knew it was going on. As his source for this astounding statement he quotes a certain Ben S. Adams, member of the State legislature. Would it be too impertinent to ask where Mr. Adams has been keeping himself? Again it is a matter of public record that the school was visited by officials of the State department of education, of the W. P. A., of the Rural Resettlement Administration, the State industrial commission, leading labor leaders, and even the Governor of South Carolina—not to mention speakers from the local Y. W. C. A., local churches, and other community organizations. The president of the State Federation of Labor visited the classes on many occasions. Visitors were never barred from classes nor was work halted on appearance of visitors.

The camp is described as a "concentration" camp, shut off from the world by a 100-foot deep chasm, spanned only by a narrow footbridge. This bridge, which is stated was the only entrance to the camp, was always guarded and visitors denied free access to the camp. This is not only a completely inaccurate statement but surprisingly stupid reporting. It is so easy to prove it is not true. This camp happens to be an old Y. W. C. A. summer camp, which was lent to the Youth Administration, and was not changed, rebuilt, or converted in any way. The footbridge was by no means the only entrance to the camp—there was also a main automobile road.

"We were especially warned against reporters. All unauthorized visitors were kept at the administration building" is another statement intended to show that every attempt was being made to keep the program secret. Of course, no organization or public institution permits newspaper state-

ments or interviews to be given except through official channels. The directors of both the camp and the school were asked by the State W. P. A. administrators to make this clear to the girls. Furthermore, visitors were quite naturally asked to come to the office first before listening in on any class. Those asking permission to visit the classes were gladly shown around. This request is commonly observed in any school, public or private, inasmuch as effective study or class work cannot be subject to casual interruption from curious visitors.

Although the same accusations are leveled at both projects, no concrete instances are given. It is plain that Mr. Hearst can find no substantiation of his charges that communism was taught in any of the course outlines given at either the school or the camp. His reporter is forced to the absurd length of saying that "the 'glories' of communism were whispered to the girls at night", that communistic literature was privately and secretly circulated among the students after class hours, that a customary evening feature of camp life were what he so ludicrously calls "cozy-corner chats on communism." "Guitars and banjos plunked out the Communist marching song." He quotes one teacher as saying that "I played *The Internationale* until I was blue in the face." *The Internationale* was never played or sung once; in the first place it is much too difficult, and in the second place the background of the two teachers in charge of music at the training center is "insurance" against communism in their teaching. One of the student teachers of music is the sister of a prominent Episcopalian bishop in the State; the other sings as a soloist in the Methodist Church. Furthermore, the glee club sang in several of the local churches. The singing of radical songs is vehemently denied by instructors and students at both the camp and the school. The camp songbook includes among many hymns—incidentally two church services were held every Sunday at the camp—such songs as *Annie Laurie* and *America, the Beautiful*.

In insets designed to catch the most casual reader's eye, Mr. Hearst plays his trump card—quotes the titles of allegedly communistic books which were recommended to the camp girls and to the students at the training centers. One of these radical books is a volume by Sherwood Eddy, entitled "*The Challenge of Russia*." It is enough to turn to the opening lines of the preface of Mr. Eddy's latest volume on Russia and read, "My latest visit to Russia confirmed and deepened my conviction regarding the four chief evils of the Soviet system—that it would make it quite impossible for me ever to accept it", to realize the absurdity of this charge. Incidentally the introduction to this atheistic and seditious book is signed by the dean of Canterbury Cathedral, England. That there were books and pamphlets presenting discussions of current social and economic questions from radical and liberal viewpoints has never been denied. There was never any attempt to hide this fact. But that there was literature presenting every point of view, that many of the books in both the camp and the training center were borrowed from the public libraries and the State universities, and that the choice of books included such innocuous reading as the fiction of Zane Grey and Gene Stratton Porter, our friend did not have the honesty to point out.

These are the facts, gentlemen, you can take your choice—the word of a self-exposed liar against the word of hundreds of students, teachers, and public officials. They say that communism is not being taught through the workers' education program. If any such thing were being fostered by the State departments of education and the local school officials among 40,000 American workers, we would have heard about it, certainly it would not have been left to Mr. Hearst alone to rescue the Constitution from the menace of communism.

I would be the first to object to indoctrination or propaganda of any kind—conservative, radical, sectional, or religious—but freedom of discussion in the classroom and the right and necessity of every citizen to obtain all the facts and hear all the sides of current social issues, controversial or otherwise, is our only defense against indoctrination, against intellectual hysteria, against ignorant and foolish decisions—our only guaranty of sane and sound self-gov-

ernment. The attempt to imply that the correction of existing economic injustices and abuses cannot be secured, or that a better social order cannot be built, by democratic means is obviously a Fascist attempt to discredit any social reform or change. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, there were three vehicles of recovery adopted by the present administration for the purpose of bringing the country back to a normal condition. First, there was the N. R. A. and then came the A. A. A. Both of those measures were torpedoed by the Supreme Court.

The third and most complete surrender of power by Congress was the passage of the Trade Agreements Act of June 12, 1934. Under this act the President was authorized to enter into trade agreements with foreign nations and he might do so without the concurrence of the Senate and House. Never under a limited monarchy and certainly not under any existing form of popular government was any such power ever delegated to the Executive. Under this power and by virtue of these treaties, the pattern of America, as regards industry and agriculture, is being changed. Neither the Senate nor the House of Representatives have any part in the making of these trade agreements which to my mind spell certain disaster to the future of America.

The President having sought for and obtained this power as one of the major items of his plans for recovery, of necessity delegated it to the Secretary of State, Hon. Cordell Hull. I yield to no man in my admiration of the high character, sincerity, and ability of the distinguished Secretary of State. But when Cordell Hull gets into the realm of tariff and international trade agreements he becomes a mystic and a dreamer.

The distinguished Secretary believes that the salvation of America will come through free-trade relations with the rest of the world. If you will read his speeches and writings on this subject, you will see my point. He believes that it is the duty of America to surrender its markets to the world so as to bring about "peace on earth and good will to men." He believes that through the instrumentality of these trade agreements, by which American agriculture and American industry are thrown to the wolves, an international golden rule will be brought about not only in the economic but in the political world.

Placing these treaties under his auspices is like giving command of the Army to an avowed pacifist or giving a Quaker command of the Navy. Nor is that all of the story. In turn, Secretary Hull delegated the mechanics of this treaty-making power to Prof. Francis Sayre. Again the destiny of agriculture and industry passed to the control of an internationalist who obviously believes that political internationalism is just around the corner, if he can write the tariffs of America.

Prof. Francis Sayer was born and bred in an international atmosphere. He, too, believes that all nations will live in peace if trade barriers are abolished. He believes that it is the function of America to lead the way, to point the road, and give the example by opening up our great American market to the world. To his mind, every treaty made is a successful one, provided the other country is happy. The Republican Party, historically, differs with him on that. Quite a large section of the Democratic Party, notably those from New England, differ from him on that proposition. It is elementary that our standards of living are different from those abroad. They are higher. We cannot compete with the Japanese, for example, although Professor Sayre believes that we can. Today, therefore, we have writing these treaties two men whose idealism cannot be questioned but who are definitely no match for the realistic, shrewd Dutchman, the able Canadian, and the materialistic representatives of the other nations who sit around the table and make these treaties, largely in secret. Now, I am for idealism in life and morals so far as they are consistent with the preservation of national rights. We need this type of man in our civilization, but America has never before placed the dreamer and idealist in command. Other countries have this type in

abundance, but did you ever hear of England or of France placing their economic internationalists in the driver's seat on issues like these?

May I give you an example of the way England handles this sort of thing? J. Maynard Keynes, a distinguished English economist, prescribed a spending policy to the British Government when England was in the depths. The government in power listened to him politely but ignored his suggestion. Mr. Keynes came here to America, stayed overnight at the White House, and sold the President of the United States that policy. Under that policy we have spent billions of dollars. Yet today the American Federation of Labor says that we still have over twelve and a half million unemployed. England has achieved recovery by following her traditional method of balancing her budget and curtailing expenditures.

The distinction between the English type of self-contained government and ours is that while they listen to the idealists and the professors, they place practical men at the helm in all their undertakings. With these prefatory remarks I want to speak briefly on the subject of the Canadian pact.

I hold in my hand a book written by Professor Sayre, who was the man behind the gun in the making of this treaty. This book is entitled "America Must Act." I am not going to charge that Professor Sayre did not write this book. I have charged on the floor that some of the ornaments of the administration did not write the books bearing their names, but that they were written by ghost writers. In this case I assume and believe that Professor Sayre did write this book.

This book is printed at the expense of the World Peace Foundation, an international organization of good people who believe as Professor Sayre does, that the salvation of the world can be accomplished and that the lion will lie down with the lamb if international trade agreements are carried into effect.

The outstanding American authority on this proposition is George N. Peek. He is not a professor but was a leading and successful industrialist with vast experience in large affairs. Mr. Peek has been a sympathetic student of agricultural affairs for many years. He held various posts under the present administration and enjoyed the close friendship of President Roosevelt. His special endeavor has been to build up the market for agriculture, both at home and abroad. Mr. Peek is a real patriot and a sound American. He fought a brave battle for the American farmer against the flabby internationalism of Secretaries Wallace and Hull. President Roosevelt took up the cudgel for his Cabinet members and Mr. Peek retired from public service. To my mind, Mr. Peek is the best equipped man in America to handle the matters involved in these treaties, especially where they relate to agriculture. Some days ago the distinguished gentleman from Ohio [Mr. HARLAN] made some remarks on the floor in reference to the Canadian pact. At that time I wrote Mr. Peek and I requested him to give me his opinion on the discussion. I am in receipt of a letter from Mr. Peek on this question which seems to me to be very much to the point. So that the Members of the House may have an opportunity to read this, I am including it in my remarks:

GEORGE N. PEEK,
600 INVESTMENT BUILDING,
Washington, D. C., March 7, 1936.

HON. FRANCIS D. CULKIN,
House of Representatives.

DEAR MR. CULKIN: Referring to our telephone conversation, I have examined with considerable care Mr. HARLAN's speech in the CONGRESSIONAL RECORD of March 4.

In his discussion of trade balances with Canada, Mr. HARLAN appears to have confined himself to the figures on merchandise trade and to have taken no account of the striking changes in our trade and financial relations with Canada and with the rest of the world which have come about in recent years as a result of such factors as increased prices paid by us for gold and silver. The extent and trend of these changes is shown in the attached tables, table I covering visible trade with Canada.

Following the break-down of international exchanges, gold and silver have ceased to function largely as balancing items in international trade and have become in effect merely highly salable commodities which are exported and imported like other commodities.

The United States Treasury apparently has acted on this basis in its purchases of silver on the London open market and in its

recently reported direct negotiations with Mexico, Canada, and with South American countries for the purchase of newly mined silver. In fact, it might be said that the changed position of gold and silver in international trade has been generally recognized by authorities in this country and abroad, except for the special group in the administration immediately charged with the negotiation of the so-called reciprocal-trade agreements.

It appears to me utterly fallacious in formulating or discussing a trade policy to ignore this changed position of gold and silver in our foreign trade. The failure of the administration to take it into account in negotiating the Canadian and other trade agreements has been one reason for my opposition to the present trade-agreement program. I would make much the same criticism of Mr. Harlan's defense of the Canadian agreement. If, as I believe, the premise upon which the present policy was framed is false, the whole structure of the so-called trade-agreements program would appear to be undermined.

If we are to offset these items of gold and silver in our trade with Canada and with the rest of the world under present conditions, we shall have to do it by maintaining a large favorable balance in merchandise trade, by limiting imports, and increasing our exports greatly. Accounts have to be settled. Increasing general imports merely makes the task of settling our accounts that much harder. If we do not settle them by merchandise shipments, we shall have to do it by transferring to foreign nations capital assets now held by us. This latter course involves the establishment of a degree of foreign control over our economic life and resources which may well prove highly undesirable.

You are at liberty to use the contents of this letter and the memorandums in any way you desire.

Very truly yours,

GEORGE N. PEEK.

TABLE I.—Recorded exports and imports

Year	Goods sold to Canada—excess of exports over imports	Silver bought from Canada—excess of imports over exports (—)	Gold bought from Canada—excess of imports over exports (—)	Total—excess of exports or excess of imports (—)
1929.....	\$444,900,000	—\$4,000,000	—\$73,500,000	\$367,400,000
1930.....	256,800,000	—4,300,000	—6,900,000	245,600,000
1931.....	130,100,000	—3,000,000	—81,200,000	45,900,000
1932.....	67,200,000	—1,300,000	—64,600,000	1,300,000
1933.....	25,400,000	—500,000	—19,900,000	5,000,000
1934.....	70,800,000	—600,000	—86,600,000	—16,300,000
1935.....	37,000,000	—12,200,000	—95,200,000	—70,400,000

The foregoing letter and table illustrate the fallacious arguments being advanced by Secretary Hull and Professor Sayer on trade balances.

I make bold to say that the Canadians got everything they wanted in these treaties. Canada is an agricultural country, and she obtained substantial concessions for agricultural and forest productions. The theory on which these concessions are made was that we in turn would obtain larger markets in Canada for our productive machinery. Professor Sayer apparently did not know that all of the American larger plants have production units in Canada, and so his expressed belief that we will sell more productive machinery to Canada necessarily dies aborning.

The weird thing about the whole performance is that while agriculture, particularly dairying, is betrayed by this agreement, he permits the system of British Empire preference to remain undisturbed. It follows, therefore, that the products of the British Empire will have a preferential status in the Canadian market. Already the results of this treaty are apparent. It is now certain that more than \$50,000,000 additional increase of agricultural products will come here in the year 1936. The dairymen of America have already seen the price of cheese broken and their losses already run into \$10,000,000. The cattlemen of America have also been sold down the river. They are coming to realize that. This treaty was in violation of the platform pledges of the Democratic Party and of the pre-election speeches of President Roosevelt. In his Baltimore speech of October 26, 1932, the President said:

I know of no effective excessively high duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program.

In that speech he expressed his firm belief that—

The future of industry depends upon establishing a market for American-made goods among American farmers.

This Canadian treaty will retard recovery. It will destroy the buying power of the farmer in the North and East and, in turn, will retard the recovery of industry. This agree-

ment is a definite breach of the covenant made by the President to American agriculture when he was running for office. At the time of the promulgation of this treaty the President stated that if it had a disastrous effect on any branch of agriculture that he would recall and annul any section of the treaty which brought about such results. The time has come for him to make his word good. Under his informal arrangement with Premier King, of Canada, he has that power. He likewise has that power under the Trade Agreement Act. If the President intends to be true to his campaign promises and to those made at the time of the promulgation of the treaty, he will cancel and abrogate this treaty that spells certain disaster to so many of his own countrymen. If he does not do so the situation spells certain disaster for him in the next election. [Applause.]

[Here the gavel fell.]

Mr. DITTER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I do not blame the business people of the country, the bankers, the insurance companies, and all those people anxious to see our country prosper for having the jitters at the present time. My correspondence—and I think the correspondence of every man on this floor—will show that they are frightened to death at the suggestion of the taxes about to be laid. Now, I want to relieve this feeling to this extent: Various reports have been circulated as to what the Ways and Means Committee may or may not have done. I am going to convey to the House—and I hope to the country—the information that they have not done a blamed thing, not a thing. They are making progress rapidly backward, as I said yesterday. We have not yet caught up. The subcommittee studying these questions, listening to the so-called experts of the Department, have not yet got to scratch. Now, I will leave that matter there for the time being; and I hope, as a result of this remark, which I think can be verified, there need not be quite the worry at present, but there will be worries. I am not trying to relieve the feeling of worry and jitters that the suggestion of these taxes has brought throughout the American business world. The element of uncertainty is very trying, but there is no immediate prospect of a new tax bill.

Mr. Chairman, the real problem before Congress today is not how to get more taxes, but how to spend less money. This is the way to gratify and satisfy business and the country as a whole. Taxes now are plenty high enough to raise sufficient revenue for the necessary needs of Government, including adequate relief. I am perfectly astonished, Mr. Chairman, to see how the taxes have increased during the present administration.

I have in my hand some sheets of statistics. I wish I could elaborate on the whole picture that is before me, but here is a partial list of the taxes which aggregate \$1,272,100,000 laid by the present administration. That does not cover, of course, their expenditures, but the taxpayer is being bled today to the tune of \$1,272,000,000 more than he was when this administration came into existence.

Let me recount a few of these taxes: The A. A. A. Act went through, of course, because orders came up from downtown that it should. The processing tax, so-called—it is no compliment to the Democratic Party that \$543,000,000 was expected to be raised from this unconstitutional tax in the year 1937, according to the Budget estimate. The N. I. R. A. totals up for capital stock and excess profits and dividends, \$168,000,000; liquor tax, \$9,700,000; the Vinson excess-profits tax of 1934, \$1,000,000.

The coconut-oil tax is omitted, which amounts to something like \$35,000,000, but does not come into the Treasury. Then we have the Silver Purchase Act, the National Firearms Act, the tobacco tax, and so forth, all bringing in some revenue. The Social Security Act, it is estimated, will tax the American people in 1937 \$433,200,000.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I must yield to the chairman for a brief question.

Mr. DOUGHTON. Did the gentleman vote for or against the Social Security Act? As I recall it, the gentleman spoke against that bill and then voted for it.

Mr. TREADWAY. I had to vote for it. I did not have a chance to do anything different. Now, please do not interrupt me. If the gentleman wants to make a speech in opposition let him secure his own time.

Mr. DOUGHTON. The gentleman yielded to me.

Mr. TREADWAY. The gentleman forced us into a hole. What else were we going to do? Do not bring up such a foolish question as that. That is all there is to it, and the gentleman knows that to be a fact.

Mr. DOUGHTON. The gentleman is very inconsistent in his position.

Mr. TREADWAY. If the gentleman desires, I will put in the Record the remarks I made in connection with the Social Security Act at the time of its consideration by the House.

Mr. DOUGHTON. The gentleman spoke against that bill and voted for it, all in the same day.

Mr. TREADWAY. The gentleman knows how anxious I was to vote against it. As the chairman of the Ways and Means Committee has brought this matter up before, I will insert here exactly what I said at that time.

On April 12, 1935, during the consideration of the social security bill in the House—page 5529 of the CONGRESSIONAL RECORD—I said:

If legislation of this nature is to be passed by Congress, there should have been four separate bills instead of one, divided into two categories. * * *

In the first class are titles I, IV, V, and VI, granting aid to the States for old-age pensions, for the care of dependent children, for maternal and child welfare, and for public health. They carry with them an appropriation for each of the various purposes, which will aggregate less than \$100,000,000 the first year. I am in favor of all of these titles.

On April 19, the day the bill passed the House, I moved to recommit it to the Ways and Means Committee with instructions to strike out titles II and VIII, and increasing amounts for the items I favored. Failing to have this motion adopted, no other course was open to me than to vote for the bill.

I do not yield any further for any such purpose. Now, I yielded as one Member to another, expecting a respectable question from the chairman of the Ways and Means Committee.

Mr. DOUGHTON. I was simply asking the gentleman how he voted on that particular question.

Mr. TREADWAY. I do not yield any further. Mr. Chairman, who is running this party, the gentleman or me?

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I do not yield. If the gentleman has a respectable question to ask, I am always courteous and will yield to the chairman of the Ways and Means Committee.

The CHAIRMAN. The gentleman from Massachusetts will proceed.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. I yield to the chairman of the Ways and Means Committee for a proper question.

Mr. DOUGHTON. If asking the gentleman civilly how he voted on a question, which is a matter of record, is not a respectful question, what would be a respectful question?

Mr. TREADWAY. Mr. Chairman, I want to return to the question of the amount of available money from taxation. I hold in my hand the balance sheet from the Treasury Department dated March 9, 1936, which shows, Mr. Chairman, a favorable, unexpended balance of \$5,988,451,000. That is an unexpended balance. If anybody can come in here, even the President of the United States, and justify to the Congress a request for \$620,000,000 more of tax money, with an unexpended balance as of March 9 of \$5,988,000,000, I should like to have the explanation.

Mr. KNUTSON. Well, there is a campaign coming on.

Mr. TREADWAY. The gentleman from Minnesota [Mr. Knutson] injects the remark that there is a campaign coming on, which is true. It is a very strange feature that all

previous tax measures from the beginning of this administration to the present have been written downtown. I am a member of the Ways and Means Committee. These bills are put into our hands after being prepared downtown by the folks in charge of the New Deal, until a week or 10 days ago, at which time the President of the United States made a very illuminating request for \$620,000,000. He said: "Congress, you go and find that money. I want to spend \$620,000,000, and you boys up there on the hill can find it for me. I have spent the money. You provide it." The only exception to this was the bill to stop the leaks, which was given careful study.

The reason the President puts this disagreeable job onto the Congress of the United States is, as the gentleman from Minnesota stated, because there is an election coming on, and he wants the burden on Congress, not himself.

Mr. TABER. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from New York.

Mr. TABER. Does not the gentleman expect that a bill will come here from down town before the committee concludes its report?

Mr. TREADWAY. It is the only way, evidently, that we are going to get anywhere. We have not made any progress in 2 weeks of subcommittee sessions to date, and I do not think I violate any confidence in making that statement.

Mr. DOUGHTON. Will the gentleman yield?

Mr. TREADWAY. Yes; for a question.

Mr. DOUGHTON. Did I understand my colleague and friend to criticize the President for sending down bills already drawn and then criticizing him for not doing the same thing?

Mr. TREADWAY. I will be very frank and say to the gentleman that I criticize him either way. I will criticize him going and coming. There is no doubt about that. He is very inconsistent, because for 3 years he has prepared these tax measures, and now just previous to an election he tells the Congress to prepare them.

Now, what does some of this money consist of that is now unexpended? The Emergency Relief Act of 1935 included the language "to increase employment by providing for useful projects."

Useful projects! The gentleman from New York [Mr. TABER] yesterday listed a large number of useless projects. Why not begin some of our economy here and show the lack of need of a tax measure by cutting out, as the gentleman so well recommends, measures that total \$574,000,000 of unexpended future costs? They are most useless projects, and yet the only right under the relief appropriation bill is to expend them for useful projects.

I have here the official report of the President of the United States on the Emergency Relief appropriation, and I call the attention of the House to the fact that out of the \$4,880,000,000 only \$2,400,000,000 has actually been expended. Of the rest, just half as of January 1, 1936, is listed under these euphonious titles, unobligated allotments, unallotted allocations, allocations available for project authorizations and warrants pending. This makes up the balance.

If anybody can explain to me what these various colored things here represent beyond the green [showing the cut], I shall be very pleased to listen to him in his own time.

The next is more or less a confirmatory program. This pointer here shows expenditures of \$1,800,000,000, and the next pointer goes to \$2,400,000,000. These are obligations. The rest of it is unobligated, and still we are called upon to go into session here for the purpose of making up extravagant tax bills.

Mr. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. BOLTON. I want to inquire if it was not to these unobligated funds that the gentleman's amendment referred at the time the payment of the bonus was before us?

Mr. TREADWAY. There is no basis for the statement on the part of the administration that the tax is necessary because the bonus must now be paid, when at the same time there is \$5,000,000,000 available to pay the \$1,200,000,000. I

agree perfectly with the gentleman that there is no need of a new tax measure so far as the payment of the bonus is concerned.

Mr. BOLTON. As I recall, the gentleman suggested at that time that these unobligated funds be used for that purpose.

Mr. TREADWAY. We had unobligated, according to the synopsis of December 31, \$2,340,000,000 of unexpended balance according to these official records. As of December 31, 1935, \$2,627,000,000. In other words, there is \$2,000,000,000 of unexpended balance out of the \$4,880,000,000 of emergency appropriation more than this new tax bill calls for. So why bother about this new taxation?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield for a brief question.

Mr. KNUTSON. The gentleman must not forget that the total operating expenses of the Government last year were \$1,000,000,000 greater than the total receipts from all our farms.

Mr. TREADWAY. It is worse than that, I will say to the gentlemen. Our operating expenditures have been more than \$2 for every \$1 of receipts of all kinds in the Government. That is worse than just segregating the agricultural part of it.

Mr. KNUTSON. Does not the gentleman think it is pretty bad when 6,000,000 farmers have to work to support the Government?

Mr. TREADWAY. I go further than the gentleman himself goes. Why these reciprocal tariff treaties bringing in agricultural products at half-duty rates in order to crowd our farmers off the map?

Mr. KNUTSON. How are we going to be good neighbors without giving away our markets?

Mr. TREADWAY. We are not going to be internationalists if we can help it. We are going to kick like thunder if we have to be. This is my attitude: I think there is no question about what kind of people are running this Government. They are theorists and they are internationalists, and they are running us in the hole every day. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield the gentleman from Massachusetts 5 additional minutes.

Mr. TREADWAY. I should like to call further attention to some of these useless projects that the gentleman referred to yesterday. We cannot impress the public too strongly with this definite feature of useless expenditure of Government funds.

The appropriation stated for necessary relief—necessary and useful. None of this is useful, and the gentleman from New York could have elaborated on this list and about doubled it.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CULKIN. Does not the gentleman believe that the purpose of a good many of them is political?

Mr. TREADWAY. They are worse than that; they are for patronage; and in order to get a job you have to belong to the right party.

Mr. CULKIN. And were they not made with a view to carrying the next election?

Mr. TREADWAY. Passamaquoddy is such a perfect illustration of that fact that we do not need to look any further. We do not need to go to the western country and see the Coulee Dam or the South to see T. V. A., but look right in New England, near where I live, and see if you can find the slightest use for the millions of dollars that have already been expended on that project. I saw some pictures of it the other night, and they are going to have some very nice residences there. I wish they had taken some of that money and built additions to private homes somewhere else.

Mr. CULKIN. Did not the Passamaquoddy project carry the last gubernatorial election in that State, and was not that what it was for?

Mr. TREADWAY. I am told very straight by politicians in Maine that it will not carry the next one, even if the President assigns some of the unobligated money for that project,

although Congress has refused to do it. I think this is a prophecy that will be fulfilled in their September elections.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; very briefly.

Mr. KNUTSON. The gentleman from New York is mistaken when he states that these projects are all political. For instance, the dog hospital down in Tennessee is not political, because dogs cannot vote. [Laughter.]

Mr. TREADWAY. Those who built the buildings can vote, I suppose.

Mr. STACK. Will the gentleman yield?

Mr. TREADWAY. Is the gentleman going to support the dogs?

Mr. STACK. I wanted to inquire if this is a dog fight or a Republican fight?

Mr. TREADWAY. We are going to have a political fight along in November, and that is where we will be glad to meet you.

Mr. TABER. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. TABER. Does the gentleman know that we have a meritorious project to establish a golf course on the city dump at Pueblo, Colo.?

Mr. TREADWAY. Well, this public golf course may give some of our prominent Democrats an opportunity to get more exercise and be in better physical and mental trim, because they have an awful job before them after Congress adjourns. I think Pueblo is undoubtedly a good place to build a golf course, but a public dump might be a poor place to play in hot summer weather.

Mr. WOODRUFF. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. WOODRUFF. The gentleman has stated that there are many useless expenditures of money. Does the gentleman believe the construction of thousands of a certain type of out buildings throughout the Southern States are entirely useless?

Mr. TREADWAY. That question is rather a delicate one. I might say that probably they are useful, but they need not be so highly ornamented; I understand that the roses are blooming there, and I do not think that is required for the utilitarian purposes for which they are proposed to be used. [Laughter.]

Mr. MILLARD. Will the gentleman yield?

Mr. TREADWAY. Yes; I yield.

Mr. MILLARD. Referring to the dog kennels, I should like to ask the gentleman if that put the "dog" in "boondoggling"?

Mr. TREADWAY. There is so much "boondoggling" that it would require a long account to check it all.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a brief letter from George M. Peek and some brief tables.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWERS. Mr. Chairman, we have no further requests for time on this side.

Mr. SNYDER of Pennsylvania. No further requests on this side.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the legislative branch of the Government for the fiscal year ending June 30, 1937, namely:

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

My distinguished friend from Massachusetts [Mr. TREADWAY] who just preceded me has gone through the ordinary sniping tactics that we must undergo during the remainder of this session, and which have been conducted by some Republican Members since the session began. The people of the country are awake to the realization that this is an election

year and that this is the year when all kinds of tactics are employed, particularly sniping tactics, and that it is all a part of the game. I say this impersonally, because naturally politics is played intensely here, and while some do not engage in sniping tactics, it is recognized that that is the policy in which some do engage.

The gentleman from Massachusetts talks about the deficit. We had a deficit of over \$5,000,000,000 during the administration of former President Hoover—not a deficit to relieve human suffering and distress but a deficit in the conduct of the ordinary departments of the Government.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. SNELL. The gentleman knows very well that that statement—

Mr. McCORMACK. Oh, do not give conclusions, but ask me a question.

Mr. SNELL. I ask the gentleman, if the present administration will keep the books the same as they were kept under the Hoover administration, whether we will not find the deficit of this administration more than double the deficit of the last one?

Mr. McCORMACK. If the gentleman will permit me to proceed, we had a deficit of \$5,000,000,000 plus during the Hoover administration, incurred in the conduct of the ordinary activities of the Government and despite the fact that in 1930 we passed a tax bill raising \$1,641,000,000 each year thereafter, and if we had not passed that tax bill, the deficit of the Hoover Administration would have been \$8,000,000,000 plus, in the conduct of the ordinary and necessary departments of the Government.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. SNELL. Did the present administration not continue those same taxes?

Mr. McCORMACK. Exactly.

Mr. SNELL. Then it had the benefit of it.

Mr. McCORMACK. The gentleman is right; but I am talking about the deficit of the Hoover administration of \$5,000,000,000 plus, not one penny of which was incurred in an effort to relieve human suffering and distress, but every penny of which was incurred in the ordinary conduct of the departments of the Government.

Let us analyze a little further what is the cause of the deficit of this administration. The Budget for the ordinary appropriations and expenditures is balanced. This deficit has been incurred as a result of this administration appropriating money, for the first time in the history of our country, for direct aid to relieve human suffering and distress. I respect the opinions of those who say that this should not be done, but I differ with them. I differed with the last administration in its position that the Federal Government should not make such direct appropriations. Simply because the Federal Government had not made appropriations before in its history for relief of its people is no reason why the Federal Government, under the circumstances that existed 3 years ago, should not have made such appropriations. Local government and local charities could not carry on. They had carried the burden for 3½ years courageously and were unable to meet the relief problem and demands that confronted this country on March 4, 1933. Millions of human beings, American citizens, but human beings, were facing starvation. Humanity demanded something be done, if no other call demanded it. Humanity called for the Federal Government to exercise its power, its influence, its functions, to prevent starvation, to relieve human suffering and distress, not only of its own people, but of human beings, living persons; and the Federal Government under this administration responded.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. LAMBETH. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Massachusetts be extended 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McCORMACK. The Federal Government responded not only to relieve human suffering and distress, which was prevalent, but what about the emotional reactions that would have been the natural and probable consequence with millions of American citizens facing that condition? Does anyone think they would have calmly sat by? Could it be expected that they would calmly sit by? Think of the husband and father coming home to the wife and children looking with longing eyes to see if he had a job. The man was willing to work, but was the victim of a disturbed economic system over which he had no control. He was not responsible for it, but was the victim of it, just the same as all who desired work and who were unemployed are the victims of our disturbed economic system. When he went home, what about the hope, and what about the despair, when the father and husband told them that he was not able to obtain employment. Fifty years ago in the depression of 1873 to 1878, when the conditions were not as crowding upon us as they are today, there was force and violence; there was the burning of factories, the burning of railroad stations and railroad trains. There was an emotional reaction on the part of the suffering unemployed that some particular machinery had taken their job away and there was a desire to destroy that which they thought was preventing them from obtaining employment, which has displaced human labor.

There are gentlemen on the Republican side who voted for direct aid, and who are entitled to credit, just as much as gentlemen on the Democratic side. I do not rise in any spirit of partisanship, but the fact remains that the leadership came from President Roosevelt. He courageously and humanely recommended, and Members courageously and humanely voted, not only to relieve human suffering but to prevent emotional reaction. What about undernourishment and its effects? Does that stop with one generation? Is it not transmitted on? With millions of mothers and fathers, with the arrival of children of undernourished parents distributed throughout the country, the results of undernourishment are passed on. One of the factors we inherit and that is passed on from the parents to children is a weakened physical condition where it exists among parents. It does not stop with one generation. It goes on for two or three generations. I know whereof I speak.

The potato famine in Ireland in 1846, 1847, and 1848 brought about a general condition of undernourishment which is not over yet, prevailing among those of Irish blood with a high tubercular mortality rate existing until recently. I know whereof I speak, being an American of Irish blood. The results of undernourishment do not stop with one generation; they go on for several generations. When we give relief we are not only meeting the problem of human distress, we are not only preventing human emotional reaction, but we are trying to prevent the harmful effects of undernourishment, not only to individuals affected but to the Nation.

I agree that the straight dole costs less. I will agree that work relief costs more; but let us analyze that honestly and fairly. I will agree that many projects are unnecessary, but we must not forget the basic principles—of relief and of work—in order that millions of Americans who are capable of employment may maintain respect for themselves and that there will not be a general demoralizing effect which is harmful to our Government. When we emerge from this depression, with millions who want to work and capable of working having been on a dole, the natural and probable consequence of that condition is bound to be demoralizing. There is bound to be a lowering of respect, or the results will be in that direction. That is going to be harmful to the Government itself. While the immediate result is a greater expense because of the work-relief program, nevertheless, over a long period of time, I claim it is better for the Government to have millions of people working and retaining their self-respect than to receive what the conscious mind will immediately and directly realize—a dole. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. SNELL. Mr. Chairman, I move to strike out the last two words.

The gentleman from Massachusetts [Mr. McCORMACK] started to make a speech because he said he wanted fair play in politics. Now, I am willing to have fair play. I am not opposed to some political statements, but if there has ever been a political statement made on the floor of this House during the present session, the gentleman who just preceded me has made that statement. If there is any man who has tried to capitalize human misery, it is in the statement just made a few moments ago.

Now, in trying to be fair, the gentleman made the statement that nothing was done whatever out of the ordinary during the Hoover administration, and that new taxes were levied. There were over a billion dollars of out-of-the-ordinary expenses during the last 2 years of the Hoover administration. Not only that, but the new taxes that were put on during the Hoover administration were continued under the present administration, and they have increased those taxes a billion and a quarter in addition.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes; I yield.

Mr. McCORMACK. Did the billion dollars to which the gentleman refers go into Reconstruction Finance Corporation activities?

Mr. SNELL. Your various new activities put over a billion dollars of new and partly covered up taxes on the people, and you have continually put out the statement that no new taxes have been levied by the present administration upon the American people. Those statements have been put out through the newspapers.

Mr. McCORMACK. But were there any emergency appropriations to relieve human suffering and distress?

Mr. SNELL. Oh, you always talk about emergency relief and human suffering. That argument, as far as you are concerned, covers all your misdoings, but you have about worn it out. We are just as much interested in the average poor citizen as you are, and have done more for him during all the years than you have, but you take all the credit to yourselves and claim that no one else has ever thought of that. I challenge you to furnish any statement made by any reputable Republican whereby we were opposed to honest needed relief.

Mr. McCORMACK. Well, was any appropriation made?

Mr. SNELL. Yes; there were. I do not yield further now. The gentleman would not yield to me when he was making statements in regard to the Hoover administration, which, in my judgment, were not correct.

Mr. McCORMACK. I never refuse to yield to the gentleman whenever I see him.

Mr. SNELL. Now, the gentleman has talked a great deal about relieving unemployment. It has been stated on the floor many times when we have been passing these emergency measures that the proof of the pudding would be the chewing of the string. These emergency measures have been in effect for nearly 3 years, and according to the statement of the president of the American Federation of Labor, you have practically the peak time of unemployment today, notwithstanding all the money that has been spent. In addition to that, Mr. Hopkins said that the relief load was at the peak of all time. Over 20,000,000 on relief and 12,600,000 unemployed at the present time. Those are your own figures. The only thing we are complaining about under the present administration is the actual waste in what you call meeting emergency conditions, and how you have turned it into purely political relief. We are willing to go as far as anyone in feeding the poor and taking care of the needy, but the present administration has and is using these funds for political purposes in every State in this Union.

I had this experience when I tried to get a man a foreman's position in a C. C. C. camp. This was an activity created for the sole purpose of relief. That is, relief for everyone, not political relief only. The copy of this letter, which I am including in my remarks, proves conclusively my statement that this administration has used these relief funds primarily for political purposes. Vincent Dailey, referred to

in this letter, is Mr. Farley's patronage dispenser for the Democratic State Committee in New York State.

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D. C., August 25, 1934.

I have your letter recommending Mr. _____ for the position of forestry foreman at the Benson Mines, New York camp. I shall be glad to send a copy of your letter to the superintendent of lands and forests, New York Conservation Commission, Albany, who is in charge of all forestry camps in the State, and who makes all of the civilian appointments. This office makes none of the appointments in these State camps.

Furthermore, unless Mr. _____ can qualify by actual technical training for a technical position at one of these camps, he could not be appointed unless his name appears on the political advisor's list of New York State. This man is Mr. Vincent Dalley. All appointments in New York State, except those of a technical nature, must be made from a list which is supplied by Mr. Dalley. It is possible that Mr. _____ might get his name on this list. That would be up to him, I presume, to find out.

I am sorry that I cannot take action which would probably be more in line with what you want, but the Forest Service is obliged to comply, and to ask the States to comply, with the procedure which I have outlined.

Very sincerely yours,

R. M. EVANS, *Regional Forester.*

I also want to say at this time that your Democrat foremen, and so forth, did everything they dared do; used every pressure possible to make the boys enroll locally and vote the Democratic ticket. In places in my district Democrat inspectors of elections enrolled them against the law and we had to appeal to judges of the supreme court to get their names stricken from the enrollment. In the face of this you have the temerity to say we are playing politics.

Just look at the record before you repeat this.

In closing I want to say very definitely that we are willing at all times to join in doing everything necessary for the Federal Government to do to relieve the poor, unfortunate, and needy citizens, but we are absolutely opposed to wasteful use of the taxpayers money and the purely political relief that has characterized the spending of the present administration.

Mr. TREADWAY. Will the gentleman yield?

Mr. SNELL. I do.

Mr. TREADWAY. I would like to ask the gentleman from New York whether he sees any need for a tax bill of \$620,000,000 for the purpose of immediate relief?

Mr. SNELL. That is a hard question to answer and I am not going to try to answer it in my limited time. But before we furnish any more money we should know how much money is on hand at the present time and what the President proposes to do with it.

[Here the gavel fell]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LUCKEY. Mr. Chairman, I am not going to talk politics. I am going to talk common sense and shall address my remarks to this side of the House.

Economy is a thing to be practiced and not talked about. The people of this country would like to see this Congress practice a little old-fashioned economy. They do not want the penny-wise and pound-foolish type of economy, nor do they believe that we should practice economy by letting millions starve. What all right-thinking people do believe is that we can, should, and must retrench on the so-called housekeeping expenses of government.

Before this session started we heard a great deal about economy and cutting down government expenditures. Some feeble efforts have been made in that direction. Very soon we will be faced with a new appropriation for relief purposes which will take real money. In anticipation of such a necessary and humanitarian appropriation let us chisel down these increases in regular supply bills and for purposes extraneous to the regular functions of government.

We have before us the bill H. R. 11691, making appropriations for the legislative branch of the Government for

the fiscal year ending June 30, 1937. Now, when I turned to the report on the bill, to my great gratification I found that the bill called for a decrease of \$640,092.73 over the appropriation of 1936. But on careful examination of the bill, report, and hearings it became evident that this comparison was the result of adroit manipulation of figures.

The report shows that the appropriation for 1936 was \$23,934,660.73. Now, that total constitutes not only the legislative-establishment appropriation for 1936 but also the funds used for those purposes from the Supplemental Appropriation Act of 1936, the First and Second Deficiency Acts of 1936, and Public Resolution No. 39 of the Seventy-fourth Congress. In other words, we are comparing the regular supply bill against the total of four appropriation acts of last session. If this comparison is to have any standing, it precludes any deficiency or supplemental appropriations with funds for the legislative establishment.

Let us examine just a few sections of this bill. Under the section providing for funds for the Senate we have what is purported to be a \$253,677.18 decrease over the 1936 appropriation. Actually the decrease is only \$5,829, because the 1936 figure includes \$247,848.18 drawn from other appropriation acts. Under the section designated "House of Representatives" there is purported to be a decrease of \$101,602 over 1936. However, the 1936 figure includes \$116,898 drawn from other appropriations. Under the item, "Architect of the Capitol", there is shown a decrease of \$344,738. When I check up on this I find that, of the sum given in the 1936 appropriation, \$2,550,000 was furnished in the deficiency act to air-condition the Capitol, Senate, and House Office Buildings. Fifty-seven thousand and forty dollars came from the second deficiency act for Senate Office Building maintenance, and so forth.

I am not going on and on itemizing these figures. They are in the report where everyone can see them. The question I want to raise is this: If we pass this appropriation act, what assurance do we have that we will not be called upon to make additional appropriations for the legislative establishment in future appropriation bills? If this bill contains all of the appropriation for the Legislative Establishment Act, there is some economy; if not, this is a grand gesture and waste of words when Members take the floor to say that we want to cut down and are cutting down expenditures.

Gentlemen, no one is more sincere than I am in wanting to provide funds for efficient governmental operation and for necessary relief of human suffering, but I tell you here and now that I am opposed to increased expenditures for the regular operation of government and the constant enlargement of those appropriations. I am equally opposed to bookkeeping tricks which tend to measure ever-increasing expenditures with a cloak of false economy. If we are to come out of our present financial difficulties, we must practice rigid economy and thrift, not only as individuals but also as a Nation. And the sooner we do this the better for all of us.

The Clerk read as follows:

For telegraph and telephone service, exclusive of personal services, \$95,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 21, line 17, after the word "services", strike out "\$95,000" and insert in lieu thereof "\$90,000."

Mr. TABER. Mr. Chairman, this is to reduce the amount of this item carried in the current bill to the amount appropriated last year. The committee did good work in cutting the Budget estimate of \$115,000 down to \$95,000; but I believe, especially with the prospect of no session during the summer of 1936, we can get along with the amount of money that was appropriated last year. I do not think last year should serve as a criterion, for the session ran right down until practically the 1st of September. I do not think it can be used to justify spending so much money when Congress will not be in session so long.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

I would like to call the attention of the gentleman from New York and the Members to page 48 of the hearings, where it will be found that in 1934 the appropriation was \$157,000 and the expenditure \$143,770.68. In 1935 the appropriation was \$105,000 and the expenditures were \$92,504.10.

After careful study and after consultation with the chairman of the Committee on Accounts, your committee fixed the amount at \$95,000 because there is perhaps \$5,000 worth of outstanding message charges that have not come in. It is found that it takes sometimes as much as 5, 6, or 7 months before charges for these telegrams reach the Committee on Accounts from different parts of the United States.

The Budget estimate on this item was for \$115,000. Your committee, after careful study and deliberation, allowed \$95,000 in order that there would be sufficient, but even with this liberal allowance we anticipate there will be a shortage.

Mr. Chairman, I hope the amendment will be voted down.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. SNYDER of Pennsylvania. Gladly.

Mr. TABER. The expenditure of \$92,000 came at a time when the House was in session a good part of July, in the summer of 1934, and at a time when Congress was in session all the way through the months of May and June of the year 1935. The situation that confronts us now is a probable adjournment before the 1st of May. It seems to me this will make an altogether different situation and that we should not appropriate more than \$90,000.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield to the gentleman from Maine, a member of the committee.

Mr. MORAN. The gentleman also could have pointed out that the appropriation now under discussion is for the fiscal year beginning July 1, 1936, and therefore the length of the present session of Congress has no bearing whatever on this appropriation, assuming this session ends before July 1. From page 48 of the hearings on this bill it will be noted that the appropriation for each of the fiscal years 1931, 1932, and 1933 was \$90,000, and the expenditures for those 3 years were \$89,999.75, \$89,960.39, and \$89,989.92, respectively. But note that the appropriation for the fiscal year 1934 was \$157,000 and the expenditures for that year were \$143,770.68. This was due, in a great degree, to the necessity of cleaning up old bills contracted but not paid for during the previous years. The appropriations for the 3 previous years were not sufficient to pay the obligations incurred, and a "clean-up" appropriation to take care of old outstanding bills was necessary. These old bills, it will be noted, were incurred during the period from July 1, 1930, to July 1, 1933. As a matter of fact, it is difficult to keep the bills currently paid, as Members may send telegrams from any place in the country, and it takes weeks and sometimes months for the transactions to clear through the telegraph companies to the House Committee on Accounts, which has jurisdiction. Chairman WARREN, of that committee, is doing a splendid piece of work in seeing to it that only bona-fide official messages of Members are paid for by the Government. The Appropriations Committee is confident that the amount carried in the bill now before the House is the absolute minimum necessary, based on past and present experience, to enable Members to render necessary official service to their constituents.

Mr. SNYDER of Pennsylvania. I yield to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. The gentleman from Maine [Mr. MORAN] was formerly a member of the Committee on Accounts, and no one knows better than he does how very carefully these expenditures are scrutinized and the rather extreme extent, as some of us think at times, the committee goes in disallowing charges for telegrams that are not clearly within the rule allowing them to be sent at Government expense. It does not make a particle of difference, it seems to me, if there is a slight excess of appropriation here because eventually these telegrams have to be paid for anyway. It is just

a matter of bookkeeping. I am convinced, as the gentleman from Maine says, there is not an excess of money in this appropriation to take care of the telegrams that will have to be paid for. Indeed, I think from past experience and from average requirements we may say the appropriation is not large enough. Therefore, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 13, noes 42.

So the amendment was rejected.

The Clerk read as follows:

The Government Printing Office and the Washington city post office shall reimburse the Capitol power plant for heat, light, and power furnished during the fiscal year 1937 and the amounts so reimbursed shall be covered into the Treasury.

Mr. DOUGHTON. Mr. Chairman, I move to strike out the last word.

Mr. DOUGHTON. Mr. Chairman, I was not in the Chamber when the gentleman from Massachusetts [Mr. TREADWAY] my colleague on the Committee on Ways and Means, began his political outburst or oration. However, when I came on the floor I found that he seemed to be very much infuriated and enraged on account of the efforts that are being made by the Committee on Ways and Means to revise the present revenue laws or to write a new tax bill. In the course of his remarks the gentleman went out of his way to criticize the administration rather caustically on account of its procedure with respect to tax legislation and other bills in which the administration has been interested.

The gentleman from Massachusetts made the statement that in the past it had been the custom for the administration to draft the tax bills and send them down to the Committee on Ways and Means for ratification. As my memory serves me, that has not been the custom since I have been chairman of the Committee on Ways and Means, and the gentleman from Massachusetts has been the ranking minority member, during all of that time.

I recall very clearly, and I have no doubt that I can refresh the gentleman's memory, the details of the work of our committee in connection with the tax bill of 1934. That bill closed up the loopholes which had been left open by the previous Republican administrations whereby certain large taxpayers of this country were escaping their just share of taxes, including the Mellons, the Mitchells, the Wiggins, the Morgans, and others. An important work was done by a subcommittee of the Committee on Ways and Means, and the gentleman from Massachusetts was a member of this subcommittee. This subcommittee worked during the entire summer making studies and finally presenting a bill to the House which closed up loopholes and saved the Government, without additional taxes, an amount in excess of \$300,000,000. Only seven votes were cast against this bill on final passage.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I am only too glad to thoroughly agree with the gentleman's statement that for several months a subcommittee of the Ways and Means Committee worked exceedingly hard to prepare this stop-gap tax bill.

Mr. DOUGHTON. I just yielded for a question.

Mr. TREADWAY. The bill did perhaps plug some holes. But I want to confirm the gentleman's statement that so far as that particular tax measure is concerned, I have no criticism to make whatsoever.

Mr. DOUGHTON. Does the gentleman know of any tax bill or any other important piece of legislation that has been called to our attention by the administration or by the head of the departments of the Government that the committee has not taken the bill, given it careful study, revised it, remodeled it, and changed it to conform to the judgment of the committee? Would the gentleman dare say, as he would have had Members of the House believe this morning, that the Committee on Ways and Means is just a rubber stamp and acts only as a vehicle to carry out the mandates of the administration? I know the gentleman would not want to

reflect on the committee in that way; yet that is exactly what he did this morning.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I will be more courteous to the gentleman than he was to me. I yield to the gentleman. He can ask me any question he desires. I asked the gentleman this morning about his vote on a certain measure and he flew into a rage. He said I had asked a disrespectful question. I simply asked him how he voted as a Member of the House. He was so excited and so enraged he did not actually know what he was doing.

Mr. TREADWAY. I do not think the gentleman and I need to get into a discussion about the Social Security Act.

Mr. DOUGHTON. The gentleman was vehemently criticizing it as a waste of money. He referred to that great piece of humanitarian legislation as being a waste of money. He went out of his way to make a partisan attack on it, and when I asked the gentleman how he voted in reference thereto he became enraged and said I was disrespectful to him. That is exactly what transpired.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman.

Mr. TREADWAY. If I may proceed just a moment in the gentleman's time—

Mr. DOUGHTON. That is all right. I hope I can get additional time.

Mr. TREADWAY. I shall be only too glad to aid the gentleman in securing additional time. I thought the gentleman was going to ask me something with reference to the remarks I was at the time making on the floor, which he did not do. He asked me about something which happened in April 1935. If the gentleman will permit, I would like to read an extract from the remarks I made at that time, which extract I hold in my hand.

Mr. DOUGHTON. I cannot yield for that purpose. It is a matter of record that the gentleman made a vehement speech against the legislation and yet voted for it the same day.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question?

Mr. DOUGHTON. If the gentleman from Massachusetts [Mr. TREADWAY] can explain that, I yield to him now for that purpose.

Mr. TREADWAY. I can explain it if the gentleman will give me the chance.

Mr. DOUGHTON. I cannot allow the gentleman to take all of my 5 minutes, but if I have misquoted the gentleman or misrepresented his position, I shall be pleased to yield.

Mr. TREADWAY. I have in front of me the paragraph showing what I said at the time. If the gentleman does not want to yield to me now to read it I will put it in my remarks.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield to me?

Mr. DOUGHTON. I yield.

Mr. BANKHEAD. I was not present when the question was asked by the gentleman from North Carolina of the gentleman from Massachusetts with respect to how he voted on the social-security bill. Did the gentleman from Massachusetts answer the question one way or the other?

Mr. DOUGHTON. I believe the gentleman said we forced him into voting for it, or something of that kind. I believe that was about his response. It was some kind of lame and halting answer that he gave.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DOUGHTON. I presume the tax bill was the basis of the gentleman's outburst this morning, although I was not here when he started his speech. The tax bill is now under consideration by a subcommittee of the Committee on Ways and Means. The gentleman criticizes the administration for drafting tax bills, as he alleges, and sending them to the

Congress to have them approved, and then admits that this is one exception where the President, he said, for political reasons, had left it to the Congress and had not pursued his usual course. If that is the case, does not the gentleman think, inasmuch as the President has left the writing of the tax bill to the judgment of the Committee on Ways and Means and to the Congress, not for relief purposes, but to take the place of the revenue lost by the Supreme Court decision declaring the A. A. A. unconstitutional, and also the additional burden placed upon the Government as a result of the passage of the bonus law, for which, I presume, a majority of the Members on the minority side voted, this was not done by the President, but both of these things were brought about by causes other than any action of the President—that is, by the Supreme Court of the United States and by the action of the Congress itself?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I have not much time, but I yield.

Mr. TABER. Did not the result of the Supreme Court decision better the President's 1937 Budget by \$72,000,000?

Mr. DOUGHTON. Oh, I do not know about that; maybe it did.

Mr. TABER. Certainly it did.

Mr. DOUGHTON. That is not under consideration at this time. We all know that this tax bill now being considered to raise the additional revenue requested by the President of the United States is not for the purpose of balancing the ordinary Budget, and would not have been necessary if it were not for the two things I have mentioned. It is not for the purpose of relief, which the gentleman has so severely criticized here this morning. The matter of relief was taken care of previously. This bill is to make up the loss of revenue from the two causes I have mentioned.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. I yield. If the gentleman wants to take up all my time, that is all right.

Mr. TREADWAY. Will the gentleman explain how he regards an unconstitutional levy as something that must be made up?

Mr. DOUGHTON. Is the gentleman opposed to raising revenue to finance the farm program which was enacted by Congress?

Mr. TREADWAY. Does the gentleman want to yield me time enough to answer that question?

Mr. DOUGHTON. Everything that is done by the Congress to aid agriculture and help the distressed and those in need of assistance from the Government always meets the bitter opposition of the gentleman from Massachusetts, and that is what this tax bill is proposed for—to raise revenue to take care of the conditions I have mentioned.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes; I yield; but I want to say this, because my time is about up: Inasmuch as the President has conformed with what the gentleman from Massachusetts thinks should be his policy and has left it to the Ways and Means Committee to originate a tax bill, does he not think it would look better and would be more consistent and more helpful—and I am not calling any names or being personal—if the members of the subcommittee charged with this responsibility that has been placed on our doorstep, instead of making partisan speeches, would sit in with the subcommittee and help write the tax bill? [Applause.] I would like to have this question answered.

It is very, very easy to criticize. Anybody can criticize. Destructive criticism is always easy, but constructive statesmanship is always very difficult; but, thank God, destructive criticism and throwing obstacles in the pathway of the administration cannot stop nor delay the onward march of the present administration in its courageous battles for the people! [Applause.] This is one thing that such criticism cannot accomplish, and I suggest to my friend now that he can employ his time for a much better purpose.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I thought I was to have a little time this afternoon before the bill was to be read for amendment. I do want to make one or two observations. It has recently been stated that this particular tax bill is really the answer to the politician's prayer. We, on this side, are criticized by you for lack of constructive criticism. We may, however, be pardoned if we make some comment on your rejoicings over the fact that you can tax only the corporations and not run the risk of losing votes by enacting a bill affecting all the people.

I feel that we shall have to continue to offer our criticisms, although whatever arguments we present will never be regarded as constructive by you on the other side of the House. That could hardly be expected.

But, gentlemen, why have a tax bill now, anyhow? Why have a tax bill to recoup these special losses while showing no concern to enact one to meet other requirements? Why is it that billions can be expended for other purposes and no new taxes to meet them be suggested? The President's vagueness in his explanation of his Budget does not furnish an answer that is very satisfactory to the ordinary person.

Let us borrow some more money, under the Eccles theory that the more money we borrow the more the banks will have and the greater will be our prosperity. Let us create more and more bank deposits by the issuance of bonds, if that is really such an aid to recovery. The more bonds we issue the less interest thereon we seem to pay. These have been your own arguments.

Can it be that you really see the approach of the danger point? Do you begin to suspect the Eccles' theory? Why not continue to issue our notes and create bank credits? When the Government spends the money, others receive it, and it is redeposited, keeping the banks eager to invest it and welcoming more and more Government borrowings. You insist that our credit is excellent. It seems to you that the more we owe the better our credit. That is your claim.

Again I say, if borrowing money brings about the return of prosperity, why have a tax bill? [Applause.]

Mr. SNELL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and, as I quoted from a letter, I ask unanimous consent to put in the whole letter.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

LIBRARY BUILDING AND GROUNDS

Salaries: For chief engineer and all personal services at rates of pay provided by law, \$46,720.

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word. An effort was made a short time ago to reduce the amount of money that is to be supplied for the cost of telephone and telegraph from \$95,000 to \$90,000. The amendment was defeated. I call the attention of the membership of the Committee to the fact that a great deal of money can be saved by Congressmen themselves, as appears from the testimony of Mr. Elgen, chairman of the Public Utilities Commission of the District of Columbia. At my request Mr. Elgen appeared before the Committee to tell us the status of the telephone and telegraph companies with regard to public institutions in the District as compared with private institutions. He informed us that the Government rates are exactly the same so far as telephones are concerned, as the rates charged to private concerns. That is, 1¼ cents per telephone call if it is interdepartmental and 3 cents per call if it is outside or from a department to some person or corporation or institution outside of the Government. He called attention to the fact that very often the secretaries or the Congressmen themselves in the legislative establishment pick up the phone and ask for number so and so. If the call is put in in that way the charge to the Government is 3 cents, but if the secretary of a Congressman will pick up the phone and ask for Government, they get the General Government exchange, which is connected with every department of the Government in

the District of Columbia, and the cost of the call then is only 1¼ cents. I call attention to this fact because literally thousands of dollars could be saved if we would remind ourselves when we pick up the phone and want to get a department of the Government to simply ask for "Government" and get the Government exchange and then ask for the particular department we desire to speak with. Otherwise the call will go through the general District exchange, and the Government will be charged 3 cents for each call.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. Yes.

Mr. CRAWFORD. I think the gentleman has touched on an important question. I find there are two or three very fine organizations here among the secretaries. I have a secretary that I think is highly efficient and he is just as economical as any Scotchman that I have ever met. He does not know anything about that rule or regulation, and we should get that information before these associations of secretaries so that they will put it into operation.

Mr. KELLER. And I would like to know how many members on this floor do know what the gentleman has just told us. I did not.

Mr. BOILEAU. But why should they have such a regulation? If a call originates from my office for the Department of Agriculture, the operator who takes the call ought to know that it is a Government call. Why should the telephone company be permitted to have such a ridiculous regulation?

Mr. DOCKWEILER. There is a modification at the point the gentleman suggests. If the general operator in the basement of the House Office Building is on her toes, she will get the Government exchange, if not, the call will go through the general District exchange.

Mr. BOILEAU. Are not the operators in the House Office Building employees of the House of Representatives?

Mr. DOCKWEILER. They are.

Mr. BOILEAU. If they are so inefficient that they do not put the call through at the cheapest rate, we should put in somebody who will.

Mr. DOCKWEILER. They should, and I am bringing the matter up so that they will know they will not make any mistakes in the future.

The Clerk read as follows:

BOTANIC GARDEN

Salaries: For the Director and other personal services (including not exceeding \$3,000 for miscellaneous temporary labor without regard to the Classification Act of 1923, as amended), \$86,262; all under the direction of the Joint Committee on the Library.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman of the subcommittee in charge of the bill, or any other member of the committee, just what is the function, governmental or otherwise, of the Botanic Garden?

Mr. SNYDER of Pennsylvania. Mr. Chairman, I came to Congress in 1932, and the first thing that struck my attention when I came up Pennsylvania Avenue was this beautiful new Botanic Garden Conservatory. I made some inquiry and found that it was constructed at an expense of a million dollars. I made further inquiry and found that the Botanic Garden started back some 80 years ago. I further found that in the Botanic Garden we have some specimens of plant life that are very valuable. For instance, in 1932 the appropriation for the maintenance of the Botanic Garden was \$174,000. Your committee has reduced that until this year it is only \$115,000. Since the time the new conservatory was built a Hollander was employed who has developed many of the specimens of plant and flower life to a degree that they exceed any in the United States or in the world. Over 100,000 people went into that conservatory last year to view these different specimens. The azalea group we have in the Botanic Garden is rated to be the highest developed and finest azalea group in the world.

Also we have the nurseries at Poplar Point. Poplar Point was taken over by the Government in 1920, and just last year the committee thought of doing away with Poplar

Point, but, after making a careful study, they found that Poplar Point could serve a great economic mission if we would plant some of our plant life down there and transfer it up here after it had grown a year or two, instead of paying big money to get our plant life. For instance, tens of thousands of dollars were spent for shrubbery in landscaping the ground around the United States Supreme Court Building which was finished last summer. If this Poplar Point plant had been developed as it should have been we could have raised all that shrubbery and brought it up here and transplanted it. That is in the process of being done now. I would like to ask the members of the committee to go down to the Botanic Garden at Poplar Point and see the progress that is being made. It would not be fair to do away with the Botanic Garden after all this money has been expended to put it in the fine shape it is, until it has been given a fair chance.

Mr. WADSWORTH. Will the gentleman yield?

Mr. SNYDER of Pennsylvania. I yield.

Mr. WADSWORTH. I have nothing to say against the Botanic Garden, and I am not seeking to contradict the statements that there are some rather valuable plants there, but it strikes me that Congress is going pretty far out of its ordinary function in the maintenance of an agricultural experiment station. It should belong to some other department of the Government.

[Here the gavel fell.]

Mr. SNYDER of Pennsylvania. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 2 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SNYDER of Pennsylvania. Under the law it comes under Congress, and it does not come under any department. It does not come under the Department of Agriculture, for instance. It would be necessary to pass another law before it could be given to the Department of Agriculture.

Mr. WADSWORTH. They do other things down there besides raising valuable plants, do they not? For example, do they deal in cut flowers?

Mr. SNYDER of Pennsylvania. No, sir; no cut flowers whatever. Even the chairman cannot get a cut flower at any time. [Laughter.]

Mr. WADSWORTH. This has aroused my curiosity for a great many years. I have been trying to find out just what governmental function this Botanic Garden performs.

Mr. SNYDER of Pennsylvania. Educational functions.

Mr. WADSWORTH. I am greatly relieved. [Laughter and applause.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

For the Librarian, Chief Assistant Librarian, and other personal services, \$911,365.

Mr. BLACKNEY. Mr. Chairman, I move to strike out the last word.

I just want to take this opportunity to congratulate this committee upon the very fine presentation they have made in their report and hearings upon the Library of Congress. I know of nothing more important to the welfare of the boys and girls, and even the men and women, of America than this fine library.

I have long been interested in books and reading, and I feel that I know the influence that the reading of good books has been to the youth of the land. For many years it was my ambition to build up a library that would be well-balanced and would fit into one's scheme of life. After many years I have been successful in accumulating more than 6,000 volumes, and I can safely assert that the influence of those books has been of vital importance to me.

Palmer, in his great book on Self-Cultivation in English, aptly says:

He is unwise, however busy, who does not have his loved authors veritable friends in whom he may seek refuge in the intervals of work and by whose influence he enlivens, refines, enriches, and emboldens his own limited existence.

And Milton, in his splendid essay Liberty of Printing, in comparing men and books, says:

Many a man lives a burden to the earth, but a good book is the precious lifeblood of a master spirit embalmed and treasured up on purpose to a life beyond life.

Because of my interest in this subject I desire to call your attention to the fact that the evolution of the Congressional Library in this country has been very remarkable indeed. In 1800 this Congress appropriated \$5,000 as the nucleus of a library. In 1814, as you know, at the time of the British invasion, the Library, which was located in this Capitol, was partly burned. Three thousand volumes of that small library were destroyed. Shortly after that our Government bought from the Thomas Jefferson estate his very fine library of 6,000 volumes, the largest private library then in the United States. Again, in 1851, a fire swept the Library, which was still located in this building. As a result of that fire only 20,000 volumes out of 55,000 remained. Then a peculiar thing happened. It required 13 years on the floor of this Congress in debate, in discussion, and in study to convince the people of the United States and to convince Congress that a library was of great public necessity and, therefore, should be properly housed. Finally, after 13 years of debate, the great Congressional Library, as we now know it, was organized. In 1897 the fine building that we see here, with 14 acres of floor space, with more cubic contents than this entire Capitol, was constructed. Now we in America can look the British Museum Library in the face, we can look the Bibliotheque Nationale in the face, and say that today America has the largest library in the world.

I know of nothing that is of more vital importance to America than a fine library and a fine collection of books. At this time over 7,750,000 books, maps, and charts are in this great Congressional Library.

In 1934 the Congress again started a new addition, which will give 20 acres more of floor space, and an investment of over \$15,000,000 in buildings and grounds alone, aside from the maintenance, and cost of the books, all in the interest of this fine Library.

Originally it was built for the Members of Congress. Now it is called the great university of the American people. Of all things in my Government, I am proud that the Congressional Library exists, not only for the 30,000,000 boys and girls of America, but for our 125,000,000 people, because each year over a million people come here to visit the Library of this country, and receive an inspiration for reading and study that will favorably affect their entire lives.

I just wanted to take the time of Congress for a few moments to express my appreciation of the fine way in which the committee has handled this matter and to say that there is one thing that we can agree on, Democrats and Republicans, that when we build a fine library for America, we are building something that will bring about the perpetuity of the institutions in which you and I believe. [Applause.]

Mr. KELLER. Mr. Chairman, I rise in opposition to the pro-forma amendment. [Laughter.]

As chairman of the Committee on the Library, I simply want to say that I more than enthusiastically endorse what my colleague the gentleman from Michigan [Mr. BLACKNEY] has just said so eloquently about the Library of Congress. The Committee on the Library has legislative charge of the Library of Congress, the Smithsonian Institution, and the Botanic Garden, and is one of the two committees of the House of Representatives which exist by virtue of a law. Our Library and the Smithsonian Institution are known wherever books are known and wherever science is appreciated. We are hereafter, through the cooperative understanding of this body, to have a center from which beauty shall radiate to all the people of our country until the world shall know our Botanic Garden, even as it today knows our Library and Smithsonian Institution. I also want to call the attention of this body to the fact that the Library had to fight its way with this body for every dollar it got until recent years. Now we are all justly proud of our Library of Congress, and

have very properly forgotten the struggles it had to make for the money required to make it great.

We are faced with the same condition at present in relation to the Botanic Garden which for so many years halted and limited the development of our great Library of Congress. Must we go through the same sort of scrimping and pinching which for many years delayed the development of our Library? Certainly not, if the men and women of this body who are blessed with vision shall get a real understanding of what a great National Botanic Garden may mean to our country. Because during the past 2 years a great body of scientists have been studying this subject, a bill has been drafted by them and redrafted to meet this great need. At the next session of Congress this bill will be presented to create a real Botanic Garden the equal and ultimately to be the superior of any other botanic garden in the world, just exactly as today our Library is the superior of any other library in the world.

I want to call the attention of this body to the fact that the idea we have of "getting by" and doing things by "the law of scrimp and pinch" never has got us anywhere and never will. When we do things in the interest of the American people we should do them with a fair understanding of what they mean, and finance them in proportion to their importance. Every country except the United States has botanical gardens worth going around the world to see. This Botanic Garden of ours at present is just a nucleus around which we shall build a real botanic garden, with a system of education in beauty that will be as far reaching as our Library of Congress is in the realm of books. Associated with it will go hand in hand the dissemination of science in relation to the beautification of homes, parks, and playgrounds, that our people may enjoy and profit by the great knowledge we are gathering from the 400 other botanical gardens throughout all the cultured countries of the world in relation to botany and what it means to our civilization.

Mr. Chairman, I could not permit this opportunity to pass without making these remarks. It has been a great pleasure to me to lead the work in forming this bill which is to be presented at the next session of Congress. It will be a bill that will meet the full approval of the best scholars and best thinkers in America. I want this body to have in mind that it will be presented, if not by myself, then certainly by someone else, for the consideration of the next session of this House. [Applause.]

The Clerk read as follows:

Purchases may be made from the foregoing appropriation under the "Government Printing Office", as provided for in the Printing Act approved January 12, 1895, and without reference to section 4 of the act approved June 17, 1910 (U. S. C., title 41, sec. 7), concerning purchases for executive departments.

Mr. LAMBETH. Mr. Chairman, I move to strike out the last word.

In view of the remarks relative to the Botanic Garden, and also the Library of Congress, I want to toss an orchid to the Public Printer. I do not know whether it will be furnished by the Botanic Garden or not.

Before doing so, however, I think it is worth while to take 5 minutes of your time to refer to this large establishment down by the Union Station employing 5,500 persons, the largest manufacturing establishment certainly of the Government in the District of Columbia.

I was just looking back over some history, and I found that in 1819 it was provided that—

The Senate and House shall each choose, by ballot, a printer to execute the work of Congress; the printer chosen required to give bond to the satisfaction of the Secretary of the Senate and Clerk of the House, respectively, for the prompt, accurate, and neat execution of the work; and it was also provided that nothing shall preclude the choice of the same printer by the Senate and House.

Then, in 1852:

Congress authorized that a Public Printer be elected for each House of Congress, to do the public printing for the Congress for which he or they may be chosen, and such printing for the executive departments and bureaus of the Government as may be delivered to him or them by the Superintendent of the Public Printing; and the rates of compensation for such printing prescribed.

So the office of the Public Printer was established in the year 1852 primarily to do the printing for Congress, and it has remained under the jurisdiction of the Congress ever since. That is why the appropriation for this work is contained in this bill.

In 1867 Congress authorized a—

Congressional Printer, to be elected by the Senate, who was required to be a practical printer, to take charge of and manage the Government Printing Office under the laws in force in relation to the Superintendent of Public Printing and the execution of the printing and binding, and to be deemed an officer of the Senate.

In 1874—

it was enacted that so much of the act of 1867 as provided for the election of a Congressional Printer by the Senate shall cease and be of no effect from and after the date of the first vacancy occurring in said office; that the title of said officer shall hereafter be Public Printer.

By act of Congress in 1876 it was provided—

that the President shall appoint by and with the advice and consent of the Senate a suitable person to the office of Public Printer.

Here I wish to say that while at the time the Government Printing Office was established it was designed primarily to do printing for Congress, at the present time the printing for Congress is only 20 percent of the total work in the Government Printing Office.

As chairman of the House Committee on Printing, I was invited to appear, and did appear, before the Committee handling this bill while it was considering the item for the Government Printing Office. I therefore had the pleasure of listening to the Public Printer present the facts substantiating his recommendations to your committee, and the privilege of extending a few comments of my own.

The work of the world's largest printing plant is worthy of consideration from many angles, but in my limited time I will attempt to touch on only three of them—first, the volume of work it handles; second, the efficient manner in which it is managed; and, third, the service it performs for the other branches of the Government.

Some idea of the volume of work performed may be grasped from the following figures taken from the Public Printer's Annual Report covering the fiscal year ending June 30, 1935:

Ems of type set.....	2,241,746,000
Book pages printed.....	2,361,459
Actual press impressions.....	984,590,000
Postal cards printed.....	1,857,152,220
Money-order forms printed.....	228,187,000
Copies of job work.....	4,847,444,000
Publications distributed.....	428,950,907
Charges for completed work.....	\$16,465,431
Salaries and wages.....	\$10,797,879.20

The office is now carrying a burden approximately 25 percent greater than that carried during the war period. To mention only a few items, there has been an increase of 863,359 in the number of book pages printed, an increase of 103,907,000 actual press impressions, an increase of 705,165,220 in the number of postal cards printed, 87,308,000 more money-order forms printed, 1,174,522,000 more copies of job work, and a jump in the number of publications distributed from 55,001,603 in 1918 to 428,950,907 in 1935.

This increased production has been taken on in a plant which has been overcrowded and unscientifically arranged for the last 20 years. It happens, I may say, that one of the buildings still being occupied was purchased during the administration of President Lincoln, and is, I think, the oldest public building in the District of Columbia. It would long since have been demolished as a fire hazard if it were not the fact that it is a public building.

Public Printers since 1913 have been recommending legislation authorizing a new building for the Government Printing Office, but it was not until the present Public Printer, who so clearly saw the reasons and necessity therefor, placed the proposition before Congress with such logical and unanswerable argument that the request was granted. The authorization for the building was contained in the act of August 12, 1935, Public, 260, which made \$2,000,000 immediately available for expenditure, with a limitation on the

total amount to be expended in connection with the construction of the building of \$5,885,000.

It is estimated that with the new building—which we hope will be under way by May 1—the Public Printer will be able to reduce the Government's printing bill by \$850,000, or approximately 5 percent. Some of the major items on which savings will be made as a result of the construction of the new building are:

1. The elimination of repairs to old buildings..... \$25,000
2. Reduction in night work..... 200,000
(By the most advantageous use of additional floor space which will be provided by the new building, it is estimated that the day production can be speeded up to the point where it will be possible to reduce the night work by the figure indicated.)
3. Warehouse rent..... 15,000
4. Senate and House folding-room expense..... 10,000
(By providing space in the new warehouse for the folding rooms, this amount can be saved in rental and trucking expense alone.)
5. Reduction in freight-handling charges..... 100,000
(The new warehouse is to be so constructed that freight cars will be run directly into it. This will mean that all incoming paper stock can be taken direct from the car to the stockroom and, in the case of postal-card and money-order stock, directly to the production room, as the trucking from freight yards to the Government Printing Office will be unnecessary. Paper will be shipped on skids, rather than in boxes. This will not only facilitate the handling of the paper but will keep the paper off the floor and will eliminate the waste caused from dust and dirt and the damage incident to unboxing and unpacking.)
6. Savings by straight-line production..... 500,000

Sufficient space will make possible the placing of machinery on the floor and in the group where it belongs. Due to lack of space—and to prevent as far as possible dangerous overloading—it is now necessary in some cases to place machines in sections other than those in which they belong—sometimes in another building and two or three floors above or below their proper location. This, of course, results in much extra handling, which can be eliminated in the new building by placing machines in their proper locations and by eliminating the unnecessary handling involved in getting the work through the plant at the proper time.

The outstanding saving, therefore, will result from the improved arrangement of the plant and the equipment therein, planned by a Public Printer who, as a result of 28 years' actual experience which has covered all phases of the industry, knows how to plan such a plant as the Government Printing Office, will be in order to get the best results from straight-line production.

The \$850,000 I just quoted as the possible saving which will result from the occupancy of the new building was arrived at by reducing the conservative estimates to a most conservative figure; but even if this sum is cut approximately in half the saving will still be sufficient to liquidate the investment in the building, if properly managed, within 10 years.

Added to the increased amount of work which the Government Printing Office has been called upon to perform in overcrowded quarters, the working hours of the employees have been reduced from 44 to 40 per week, and the pay cut has been restored. These increases in labor costs have been absorbed without any appreciable increase in the prices charged by the Government Printing Office for the work it performs for the other departments. This was made possible, of course, by the numerous economies effected by the Public Printer in the method of handling the work. Some of these changes are:

The adoption of a universal metal for all typesetting machines, in lieu of the former method, which involved the use of a separate metal for each class of machine.

The discarding of brass leads and rules, which will result in economy, as all of this material will now be made in the office and the elimination of the brass will render unnecessary the hand sorting of all discarded type.

The adoption of the point system in all type measures, which is the established system in all commercial plants and that around which all typesetting machines are built.

The adoption of a new printing-ink formula in order to give a greater coverage of surface and a quicker drying ink. The quicker drying ink is of great assistance in handling rush work.

The method used in making composition rollers for all printing presses has been changed. This new process is giving much longer life to the rollers.

The installation of modern casting boxes, which will be used in casting flat stereotype plates.

The installation of automatic self-inking proof presses, which will permit the taking of dry, instead of wet, proofs in the printing sections of the office. Dry proofs not only facilitate proofreading, but they provide much clearer proofs for the departments.

The Public Printer is installing a modern cost-finding system, which will enable him to determine the actual cost of each operation performed in the plant and the value of the material produced by the operation. This will enable him to fix his prices more intelligently and will be of inestimable value in arranging to handle the work in the most economical manner.

The Public Printer outlined to the committee many other important changes which he has made in the Government Printing Office. These, and also a more detailed description of the changes I have mentioned, will be found in the hearings held on the bill now under consideration, beginning on page 258.

I said I would touch briefly on three points. I believe I have covered two—volume of work and efficiency in management—as well as my time will permit. The third is the service the Government Printing Office renders to the Government as a whole. The demands upon the establishment are astounding. We have to look no further than the CONGRESSIONAL RECORD for an illustration of one of the big jobs performed by the Office. I never fail to appreciate the fact that I can receive a copy of the RECORD, regardless of the number of pages it may contain, by 7 o'clock in the morning, and to realize at the same time that maybe some of the copy did not get into the hands of the Public Printer until midnight; that he has 37,000 copies in addition to mine to get ready and mail out, and that the RECORD was only one of a hundred rush jobs he was trying to get through the plant at the same time. It has often been said that, taking into consideration the time allowed for printing and the condition of the manuscript sent to the Government Printing Office, the CONGRESSIONAL RECORD is the most accurate publication in the United States. To illustrate further some of the pressing demands made upon the Public Printer for service, I want to cite a few specific cases which have come to my attention as vice chairman of the Joint Committee on Printing and as chairman of the House Printing Committee.

On the afternoon of Friday, February 21, an order was received from the Treasury Department for 100 copies of a brief for the use of the Board of Tax Appeals. The order was accompanied with advice that delivery must be had by Monday morning. The brief made 539 pages. Type was set, proofread, corrections made, and the job was printed and delivered by the time requested, in spite of the fact that Saturday, a holiday, and Sunday intervened.

Another example of the service which the Office extends to the departments is the recent order for 2,230 nickel-faced, blocked electrotypes for bonds and Treasury notes, which were to be printed in the Bureau of Engraving and Printing. The copy reached the Government Printing Office at 6:30 p. m., March 3, with the request that sufficient plates be ready by 8 a. m., March 4, to start the presses and that the entire job be delivered at the earliest possible moment. One hundred and five plates were delivered at 8 a. m. the next morning; 464 more were delivered during the day; and the remaining 1,661 plates were delivered at 9 p. m. that day—a total of 26½ hours from the time the copy was delivered to the Government Printing Office—and the handling of this job did not interfere with or retard the making of plates for the CONGRESSIONAL RECORD or the other rush work of a similar nature.

Two orders were received from the Bureau of the Census, aggregating 31,830,000 copies of a card 6 by 4 inches, which was to be printed and punched with a hole at the top of the card. The cards were to be tied in packages of 1,000, making 31,830 separate packages. The orders were completed in approximately 30 days.

The Works Progress Administration ordered 8,750,000 copies of a form 6 by 16 inches to be printed on seven different colors of paper. The forms were to be printed, perforated, gathered, and made into pads of 25 sets each, and delivery was required at the earliest possible moment. The order was received February 3 and was completed February 20.

That the service rendered to the departments by the Public Printer is of great assistance to them in carrying out their functions is indicated by the numerous letters of appreciation he receives from the department heads.

In order to illustrate to you the tenor of these letters I am going to read into the RECORD three of them taken at random from the Public Printer's files. Time and space limit my selection to three.

AMERICAN NATIONAL COMMITTEE,
INTERIOR BUILDING,
Washington, D. C., December 18, 1935.

Mr. AUGUSTUS E. GIEGENGACK,
The Public Printer, Washington, D. C.

MY DEAR MR. GIEGENGACK: You and your organization are entitled to a warm word of thanks for the splendid appearance of the program for the forthcoming World Power Conference.

Those who had charge of preparing the manuscript tell me that they received courtesy at every turn from your staff. The outcome certainly reflects credit on everyone connected with it. It is one of the most impressive public documents that I have seen.

Speaking for the executive committee, please accept our cordial appreciation and very warm thanks.

Yours very sincerely,

MORRIS L. COOKE,
Chairman, Executive Committee.

UNITED STATES TARIFF COMMISSION,
Washington, February 12, 1936.

Mr. A. E. GIEGENGACK,
Public Printer, Government Printing Office,
Washington, D. C.

MY DEAR MR. GIEGENGACK: I desire to convey to you the official thanks of the Tariff Commission for the notable assistance given us recently by your office in printing for prompt distribution the report entitled "Recent Development in the Foreign Trade of Japan, Particularly in Relation to the Trade of the United States." Upon hearing from our secretary the need for prompt action in this case, you placed the facilities of the Government Printing Office behind this job in such a way that the finished edition of a book, running into 207 pages, much of it statistical tabulations, was in our hands in a few days after we placed the manuscript with you. This exceedingly prompt service enabled us to place the printed report before the Members of Congress and the heads of the executive establishments very shortly after the new congressional session opened. We consider your part in it a distinct service in the public interest.

Sincerely yours,

ROBERT L. O'BRIEN, Chairman.

FEDERAL EMERGENCY ADMINISTRATOR OF PUBLIC WORKS,
Washington, October 25, 1935.

Mr. AUGUSTUS E. GIEGENGACK,
Public Printer, Government Printing Office,
Washington, D. C.

MY DEAR MR. GIEGENGACK: I wish to express my deep appreciation for the assistance rendered the Housing Division of the Public Works Administration by the Government Printing Office in connection with the preparation of specifications for 26 housing projects.

When it became necessary to issue specifications immediately for these projects, it was found that the mimeographing facilities of the Interior Department were so overburdened they could offer no assurance of quick delivery, and we were therefore compelled to request your organization to handle the major portion of the printing upon exceedingly short notice. Your response was complete cooperation.

The printing was complex and the copy submitted to you was, of necessity, not in the best possible form; notwithstanding this, your Office accepted the assignment with sympathetic understanding and proceeded to complete the task in splendid style, working day and night as well as on last Saturday and Sunday.

I wish particularly to commend Mr. William A. Mitchell and Mr. R. W. Teague, the chiefs of the day and night forces of your Planning and Job Composing Divisions, as well as their subordinate employees.

Sincerely yours,

HAROLD L. ICKES, Administrator.

But to my mind one of the most outstanding illustrations of the service rendered by the Public Printer is the work he performed in connection with the printing of the applications for payment of adjusted-service certificates. The Veterans' Administration placed an order with the Public Printer for 6,000,000 copies of the application as soon as the act authorizing the payment of the adjusted-service certificates became law. The Public Printer furnished a proof of the job to the Administrator the day the order was received, and the next day 2,000,000 copies of the application were delivered to the Veterans' Administration Building. The entire order was completed in less than 48 hours after it was received. The Administrator, General Hines, was so impressed with the job that immediately upon receipt of the applications he addressed the following letter to the Public Printer:

VETERANS' ADMINISTRATION,
Washington, January 29, 1936.

HON. AUGUSTUS E. GIEGENGACK,
The Public Printer, Government Printing Office,
Washington, D. C.

MY DEAR MR. GIEGENGACK: Reference is made to Veterans' Administration requisition no. 550, for printing 6,000,000 copies of form no. 1701, known as the application for payment of adjusted-service certificate.

Your personal cooperation in the production of this large quantity of printed matter in 2 days is a service to the Veterans' Administration and to the veterans of the World War which is highly appreciated.

Needless to say such an accomplishment is most creditable to your organization, and I take the liberty of asking you to convey my thanks to all who rendered such valuable and timely assistance to the Veterans' Administration.

Sincerely yours,

FRANK T. HINES, Administrator.

In conclusion, I desire to add that the affability and personality of the present Public Printer have made him very popular with the employees of the Government Printing Office. His knowledge of the printing industry gained from 28 years of actual experience, part of which was gained as mechanical superintendent of the Stars and Stripes, published in France for the A. E. F. during the World War, has given them confidence in his ability to manage properly this large establishment. This fact, coupled with his well-known reputation for fair dealing, has improved the morale of the employees to the extent that it has been possible to accomplish the results which I have just mentioned.

Mr. AMLIE. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I desire to talk briefly at this time about the provision covering the legislative reference service. We in Wisconsin count the late Dr. Charles McCarthy as one of the great sons of that State. Dr. McCarthy was the founder of the idea of a legislative reference library for the use of legislators in this country. The legislative reference library at Madison, Wis., was operated for many years under his direction, and after his death it continued under the supervision of Mr. Edwin Witte, who has been executive director of the President's Committee on Economic Security. I mention this background because legislative reference libraries have been established in many States and also in the Congressional Library at Washington patterned after the original library in Wisconsin. But, unfortunately, in many places where the Wisconsin idea of a vital, functioning legislative service has been copied, it has merely become the case of "the letter of the law killeth but the spirit maketh to live."

I have the feeling that the legislative reference library here is completely failing to accomplish the purpose for which it was established. I have frequently had occasion to call the legislative reference library for facts on various matters that have come up for our consideration. Invariably the type of information that I have received from them is such that they apparently do not know what it is all about.

Mr. SAUTHOFF. Will the gentleman yield?

Mr. AMLIE. I yield to my colleague from Wisconsin.

Mr. SAUTHOFF. I can supplement the gentleman's statement by saying that not only did they not know what it was all about but they could not handle the subject, and I

had to write home to our own legislative reference library in order to get what I wanted.

Mr. AMLIE. May I ask if the gentleman received what he wanted after writing to Madison, Wis.?

Mr. SAUTHOFF. On each occasion.

Mr. AMLIE. I have had the same experience. I have had occasion several times to write to the legislative reference library at Madison and have been able to secure the information that I desired and have not been able to get similar information from the legislative reference service in the Congressional Library.

The library in Madison, Wis., does not have as large an appropriation as the legislative service branch of our own Congressional Library. The appropriation is much smaller, although I cannot give the exact figure.

Mr. Chairman, I feel the difficulty here is that the work is being done apparently by people who do not realize for what purpose they are clipping papers and accumulating information. I feel it is a situation where perhaps a man under civil service has been charged with the administration of a function to which he is not equal.

I venture to say that very few Members of Congress make any use of the legislative reference service in the Library of Congress; and still if this legislative service were able to render the type of assistance to legislators that was contemplated when this service was created, I am sure that each and every Member of this body would have frequent occasion to call upon the legislative reference service for assistance.

I am not making this statement with the intention of criticizing the present administration. As we all know, the Congressional Library is under civil service, and for that reason; calling attention to the failure of this department to function as intended, cannot be considered as actuated by any spirit of partisanship.

While the performance of routine duties can properly be left to civil service, it has often occurred to me that the performance of tasks requiring imagination and initiative must be kept upon a different basis. The trouble with the civil service is that there is a tendency to reduce all these tasks to a purely routine basis. For this reason there has been a tendency on the part of the legislative reference service to delve into inconsequential matter for the sole reason that vital questions were also controversial, hence to be avoided, as a means of escaping criticism and holding onto the pay roll.

Unfortunately, if the legislative reference service is to perform a real function it must of necessity deal with facts that relate to highly controversial questions.

After all, this is the very reason that a legislative reference service was created. It was created in the belief that a great deal of saving in time and energy might be effected, if a legislator could go to some nonpartisan agency and secure reliable information.

This is certainly the way that things have worked out in Wisconsin. Many legislators have come to the statehouse with notions about facts that were wholly erroneous.

Many of these men, however, were wholly honest and sincere. Many of these men have taken their problems up with the director of the legislative reference service or one of his assistants, who in many instances have been able to dispel some of these erroneous ideas with consequent gain to the public and everyone concerned.

I have had occasion to look at the report of the Librarian of Congress. There is listed in this report a record of the subjects to which the employees of the legislative reference service have devoted themselves during the past year. In my opinion, most of the subjects listed have had nothing to do with vital, controversial questions.

The reason for this, in my opinion, is due to the fact that information of this kind cannot be secured from the legislative reference service.

I am not urging that the appropriation for the legislative reference service ought to be stricken out of the bill. Nevertheless I do wish to state that we are not getting value for the \$92,990 that we are spending for this service. In my

opinion, my own experience with this department in the Seventy-second and the Seventy-fourth Congresses has been such as to lead me to the inescapable conclusion that the whole department ought to be completely reorganized under competent direction.

I have never met the acting director, Dr. Schulz, although it is only too apparent to those of us who are familiar with the workings of a well-managed legislative reference service that there should be a complete reorganization in the legislative reference service of the Library of Congress.

I do not know whether the employees of that service are competent or not, but I want to say that the civil service should not be made the means of maintaining incompetents in office. Whether it is the director who is incompetent or the personnel, should make little difference insofar as the Members of this body are concerned. For our purpose it is sufficient to know that we are entitled to competent legislative service and that we are not getting it and have not been getting it.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I was very pleased to hear the gentleman from North Carolina speak about the Government Printing Office.

The Congress has had some experience in naming various officials to positions for a long tenure of office. For instance, take the Comptroller General, whose term is 15 years. Although the gentleman is a Republican, I do not think there is a Democrat in the House who would not say that the Government has been fortunate to have a man like Mr. McCarl in the position he has held for 15 years. [Applause.]

We have appointed men on the Board of Tax Appeals for 10 years. We have appointed men on various commissions for 8 and 10 years. Beyond question, this has proved to be very beneficial. Some of the men appointed have been Democrats and some have been Republicans, but it makes for better efficiency when the right men are kept in large and important Government agencies.

Mr. Chairman, the Government Printing Office is a great institution. As the gentleman from North Carolina says, over 5,000 people are employed there. The former Public Printer held office, I think, for over 8 years. With all due respect to that gentleman, practically all his experience he secured right here in the Capitol as clerk of the Joint Committee on Printing. The present Public Printer, Augustus E. Giegengack, has been in the printing business for 30 years. I never met the man in my life until a few nights ago when I ran into him at a social affair. I have, however, as chairman of the Committee on Expenditures, had some business with his office and I have read the hearings relative to his accomplishments. I did not even know what State he came from until I looked it up. What I have learned is that he is a man with experience—business and executive experience—and as a result it has already been demonstrated that the President made no mistake in selecting him for this very important office.

I learn that at the age of 25, 7 years after he entered the printing business, he was in charge of the printing division of a large mail-order house. During the war he was in France and he handled the production of the Stars and Stripes, which had a circulation of over 500,000 copies. Two hundred enlisted men were in this establishment. Since 1920 he was in business for himself, so you see that he came to the Government with years of experience, including 2 years as president of the International Printing House Craftsmen, and responsible positions with other organizations.

If this man continues to make the record he has since he assumed office less than 2 years ago, it seems to me that it would be well for the Congress to keep him in his position. Mr. LAMBETH has told you the savings he has brought about, and there is no doubt that you have a happy family at the Government Printing Office. We all know the trouble the former Public Printer had with some of his employees. I am not criticizing Mr. Carter's service, but for some reason he just did not get along smoothly with the employees. He

issued some regulations that I did not approve of, including the one that prevented an apprentice from being married while serving as such. I am very glad the present Public Printer has set that order aside.

I repeat, Mr. Chairman, that in some of these great agencies, where practically every employee is subject to civil service, it would be well for us to consider keeping a man who shows his efficiency on the job, and not remove him every time there is a change in administration.

The gentleman from New York [Mr. REED] smiles. I assume he smiles because the present head of the Government Printing Office happens to be a Democrat. I may say that there is a man at the head of the Bureau of Engraving who is a Republican, who has been retained in his present place by the Secretary of the Treasury.

Mr. REED of New York. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York, as I mentioned his name.

Mr. REED of New York. I believe there is a man by the name of Huse connected with the Government Printing Office, and he has been there many, many years. I do not know what his politics may be. I was smiling, not in opposition to the gentleman's statement but because I thought of the fine record this man Huse has in the Government Printing Office. I happen to know him personally.

FEDERAL REGISTER

Mr. COCHRAN. Mr. Chairman, I now want to call attention to a part of the committee report. I am pleased to note that the subcommittee did not give the Federal Register all the money asked for. You say you are putting them on trial, or, rather, to see if the Register is justified.

The statement is made in the report that it will be determined whether or not this is a necessary activity. Although it was an unusual procedure, I introduced a bill to repeal the Federal Register Act before it ever went into effect.

Mr. Chairman, I request every Member on the floor of the House to decide this question from his or her experience. Let us take the question of mail, and I get as much mail I believe as any Member. We do not receive a request for a Government regulation more than once a month, and we do not receive a request for copy of an Executive order once in every 6 months. Now, here is the situation. This Federal Register is going to be printed 5 days a week, just like the CONGRESSIONAL RECORD. Did you know that? It is going to cost the Government this year several hundred thousand dollars. In my opinion, there is absolutely no necessity for it. You say you are going to give it a trial for 8 months. At the expiration of that time you will find how many people have bought the Federal Register. Check up on that. The public will be charged \$1 a month for it. I learned that much the other day. Now, who is going to pay for this Federal Register in the long run? The Treasury of the United States is going to pay for it, and not the individuals who buy it, because we are not going to be able to sell it so that it will be self-supporting. Remember that statement next year and see if I am right. Mark what I say, I warn you to watch this activity. It is just another Government agency created by the Congress that is going to grow, grow, grow.

One reason why it is going to grow if you do not watch it is because you did not put the positions under civil service. You permitted appointments from outside the civil service, not only for the Federal Register but for the Archives. For both the Archives and the Federal Register you will have a force next year of over 250 employees, none under civil service.

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. I may say right now that I do not propose to vote, whether my party is in power or not, to put people in a permanent Government agency without regard to the civil service, because every time you do you make a

serious mistake. [Applause.] The Republicans have done this just like the Democrats. When you are in power you make the same mistake the Democrats do. We have both made these mistakes.

If there should be a change in administration, what is going to happen? Just as soon as the change occurs they will be looking for jobs, and these permanent Government agencies where the appointments have been made without regard to the civil-service laws will be cleaned out and more political appointments made. How are you going to operate with any efficiency a permanent Government agency when you clean house every time there is a change in administration? Our constituents would fare better if the places were under civil service, for those qualified in our districts would have an equal chance to secure the appointments. Then again, when positions are not subject to civil service you receive 50 applications for jobs, probably get one person a job, and you have 49 disappointed constituents on your hands.

It seems to me the President, by an Executive order, could provide that every regulation and Executive order issued by a Government agency be deposited with some certain official, where copies could always be secured, and if that was done the taxpayers would be saved a large amount of money, and the Federal Register would not be necessary.

What has happened at this session? The independent offices appropriation bill carries an appropriation for the Federal Register for the next fiscal year. The deficiency bill we passed recently carried a deficiency appropriation for the Federal Register, and this bill carries money to print the Federal Register next year. Think of it, three appropriations from three separate subcommittees of the Appropriations Committee in this session of Congress. We must wait now and see if it is justified.

I want again to urge the Members of the Committee and the House to watch the Federal Register and the National Archives. I know they are the adopted children of some who have secured a number of jobs, and they will not like what I say. However, I do not care what they like, if I happen to be here when the next appropriation comes in for the Federal Register and the National Archives I am going to make them justify the expenditures. [Applause.]

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the pro-forma amendment.

In what I shall say, Mr. Chairman, I shall express my own thought, possibly, more than the thought of the subcommittee, as I am not commissioned in respect of this particular matter to speak for them; but I personally agree very heartily with the gentleman from Missouri [Mr. COCHRAN] in regard to the bill which, I understand, he has introduced repealing the act creating the Federal Register. I think it certainly should be repealed because we do not have any conception of the depth to which we are going when we attempt to print the vast accumulation of orders and proclamations and all that sort of thing that have been issued. It is perfectly stupendous, and it was testified by Mr. Giegengack, the Public Printer, that there are accumulated orders and proclamations enough to fill a building the size of the Archives Building. Just think of it! The cost is inconceivable.

If we are going into the business of printing this vast accumulation in the Federal Register, we might just as well sign over the United States Treasury to do it.

While I agree perfectly with the gentleman that the law should be repealed, I dissent absolutely from any criticism he may have made of our committee for having made an appropriation in conformity with existing law, and I should like to ask the gentleman from Missouri how in the world we could do anything except what we have done? The law is on the statute books and until it is repealed it is the function of the Committee on Appropriations, of course, to recognize the fact that there is such a law, and we have appropriated the very minimum we could appropriate in conformity with our obligation to pay some attention to existing law. We could not challenge an act of Congress and say that we would disobey it.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Maine.

Mr. MORAN. The gentleman has not pointed it out particularly, but it is a matter of interest to the House, of course, to know that under the reenacted supplemental appropriation act approved on February 11 last this program of publishing the Federal Register 5 days a week will begin within a week or so and continue until July 1, 1936, under that particular appropriation bill. The legislative appropriation bill now before the House provides an appropriation to continue this publication from July 1, 1936, to February 28, 1937. The two appropriation bills combined offer a year's trial of this publication, and out of that experience the next Congress will be in better position to pass upon the question as to its continuance and can repeal the Federal Register Act at that time if it so desires. This legislative appropriation bill provides merely a continuation of the appropriation from July 1, 1936, and failure to support the appropriation in this bill would have the effect of stopping the publication as of July 1, 1936. If and when Congress wishes to stop this publication, let it do so by repealing the Federal Register Act itself. With the act in force the duty of our committee is clearly to provide an adequate appropriation.

Mr. LUDLOW. I thank the gentleman for his contribution. He is quite right. It is very true that the only appropriation we have made in this bill is an appropriation to carry on for 8 months the publication of the current orders and proclamations, by which time we expect Congress will have taken some definite action. Personally I hope this action will be the passage of a bill repealing the act.

We have not provided in this appropriation for the publication of any of the accumulations, because that is like trying to publish all outdoors. We have decided not to do that until Congress can consider the matter more fully and sanely in the light of all the facts and decide whether it ought to go into the matter of publishing this enormous accumulation.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. TABER. Is it not a fact that there is a very considerable item carried in the independent offices bill in addition to this amount for the same purpose?

Mr. LUDLOW. That is true; and that is in consonance with existing law. This appropriation becomes effective on the 1st of July, and this will be continuing what the act of Congress requires.

[Here the gavel fell.]

Mr. MORAN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

Mr. MICHENER. Are we not under the 5-minute rule?

The CHAIRMAN. We are; but unanimous consents are in order.

Mr. MICHENER. I ask to be recognized when the gentleman from Maine is through.

Mr. MORAN. Mr. Chairman, in answer to the question propounded by the gentleman from New York [Mr. TABER], the appropriation for the Federal Register contained in the independent offices appropriation bill for 1937 provides the funds for compiling and editing the material to be published, whereas the appropriation for the Federal Register contained in the legislative appropriation bill for 1937 now before the House provides funds to the Public Printer solely for printing the Federal Register. The two appropriations, therefore, are not for the same purpose at all. However, the combined total of appropriations under both bills should be considered when the House at some later date gives consideration to the question of continuance of the Federal Register. Mr. TABER, by his inquiry, properly calls attention to the fact that in such consideration attention should be given to the costs as measured by appropriations carried in both the independent offices and the legislative appropriation bills.

Mr. MICHENER. Mr. Chairman, I move to strike out the last two words. I realize that there is not the necessity for this Federal Register that there was when the legislation was enacted. Much criticism has been made of the enactment of this law, but we must not lose sight of the fact that at the time the law was enacted we had hundreds and even thou-

sands of regulations, proclamations, and orders issued by different agencies, bureaus, departments, and the President, which in their nature carried penalties and often imprisonment, and men were actually arrested and convicted. One case was carried up to the Supreme Court of the United States before it was ascertained that the order, rule, regulation, or proclamation, which the man was accused of violating had been repealed even before the arrest was made. In a hearing before the Judiciary Committee on the original Federal Register legislation, numerous instances were cited where great hardship was worked upon well-meaning people, simply because they did not know what the law as embodied in these rules and regulations was, and there was no one place where they could look to ascertain what they were expected to do to be law-abiding citizens. Now that condition was recognized as abominable, and it was the primary purpose of the Federal Register to codify and bring together all these rules, regulations, and proclamations having the force and effect of law so far as compliance on the part of the citizens is concerned.

I realize that since the enactment of the Federal Register statute the A. A. A. has departed. The N. R. A. is no more. The Potato Act, the Cotton Act, and the Tobacco Act have been repealed. However, in a recent attempt to revive that which is constitutionally dead, new power is given to the Secretary of Agriculture to issue another flock of rules and regulations; and it might be well to have some place where the well-meaning citizen might repair to find out to what extent his liberties and course of living and pursuit of happiness might have been regulated by an order issued by the Secretary of Agriculture or one of his subordinate bureaus. The principle underlying the Federal Register statute, in the light of present-day bureaucratic activities, and in these days when Congress has delegated so much of its power to others, is correct; and we should not think of repealing this statute until methods of legislation are stabilized in accordance with previous law and constitutional authority.

There is now pending before the Judiciary Committee what is known as the Walsh bill, the purpose of which is to make all existing codes under the defunct N. R. A., and which were in effect on May 27, 1935, effective so far as Government contracts are concerned. This bill has already passed the Senate, and if it is ever favorably reported by the committee and passed by the House the old N. R. A. will have full force and effect so far as Government contracts are concerned. Who knows what the codes in force and effect on May 27, 1935, were? Where can any contractor find this information? Yet the contractor would be penalized if he entered into a contract with the Government and failed to observe these regulations. If for no other reason, this Federal Register statute should not be abandoned until the Congress has finally disposed of the Walsh bill.

I have heretofore spoken at some length, I think, on the necessity of the Federal Register law. And at the time the matter was before the House for consideration I objected strenuously to the provision establishing the set-up outside of the civil service. Following practically all New Deal legislation, however, the law exempted all activities under the statute from the operation of the civil service and the classification laws. This Federal Register is established in the Archives department, and if there is a place where the civil service should obtain, it is in this agency.

The gentleman from Missouri [Mr. COCHRAN] is exactly correct so far as the civil service is concerned, and I stand with him 100 percent in this particular. It is splendid to see so good a Democrat take so courageous a stand when "the loaves and fishes" are being distributed. Possibly many capable persons have been selected to work in the Archives department, yet they have all had to pass the political test. We would not expect to find anyone rendering service down there unless he was a deserving partisan. This should not be, and these people should be obliged to meet civil-service requirements; and then should be secure in these technical positions. If there is any place in the Government where expert knowledge and training is required, it is in handling the Government archives. And I for one do not want this new

agency honeycombed with politicians. Let us provide by law that these people be selected because of their qualifications and that they be permitted to carry on regardless of change of political administration.

It might not be amiss to call attention to the fact that in recent weeks we have been hearing much about the civil service. After all these agencies and bureaus and new activities have been established and the positions filled with the patronage yardstick as the measure rather than the civil-service yardstick, now all of a sudden the powers that be have discovered that these positions should be under the civil service. The same is true in the post offices and other departments; and we may confidently expect an Executive order or legislation in the not far distant future covering all of these appointees in under the civil-service law. That will be bad enough, but even at that this may be advisable in order to eventually get qualified and not political help in the departments.

Mr. CULKINS. Mr. Chairman, I move to strike out the last three words. The gentleman from Missouri [Mr. COCHRAN] made a statement here a moment ago with reference to the standing of the Democratic and Republican Parties on civil service which I cannot permit to go unchallenged. In the February issue of the Atlantic Monthly Mr. Lawrence Sullivan, a member of the press gallery here, had a most illuminating article on the destruction of the national civil service by the present administration. He traces the story of the civil service, dating from the assassination of President Garfield, and shows its steady growth. He tells how, under the Republican administrations since that time, the extension of civil service steadily increased and, until the advent of the present administration, it was well-nigh a completed control of the public service. I quote Mr. Sullivan's article:

The present administration has added roundly 235,000 persons to the direct full-time pay rolls of the Federal Government but only 1 in 107 among the new personnel is under civil service.

"Spoils! Spoils!" cry the defenders of the merit system.

"Emergency! Emergency!" respond Postmaster General James A. Farley and all the beneficiaries of "political clearance."

And the issue here joined promises to influence American affairs profoundly, perhaps fundamentally, for a decade; for if the merit system is to be abandoned, as prevailing policies portend, we soon shall find our national affairs dominated by a whole new complex of primary motivations. When partisan activity degenerates to a bald race for the Treasury trough the very concept of public service shrinks, withers, then dies. Thereupon government ceases to be the testing ground for measures of social adjustment and progress and becomes the mere battleground of the "ins" versus the "outs" for the exactly measured plunder of the public pay roll.

Since 1933 the percentage of Federal positions subject to competitive examination, in relation to the total of full-time employees in the executive branch, has declined steadily from month to month, a phenomenon not experienced previously since the establishment of the United States Civil Service Commission in 1883.

In 1884 only 10.5 percent of those in the executive civil service were under statutory merit regulations. By 1904 this percentage had increased to 51.2. Woodrow Wilson increased it to 67.2, Mr. Coolidge to 74.8, and Mr. Hoover to 80.8. In 1928 the Civil Service Commission was happy to report formally: "Every President since the civil-service law was enacted has extended its scope by Executive order, and each Congress finds new avenues for the activities of the Civil Service Commission." The march of merit was unbroken for half a century. But by the end of the fiscal year 1935 the percentage of competitive places had slipped back to 57, approximately the ratio which prevailed in the period 1906-1908.

Nor is this quarter-century retrogression the whole sorry tale. Unrelenting pressure for the rooting out of civil-service employees in department after department, under pretexts often persuasive enough, has broken the morale of the whole Federal personnel. No longer is hard-won civil-service status regarded as security against a patronage raid. Where the job makers will strike next, nobody ever knows. Heaped upon all the recognized frustrations of top-heavy bureaucratic organization is the new, incessant, and demoralizing intrigue of the appointive against the civil-service personnel.

Of course, civil service makes for efficiency. It encourages the career man. The distinguished occupant of the White House gives lip service to the civil service and then the public service is Farley-ized. National civil service today is a mockery and the ground that has been gained in America heretofore has been lost during this present administration.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Not at this time. The public service has been debauched, and I repeat that civil service as an agent of an added and more efficient public service has been hampered and demoralized by this administration. In this same article, as I recall, it told the story of how in England on the occasion of a recent change in Government, when the party in power went out of power, there were only several hundred places which changed in the whole administration.

In other words, civil-service controlled. In England efficiency and technical equipment were the tests, and not the endorsements of the local politicians. That is probably one of the reasons for England's recovery. That is the only way that the public service can survive along orderly lines and along the lines of civic progress. The distinguished President should not say one thing and then wink his eye at the performance of Mr. Farley, who has definitely debauched and destroyed the growth and development of the civil service of America. No man in the civil service today enjoys a secure, serene tenure of office. Without that the efficiency of the civil-service employee is destroyed.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

Mr. CONNERY. Does not the gentleman understand that the Commissioner of the Civil Service, in a speech recently, gave facts and figures showing that Mr. Sullivan in that article did not know what he was talking about, and that the Democratic Party had put more people in the civil service, in ratio as they went along, than the Republican Party, and that they had taken departments of the Government and put them under civil service and added to the civil service?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CULKIN. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CULKIN. Mr. Chairman, I did not read that statement of the Commissioner; but if he is saying that, he is differing from every organization in America that has the public service and the extension of the civil service at heart.

Mr. CONNERY. He gave facts and figures on that.

Mr. CULKIN. The article to which I refer seemed to me to be well grounded and well justified. The gentleman from Massachusetts must know that this disgraceful performance is current history, of which the Members on the other side of the aisle, the President, and Field Marshal Farley are the principals in the making.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. CONNERY. Mr. Chairman, I rise in opposition to the pro-forma amendment.

I would like to call to the attention of the House, Mr. Chairman, at this time a matter of great importance to the Committee on Labor. I have been chairman of that committee for 5 years. We have only one clerk on that committee. I have called this to the attention of my friend the chairman of the Committee on Accounts, Mr. WARREN, and to another member of the Committee on Accounts, the chairman of the Committee on Expenditures in the Executive Departments, my friend, Mr. COCHRAN. We are expected in the Committee on Labor to answer letters from 48 States in the Union on all sorts of labor problems and questionnaires, and we have only one clerk to answer those letters. That clerk is expected to answer phone calls from Members of the House and Senate and Government departments, keep in order all committee files, call committee members, answer labor queries, arrange the transcripts of hearings, prepare hearings for printing, have at her finger tips information on all the labor bills referred to the committee, the status of those bills, and, in addition, receive visitors from all over the Union who come to the committee room seeking information on labor problems. I will say that that clerk, Miss Mary Cronin, immediately after the last session of Congress, suffered a complete nervous break-down and was incapacitated for work for 3 months as a result of overwork as clerk of the Committee on Labor. When I speak of overwork on that

committee, that does not mean night work, because I do not allow my clerk to work nights. I believe in decent hours for people who are working, especially on the Committee on Labor. That committee has always stood for shorter hours and higher wages [applause], and we believe that should begin at home, and we should practice what we preach.

I am appealing to the House. I know what I am up against in trying to get an assistant clerk for that committee. I know what the gentleman from North Carolina [Mr. WARREN] is up against, and I know what the gentleman from Missouri [Mr. COCHRAN] is up against. When I ask for an additional clerk they say, "We know you have a good case, but if we give you an assistant clerk, all the committees are going to ask for an additional clerk"; but I am putting up to the House of Representatives a condition which I believe the Members of the House know exists.

In the last 5 years, due to the conditions of unemployment in the country, the Committee on Labor itself has become certainly overworked. We have three subcommittees out on hearings now on matters all of which are of tremendous importance to the American people. The members of those committee have worked long hours. In the past two sessions the committee has worked many long hours, day and night, on the 30-hour-week bill, on the Wagner-Connelly bill, on equal representation on the codes when the N. R. A. was in effect, on other labor legislation, and labor investigations. We of the committee have not objected to working long hours ourselves, but we believe it to be eminently unfair to ask one clerk to do the work of three persons, because that is what the clerk of the Committee on Labor has been doing and is doing now. I am appealing to the House and to the chairman of the Committee on Accounts to look into the matter of giving us an assistant clerk for that Committee on Labor. I believe, due to the conditions in the country to which I have referred, that we have a special condition of affairs in that committee which should be recognized and should be remedied, and I believe that no other committee will feel aggrieved if the Committee on Accounts should report a resolution providing for an assistant clerk for the Committee on Labor. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. CONNERY] has expired.

The Clerk concluded the reading of the bill.

Mr. SNYDER of Pennsylvania. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BUCK, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. SNYDER of Pennsylvania. Mr. Speaker, I move the previous question on the bill to final passage.

The motion was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill. The bill was passed.

On motion by Mr. SNYDER of Pennsylvania, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS

Mr. LAMBETH. Mr. Speaker, in connection with my remarks, I wish to ask unanimous consent to insert two brief letters from department officials.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

LXXX—235

CREATION OF THE DEPARTMENT OF TERRITORIES AND INSULAR AFFAIRS

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to insert in the RECORD my own remarks delivered by radio in behalf of a bill introduced by Senator GIBSON to create a Department of Territories and Insular Affairs.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered March 11, 1936, over the radio in behalf of a bill introduced by Senator GIBSON to create a Department of Territories and Insular Affairs:

Fellow Members and citizens, Senator GIBSON is trying to obtain for beautiful Puerto Rico and other Territories greater representation and a more dignified position in Washington in the administration of the island's affairs. Puerto Rico is an organized Territory of the United States under the supreme authority of Congress.

The Jones Act, passed by Congress in 1917, granted American citizenship to the people of Puerto Rico. The island has over 1,600,000 American citizens, and, for the last 37 years, our children have been born and educated under the American flag, with American ideals of life and government taught in our schools.

Puerto Rico literally stands at the crossroads of the world, at the entrance to the Caribbean, and on direct line with east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles from the Panama Canal; 1,300 miles from New York and Philadelphia; less than 1,000 from Havana; and less than 4,000 miles from European countries.

Let me say that the institutions of the United States have been responsible for the marvelous and wonderful progress made in Puerto Rico. Our total trade, import and export, reaches an average of \$140,000,000 each year, so that the commerce with the mainland during the past 35 years has reached the large amount of over \$3,000,000,000.

A great majority of the people believe that the influence of the people of the United States, in the destiny of Puerto Rico, has been, is, and will be, civilizing and that the extension of the Constitution of the United States to the island represents a positive guaranty to the islander's liberty, freedom, and enjoyment of individual rights.

Senator Gibson's proposal is to tend to enlarge the representation of Puerto Rico in the administration at Washington, which would be evidence of great progress. I sincerely hope that the Senator will convince Congress of the absolute necessity of setting up for all time a clear and definite policy for our island.

I affirm that the only way to seek a remedy to better economic and social conditions of the greater part of the population and workers is to have absolute guaranty of a true representative government, freedom of association, freedom of speech and press, setting the policy of the United States for Puerto Rico and to have it attended to by a proper and dignified authority in the Government in Washington who may act with impartiality, and lend his best cooperation to the welfare and progress of the Puerto Rican people.

The Puerto Rican people, every year since the occupation by the United States Army in 1898, have requested of the various Presidents and Congresses, through representatives of all economic institutions, political parties, and organized labor of the island, to set a definite policy by which the island's future may be guided. Puerto Ricans are a sensible, loving, and peaceful people.

A great majority of the Puerto Rican people wants elevation from a dependency or possession to the dignified recognition as that of a State of the Union.

In the meantime give the people of Puerto Rico what they have striven to secure to themselves for so many years—a greater degree of economic possibilities and self-government, as suggested by our legislature and the national administration.

EXTENSION OF REMARKS

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members who spoke on the legislative department appropriation bill may have 5 legislative days within which to extend their own remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE DEPARTMENT APPROPRIATION BILL

Mr. SNYDER of Pennsylvania. Mr. Speaker, I want to commend the gentleman from California [Mr. Buck] for his splendid effort to carry out the instructions of the Speaker with reference to requiring Members to address the Chair before speaking. The gentleman did a splendid day's work, and I think he should be commended for his efforts to carry that out. [Applause.]

The SPEAKER. Without objection, the Clerk will be directed to correct the section numbers in the legislative department appropriation bill just passed.

There was no objection.

EXTENSION OF REMARKS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a bill introduced by me, and also an article by Major Norwood on the subject of aviation in the public schools.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. KENNEY]?

Mr. SNELL. Reserving the right to object, Mr. Speaker, that matter was discussed some few days ago, and I think there was a general understanding that a bill already in print should not be reproduced in the RECORD, and, therefore, I object.

Mr. KENNEY. Will the gentleman reserve his objection for a moment?

Mr. SNELL. Yes.

Mr. KENNEY. I would like to say that I would particularly like to introduce the matter prepared by Major Norwood. Major Norwood is instructor in aviation at the Teaneck High School. That is the only school that has such a course.

Mr. SNELL. But if we start printing all articles produced by all the high-school instructors in the country, we will have the RECORD full.

Mr. KENNEY. There is no other such activity in the country. People from all over the country are writing to him about the boys in that high school, and I want to send it out to the country.

Mr. SNELL. I am going to object to the reprinting of bills in the CONGRESSIONAL RECORD that are printed and ready for distribution.

Mr. KENNEY. I withdraw my request, so far as the bill is concerned.

Mr. LAMBETH. Mr. Speaker, reserving the right to object, I think the gentleman from New York probably intended to object to the article of the instructor, who is a civilian, as I understand, not connected with the Government.

Mr. SNELL. I thought I did. I understood the gentleman now wants to extend his own remarks, not the article of the instructor. Certainly I object to that. I thank the gentleman from North Carolina for calling it to my attention. I do not think that he would want it in, either.

Mr. KENNEY. I may say to the gentleman that this is the only thing of its kind in the United States—this course given in the Teaneck High School.

Mr. SNELL. I object to it. I object to the insertion in the RECORD of these private articles.

The SPEAKER. What is the request of the gentleman from New Jersey as modified?

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include matter prepared by Major Norwood, of the Teaneck High School, regarding a course of education in the public schools.

Mr. SNELL. Mr. Speaker, I object.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CHANDLER, for 3 days, on account of important business.

To Mr. HIGGINS of Massachusetts (at the request of Mr. McCORMACK), for 1 week, on account of illness.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 16 minutes p. m.) the House adjourned until tomorrow, Friday, March 13, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

706. Under clause 2 of rule XXIV, a letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill for payment of claims of certain white settlers who had lost their property under the decisions of the Pueblo Lands Board, approved under the act of June 7, 1924 (43 Stat. 636), as supplemented by the act of May 31, 1933 (48 Stat. 108, 109); was taken from the Speaker's table and referred to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JOHNSON of Texas: Committee on Foreign Affairs. S. 3413. An act to give effect to the convention between the United States and certain other countries for the regulation of whaling, concluded at Geneva, September 24, 1931, signed on the part of the United States, March 31, 1932, and for other purposes; with amendment (Rept. No. 2154). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DALY: Committee on Claims. H. R. 993. A bill to extend the provisions of the act of Congress approved September 7, 1916, entitled "An act to provide compensation for employees of the United States receiving injuries in the performance of their duties, and for other purposes", to Frank A. Boyle; with amendment (Rept. No. 2155). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 1103. A bill for the relief of E. B. Gray; with amendment (Rept. No. 2156). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 2189. A bill for the relief of Julia M. Ryder; with amendment (Rept. No. 2157). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 3283. A bill for the relief of the Community Investment Co., Inc.; with amendment (Rept. No. 2158). Referred to the Committee of the Whole House.

Mr. PITTINGER: Committee on Claims. H. R. 3598. A bill for the relief of Evangelos Karacostas; with amendment (Rept. No. 2159). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. H. R. 4411. A bill for the relief of Mary L. Munro; with amendment (Rept. No. 2160). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 4571. A bill for the relief of William W. Bartlett; with amendment (Rept. No. 2161). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4915. A bill for the relief of Guido Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin; with amendment (Rept. No. 2162). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 6163. A bill for the relief of Mrs. Murray A. Hintz; with amendment (Rept. No. 2163). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 6258. A bill for the relief of D. E. Woodward; with amendment (Rept. No. 2164). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 6441. A bill to extend the benefits of the Employees' Compensation Act of September 7, 1916, to J. C. Wilkinson; with amendment (Rept. No. 2165). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 6599. A bill for the relief of John Charles Klein; with amendment (Rept. No. 2166). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 6828. A bill granting 6 months' pay to George H. Smith; with amendment (Rept. No. 2167). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7555. A bill for the relief of W. N. Holbrook; with amendment (Rept. No. 2168). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 7645. A bill for the relief of Harry L. Smigell; with amendment (Rept. No. 2169). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 7867. A bill for the relief of John Micek; with amendment (Rept. No. 2170). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7904. A bill for the relief of the Grant Hospital of Chicago, Ill.; with amendment (Rept. No. 2171). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 7987. A bill for the relief of the Polygraphic Co. of America; with amendment (Rept. No. 2172). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 8113. A bill for the relief of Louis George; with amendment (Rept. No. 2173). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 8200. A bill for the relief of the seamen of the steamship *Santa Ana*; with amendment (Rept. No. 2174). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 8434. A bill authorizing the redemption by the United States Treasury of certain documentary revenue stamps now held by L. J. Powers; with amendment (Rept. No. 2175). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 8486. A bill for the relief of John A. Baker; with amendment (Rept. No. 2176). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 8506. A bill for the relief of Oliver Faulkner; with amendment (Rept. No. 2177). Referred to the Committee of the Whole House.

Mr. RAMSPECK: Committee on Claims. H. R. 8510. A bill for the relief of John Hurston; with amendment (Rept. No. 2178). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 8551. A bill for the relief of J. C. Donnelly; with amendment (Rept. No. 2179). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 9023. A bill for the relief of Anna Muetzel; with amendment (Rept. No. 2180). Referred to the Committee of the Whole House.

Mr. CARLSON: Committee on Claims. H. R. 9076. A bill for the relief of W. H. Dean; with amendment (Rept. No. 2181). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 9370. A bill for the relief of Frank Cordova; without amendment (Rept. No. 2182). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 9373. A bill for the relief of H. L. & J. B. McQueen, Inc., and John L. Summers, former disbursing clerk, Treasury Department; without amendment (Rept. No. 2183). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 9374. A bill to provide for the reimbursement of certain enlisted men and former enlisted men of the Navy for the value of personal effects destroyed in a fire at the radio direction-finder station, North Truro, Mass., on December 27, 1934; without amendment (Rept. No. 2184). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 11052. A bill for the relief of Joseph M. Purrington; with amendment (Rept. No. 2185). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. S. 536. An act for the relief of Ada Mary Tornau; without amendment (Rept. No. 2186). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 903. An act for the relief of the Holyoke Ice Co.; without amendment (Rept. No. 2187). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 2042. An act for the relief of Grace Park; with amendment (Rept. No. 2188). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 2336. An act granting compensation to Mary Weller; without amendment (Rept. No. 2189). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 2942. An act for the relief of John Hoffman; without amendment (Rept. No. 2190). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. S. 2943. An act for the relief of John Morris; without amendment (Rept. No. 2191). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3125. An act for the relief of J. A. Hammond; without amendment (Rept. No. 2192). Referred to the Committee of the Whole House.

Mr. EVANS: Committee on Claims. S. 3367. An act for the relief of James Gaynor; without amendment (Rept. No. 2193). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. S. 3684. An act to authorize the settlement of individual claims for personal property lost or damaged, arising out of the activities of the Civilian Conservation Corps, which have been approved by the Secretary of War; without amendment (Rept. No. 2194). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3777. An act to authorize the Secretary of the Treasury to execute an agreement of indemnity to the First Granite National Bank, Augusta, Maine; with amendment (Rept. No. 2195). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 3085) for the relief of John A. Nehmer, and the same was referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 11767) to provide for the entry under bond of exhibits of arts, sciences, and industries, and products of the soil, mine, and sea, and all other exhibits for exposition purposes; to the Committee on Ways and Means.

By Mr. DEMPSEY: A bill (H. R. 11768) authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose; to the Committee on Foreign Affairs.

By Mr. SWEENEY: A bill (H. R. 11769) to reclassify the salaries of watchmen, messengers, and laborers in first- and second-class post offices and the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. ELLENBOGEN: A bill (H. R. 11770) to rehabilitate and stabilize labor conditions in the textile industry of the United States; to prevent unemployment, to regulate

child labor, and to provide minimum wages, maximum hours, and other conditions of employment in said industry; to safeguard and promote the general welfare; and for other purposes; to the Committee on Labor.

By Mr. CROSSER of Ohio: A bill (H. R. 11771) to authorize the coinage of 50-cent pieces in commemoration of the Centennial Celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition; to the Committee on Coinage, Weights, and Measures.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11772) to extend the times for commencing and completing the construction of a bridge across the Ohio River at Sistersville, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT: A bill (H. R. 11773) to amend the Plant Quarantine Act of August 20, 1912; to the Committee on Agriculture.

By Mr. PEYSER: A bill (H. R. 11774) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

By Mr. SCOTT: A bill (H. R. 11775) to amend section 101 (12) of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11776) to diminish unemployment through establishing the supplementary system of production and consumption for the unemployed known as reciprocal economy; to the Committee on Labor.

By Mr. THOMASON: A bill (H. R. 11777) to authorize the Secretary of War to set apart as a national cemetery certain lands of the United States military reservation of Fort Bliss, Tex.; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H. R. 11778) to liquidate the liability of the United States for the massacre of Sioux Indian men, women, and children at Wounded Knee on December 29, 1890; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 11779) for the relief of Dominga Pardo; to the Committee on Claims.

By Mr. DOCKWEILER: A bill (H. R. 11780) for the relief of J. H. Bowling; to the Committee on Claims.

By Mr. EDMISTON: A bill (H. R. 11781) granting an increase of pension to Martha E. Watts; to the Committee on Invalid Pensions.

By Mr. ELLENBOGEN: A bill (H. R. 11782) to correct the record of Charles A. Gift; to the Committee on Naval Affairs.

By Mr. GRISWOLD: A bill (H. R. 11783) for the relief of William James Armstrong; to the Committee on Naval Affairs.

By Mr. HOPE: A bill (H. R. 11784) for the relief of Jack C. Collins; to the Committee on Military Affairs.

By Mr. MAPES: A bill (H. R. 11785) for the relief of Lewis Marion Hall; to the Committee on Naval Affairs.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 11786) granting a pension to Julian A. Myers; to the Committee on Invalid Pensions.

By Mr. OLIVER: A bill (H. R. 11787) for the relief of Mr. and Mrs. W. T. Warner; to the Committee on Claims.

By Mr. SCOTT: A bill (H. R. 11788) for the relief of certain eight lieutenants in the line of the Navy, and to correct certain injustices done them as a result of the act of May 29, 1934 (H. R. 9068); to the Committee on Naval Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11789) granting a pension to Adam Anderson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10512. By Mr. AYERS: Petition of Myron W. Danforth and 37 patrons and citizens of star route no. 63516, Montana; to the Committee on the Post Office and Post Roads.

10513. By Mr. GOODWIN: Petition of Moriah Grange, No. 1128, Moriah, N. Y., urging the passage of the bill placing a Federal tax on oleomargarine; to the Committee on Agriculture.

10514. By Mr. GUYER: Petition of citizens of Norton, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.

10515. By Mr. LAMNECK: Petition of Mrs. C. N. Greiner, president, Crestview Welfare Club, 60 Walhalla Road, Columbus, Ohio, and others, urging early action on the motion-picture bills before Congress; to the Committee on Interstate and Foreign Commerce.

10516. By Mr. PFEIFER: Petition of the Polish Aid Fund, Inc., Brooklyn, N. Y., concerning the Frazier-Lundeen workers' social insurance bill; to the Committee on Labor.

10517. Also, petition of the Young Men's Council of the United States, New York City, urging support of the Kramer bill and the Tydings-McCormack bill; to the Committee on Military Affairs.

10518. By the SPEAKER: Petition of the Kentucky Bar Association; to the Committee on the Library.

10519. Also, petition of the Board of County Commissioners of Ward County, N. Dak.; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 13, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the Infinite One, we rejoice that Thou hast called Thyself Father, Friend, Savior, and Elder Brother. By these, Blessed Lord, we are taught of what Thou art; they disclose our relationship to Thee; glory be unto Thy Holy Name. We pray that we may be exultant in our faith, in our happiness, and in this personal alliance. Dwell in us, our Heavenly Father, quickening all the sources of our hope and courage. O Divine Spirit, we need Thee more than knowledge, temple, or creed, that we may become in all things more than conquerors—through Him who hath loved us! Let Thy holy precepts be felt in every realm of our activities, keeping our affections clean and clear. Hasten the glorious day, Father, when men shall labor for the bread that cometh down from heaven; when injustice shall prevail no more and truth and brotherhood shall bless our humanity throughout the world. In the blessed name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment joint resolutions of the House of the following titles:

H. J. Res. 443. Joint resolution to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937; and

H. J. Res. 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2288. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes; and

S. J. Res. 223. Joint resolution relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out certain governmental activities.

REVISED STATUTES OF THE UNITED STATES

Mr. BLAND. Mr. Speaker, I ask unanimous consent to have recommitted to the Committee on Merchant Marine and Fisheries the bill (S. 2001) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, no. 454 on the Union Calendar and no. 371 on the Consent Calendar. This request is propounded by authority of that committee.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the sessions of the House until Monday next, and that they may have until Saturday midnight to make a report on the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask if it is expected to take up the Commodity Credit Corporation bill today?

Mr. STEAGALL. We do not expect to call up that bill for consideration this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

DELIBERATE MISREPRESENTATIONS IN WASHINGTON NEWSPAPERS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes to answer some misrepresentations in Washington newspapers and to defend the committee's action and report on the District of Columbia appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I repeat what I said the other day, that when it comes to purveying general news the Washington Star is one of the best metropolitan newspapers in the United States. But concerning myself and the local tax situation in Washington, you cannot rely upon or believe anything you see in its columns. Because it has not been able to force me to stop my fight to compel it and the other newspapers in Washington to pay their own taxes, and I have made an uncompromising fight to repeal laws that make the people who live in the 48 States pay a large percent of the taxes of Washington people that ought to be paid by Washington people, and because it cannot influence and control me, the Washington Star and other Washington newspapers try every day in every way to discredit me. They distort and pervert every speech I make. They misrepresent everything I do or say. They never report me correctly. They try to belittle everything I accomplish. They abuse me continually. Because as chairman I handle an appropriation bill of 83 pages that is reported unanimously by a subcommittee and is approved by the unanimous vote of the full Committee on Appropriations, consisting of 39 Members, and the 83-page bill is passed by the House of Representatives without a single amendment by a vote of 290 for its passage and only 26 votes against it, the Washington Star and other newspapers here designated the bill as "Blantonism" simply because we reduced many scores of unconscionable large salaries that were being paid out of public relief money to persons who until they got on the official relief roll had never received one-third as much in their whole lives, and because we decreased and cut \$3,000,000 off of the gratuitous contribution the Federal Government has been making annually upon the civic expenses of the Washington people, which the Washington people themselves should pay, and they should not expect the already overburdened taxpayers in the States, after paying their own taxes, to pay on the taxes of Washington people.

INFLUENCED AN OLD RETIRED OFFICIAL TO IMPEACH HIMSELF

Tax Assessor William P. Richards has worked for the Government 45 years. He has been tax assessor of the District of Columbia during the past 27 years. He retired yesterday. His successor was sworn in today. Today for the first time in 45 years the Washington Star editorially calls Assessor Richards "a faithful public servant." Yesterday, on his retirement, the Washington Star was able to influence and cajole out of Assessor Richards a statement impeaching his own testimony and impeaching the testimony of Commissioner Hazen, president of the Board of District Commissioners, and impeaching the testimony of Auditor Donovan, and which statement the Washington Star knew was incorrect when it published same. But what cared the Washington Star? Was it concerned about truth or facts? Certainly not, because the statement it got out of the retired tax assessor seemingly denied facts stated in our committee report and my speech. I am going to prove beyond any doubt that the Washington Star, the Washington Herald, and the Washington Post all deliberately misrepresented the facts, and deliberately published untruths, when at the time they knew they were publishing incorrect and untrue statements.

MISREPRESENTATIONS BY WASHINGTON STAR

Yesterday afternoon, under large headlines running clear across the top of its front page of its Washington section, the Star printed the following:

SAYS FIGURES INCORRECT

BLANTON has repeatedly referred to what he called an "arbitrary" reduction of \$130,000,000 in the total of real-estate assessments. Richards today flatly denied the accuracy of that statement.

MISREPRESENTATIONS BY WASHINGTON HERALD

The Washington Herald this morning carried the following unjust attack:

BLANTON ASSAILED ON TAX CLAIM—RICHARDS CHARGES HE IS INACCURATE

Tax Assessor William P. Richards celebrated his last day in office yesterday by lashing at Representative THOMAS L. BLANTON, of Texas, who charged in the House Wednesday that District tax officials had violated the law requiring 100-percent assessment on real estate.

Richards declared BLANTON was inaccurate in his statement that property is assessed here below its fair value and that an arbitrary reduction of \$130,000,000 had been made in real-estate assessments.

MISREPRESENTATIONS BY WASHINGTON POST

The Washington Post this morning imposed upon its readers with the following:

OFFICIAL DENIES BLANTON CHARGE ON ASSESSMENT—STATEMENT LAW VIOLATED IS UNTRUE, SAYS RICHARDS AS HE QUILTS POST

William P. Richards celebrated his retirement as District assessor yesterday with a bristling reply to Representative THOMAS L. BLANTON (Democrat), of Texas, chairman of the House District Appropriations subcommittee, who had charged on the floor of the House that the law requiring 100-percent assessment of District real estate for taxation was ignored and violated.

Representative BLANTON's statement that assessments had been reduced arbitrarily by \$130,000,000 was not true, Richards said.

Were these three newspapers deliberately misrepresenting? Were they knowingly purveying as facts things they knew were untrue? Were they purposely and maliciously libeling me? Were they wrongfully trying to mislead Washington readers? Were they endeavoring to poison the minds of Washington people against the committee chairman handling the District bill? They were, beyond doubt, trying to do all of the above.

CANNOT WAIT FOR HEARINGS TO BE RELEASED

So anxious are these Washington newspapers to get the printed hearings on the District appropriation bill, they clamor for them just as soon as they are off of the press. They read every page and paragraph carefully in an attempt to discredit the committee. Not a sentence ever escapes their notice.

CONCLUSIVE REFUTING TESTIMONY OF COMMISSIONER HAZEN

Hon. Melvin C. Hazen is president of the Board of Commissioners, who run the government of the District of Columbia. When the hearings were held in March 1934 on the District appropriation bill for the fiscal year of 1935, Commissioner Hazen testified, and read a prepared state-

ment to the committee, at which time both Tax Assessor William P. Richards and Auditor Daniel J. Donovan were present listening and approving the statement of their chief, and I quote from Commissioner Hazen's testimony the following:

Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of \$1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to \$1.50. This reduction represents a saving to taxpayers in the fiscal year 1934 of \$2,445,000.

Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by \$80,000,000—a saving to property owners of \$1,200,000. The District budget for the fiscal year 1935 is based upon continuing the \$1.50 tax rate in that fiscal year.

It is also contemplated that a further reduction in the assessed valuation of real estate of approximately \$50,000,000 will be made in 1935.

Commissioner Hazen was not being questioned by the committee. He was testifying from his prepared statement. His tax assessor was present, approving. His auditor, Major Donovan, was present, approving. You will note from the above testimony, that after asserting that the Commissioners for the fiscal year of 1934 had reduced the tax rate of \$1.70, which had been in force since 1928, to \$1.50 on the \$100, which for the fiscal year of 1934 gave a saving to Washington taxpayers of \$2,445,000, Commissioner Hazen testified clearly, distinctly, and unequivocally that in the fiscal year 1934 "the assessed valuation of real estate has been reduced by \$80,000,000, a saving to property owners of \$1,200,000."

You will also note that Commissioner Hazen then further testified clearly, distinctly, and unequivocally that "it is contemplated that a further reduction in the assessed valuation of real estate of approximately \$50,000,000 will be made in 1935." That was Commissioner Hazen testifying. He was giving us the facts. And Assessor Richards and Auditor Donovan were there listening, approving, and endorsing his statement.

REPEATED THE TESTIMONY AGAIN IN DECEMBER 1934

When hearings on the District appropriation bill for the fiscal year 1935 were held in December 1934, Commissioner Hazen again testified before the committee and was questioned about his arbitrary reduction in assessed valuation, and he then admitted that he had reduced the assessed valuation \$80,000,000 in 1934 and \$50,000,000 in 1935, making a total of \$130,000,000 reduction in assessed valuation of real estate during the 2 years, which was distributed generally, so that the property owners got the benefit of it. And he was questioned by me concerning this \$130,000,000 reduction in assessed valuation, and from the hearings I quote the following:

Mr. BLANTON. In the general statement that you made on March 7, 1934, before this subcommittee I quote from your statement on page 5 of the hearings. You call attention to the fact that the tax rate for the present fiscal year had been reduced to \$1.50, and then you use this language:

"Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by \$80,000,000, a saving to property owners of \$1,200,000." That is right?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. So that every property owner who had been rendering his property for taxes got the benefit of a decrease in the assessed value of his property?

Commissioner HAZEN. That is true. I would like to make one slight correction; probably not everyone, but it was general over the whole District.

Mr. BLANTON. It was general?

Mr. RICHARDS. Seventy-five percent.

Mr. BLANTON. But everyone was presumed to have received a decrease?

Commissioner HAZEN. It is supposed to be leveled over the entire District.

Mr. BLANTON. That is right; it was leveled over the entire District.

Mr. DONOVAN. They all got the benefit of the decrease in the tax rate.

Mr. BLANTON. And you did make another reduction, approximately \$50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuation?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. And that was general all over the District?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. So that property owners generally got the benefit of that additional \$50,000,000 reduction?

Commissioner HAZEN. That is quite right.

Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in assessed values of real estate of \$130,000,000, or 15 percent, have you not?

Commissioner HAZEN. Approximately; yes, sir.

Mr. BLANTON. With that \$1.50 tax rate, you stated in your preliminary general statement that you carried over from the last fiscal year to the present fiscal year a surplus of \$4,600,000?

Commissioner HAZEN. That is right.

Mr. BLANTON. And you say that you will inherit next July 1 a surplus of—

Commissioner HAZEN. \$2,450,000.

Mr. BLANTON. A \$2,450,000 cash surplus to help you on expenses?

Commissioner HAZEN. That is what our auditor says.

Mr. BLANTON. That is what you say?

Commissioner HAZEN. Yes.

ABOVE WELL KNOWN TO WASHINGTON NEWSPAPERS

The Washington Star, and all of the other Washington newspapers, are well acquainted with the above-mentioned facts, embraced in the testimony of Commissioner Hazen, Assessor Richards, and Auditor Donovan, who all took part, when such facts were given to the committee, and there is no occasion whatever for said newspapers to misrepresent such facts to other readers. We have no way of making them acquaint their readers with the above facts, but we can call them down from this floor when they misrepresent such facts.

REDUCTION OF \$130,000,000 IN ASSESSED VALUATION OF REAL ESTATE DURING 1934 AND 1935 ADMITTED AGAIN BY COMMISSIONERS ON FEBRUARY 6, 1936

When the hearings on the 1937 bill began on February 6, 1936, the following occurred, and I quote same from pages 7, 8, 9, and 10 of the hearings just recently printed, to wit:

COMMISSIONER HAZEN'S STATEMENTS ON TAX RATE AND ASSESSMENTS

Mr. BLANTON. Referring to the hearings on the 1935 bill, which were held in March 1934, I quote from your statement, Commissioner Hazen, as follows:

"Commissioner HAZEN. The Commissioners would like to call attention to the fact that in the fiscal year 1934 the tax rate of \$1.70, which had been in effect during the fiscal years between 1928 and 1933, inclusive, has been reduced to \$1.50. This reduction represents a saving to taxpayers in the fiscal year 1934 of \$2,445,000.

"Moreover, in the fiscal year 1934 the assessed valuation of real estate has been reduced by \$80,000,000—a saving to property owners of \$1,200,000. The District budget for the fiscal year 1935 is based upon continuing the \$1.50 tax rate in that fiscal year.

"It is also contemplated that a further reduction in the assessed valuation of real estate of approximately \$50,000,000 will be made in 1935.

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935, and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about \$600,000. In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users."

That was from your statement in March 1934, Mr. Commissioner. During the hearings on the 1936 bill, which were held in December 1934, certain testimony was given, from which, for the benefit of the hearings, I now quote:

"Mr. BLANTON. By a reduction in the assessed valuations of real estate to the extent of \$80,000,000, you meant that you distributed that over the general assessments?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. Then you further state:

"It is also contemplated that a further reduction in the assessed value of real estate of approximately \$50,000,000 will be made in 1935."

"Did you make that further reduction?

"Commissioner HAZEN. There was further reduction.

"Mr. BLANTON. And you did make another reduction, approximately \$50,000,000, in assessed values, as noted by the assessor, Mr. Richards, of 10 percent in the assessed valuations?

"Mr. RICHARDS. Yes, sir.

"Mr. BLANTON. And that was general all over the District?

"Mr. RICHARDS. Yes, sir.

"Mr. BLANTON. So that property owners, generally, got the benefit of that additional \$50,000,000 reduction?

"Commissioner HAZEN. That is quite right.

"Mr. BLANTON. Then this year and last year you have given the property owners in the District a reduction in the assessed values of real estate of \$130,000,000 or 15 percent, have you not?

"Commissioner HAZEN. Approximately; yes, sir.

"Mr. BLANTON. Then you also say:

"The Commissioners also invite attention to the recommendation under the chapter for the water service for a 25-percent reduction in water rates for 1935 and an increase in the metered allowance, now 7,500 cubic feet, to 10,000 cubic feet. This means a saving to water users of about \$600,000."

"That was provided?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. So that the property owners of the District got a saving of \$600,000 through a decrease in water charges?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. In addition to that \$600,000 decrease in water charges, they also got the benefit of the increased metered allowance of 2,500 cubic feet of water?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. Without extra charge?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. So that they got a double benefit in the matter of the water charges?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. Then you further say:

"In the fiscal year 1934 Congress allowed a discount of 10 percent of the amount of any bill for water charges paid within 15 days after the date of the rendition thereof. It is estimated that this will mean a saving of about \$100,000 to water users."

"That was a saving of \$100,000 additional, approximately?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. To water users here in Washington?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. It is a fact, Mr. Commissioner, that the tax rate this year, the fiscal year 1935, is only \$1.50 per hundred on real estate and only \$1.50 per hundred on personal property, is it not?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. There is no contemplation in the minds of the Commissioners to increase that tax for next year, 1936? You do not contemplate increasing it?

"Commissioner HAZEN. We do not contemplate increasing it.

"Mr. BLANTON. With that \$1.50 tax rate, you stated in your preliminary general statement that you carried over from the last fiscal year to the present fiscal year a surplus of \$4,600,000?

"Commissioner HAZEN. That is right.

"Mr. BLANTON. And you say that you will inherit next July 1 a surplus of—

"Commissioner HAZEN. \$2,450,000.

"Mr. BLANTON. You have also, for this coming fiscal year, a trust fund, as you said in your general statement, of \$1,430,000.

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. That is a fund to which you have access, which you get out of the Treasury, regardless of what Congress does in this bill, is it not?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. You have no income tax for the District of Columbia?

"Commissioner HAZEN. That is true.

"Mr. BLANTON. . . . The tax on intangibles in the District is now what, Mr. Donovan?

"Mr. DONOVAN. \$5 per thousand.

"Mr. BLANTON. That is one-half of 1 percent, is it not?

"Mr. DONOVAN. That is right.

"Mr. BLANTON. In the District of Columbia there is a gasoline tax of 2 cents a gallon?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. In the District of Columbia there is a license-tag tax that people pay in order to get their license plates each year. That amounts to only \$1 per car.

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. That would be \$1 per car for an \$8,000 Rolls-Royce limousine as well as a dollar per car for a Ford or a Chevrolet?

"Commissioner HAZEN. Yes, sir.

"Mr. BLANTON. In the District of Columbia the average water tax per family is now approximately what?

"Mr. DONOVAN. It is about \$8.75.

"Mr. BLANTON. Was not that the tax before Congress reduced it?

"Mr. DONOVAN. It was that before Congress reduced it.

"Mr. BLANTON. But Congress reduced it?

"Mr. DONOVAN. You mean the 25-percent reduction?

"Mr. BLANTON. Yes.

"Mr. BLANTON. In the District of Columbia a man who built a house 25 years ago, and then paid for having his house connected with the sewer system of the District, has not in the last 25 years had to pay a single additional monthly service charge for sewers, has he?

"Commissioner HAZEN. No.

"Mr. BLANTON. And he will not have to pay any in the future, will he?

"Commissioner HAZEN. No, sir.

"Mr. BLANTON. Mr. Commissioner, you have been a public servant for a long time, and you are intimately acquainted with every detail of Washington business and history. On the whole, can you cite the people of any city of the United States who have better privileges, who are better cared for, than those in the city of Washington?

"Commissioner HAZEN. I think that it is the greatest city in the United States.

"Mr. BLANTON. And Washington people are better cared for, are least taxed, and have greater privileges than any other people in the United States?

"Commissioner HAZEN. I believe they do."

Mr. BLANTON. There is no local income tax here now?

Commissioner HAZEN. No, sir.

Mr. BLANTON. There is no local tax on inheritances?

Commissioner HAZEN. That is right, sir; there is not.

AMOUNT OF SURPLUS IN GENERAL, WATER, AND GASOLINE TAX FUNDS

Mr. BLANTON. You are acquainted with the four Mapes bills?

Commissioner HAZEN. Yes, sir; somewhat.

Mr. BLANTON. One of those bills has for its purpose to increase the gasoline tax from 2 to 4 cents, to make it comparable with the gasoline tax in other cities.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. Has that bill the approval of the Commissioners? The answer to my question could be very short, whether you are in favor of it or against it.

Commissioner HAZEN. The answer is that we have a surplus, and we did not feel we could justifiably increase taxes so long as we had a surplus.

Mr. BLANTON. And it is because you have a large surplus—\$3,059,748.70—that you are against that increase of gasoline tax bill?

Commissioner HAZEN. We have to consider the surplus.

Mr. BLANTON. What surplus do you expect to have in the general fund on July 1?

Commissioner HAZEN. \$1,992,748.70.

Mr. DONOVAN. That is only in the general fund.

Mr. BLANTON. That is in the general fund. Now, what about the water fund?

Commissioner HAZEN. In the water fund we will have \$504,000?

Mr. BLANTON. And in your gasoline-tax fund?

Commissioner HAZEN. \$563,000.

Mr. BLANTON. So that aggregates a surplus of \$3,059,748.70 on July 1.

GASOLINE TAX IN VARIOUS STATES

Mr. BLANTON. Mr. Commissioner, I call attention to the gasoline tax that is now effective in the cities of various States:

Alabama, 6 cents; Arizona, 5 cents; Arkansas, 6 cents; Colorado, 4 cents; Florida, 7 cents; Georgia, 6 cents; Idaho, 5 cents; Indiana, 4 cents; Kentucky, 5 cents; Louisiana, 5 cents; Maine, 4 cents; Maryland, 4 cents; Nebraska, 4 cents; Nevada, 4 cents; New Hampshire, 4 cents; New Mexico, 5 cents; North Carolina, 6 cents; Ohio, 4 cents; Oklahoma, 4 cents; Oregon, 4 cents; Pennsylvania, 3 cents; South Carolina, 6 cents; Tennessee, 7 cents; Texas, 4 cents; Utah, 4 cents; Vermont, 4 cents; Virginia, 5 cents; Washington (State), 5 cents; West Virginia, 4 cents; Wisconsin, 4 cents; and Wyoming, 4 cents.

But in the District of Columbia the tax is 2 cents per gallon.

So that right over here across the river bridge, when you get into Virginia, the State gasoline tax is 3 cents more than it is in Washington, D. C.

Commissioner HAZEN. I think it is 5 cents in Virginia and 4 cents in Maryland.

Mr. BLANTON. But Maryland has an additional sales tax. I say, it is 3 cents more in Virginia, just across the bridge, than it is in Washington.

Commissioner HAZEN. In Virginia?

Mr. BLANTON. Yes; than it is in Washington.

Commissioner HAZEN. That is right.

Mr. BLANTON. And if you go out here to Chevy Chase, across the line into Maryland, the tax there is double what it is in Washington, 4 cents as compared to 2 cents, plus their sales tax.

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. And the cities in all of the States outside of Washington, D. C., instead of paying a license-tag tax of a dollar pay many times that; you realize that?

Commissioner HAZEN. Yes.

Mr. BLANTON. In other words, in some States they pay \$10 and \$12 on a Ford or Chevrolet, while in Washington you pay only a dollar even on a \$10,000 Rolls Royce.

The Mapes bill proposes to increase that charge, does it not?

Mr. DONOVAN. The Mapes bill calls for a weight tax.

Mr. BLANTON. There is a personal tax in all of those States, the same as any other personal-property tax.

Mr. DONOVAN. The Mapes bill proposes a weight tax in lieu of the present personal tax and the dollar tag charge.

Mr. BLANTON. Yes; that is a good idea. But you do recognize that, if you needed it, you have a great potential source of revenue in an increase of your gasoline tax comparable to that in other cities, and also in the increase of your license-tag tax; do you not?

Commissioner HAZEN. Yes, sir.

Mr. BLANTON. But you do not care to pursue that, because you have a \$3,000,000 surplus.

Commissioner HAZEN. Well, Mr. Blanton, I would say that if we can build a high-level bridge above the Chain Bridge, which would cost \$1,500,000, we will need that as soon as we get authorization for that project, and many other projects which we have in mind will make it necessary for us to have this surplus, and we would need the increase and I would be strongly in favor of it. I am referring to the Pennsylvania Avenue Bridge, also. But we have not authority to build either of those big, expensive bridges. Each bridge will cost a million and a half. As soon as we get authority to do it, I should certainly be in favor of an increase.

CHAIN BRIDGE AND PENNSYLVANIA AVENUE BRIDGE BOTH PROVIDED BY COMMITTEE

We called Commissioner Hazen's bluff, Mr. Speaker, for our committee allowed both the Chain Bridge and the Pennsylvania Avenue Bridge, and the House of Representatives approved our action. Hence it is now up to the Commissioners to raise the tax rates here to an amount comparable with that paid by the people elsewhere in the United States.

SHOULD RETURN BACK TO THE \$1.70 ON THE \$100

The rate from 1928 to 1934 was \$1.70 on the \$100. In 1934 the Commissioners reduced the rate from \$1.70 to only \$1.50 on the \$100. Yet they have nevertheless been piling up big surpluses every year, due to the fact that the United States Government under the insistent demand of the Senate has been allowing the District of Columbia a big Federal contribution each year out of the people's Treasury.

NO OTHER COMPARABLE CITY HAS A RATE AS LOW AS \$1.70 PER \$100

The rate of \$1.70 is not high. No other comparable city has a rate so low. There is no excuse whatever for the Commissioners not going back to the rate of \$1.70 which was in force from 1928 to 1934. There is no State tax here. There is no county tax here. There is no special school tax here. There is no special courthouse or jail tax here. There is no special water-system tax here. There is no income tax here. There is no estate tax here. There is no inheritance tax here. There is no gift tax here. There is no sales tax here. The tax on intangibles is only one-half of 1 percent. The gasoline tax is only 2 cents. The auto-license tag tax is only \$1 per year, whether it is a \$12,000 Rolls Royce or a Ford. All personal libraries, whether worth \$10 or \$500,000, are exempt from taxation. There are many libraries here worth over \$100,000. All wearing apparel here is exempt from taxation, and some rich families here have thousands of dollars worth of wearing apparel. Household furniture to the extent of \$1,000 is exempt to every family free from taxation. The water rate here, with 10,000 cubic feet allowed, costs only \$6.60 per year for the average family. There is no monthly charge for sewer service, for after it is once installed in a residence, and then only part of the cost is paid by the owner, there is thereafter no charge made for sewer service. Without additional charge all trees in front of and around residences are furnished free, planted free, cared for free, and are sprayed, pruned, and replaced to citizens of Washington. No charge whatever is made against property owners for repairing or replacing paved sidewalks or streets abutting their property. It is time for the Commissioners of the District to give some thought to making the people of Washington pay some of the taxes that people elsewhere in the United States have to pay, and for the Washington newspapers not to expect the overburdened taxpayers of the United States, after paying their own taxes, to then pay part of the taxes of the people of Washington.

EUGENE MEYER OFFERED \$5,000,000 FOR WASHINGTON POST

On pages 3363-3365 of the CONGRESSIONAL RECORD for Thursday, March 5, 1936, I quoted from the hearings of our committee on the 1937 supply bill, the evidence of Col. Julius Peyser and others showing that after Eugene Meyer offered \$5,000,000 for the Washington Post, and did not get it, thereafter David Lawrence entered into a written contract agreeing to pay \$3,000,000 for the Washington Post, which was not consummated, and then Eugene Meyer conspired with others in getting the Post into a receivership, and through a dummy bought it in for \$825,000, assuming its indebtedness, and then improved it, and now renders the entire properties, including \$320,260 tangible personal property, and \$218,456 of intangibles, for a total assessed value of only \$556,576, upon which at the rate of only \$1.50 per \$100, and only one-half of 1 percent on intangibles, he pays a tax of only \$7,663 per year.

MRS. EDWARD P. McLEAN OFFERED \$2,500,000 FOR POST

The Washington Post was the heritage of the McLean family. When Edward McLean became mentally afflicted they were hornswoggled out of it. Mrs. McLean tried to save it for her boys. Here is what she says about it, and what Colonel Peyser said about suit in equity and Corcoran Thom's willingness for it to be taken over by Eugene Meyer:

FRIENDSHIP, February 7, 1936.

HON. THOMAS L. BLANTON.

DEAR MR. CONGRESSMAN: I am giving you this information at your request for the use of your committee.

I offered the American Security & Trust Co. in writing and through my lawyers my real-estate lots in Washington known as the Oxford corner, which was at that time unencumbered, with no mortgage or lien against it, in exchange for the Washington Post. At one time I refused a cash offer for this property of \$2,500,000.

At one time I refused a cash offer for this property of \$2,500,000, and it is now assessed, I believe, at around \$1,400,000. Later I again offered the same property after I had put a mortgage on it of less than \$100,000.

At the public sale I had my lawyers bid to the extent of my resources. It was my desire and dream to keep the Post in the family for my three children, but fate was against me.

Sincerely yours,

EVELYN McLEAN.

Mr. PEYSER. Fate was not against her. Mr. Thom was against her. The answer to her proposition. The John R. McLean estate had sufficient money on hand, assets, to pay off the debts of the Washington Post if they wanted to. They had paid off the debts of the Cincinnati Enquirer and had paid other debts on property and made a loan on the Vermont Avenue property, and could very easily have paid the International Paper Co. and the other miscellaneous debts if they desired.

Mr. JOHNSON. Let me ask you this question: Could they have paid those debts at the time the suit was filed?

Mr. PEYSER. Oh, easily. It would not have been any trouble.

Washington Post pays only \$1,203 for 2,290,000 cubic feet of water for its big plant in Washington per annum. Because the Washington Post will not publish any of the facts about its own nominal taxes, I want to again call the attention of my colleagues and the country to just how little taxes Eugene Meyer and his wife pay on their own properties.

EUGENE MEYER

Now, personally, Mr. Eugene Meyer, the owner of the Washington Post, in the way of taxes pays only the water rent on his wife's fine residence properties of \$53.92 per year for 97,300 cubic feet of water. He renders a fine Packard family car, upon which he pays an annual tax of only \$29.92, plus \$1 for license tags.

For last year he rendered three Plymouth cars, one Witt-Will car, one Dodge, one Chevrolet, and one Ford, upon which he paid total taxes on all seven of them of \$45.67, plus \$7 for license-number tags for all of them. This year only six automobiles are rendered.

Eugene Meyer's residence is in his wife's name, Mrs. Agnes Meyer, situated on lot 806, square 2568, the land being rendered at \$79,797, and the improvements at \$138,000, or a total of \$214,797, and then she has 12 other lots rendered in her name connected with her residence and running to Sixteenth Street, rendered at \$72,826, totaling \$287,623, upon which the total tax paid on their family real estate is \$4,314.35, and the value of her intangibles is \$608, and the tax on her intangibles is \$3.04.

Her tangible personal property is rendered at \$30,000, and the tax on same is \$450, or her total tax was \$4,767.39 last year.

The following is Eugene Meyer's rendition of automobiles for this year.

STATEMENT BY TAX ASSESSOR, FEB. 3, 1936

Eugene Meyer & Co., doing business under the name of the Washington Post, 1337 E St. NW., Washington, D. C., 1936 registrations

Make, model, and year	Serial no.	Engine no.	Assessed value	Tax	Registration fee	Weight, pounds
Passenger:						
Ford tudor sedan, 1936.		18-2350668.	\$560	\$8.40	\$1	
Plymouth tudor sedan, 1933.	1831551.	PC-90596	215	3.22	1	
Plymouth delivery coupe, 1933.	2068931.	PD-72946	225	3.37	1	
Plymouth business coupe, 1934.	2290103.	PP-114623	315	4.72	1	
Ford standard coupe, 1934.		18-654141.	280	4.20	1	
Commercial: Witt-Will truck, 1929.	1004.	16C8570.		1.00	1	1,100
Total			1,662	24.91	6	

Here is the personal-tax rendition of Mr. Floyd R. Harrison, comptroller of the Washington Post. He renders no

return on real property; he renders no personal property; he renders no property of any kind and pays no taxes. But there is a mandamus pending against him now.

As to that I quote from the hearings:

Mr. RICHARDS. We tried to get him to make a return on his personal property.

Mr. BLANTON. You tried to get him to make a return and he would not do it?

Mr. RICHARDS. Yes.

Mr. BLANTON. And you have a mandamus proceeding against him?

Mr. RICHARDS. We are trying to make him do it, and he will do it before we get through, too.

Mr. BLANTON. I assume that the comptroller of the Washington Post ought to have some property, and ought to pay some taxes.

DAVID LAWRENCE

For instance, let us take Mr. David Lawrence—editor of the United States News—whose residence is at 3900 Nebraska Avenue, its assessed value being \$133,390, upon which he pays an estate tax of \$2,000.88 annually.

He has tangible personal property assessed at \$3,000, upon which a tax of \$45 is paid, and he has intangibles assessed at \$216, on which a tax of \$1.08 is paid. He pays an annual water rent of \$24.49 for his fine \$133,390 residential property.

Mr. Lawrence is shown by a recent statement in the Washington papers to have received an annual salary or income last year of \$18,700. He renders a Cadillac automobile, for which he pays a personal tax of \$1.80, and he also pays \$1 for the annual license tag on his Cadillac automobile.

THEODORE NOYES

Then there is Mr. Theodore Noyes, who is one of the officials and part owner of the Washington Star. He is the chairman of the board of the Washington Star, and the newspapers here the other day stated that his salary or income last year was \$42,120.

Personally he renders his residential property at 1730 New Hampshire Avenue NW. at an assessed value of \$65,500, upon which he pays an annual tax of \$982.50.

He has tangible personal property assessed at \$7,500, upon which he pays a tax of \$110.50.

He renders intangible property aggregating \$621,520, upon which he pays a tax of \$3,107.60, which is at the rate of one-half of 1 percent for intangibles.

He renders for taxes two family automobiles, an Auburn and a Lincoln, upon which he pays a personal tax on those two automobiles aggregating \$57.75 per annum.

His annual water rent is only \$23.05 on his fine residential property.

THE WASHINGTON STAR

Now, this Washington Star, owned by Theodore Noyes, Frank B. Noyes, and Fleming Newbold, renders 1 lot at \$59, 1 lot at \$371, 1 lot at \$372, 1 lot at \$379, and 13 lots at \$792 each, and renders 18 other lots, when lot 31 in square 737 and improvements thereon alone is worth \$200,000, and lot 19 in square 322 with improvements thereon is worth \$1,750,000, yet it renders all of its real estate at a total assessed valuation of \$2,249,586, upon which it pays an annual tax of only \$33,743.80. In 1933 its real estate was assessed at \$2,262,639. The Washington Star renders tangible personal property at an assessed value of \$453,092, upon which it pays an annual tax of \$6,796.38. It renders intangible property at an assessed value of \$2,296,512, upon which at the low tax rate of one-half of 1 percent it pays an annual tax of only \$11,482.56. Just think how very much more it would have to pay if it paid like other newspapers and citizens pay in other comparable cities of the United States. It means a saving of many, many thousands of dollars to it annually, by keeping the tax rate so low here in Washington. It pays only \$853.14 per year for 1,622,000 cubic feet of water for its immense plant. Last year it had 84 automobiles, upon which it paid a total tax of only \$3,791, notwithstanding many of them were fine, large, expensive trucks, and to get license tags and registration for them it cost the Star only \$1 per car, or \$80 for the 80 automobiles.

TAXES OF ONLY \$2.97 PAID ON TWO PACKARD AUTOMOBILES

Mr. Fleming Newbold is the business manager of the Washington Star. His two family automobiles are both Packards, yet on the two of them he pays only \$2.97 annual taxes. This business manager of the Washington Star pays only \$1 per year for registration and license-number tags on each of his Packard limousines. Is not that ridiculous? There is no other city in the United States that would permit it. This business manager of the Washington Star renders for taxes intangible property at an assessed value of \$40,728, upon which he has to pay an annual tax of only \$203.64, because the rate here is only one-half of 1 percent—cheaper than the rate in any other city in the whole United States—and he gets away with it because this is the Nation's seat of government; and his big \$5,000,000 newspaper, by condemning every Congressman who dares to oppose it, has been able to influence Congress each year to provide a large Federal contribution out of the people's Treasury to pay much of the local civic expenses here that ought to be borne by Washington people; and he and his Washington Star and other Washingtonians are thus relieved of paying a just and fair tax that the people everywhere else in the United States have to pay.

This business manager of the Washington Star has his family library exempt from taxes, no matter how much money it is worth. He has his family wearing apparel exempt from taxes, no matter how much money it is worth. He has \$1,000 of household furniture exempt from taxes. He renders all of his tangible personal property at an assessed valuation of only \$4,500, upon which he pays an annual tax of only \$67.50. This business manager of the Washington Star renders his fine residential property at 1720 Massachusetts Avenue NW. at an assessed value of only \$31,543, upon which he pays an annual tax of only \$471.82. He has his water for his above properties furnished to him for the nominal charge of only \$10.45 per year, less than a dollar per month. Where in the United States, outside of Washington, would this business manager of the Star be able to pay such nominal taxes on his properties? He cannot find another city in the United States that would let him get away with it. Yet his salary, or net income, last year was \$31,543, as published recently by several Washington newspapers. Here in Washington he pays only 2 cents gasoline tax. He pays no income tax. He pays no estate tax. He pays no inheritance tax. He pays no gift tax. He pays no sales tax. Yet people in some other nearby cities have all of these taxes to pay.

This business manager of the Washington Star has no county tax to pay. He has no State tax to pay. He has no special school tax to pay. He has no special courthouse or jail tax to pay. He has no special water tax to pay. Yet citizens in other cities of the United States have to pay all of the above taxes in addition to their city tax. He pays only one tax on real estate, and that is \$1.50 per \$100, or \$15 on the \$1,000, with the property here in Washington generally assessed at about one-half of its real value. This business manager of the Washington Star has no sewer-service charge to pay each month. Not since sewer connection was first installed in his residence, and then at less than its cost, has he paid one cent for sewer service throughout all the years he has occupied his residence. He paid not one cent extra for the trees contiguous to his property. They were furnished without charge to him, were planted without charge to him, were protected with lumber frames around them until their growth started, have been pruned every year, have been sprayed every year, and have been replaced when any have died, all without any charge to him, notwithstanding the fact that in every other city in the United States the owner of the property, in addition to his regular taxes, has to pay for all of the above services.

This business manager of the Washington Star has his ashes gathered free; he has his garbage gathered free; he has his trash gathered free, while in some cities citizens have to pay for these services in addition to their regular taxes. This Washington business manager of the Washington Star, Mr. Fleming Newbold, does not have to pay one cent for

repairing or replacing the sidewalks in front of and around his property, or for repairing or repaving the street contiguous to his property, while citizens of some other cities have to pay for such service in addition to their regular taxes. And what privileges this business manager of the Washington Star receives here in Washington at such nominal cost all of the other officials and owners of the Washington Star likewise receive in Washington. Yet they are always bellyaching because the Government does not pay more of their own civic expenses, which the people everywhere else in the United States pay for themselves.

FRANK B. NOYES

To give you the entire picture of the Evening Star, I will give you the taxes paid by Mr. Frank B. Noyes, president of the Evening Star. The Washington newspapers the other day stated that his annual salary or income last year was \$42,120.

Personally, Mr. Frank B. Noyes, president of the Washington Star, renders no real estate for taxes. He renders tangible personal property of \$20,000, upon which he pays an annual tax of \$300. He renders intangible property at \$92,900, upon which he pays a tax of \$464.50.

He renders for taxes his family car, a Stutz automobile, for which he pays a personal tax of only \$1 per year, and he pays a \$1 charge per year for license number tags.

HEARST'S HERALD AND TIMES

C. DORSEY WARFIELD

Both the Washington Herald and the Washington Times are incorporated under the name of "American Newspapers, Inc."

Mr. C. Dorsey Warfield is the assistant publisher of the Times. He pays no real-estate taxes. He pays on tangible personal property, at an assessed value of \$2,500, the sum of \$37.50. On intangibles, at an assessed value of \$148, he pays 74 cents, and, on a family automobile, a Dodge, he pays \$9.30. That is the total tax that the Times' assistant publisher pays.

ELEANOR PATTERSON

Now, with regard to the Washington Herald, unless a change has been made recently, Mrs. Eleanor Patterson, of 15 Dupont Circle, is the editor of the Herald. She is one of those whose taxes I was asked to check up. Here is her rendition. She has a residence at 15 Dupont Circle.

It is one of the finest residences in Washington. It is assessed at the value of \$261,731. Upon that a tax is paid of \$3,925.96.

She renders tangible personal property of \$75,000 assessed value, upon which a tax is paid of \$1,125. She renders intangible property of the value of \$1,090,324, upon which a tax is paid of \$5,451.62.

She pays an annual water rent on that extensive property of \$81.80 per year for 153,300 cubic feet of water.

She renders four family automobiles—one Cadillac, two Packards, and one Chrysler—on the combined total of which she pays a personal property tax of only \$30.66 a year, plus \$4 for license-number tags on them.

ARTHUR G. NEWMYER

On the editorial page of the Washington Times, published by American Newspapers, Inc., which also publishes the Herald, there are given the names of Arthur G. Newmyer, publisher; J. J. Fitzpatrick, managing editor; and William C. Shelton, business manager.

Mr. Arthur G. Newmyer, the publisher of the Washington Times, lives at the Mayflower Hotel. He renders tangible personal property of the assessed value of \$4,500, upon which he pays a tax of \$67.50 per year.

He renders intangible property of an assessed value of \$664, upon which he pays a tax of \$3.32. That is all the tax that he pays in Washington.

J. J. FITZPATRICK

Mr. J. J. Fitzpatrick, the editor of the Washington Times, who lives at 3415 Fulton Street NW., in another's property, renders tangible personal property of the value of \$60, upon which he pays a tax of 90 cents.

He renders intangible property of the assessed value of \$108, upon which he pays a tax on intangibles of 54 cents.

He renders a family automobile, upon which he pays a tax of \$8.17, plus \$1 for license tag.

He pays an annual water rent per annum of \$7.80.

Thus the editor of the Washington Times, on his personal property, his intangibles, on his automobile, for his license-number tags, and for water furnished him a whole year, pays in all a total of only \$18.11 taxes per annum for living in the Nation's Capital.

WILLIAM C. SHELTON

Mr. William C. Shelton, the manager of the Washington Times, on his residence at 3517 Rittenhouse Street NW., which he renders at an assessed value of \$16,898, pays an annual real-estate tax of \$253.48.

There is, concerning his personal tangible property and also his intangible property, a mandamus proceeding pending.

He renders two family automobiles, one a Dodge and one a Buick, upon which he pays an aggregate annual tax of only \$19.72, plus a dollar each for the license tags on the two cars.

He pays an annual water rent of \$15.76 on water for his residence property.

WASHINGTON HERALD-WASHINGTON TIMES

The Washington Herald and the Washington Times, combined, assessed as the American Newspapers, Inc., on lots 39 and 803, in square 250, city of Washington, render real estate at an assessed value of \$709,108, upon which is paid an annual real-estate tax of \$10,636.62.

It renders tangible personal property of an assessed value of \$224,984, upon which it pays an annual tax on tangible personal property at \$3,374.76.

It renders intangible property at an assessed value of \$306,676, upon which it pays a tax on intangibles of \$1,533.38.

It pays water rent on 4,039,500 cubic feet of water, per annum, of \$1,992.33.

The difference between its assessment on real estate in 1933 and the present year is as follows:

In 1933 its assessed value on real estate was \$770,004. Now it has been reduced to \$709,108. Thus, since 1933 it has been granted a decrease of \$61,896 on the assessed value of its real estate.

WASHINGTON NEWS

The Washington News, at Thirteenth Street NW., between K and L, square 284, lot 823, renders its real estate at an assessed value of \$209,100 and pays an annual real-estate tax of \$3,136.50.

It renders tangible personal property of the assessed value of \$83,392, upon which it pays a tax upon tangible personal property of \$1,250.88.

It renders intangible property of an assessed value of \$71,896, upon which it pays an annual tax on intangibles of \$359.48.

For 598,000 cubic feet of water furnished it annually it pays \$276.35 per year.

UNITED STATES NEWS

The United States News, which I mentioned is edited by Mr. David Lawrence, whose personal taxes I gave you awhile ago, renders its real estate at 2201 M Street NW., on lot 816, square 50, at an assessed value of \$115,274, upon which it pays an annual real-estate tax of \$1,729.12.

It renders tangible personal property of an assessed value of \$43,912, upon which it pays an annual tax of \$658.58.

It renders intangible property of an assessed value of \$39,328, upon which it pays an annual tax on intangibles of \$196.64.

For 280,000 cubic feet of water per annum, it pays \$148.31.

LABOR

The weekly publication known as Labor, upon its office building and plant at First Street and Constitution Avenue NW., on lots 16 and 45, square 635, renders its real estate at an assessed value of \$189,019, upon which it pays an annual real-estate tax of \$2,835.28.

It renders tangible personal property at an assessed value of \$20,000, upon which it pays an annual tax of \$300.

It renders no intangible property.

For 88,600 cubic feet of water furnished it per annum, it pays \$55.33.

NATIONAL PRESS BUILDING

The National Press Building Corporation, on its office building at Fourteenth and F Streets NW., lot 826, square 254, renders its real estate at an assessed valuation of \$5,830,084, upon which it pays an annual real-estate tax of \$87,451.26.

It renders tangible personal property of the assessed value of \$184, for which it pays an annual tax of \$2.76.

Its intangible property is rendered at an assessed value of \$431,056, upon which it pays an annual tax of \$2,155.28.

For 4,798,000 cubic feet of water furnished its fine office building, one of the finest in the city, it pays an annual charge of \$2,520.59.

ASSESSED BELOW REAL VALUE, EVEN PRIOR TO 1934

If you will look on pages 63 and 64 of our printed hearings, you will see that a citizen bought a piece of property for \$4,500 and made the Government pay \$11,500 for it; another citizen bought property for \$12,000 and made the Government pay \$25,000 for it; another bought a lot for \$3,800 and then made the Government pay \$8,250 for it; another citizen bought two lots for \$16,500 and then made the Government pay \$37,500 for them; another citizen bought a lot for \$11,000 and then made the Government pay \$28,500 for it; another citizen bought a lot for \$3,500 and then made the Government pay \$12,500 for it.

TAX ASSESSOR RICHARDS ADMITTED LOW ASSESSMENTS

I quote from the printed hearings on pages 64 and 65 the following:

PRICE ASKED FOR JEFFERSON JUNIOR HIGH SCHOOL SITE

Mr. BLANTON. Now, concerning the Jefferson Junior High School, at the time the first jury was empaneled for fixing the value of that site, that jury fixed a value of \$105,000. That was several times the value at which it was assessed at that time, was it not?

Mr. RICHARDS. Yes, sir. That was the part, the auditor just reminds me, that was in one ownership.

Mr. BLANTON. That was in one ownership.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. The Government refused to pay that \$105,000. They thought it was outrageous.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Then the second jury that was empaneled to condemn that property for the Government awarded \$294,000.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Yes.

Mr. BLANTON. And they fixed the amount the Government should pay for it at \$105,000. Then it was condemned in a second proceeding and Washington citizens then fixed its value at \$294,000, but we didn't take it.

I wish you would state to the committee the facts in regard to the property that was purchased in the block upon which the New House Office Building was built, and as to the manner in which the Government was held up on the value of that property. You have made a statement on this particular land in that particular condemnation and as to the different ownerships.

Mr. RICHARDS. A part of the land was purchased outright. I appeared before the committee consisting, I think, of the Speaker of the House, the minority leader, and someone else, and made a statement as to what that property was worth, but I do not think it went to condemnation. I think it was finally purchased.

Mr. BLANTON. All of the property that was purchased outright was purchased at a price far in excess of what it was assessed for taxes at that time?

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. Some of it at several times its assessed value.

Mr. RICHARDS. Yes, sir.

AMOUNTS FAR IN EXCESS OF ASSESSED VALUES PAID

I now want to call your attention to what the Government had to pay for the lots upon which the new Supreme Court Building was constructed, and I quote from page 78 of the printed hearings:

SALE PRICE AND SUBSEQUENT AWARDS BY JURY FOR SUPREME COURT SITE
Mr. RICHARDS. These are some figures in regard to the site of the Supreme Court.

Mr. BLANTON. This data refers to the properties acquired, through condemnation, for the new Supreme Court Building.

Mr. RICHARDS. Yes, sir.

Mr. BLANTON. I read from the tax assessor's data. The following lots are in square 727: Lot no. 18 had sold for \$4,500, and the jury awarded for it \$11,500; lot 19 had sold for \$5,500, and the jury awarded \$8,500; lot no. 39 sold for \$11,000, and the jury awarded \$16,000; lot no. 40 sold for \$12,000, and the jury awarded for it

\$25,000; lot no. 41 sold for \$10,500, and the jury awarded for it \$16,000; lot no. 804 sold for \$8,000, and the jury awarded for it \$14,500; lot no. 32 sold for \$3,800, and the jury awarded for it \$8,250.

The following lots are in square 728:

Lot no. 801 sold for \$4,800, and the jury awarded for it \$7,500; lot no. 802 sold for \$6,000, and the jury awarded for it \$12,000; lot no. 807 sold for \$15,000, and the jury awarded for it \$26,000; lots nos. 809 and 810 were sold for \$16,500, and the jury awarded for them \$37,500; lot no. 814 was sold for \$11,000, and the jury awarded for it \$28,500; lot no. 822 was sold for \$5,650, and the jury awarded for it \$10,000; lot no. 823 was sold for \$8,500, and the jury awarded for it \$17,000; lot no. 826 was sold for \$14,500, and the jury awarded for it \$19,500; lot no. 827 was sold for \$15,000, and the jury awarded for it \$19,500; lot no. 31 was sold for \$5,100, and the jury awarded for it \$13,000; lot no. 832 was sold for \$3,500, and the jury awarded for it \$12,500.

This statement shows that in the case of property which had sold for \$163,850, a jury of Washington citizens, who passed on the matter, required the Government to pay \$302,750 in order to secure the property for the Supreme Court Building.

SUGGESTION FROM THE OTHER SIDE OF THE CAPITOL

You will remember, Mr. Speaker, that from the one somewhere else who is always insisting on the United States making a large Federal contribution to the civic expenses of Washington, the newspapers carried a suggestion in the early part of 1934 that one way the Commissioners could lower the amount Washington people would have to pay would be to lower the assessed valuation of the property. The Commissioners took the cue immediately. Notwithstanding that it was already assessed at about one-half of its real value, the Commissioners thereafter in 2 years arbitrarily lowered the assessed value of real property \$130,000,000.

OUR PRESIDENT GATHERED STATISTICS ON CITY TAXES

Last year President Franklin D. Roosevelt had his agents gather statistics regarding tax rates and renditions in all other comparable cities. From his report I quote the following:

TAX RATE IN DISTRICT COMPARED WITH CITIES OF SIMILAR SIZE

This report of the President's committee which he appointed to investigate the tax rate in the District of Columbia as compared with that in other comparable cities, which is entitled "Comparative Tax Burdens in the District of Columbia and Other Cities", and which was filed in the office of the Secretary of the Treasury on April 8, 1935, states that their analysis is based upon data available January 12, 1935, and from which I quote:

"The following cities of between 300,000 to 825,000 population show Washington to pay the lowest tax rate on \$1,000, to wit:

	Tax rate on \$1,000
Jersey City, N. J.	\$40.69
Boston, Mass.	37.10
Minneapolis, Minn.	30.10
Newark, N. J.	29.20
Seattle, Wash.	28.13
New Orleans, La.	27.58
Baltimore, Md.	26.70
Portland, Oreg.	26.50
Milwaukee, Wis.	26.26
Buffalo, N. Y.	25.56
Kansas City, Mo.	25.23
Louisville, Ky.	24.43
San Francisco, Calif.	20.09
Cincinnati, Ohio.	18.22
Washington, D. C.	15.00

"Table 1, appended, clearly demonstrates that the District of Columbia general property-tax rate of \$15 per \$1,000 is the lowest obtaining in any city of 300,000 or more population, and that a number of cities have adjusted tax rates of more than twice that obtaining in the District."

In our hearings, Mr. Speaker, it was disclosed that the city officials are wholly inactive and unconcerned about the back real-estate taxes that remain unpaid for each year back to 1877. They were not enough concerned to insist on a law being passed to allow the District of Columbia to take good title under proper sale for delinquent taxes. I had to go to the District Legislative Committee and urge the chairman to report such a bill, and we got her to have the bill reported and passed it here in the House a few days ago. I quote the following from the printed hearings:

UNCOLLECTED REAL-ESTATE TAXES, 1877-1935

Now, Mr. Towers, you are familiar, are you, with the statement that has been furnished by Mr. Richards here, and which came through you, I understand.

Mr. TOWERS. Yes; I got that up for him.

Mr. BLANTON. It shows an uncollected balance of real-estate taxes from 1877 to 1935 of \$1,599,568.47.

Mr. TOWERS. Yes, sir.

UNCOLLECTED TAXES FROM 1877 TO 1936

The following is an official statement of a list of uncollected balances of real-estate taxes by years from 1877 to January 1, 1936, furnished by Tax Assessor Richards under the official order of Commissioner Hazen:

List of uncollected balances of real-estate taxes to Jan. 1, 1936, in the amount of \$1,599,568.47, representing 57 years

	Balances
1935.....	\$687,996.30
1934.....	247,818.54
1933.....	210,001.88
1932.....	98,602.83
1931.....	80,041.71
1930.....	80,716.79
1929.....	22,304.69
1928.....	18,827.33
1927.....	25,187.34
1926.....	56,369.33
1925.....	1,625.54
1924.....	2,758.83
1923.....	7,899.34
1922.....	12,441.03
1921.....	7,182.37
1920.....	4,122.29
1919.....	3,554.29
1918.....	3,000.67
1917.....	3,882.57
1916.....	2,823.49
1915.....	3,123.45
1914.....	1,657.47
1913.....	2,125.82
1912.....	1,177.96
1911.....	1,067.08
1910.....	1,932.69
1909.....	644.83
1908.....	2,086.80
1907.....	3,278.29
1906.....	1,158.27
1905.....	1,061.57
1904.....	586.24
1903.....	168.63
1902.....	599.67
1901.....	520.26
1900.....	757.04
1899.....	670.25
1898.....	1,211.50
1897.....	1,564.52
1896.....	2,548.89
1895.....	1,281.28
1894.....	1,490.71
1893.....	1,145.56
1892.....	835.19
1891.....	1,034.45
1890.....	1,205.47
1889.....	920.63
1888.....	1,080.32
1887.....	1,128.33
1886.....	905.83
1885.....	1,211.48
1884.....	1,108.62
1883.....	1,897.96
1882.....	2,164.16
1881.....	3,831.75
1880.....	10,292.91
1877.....	8,706.55

Less overcollection for 1910, 1925, and 1928..... 22,385.56

Total..... 1,599,568.47

Mr. BLANTON. Colonel Sultan, this list of unpaid taxes on real estate, dating back as far as 1877, shows uncollected, for 1877, real-estate taxes amounting to \$8,706.55, and all the way up, every year, there is an uncollected tax balance.

Are there any steps being taken to collect those taxes?

Colonel SULTAN. Oh, yes, sir. Just why there should be an uncollected balance going back as far as that, frankly, I cannot say.

Mr. BLANTON. In other words, there remains now, previous to the present tax year, from 1877 to 1935, uncollected real-estate taxes of \$1,599,568.47.

Yet with these conditions prevailing, where the people of Washington, D. C., are the best treated, have the greatest advantages, and are the least taxed, the Washington newspapers are asserting that certain statesmen elsewhere than in this House are assuring these newspapers that they will restore this \$3,000,000 the House has cut off of the Federal contribution, and will restore the unconscionable high salaries that some officials here in Washington have been receiving.

Let them do it! But they are not going to do it without their people back home finding it out. And in my judgment their people back home are going to hold them responsible for such action. Their people back home are getting tired

of having to pay their own high taxes in the States and then having to help the overpampered people of Washington pay their local civic expenses here. The time has come when this House of Representatives must stop being the goat. It must stop having to carry the load. It must place the responsibility where it rightfully belongs. It must let the taxpayers of the United States know exactly who it is that is annually placing this burden upon them. And I am going to take upon my shoulders the duty of letting the people of the United States know about it. The people of Washington, D. C., receive the most for their money and pay less taxes than the people in any other city in the whole wide world.

The Washington Star ought to be ashamed of itself for causing Mr. William P. Richards, just as soon as he retires from his position, to make a statement that impeaches his own testimony, that impeaches the testimony of his chief, Commissioner Melvin C. Hazen, and impeaches the testimony of his auditor, Maj. Daniel Donovan, all three of whom, thrice, in annual hearings, admitted that in 1934 and 1935 the Commissioners reduced the assessed valuation of real estate \$130,000,000, or \$80,000,000 in 1934, and \$50,000,000 in 1935, distributed to most of the people living in the District of Columbia, and causing them a huge saving in taxes. I warn the new tax assessor right now that if he wants to succeed, and last long, he must not allow these Washington newspapers to wrap their tentacles around him and make him do their bidding.

Mr. Speaker, these Washington newspapers are not going to get away with this misrepresentation. I am going to call their hand every time they misrepresent the facts to the people. I repeat, they are not going to get away with it! If you will watch the Post, you will see in it every morning some incited letters it has caused to be written by deliberately poisoning the minds of the people against me, through its many malicious and libelous misrepresentations. I had hoped that it would not force me to tell the Washington people about how its owner accumulated his millions, but if he continues his unjust persecution I will before long give you a complete history of his manipulations.

I want the people of Washington to get these printed hearings and look at the assessed value of the property rendered for taxation by some of the leading citizens of Washington, who draw salaries of from \$15,000 to \$75,000 per annum and the small taxes they pay, and then they will help me in my fight to stop it.

Mr. Speaker, I ask unanimous consent to extend my remarks and to add some excerpts from the hearings I have referred to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CRUEL WAR—JOHN SILVER PASSES ON

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein a memorial of about 150 words, issued officially by the War Department.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER of Pennsylvania. Mr. Speaker, it was Sherman, I believe, who said that "War is hell." John Silver found that to be true on October 21, 1918, when the Meuse-Argonne drive was on in the great World War.

The American forces were advancing. The Germans were putting up their big drive. Airplanes were dropping shells. Heavy artillery was throwing a barrage. Machine guns were mowing down the opposing forces. Antiaircraft guns were bringing down airplanes. The air was filled with shot and shell. It was 2:45 p. m., October 21, when the commanding officer of our machine-gun artillery issued orders to liberate John Silver. He was liberated in the front lines of our advancing machine-gun squad. He had tied to his leg a very important message. As a homing pigeon, it was his duty to fly back to the loft at headquarters with this message.

Off he went. We imagine that we see him, as it were, dodging the shot and the shells. Now, a bullet or a piece of exploded shrapnel shoots away a portion of his leg, but the message tube being tied above the knee still stayed with John Silver, and with his leg dangling merely by the skin, on he goes toward the homing loft at headquarters and delivers his message.

The officers at headquarters noticed the bleeding leg of the pigeon and the lieutenant having charge of the homing pigeons gave special care to this faithful bird, with the result that he was nursed to good health and after the war was taken to Scofield Barracks in Hawaii. He grew to be a pet with the soldier boys. He was cared for as if he were the king of all bird life. When the Army had a parade or maneuvers at Scofield Barracks or any place in the Hawaiian Islands, the lieutenant in charge of the homing pigeons would see to it that John Silver was among the spectators reviewing the parade. He had a specially prepared basket or cage which John Silver occupied at such times.

This last summer, during the review of the Army at Scofield Barracks—by the way, the finest army, or, rather, the finest unit of any army in the world—one truck had about 100 homing pigeons in it, and as it passed the review stand the canvas was raised from the bed of the truck and these homing pigeons fluttered here and there, and, after organizing, headed for their homing headquarters. John Silver, looking on, acted as though he were human by clapping his wings when this flock of pigeons were let loose. John Silver's remains are with the Army relics in Dayton, Ohio.

The following is the exact photostatic copy sent me by the Eleventh Signal Company, of Scofield Barracks, Territory of Hawaii, January 1, 1936:

COMPANY ORDER NO. 1

ELEVENTH SIGNAL COMPANY,

Schofield Barracks, Territory of Hawaii, January 1, 1936.

1. In the death, on December 6, 1935, of the homing pigeon John Silver (named after the one-legged character of Robert Louis Stevenson's *Treasure Island*), the Eleventh Signal Company lost an esteemed member of its organization. This bird was hatched in France at the breeding lofts of the United States Army Signal Corps during the World War and was transferred to the loft of the Eleventh Signal Company upon its establishment in 1921. He was 17 years 11 months old at the time of his death.

2. The outstanding feat of John Silver is officially recorded as follows:

"Liberated at Grand Pre at 2:35 p. m., October 21, 1918, in the Meuse-Argonne drive, with an important message, during intense machine-gun and artillery action, the bird delivered its message to the loft at Rampont, a distance of 40 kilometers, in 25 minutes. Upon examination it was found that one leg had been amputated and that the breast had been pierced by a machine-gun bullet. The message tube, intact, was hanging by the ligaments of the torn leg."

3. The courage and devotion to duty displayed by John Silver, and, above all, his will to accomplish his mission and reach his objective are attributes worthy of emulation by every soldier of this company.

4. Hereafter on each organization day of the Eleventh Signal Company this order will be read and the name John Silver will be added to the roll call. When his name is called the senior non-commissioned officer present will respond, "Died of wounds received in battle in the service of his country."

JOHN A. BALLARD,

Major, Signal Corps, Commanding.

True copy:

JOHN A. BALLARD,

Major, Signal Corps.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I wonder if the gentleman is going to tell us where we are going to get the money that he has been inquiring about.

Mr. RICH. No; I want to congratulate the gentleman.

Mr. BANKHEAD. Just a minute; I am reserving the right to object.

Mr. RICH. I want to answer the gentleman. I want to congratulate the majority leader on the bill we passed yesterday showing a reduction in Government expenditures, and then I want to call your attention to some other bills that are coming on the floor here, and I want you to do likewise in respect of them. It is your duty.

Mr. BANKHEAD. I shall not object, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. The first thing, Mr. Speaker, I want to congratulate the majority leader and the Members of the House for bringing in one appropriation bill that is less than it was last year. [Applause.]

I am pleased that the Democrats applaud this statement, because this is the first deduction on any appropriation bill this session. However, I want to call your attention to what the Senate is doing by way of increasing not only the appropriation bills you have passed that were larger than they have ever been in the history of the Nation, but ask you to keep your eye on what they are doing over there in asking for millions and millions of dollars above what you have appropriated. It is shameful. It is a real tragedy to America's financial security. It must be stopped. Let the House do its duty on these conference reports and vote down any further increases in appropriations.

I also want to call attention to the fact that the Army and Navy bills, in 1935, were \$533,597,243; in 1936, \$744,839,588; while in 1937 you have suggested spending \$937,791,966, the largest appropriation for war in the history of this Nation, and 75 percent more than was appropriated 3 years ago. Notwithstanding, you all say you are for peace, yet you prepare for war.

Now, you are going to have other appropriations or riders that are hung onto these bills in the Senate. Keep your eye on this, because I want you to know about it, because you will be compelled to answer the question, Where are you going to get the money? [Laughter and applause.]

I want to call your attention further to the fact that Harry Hopkins and the President and Mr. Ickes will be in here requesting \$2,000,000,000 or more for public works. Now, I warn you Democrats, so beware! If you are interested in the expenditure of Government funds, read what Senator Holt said yesterday in the Senate with reference to ruthless expenditure of Government funds in West Virginia on public works, and take into consideration the fact that it is your duty to appropriate and specify any projects that money is to be spent for and not to place any more money in the President's hands to be squandered by politicians and Mr. Hopkins.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a serious question?

Mr. RICH. I yield to the majority leader, if the question is serious.

Mr. BANKHEAD. This is not badinage. In connection with the criticism of P. W. A. expenditures, and so forth, has the gentleman had occasion to read the report made by the 100 mayors of the leading cities of the country?

Mr. RICH. I will just read from a report made by Robert Johnson, the Democratic administrator of public works for Pennsylvania, who recently sent his report to Governor Earle. This is what he said in reference to the emergency measures or public-works program of the President:

Emergency measures are no longer economically or socially defensible.

He meant that the way these funds are being administered is wrong and that you are not getting the results that should be obtained. More men on relief, the Treasury deficit growing. Read Senator Holt yesterday in the CONGRESSIONAL RECORD, where he shows you how the funds are being administered for political relief in West Virginia, and not for the relief of the men who need it. This is the thing I want to call to your attention at this particular time. The Democratic Senator criticizes Hopkins and the politicians in the way they waste public moneys. It is a shame. It is a crime. Men, stop it! Stop it before it is too late.

Remember it is our duty to appropriate these funds and that you are going to be called upon here to pass a tax measure, and remember that you Democrats voted to spend this money, placing a mortgage on your future children; and when it comes to voting to tax your people to pay for it, see how many shirkers you are going to have on the Democratic side of the House. This is something you want to watch

when it comes to voting on your tax measure here, because you will find that a lot of those who will vote to spend the money are not going to vote with you, and you have a lot of responsibility here, especially the leader of the Rules Committee, with respect to this particular issue.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield.

Mr. O'CONNOR. The gentleman has spoken several times about the necessity of a tax bill to balance the Budget. Will the gentleman vote for a tax bill?

Mr. RICH. If you bring in an honest, conscientious tax bill that is going to tax the people in proportion to their income, or in the way they ought to be taxed, by direct taxation, not indirect, I shall vote for it. I voted for your iniquitous tax bill of last year, and I shall vote for a good one now; but I am not going to vote for any tax bill you bring in here if it is not sound, or if it is like the last one you Democrats submitted.

Mr. O'CONNOR. Does the gentleman mean by that a tax bill against corporations?

Mr. RICH. Yes; the corporations are the ones that are paying the taxes of this country, but it is done indirectly. Bring out a tax bill that will let the people know they are taxed for your follies, and I am for it.

Mr. O'CONNOR. The gentleman means he wants to tax individuals instead of corporations?

Mr. RICH. I want to tax corporations, and when you tax the corporations you tax the individuals, and the gentleman knows that. All you do is try to fool the people. You cannot do it always, remember that.

[Here the gavel fell.]

UTOPIA UNLIMITED

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the rural resettlement program of the administration appeals to me as one of the most practical and humane reforms instituted under the present administration. A nation without homes is on the way to downfall. The plans now being formulated and carried out under supervision of Dr. Rexford G. Tugwell, Under Secretary of Agriculture and head of the resettlement organization, must commend themselves to all citizens anxious to see home and farm life in America salvaged, restored, and expanded.

It is easy enough to dismiss this splendid undertaking with a gesture or a phrase, but the man whose home has been lost or is likely to be lost sees things in a widely different light. Almost any procedure tending to protect him in the occupancy of his house, barn, and acres will be regarded gratefully, even if the procedure itself is not precisely what he might prefer.

Utopia Unlimited is the title of a series of articles recently published by the Washington Post and intimating that the Resettlement Administration is a bold, reckless, and foolish experiment. I found the articles interesting because they contained numerous facts about the enterprise, but the inference to be drawn was an unfair one. The reasoning was similar to that used in so many other instances in which the Federal authorities have utilized the governmental machinery for ridding our country of poverty so far as possible.

The opening paragraph of the article, which is written by Felix Bruner, makes this statement, which is intended to throw a scare into Mr. and Mrs. American Citizen:

Occupying all parts of 19 Washington buildings—ranging from the palatial former home of a millionaire to temporary Government structures—are the administrative directors and staff of one of the most far-flung experiments in paternalistic government ever attempted in the United States.

The organization, which is really a government within the Government, was not created by an act of Congress but by an Executive order of the President. Its activities do not require congressional sanction or approval. It directly affects, virtually rules, the lives of hundreds of thousands of people, who are told how much they spend for food, for clothing, for rent; what crops they

shall plant, how they shall conduct the most minutes of their lives.

Administering the huge experiment are 13,045 men and women, all on the Federal pay roll but none of them under civil service. At their head is the man who once wrote, "I shall roll up my sleeves and make over America." The organization is the Resettlement Administration. Its head is Prof. Rexford Guy Tugwell.

It ranges from buying a mule for a farmer to building houses for industrial workers; from establishing game preserves to encouraging formation of cooperations to can beans.

This is only a small part of the series of articles, *Utopia Unlimited*. It is enough, however, to demonstrate the actual and potential accomplishments of the Resettlement Administration.

Professor Tugwell has been criticized, "razzed", and ridiculed over the ambitious promise he made years ago, when he had just come to ponder the economic trials and tribulations of this great Nation. For my part, I can see no ground for attack because this brilliant young man, in the early days of his study of social science, declared he would roll up his sleeves and make over America.

The America of the times of Herbert Hoover and of Warren G. Harding needed an abundance of "making over." The corruption, oppression, and brutality of those times is still a stench in our nostrils.

America has not been "made over" in its entirety, and I am confident that Dr. Tugwell does not desire to have it entirely transformed. He does want to see the producers, both on the farm and in the factory, assured a comfortable living by enlightened and humanitarian laws that have been, are being, and will be passed in the not distant future.

I consider this a laudable purpose. Dr. Tugwell's ideal is full of inspiration to all of us who desire to end poverty and guarantee comfort and general welfare to every industrious healthy man and woman under the Stars and Stripes. Disagreements are numerous over ways and means, but there are few who question the worth and human value of Dr. Tugwell's earnest efforts.

POINT OF NO QUORUM

Mr. COCHRAN. Mr. Speaker, it was understood that the resolution from the Committee on Accounts providing an appropriation to carry out the work of the special committee appointed to investigate the Townsend pension plan would be called up next week. The resolution is coming up this morning, and I think, in justice to the Members of the House who are interested, they should know it is coming up, and I therefore make the point of no quorum.

The SPEAKER. The gentleman from Missouri makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed, the Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 34]

Adair	Corning	Higgins, Mass.	Ryan
Ayers	Crowe	Hill, Samuel B.	Sadowski
Barden	Culkin	Hoepfel	Sanders, La.
Brennan	Daly	Kee	Schuetz
Brooks	Dear	Kennedy, Md.	Schulte
Buckbee	DeRouen	Kniffin	Secrest
Bulwinkle	Dingell	Kvale	Seger
Burnham	Doutrich	Lamneck	Shanley
Caldwell	Faddis	Larrabee	Short
Carpenter	Fenerty	Lee, Okla.	Sirovich
Casey	Ferguson	Leibach	Thomas
Cavicchla	Gambrill	Lesinski	Tobey
Celler	Gassaway	Maverick	Underwood
Chandler	Goldsborough	May	Wearin
Chapman	Gray, Ind.	Meeks	Whittington
Clark, Idaho	Gray, Pa.	Montague	Williams
Clark, N. C.	Green	Montet	Willson, La.
Cole, Md.	Greenwood	Oliver	Wood
Cooley	Greever	Pettengill	Young
Cooper, Ohio	Hamlin	Romjue	

The SPEAKER. Three hundred and fifty-one Members have answered to their names—a quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

BENEFITS OF THE NEW DEAL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a radio speech made by my distinguished colleague, Mr. O'CONNELL.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of the gentleman from Rhode Island [Mr. O'CONNELL].

BENEFITS OF THE NEW DEAL

You will remember that President Roosevelt in his great Jackson Day speech urged everyone within his hearing to constitute himself a committee of one to carry abroad the real story of the New Deal. He expressed the hope that each one would so equip himself with the correct information, that he could, with accurate knowledge, explain to others previously misled by false propaganda the facts about this administration's program. This is but a statement of ordinary common sense. At first thought it may appear to be unnecessary; yet it is of extreme importance, and for a very special reason, with which I think most of you are familiar.

There is being waged against the President a determined battle to unseat him from the minds of the voters as a great man and a great President. The forces which have combined in this relentless task to falsify his record, to abuse his reputation for sincerity, to belittle and deny his accomplishments are made up of several groups; of Republican reactionaries, of disgruntled Democrats, of selfish men motivated in their speech and actions only by their own, often dishonest, desires. It is not my intention, however, to indulge in a period of denunciation. I have no desire to waste my time and yours with a recitation of the mistakes of those from whom our President has wrested the control of the Federal Government and returned it to the people. There is a far more worthy and far more profitable use to make of this opportunity to speak to you. That is, to carry out President Roosevelt's request that we do our utmost to present a true statement of what has been done for the United States of America since March 4, 1933. It is a mighty record, and one upon which no man need fear to stand.

In any discussion of the accomplishment of the Roosevelt administration it is necessary first to understand clearly just what was the basic need that faced the President upon his elevation to office. Briefly, he found 16,000,000 men and women out of work, at the point of starvation, and, worse still, in so low a mental condition that they were fertile fields for the seeds of almost any violent doctrine.

If we have ever faced the peril of removal of the Capitol of the Nation from Washington to Moscow, it was back in 1932 and early 1933. The banks in every State except South Carolina had been closed by gubernatorial action. More than 6,000 banks, with deposits of over three billions, had failed during the Hoover administration. A steady decline in purchasing power was the inevitable result. Countless urban residents were no longer able to pay decent prices, even for the bare necessities of life. Consequently, the cotton grower, the tobacco farmer, the cattle rancher, the corn-hog raiser, and the wheat farmer each was obliged to accept ruinously low prices for his product. The vicious circle of deflation was thereby completed; factory employment diminished almost to the vanishing point and workers had no money to buy either their own products or those of the farms; the farmers' purchasing power almost completely disappeared and they could buy nothing from the factories.

The most immediate problem confronting the new administration was the frightful condition of the banking system. Roosevelt's forthright action in declaring the banking holiday and providing for orderly reopening of such banks as were still solvent, and the expeditious liquidation of the institutions that could not continue operations undoubtedly salvaged the credit of America.

Compare for yourself these figures: In the 13-year period between January 1, 1921, and December 31, 1933, there were 188 bank suspensions in the six New England States, involving deposits of about \$511,533,000. This includes 111 banks with deposits of \$278,400,000 which could not be licensed to reopen after the 1933 bank holiday. Some of the latter have been reopened. This is an average of 15 bank failures annually. Now, between January 1, 1934, and December 31, 1935—a 2-year period, and during the first 2 years of the Federal Deposit Insurance Corporation—no banks closed in New England.

Similar figures for the United States show a startling improvement that cannot but bring home forcibly what President Roosevelt has done for the safety of the Nation's savings. During that same 13-year period more than 11,000 banks closed their doors, tying up deposits of over four billions. This is an annual average of more than 850 failures. In the 2-year period ending December 31, 1935, 91 licensed banks with deposits of approximately \$47,000,000 suspended. Thirty-five of those banks were insured. Even though you may all have been fortunate enough to have escaped the dread experience of being caught in a bank failure, I am sure you can appreciate what it means to those depositors to get back 100 cents on every dollar up to five thousand immediately. Instead of the wiping out of life savings or the loss of much-needed cash, instead of destitution, there is solvency to a degree never before dreamed of.

Security and the knowledge that everything cannot be swept away—if your money is in an insured bank—has replaced the constant fear of loss that prevailed everywhere during those terrible years before March 4, 1933. And at what cost? To maintain the insurance fund, participating banks pay in a sum equaling one-twelfth of 1 percent of total deposits. This amounts to less than \$35,000,000 annually. All banks, National and State, which are members of the Federal Reserve System and some 8,000 others are protected by deposit insurance. You may have heard the complaint that this assessment is an onerous burden on the banks. I strongly suspect that the complainants have neglected to state that with the inception of deposit insurance the long and universally deplored practice of paying interest on demand deposits was stopped. For banks, National and State, that are members of the Federal Reserve System alone that little item over the 5 years preceding 1934 amounted to an average of \$243,000,000 annually, and no figures have been compiled on the amount paid by banks outside the System. So right here there is a saving to those banks of well over \$200,000,000 a year.

One of the earliest measures for recovery sponsored by this administration was the farm act creating the Agricultural Adjustment Administration. As a direct result of the rental and benefit payments and the adjustment of production to needs, farm income has improved more than 60 percent since 1932. Once again farmers have money in their pockets, and none know this better than the manufacturers, for a market long denied them has been restored.

A million families—more than 158,600 of them in the six New England States—have been enabled to refinance their home mortgages through the Home Owners' Loan Corporation. This was done at lower interest rates, which released considerable sums for other uses. A revamping of farm-credit machinery has saved several hundred thousand farms from the hammer of the auctioneer.

The Reconstruction Finance Corporation really blossomed into the full flower of its usefulness under the Roosevelt administration. Previously its only function was to lend money to banks still open but in some cases rotten to the core. No aid had been given depositors whose funds were tied up in suspended banks. President Roosevelt changed this and the R. F. C. has disbursed over \$5,000,000,000 in loans to insolvent banks, trust companies, mortgage companies, and to hard-pressed insurance companies, railroads, industry, commerce, etc.

The numerous agencies set up under the New Deal to cope with the emergency have spent a lot of money, true. The Budget has not been balanced, also true. We have borrowed billions to finance a gigantic program of aid to the farmer, to the businessman, to the unemployed—in fact, for all classes of people.

If during a period of rapidly dwindling revenues unemployment, business depression, and deflation the Government could increase the debt by over \$5,000,000,000, as occurred during the last 26 months of the previous administration, without wrecking the Nation's credit, then we have nothing to fear now when business is on the upgrade, when tax collections are increasing by leaps and bounds, when men and women are going back to work, spending money again not only for the things they need but for those things that make life a lot more worth living. We find that factory weekly pay rolls have risen one hundred and twenty-two million in the past 36 months. Annual national income has risen more than twenty-two billions. The public debt increased at the rate of one hundred and ninety-five millions monthly under Hoover, and while things were getting worse and worse, yet disaster did not overtake the Treasury. In the 36 months under Roosevelt the debt rose two hundred and twenty-one millions monthly, while things were getting better and better—better than at any time in the last 6 years. In short, we are offered this proposition: Is the Roosevelt administration worth more to the public welfare than the sort of government to which the Old Guard insists we must return?

This dispensation of Federal funds, raised by borrowing American money, has been called artificial respiration. Well, what would you do with a man rescued from drowning—fold your hands and let nature take its course? It has been viewed by some as extravagant, wasteful, and practically dishonest. Have you heard of any hundred-thousand-dollar bribes or black satchels filled with securities in this administration? Is it dishonest or shameful to put bread in the mouths of the starving, clothing on the naked, shelter over the homeless? Is not the United States worth saving? Of course it is!

Before we entered the World War our public debt was \$3,000,000,000. After the war the debt was \$25,000,000,000. Twenty-three billion dollars were borrowed for death and destruction. Fourteen billions have been borrowed to fight depression and to promote recovery and reconstruction. More than \$8,000,000,000 of this was disbursed in good loans that will be paid back with interest. If we get back only half of it, however, it will be more than Europe has paid us on war debts.

Finally, social security is to be provided for our people. The dread of a penniless old age need no longer clutch at the hearts of our workers. Hunger and destitution from involuntary unemployment will be avoided through a sensible program of unemployment-insurance reserves. When you buy a stock or a bond you have the assurance that the danger of being victimized by dishonest brokers and manipulators has been reduced by the Securities and Exchange Commission. Exorbitant rates for power and gas are being scaled down, and profits rightfully belonging to stockholders will no longer be drained away through the devious sewers of holding-company systems. Our natural resources—the

oil, the coal, the timber, the grazing lands, water power, rich soil, and all the other blessings—are at last being given the attention that they sorely needed for a century and more. The specter of barren wastes instead of fertile plains is fading out.

Yes; even a brief study of the accomplishments of the New Deal will show conclusively that we have in the White House a President who has a clear idea of the needs of our people. He is a man with the courage and vision to carry out a program that is designed to equalize the burdens between the rich and the poor alike. For what has happened in the United States in the past 36 months we can thank one man—Franklin Delano Roosevelt.

DEPARTMENT OF TERRITORIES AND INSULAR AFFAIRS

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by publishing a radio talk that I made over the N. B. C.

The SPEAKER. Without objection, it is so ordered. There was no objection.

Mr. KING. Mr. Speaker, under the leave to extend my remarks in the Record I include the radio address delivered by me over the National Broadcasting System on March 11, 1936, as part of a program arranged for the discussion of S. 4250, a bill to create an executive department of the Government to be known as the Department of Territories and Insular Affairs, as follows:

I am very glad of this opportunity to participate in the program arranged for the discussion of Senator ERNEST W. GIBSON's bill providing for a Department of Territories. The people of Hawaii appreciate very highly Senator Gibson's deep interest in the problems of the Territories and island possessions, concerning which he has made a special study.

Hawaii, as a Territory, comes under the jurisdiction of the Congress and the Federal administration. The National Government administers the affairs of its Territories through the Department of the Interior. Since Hawaii was organized as a Territory, therefore, its business has been routed through that Department. Less than 2 years ago there was established in the Department of the Interior a Division of Territories, charged with the specific duty of handling the affairs of the Territories and island possessions. Through this Division, handicapped as it has been by a restricted staff, our administrative problems have been handled with a greater promptness and more sympathetic understanding than ever before.

Senator Gibson's proposal to create a department to look after the increasing responsibilities revolving around these communities is most gratifying. The advantages that would accrue to the Territories are obvious.

Hawaii, it will be remembered, came into the United States of its own volition in 1898, and was organized as a Territory in 1900. It is not a colony nor a possession, but an integral part of the Nation, just as was Arizona before it became a State. Its annexation, we hope and believe, has turned out to be one of the happiest of Territorial acquisitions. It cost the United States practically nothing. During the 36 years since it was fitted into the mosaic of the Nation, it has contributed in taxes to the Federal Government \$5 for every one that has been spent on its administration and development. Its home government has run along on so smooth a keel that Washington has found it necessary to give it very little attention. Hawaii has had nearly 100 years experience in self-government before it became a Territory. Its delights of climate and scenery, in either summer or winter, have become appreciated so well that increasing streams of visitors make it a place of rest and recreation. Sitting as it does at the crossroads of the Pacific, ideas from all the world are received, and through the adoption of such as can be used, Hawaii has become a most progressive and forward-looking community. It challenges the world in the application of science to agriculture, and in many other aspects of its local life it is further advanced than many other communities.

The Federal Government has found, miraculously, that Hawaii commands the Pacific from a defense standpoint, and because of this is of inestimable value to the Nation. So it comes to pass that the Nation's strongest naval base and largest Army post are established in Hawaii as America's western outpost of defense. Finally it develops that that new agency of transportation, the airplane, is entirely dependent on Hawaii for its conquest of the Pacific. Whoever flies the greatest of oceans in almost any direction must cross this way.

With the passing of the decades the population of Hawaii has increased until now it is near the 400,000 mark. Few of its predecessors as Territories have had more than half that number of people when they were admitted to statehood. So Hawaii is asking that her fitness for entrance into the sisterhood of States be considered. She is confident that before many years pass the Congress will have declared her worthy and that she will have added the forty-ninth star to the flag.

Until that happy consummation of Hawaii's aspirations, it is very necessary that the great administrative machinery of the United States Government be better informed as to Hawaii's problems and needs, that the application of national measures be more promptly extended to the islands, and that various phases of Federal activities be more closely coordinated. Senator Gibson's bill has for its purpose such a result; and either this legislation or an

increase in the facilities of the existing Division of Territories under the Department of the Interior should be favorably considered by Congress in order that our community may be more closely welded to the great Nation of which it is a loyal part.

LAWRENCE C. BROWN

Mr. WARREN. Mr. Speaker, I present the following privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 417

Resolved, That there shall be paid out of the contingent fund of the House an amount equal to 6 months' compensation paid Lawrence C. Brown, late an employee of the House, which amount shall be paid in equal shares to Monnie Mae Brown and Dessie Mae Brown, widow and daughter, respectively, of Lawrence C. Brown, deceased, and an additional amount to Monnie Mae Brown not to exceed \$250 to defray funeral expenses of the said Lawrence C. Brown.

The resolution was agreed to.

INVESTIGATION OF OLD-AGE-PENSION SCHEMES

Mr. WARREN. Mr. Speaker, I present the following privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 447

Resolved, That the expenses of conducting the investigation authorized by H. Res. 443, incurred by the select committee of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension schemes, acting as a whole or by subcommittee, not to exceed \$50,000, including expenditures for the employment of legal services, investigators, accountants, experts, and clerical, stenographic, and other assistants, together with incidental and traveling expenses of such committee or any member or subcommittee thereof, and of any agent, assistant, or employee of such committee or subcommittee, as well as witnesses subpoenaed to appear before the committee, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee or by any subcommittee thereof conducting such investigation, signed by the chairman of the committee and approved by the Committee on Accounts.

Sec. 2. That the official committee reporters, if available, may be used at all hearings held in the District of Columbia.

With the following committee amendment:

Page 2, line 8, strike out the words "if available" and insert "if not otherwise officially engaged."

Mr. MONAGHAN. Mr. Speaker, I make the point of order that the resolution is out of order, inasmuch as it contains matter of legislative material which is forbidden under the rules of the House. I refer specifically to section 834 of Jefferson's Manual. And, further, that it changes existing law, which is prohibited by the same section of Jefferson's Manual. I state specifically that it might change the status of the Security Act, for example, inasmuch as it might endanger the whole legislative system of providing old-age pensions in our country. The scope of the resolution (H. Res. 443) is so broad as to include and therefore discredit the Securities Act. I make the further point of order that it violates the integrity of the membership of the House.

On that point, Mr. Speaker, the first resolution was introduced on January 29. No action was taken on that resolution. A further resolution was introduced on February 14. That resolution passed the House on February 19. The Committee on Accounts considered a resolution for making this appropriation under the original resolution and acted favorably thereon. Then a further resolution was introduced on March 10, and I maintain that that resolution of March 10 violates the rules of the House in that it was fraudulently introduced. The second resolution, which was brought in and passed by unanimous consent, was brought in without notice to the House, without a hearing, that I know of, and without a specific record vote by the House or a division of the House. It was brought here when the Members of the House were not present, at 12 o'clock, at which time it is seldom the custom for every Member of the House to be present, and points of no quorum are for that reason constantly being made at that particular hour. I myself walked in a few seconds too late to make any objection or to know what was really the content of the resolution, and was led to believe that it was a unanimous-consent request to make a

minor typographical correction in the original resolution, objection to which would have been ridiculous. That resolution (H. Res. 443) involves every Member of this House. I have to read the resolution in order that the House may understand it:

Resolved, That the Speaker appoint a select committee of eight Members of the House, and that such committee be instructed to inquire into old-age-pension plans with respect to which legislation has been submitted to the House of Representatives, and particularly that embodied in H. R. 7154.

H. R. 7154 is a bill introduced by Mr. McGROARTY, of California, to provide for the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from active gainful employment, improving and stabilizing gainful employment for other citizens, stimulating agricultural and industrial production and general business, and alleviating the hazards and insecurity of old age; to provide a method whereby citizens shall contribute to the purchase of and receive a retirement annuity; and for the raising of the necessary revenue to operate a continuing plan therefor; and to provide for the proper administration of this act; and for other purposes.

Be it enacted, etc.—

DEFINITIONS

SECTION 1. The term "transaction" for the purposes of this act shall be defined so as to include the sale, barter, and/or exchange of either or both real or personal property, including any right, interest, easement, or privilege of commercial value therein or related thereto, whether actually made at the time or only then agreed to be made and whether under executed or executory contract or otherwise; also including all charges for interest, rent commissions, fees, and any other pecuniary benefit of any kind directly or indirectly derived from or for any loan, deposit, rental, lease, pledge, or any other use or forbearance of money or property; and also including the rendering or performance of any service for monetary or other commercially valuable consideration, whether by a person or otherwise, including all personal service, also transportation by any means, and telephone, telegraph, radio, amusement, recreation, education, art, advertising, any public utility, any water rights, and/or any and all other service of any and every kind whatsoever, but excepting and excluding therefrom any single isolated transfer of property of fair value less than \$100 which does not arise or occur in the usual course of an established commercial business and excluding any loan, deposit, withdrawal from deposit, hypothecation, or pledge of property or money.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. MONAGHAN. No; I refuse to yield.

The SPEAKER. The Chair suggests this to the gentleman from Montana: It is impossible for the Chair to understand the points of order being made by the gentleman under the procedure thus far. Will the gentleman state first his points of order, and then the Chair will be glad to hear the gentleman argue the points of order?

Mr. MONAGHAN. I have stated three of them, Mr. Speaker.

The SPEAKER. The Chair asks the gentleman to first state his points of order if he has more than one, and then the Chair will be glad to hear the gentleman discuss his points of order.

Mr. MONAGHAN. I stated, first, that it contains legislation; second, that it changes existing law; third, that it violates the integrity of the Members of the House; fourth, that it violates section 549 and section 553 of the rules as set forth in Jefferson's Manual, in that it contains insulting language; five, that it violates section 852 on page 399 of the manual, respecting the fraudulent introduction of a bill. I read section 852:

The fraudulent introduction of a bill involves a question of privilege, and a bill so introduced was ordered stricken from the files (IV, 3388).

The SPEAKER. And those are the points of order?

Mr. MONAGHAN. Yes; and I am now dealing with the last two points of order, that the resolution contains insulting language and was fraudulently introduced.

The SPEAKER. And the gentleman is now referring to the resolution pending before the House?

Mr. MONAGHAN. Yes; the resolution now pending before the House.

The SPEAKER. Is it the contention of the gentleman from Montana that the gentleman from Missouri [Mr. BELL] did not introduce the resolution now before the House?

Mr. MONAGHAN. Yes; he did introduce this resolution. I maintain that it contains insulting language and therefore violates the privileges of the House. He introduced this resolution, which authorizes the money for the resolution, which he that day by unanimous consent, and with only a half dozen Members of the House present, with none of the Townsend leaders here on the floor, had passed by the House; and with respect to that resolution I am reading what it provides so that the Chair will know what insulting language it contains.

The SPEAKER. The Chair fails to understand how the gentleman at this point can raise the question of what a former resolution passed by the House contains. The House passed that resolution, the RECORD so shows, it was adopted, and a motion to reconsider the vote by which the resolution was passed was laid on the table. The Chair asks the gentleman to point out the insulting language in the pending resolution.

Mr. MONAGHAN. I have to read this in order to do that.

The SPEAKER. The Chair will hear the gentleman.

Mr. MONAGHAN. I read from the McGroarty bill, H. R. 7154, referred to me in House Resolution 443:

A purchase obligation is not a loan under this act.

Barter and/or exchange is defined as a plurality of transactions to the extent of the fair value of the property and/or service transferred or rendered other than money.

The term "income" for the purposes of this act shall be defined so as to include the gross amount of any and all money or its equivalent received from or for any service performed or from or for any proceeds or profit from any transaction, inheritance, or gift whatsoever.

The term "net income" for the purposes of this act shall be defined so as to include all money and/or commercially valuable benefit or its equivalent actually received by the annuitant after deducting only such charges and expenses as are directly incident to producing such net income.

The term "gainful pursuit" for the purposes of this act shall be defined so as to include any occupation, profession, business, calling, or vocation, or any combination thereof, performed for monetary or other commercially valuable consideration, remuneration, or profit.

The term "annuity" and/or "annuities" for the purposes of this act shall be defined so as to include the various sums and/or amount of money distributed and paid pro rata—

Mr. BUCK. Mr. Speaker, a point of order. The gentleman is not addressing himself to the point of order, but is reading the text of the so-called McGroarty bill.

The SPEAKER. The gentleman from Montana will confine himself, of course, to the point of order.

Mr. MONAGHAN (continuing reading):

and otherwise to the various persons who shall become and be the beneficiaries under this act.

Mr. LEHLBACH. Mr. Speaker, a point of order.

Mr. MONAGHAN. Mr. Speaker, I insist that I be given the privilege of this House to discuss the point of order.

The SPEAKER. The gentleman must confine himself to the point of order. That does not permit the gentleman to discuss extraneous matter.

Mr. MONAGHAN. The opponents are only delaying matters.

The SPEAKER. Debate on a point of order is for the information of the Chair, and the Chair therefore controls the time on a point of order. The Chair wishes to respectfully inform the gentleman from Montana that he must confine himself to the point of order. That does not permit the gentleman to discuss extraneous matter, or matters which are extraneous to the point of order or the merits of the resolution.

Mr. BANKHEAD. Mr. Speaker, may I make the point of order that the gentleman is now reading the entire text of the McGroarty bill, which he does not claim contains any insulting language. As I understand his position, it is that the resolution introduced by the gentleman from Missouri [Mr. BELL] is what constitutes insulting language. The gentleman is now reading a 25-page bill that, it seems to me, is entirely extraneous to the point of order that has been raised.

The SPEAKER. The Chair thinks that the point of order raised by the gentleman from Alabama [Mr. BANKHEAD] is well taken. What is contained in the McGroarty bill has nothing to do with the point of order which the gentleman from Montana has raised against the pending resolution.

Mr. MONAGHAN. Does not the resolution which we are considering this morning specifically appropriate money to investigate those persons who are organized to further old-age pensions? I will read the specific resolution that does contain the insulting language.

The SPEAKER. Let the Chair state to the gentleman that the question of the merits of the McGroarty bill or the merits of the investigation resolution are for the House to determine, and may or may not come up under debate upon the pending resolution. The Chair thinks the gentleman ought not discuss the merits of the resolution which the gentleman from North Carolina [Mr. WARREN] has reported under a point of order. The Chair asks the gentleman to confine himself strictly to the point of order which he has raised.

Mr. MONAGHAN. I am endeavoring to do so, Mr. Speaker, but to thoroughly discuss my point of order I have to read this.

The SPEAKER. The Chair does not see that the points of order have anything to do with the McGroarty bill or the resolution which has heretofore passed the House, because that is behind us; and the Chair fails to understand where that has anything to do with the point of order raised by the gentleman from Montana.

Mr. MONAGHAN. The particular resolution that we are appropriating money for is to carry out the purposes of House Resolution 443, which resolution reads in this fashion:

Resolved, That the Speaker appoint a select committee of eight Members of the House, and that such committee be instructed—

The SPEAKER. Now, the Chair would like to ask the gentleman to point out just how that involves the point of order which the gentleman has raised on the resolution pending before the House.

Mr. MONAGHAN. My point of order is that the privileges of the House have been infringed.

The SPEAKER. The Chair overrules that point of order now. [Applause.] The Chair has heard enough upon that point of order.

Mr. MONAGHAN. That it contained insulting language with respect to Members of this House. There are many Members of this House who have introduced old-age-pension bills.

The SPEAKER. To what resolution is the gentleman now referring?

Mr. MONAGHAN. I am referring to House Resolution 447. House Resolution 447 is based upon House Resolution 443.

The SPEAKER. The Chair has asked the gentleman to point out the specific insulting language to which he refers.

Mr. MONAGHAN. The insulting language to which I refer is this:

And particularly that embodied in H. R. 7154 in the United States Congress, with special reference to the acts and conducts of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension legislation or schemes, and that such committee be further instructed to inquire into the history and records of the various proponents, operators, promoters, or schemers now engaged in promoting such legislation.

That makes Mr. McGROARTY a schemer. It makes myself a schemer. It makes every member of the 63 bloc on the Townsend matter a schemer and plotter and intriguer. I say it involves the integrity of the House.

The SPEAKER. The purpose of this resolution and this appropriation is to make available funds for the purpose of finding out and eliciting the facts with reference to this proposed legislation, or any other legislation of a similar kind, referred to in the Bell resolution, which clearly does not reflect upon any Member of the House. The Chair fails to see anything insulting in the language which the gentleman has just read.

Mr. MONAGHAN. I will read for the information of the Speaker the definition which Webster gives of the word "schemer":

One who performs schemes; a projector; a plotter; an intriguer.

Mr. ZIONCHECK. Mr. Speaker, a point of order.

The SPEAKER. There is just one matter pending before this House, and that is the question of whether the House will make an appropriation to carry on an investigation which it has heretofore ordered.

The Chair has nothing to do with the resolution authorizing the investigation to which the gentleman refers. The House has already taken action on it.

Mr. MONAGHAN. The Chair must take cognizance of House Resolution 443 as well as House Resolution 447.

The SPEAKER. The Chair cannot take cognizance of that resolution.

Mr. ZIONCHECK. Mr. Speaker, a point of order.

Mr. MONAGHAN. Mr. Speaker, I ask the right to be respectfully heard.

The SPEAKER. The Chair is going to give the gentleman a respectful hearing, but does not want the gentleman to wander all around the lot. [Applause.]

Mr. MONAGHAN. I do not want that either, Mr. Speaker. I will state—

Mr. ZIONCHECK. Mr. Speaker—

The SPEAKER. The Chair will state to the gentleman from Washington that the Chair is now entertaining a point of order made by the gentleman from Montana, and cannot recognize the gentleman from Washington to submit another point of order.

Mr. ZIONCHECK. I rise to a question of personal privilege then.

The SPEAKER. The Chair declines to recognize the gentleman for that purpose while the gentleman from Montana has the floor.

The gentleman from Montana will proceed.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Wisconsin cannot take the gentleman from Montana off the floor by a parliamentary inquiry. If the gentleman from Wisconsin will permit the gentleman from Montana to proceed in order, perhaps this matter can be disposed of in a very few minutes.

Mr. MONAGHAN. Mr. Speaker, the rule under which I am proceeding specifically states:

Members having petitions or memorials or bills of a private nature to present may deliver them to the Clerk.

I have five specific points of order, and I have not been fully heard on any of them, Mr. Speaker, I may say. [Laughter.]

Am I not right in assuming, Mr. Speaker, that this Resolution 447 could not be brought before the House without House Resolution 443 first having been enacted into law?

The SPEAKER. It could be done, but the other resolution to which the gentleman refers has already been adopted by the House. The Chair is trying to impress the gentleman from Montana with that fact. What the authorizing resolution has to do with the points of order made against the pending resolution appropriating money to carry out the purposes of the authorizing resolution heretofore ordered by the House regularly, as the Journal and the Record show, the Chair up to this time has been unable to understand.

Mr. MONAGHAN. I will say to the Chair that I have not been able to hear a word the Chair is saying because of the mumbling going on around me.

The SPEAKER. The Chair stated, and repeats, that the authorizing resolution to which the gentleman refers has been regularly adopted by the House, as the Journal and the Record show. What that has to do with the points of order made against a resolution appropriating money to carry on the investigation which the House has heretofore ordered, the Chair up to this time has been unable to understand.

Mr. MONAGHAN. Mr. Speaker, House Resolution 447 makes specific reference to House Resolution 443. It states:

Resolved, That the expenses of conducting the investigation authorized by House Resolution 443, incurred by the select committee

of eight Members of the House instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age-pension schemes, acting as a whole or by subcommittee, not to—

This language, Mr. Speaker, I think specifically brings House Resolution 443 before the House.

The SPEAKER. The Chair differs with the gentleman. The reference to the resolution to which the gentleman refers was used merely to identify the resolution to carry out the purposes for which the appropriation is being made.

Mr. MONAGHAN. Mr. Speaker, could the House pass intelligently this resolution without a knowledge of House Resolution 443? I maintain it could not, because it would have to know the purpose, it would have to know the background, it would have to know the reason for the investigation, and whom and what it was to involve.

The regular order was demanded.

The SPEAKER. Has the gentleman concluded?

Mr. MONAGHAN. I would like the Speaker to answer the question whether or not the House can act intelligently without this knowledge.

The SPEAKER. The Chair has nothing to do with whether or not the House can act intelligently. That is for the Members of the House to determine, but since the gentleman asks the Chair the specific question, the Chair certainly thinks it can.

Mr. MONAGHAN. I will put it this way, Mr. Speaker: Without a knowledge of House Resolution 443 I maintain that no Member of this House can adequately pass on House Resolution 447. It would scarcely know for what purpose it was appropriating money.

The SPEAKER. The Chair wants to be patient with the gentleman, the Chair has tried to be courteous to the gentleman. That is a matter to be considered by the House in the way of argument on the merits when it comes to consider the resolution. So far as the Chair can see, it has nothing to do with the point of order raised by the gentleman from Montana.

Mr. MONAGHAN. The Chair has overruled, then, one of my points of order, or all of them?

The SPEAKER. The Chair is ready to overrule all the points of order that the gentleman has so far made. [Applause.]

Mr. MONAGHAN. Then, Mr. Speaker, I present a point of order involving the privileges of the House.

The SPEAKER. Let the Chair make his ruling.

The Chair wants to be entirely courteous to the gentleman. The Chair hopes the gentleman understands that. The rules of the House provide that certain named committees shall have leave to report at any time on matters therein designated, and concludes with these words:

And the Committee on Accounts, on all matters of expenditure of the contingent fund of the House.

The Chair understands this resolution proposes to make an appropriation out of the contingent fund of the House, and therefore is specifically authorized by the rule to which the Chair has just referred.

The Chair does not desire to be facetious with the gentleman, and I am sure he so understands. However, the Chair does not understand how a previous resolution, adopted regularly by the House, as shown by the Journal and the RECORD, has anything to do with this particular resolution. The time for the gentleman's point of order on that resolution has passed. The Chair overrules the points of order made by the gentleman from Montana.

Mr. MONAGHAN. Mr. Speaker, I maintain at the time no proper notice was given, and that therefore I was not here as promptly as I would have been if given such notice, which notification is customary in case a Member is keenly interested in a bill.

The SPEAKER. The Chair is not responsible for the absence of the gentleman.

The Chair at this time desires to reiterate what he stated yesterday: That insofar as he can control the matter, the Chair is not going to permit the use of personalities in the House during the remainder of the present session. [Ap-

plause.] Members must refrain from the use of personalities while engaged in debate upon the floor of the House or while the House is in session. Rules were established many years ago for the purpose of maintaining orderly procedure, and they have proved to be satisfactory throughout all these years. The use of personalities is contrary to the rules of the House and bound to provoke disorder, which is something we do not want to occur in the House.

Mr. MONAGHAN. Mr. Speaker, I should like to present an amendment to the resolution.

The SPEAKER. The gentleman from North Carolina [Mr. WARREN] has the floor.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from North Carolina [Mr. WARREN] yield for a parliamentary inquiry?

Mr. WARREN. Mr. Speaker, not now.

Mr. ROBSION of Kentucky. Will the gentleman from North Carolina [Mr. WARREN] yield so that I may propound a unanimous-consent request to extend my remarks on the Pettengill long- and short-haul bill?

The SPEAKER. Does the gentleman yield for that purpose?

Mr. WARREN. Mr. Speaker, I yield to the gentleman from Kentucky.

THE PETTENGILL BILL WILL AID THE RAILROAD WORKERS OF THE COUNTRY, GIVE JUST AND FAIR TREATMENT TO THE RAILROADS, PROMOTE RECOVERY, AND PROTECT THE PUBLIC INTERESTS

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to the Pettengill long- and short-haul bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROBSION of Kentucky. Mr. Speaker, H. R. 3263, known as the Pettengill bill, seeks to repeal or eliminate so much of paragraph 1 of section 4 of the Interstate Commerce Act of 1887, as amended June 18, 1910, and February 28, 1920 (U. S. Code, title 49, sec. 4), as relates to what is known as the long- and short-haul provision of said section 4. This bill was referred to the Committee on Interstate and Foreign Commerce of the House. This committee is made up of Members of the House of wide experience and a great deal of training in matters pertaining to this subject. The committee held extensive hearings, and after carefully considering the bill and amending it, by unanimous vote reported it to the House as it is now before us.

This measure has the active approval of all the railroad brotherhoods and railroad crafts, representing all of the railroad workers of America. It also has the approval of the railroads, both great and small. The chambers of commerce of my section, many coal operators, many of the leading coal miners, and other citizens engaged in various professions and activities have approved this measure and strongly urge me to support it.

I made up my mind sometime ago that this legislation is necessary and that it would not only be helpful to the railroad workers and the railroads but its enactment would be in the public interest; and therefore I have been active in doing what I could to bring this matter before the House, and will continue to give this measure my earnest and active support until it is passed.

WILL HELP RAILROADS AND WORKERS

It is a matter of common knowledge that the railroads of our country have had their depression, and in many instances more acute and for a longer period than other industries and instrumentalities of commerce in our country. Competition from water, motor, and air transportation has become more active and has grown rapidly during the last decade or two. These means of transportation have made great inroads into the freight and passenger business of the railroads.

In our complex industrial, commercial, and social life the four forms of transportation appear to be necessary. It cannot be denied, however, that for many years State and Federal Governments have spent billions of dollars in subsidizing water, motor, and air transportation. Billions have

been expended by the Government in providing suitable harbors, docks, canals, and channels of rivers to aid water transportation. Other billions of the taxpayers' money have been expended by the Federal Government, States, and counties to construct a great system of highways which have directly promoted and benefited motor transportation. The Federal Government has expended other large sums of the taxpayers' money in promoting and developing air-transportation facilities.

The railroads have seen their business cut down as the years have come and gone on account of these other transportation facilities.

When the long- and short-haul measure was first enacted in 1887 and later amended we were only developing the regulatory processes of the railroads, and there was not then a well-defined and effective means of regulation as we have today, and there was very little competition from these other facilities of transportation at that time. The long-and-short-haul measure was necessary for the protection of the shippers and the people generally of the Nation.

That condition no longer exists. The long-and-short-haul now has become a powerful instrument in the hands of water, motor, and air transportation to greatly weaken and in many instances to destroy railroad properties and railroad investments and to take away the jobs of thousands of railroad workers.

The workers of no unit of industry or commerce have suffered so grievously on account of unemployment in the last few years as the railroad workers of this country. It is only fair to say that there are only one-half as many railroad workers today as there were in 1920, and that the railroad workers have been reduced from 1,600,000 in 1929 to 1,000,000 today—a loss of 600,000 since 1929. In other words, about two railroad workers out of every five have lost their jobs since 1929. For the most part, these railroad workers have been trained from their boyhood in this particular character of work, and most of them are unsuited, after spending so many years of their lives in this special training of railroad transportation, to enter any other work or any other line of industry. It is urged that this measure will be of great benefit to the railroad workers of the Nation, as well as to the railroads themselves.

It is up to us to prevent the bankruptcy of our railroads and the wiping out of the investments made by the citizens of this country in this great industry. Twenty-six billions of dollars or more have been invested in our railroads. They have millions of persons employed. The railroads furnish a livelihood for many millions of persons. Without this legislation, unemployment of the railroad workers will increase instead of diminish. The value of honest investments in railroad property will continue to fall.

EQUALITY OF OPPORTUNITY

Until recent years there was a general feeling of prejudice against the railroads. The railroad owners and managers were responsible to a very great extent for this unfavorable attitude of the American public. Watered stocks, oppression of shippers and workers, rebates, and other unfair practices reacted unfavorably on the public mind. These conditions have almost entirely disappeared, and the public begins to realize that the railroads are a great quasi-public industry, and this great industry, with its millions of investors and workers, cannot suffer without this suffering being reflected in agriculture, industry, commerce, and labor generally of the Nation. The policy of doing something to the railroads has given away to a fair and just policy of giving to the railroads and the railroad workers the same fair and equitable treatment as is given to other industries and workers of the Nation. We need the railroads and must have them.

As heretofore pointed out, the Government has subsidized other facilities of transportation out of the United States Treasury, and they have not been and are not now hampered by the so-called long- and short-haul provision.

This measure, in repealing the long- and short-haul clause, places the railroads on an equal footing with water, motor, and air transportation and unhampers the Interstate Commerce Commission in making rates; but this measure defi-

nately places on the railroads the burden of proof to justify a lower rate for the longer distances, as compared to the shorter distances, as being reasonable, fair, unprejudicial, nonpreferential, and nondiscriminatory as between persons, companies, firms, corporations, or localities, or any particular description of traffic whatsoever, as is provided in sections 1, 2, and 3 of the Interstate Commerce Act. Therefore, it is pointed out that under the present law a shipper may ship goods by water from New York, down through the Atlantic Ocean, through the Panama Canal and Pacific Ocean, to San Francisco and by rail to the interior of the United States at a lesser rate than would be paid by the shipper by rail from New York to this same point in the United States. This is made possible because of the so-called long- and short-haul provision of the Interstate Commerce Act. This is discrimination in favor of water transportation. There should be no discrimination as between our several agencies or facilities of transportation. The Interstate Commerce Commission should have the power to make such rates as will be fair and just in the public interest and will avoid discrimination against producers or localities or as between the different agencies or facilities of transportation. In other words, as we understand this measure, it gives to the railroads a square deal and makes it possible to eliminate this discrimination. It will provide fair treatment for those who have invested their savings in railroads, and will cut down unemployment and give greater opportunities to the railroad workers.

TAXPAYERS

According to the press reports, the budget of the State of Kentucky calls for the expenditure of about \$23,000,000 for the present fiscal year. Let us not forget that the railroads of Kentucky will this year pay more than \$5,000,000 in taxes, and the railroad investors and railroad workers themselves will pay other millions in taxes.

Class I railroads of the Nation in 1929 paid \$396,682,634 in taxes, but owing to the depression and the depreciation in value and earnings their taxes in 1933 were only \$249,623,198. The railroad taxes in 1933 represented 8 cents of every dollar of revenue, and was 1.8 cents per dollar greater than in 1929.

To show some of the serious effects on the railroads because of competition and the depression, I call your attention to the total expenditures by class I railroads for durable and consumable goods in 1923 was \$2,797,852,000, and in 1934 these expenditures had dropped to \$812,936,000.

I realize that ship lines engaged in coastal trade are opposed to this measure. They are entitled to fair and just treatment, but there is no good reason why they should be accorded preference and be shown partiality.

UNEMPLOYMENT ON THE INCREASE

William Green, President of the American Federation of Labor, a few days ago issued a statement in which he pointed out there were 12,625,000 unemployed workers in this country at this time, and that unemployment had increased 1,229,000 in December 1935 over December 1934.

The number of unemployed workers in this country in June 1933 was fixed at 10,000,000. It is quite evident that we have not yet solved the unemployment problem in this country.

Mr. Hopkins, Administrator of Relief, declared recently before a committee of the United States Senate that we were still at the peak of relief needs—that there were more than 20,000,000 people in this country who still needed relief. This is more than double the number who were on relief in 1933.

It is hoped that this measure will lessen unemployment and the number who need relief and at the same time give just and fair treatment to the railroad workers and the railroads and promote the general welfare of our country.

I feel sure that this measure will meet the almost unanimous approval of this House.

INVESTIGATION OF OLD-AGE-PENSION SCHEMES

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry. The SPEAKER. Does the gentleman from North Carolina [Mr. WARREN] yield to the gentleman from Montana [Mr. MONAGHAN]?

Mr. WARREN. Mr. Speaker, I decline to yield at this time. Mr. Speaker, this resolution is brought in pursuant to a mandate of the House twice expressed. It has nothing to do with either the merits or demerits of the Townsend plan or any other kind of a plan. Personally, I think very little is ever accomplished by the investigations we order, but it is too late to raise that question now, and it becomes the duty of the Committee on Accounts to make the will of the House operative.

It is passing strange to me how Members who claim to be opposed to investigations should sit glued in their seats time after time as these resolutions are presented, letting them pass almost by unanimous consent, and then when a resolution is brought in to provide funds for carrying on the investigation they then voice strenuous objections.

The resolution for this investigation was presented and discussed at length by its author, the gentleman from Missouri, and by others. While there was no record vote, I recall, and all of the Members will recall, that only four votes were cast against it. Sometime later it was decided to vacate the resolution, and the gentleman from Missouri came in and received the unanimous consent of the House for the consideration of a new one, which was passed without a vote being cast against it.

Where was the gentleman from Montana at that time? He states that he was away. Well, it is his duty, if he is opposed to these things, to be on the floor and fight them when they come up here for consideration.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from North Carolina [Mr. WARREN] yield to the gentleman from Montana [Mr. MONAGHAN]?

Mr. WARREN. Mr. Speaker, I decline to yield now.

Mr. Speaker, an effort is being made to lock the stable after the horse is gone. If there was opposition to this investigation, it should have been presented during the hour that was allowed for the discussion of the bill.

Mr. MONAGHAN. Will the gentleman yield? When was the hour allowed for that discussion?

The SPEAKER. The gentleman is out of order unless he first addresses the Chair.

Mr. WARREN. Mr. Speaker, I yield to the gentleman, but I will answer his question before he asks it.

Mr. MONAGHAN. Let me ask the question first.

Mr. WARREN. The resolution was brought in by the Rules Committee and an hour's time was devoted to its discussion.

Mr. MONAGHAN. On House Resolution 443?

Mr. WARREN. I am talking about the first resolution, and if the gentleman had been here when the second resolution was introduced, an objection by himself could have stopped it and this would not be up for consideration today.

Mr. MONAGHAN. Is the gentleman in position to say he is always on the floor promptly at 12 o'clock?

Mr. WARREN. No, indeed.

Mr. MONAGHAN. Or that every other Member of this House is here at that time?

Mr. WARREN. But I am always here, I may say to the gentleman, when anything of importance in which I am interested comes up for consideration. [Applause.]

Mr. MONAGHAN. I may say to the gentleman that I was not notified it was coming up, nor was the House. They brought it up without any notice being given to the membership.

Mr. WARREN. Mr. Speaker, it is going to be argued here today that the amount presented is not justified.

Without meaning to pass bouquets or compliments, I think we all agree that the personnel of this investigating committee is one of the ablest, one of the finest, and one of the best that has ever been appointed in this House. [Applause.] This applies to all eight of the Members. The gentleman from Missouri [Mr. BELL], the author of the original resolution, does not resort to back-alley tactics. He is a man of the highest character and integrity and, above all, a most estimable gentleman.

He came in here and in a very fine and forceful and vigorous speech told the House what he intended to do if the resolution passed; and they told the Accounts Committee, with all of the earnestness at their command, that they believed they needed this sum of \$50,000, and that they would conserve every single penny of it to the best of their ability.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. KRAMER. Will the gentleman also tell the House the queries that were made of the gentleman from Missouri [Mr. BELL] at the time the hearing came up on this resolution as to the break-down he had of the basis on which he was going to spend this \$50,000?

Mr. WARREN. Well, Mr. Speaker, I never tell what transpires within a committee, but since the gentleman has asked the question, I was the one who asked the gentleman from Missouri [Mr. BELL] to give us a break-down of what he intended to do with the money. He and the gentleman from Ohio [Mr. HOLLISTER] gave it to us the very best they could, and as a result of those statements the committee voted out the resolution for \$50,000.

Now, I am going to be asked later on if I will not permit an amendment to be offered to this resolution. The gentlemen who ask it know that the previous question is always called on resolutions presented by the Committee on Accounts as well as by the Committee on Rules, and certainly I shall move the previous question at the end of the debate. I hope very much the House will vote to order the previous question, but, of course, if it is voted down an amendment will be in order.

Mr. Speaker, I reserve the remainder of my time and yield 4 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, the sum of \$50,000 is grossly excessive, and I intend to offer an amendment, if the House will join in voting down the previous question, reducing the amount to \$10,000, which should be more than ample to defray all the legitimate costs and expenses of the investigation. As a matter of fact, all the records, papers, books of account, and files of the Townsend organization are here in Washington. The national officers of the organization are here, the national organizers are here in the Capital, and there is no reason why the investigation, in the main, cannot be conducted here in the city of Washington. The eight members of the committee are all lawyers, and there is no justification for employing expensive legal counsel.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I yield to the gentleman from Montana.

Mr. MONAGHAN. Is it not true that the day this Resolution No. 443 was passed we met the previous night and we were assured by the gentleman from California [Mr. KRAMER] that the resolution would not be considered until the following day, and that the gentleman and I came into the Chamber about 10 minutes after 12, too late to make any objection to House Resolution 443?

Mr. SMITH of Washington. The gentleman is correct, although I do not attach to the passage of that resolution the importance that the gentleman does, for it undoubtedly would have been passed by this House in any event to supplant the original resolution.

Mr. Speaker, we are now confronted with the question of how much money we are going to devote to this investigation. We are now curtailing Government expenditures and have already cut the appropriations below Budget estimates in many meritorious items in the departmental appropriation bills which we have acted upon in this session, and in order to be consistent we ought to practice economy on a proposition of as doubtful value as this investigation. It has recently been announced in the press that the relief appropriation to feed the unemployed is to be cut in half. The present allowance is the meager sum of \$8.55 per week for a family of five persons.

I think one of the wisest things Will Rogers ever said, which was frequently quoted, was "As a Nation we have never lost a war and never won a conference." I should like to

paraphrase that and say that "As a Congress we have never lost an appropriation and never won an investigation." We ought to reduce this appropriation, for nearly every Member of the House will, in the cloakrooms, admit that this investigation will not be won and will be a fiasco.

It used to be the order in Congress to appoint investigating committees to "whitewash" certain individuals, groups, and organizations in the country, and vast sums of the taxpayers' money have been spent in the past for many so-called investigations of that character. We are now to have a new type of investigation and have "smearing" committees to "smear" certain groups and organizations, particularly the Townsend movement, in an election year, because these citizens have conceived a plan for old-age pensions and the redistribution of purchasing power among the masses and, by exercising their constitutional rights of petition, of freedom of speech, of freedom of the press, and of lawful assemblage, have convinced approximately 6,000,000 of their fellow citizens that their plan possesses merit and should be heard and debated and voted upon by their representatives in Congress. They have organized themselves into clubs in nearly every community in the Nation and are holding meetings which they open by singing America, followed by repeating the pledge of allegiance to the American flag, which is prominently displayed in all their meetings; and they usually close the meetings, which are devoted to a discussion of social, economic, and political problems by offering prayer, just as the flag of our country adorns this Chamber and as we open the sessions of the House with prayer by the Chaplain; and yet because of this fact they have been denounced and ridiculed by Members of this House for the patriotic and religious fervor manifested in their meetings. These thousands of Townsend meetings all over the country are very similar to the town meetings which were held by our forefathers in the early days of the Republic, and in which were formulated the principles and policies which constitute to this day the foundation stones of the Republic. Edmund Burke said, "You cannot indict a people." Mr. Speaker, I say you cannot indict the 6,000,000 citizens who are enlisted in the Townsend movement by "smearing" the leaders, even if you prove that they receive compensation for their services, or that someone connected with the movement has been guilty at sometime in the past of violating some city ordinance.

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Washington. I am sorry I cannot yield. I have only 4 minutes.

The citizens of this country have the right peaceably to assemble and to petition the Government for a redress of grievances, pursuant to article I of the 10 original amendments to the Constitution, sometimes called our Bill of Rights. Article IV of the same amendments to the Constitution guarantees—

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Certainly, if this investigation is to be conducted in conformity with the Constitution, which we assume will be the fact, it is going to be rather limited; and this committee cannot engage private detectives to go into the homes and offices of these citizens and ransack their homes and offices and private, personal papers, and also interrogate them in violation of their constitutional rights by inquiring into their past lives, which would be unlawful and irrelevant and would have nothing to do with the real merits of the investigation.

Mr. Speaker, this is still America and not Russia. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, as the ranking member of the Committee on Accounts, I attended all the hearings on this resolution. Two members of the select committee appeared before the committee and three members who are opposed to the Townsend plan appeared before the committee. These gentlemen opposed this resolution.

Now, Mr. Speaker, as the chairman of our committee, Mr. WARREN, says, we are but the agents of the House. Only four Members out of 434 voted against this resolution for investigation, and then when the substitute was considered, not one Member voiced objection. We, the committee, representing the House, must accept that as a mandate that you want this investigation to proceed in an orderly way. If we fail to report a resolution to provide money for the investigation, we would be subject to criticism by the House. Mr. Speaker, you have appointed eight honorable men of outstanding ability to conduct this investigation. Some of the Members, I understand, are in sympathy with the plan that is to be investigated, one openly advocating its adoption.

We are told by those opposing the appropriation of money for the investigating committee that everything was clean; there was nothing to investigate; expert accountants made monthly reports. Then what is to be feared if everything is now and has been conducted in a proper manner.

It seems to me if those who are in favor of the Townsend plan know that it is sound and know that nothing will be found, they, themselves, should be backing this resolution to the limit, because, in the end, if this select committee finds nothing whatever wrong, then I should feel that the Townsend plan had received a great deal of advertising that it otherwise would not have received. I repeat, Mr. Speaker, those advocating the plan should welcome the investigation. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Speaker, I understand that the Department of Justice and the Post Office Department have investigated the Townsend movement, and both of these departments have given that movement a clean bill of health.

I also understand that the fund from which \$50,000 is to come from has been overdrawn by \$105,000. I also understand that this is the taxpayers' money.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. STUBBS. I decline to yield. It is my conviction that because of the fact that the national headquarters are here, the papers are here, the books are here, that \$10,000 would be sufficient for the carrying out of this investigation. If the investigating committee is going to investigate all of the Townsend clubs and all of the Townsend people in this country, Gabriel will blow his horn before the investigation is concluded, and it will cost millions. [Laughter and applause.]

I am fearful that in the excitement of the investigation it may turn out to be somewhat of a persecution, not because of the committee but because of the sentiment of the people who demand this investigation.

I should like to call upon my colleagues to vote down the previous question, so that the Smith amendment of \$10,000 will be permitted to prevail. I think that sum is sufficient. Even the sum of \$10,000 would be a waste of time and the people's money.

The Townsend people—God bless them—are not calling for this investigation; but now that it has been forced upon them, you will find them cooperative.

Again, I should like to call attention to the statement of Gamaliel, the greatest lawyer, statesman, and philosopher of nineteen hundred years ago, who said to the people under like conditions that if this movement that has recently arisen in our midst is not of God it will come to naught; but if it is of God, it cannot be destroyed.

I say to you, my colleagues, if this movement is right, it cannot be destroyed. I call upon you to take the advice of at least one great man of those nineteen hundred years ago, whose words would apply today. [Applause.]

Mr. WARREN. Mr. Speaker, I yield 1 minute to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Speaker, the question of investigating committees is receiving a great deal of criticism in this country. We are investigating everything, and a constant series of investigations are being officially ordered by both the

House and the Senate. It seems to me it would be the better part of wisdom for the House to hold down the amount of money to be expended. So far as I know, the Townsend people are perfectly willing to have the investigation made, but they think the amount of money, \$50,000, is altogether too much. I think so, too. Therefore I shall vote against the resolution to provide \$50,000.

The SPEAKER. The time of the gentleman from Oregon has expired.

Mr. WARREN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. COLDEN].

Mr. COLDEN. Mr. Speaker, the request for such an exorbitant sum of \$50,000 for the investigation of the various pension and promotion schemes smacks of persecution rather than of an investigation. From current reports it is evident that this so-called investigation is directed largely at the Townsend pension plan. Now, the Townsend organization, as I understand it, is not hidden in a mystery maze like some of our giant corporations, but is a simple organization directed by Dr. Townsend and two associates. I am further informed that the principal records are kept here in Washington at the Townsend headquarters. I am also informed that the principals in the Townsend organization are ready and willing to appear before the investigating committee in Washington to furnish any and all information at their command. Certainly nothing like \$50,000 is required for an investigation right here at the doors of the Capitol. It seems to me it would be a far better procedure to appropriate \$5,000 or \$10,000 at the utmost, and later, if the committee finds it is necessary, further appropriations could be made in accordance with the judgment of Congress.

No one entertains any doubt whatever as to the purpose, the integrity, and the good faith of the millions of members of Townsend clubs throughout the country. These people are asking that Congress consider a measure in which they are concerned. I believe they have that right. I believe that everyone will concede that these people are within their rights in joining Townsend clubs and in helping to maintain the organization, and I, for one, believe that an overwhelming majority of these members are acting in absolutely good faith. What could shake the confidence of these aged people more than to find a Congress that denies them a hearing on one hand and then votes a \$50,000 investigation on the other? This appears to me to be an unfair proposition, consequently I shall not support a \$50,000 appropriation.

I believe it would be much fairer and the right thing to do to bring the Townsend plan, or the McGroarty bill, on the floor of the House and give adequate time for a thorough investigation of its provisions. That would be a far more equitable procedure and would go much farther to solve this problem than an inquisition of Messrs. Townsend, Clements, and Smith. If these gentlemen are guilty of any infractions of the law, those who are familiar with the facts could relieve Congress of an expensive gesture by referring the matter to the Attorney General, either of the Federal Government or of the various States.

It is true that the Ways and Means Committee, in its judgment, has not reported out this bill. It is also true that those of us who have tried to bring the bill to the floor by signing a discharge petition have been unable to secure the required signatures. But I believe the Ways and Means Committee could report out the bill, without recommendation, without surrendering either the dignity of the committee or the honest convictions of its members. The Rules Committee, on a previous occasion, was exceedingly generous to the Townsend advocates in bringing the submission of the McGroarty bill as an amendment to the social security bill. I believe it was generally recognized that the Townsend plan was not germane to the social security bill and would have wrecked it if adopted. But with the limitations upon debate the Townsend plan did not have a Chinaman's chance. The Rules Committee could certainly arrange to give proper time for a thorough discussion of a pension plan that is sweeping the Nation.

It is my conviction that the aged people of this Nation and the proponents of the Townsend plan have an absolute right to ask for the consideration of their cause. Evasion of this

issue, ridicule of its provisions, persecuting its leaders by investigation is no answer to this problem. As one Member of this House, I believe it to be our duty to forego the expenditure of an extravagant sum and to ask the Ways and Means Committee to report out the McGroarty bill, without recommendation if the committee cannot agree, and give it a fair hearing and its day in the legislative forum. If the Townsend plan is impossible and impractical, a full hearing on this floor will bring these defects to light. If this Townsend program proves to be logical and sound, then we, as Members of Congress, and the people we represent have nothing to fear. Let us bring the Townsend plan on the floor, pour on the light, the public will be familiarized with its benefits and its defects, its aged proponents will have had a fair deal, they will know why the bill is defeated or is passed, and such procedure will sustain their faith in our country and in democratic principles.

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Speaker, I was one of the four who voted against the resolution originally, and I am proud of that vote. I am also against this \$50,000 appropriation for an investigation. Last October I was in Chicago and attended the Townsend convention. In that convention a special time was devoted to complaints. Not one person had one complaint against this organization. I am against this investigation because the postal authorities have made a thorough investigation of this movement and the postal authorities have given them a clean bill of health. This investigation is not warranted or called for. You cannot fool the people all of the time. They know that this investigation is made against the movement because it might interfere with some election. If the Townsends were all Democrats, you would never have gotten this investigation. I challenge the Rules Committee to grant a rule to investigate some methods of the W. P. A. and see just how fast we will get a resolution out for that. Of course, we will not get an investigation against that; everybody knows that. This investigation is uncalled for; it is only for political purposes; and the Townsends, as well as the people of the United States, know this is unwarranted.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. WARREN. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Speaker, I propose to exonerate the name of a well-known American character from the stigma which has lately attached to it. The great Daniel Boone no longer will turn in his grave at the use of the word "boondoggle." The Bell committee comes seeking a boon of \$50,000. The chairman of the committee comes from Missouri, a State that specializes in dogs—hound dogs—that howl. Perhaps from this day forward we can relieve the lexicographers of further study on the derivation of the grand old word "boondoggle." The gentleman from the hound-dog State seeks a boon of \$50,000. Mr. Speaker, the proposed appropriation is one of the finest examples of "boondoggling" that has come to the attention of the American Congress.

Behold, a country doctor proposes a bold remedy for the distress of needy, law-abiding elderly people. The Federal Government does other things in a big way. Our country doctor proposes that the Federal Government square itself with these elderly people in a big way. Perhaps the bigness of the proposal has proven to be a handicap to the friends of old-age pensions. But Uncle Sam does other things in a big way. Why not ask him to do a big thing for the people who devoted a lifetime of useful service to the things that have made Uncle Sam big?

Congressmen begin to hear about the proposal. Some of them think it fantastic and say so; but they continue to hear about it. This being a representative form of government, some of the writers say they will work to elect someone who will represent their views. Then a special election is held in Michigan, and it appears that followers of the country doctor really have the ability to get representation on the question of a just and generous Federal pension for deserving, elderly, law-abiding citizens. The followers of the

country doctor write more letters to their Congressman, and this seems to irk the Congressman still more. The Congressman is not satisfied to take his typewriter on his knee and write a letter on Government stationery with free postage saying that this is a matter on which there is a difference of opinion, as in the case of birth-control, the long- and short-haul, block-booking, blind-selling, and chain-store legislation.

Eight Members of Congress—in reality six Members, because we do have two friends on the committee—drawing \$833.33 salary per month are all hot and bothered because the country doctor in a mood of supersalesmanship talks about \$200 a month for the pensioners. Someone with a flair for publicity puts forward a bold idea and captures the headlines and the editorial pages. Result, the gentleman from Missouri and the gentleman from Michigan, two of the members of this special committee, get excited about the \$200 per month which is named as a maximum in the McGroarty bill. They fail to give other Congressmen credit for sufficient intelligence to know that the McGroarty bill does not guarantee a minimum, and they fail to make a case against the 2-percent transactions tax, which is the bone and sinew of the old-age revolving-pension plan. But they come before this body and ask for \$50,000 to carry on their investigation. Fifty thousand dollars is equivalent to the imposition of a 2-percent transactions tax on \$2,500,000 turn-over of the business of this country. They want \$50,000 to hire an attorney to help the gentleman from the Fourth District of Michigan cross-examine the mild-mannered Dr. Townsend. They want \$50,000 to convince the old people of their districts that you can not get \$200 for 10 cents. The committee knows that schools, churches, and lodges do not have to pay for the fuel and lights they use, so they want \$50,000 to show the old people how foolish they are to drop money into the collection plate at Townsend meetings.

Fifty thousand dollars would provide employment for 50 men on a W. P. A. project for a whole year. But the Bell committee wants \$50,000 to prove that Dr. Townsend is a crook. Fifty thousand dollars would keep 100 young men in a C. C. C. camp for a whole year. But the Bell boondogglers want \$50,000 to prove that speakers at Townsend meetings have no traveling or living expenses.

Fifty thousand dollars would buy 10,000 acres of cut-over land in Michigan on which trees could be planted to serve our children and our children's children. But the gentleman from the Fourth District of Michigan says, "Help Hoffman" by giving the Bell Committee \$50,000 to hire stenographers in Washington and to pay the fees of an attorney from Kansas City.

Fifty thousand dollars would provide a year's training at West Point for a dozen additional cadets. But these boondogglers want \$50,000 to prove that the members of Townsend Clubs need guardians. Fifty thousand dollars would defray the expenses of 500 veterans of the Civil War living in Michigan who would like to visit the Capital which they defended before they die. But these investigators ask for \$50,000 to provide six or eight Congressmen with a joy ride to Los Angeles to find out how Robert E. Clements operated when he was in the real-estate business. Fifty thousand dollars would provide 25 additional homes for families entitled to the benefits of resettlement. But this resolution proposes to appropriate \$50,000 to the Bell inquisitorial special committee who prefer to meet the opposition behind the cloak of congressional immunity instead of going out on the stump and facing the issue on its merits.

In the United States of America a bell is the symbol of liberty. The Bell at Independence Hall that rang out on that July morning in 1776, proclaimed the completion of a Declaration of Independence, and in that immortal document we find these words:

That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

I make so bold as to say that while the Federal Government has not encroached upon the life and liberty of our

elderly law-abiding citizens directly, nevertheless the Federal Government indirectly, by its sins of omission as well as commission, has deprived these elderly law-abiding citizens of much of that which makes life and liberty worth having.

And now the gentlemen from Missouri and the Fourth District of Michigan come before this body and ask for an appropriation of \$50,000 to use in interfering with, disrupting, and attacking harmless, peaceable meetings of good American citizens who see fit, as one outlet in their pursuit of happiness, to attend Townsend meetings, pay dues, and buy literature put out by Dr. Townsend.

We know that the Bell of 1776 is cracked and can no longer ring out the message of independence and liberty. Perhaps in this present day we have another bell that has lost the faculty of proclaiming liberty in the pursuit of happiness for our humble elderly citizens scattered throughout the land. And so these members of this special committee, or a majority of them, come before this Congress and ask their colleagues to appropriate \$50,000 of the people's money to help these other Congressmen who have not the wit, the patience, or the wisdom to meet the issue on its merits in their respective congressional districts.

(Whistle) Come Boon! Come Boon!

(Whistle) Come along little doggie: come along.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, I have been receiving some of the best entertainment I have had for a long time. The gentleman from California [Mr. STUBBS] has said—and I took down his words—"The Townsend people are not calling for an investigation." That may be true, but I say this: A lot of people who used to be Townsend people, but who are now disillusioned, are calling from all quarters of the United States for an investigation.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. BELL. Yes.

Mr. COX. Does not the gentleman recall that the gentleman from Washington [Mr. SMITH] appeared before the Rules Committee urging the adoption of the rule making provision for the consideration of the resolution?

Mr. BELL. I recall that distinctly. We have had a lot of jumping back and forth, blowing hot and cold, since the original resolution was introduced. I recall quite well the first meeting of the Rules Committee, when the gentleman from Washington appeared before the committee during the course of the first hearing that morning, I think it was a Thursday or Friday. He said, "Gentlemen of the committee, I want to appear before this committee in opposition to this matter." Another hearing was set for the following Monday morning so he could be heard. In the interim between Friday and Monday a certain meeting was held, I am told, at which a gentleman named Clements was present and gave his advice, and upon the following Monday morning the same gentleman from Washington, who said he was going to oppose it, again came before the Rules Committee and said, "We have no opposition to the adoption of this resolution." They said, "Yes; we welcome an investigation", and a day or so afterward the Townsend Weekly came out with a great red headline across the top claiming that they themselves had demanded and forced the investigation, and that all the Townsend people wanted the investigation.

Then another gentleman complained this morning because he and his friends were not here at 12 o'clock the other day to vote against the last resolution that came out, although they had previously announced they were unanimously for the investigation.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. BELL. Mr. Speaker, I decline to yield.

Then we have the ridiculous spectacle of our friend coming in here and saying, "We want an investigation, but we do not want you to have any money with which to conduct it." They say, "All the books are right here in Washington and our auditors have already made an audit." They say in substance that all we have to do is hand it to you on a silver platter and you can look it over at your homes. Now, that is not what we want to do, because it will not assure

a true investigation. It would only present the Townsend picture. The people of the United States are entitled to the real facts lying back of this movement, which is the most gigantic, the most far-flung political movement that has swept across the stage of American politics in recent times. Such an organization perhaps has never before been thrown together. They have offices in the city of Washington. They have offices in New York City. They have offices in California. They have offices in Chicago. Those are the great area offices.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield for a question?

Mr. BELL. I decline to yield.

Aside from those four great area offices and their national office in Washington, there is a director in every State who, I understand keeps books, and, aside from the directors in every State, there are directors, or whatever they are called—they have some special title for them—in every congressional district where they have taken a foothold. Now, if we are going to have an investigation, let us make it a real one. I appeal to you Members, if you are sincere in believing that the American people ought to know the real facts about this, not to cripple us. Give us enough money to get down to the bottom of it. Do not put us in the position of having to be content with receiving the figures which they hand us at the Washington office.

The announcement was made by one paper a few days ago that they—the Townsend leaders and officers—have been ready for us for many weeks. They have brought to Washington the greatest battery of high-priced counsel, I am told, that has visited this city for some time.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BELL. I decline to yield.

The papers the other day carried the names of lawyer after lawyer who are said to have come here to Washington to assist them in this matter.

Complaint is made because we have employed one young man to assist this committee as its counsel. I appeal to you that \$50,000 is the very smallest sum with which we can possibly hope to even make a fair investigation.

The SPEAKER. The time of the gentleman from Missouri [Mr. BELL] has expired.

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, no Member who supported the McGroarty bill in the last session of Congress could afford to take a position of opposition to the investigation. Everybody who knows anything knows that. That is the answer to that.

As far as I am concerned, my reaction to the investigation was unfavorable from the start. I want to say now that I cannot see any need of voting the sum of \$50,000 or \$10,000 to investigate old-age-pension promoters or old-age-pension plans.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Colorado. No; I am sorry I cannot yield.

Unquestionably it is the plan and not the promoters against which this investigation is directed. The original resolution—No. 418—instructed the committee "to inquire into the acts and conduct of any person, and so forth, promoting old-age-pension schemes." As has been stated, those persons, their organization, and their books are all here in Washington, and they are available. They offer to turn them over. No money need be expended, in a preliminary way at least, for this purpose. However, the last resolution—No. 443—instructed the committee "to inquire into old-age-pension plans, particularly that embodied in H. R. 7154, the McGroarty bill, now pending in the United States Congress."

Now, that plan needs no investigation by this committee. It was investigated in the last session by the Ways and Means Committee, and there is a large volume of evidence in the hearings. It has been investigated by economists all over the country, and the results of their investigations have been radioed to the world. Investigations are coming to Members' offices every day. You can do all the investigating you

want to by reading the literature coming to your offices that has been written against this plan.

I have been investigating this plan myself for a year and a half. I have found some things for it and some things against it. If the plan needs investigation, certainly a committee of this character is not qualified for that purpose. It should be done by the Ways and Means Committee in regular hearings or by bringing it out on the floor of the House, as many of us have petitioned.

I want to say to you that no more popular thing could be done by this Congress to restore Congress in the minds of millions of people and convince them that we are not trying to persecute this movement than to vote down this resolution to appropriate \$50,000 for this useless investigation.

Mr. Speaker, let me show you something peculiar about this appropriation resolution. I have already pointed out that the first resolution adopted called only for an investigation of promoters of old-age-pension plans, and that the second resolution adopted called in addition for the investigation of old-age-pension plans. Now, this resolution we are considering—that is, House Resolution 447—reads as follows:

Resolved, That the expenses of conducting the investigation authorized by House Resolution 447, incurred by the select committee instructed to inquire into the acts and conduct of any person—

And so forth—

purporting to promote, organize, or further old-age-pension schemes, not to exceed \$50,000—

And so forth. What I want to point out is that nothing is said in this appropriation resolution about investigating old-age-pension plans. It raises the question whether the committee would have any right under the above language to make such an investigation. But whether it has the right or not, there is certainly not the need. I do not anticipate that this investigation will shed any light on the Townsend plan. In fact, I am furnished free more information on it than I have time to read and digest.

Mr. Speaker, why single out the Townsend plan for investigation, as is specifically done in Resolution No. 447?

Is Congress any more interested in the internal financial affairs of this movement than of dozens of other movements? There is no charge that any of the funds of the movement are being used for corrupt purposes or for lobbying. There is in fact no lobby here in Washington for the McGroarty bill. The lobbying is all back home, and you cannot stop that.

This will be the smallest financing plan ever investigated by Congress, only 10 cents a month. About 15 years ago an agrarian organization swept the Grain Belt. It was owned by three men. It elected State tickets. The membership fee was \$16. A dozen years ago a secret society, revived in the South, swept the West, and carried everything political before it. It was owned by one man, and the membership fee was \$10. There is an organization now in the South, with a far more grandiose scheme than the Townsend plan, to make every man a king. It was in the sole ownership of one man, copyrighted by him. There is a social-justice political movement in the North under the sole control of one man, supported by contributions, and proposing, like the Townsend plan, to elect a Congress. There is an organization in the East controlled by the most brilliant corporation lawyers in America and allegedly financed by the great business interests, which proposes to overthrow this administration and restore corporate rule in national affairs. Has any action ever been taken by Congress to investigate any of these schemes? Why not investigate the merits of communism? Of socialism? Of E. P. I. C.? To ask all these questions is to show the injustice and futility of the undertaking.

Mr. Speaker, an adequate system of pensions which will assure the aged people of this country a life of independence in decency and comfort would be the crowning glory of our civilization. They are all entitled to nothing less, the great majority of them would ask nothing more.

Is such a system of pensions reasonably within the means of the American people? Can we support such a system

without unduly taxing our economic resources, our national income? We have never done this, we have never even approximated it, we have never even tried. No nation has. It would, I admit, be something entirely new under the sun.

I shall undertake to answer this question, or, better said, to advance some suggestions which may be helpful to others as it has helped me to the view that it is reasonably within our means to provide the aged people of the country, who find themselves without sufficient means of support and are dependent upon charity, either public or private, an income which will enable them to live independently and comfortably. Such a system of pensions would not only be the greatest blessing which society could confer on its aged people, but it would remove the greatest anxiety gnawing at the hearts of all people, the fear of a destitute old age.

Once in a great while an idea occurs to me which broadens my range of vision. I welcome the occurrence of these new ideas as an assurance that I have not yet mentally fossilized, that I am still capable of new thought and new vision.

Not long since I read the very able speech delivered by Governor Eccles, of the Federal Reserve Board, at the convention of the American Bankers Association at New Orleans last November. In the course of his speech Governor Eccles drew attention to the fact that in dwelling upon the increased national debt incurred under this administration, only one side of the picture was being presented, that nothing was being said about the increase in wealth during the same period of time, and he gave statistics which I shall not go into now, showing the enormous increases in stock and bond values, in bank deposits, in agricultural income, in wages, in industrial and business profits, several times outweighing the increase in the public debt.

The statement which gave me a new idea was Governor Eccles' quoting of Macaulay, the eminent British historian, at a time when the historian was combating the very criticism then being leveled against the British Government that is now leveled against the present administration. Macaulay pointed out that the British national debt at that time was £800,000,000. He then went back to a time when it was only £80,000,000. He then showed an immeasurable increase in the wealth of England over the former period and the great betterment in the lot of the English people; how the whole standard of life had raised contemporarily with this increase of debt.

Now—

Said Governor Eccles—

today the British debt is not merely £800,000,000, as in Macaulay's time, but £8,000,000,000; but again there has been a commensurate increase of British wealth and corresponding betterment of the lot of the people.

Yet the debt of England had increased tenfold by tenfold, meaning a hundredfold, from the earliest to the latest period.

As I read, the pension plan which is now a subject of national controversy and of approaching investigation by the House of Representatives, jumped into my mind. Even though it furnishes a goal not now attainable, or ever attainable, the question arose, May it not furnish unexplored possibilities? Is the past a sufficient answer to it?

I had another thought. It was with regard to wages. I was reflecting upon a news item growing out of a building strike and the claim that the wages of certain craftsmen were too high. I coupled this news item with a similar claim regarding high-wage conditions growing out of and immediately after the World War, and to which I had been inclined to give some credit. Now, I saw in a flash that the idea of high wages, or too high wages, was based upon a background reaching to the dawn of history—a background of low wages and no wages. Since then I have been inclined to question the view that wages can be too high.

The same negative background holds good as to other great advances made by mankind. History is about 5,000 years old. It is only 150 years since the preamble of the Declaration of Independence was treason, punishable by death. When Jefferson said "We hold these truths to be self-evident, that all men are created free and equal" no such truth was self-

evident, no such truth had been evident throughout all recorded history. With that declaration a new idea of human rights was born into the world. The treason of the Declaration of Independence was that it was backgrounded upon 50 centuries of the divine right of kings.

It is a fair question whether we are not limited by the same background in our view of old-age pensions. What is that background? Measured in terms of history, it is 50 centuries of no pensions, no provision whatever for the aged. Only the poorhouse. Measured by the centuries, it is only yesterday that any such idea of old-age security found expression, and then only in the most limited and meager way.

"Before the immense possibilities of man", said Emerson, "all mere experience, all past biography, shrink away."

Now, I am not going to argue from this premise that we can cut loose from all standards, from all rules of guidance. There are some features of a social-security program which I have thought out in my own mind to fairly clear conclusions, some standards or rules of guidance, and I want to state them here. I think you ought to have them for what they may be worth:

First. An economic system cannot be built upon and supported by a system of social security. The system of social security must be built upon and supported by the economic system. If we are to have an adequate old-age-pension system in this country, we must have as its foundation an adequate system of incomes from other sources to support it. And I will add that the more adequate the system of incomes the less need there will be to draw upon old-age pensions. At this time I could not qualify for an old-age pension even under the very liberal McGroarty bill, and I trust I will never be able to qualify.

Second. Pensions, whether for old age, unemployment, military services, or for any other social need, are not a primary addition to the wealth or income of the country. They are a sharing of the wealth or income by the more fortunate with the less fortunate. To the extent that we can take from those who get more than they spend and hoard it, and distribute it among those who need it and must spend it, we will get an increased purchasing power and improved general conditions, and I am strongly in favor of this; but the pension must come from a sharing of income, and this sharing of income, if we are to provide for all of our aged in decency and comfort, must reach into all incomes, big and little. It will take so much there is no other way. And if and when the income fails the pension will also fail.

Third. A pension system should have some basis in, some relationship to, the existing order of things. Let us look about for a moment and see what the existing order of things is, what we have done and are doing in any fields in the matter of old-age pensions. Let us look about for some standards of guidance, if any such standards exist.

We shall find little guidance in the way of general old-age pensions provided by government. A number of the States in recent years have passed old-age pension laws. None of them runs over \$30 per month. My own State is perhaps a fair illustration of the operation of these State pension laws. The law calls for \$1 a day, but in some counties the pension has been as low as \$6 to \$8 per month, and not paid in some months. It is utterly inadequate and uncertain. It is a source of constant and bitter disappointment and dissatisfaction. It is unworthy of our civilization and much below the standard of our ability to pay. State old-age pensions shed little light on the possibilities in the field of social security.

In the Federal domain we find no light. The last session of Congress took the first step in general old-age-pension legislation by the Government of the United States. It was a very limited step. It was disappointing to those who want to see suitable provision made for the aged people of the country. It only adds little to little—the mite of the Government to the mite of the States. But it was a beginning; and perhaps it was too much to expect, when all of the States had done so little for their aged people, that the Federal Government at the start-off would do a great deal.

Obviously, if we want an adequate old-age pension, we cannot look to the record of past public performance, either by the Federal Government or the States. We may, however, look elsewhere and find some accomplishment considerably above either of these performances. In the hearings before the Ways and Means Committee on the social-security bill it was developed that there are 150,000 or more industrial workers in the country in receipt of company- and trade-union pensions which average about \$65 a month. Government employees may retire on pensions of up to \$100 a month. Veterans' pensions range up to \$100 a month. The Railroad Pension Act of the last Congress carries a maximum of \$120 per month and an average of about \$80 per month. Certain groups of municipal employees retire on pensions ranging from \$50 to \$100 per month. There may be some other systems, but these are the main ones which have been called to my attention.

I have in mind a man who is younger than I. He is retired on a pension of \$100 a month. He is an active, vigorous man, now engaged in other affairs. I rather envy his lot. If we were able to do as much for every other man, the social millennium would be just around the corner. Perhaps the main reason we have not at least approximated that condition for all aged people is because we have not thought we could do it and have not tried to do it. Old age was left to dependence on relatives, to public charity, or the poorhouse. Some few organized groups in government and in stable fields of employment have seen to it that retirement through age means a continued existence in security, decency, and comfort. Is the achievement of this much-to-be-desired condition beyond the reach of all the needy aged of the country? I affirm with the utmost conviction that the answer is not to be found in the past.

Mr. Speaker, in my judgment, much of the discussion about the Townsend plan goes too far afield for practical purposes. I think we need not concern ourselves with the question whether it furnishes a new economic system, or will pay off the national debt, or will replace all other forms of taxation, or will cure all our economic ills, and so forth. I do not think such claims are helpful to the reception of the plan. The Townsend plan is now embodied in the McGroarty bill, H. R. 7154, which it is proposed to investigate. The McGroarty bill levies a transaction tax and distributes the proceeds of the tax pro rata among the pensioners, less the amount of the pensioner's income from other sources. The transaction tax is the heart of the plan. It is irreplaceable. While great incomes should bear their due proportion of the cost, no other system of taxation could be devised which could even approximate the amount required for the payment of pensions under the Townsend plan. The transaction tax, therefore, is the Townsend plan.

The transaction tax is the germ of an idea opening up new resources and possibilities in the field of taxation. I am not an economist, I am not a tax expert. But as this proposed legislation has revolved in my mind the impression has formed and grown that we can go beyond the tax means of the past and support an old-age pension beyond the present very low standards without unduly burdening the resources and processes of our economic life.

This is the thing upon which my mind concentrates and which I should like to see done. I should like to see the transaction tax competently analyzed and a study made of its application in the various fields of the national economy. Perhaps in some fields the tax could be increased, in some decreased, in some cut out. Perhaps it should be graduated. The amount of revenue in each of the major lines of commerce, industry, and agriculture could be approximately estimated and an appraisal made of the attendant burden of the tax. In some cases the tax may be more burdensome than profitable. Some highly concentrated forms of industry and commerce may escape taxes which would fall on independent systems. Questions such as these are what I should like to see worked out. I have confidence there would still remain the revenue to support a system of pensions which would take the shadow of want and destitution from the heart of old age.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Speaker, we just listened to the gentleman from Missouri [Mr. BELL] make an indictment against those who oppose the use of \$50,000 for the investigation of the Old Age Revolving Pension Fund, Inc. The need for this investigation, according to the gentleman from Missouri, is based largely on the fact that this organization has offices in various parts of the country, and that each of these offices must be investigated. Since when has it become criminal or subject to investigation for any organization to have offices in all parts of the country?

It has been stated today that the books, papers, and accounts of the Townsend plan are in Washington. They are open for investigation by the investigators or accountants of the committee. Why in the world they need \$50,000 for such an investigation is beyond my comprehension. I have no objection to an investigation, nor does the Townsend organization object to the investigation. But I do certainly object, at a time like this, to spending \$50,000 on an investigation that can be readily conducted here in Washington for five or ten thousand dollars.

Mr. MURDOCK. Will the gentleman yield?

Mr. FORD of California. I yield.

Mr. MURDOCK. Is this not the fact, that no investigation of this type is justified by this House unless it is conducive to the enactment of legislation? Our friend from Missouri has failed utterly to advise this House what legislation he has in mind even if his investigation proves successful.

Mr. FORD of California. That is true. I thank the gentleman for his contribution.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. FORD of California. Yes.

Mr. CONNERY. We had an almost similar situation before the Committee on Labor, but in that case there was actual fraud. We had under consideration the old-age-pension bill. We produced evidence before the committee without any special investigation on the part of the House and broke up that racket.

In the present situation both the Department of Justice and the Post Office Department have given a clean bill of health.

I do not think any investigation is needed. [Applause.]

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. O'MALLEY. If this \$50,000 is appropriated, I would ask the gentleman from California whether most of it will not be spent in California?

Mr. FORD of California. I question that; it will be spent all over the country.

Mr. O'MALLEY. It is a nice season to go to California, it is springtime.

Mr. FORD of California. It is always springtime in California.

Mr. Speaker, I refuse to yield further.

If the Congress would spend the same amount of time and energy and money on open discussion and intelligent study on the floor of this House on the McGroarty bill that it is devoting to investigating and attempting to ridicule that bill, I am certain that the attitude of the thinking Members of this body would quickly change their minds as to the merits of the Townsend plan as represented by the McGroarty bill.

Mr. Speaker, I want to say in conclusion that it is my judgment that \$10,000 is ample to make this investigation. I hope the Members of the House will vote "no" on ordering the previous question, thus enabling us to amend the resolution to call for \$10,000 instead of \$50,000.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, a great deal has been said today which is entirely beside the question. The House adopted a resolution to have this investigation committee

appointed and the committee has been appointed. We assume, therefore, that the House wishes the investigation to be made.

The only problem today is how much money should be allowed the committee to perform its duties adequately and to fulfill the mission which the House has given to it. We asked for \$50,000 after due consideration of the time element involved and the magnitude of the problem. It may be that our work can be completed with the use of only a small part of that money, but we know that we are faced with a far-flung organization which has offices in all parts of the country, and it may be necessary for us to send people to various parts of the country before we can collect completely the information we wish to gather.

A great deal has been said about search and seizure, and about persecution. If there develops any element of unwarranted search or seizure or persecution in this investigation, I am sure those who may suffer from it will find in me their warmest and most ardent defender. I have accepted membership on this committee with the idea that we shall do the job the House has given us and do it just as well as we can with as little publicity as possible and with as little infringement of any private right as may be possible under the circumstances.

Mr. SMITH of Washington. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I cannot yield.

Mr. Speaker, Congress will only be in session, in all probability, for an additional 2 months. We believe that time is of the essence. Rather than to string this matter out over a long period of time we believe it should be completed in a few weeks, if possible. As far as I am concerned, if it is necessary to put 20, 30, or even 50 men on this work, I believe we should do so, and do it quickly, rather than carry on with fewer men over a longer period of time. We believe it will more fully follow the desires of the House to have this investigation completed in 2 months by the use of more people rather than in 6 months by the use of fewer people, and this is why we are asking for this amount of money.

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. McGROARTY].

Mr. McGROARTY. Mr. Speaker, not everything that comes before this House impresses me, as perhaps it should. I was brought up and trained as a newspaper man, and newspapermen become a little cynical; so I am not greatly impressed by the attempt to make this a serious matter.

I recall a reported incident in the House of Parliament in England many years ago when an Irish member, Sir Boyle Roche, rose in his seat on an occasion like this and uttered these immortal words:

I smell a rat; I see it in the air; I shall nip it in the bud.

[Laughter.]

Fifty thousand dollars of the harassed taxpayers' money is being asked to smell a rat, to see it in the air, and to nip it in the bud.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. McGROARTY. I yield.

Mr. CONNERY. Does it not occur to the gentleman as being peculiar that we are now proposing to spend \$50,000 for an investigation of organizations interested in old-age pensions, yet since the month of January we have had pending before the Rules Committee a resolution to investigate the Power Trust and Radio Trust of the United States, but cannot get any action on it?

Mr. McGROARTY. Yes.

Mr. MONAGHAN. Will the gentleman yield?

Mr. McGROARTY. I yield to the gentleman from Montana.

Mr. MONAGHAN. Is not the basis of our opposition to this resolution the wasting of \$50,000 of public money?

Mr. McGROARTY. Yes; the gentleman is correct.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Speaker, people who deal in terms of a \$200 a month payment to individuals, totaling \$20,000,000,000

of money to be raised every year from taxpayers, should not be frightened at the expenditure of this insignificant sum of \$50,000, which is one-fourth of 1 percent of the amount that they desire to tax us annually.

But that is not the reason for my rising this afternoon. I want to bring some reassurance to the gentleman from California [Mr. STUBBS], who declared that the Townsend leaders have not asked for this investigation, and to the gentleman from Pennsylvania [Mr. MORITZ] and others, who more or less expressed the same sentiments. The investigation authorized by House Resolution 443 was not only asked for but specifically demanded by Townsend leaders.

On Sunday, March 1, 1936, Edward J. Margett, State area manager of the Townsend plan for California, was scheduled to deliver a radio address in reply to the very able analysis of the plan recently presented by our colleague, Hon. CLARENCE F. LEA, of California. This plan was abandoned and changed to an explanation, at the request of Townsendites, of the attitude of their leaders toward the present investigation.

In this radio address Mr. Margett said:

We welcome the present investigation of the Townsend plan because it places Congress on the spot; but is it an investigation of the Townsend plan or an investigation of our organization with the idea of throwing up a huge political smoke screen?

Mr. Margett's speech was addressed to the United States House of Representatives, and he further asked whether the present investigation would include the Townsend plan itself.

If it does not—

Said Mr. Margett—

then it will be quite plain that the investigation of the Townsend movement was made in the hope of diverting the minds of the people from the Townsend plan.

House Resolution 443 was adopted by the House to meet this specific request that there might be no question of the powers of the committee to investigate and report on the plan as well as the financial methods of its promoters. The challenge of Mr. Margett has been answered by this resolution. I submit, in all fairness to the investigating committee which brought in the amended resolution, that the Members of the House should recognize that in adopting it they acted upon a definite request of the Townsendites.

[Here the gavel fell.]

THE TOWNSEND PLAN

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker and Members of the House, what benefit are the people of this country to derive from the passage of this resolution to appropriate \$50,000 to investigate the Townsend plan and the people sponsoring this legislation? The proposal made in this resolution is absurd and would be a waste of public money. To anyone that has made a study of the old-age pension plan proposed by Dr. Townsend and embodied in the McGroarty bill, now pending in the House of Representatives, it is clearly seen that two great principles are involved in this plan—the first provides security for the men and women of this country that have reached the age of retirement; the second provides for business recovery by accelerating the circulation of money.

If we are to investigate the people advocating the Townsend plan, and the passage of the McGroarty bill, why not investigate fraternal organizations, labor unions, and other associations advocating and sponsoring other forms of legislation—retirement pay, annual vacation on pay, sick leave on pay, which is sponsored by organized Federal employees, the 6-hour day sponsored by organized labor, and other legislation proposed by organized groups in endless numbers. The Townsend plan is a constructive movement, supported by millions of earnest men and women of all ages. If fraud is being perpetrated by certain individuals under the guise of supporting this movement, the Department of Justice and the postal authorities are far better equipped to investigate and stop such frauds and bring the guilty to

justice than this House committee, whose members can better serve the interests of the people they represent by attending to the legislative duties and departmental affairs pressing for their attention.

Mr. Speaker, what is the real purpose of the sponsors of this resolution? What will be accomplished by spending \$50,000 for this investigation? It is contended that the object of this resolution is to defeat the Townsend plan by persecuting and discrediting the sponsors of the movement.

Mr. Speaker, if this is a sound and constructive plan, it should be considered on its merits. If it is unstable and fantastic, as its opponents claim, what have they to fear in bringing this proposed legislation before the Members of the House for a fair and impartial consideration?

Mr. Speaker, we live in a progressive age, changing conditions lead to new thought and new plans. In advancing the welfare of our people, what is more important than providing for the security of the men and women who have reached the age of retirement, and whose labors and efforts have secured and presented to the succeeding generations all that this country of ours lavishes on its fortunate people. A plan that will bring to young men and young women an opportunity for employment and service now being denied them. A plan that will increase the circulation of money, stimulate business, and restore prosperity.

Mr. Speaker, let us be fair with the millions of earnest men and women who advocate the Townsend plan. Let us bring the bill before both branches of Congress for a free and full discussion of its merits, giving the Members an opportunity to perfect the legislation with amendments that we may insure that the best interests of all the people are served.

INVESTIGATION OF OLD-AGE-PENSION PLANS

Mr. WARREN. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I made the first speech against the Townsend plan ever made in this House 14 months ago, and I am still against it, as beyond doubt it is unsound and impossible and no person could ever receive \$1 under it.

I am not for this resolution, however, because after we spend \$50,000 we will not know one more fact than we know today. The \$50,000 will be wasted, with no good accomplished. It has been shameful the way officials of the Townsend plan have taken money from the aged poor of this country. We already know from Dr. Townsend's own admission that up to October 1 he received \$600,000 in cash contributions, exclusive of the enormous receipts from his Townsend Weekly. This ought to be enough for Congress to take some decisive, constructive action in reference to this matter, without wasting \$50,000. What more facts does the Congress want? What does it intend to do after getting more facts? Let it do now what it intends to do, for it has all the facts needed.

Mr. Speaker, I have seen millions of dollars wasted in 20 years on investigations. No good whatever has come from any of them, and no good will come from this one, hence I must therefore vote against this resolution.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Speaker, at the outset I wish to thank the gentleman from North Carolina [Mr. WARREN] for his courtesy in giving me this time. Any remarks I made with respect to procedure involved were not directed to the gentleman from North Carolina [Mr. WARREN], who has been most courteous in notifying anyone interested in H. Res. 443 and H. Res. 447, both of which were referred to his committee.

Mr. Speaker, my opposition to this particular resolution, in addition to the points of order I have heretofore recited, is that it is a waste of \$50,000 of the people's money at a time when you read such dispatches as the following, appearing in yesterday's papers:

PITTSBURGH.—Fay Templeton, once queen of musical comedy, has left Pittsburgh to spend her last days in the Actors' Fund Home at Englewood, N. J., it was learned yesterday.

The fortune which she owned during many years on the American stage has vanished and friends say the former star refused to accept the hospitality of their homes here because it would be charity.

The 70-year-old actress, however, felt differently about the home for aged actors because she had helped to support it generously for many years.

"There's no use in putting off the evil day any longer," Miss Templeton reportedly said to friends just before departing for Englewood. She was the widow of William J. Petterson. She lived quietly in an apartment here, but in recent years made vain efforts to find a place for herself in the movies, stage, or radio.

The death of her husband, prominent Pittsburgh attorney, precipitated the former "gay nineties" queen into financial difficulties. His estate was hard hit by the depression, and stocks in which the once-glamorous Fay had invested her stage earnings lost their value.

This is Friday the 13th, which does not mean anything to me, as I am not superstitious, otherwise I would not have even ventured into the discussion. I wonder, however, if it means something to the particular Members of the House who are going to vote indirectly against the aged people of this country by trying to persecute men who are endeavoring to promote pension proposals in this country?

Mr. SMITH of Washington. Will the gentleman yield?

Mr. MONAGHAN. I yield to the gentleman from Washington.

Mr. SMITH of Washington. Is the gentleman aware of the fact that on yesterday the Senate voted an appropriation of only \$30,000 to investigate the campaign expenses and contributions in the Presidential election this year for senatorial elections in 32 States of the Union? We are proposing to appropriate twice that amount here to investigate an old-age campaign in this country.

Mr. MONAGHAN. I thank the gentleman for his contribution, and I wish to say that I am fully cognizant of the tremendous disparity between the two appropriations. I hope the House will vote down the previous question and open the bill to amendment, as I would like to offer the following amendment:

Page 1, line 6, after the word "further", insert "and/or oppose, misrepresent, and persecute."

Mr. Speaker, if the committee acts according to the real intent of congressional investigations, the suggestion of the gentleman from Utah [Mr. MURDOCK] will be carried out. It will recommend legislation for the aged people of this country. I doubt, though, that they are going to do this; in fact, I am confident they are not going to do this. Their main purpose is not only to discredit, as I have stated before, those persons outside of Congress who are interested in old-age pensions but the Townsend bloc of 63 Members here, the Townsend steering committee, and the gentleman from California [Mr. MCGROARTY], and anyone else upon whom they might indirectly or by inference cast reflection. I know they cannot find anything, but it is regrettable that the House itself would be a party to any question of reflection upon its own Members. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, as a member of the committee appointed by the distinguished Speaker to investigate old-age-pension schemes and plans, special reference being had to the acts and conduct of promoters and organizers, their history and record, as well as the financial set-up of such groups, permit me to say in the beginning that I, for one, as a member of that committee, am duty bound to strictly follow the mandates of the wording of what I conceive to be a most serious and important resolution. I enter upon this responsibility with an open mind. I propose to deal only with the facts as I find them and let the chips fall where they may. It may be of some information to the House to know that I have given considerable thought and study to the purposes of the resolution in question as it aids and affects legislation. And I undertake to say, Mr. Speaker, that if this committee is to perform the character of public service that the American people desire, whether they belong to the Townsend clubs or whether they are opposed to the Townsend philosophy, the money that is requested in this appropriation, in my judgment, is not too much. It is

obvious that a careful and thorough investigation must be made into the subject matter of this resolution if value is to be received for any expenditure made at all. In the event there is any money unexpended when the investigation is closed you and I know the same reverts to the United States Treasury. Upon this point let me state emphatically that I do not propose to spend one dime more than I believe is absolutely necessary in carrying forward this important work. In answer to some of the gentlemen who think that the members of this committee have accepted the appointment for the purpose of barnstorming, junket, or publicity purposes, let me again speak rather definitely and plainly in connection with that unwarranted suggestion. I have the greatest respect for the high purposes and sincerity of every member of the committee, having reached that conclusion at the meetings that we have had, exchanging thoughts and ideas upon this current problem.

I did not ask for this appointment; I did not seek the position; but when I was requested by the Speaker to serve upon this committee I gladly consented, believing that I might render a little public service to the people of my country. [Applause.]

Reference has been made in the debates upon the floor of the House to fraud, intimidation, and many other immaterial and irrelevant matters which go far afield from the true purposes of the resolution at hand. Let me admonish those in this Chamber who are opposing this investigation, and I say this in the most charitable manner, that insofar as one member of the committee is concerned these counter-offensives shall have nothing to do with the issue at hand and receive no consideration. We do not propose to be taken off our feet by issues which are far afield from what we understand is plainly set forth in the resolution we are discussing. As I said in the beginning, I propose to stick to the facts that are material to this investigation, and which we are permitted to ascertain by law under this resolution, and to the facts alone. [Applause.]

Mr. WARREN. Mr. Speaker, I yield 6 minutes to the gentleman from California [Mr. KRAMER].

Mr. KRAMER. Mr. Speaker, I want to say at the outset that I am for this investigation. I also understand that the Townsend organization, at whom the investigation is directed, is for the investigation, and I understand the author of the McGroarty bill, the gentleman from California [Mr. MCGROARTY] is whole-heartedly in favor of this investigation. However, we are unalterably opposed to the amount of money which is being taken from the poor taxpayers and is being squandered here today in this fashion. The amount of \$50,000, Mr. Speaker and Members, is wholly unnecessary.

Mr. LAMBETH. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. No; not now.

Do you Members over on this side of the House who have been continuously harping upon the matter of economy, the gentleman from Pennsylvania who has continuously asked where we are going to get the money, and you conservatives on this side of the House who have asked that we refrain from wild spending of money realize what you are doing? Let us get down to business, stop this pussyfooting, and we will not have any investigations of this kind. Bring out the McGroarty bill and put it on the floor of the House, vote it up or down, vote "yes" or "no", and then there will be no need for investigations. The Rules Committee has many bills pigeonholed that should come out of the committee. Why not bring them out on the floor of the House?

We will know then whether or not the poor and the old people are going to get the consideration to which they are entitled. I refer to the remarks of my colleague the gentleman from California [Mr. BUCK], when he again tried to becloud the issue and say that this bill calls for \$200 a month. I will respectfully ask the gentleman if he will read the bill. If he did, he will find it does not do any such thing.

Mr. Speaker, we have had before the Committee on Accounts, on which I have served since I have been a Member of the House, repeatedly, investigation committees coming in and asking for \$50,000. This seems to be the amount always

asked for at the outset, with the expectation they will get, likely, \$5,000, \$6,000, or \$7,000.

Mr. LAMBETH. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. Sorry; not at this time.

Recently we had an investigating committee coming before the Committee on Accounts with respect to the investigation of the chain stores. Seven thousand five hundred dollars is all the money that was appropriated for that committee, and they have done a wonderful job and have legislation now pending before the House.

What is going to become of this money? I understand they have brought a lawyer here from Kansas City, although every one of the eight members of the committee is a man of the highest character and they are among the finest lawyers we have in the House, well qualified to act, and yet they need the advice of additional counsel. Just a lot of nonsense. Some criticism has been made here of the counsel who has been retained by the Townsend organization. Why, naturally, they are entitled to their counsel. Do you expect them to stand back and not be advised by anyone? They are being criticized also as to the amount of money they are paying. Look at the amount of money being paid here. And that is not all they expect to get; it will not be long when the committee will want \$50,000 more.

As I understand it, the gentleman from Missouri [Mr. BELL] said he was not going to engage in any back-alley tactics. If the information I have already received is correct, they are already using back-alley tactics. They are using methods which generally are used by cheap shyster detective agencies that are sneaking around, intimidating and threatening the employees and others connected with the Townsend movement.

This is a reflection upon the Members of Congress and should not be tolerated, and I for one want to register my serious objection to this type and character of investigation; and in my estimation \$150 per month is the top that should be paid for any investigator, stenographer, or auditor for this nature of work.

Mr. Speaker and gentlemen of the House, the Department of Justice and the Post Office Department have just concluded a very "fine-tooth-comb examination"; and if there was anything wrong in the slightest degree they certainly would have "clamped the lid" on the Townsend organization long ago—and this in itself indicates to me that they are making progress in a clean and upright and honest manner.

Where are the so-called watchmen of the Treasury who have continuously objected to appropriation, in all manner to cut down appropriations of this kind? I am surprised that they are not all "up in arms" against this squandering of the taxpayer's money. They seem to be sitting silently and frozen in their seats and permit this squandering of the people's money in a manner which will bring no good to anyone.

Yesterday the Committee on Appropriations appropriated the sum of \$100,000 to the Committee on Accounts for purposes of investigation. That \$100,000 is already expended. The committee has a deficit at the present time without the present \$100,000 being included. So you can readily see that there is going to be an additional appropriation necessary in order to carry out this investigation. According to the figures which have just been enumerated by the gentleman [Mr. HOLLISTER], the committee expects to put on 30 or 40 auditors and investigators. At \$300 per month you can readily see where we are headed for, and if you are going to start this investigation with that kind of expenditure, heaven only knows where we will end. Stop this kind of nonsensical spending of money for foolishness of this kind. Stop it now!

I cannot understand why it is necessary to employ auditors when there are many men already on the Government pay roll, who are receiving \$150 per month and who could be borrowed from the various departments such as the P. W. A., the Federal Housing Administration, and other departments, which I am informed have many men in their employ who are not busy at this time.

The same thing applies to attorneys. The Department of Justice has many able attorneys who are receiving less than \$300 per month, and who are perfectly capable and qualified to render such service as this committee may require.

This same also applies to stenographers. There are a great many stenographers in the Resettlement, P. W. A., H. O. L. C., F. H. A., and other of the alphabetical departments which are too numerous to mention, and who are capable of performing such legal and clerical services as this committee will require. Why not use these?

And now for the detectives. The Department of Justice have an unlimited number of men who perhaps do not receive the amount of money asked for by the gentleman from Missouri [Mr. BELL]. The class of men for detectives I understand that are employed are apparently the cheap, shyster, persecuting, Hawkshaw, amateur detective type, who have made it the practice of hanging around the steps of the Capitol for the past several years praying for an opportunity of this kind to present itself. Information has come to me that the men employed by the investigating committee have thus far taken a particular delight in harassing, browbeating, persecuting, and crucifying the clerks and wives of the members of the Townsend organization.

All the books are here in Washington—none in California. The officers are here, and those that are not will gladly come, I am informed. I want to say to my good friend from Wisconsin, Mr. O'MALLEY, that the right time to go to California is any time of the year. [Applause.]

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. Yes.

Mr. O'MALLEY. If this resolution passes, the chamber of commerce at Los Angeles will be informed—

Mr. KRAMER. I do not know of any reason why the chamber of commerce at Los Angeles should be informed. You are asking for \$50,000 for an asinine investigation, which could be used to much better advantage.

Mr. WARREN. Mr. Speaker, will the gentleman yield?

Mr. KRAMER. I yield.

Mr. WARREN. The gentleman from California has been on two investigating committees—one on un-Americanism, which received \$30,000, and the other on patents, which received \$15,000, and did he not insist on the full sum being allowed those committees?

Mr. KRAMER. I never asked for the full sum for any committee, but I believe in giving a reasonable amount; I never voted for \$50,000 for any committee investigation, and this one in particular is an outrage.

The SPEAKER. The time of the gentleman from California has expired.

Mr. WARREN. Mr. Speaker, I yield the remainder of my time to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES. Mr. Speaker, the collective judgment of this House has been expressed heretofore with reference to the original resolution introduced for this investigation. When that resolution was introduced the hour had arrived when those who were opposed to the investigation should have spoken. That hour has passed, and it is unbecoming, in my judgment, and comes with ill grace for opposition to spring forth at this hour.

If there is nothing wrong, if these so-called political schemes are for the purpose only of furthering the cause of old-age pensions, no one need have fear as to the result of the investigation. When this House has spoken and ordered the investigation, then the Committee on Accounts, using its best judgment, has fixed on the amount necessary to carry on the investigation.

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I decline to yield at any time during my remarks.

It was your judgment that an investigation should be conducted. I ask you whether or not you want a searching investigation, a thorough investigation, or do you want an innocuous one? Money will be wasted, regardless of whether it be a small amount or a large amount that is expended, unless the investigation is thorough and searching, unless it is productive of some real result.

Mr. DUNN of Mississippi and Mr. MURDOCK rose.

Mr. STARNES. Mr. Speaker, I decline to yield to anyone. The question is whether or not the House of Representatives shall make such an investigation as it deems necessary, or shall we make such an investigation as to the Townsend organization or to any other organization seems proper? Who is to be the judge as to how far the investigation shall range—the House of Representatives or the promoters of any of these so-called old-age-pension plans and schemes? Shall we conduct a thorough investigation or shall we investigate only the history, the records, acts, and conduct of those groups, associations, corporations, and parties who voluntarily appear here in the Capital of the United States?

Mr. ZIONCHECK. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I decline to yield to anyone. The purpose of this resolution, according to its terms, is to aid the Congress in its legislative functions and duties relative to the proposed legislation hereinbefore mentioned, and that is the McGroarty plan, and to bring to light such information as may be necessary to enable this House to pass intelligently upon the question when and if it comes before the House for consideration. If the methods used by those who promote this plan are sound, if there is nothing to conceal, there is no need for any opposition to a thorough and searching investigation. The Committee on Accounts has absolute faith and confidence in the personnel of this bipartisan investigating committee. It is my information that every member of the investigating committee voted for the Social Security Act during the first session of the Seventy-fourth Congress. It is my information that every member of that committee favors a sound and workable old-age-pension plan. I am sure that I voice the sentiments of the majority of the Members of this House on both sides of the aisle when I state that we have implicit confidence in that committee.

Mr. Speaker, during the Seventy-fourth Congress this House has been called upon to write more social legislation, more legislation for the promotion of human welfare and social security, than it has in any like period in the history of this country; and I think that the Members of the House have met the challenge and responsibility of the hour which the accumulation of the years has heretofore placed upon us, and in reaching a decision upon such legislation as we have considered we have sought at all times to place the interest of the American people first, we have sought at all times to arrive at the truth. The Members of the House of Representatives are entitled to receive the truth. We want to turn the pitiless searchlight of truth upon all the proponents of any bizarre political plan, on all proponents of these so-called schemes which call for an expenditure of untold billions of dollars of the taxpayers' money; and I echo the thought that was expressed a short time ago by the gentleman from California [Mr. BUCK] when I say that it ill becomes some of these gentlemen to raise their voices in protest to an expenditure of \$50,000 to study plans to enable the proper sort of legislation to be passed when they themselves propose such a bizarre economic plan as would expend over \$20,000,000,000 of the taxpayers' money a year.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. STARNES. I decline to yield. Let us get to the bottom of this thing; let us arrive at the truth, and after we have obtained definite information, information that will enable us to act wisely and well, I am sure that time will prove that the money called for in this resolution has been well and wisely spent.

The members of the Committee on Accounts ask for, and we believe that we are entitled to, the support of this House in the amount called for in this resolution. We have responded to your mandate in a manner which we think is wise and just and reasonable, and we come now asking vindication at your hands, and hope that you will sustain the committee when this matter is presented to the House for a vote in a very few minutes.

Mr. McLEAN. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution and amendment to final passage.

The SPEAKER. The gentleman from North Carolina moves the previous question on the resolution and amendment to final passage.

Mr. McGROARTY. Mr. Speaker, I demand the yeas and nays.

Mr. MONAGHAN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 242, nays 114, answered "present" 1, not voting 73, as follows:

[Roll No. 35]

YEAS—242

Adair	Doughton	Kopplemann
Allen	Doxey	Lambertson
Andrew, Mass.	Driscoll	Lambeth
Andrews, N. Y.	Driver	Lanham
Arends	Duffy, N. Y.	Lea, Calif.
Ashbrook	Duncan	Lehibach
Bacon	Eagle	Lewis, Colo.
Bankhead	Eaton	Lewis, Md.
Barry	Eckert	Lord
Beam	Edmiston	Lucas
Bell	Ekwall	McAndrews
Berlin	Engel	McCormack
Blackney	Evans	McKeough
Bland	Farley	McLaughlin
Bloom	Ferguson	McLean
Boehne	Fernandez	McLeod
Bolleau	Fiesinger	McMillan
Boland	Fish	McReynolds
Boiton	Fitzpatrick	McSwain
Boykin	Flannagan	Maas
Boylan	Focht	Maloney
Brown, Ga.	Ford, Miss.	Mansfield
Brown, Mich.	Frederick	Mapes
Buck	Fuller	Marshall
Burch	Gasque	Martin, Mass.
Cannon, Mo.	Gavagan	Mason
Carlson	Gifford	May
Carpenter	Goodwin	Mead
Cartwright	Granfield	Merritt, Conn.
Cary	Greever	Merritt, N. Y.
Chapman	Gregory	Michener
Church	Griswold	Millard
Clark, N. C.	Guyer	Miller
Cochran	Hallock	Mitchell, Ill.
Coffee	Hancock, N. Y.	Moran
Cole, N. Y.	Hancock, N. C.	Nichols
Collins	Harter	Norton
Colmer	Hartley	O'Brien
Cooper, Tenn.	Healey	O'Connell
Cox	Hennings	O'Connor
Cravens	Hess	O'Leary
Creal	Hill, Ala.	O'Neal
Cross, Tex.	Hill, Samuel B.	Owen
Crowther	Hobbs	Palmisano
Culkin	Hoffman	Parks
Cullen	Hollister	Patman
Cummings	Holmes	Patton
Curley	Hope	Perkins
Darden	Huddleston	Pettengill
Darrow	Imhoff	Peyser
Deen	Jenckes, Ind.	Pfeiffer
Delaney	Johnson, Okla.	Pittenger
Dempsey	Johnson, W. Va.	Plumley
Dies	Kahn	Quinn
Dietrich	Kennedy, N. Y.	Rabaut
Dirksen	Kerr	Ramsay
Disney	Kinzer	Ramspeck
Ditter	Kleberg	Randolph
Dobbins	Kloeb	Rankin
Dondoro	Knutson	Ransley
Dorsey	Kocalkowski	Rayburn

NAYS—114

Amie	Dunn, Miss.	Hull	Moritz
Andresen	Dunn, Pa.	Jacobsen	Mott
Biermann	Eicher	Johnson, Tex.	Murdock
Binderup	Ellenbogen	Jones	Nelson
Blanton	Englebright	Kenney	O'Day
Brewster	Fletcher	Kniffin	O'Malley
Buchanan	Ford, Calif.	Kramer	Parsons
Buckley, Minn.	Fulmer	Lemke	Patterson
Burdick	Gearhart	Luckey	Pearson
Cannon, Wis.	Gehrmann	Ludlow	Peterson, Fla.
Carter	Gilchrist	Lundeen	Peterson, Ga.
Castellow	Gildea	McClellan	Pierce
Christianson	Gingery	McFarlane	Polk
Citron	Greenway	McGehee	Powers
Colden	Gwynne	McGrath	Rich
Connery	Haines	McGroarty	Robinson, Utah
Cooper, Ohio	Harlan	Mahon	Robison, Ky.
Costello	Hart	Main	Rogers, Okla.
Crawford	Higgins, Conn.	Marcantonio	Sadowski
Crosby	Hildebrandt	Martin, Colo.	Sandlin
Crosser, Ohio	Hill, Knute	Massingale	Sauthoff
Dockweiler	Hook	Mitchell, Tenn.	Scott
Duffey, Ohio	Houston	Monaghan	Scrugham

Smith, Wash.	Sweeney	Turner	White
Stack	Taylor, Colo.	Turpin	Withrow
Stefan	Taylor, Tenn.	Wallgren	Wolverton
Stubbs	Thomason	Wearin	Zioncheck
Sumners, Tex.	Thompson	Welch	
Sutphin	Tolan	Werner	

ANSWERED "PRESENT"—1

Dickstein

NOT VOTING—73

Ayers	Cooley	Hamlin	Ryan
Bacharach	Corning	Higgins, Mass.	Sanders, La.
Barden	Crowe	Hoepfel	Schulte
Beiter	Daly	Jenkins, Ohio	Secrest
Brennan	Dear	Kee	Seger
Brooks	DeRouen	Keller	Short
Buckbee	Dingell	Kelly	Sirovich
Buckley, N. Y.	Doutrich	Kennedy, Md.	Thomas
Bulwinkle	Drewry	Kvale	Thurston
Burnham	Faddis	Lamneck	Tobey
Caldwell	Fenerty	Larrabee	Underwood
Carmichael	Gambrill	Lee, Okla.	Whittington
Casey	Gassaway	Lesinski	Wilson, La.
Cavichia	Gillette	Maverick	Wilson, Pa.
Celler	Goldsborough	Meeks	Wood
Chandler	Gray, Ind.	Montague	Young
Clalborne	Gray, Pa.	Montet	
Clark, Idaho	Green	Oliver	
Cole, Md.	Greenwood	Romjue	

So the previous question was ordered.

The Clerk announced the following pairs:

General pairs:

Mr. Maverick with Mr. Jenkins of Ohio.
 Mr. Dingell with Mr. Seger.
 Mr. Corning with Mr. Tobey.
 Mr. Gray of Indiana with Mr. Fenerty.
 Mr. Oliver with Mr. Bacharach.
 Mr. Bulwinkle with Mr. Doutrich.
 Mr. Cole of Maryland with Mr. Burnham.
 Mr. Drewry with Mr. Thomas.
 Mr. Greenwood with Mr. Wilson of Pennsylvania.
 Mr. Romjue with Mr. Cavichia.
 Mr. Schulte with Mr. Buckbee.
 Mr. Whittington with Mr. Short.
 Mr. Montague with Mr. Thurston.
 Mr. Cooley with Mr. Kvale.
 Mr. Kelley with Mr. Higgins of Massachusetts.
 Mr. Green with Mr. Sanders of Louisiana.
 Mr. Daly with Mr. Lamneck.
 Mr. Faddis with Mr. Wilson of Louisiana.
 Mr. Dear with Mr. Young.
 Mr. Sirovich with Mr. Clalborne.
 Mr. Ayers with Mr. Gassaway.
 Mr. Wood with Mr. Secrest.
 Mr. Meeks with Mr. Larrabee.
 Mr. Keller with Mr. Celler.
 Mr. Barden with Mr. Gillette.
 Mr. Brooks with Mr. Hamlin.
 Mr. Gambrill with Mr. Ryan.
 Mr. Gray of Pennsylvania with Mr. Brennan.
 Mr. Goldsborough with Mr. Beiter.
 Mr. Kee with Mr. Carmichael.
 Mr. Lee of Oklahoma with Mr. Montet.
 Mr. Chandler with Mr. Buckley of New York.
 Mr. DeRouen with Mr. Crowe.
 Mr. Caldwell with Mr. Casey.
 Mr. Kennedy of Maryland with Mr. Clark of Idaho.

Mr. SANDERS of Texas changed his vote from "aye" to "no."

Mr. HARLAN changed his vote from "aye" to "no."

Mr. NICHOLS. Mr. Speaker, the gentleman from Oklahoma [Mr. GASSAWAY] is detained by reason of illness. Were he present he would have voted "aye."

The result of the vote was announced as above recorded.

Mr. SMITH of Washington. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SMITH of Washington. I want to ask the Speaker if it is not a fact that the parliamentary situation is that the House having voted the previous question, an amendment cannot now be offered reducing the amount of the resolution?

The SPEAKER. The gentleman is correct. No amendment would be in order at this stage.

The question is on agreeing to the committee amendment. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 2, line 8, strike out the words "if available", and at the end of the line insert "if not otherwise engaged."

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry. Is a committee amendment in order now?

The SPEAKER. This is the committee amendment.

Mr. MONAGHAN. A parliamentary inquiry, Mr. Speaker. Is that in order now?

The SPEAKER. The previous question was had upon the resolution and amendment.

The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion by Mr. WARREN, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

THE SOVEREIGN POWER OF A UNITED PEOPLE—THE TOWNSEND PLAN

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address which I delivered before the national convention of Townsend Clubs at Chicago.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD I insert an address delivered by me before the national convention of the Townsend Clubs of America at Chicago, Ill., on October 26, 1935, the same being the verbatim transcript with interpolations of the official reporters of that historic convention as printed in the National Townsend Weekly, November 18, 1935.

The address is as follows:

Chairman ARBUCKLE. This morning's session is to be closed by a very wonderful address and we are on time. The next speaker will run a little over 12 o'clock, he tells me, so I want you to give him your undivided attention.

It is our pleasure to have with us today a man who has valiantly fought for the Townsend plan in the Congress of the United States and outside of the Congress of the United States, and he is to speak today on that great subject, The Sovereign Power of a United People, and it is my pleasure at this time to introduce to you the Honorable MARTIN F. SMITH, a Member of the Congress of the United States from the Third Congressional District of Washington.

Hon. MARTIN F. SMITH. Senator Arbuckle and you, my friends, delegates to this great national convention of the Townsend Clubs of America, I desire to thank Senator Arbuckle for his very kind and generous words of introduction. I want to say to you, sir, that I have observed as I have been seated on this platform during the days of the convention that you have been the most courteous, the most fair, and one of the most efficient presiding officers that I have ever listened to. [Applause.] My friends, I deeply appreciate being the one Member of the Congress of the United States who has been paid the high honor of being placed upon the program of this great convention. [Applause.]

During my service in Congress it has been my honor and privilege to address five great national conventions in various parts of our land, and this is the second great convention that I am addressing this year. I want to say to you that, in my opinion, in intelligence, in appearance and character, and in influence this convention will compare favorably with any which has ever met in America. [Applause.] I am very proud today to appear before you as a member of Townsend Club, No. 1, Hoquiam, Wash., the ribbon of which adorns the lapel of my coat—Hoquiam, Wash., the most westerly city in the United States of America. I am also proud of the two delegates that we have here representing our club. One is Judge William E. Campbell, judge of the Superior Court of Grays Harbor County and president of the Association of Superior Judges of the State of Washington, a graduate of Stanford University and of Harvard Law School, and one of the most distinguished, leading citizens in southwest Washington and the State of Washington, one of the leaders in the Townsend movement in the Pacific Northwest. Judge Campbell is here and I would like to have him rise and take a bow. [Applause.] Our other delegate is Dr. Everett M. Hill, pastor of the First Methodist Church, a doctor of divinity, organizer of our Townsend Club No. 1 in Hoquiam, a Kiwanian, and one of the finest men I have ever met in my life. I want the Reverend Dr. Hill to stand up so you can see him. [Applause.]

In our community, my friends, the Townsend movement is represented by the law and the gospel. My friends, I have been studying and investigating the Townsend old-age revolving pension plan, a plan for national recovery, over a year and a half. It extends far beyond a mere system of pensions; it is a permanent recovery measure, a real reemployment measure, a sound financing and banking measure, and constitutes a practical application of the wise and salutary principles of Christianity to the solution of the social and economic and political problems of America. You have just listened to my friend Mr. Harry L. Bras, editor of the Centralia Chronicle, Centralia, Wash., in my congressional district. I want to tell you about a strange coincidence.

In the spring of 1934, late in the month of March, over a year and a half ago, Mr. Bras published in his daily paper the first newspaper editorial favoring the Townsend plan printed in America. I was in Washington, over 3,000 miles away, attending the second session of the Seventy-third Congress; and on April 4, 1934, just about the same time, without ever having corresponded with each other in regard to the matter at all, I placed in the CONGRESSIONAL

RECORD the first explanation and statement of the Townsend plan which was made in the Congress of the United States, and the first official notice which it received at the National Capital. That is rather a remarkable coincidence, considering that Mr. Bras and I live close together in the same part of the country, but when Harry's attention was called to the matter recently, he said, "Well, great minds run in the same channel."

Of course, this is said in jest, for we realize that we are not great nor even near great, but at least we possessed the vision and foresight to study and comprehend the merits of the Townsend plan for national recovery, which at that time—18 months ago—was ridiculed, scoffed, and sneered at by nearly everybody, but has since, under the able, energetic, and inspired leadership of its author, Dr. Townsend, and its cofounder, Mr. Clements, become the strongest, most dynamic social, economic, and political reform movement in the history of modern America. [Cheers.] I collaborated with my colleague, Congressman McGROARTY, and others of a small group of a half dozen Members of the House of Representatives in drafting the original bill embodying the Townsend plan, and also in revising and modifying it and preparing the bill in its final form, which received 56 votes as an amendment to the Social Security Act in the last session of Congress. The bill will be reintroduced in the next session of Congress, which convenes the first Monday of January next, and, in my opinion, should carry several further amendments.

In view of the fact that a 2-percent transactions tax on the gross business turnover, amounting to \$1,300,000,000,000 in 1929, which we are rapidly approaching, will yield considerably more revenue—viz, \$26,000,000,000—than is required to pay \$2,400 per annum to approximately 8,000,000 law-abiding American citizens of the age of 60 years and over, a total of \$19,200,000,000, I favor inserting in the text of our next bill a proviso to the effect that the surplus be applied toward the payment and liquidation of the national debt of the United States Government [cheers], which is the feasible and desirable thing to do, and will gain for us the added support of numerous public men and intelligent citizens throughout the country. Another amendment should require the Federal Reserve banks to disburse the annuities in the local communities of the United States and provide for the appointment of a national board of 10 members, the Federal Reserve bank to have direct supervision of the funds, which will be too large to be left in the hands of a single individual, the Administrator of Veterans' Affairs, as provided in the present bill, for it will be the largest fund, the most colossal fund, ever disbursed in this country, and no one man should be trusted with a fund of such magnitude; and a budget system should be provided for the annuities, insuring that the monthly annuity will be wisely expended for needed purposes as a stimulant to general business, agriculture, and industry in the United States.

The limitation of time will not permit me to argue specifically the merits of the plan, and were I to do so it would necessarily be a repetition of the facts already ably presented by the distinguished speakers who have preceded me. I shall, therefore, content myself with a brief statement of the legislative situation in the Halls of Congress as I see it from the inside. The title indicated for my address and given in the printed program is The Sovereign Will of a United People. We have a representation form of government in the United States, and it is the duty of chosen representatives of the people to represent and carry out the wishes and execute the will of the people who have elected them to office.

When they fail to do this they should either voluntarily resign their office and surrender back to the people the high commission they have received from them or they should be defeated and replaced by men who will faithfully and loyally represent their constituents. [Cheers.] Consequently, our campaign should continue to be one of education and dissemination of information: First, to the sovereign people of the United States; and, second, to their chosen representatives in the House of Representatives and the Senate of the United States, consisting of the facts, figures, statistics, and evidence establishing the soundness and wisdom of the Townsend plan for permanent national recovery and the many reasons why it is practical, feasible, and workable.

I think I know the members of the House and Senate. They are, with very few, if any, exceptions, intelligent, industrious, conscientious, and public-spirited men and women, a good cross section of the United States of America. They are former judges of our courts, former members of our State legislatures, former mayors of our cities, former Governors of our States, who have been sent to Congress because their people have known them for years and have confidence in their ability, integrity, and devotion to duty. Our task is to convince them that the Townsend plan is all that we know it to be, and also to convince their constituents of the same fact, and they will enact it into law.

I am reminded, in this connection, of the story of a young man and a young woman engaged to be married. They were deeply in love, apparently well suited to each other. Their parents approved the match and wedding bells were expected to ring, when one day the young lady came home to her mother very hurriedly and much excited and said, "Mother, I can't marry Bill." Her mother said, "My goodness, what is the matter; what has he done?" The daughter said, "Mother, I can't marry Bill because I have just discovered that he doesn't believe that there is a hell." The mother looked into her daughter's face for a moment and she said, "Daughter, you marry him anyhow, and we will soon convince him that he is wrong." [Laughter.]

After all, the Members of Congress have become educated and informed as to the merits of the Townsend plan and what it will

accomplish for the men and women, young and old, and the children in the homes of our Republic and their constituents armed and fortified with these facts and truths, have made their wishes known to them, if they still remain unconvinced, I think, that will be the time when they will be convinced by the members of the Townsend Clubs of America that there is a political hell so far as they are concerned.

My friends, we are fortunate that we live in the finest, the greatest, and the richest country in all the world. It has been blessed as no other country under the stars. The salvation of the human race depends on the progress of civilization in this country and we must carry the torch of civilization higher here in America than in any other land because all of the peoples and races of the world are looking to America for wise leadership. The salvation of the human race, therefore, depends on the things that we do right here in our own country. We have the greatest natural resources, richest deposits of precious minerals, almost unlimited coal and petroleum, millions of acres of corn, wheat, cotton, and tobacco. We have foodstuffs in abundance, timber, the finest in the world, the greatest mills and factories in the world. There is no reason why everyone in this country of ours should not enjoy all of the good things in life, even the luxuries.

Money is the lifeblood of the Nation and it must circulate freely and maintain the life of the Nation, just as the circulation of the blood in the human body is essential to the life of human beings and human life depends on the circulation of the blood. When it doesn't circulate the body suffers paralysis. Our beloved America is suffering a paralysis of its agriculture and industry today.

The Townsend recovery plan is going to pay \$200 a month to every American citizen who has no criminal record, is not insane, and has reached the age of 60 or over. This money must be spent in the calendar month it is received within the United States and its Territories. The number of people to whom this can be paid is approximately 8,000,000, the amount to be released by a 2-percent transaction tax. This is a very simple proposition. In every transaction, sale, or exchange of an article in commerce, business, agriculture, industry, and finance, this 2 cents of each dollar is collected for our fund and placed in the Treasury at Washington. All persons qualifying for this pension shall retire from gainful employment, and all men and women whose net income is not in excess of \$2,400 a year are eligible. It will safeguard the American homes, reduce crime to a minimum, provide security for the aged, furnish an opportunity for the young to secure employment, provide 8,000,000 new jobs and at least 2,000,000 jobs released by the aged. It will reduce the burden of taxation, empty the poorhouses, provide an outlet for factories and farms, maintain a balance between production and consumption, and forever banish financial depression from our fair land. [Cheers.]

It has been proven that a transaction tax of 2 percent on every sale would pay the old people \$200 a month and do away with the numerous taxes we are burdening the people of America with today—\$2 on every \$100, \$20 on every \$1,000, \$2,000 on every \$100,000, etc.

In 1 year the entire amount paid to 8,000,000 citizens 60 years and past would be \$19,200,000,000, the amount given by the Brookings Institution as the necessary increase in consumption required to balance production and consumption in the United States, and I wish our friends of the press would publish that fact. The Brookings Institution in Washington, D. C., is the most reliable statistical organization in America. It is nonpartisan and nonpolitical, and it is financed by the big business and financial interests of America, so it certainly could not be prejudiced in favor of the Townsend plan.

Recently they have published two books—America's Capacity to Produce, and America's Capacity to Consume—and in those monumental works big, thick volumes of hundreds of pages with figures and statistical matter prepared by leading experts of America conclusively establishing the fact that the difference between production and consumption is due to the lack of purchasing power in America as between sixteen and nineteen billions a year, and the Townsend plan provides the very deficiency which it is lacking to balance consumption with production. [Applause.]

The other day in the State of Washington a good man said to me, "How in the world can an old person spend \$200 a month?" he said, "to compel them to spend that amount of money would destroy them physically, mentally, and morally. If they had to live so fast a life as that and blow in \$200 a month, why," he said, "you would kill off the old people and wouldn't have anyone left to pay the money to." [Laughter.] Of course, he was joking, he was not serious about that.

I replied that paying that amount of money would provide a chance to pay honest debts, live a normal life, to travel and see nature's wonders so lavishly provided in our country.

You know it is a strange thing how people will worry about something like that. Let me tell you something—in 1929, according to official Government statistics, there was a handful of men in this country—504 millionaires. You could seat them in one little corner of this vast auditorium (but if you would, you would have to fumigate the hall so far as I am concerned); whose net income in 1929 was equal to the net income of the 2,330,000 wheat and cotton farmers in this country who raised all the wheat from which was made all the bread that was consumed by the American people and who raised all the cotton out of which was woven all the cotton cloth utilized in this country, not to say anything about exports that went out of our country to foreign nations. Think of it, 504 men having an income in 1 year of \$1,085,000,000; they

are the kind of people in this country who worry about what eight million would do with \$2,400 a year.

After the plan has been in operation for a few years we will lower the age limitation to 55 years, then to 50 years, and I tell you, my friends, we will eventually have to lower it to 45 years. There is hardly a mill or a factory today where, if a man goes to seek employment, he does not have to fill out a questionnaire to tell his entire life history about his grandmother and grandfather—how long they lived, and his parents—what age they died and if he is past 45 and if his mother's grandmother ever had a stomach ache, he cannot get a job in most of the factories in America. [Applause.]

That is why we have so many unemployed. By the new circulating income provided by the Townsend plan we will create jobs for at least 12,000,000—probably several million more citizens—thus taking care of all the unemployed in America. This is the only proposal I have ever heard that will do that—that is why I am for the Townsend plan—that is why you are for it. You know under the old regime, not many years ago, they believed in old-age pensions to a certain extent. You remember how back in 1929 and 1930 the president of one of the leading banks in New York City sold his stock in his bank to his wife at a loss, then she sold it back to him later, just a friendly, family transaction, so they wouldn't have to pay an income tax to the United States Government. When we uncovered that down in Washington, Mr. Banker resigned as president of the bank. The directors voted him an old-age pension of \$100,000 a year for the rest of his life, but we knocked that pension higher than "Gilroy's kite." That was considered the proper old-age pension for bankers and financiers.

But now we are going to have a reasonable retiring annuity in America for people 60 years old and over who have worked, pioneered, and contributed to a great extent to the business growth and development and the building of this great United States of America. When a person has been a law-abiding citizen all his life, breadwinner over 40 years, raised a family, worked and labored and produced wealth, he is entitled to enjoy leisure and live as a normal being in his old age and enjoy the fruits of science, discovery, and invention. We are no longer satisfied to have a few thousand men with incomes of millions of dollars and tens of millions of honest, God-fearing American citizens without a dollar to spend. [Cheers.] That is why the Townsend plan will become the law of the United States of America, and there is no power on earth or in hell which can prevent it from becoming a law. [Applause.]

My friends, I am about to conclude. I sponsored in the last session of Congress the bill restoring in full the pensions to the veterans of the Spanish War, the same stipulated in the act of June 1930 which was vetoed by President Hoover and passed overwhelmingly over his veto by the House and Senate. After my bill had passed the Senate and House this summer and gone to the White House every big newspaper in America, including the Associated Press, United Press, and Universal News Service (the last one is the Hearst agency), predicted that the President would veto it.

During this period I had quite a time keeping some of my overzealous colleagues in both House and Senate from viciously attacking the President, for I have learned long ago that very few battles are won by personal abuse and that most men are, well, shall we say, a wee bit stubborn. Sometimes I have a faint suspicion that even the ladies are inclined the same way. I was trying to have the President induced to sign the bill by moral persuasion. President Roosevelt fooled the newspapermen of America and, instead of vetoing the bill, he signed it, and it confers benefits aggregating \$50,000,000 a year on approximately 200,000 Spanish-American War veterans, to many of whom it means bread and butter and a decent home. My friends of the Townsend movement, I believe we should maintain a firm, resolute, and determined attitude and keep this question on a high moral plane. Eschew partisan and party politics in the consideration of this plan. [Cheers.] Our bill has to pass Congress, the House and Senate first, and when it has and goes to the White House I hope it will be laid down on the desk of a President who has a heart of compassion for the common people of this country, and one who wishes with all his heart and mind to see the blessings of the Townsend plan brought to every home and fireside of America. I believe with all my heart and soul that the hour will strike in America when the plan for national recovery which sprang from the inspired brain and noble heart of Francis E. Townsend at Long Beach, Calif., will become the law of America by the signature of America's most humanitarian President, Franklin D. Roosevelt. [Applause, audience rising.]

NEW YORK WANTS AN ABLE AND FEARLESS UNITED STATES ATTORNEY

Mr. KENNEDY of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KENNEDY of New York. Mr. Speaker, ladies, and gentlemen, I attended the hearings of the Senate Judiciary Committee, held in the Capitol on March 9 and 10, in connection with the nomination of Lamar Hardy for the office of United States attorney for the southern district of New York. I am always interested in having appointed to public office men of outstanding ability; but I have a particular in-

terest in the office of the United States attorney for the southern district, because I live in that district. In addition to my personal interest in this appointment, I have an official interest because of my membership on the special committee appointed by the Speaker to investigate real-estate bondholders' reorganizations.

Our congressional committee, in order to accomplish the purpose for which it was created, must have the cooperation and wholehearted support of the United States attorney. In investigating these real-estate reorganizations, I necessarily have become familiar with the sale of real-estate bonds and participating certificates. Unfortunately, in many cases the committee is helpless to aid the poor bondholders, because the underlying security behind the bonds and certificates is absolutely worthless.

Mr. Hardy, the President's nominee for the office of United States Attorney, has been closely identified with a mortgage company that sold a great many mortgages and certificates which must be classified as worthless. As an officer and director of this company, the State Title & Mortgage Co., he has naturally been friendly with the other companies engaged in this type of business throughout the greater city of New York.

The president of the company, with which Mr. Hardy was associated, the State Title & Mortgage Co., was indicted and convicted of fraudulent practices. At the present time there are awaiting trial a number of other officers of the same company. As a former colleague, and now as district attorney, Mr. Hardy must necessarily find himself in an embarrassing position.

I had hoped that the President would select for the office of United States district attorney of New York a young, courageous, fighting district attorney, who would enforce the law fearlessly. The district attorney of New York will have a lot of work ahead of him in connection with these mortgage companies, and as many of these are personal friends of Mr. Hardy, he certainly cannot be expected to be an aggressive prosecutor. Mr. Hardy has been in office for nearly 3 months and has never tried a single case. We require an active man; one who will set the pace for his assistants.

More than a quarter of a million families have lost their life savings in these defaulted mortgages. Due to Mr. Hardy's intimate association with the companies that sold these worthless mortgages, I do not believe that he will have the moral support of the people of New York.

The Bar Association of New York is opposed to the confirmation of Mr. Hardy, as well as practically every newspaper published in the city of New York.

The New York Evening Post of March 12 expresses the situation perfectly as follows:

It doesn't take a sensitive nose to detect the atmosphere of a biased court. The Senate Judiciary Subcommittee "judging" the fitness of Lamar Hardy to be United States attorney for the southern New York district gave itself away early in its hearing. Every courtesy was extended to Hardy and to Max D. Steuer, his counsel. But, say the dispatches, "Alfred A. Cook was interrupted in his answers to questions when he tried to elucidate the objections to Mr. Hardy's confirmation as recorded by the Association of the Bar of New York City. Mr. Cook was forced virtually to defend the standing of the bar association." * * * Was the subcommittee judging Hardy or judging the bar association? Is its mind made up in advance to confirm a nominee opposed by the bar, the press, and the public of his own city? Why did the two Senators most concerned, WAGNER and COPELAND, of New York, stay away from the hearing? Were they afraid to offend New York City by helping Hardy, and afraid to offend party leaders by opposing him?

Does the Senate realize it is placing in charge of Federal securities law prosecution in the financial heart of the country the man who sat tight as chairman of the executive committee of the defunct State Title & Mortgage Co., while it evolved financial maneuvers that brought losses to thousands? That Hardy is one of the defendants in a \$5,000,000 suit brought by the State banking department to recover some of these losses?

Does the Senate realize that 10 of Hardy's former associates are under indictment? Does it understand that Hardy will probably be called as witness for the defense in Federal trials of these associates—that the Federal attorney will then be testifying against the Federal Government?

Hardy's defense, that he did not know what was going on, is no answer to the bar association. We do not want as public prosecutor (even though his character may be white as snow) a man who did not know what was going on under his nose. A United States attorney is supposed to know what happens around him.

IS THIS CONGRESS GOING TO PASS LEGISLATION THAT WILL GIVE PROPER AND ADEQUATE FARM RELIEF?

Mr. McGEHEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on farm relief.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McGEHEE. Mr. Speaker, I have for the past 15 months listened with a very attentive ear and in my limited way tried to analyze the many and varied remarks made by my fellow colleagues, in which they have given their opinion as to the proper method of solving the problems that are confronting this great country of ours today, doing so with a view of analyzing the same to the extent and with a hope that there would be at least a sufficient combination of our thoughts that something real constructive would be done by this Congress to bring our Nation back to as near normal conditions as it would be possible under existing circumstances.

On February 19 the gentleman from Virginia [Mr. ROBERTSON], in addressing this body in behalf of pending farm-relief legislation that was finally enacted in lieu of the A. A. A., asked of this body before it should take any action on the proposed farm legislation that it should answer affirmatively three questions:

First. Does a farm problem exist?

Second. Can legislation aid in its solution?

Third. Has Congress the power to take the action that has been proposed?

Members of Congress, I think these are all very pertinent questions insofar as the proposed legislation that was before us at the time is concerned, and also on the pending legislation, the purpose of which is to give proper and adequate relief to the farmers of our Nation. These questions have been uppermost in my mind since becoming a Member of this honorable body, and I want to give you my humble opinion on the first two questions.

First. Discussing, Does a farm problem exist?

There is not a Member of this body, whether they be from rural, city, or industrial districts, but will agree with me and say there is a farm problem existing. The trouble with the membership of this body, especially those representing city and industrial districts, is that they do not appreciate the enormity of this problem as do we who represent the farming districts. In my own case I happen to represent farming, city, and industrial.

Mr. Speaker, I want to say, in my humble opinion—and this opinion is backed by 25 years of practical and not theoretical experience, having had some knowledge and practical experience not only with the farmer's problem, the businessman's problem, the industrial man's problem, but in practically every phase of each of those and any other that might exist; during these years of service that I have given to my section of this country of ours, this has impregnated in my mind a smattering idea of the problems that confront most every phase of business that exists in our country, and this is by far the most momentous one that has ever faced it.

We say, "Does there a farm problem exist?" I say, "Yes." I further say the solution of this problem will not only relieve the embarrassment of this body in both branches, but will bring back to this country of ours practically normal conditions, and will relieve us who are in power of the criticism, abuse, and vilification that is being heaped upon us by the disgruntled of both parties. Not only this, but it will relieve the people of this country of the burden under which they are now laboring, and will bring back peace, happiness, and prosperity to every nook and corner of it.

I am talking to you Members of Congress from practical experience, not theoretical, which we have been adhering to so much, and I want to say unto you that there does exist a farm problem, and that problem is the very root and seed which is causing the conditions of today. The solution, and if solved in a proper way, and Congress, and Congress alone, can do so, then we need have no fear of conditions insofar as our country is concerned in the near future, and not only the near future but for years to come.

Does a farm problem exist? Yes. Solve it in the proper way, then every industrial industry, every banking institution, our railroads, and in fact every other business organization in this country will profit, and not only profit through this medium but there will not be within the next 24 months an unemployment problem existing or facing us; nor will this Congress be faced with the problem of continually appropriating enormous sums of money as we have in the past few years for relief.

What does it mean, Members of Congress, if we do not solve this problem? This Congress in 1933 appropriated \$3,300,000,000, together with other amounts for general appropriations, which totaled almost \$4,000,000,000, so as to give employment to the unemployed and to give relief to those who were in need. In 1935 Congress appropriated \$4,800,000,000, together with an increased appropriation for the governmental departments, so as to aid the unemployed and give relief, which will total more than \$5,000,000,000. We are going to be called upon again to appropriate billions more, which means in 1937 and not only in 1937 but session after session Congress will be called upon to appropriate billions of dollars each year for this purpose. Why this continuous appropriation of moneys to give employment to the unemployed and relief to the needy when there is a solution of the problem that is confronting us without placing this enormous tax on the people of this Nation. I mean when I say taxing the people of this Nation that we know that 80 percent of the amount of taxes collected to pay these bills will fall on the poor class, because it is going to be reflected on the very necessities of life, and this 80 percent are going to bear the burden of it.

Why do I say this? Because every time we make an appropriation there are bonds issued, and those of means are placing their savings in tax-exemption securities whereby they do not have to bear the burden of taxes in proportion to their wealth. Of course, they are in sympathy with the program outlined by Congress now—that is, the issuing of bonds guaranteed by the full faith and credit of our country—because they are awaiting an opportunity to make an investment in these tax-exempt securities.

Forty million people out of forty-three million are gainfully employed at a meager and nominal salary, and it is upon these people that the tax burden of this country rests. There were only 263 people in the United States in 1935 who had an income of from \$100,000 to over \$1,000,000, and 90 percent of those had their wealth invested in stocks and bonds that were tax-exempt.

I want to say to you, Mr. Speaker, that from my observation since becoming a Member of this body that the membership, as a whole, are appreciating the fact that a farm problem does exist, and, further, are appreciating the fact that the solution of this problem alone will be the main factor in bringing our country back to normal conditions, because a majority has signified the same by saying so in recommending that this problem should be taken care of in a certain way.

Mr. Speaker, I believe if it were left to the individual thought of the membership, without any influence or pressure being brought to bear, Congress at this time would solve the problem which would bring our country back to normal conditions in a short period of time, because in my contact with the membership day in and day out, talking with them and giving my humble views on the same, there is a favorable reaction to the method.

Does a farm problem exist? I think 75 percent of the membership recognizes the same. I think 75 percent of the membership, from my contact with them, realize that what we have done for agriculture by the passage of the many laws, together with appropriations in behalf of it, has only been a soothing sirup and a few hypodermics given the patient who is sick unto death. Each realizes that the major operation must be performed sooner or later, but for some reason there is apparently an influence that is being directed to them whereby they do not exercise that prerogative they should as Representatives of the people from their respective districts, and without fear and undaunted in their purpose do

that which they, in their own humble opinion, know should be done to save this country from turmoil, strife, and trouble that will in a short time come, unless this farm problem is solved; and we know, Mr. Speaker, it can only be done by the Congress of the United States.

Mr. Speaker, I want to ask of the membership, Are you going to exercise that power that you have and give relief unto that class of people who are not only the very backbone of our Nation but the very marrow that is entwined within it?

There are 32,000,000 of this class, which represents 1 out of every 4 of our population, and upon the prosperity and existence depends the other 80,000,000 people of our Nation, because we all know when the farmer prospers—and I do not mean, when I say "prosper", that he must have 30 to 40 cents per pound for his cotton, \$2 to \$3 for his wheat, \$1.50 for his corn—but he is prosperous when he is able to pay those expenses he is obligated to pay, pay his interest and annual installment on his mortgage and taxes, and have a sufficient amount left to purchase the necessities of life and some luxuries, regardless of the prices of his products. When, and in that event, the wheels of every manufacturing plant will begin to turn, giving employment to those within its territory, our trains will begin to run in a normal fashion, our people will be employed in every line of industry throughout the country, and there will be general prosperity.

Mr. Speaker, can we solve this farm problem? Yes; it can be solved; and when we have done so there will not be the Utopia on earth that many of us dream of, but there will be happiness and contentment among every class of people in thought, action, and deed; Congress will be relieved of the solution of the troublesome problems that have been confronting it for several years. Mr. Speaker, I again ask, Is there a solution to this problem or can legislative action aid in the solution? I want to say to this membership in emphatic terms that this Congress can solve the problem that is existing today.

Why do I say this? Because Congress has given aid and assistance to almost every line of business and has rehabilitated it to the extent there is apparently today on the surface a return to normal conditions, and apparently we are on the road to what is commonly called recovery. But mark my words, Mr. Speaker, it is only a hypodermic or soothing salve that is giving relief to the patient, and in the end the major operation must be performed, and that major operation is the solution of the problem I am talking about today; that is, giving proper and adequate relief to the agriculture people of this Nation. It is the fundamental problem, and we must give relief to the fundamental so as to branch out to the different archways of business to properly conserve the same.

Mr. Speaker, how can this be done? It can be done by the refinancing of the farm mortgages of this Nation. As stated, 32,000,000 people are engaged in agricultural pursuits. Of the 41,500,000 gainfully employed in 1930, 10,500,000 were employed in agriculture, or two out of every four were employed in that occupation, the prosperity of which is our very life and existence. As stated, unless there is given to those who are pursuing this occupation, which represents 30 percent of our population, the proper and adequate relief, I make this prediction, Mr. Speaker, there will never be a return to that which we call normal conditions.

Mr. Speaker, how can we give this relief? It can be done by refinancing the farm mortgages at a rate of interest and annual payments that will permit this class of people to live and enjoy the homes they have sacrificed years of labor, working 15 hours a day, clad in overalls and common shoes, or barefooted, to attain the goal that every human being desires; that is, a place they may call home, because home is the dearest spot on earth; it is there one sits by the fireside with his wife and babies and talks of the troubles and hardships of the day. Deprive him of this home after years of labor and toil and you have turned a Nation-loving and patriotic citizen into one of hatred and a Communist.

Mr. Speaker, I returned to my home only a few days ago, and there came to my office some of the most substantial citi-

zens of my county, saying the Federal land bank was foreclosing their homes. I glanced over a few papers of the different counties in my district a week or so ago, and in one county there were 14 homes being foreclosed by the Federal land bank; this week I noticed in the same paper there were 19 homes being advertised, 33 in the course of 6 weeks by the Federal land bank, with local institutions foreclosing 8 or 10 farm homes at the same time; and my information is that the Federal land bank now owns 20 percent of the farms of that county.

Let me say this, there has been allocated hundreds of millions for the Resettlement Administration, trying to place people on the farm and give them homes, buy their mules, plow tools, in fact, everything that is necessary to operate a farm, thereby giving them a chance; yet, through this agency, the Federal land bank, we are foreclosing and placing on the roads and highways a large percent of the honest-to-God citizens who have struggled for years to accumulate enough to pay for a home by taking away from them that home they have acquired by years of toil.

Oh, yes; the question will be asked, "Why did he become indebted to the extent he cannot meet his obligations today?" When the Farm Act was passed in 1916, for 4 or 5 years afterwards the farmers were begged to make loans on their property so that this institution could function.

The farmers were not immune to the wiles of human passion—that is, to have money to spend—any more than any other class of people, so they placed mortgages on their farms, and statistics will show that 95 percent of the mortgages that exist today were given at a time when cotton was from 25 to 40 cents per pound, with wheat, corn, and every other farm product in proportion, yet he is called on today to meet the annual installment, interest payment, on a restricted program, with the price of their products one-fourth of what they were at the time that he sold his birthright; that is, gave his mortgage. Each and every Member of this body and every individual throughout the country knows there is not a chance of the farmer liquidating his obligation under existing conditions.

Mr. Speaker, I know the departments will report to you that a large percent have met their payments. If this is reported, then turn and ask how much has that farmer left after he meets his payments to spend for the necessities of life.

I received a letter just the other day from a farmer in my district, and this is only one out of hundreds, in which he said he had just paid his Federal land-bank installment, but did not have a dime left, and was pleading with me to aid him in getting work with the W. P. A., or any other agency, so that he could buy a few of the necessities of life and start a crop for another year. I say refinance the mortgage on the home of that poor old man, who is bent with age, who has served his country for 10 these many years, and is one of our most worthy citizens, to the extent that he can meet his annual payments and interest, pay his taxes, and have enough to live on for the very short time that is allotted to him.

I know the departments are going to say a greater percent are meeting their payments, but until we have placed the agricultural people of this Nation in a position, as I have stated, that they can meet their interest and annual installments on their mortgages and have a sufficient amount from their farm products, regardless of price, to buy the necessities of life and a few luxuries, Mr. Speaker, I say, and the future will prove it, there will never be a return to normal conditions.

How can this be done? This Government only a few days ago sold several hundred million dollars' worth of bonds at a rate of interest of $1\frac{1}{2}$ percent. If this Congress will authorize the issuance of bonds, secured by the farms of this Nation, at a rate of $1\frac{1}{2}$ percent, and refinance the farm mortgages at this rate, with the principal annual payments not over $1\frac{1}{2}$ percent, totaling not over 3 percent per year, over a period of from 45 to 50 years, you will find that these same investors will be glad to invest in the same, and save from pollution the stream that gives to us the only pure water of economic faith existing in this country.

Mr. Speaker, I have studied the Lemke bill, that has passed out of the Agricultural Committee, and which the Rules Committee refuses to give a ruling on, thereby giving the membership an opportunity to vote on it, and in my humble opinion it is the best method of refinancing the farm mortgages that I can conceive of.

I want to plead with the membership to urge the Rules Committee to give us a rule on this bill and let us vote on it. It is said the President opposes it, but I do not believe so, because our President is not going to oppose constructive legislation, and especially that which is as all important as this.

I am a born Democrat and intend to follow the Democratic Party as long as I live. I am for Franklin D. Roosevelt, was for him at the last convention, and am for him as a standard bearer of the Democratic Party this fall. I know his heart beats in unison with the common class of people; I know his whole soul and life is directed with a view of service to them; I know that he is sympathetic, and I know if this Congress will act on this one proposition and the membership will properly present it to him in a light that will show the necessity of it, I believe he will not oppose it.

Mr. Speaker, let me in a parting word say: You have driven up in your cars on many occasions to railroad crossings and have observed the words, "Stop, look, and listen." Thousands have adhered to these words and passed on and are enjoying the pleasures of life today; yet, there are many who did not adhere to the warning, and today they are resting in eternity we know not where.

Mr. Speaker, if we the membership do not heed these warning words; if we do not pass this legislation, legislation which is going to preserve this great Nation of ours, ours will be the last rose of summer economically, and that rose, the petals of which were once beautiful, will only be a fond reminiscence of that which could have been our lot for the asking.

SENATOR BORAH AND FOREIGN ENTANGLEMENTS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KNUTSON. Mr. Speaker, Senator WILLIAM E. BORAH has a consistent record on the side of peace and against war. Every American knows that Senator BORAH is opposed to all forms of entangling alliances that might involve us in Old World disputes. He has ever been fearless and outspoken in trying to keep the United States out of war, and particularly out of European blood feuds and boundary disputes.

Back in 1916 he was almost politically crucified, along with Senators Gronna, La Follette, and Stone, as one of the "willful 12", by President Wilson because he was opposed to arming merchant ships, which would, and did, drag us into the World War. As we look back, he was right; but such was the propaganda and clamor of the war profiteers, he had to stand against the rising tide of popular opinion and resentment. Today the Congress would, by an overwhelming vote, refuse to permit our merchant ships to be armed. Senator BORAH stood out against the espionage law when few voices dared to express any kind of opposition at a time the propagandists of hate saw a German spy under every bed.

Once we entered the war, he supported all war measures to attain victory. But after the armistice was signed and our troops had been brought home he led the fight against the League of Nations and the Versailles Treaty. He saw that the Versailles Treaty was conceived in hate, cupidity, and revenge, contrary to the armistice terms, and put into effect by compulsion. He battled without giving or receiving quarter against American participation in both the League and the Versailles Treaty. His actions were overwhelmingly ratified by the American people, and time and current events have given additional endorsements. His voice is again being raised to warn our people to keep out of the quarrel over the reentry of German troops into the Rhineland. President Roosevelt tried a year ago to get power from Congress to determine the aggressor nation, a sure way to become involved in war, but failing to get it, insisted on being given

power to lay economic sanctions against warring nations. Again Senator BORAH helped to block this attempt of the New Deal administration to involve us in foreign intrigues, boundary disputes, war sanctions, and commitments. The Senator has been the champion and tribune of the American people who want to mind their own business and to keep out of all foreign wars and entanglements. He opposed the cancelation of the war debts and only lately suggested the reopening of the war-debts question in order to pay the adjusted-service certificates to World War veterans, which he voted for.

He was the American author of the Briand-Kellogg pact to outlaw war as an instrument of national policy except for defensive purposes, which over 50 nations have ratified, and for the first time in history war was outlawed or delegatized. It may be only a deterrent against war, but at that it constitutes a great bloodless revolution and a step in the direction of peace.

After the World War the Senator opposed the confiscation of German or alien property as being contrary to the accepted principle of international law and was instrumental in having most of the alien property returned. He likewise supported the bill introduced in Congress in 1924 by Representative HAMILTON FISH, of New York, providing for \$10,000,000 to buy foodstuffs for the relief of starving women and children in Germany.

Senator BORAH's family settled in Pennsylvania before the Revolutionary War. His great-grandfather, Jacob Borah, served in a Pennsylvania regiment under Washington. His family moved to a farm in southern Illinois around 1820, and have lived there ever since as substantial farmers and leading citizens. If he is nominated on the Republican ticket for President, he will have a tremendous appeal to the millions of people of German origin in the United States, particularly in such States as Wisconsin, Illinois, North Dakota, and Minnesota, which may be difficult for any Republican to carry this fall. If elected, he would be the first native son of the great State of Illinois to reach the White House. Both Grant and Lincoln lived in Illinois, but neither was born there. The people of Illinois have an opportunity in the primaries to be held on April 14 to nominate Senator BORAH, who was born near Fairfield, Wayne County, and lived there until early manhood, for the highest office within the gift of the people. If they succeed in nominating Senator BORAH for the Presidency, he will be elected, as he has the confidence of the people and is one Republican candidate who can attract the liberal and diverse elements that have left the Republican Party in recent years.

ELECTION CONTEST—LOCKE MILLER VS. JOHN G. COOPER

Mr. KERR. Mr. Speaker, I call up House Resolution 438. The Clerk read as follows:

House Resolution 438

Resolved, That Locke Miller is not entitled to a seat in the House of Representatives of the Seventy-fourth Congress from the Nineteenth District of the State of Ohio.

Resolved, That John G. Cooper is entitled to a seat in the House of Representatives of the Seventy-fourth Congress from the Nineteenth District of the State of Ohio.

Mr. KERR. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. BANKHEAD. Mr. Speaker, I desire to submit a unanimous-consent request.

I ask unanimous consent that on Monday, April 13—that being Jefferson's birthday—immediately after the reading of the Journal and disposition of matters on the Speaker's table, the gentleman from New York [Mr. BOYLAN], who is Chairman of the Thomas Jefferson Memorial Commission, may be allowed to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, I would like to ask the gentleman if there will be anything said about the spending of the \$30,000,000 to make a second memorial in the city of St. Louis to Thomas Jefferson?

Mr. BANKHEAD. I will state to the gentleman that the gentleman from New York [Mr. BOYLAN] has not yet submitted a manuscript to me of his speech on that occasion, and I cannot inform the gentleman.

Mr. RICH. The Public Works Administration has authorized the spending of \$30,000,000 more—

The regular order was demanded.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

REPORT OF THE UNITED STATES CONFERENCE OF MAYORS

Mr. BANKHEAD. Mr. Speaker, I desire to submit another unanimous-consent request. It is rather unusual for me to ask permission of this sort, but there was recently held in the city of Washington a conference of about 100 of the mayors of the largest cities of the country—Republican, Democratic, Socialist, and otherwise. They made a report of their findings with reference to anticipated needs for relief, to come up shortly before the Congress upon recommendations from the President. It is a rather brief document, and I ask unanimous consent that, for the information of all Members on both sides of the House, this statement may be incorporated in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

A REPORT PREPARED BY THE UNITED STATES CONFERENCE OF MAYORS AND SUBMITTED TO THE PRESIDENT OF THE UNITED STATES BY HON. F. H. LAGUARDIA, MAYOR OF NEW YORK CITY, PRESIDENT, UNITED STATES CONFERENCE OF MAYORS, ON MARCH 12, 1936

SECTION I

Part 1

The time has come when the United States Conference of Mayors, on behalf of the larger cities of the United States, feels it necessary to report on a comprehensive basis on the Federal W. P. A. program. There has been a great deal of promiscuous and misinformed talk recently concerning the character of the work being conducted under the W. P. A. Since the major cities of the Nation are sponsors for the largest and most important W. P. A. projects now under way, we are anxious to put a true picture before the American people as to what has been accomplished through the W. P. A. program.

The integrity and permanent usefulness of the city projects which have been approved by the Federal Government need no apology from anyone. Nor do the cities ask the Government or the President to defend the W. P. A. work which is being assisted by Federal funds. These projects are the cities' own projects. All the Government has done is to approve or disapprove what the cities have submitted.

As chief executives of these major cities, we are of the opinion that any honest and impartial analysis of the work being prosecuted in the important cities of the country will reveal that practically every project represents a useful and, in most cases, a permanent public improvement. Secondly, there remain a multitude of additional useful things to be done under future work programs. And finally, it is apparent that the city officials of America will never consent to the abandonment of the work principle in giving relief assistance. The dole, based upon idleness and groceries, has no place in our American scheme of society.

Part 2

The mayors and executives of our cities are more intimately and responsibly concerned with unemployment and destitution than any other group of public officials in America. This was always true, even in the days when private charity was called upon to meet most of the needs.

Since the depression, the seriousness of the problem of unemployment and destitution has transcended all other problems in its importance to city executives. The total expenditures in some cities, including Federal and State contributions, for the relief of unemployment and destitution have exceeded the aggregate of the operating budgets of these cities.

City officials are held personally responsible by their constituents for the prevention of privation and suffering, for the maintenance of order, and the protection of property. These responsibilities are inextricably associated with one another.

City executives do not depend upon tabulations of figures and reports of case workers for their knowledge of these problems. Physically, not statistically, they come face to face with haggard and desperate men and women, and with the pitiful appeal of hungry children. In the days before they had Federal aid in meeting their problems, they had thrust upon them on several occa-

sions the terrible and tragic duty of using force to restrain the angry riots of their own hungry and hopeless citizens.

The mayors of our cities are concerned with national policies as they relate to unemployment and destitution only to the extent that these policies may affect the manner in which they have to meet in their respective cities their own pressing problems of relieving destitution, maintaining order, and protecting property.

Wholly in the interest of safeguarding the welfare of the cities, the United States Conference of Mayors, consisting of most of the principal cities of America, has undertaken to obtain from the mayors and officials of over 100 major cities unbiased and objective opinions on the three basic questions having to do with the relief of unemployment and destitution.

The questions propounded were:

(1) Is work the proper method of meeting the unemployment problem as compared to the dole and idleness?

(2) Are we doing useful work under the W. P. A. program?

(3) Would there be useful work yet to be done under a continued W. P. A. program?

The results of this survey of the leading cities of the country constitute an amazing unanimity of opinion on the part of the responsible officials actually on the firing line of the battle against destitution and unemployment. Out of over 100 opinions expressed by the city executives queried, but one reply to all of the three questions varied in substance from the others. Only this one reply expressed some doubt as to whether or not there could be developed sufficient additional useful projects to keep the destitute unemployed busy for another year.

To the question:

1. "Do the unemployed want work or the dole?"

The following two replies are typical of a unanimous opinion expressed by all of the cities covered in the survey:

"They do not want charity";

"They do want employment";

"They do want to earn the money they obtain";

"They do want to spend their money as they see fit" (city of Chicago);

And

"We all know the great social benefits that a community derives by keeping the minds and bodies of the unemployed employed at some useful endeavor until they can once again return to work in private industry without degeneration of their moral and physical fiber" (city of Detroit).

In answer to the question:

2. "Are we doing useful work under the W. P. A. program?"

The following typical statements were given:

"I cannot make it too emphatic that all of these are not only useful but absolutely necessary projects" (city of Newark).

Another:

"At the outset I must state that every project now in force in this city is, in my opinion, a worth-while, useful, essential, community-enriching work; and as far as this municipality is concerned, the improvements could not have been made by the city alone without Federal aid. This city itself is being materially benefited by reason of having its schools, city hall, fire houses, and streets repaired and placed in a usable, first-class condition. The money expended is not being wasted; instead it is being used on projects which are necessary, essential, and worth while" (city of Hoboken).

Another:

"I should like to go on record concerning the W. P. A. work being done in our city as being not only useful and community-enriching work but also that the same was the result of deliberations and studies made by our city planning commission covering a period of some twenty-odd years. In these studies the planning commission had the advice of our foremost city planners, and everything undertaken was for the community's improvement" (city of Allentown).

And—

"I am pleased to advise you that it has been our rule to not approve the carrying on of any work, whether it be under C. W. A., F. E. R. A., or W. P. A., in this city unless such projects were proven to me by the heads of the various departments in our city to be of value. As you are aware, we are a party to this program and are spending considerable money in the way of contributions, and I therefore feel it my duty to endeavor to see that we get the most value for the money spent, both from that donated by the local government as well as from the Federal Government" (city of Highland Park, Mich.).

The following quotations are typical answers to the question of:

3. "Would there be useful work yet to be done under a continued W. P. A. program?"

"As far as the city of Milwaukee is concerned, there would be no need of submitting any additional projects to continue the program for at least another year. All of the projects so far submitted have been carefully considered and everyone is useful and worth while. Assuming that all of the \$5,138,421 that has so far been allotted to the city of Milwaukee for W. P. A. projects for operations up to April 1, 1936, will be spent by that date, the city of Milwaukee could do work to the extent of approximately \$42,000,000 more, which is the difference between the total of the Federal funds required to do all of the projects submitted and the \$5,138,421 allotted up to the present time" (city of Milwaukee).

And—

"There are other projects of as much value and importance to the community yet to be undertaken during the next fiscal year as those which have been accomplished under Federal aid during the past 2 years. These new projects comprehend additional con-

struction of sewers, repair of storm-drainage systems, etc., reconstruction of earthquake-damaged public buildings, including 12 fire stations and five branch libraries, elimination of traffic hazards, construction of bridges, and other projects of equal value and importance" (city of Long Beach).

And—

"We have worthy projects already filed and approved sufficient to occupy the unemployed for another 2 years" (city of Oklahoma City).

Part 3

The above are indicative of the statements filed by approximately 100 cities and included in the body of this report. This information should serve to demonstrate to the President, to Congress, to the Federal W. P. A., and to the people of the country three basic and fundamental facts:

1. Work, and not the dole, is the American way of meeting the relief problem.

2. The W. P. A. projects now in operation constitute valuable and useful public improvements of a permanent character.

3. We have really only begun to find and develop community projects of lasting value to the citizens of American cities.

Part 4. Criticisms of the program

Of course, the cities are not entirely satisfied with the present W. P. A. program. The criticism most frequently voiced is that "not enough people have been put to work." In other words, the plea is made that quotas for every city should be increased so that every employable person is given a job instead of the dole. This is a problem which only Congress can answer, since the number of persons to be employed depends upon the amount of money made available by the Federal Government. Such a criticism is no indictment of the principles behind the work program.

Secondly, there is some feeling on the part of cities that more authority should be vested in the local governments in the conduct of the W. P. A. program. This is an administrative matter which the conference will submit to the proper officials as soon as additional appropriations for the W. P. A. are voted by Congress.

Lastly, there is in our opinion an important criticism that the various Federal programs in the past have not had the element of continuity of operation. It is for that reason that the conference of mayors is urging an appropriation adequate and sufficient to enable the W. P. A. to carry out a full year's program beginning July 1 next. This will make possible the planning of projects over a whole 12 months' period.

There follows, herewith, detailed and supporting data from municipalities in every section of the United States.

PERMISSION TO ADDRESS THE HOUSE

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. FERGUSON. Mr. Speaker, my colleague, the gentleman from Oklahoma [Mr. NICHOLS] has prepared a letter to the President of the United States asking that the present enrollment of the C. C. C. camps be kept at 500,000. Some 250 Members of the House have signed this petition. We would like to send it to the President tomorrow and would appreciate it very much if any of the Members who have not signed, but who desire to, will contact some of us who have these petitions in the cloak rooms. [Applause.]

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, with the unsettled conditions in Europe, with war clouds growing darker day by day, I desire to place in the RECORD at this time in the proceedings of Congress the amount of money which is being expended at the present time upon airports, under the Works Progress Administration, throughout this Nation. I therefore asked Mr. John S. Wynne, in charge of the airport section of the Bureau of Air Commerce, to compile the latest statistics for me showing the projects which are approved and now under way. The first work started in October of 1935. In each of the States, but not at the National Capital, W. P. A. funds are being used for construction and improvement, and I am informed that officials have under consideration for submission airway projects totaling additional expenditures of approximately \$1,200,000 for beacons, radio stations and intermediate fields on airways now established, but with aids incomplete.

Mr. Speaker, I ask unanimous consent to insert this valuable information in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The matter referred to follows:

Status of Works Progress Administration airport program as of Mar. 11, 1936

State	Approved by Bureau of Air Commerce		Under construction	
	Number of projects	Total Federal funds	Number of projects	Total Federal funds
Alabama.....	11	\$236,232.39	9	\$280,864.00
Arizona.....	11	294,480.89	1	92,915.00
Arkansas.....	19	236,218.63	4	42,217.00
California.....	56	6,508,982.00	24	2,785,480.00
Colorado.....	23	628,135.07	3	48,404.92
Connecticut.....	7	575,366.61	8	725,765.34
Delaware.....	3	12,142.50		
District of Columbia.....	1	70,000.00	1	208,756.00
Florida.....	79	1,671,700.19	48	1,218,150.18
Georgia.....	30	970,104.70	20	833,191.70
Idaho.....	25	357,477.00	1	9,287.00
Illinois.....	11	2,684,604.73	4	2,666,813.23
Indiana.....	11	948,854.31	7	566,623.60
Iowa.....	5	116,601.14	3	81,701.14
Kansas.....	13	491,400.54	4	198,052.53
Kentucky.....	1	20,778.00		
Louisiana.....	7	244,515.36	2	41,288.00
Maryland.....	3	668,864.45		
Maine.....	24	516,093.67	10	413,570.00
Massachusetts.....	14	829,298.75	2	653,044.00
Michigan.....	80	1,575,218.71	26	869,710.85
Minnesota.....	10	731,184.76	9	679,538.43
Mississippi.....	42	1,195,379.45	18	585,279.31
Missouri.....	15	695,310.45	6	490,888.00
Montana.....	43	292,071.51	8	184,804.41
Nebraska.....	3	501,295.83	2	476,803.83
Nevada.....	7	307,186.47		
New Hampshire.....	10	223,033.69	6	144,431.69
New Jersey.....	4	2,393,394.00	2	2,313,875.00
New Mexico.....	9	106,983.50	1	11,214.00
New York.....	17	3,942,647.67	13	3,432,544.67
North Carolina.....	12	820,260.00	7	659,793.00
North Dakota.....	9	56,517.50	3	16,895.50
Ohio.....	34	3,539,141.32	18	3,249,815.00
Oklahoma.....	6	280,120.50	1	4,430.00
Oregon.....	36	431,913.00	10	156,411.05
Pennsylvania.....	8	1,517,767.66	4	901,585.90
Rhode Island.....	1	53,946.00	1	53,946.00
South Carolina.....	15	900,603.35	7	749,606.95
South Dakota.....	13	236,544.50	4	142,093.00
Tennessee.....	11	1,882,519.00	4	1,373,219.00
Texas.....	29	1,051,467.49	8	244,454.11
Utah.....	16	355,254.70	5	194,168.75
Vermont.....	6	100,293.00	4	30,001.00
Virginia.....	18	413,665.94		
Washington.....	33	1,683,397.85	13	1,217,956.95
West Virginia.....	6	459,254.00	5	436,093.00
Wisconsin.....	13	425,280.00	4	379,071.00
Wyoming.....	12	222,205.00	2	91,062.00
	872	44,475,707.78	342	29,964,816.04

Mr. RANDOLPH. Mr. Speaker, I also want to bring to the attention of the Members of the House this further fact in connection with unsettled world conditions, and that is that in this Nation practically every concern manufacturing aircraft is located upon the coasts of the United States, and due to the danger from attack we should give serious consideration to the need for aircraft development inland.

In the next few days additional funds will be voted by Congress for work relief, and I am firmly of the opinion that an earmarked amount for airport construction should be made. Because of the national defense need and the permanent improvement, such projects are of unusual importance.

[Here the gavel fell.]

CONSIDERATION OF MEDICAL RECORDS OF OFFICERS BY NAVY SELECTION BOARDS

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAAS. Mr. Speaker, I have introduced a bill to prohibit the consideration by Navy selection boards of the medical records of officers under consideration for promotion.

The medical history of an officer has no proper place in determining his relative fitness for promotion to a next higher grade. If the laws and regulations of the Navy Department, pertaining to the physical condition of officers, are properly being enforced, it must be assumed that the officer is physically fit for the duties he is performing at all times.

The question of whether or not an officer is physically qualified for an advanced rank is one which should be decided upon by the medical authorities after an officer has been selected for promotion and is being examined medically to qualify for such promotion. It is then that it should be determined either that the officer is physically qualified for the advanced rank or that he is not qualified for military duty, in which case he should be retired for such physical disability as disqualifies him for such promotion.

Subsequently if it is found that an officer has been selected and promoted, having been certified by the medical examining board as to his suitability for such promotion, that his condition was such as not to warrant such certification, then the responsibility should be placed squarely upon the members of the board who under oath certified as to the officer's physical condition.

An officer is either fit for duty or he is not fit for duty as far as promotion is concerned, the higher the rank of an officer the less necessity for the rigid physical requirements. It is upon the younger officers that the most strenuous and arduous duties fall and with whom endurance for physical strain is essential. As officers get into the higher ranks their duties become more administrative and executive and it is experience and judgment rather than perfect physique that is necessary.

I feel certain that the enactment of this bill will do a great deal to improve the selection system of promotion in the Navy and Marine Corps. Selection at best is very faulty and unsatisfactory. The more complicated the selection system becomes the more the human equation enters into the consideration to defeat the very purpose of promotion by selection boards, the object of which was supposed to be rigid adherence to the principle of selection solely on the basis of merit as determined by the military proficiency of the officer and his record.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. MORITZ, for 1 week, on account of official business.

To Mr. CROWE, for today, on account of official business.

To Mr. ELLENBOGEN, for 5 days, on account of illness.

To Mr. KELLY (at the request of Mr. BEAM), for 1 week, on account of illness.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. J. Res. 443. Joint resolution to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937; and

H. J. Res. 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, March 16, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

707. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting estimates of appropriations for the Post Office Department for the fiscal year ending June 30, 1936, totaling \$40,581,250, and deficiency estimates for the fiscal year ended June 30, 1935, totaling \$119,500, aggregating in all \$40,700,750 (H. Doc. No. 424), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McSWAIN: Committee on Military Affairs. House Joint Resolution 501. Joint resolution authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell; with amendment (Rept. No. 2198). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TERRY: A bill (H. R. 11790) to convey certain lands in the county of Pulaski, State of Arkansas, to the city of Little Rock, Ark.; to the Committee on Military Affairs.

By Mr. DEROUEN: A bill (H. R. 11791) to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.; to the Committee on the Public Lands.

By Mr. FERNANDEZ: A bill (H. R. 11792) declaring Bayou St. John, in the city of New Orleans, La., a nonnavigable stream; to the Committee on Interstate and Foreign Commerce.

By Mr. GEARHART: A bill (H. R. 11793) to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods; to the Committee on Flood Control.

By Mr. HOBBS: A bill (H. R. 11794) to provide for loans to farmers to enable them to terrace or drain their lands; to the Committee on Agriculture.

By Mr. RISK: A bill (H. R. 11795) to reduce the rate of interest charged to home owners under the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

By Mr. SOUTH: A bill (H. R. 11796) to authorize the establishment of the American Legion National Cemetery of Texas at Legion, Tex.; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H. R. 11797) to authorize the reexamination of claims filed under the act of May 3, 1928, and to construe said act; to the Committee on Indian Affairs.

Also, a bill (H. R. 11798) to authorize the Secretary of the Interior to investigate and report on the loss of title to or the encumbrance of lands allotted to Indians; to the Committee on Indian Affairs.

By Mr. DEROUEN: A bill (H. R. 11799) to repeal the proviso of the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes; to the Committee on the Public Lands.

By Mr. KNUTE HILL: A bill (H. R. 11800) to reimpose a trust on certain lands allotted on the Yakima Indian Reservation; to the Committee on Indian Affairs.

By Mr. McSWAIN: A bill (H. R. 11801) providing for the appointment of additional cadets at the United States Military Academy; to the Committee on Military Affairs.

By Mr. MANSFIELD: A bill (H. R. 11802) to amend section 1 of the act entitled "An act to give wartime rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930; to the Committee on Military Affairs.

By Mr. MERRITT of New York: A bill (H. R. 11803) to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs; to the Committee on Military Affairs.

By Mr. PLUMLEY: A bill (H. R. 11804) to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

By Mr. SCRUGHAM: A bill (H. R. 11805) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render final judgment on any and all claims of whatsoever nature the Snake or Piute Indians of the former Malheur Indian Reservation in Oregon, or any band or group thereof, may have against the United States, and for other purposes; to the Committee on Indian Affairs.

By Mr. SEGER: A bill (H. R. 11806) to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods; to the Committee on Flood Control.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Virginia, regarding the regulation and control of interstate advertising of distilled spirits; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 11807) granting a pension to Adele M. Troutman; to the Committee on Invalid Pensions.

By Mr. BOLAND: A bill (H. R. 11808) granting a pension to Joseph L. Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11809) granting World War veterans' compensation to John Paszczuk; to the Committee on War Claims.

By Mr. CHRISTIANSON: A bill (H. R. 11810) for the relief of Asa J. Hunter; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 11811) to authorize the presentation to Frank P. Lee of a Distinguished Service Cross; to the Committee on Military Affairs.

Also, a bill (H. R. 11812) granting a pension to Lizzie Dudley; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 11813) granting an increase of pension to Christopher Lewis; to the Committee on Invalid Pensions.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 11814) granting a pension to Emma Dailey; to the Committee on Invalid Pensions.

By Mr. WELCHEL: A bill (H. R. 11815) to correct the military record of Newton F. Ray; to the Committee on Military Affairs.

Also, a bill (H. R. 11816) to correct the United States Coast Guard service of Jesse D. Gause; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10520. By Mr. HOOK: Petition of Wilbert Jutila and 11 other patrons of star route 37143, asking Congress to enact legislation that will extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10521. By Mr. O'CONNELL: Resolution of the Town Council of Tiverton, endorsing the purposes and aims of the

national youth administration movement; to the Committee on Appropriations.

10522. By Mr. RISK: Resolution of the Rhode Island Nurserymen's Association, favoring the appropriation of \$3,000,000 by the Congress for the purpose of continuing the eradication of Dutch elm disease; to the Committee on Appropriations.

10523. Also, a resolution of the Rhode Island Arborists Association, favoring the appropriation of \$3,000,000 by the Congress for the purpose of continuing the eradication of Dutch elm disease; to the Committee on Appropriations.

10524. By Mr. SUTPHIN: Petition of the Board of Commissioners of the City of Long Branch, N. J., urging the continuance of the Works Progress Administration; to the Committee on Appropriations.

SENATE

MONDAY, MARCH 16, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 12, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its reading clerks, announced that the House had passed a bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 443) to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937, and it was signed by the Vice President.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Donahay	Loneragan	Russell
Benson	Duffy	Long	Schwellenbach
Bilbo	Fletcher	McAdoo	Sheppard
Black	Frazier	McGill	Shipstead
Bone	George	McKellar	Smith
Borah	Gerry	McNary	Stelwer
Brown	Gibson	Metcalf	Thomas, Okla.
Bulkeley	Glass	Minton	Thomas, Utah
Bulow	Gore	Moore	Townsend
Burke	Guffey	Murphy	Trammell
Byrd	Hale	Murray	Truman
Byrnes	Harrison	Neely	Tydings
Capper	Hatch	Norbeck	Vandenberg
Caraway	Hayden	Norris	Van Nuys
Carey	Holt	O'Mahoney	Wagner
Clark	Johnson	Overton	Wheeler
Connally	Keyes	Pittman	White

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from Nevada [Mr. McCARRAN], the junior Senator from Massachusetts [Mr. COOLIDGE], the Senator from Connecticut [Mr. MALONEY], the Senator from New Mexico [Mr. CHAVEZ], the senior Senator from Massachusetts [Mr. WALSH], and my colleague the junior Senator from Illinois [Mr. DIETRICH], are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily absent.

Mr. TOWNSEND. I announce that my colleague the junior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

SIGNING OF AN ENROLLED JOINT RESOLUTION DURING RECESS

The VICE PRESIDENT announced that under authority granted by the Senate on the 12th instant, on Friday, March 13, 1936, he signed the enrolled joint resolution (H. J. Res. 514) authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes, which joint resolution had previously been signed by the Speaker of the House of Representatives.

ARKANSAS, 1836-1936—A STUDY OF ITS GROWTH AND CHARACTERISTICS

Mr. ROBINSON. Mr. President, I ask that the document herewith presented, entitled "Arkansas, 1836-1936—A Study of Its Growth and Characteristics, in Observance of Its Centenary, 1936", be referred to the Committee on Printing with a view to having it printed as a Senate document.

The VICE PRESIDENT. Without objection, the document will be referred to the Committee on Printing.

PROCEEDINGS OF AMERICAN INSTRUCTORS OF THE DEAF

The VICE PRESIDENT laid before the Senate the report of the proceedings of the twenty-ninth meeting of the convention of American Instructors of the Deaf, submitted pursuant to law, which was referred to the Committee on Printing.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Virginia, which was referred to the Committee on Interstate Commerce:

Whereas the Alcoholic Beverage Control Board, although authorized by the Alcoholic Beverage Control Act to make rules and regulations concerning the advertisement of alcoholic beverages in Virginia, is without power to regulate interstate advertising of such beverages through the press and by means of other agencies: Now, therefore,

Resolved by the Senate of Virginia (the house of delegates concurring), That the Congress of the United States be, and it is hereby memorialized to enact such legislation as will provide for the adequate regulation and control of interstate advertising of distilled spirits; and that a copy of this resolution be promptly transmitted by the clerk of the senate to the presiding officers of the Senate and to each Member of the Congress of the United States from Virginia.

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Board of County Commissioners of Ward County, N. Dak., favoring the adoption of the so-called Townsend old-age revolving pension plan, which was referred to the Committee on Finance.

He also laid before the Senate a resolution adopted by Local No. 2673, United Brotherhood of Carpenters and Joiners of America, of Anacortes, Wash., protesting against alleged discrimination against union members of the Works Progress Administration, and favoring the reinstatement of discharged workers, which was referred to the Committee on Education and Labor.

He also laid before the Senate a letter in the nature of a petition from Charles M. Green, of Lynn, Mass., praying for an inquiry into the receivership and proposed reorganization of the Amoskeag Manufacturing Co., which was referred to the Committee on the Judiciary.

Mr. COPELAND presented a resolution adopted by the General Organization of the New Lots Evening High School, of Brooklyn, N. Y., favoring a continuance of aid to needy students of educational institutions, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of the State of New York, praying for the enactment of Senate bill 1632, providing for the regulation of commerce by water carriers, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of the State of New York, remonstrating against the enactment of

the pending military appropriation bill, and favoring the use of proposed reductions therein toward education and relief purposes, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. CAREY, from the Committee on Military Affairs, to which was referred the bill (S. 4132) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army, reported it without amendment and submitted a report (No. 1686) thereon.

Mr. FRAZIER, from the Committee on Mines and Mining, to which was referred the bill (S. 3748) to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes, reported it with an amendment and submitted a report (No. 1687) thereon.

Mr. COPELAND, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 8300. A bill to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico (Rept. No. 1688); and

H. R. 8797. A bill to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods (Rept. No. 1689).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4190) to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes, reported it without amendment and submitted a report (No. 1690) thereon.

He also, from the same committee, to which was referred the bill (S. 1880) granting the Distinguished Service Cross to Col. John A. Lockwood, United States Army, retired, reported it with amendments and submitted a report (No. 1691) thereon.

Mr. LOGAN, from the Committee on Mines and Mining, to which was referred the bill (S. 3669) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, reported it with amendments and submitted a report (No. 1692) thereon.

Mr. GEORGE, from the Committee on Finance, to which was referred the bill (S. 3247) to amend title II of the National Industrial Recovery Act, as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935, reported it with an amendment and submitted a report (No. 1693) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was recommitted the bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, reported it with amendments and submitted a report (No. 1694) thereon.

ACCEPTANCE OF PAINTING, LIEV EIRIKSSON DISCOVERS AMERICA

Mr. BARKLEY. Mr. President, certain citizens of Norway have presented to the United States a copy of the painting Liev Eiriksson Discovers America. On next Monday that event is to be celebrated in the Capitol by accepting the painting; but, before it can be done, a joint resolution will have to be passed.

I ask unanimous consent for the present consideration of the joint resolution which I send to the desk, and which I report back favorably, without amendment, from the Committee on the Library.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 165) directing the Architect of the Capitol to accept a copy of the painting, Liev Eiriksson Discovers America, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Architect of the Capitol is authorized and directed to accept as a gift to the people of the United States from certain Norwegian citizens a copy of the painting Liev Eiriksson

Discovers America, and to cause such copy to be hung in a suitable place at the National Capitol.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VAN NUYS:

A bill (S. 4271) to extend the time for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 4272) to provide for the extension of the admiralty jurisdiction and for a remedy; and

(By request.) A bill (S. 4273) to amend section 4321, Revised Statutes (U. S. C., title 46, sec. 263), and for other purposes; to the Committee on Commerce.

(By request.) A bill (S. 4274) to amend section 602 of the Revenue Act of 1934; to the Committee on Finance.

(By request.) A bill (S. 4275) to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), and for other purposes; to the Committee on the Judiciary.

By Mr. LOGAN:

A bill (S. 4276) to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930; to the Committee on Commerce.

By Mr. MCGILL:

A bill (S. 4277) to amend section 4 (relating to wind-erosion control) of the act entitled "An act to promote the conservation and profitable use of agricultural-land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes", approved February 29, 1936; to the Committee on Agriculture and Forestry.

By Mr. HARRISON:

A bill (S. 4278) for the relief of Julian J. Gill; to the Committee on Civil Service.

By Mr. BURKE:

A bill (S. 4279) for the relief of Thomas P. Dineen; to the Committee on Claims.

A bill (S. 4280) for the relief of Oscar R. Wolf; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 4281) for the relief of Wade R. Parks; to the Committee on Claims.

A bill (S. 4282) for the relief of James S. Wilson; to the Committee on Finance.

By Mr. WAGNER:

A bill (S. 4283) to make available for national park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.; and

A bill (S. 4284) to repeal the proviso of the act of May 18, 1929 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. TOWNSEND (for Mr. HASTINGS):

A bill (S. 4285) granting an increase of pension to Ella Slaughter (with accompanying papers); to the Committee on Pensions.

(Mr. DAVIS introduced Senate bill 4286, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. BYRD:

A bill (S. 4287) for the relief of Ellen Taylor; to the Committee on Claims.

A bill (S. 4288) granting a pension to Oneida W. Edmonson; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 4289) to correct the military records of DeRosey C. Cabell, Thomas McF. Cockrill, James N. Caperton, Junius H. Houghton, Otto F. Lang, Paul B. Parker, James DeB. Walbach, and Victor W. B. Wales; to the Committee on Military Affairs.

A bill (S. 4290) for the relief of Lindsley M. Brown; to the Committee on Finance.

By Mr. SHEPPARD and Mr. THOMAS of Oklahoma:

A bill (S. 4291) to correct the military record of Clyde Blakley; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 4292) relative to acceptance as third-class mail matter of bills or statements of account produced by photographic or mechanical process; to the Committee on Post Offices and Post Roads.

By Mr. ROBINSON and Mrs. CARAWAY:

A joint resolution (S. J. Res. 229) providing for the contribution by the United States to the expense of the celebration by the State of Arkansas of its admission to the Federal Union; to the Committee on Rules.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 230) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. GUFFEY and Mr. HASTINGS:

A joint resolution (S. J. Res. 231) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware; to the Committee on Banking and Currency.

A joint resolution (S. J. Res. 232) authorizing and requesting the President to extend to the Government of Sweden and individuals an invitation to join the Government and people of the United States in the observance of the three hundredth anniversary of the first permanent settlement in the Delaware River Valley, and for other purposes; to the Committee on Foreign Relations.

By Mr. BULKLEY:

A joint resolution (S. J. Res. 233) providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes; to the Committee on Commerce.

CONVICT-MADE GOODS

Mr. DAVIS. Mr. President, in view of the millions of unemployed, I am opposed to unfair competition of convict-made goods with free labor. I believe that my thought in this regard is shared by millions of right-thinking people throughout the Nation. However, it is not always possible for consumers to know whether or not certain articles are made by prison labor. I hold that each article so made should be plainly and clearly marked with the words "convict made", together with the name and location of the penal or reformatory institution wherein it is produced.

A survey made by the United States Department of Labor in 1932 shows that 82,276 prisoners were employed at productive work at that time. There has been a continued increase of the State-use system whereby all the products made in prison are used in public institutions and none are sold in the general market. In 1905 only 26 percent of all productive labor in Federal and State prisons was under the State-use system. In 1914 this percentage had grown to 33, and in 1923 to 55, while in 1932 it was found that no less than 65 percent were working under the State-use system.

The total value of the products resulting from the labor of 82,276 State and Federal prisoners employed at productive work in the United States was approximately \$75,000,000 in 1932. The manufacture of clothing of various kinds gave employment to the largest number of prisoners—approximately 19,000, or 23 percent, being so employed. More than 22,000,000 shirts having a value of over \$8,000,000 were thus produced during the year 1932. Binder twine, with a total value of some \$4,000,000 in 1932, was a very important item, and it is also of interest to note that some 36,000,000 automobile license tags were made in 1932 by prison labor.

There is a strong opposition to the sale of prison-made goods in competition with those produced by free labor. This led to the passage of the Hawes-Cooper Act, which became effective in 1934. It was the general opinion of prison officials at that time that this act would probably result in most States in the restriction of prison labor exclusively to the State-use system.

I introduce a bill similar to a bill already introduced in the House by Mr. ROBSON of Kentucky and known as H. R. 11372, asking that Public Law No. 215, entitled "An act to prohibit the interstate transportation of prison-made products in certain cases", be amended as follows:

No person shall deliver for shipment any such package, as described in the foregoing section, unless each article therein contained shall be plainly and clearly marked with the words "convict made", together with the name and location of the penal or reformatory institution wherein produced.

I ask that the bill which I now introduce may be referred to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, the bill will be received and referred as indicated by the Senator from Pennsylvania.

The bill (S. 4286) to amend Public Law No. 215, Seventy-fourth Congress, first session, was read twice by its title and referred to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO AGRICULTURAL DEPARTMENT APPROPRIATION BILL

Mr. ROBINSON submitted an amendment proposing to increase the appropriation for forest-fire cooperation from \$1,578,632 to \$2,500,000 intended to be proposed by him to House bill 11418, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRICE DISCRIMINATIONS—AMENDMENT

Mr. COPELAND (by request) submitted an amendment intended to be proposed by him to the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table and to be printed.

ASSISTANT CLERK TO COMMITTEE ON IMMIGRATION

Mr. ROBINSON (for Mr. COOLIDGE) submitted the following resolution (S. Res. 255), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Immigration hereby is authorized to employ until the end of the present session an assistant clerk, to be paid from the contingent fund of the Senate at the rate of \$2,400 per annum.

TAXATION OF TAX-EXEMPT SECURITIES

Mr. LEWIS. Mr. President, I tender a resolution, and ask to have it lie on the table, in order that I may address the Senate at an appropriate time when it will not interfere with the established program. The resolution contemplates some method of taxing the exempt bonds of the Government, and does not touch the subject now under consideration. Thus, I postpone any discussion of it at this time.

The VICE PRESIDENT. Without objection, the resolution will be received and lie on the table.

The resolution (S. Res. 256) was ordered to lie on the table, as follows:

Whereas it is estimated that approximately 20,000,000,000 of Government bonds are exempt from any direct taxation by the United States Government: Therefore be it

Resolved, That Congress by appropriate action legislate appropriate method under the Constitution and laws of the United

States under which bonds and other securities of the United States of America held through purchase of transfer, now exempt from taxation, shall be subject to taxation upon the interest drawn from the bonds—the interest to be taxed on the way from the Treasury to the holder—or the bonds on principal to be taxed on a basis that would be equitable, measured by the necessities of and justice to the people of the United States.

STUDY OF TRANSPORTATION IN EUROPEAN COUNTRIES

Mr. SHIPSTEAD submitted the following resolution (S. Res. 257), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, is authorized and directed, either in the United States or abroad, to study ocean, rail, inland-waterway, and truck and bus transportation in the several European countries with a view to determining to what extent and in what manner such transportation is subjected to government regulation, the effectiveness of such regulation and the effect of such regulation upon such transportation, and upon the level of rates, fares, and charges paid by the public, and the measure of coordination, if any, between the various transportation agencies. The committee shall report to the Senate (or to the Secretary of the Senate, if the Senate is not in session) the results of its study, together with such recommendations for legislation as it deems advisable.

The committee, or any subcommittee thereof, is authorized to sit and act at such places within or outside the United States, whether or not the Senate is sitting, has recessed, or has adjourned, to employ and fix the compensation of such experts, and clerical and stenographic assistants, to have such printing and binding done, and to make such expenditures as it deems necessary.

The expenses of the committee, not to exceed \$, including traveling expenses, shall be paid from the contingent fund of the Senate, upon vouchers approved by the committee and signed by the chairman, or member of the committee designated by him.

RESTRICTION OF IMMIGRATION—ADDRESS BY SENATOR REYNOLDS

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD a radio address which I delivered last Thursday night at 11:15 p. m. from Washington, D. C., over station WMAL, through the network of the National Broadcasting Co. The address concerned itself with the question of immigration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am not going to make a political speech. On the contrary, I am making an appeal to every citizen of the United States and to every law-abiding alien who is legally within the confines of our country. There are now bills pending in Congress which, in my opinion, are a menace to our Nation and an insult to every law-abiding alien who is legally in the United States. I refer to the Kerr-Coolidge bills.

I feel, as a United States Senator representing the great State of North Carolina, and having at heart the interest of the whole Nation, that I would be derelict in my duty if I failed to lay before you all the facts regarding the Kerr-Coolidge bills.

First. The Kerr-Coolidge bills, which are identical, create an interdepartmental committee composed of a representative from the State Department, one from the Department of Justice, and the third member from the Department of Labor.

Second. The Kerr-Coolidge bills specifically exempt from deportation alien narcotic addicts.

Third. The Kerr-Coolidge bills grant broad discretionary power to the proposed interdepartmental committee allowing alien criminals of the most dangerous, immoral, and diseased classes to remain in the United States for purely sentimental reasons. These aliens are mandatorily deportable under existing statutes.

Fourth. The Kerr-Coolidge bills grant the same broad discretionary power to the proposed interdepartmental committee to refrain from deporting aliens who enter the country illegally, or who remain here in violation of the present law.

Fifth. The Kerr-Coolidge bills grant broad discretionary power to the Commissioner of Immigration to allow an alien admitted for a temporary stay to remain permanently in the country, despite the fact that in making application for temporary admission, the alien swore that he sought entry for a strictly limited period of time. This provision puts a premium on dishonesty and bars the honest alien who seeks to enter through legal channels after securing his visa abroad.

Sixth. The Kerr-Coolidge bills grant broad discretionary power to the proposed interdepartmental committee to permit an alien who is in the United States in violation of the law to escape deportation if he has a relative, even by marriage or adoption, in the United States, and this relative need not be a citizen of the United States.

Seventh. The Kerr-Coolidge bills, in effect, nullify the penal provisions of the present laws which were drafted to protect our country from an influx of aliens.

Eighth. The Kerr-Coolidge bills are strongly opposed by the 21 standard railroad labor organizations, the American Federation of Labor, the American Legion, the Veterans of Foreign Wars, the Sons of the American Revolution, the Junior Order of the United

American Mechanics, the Patriotic Order of the Sons of America, the Military Order of the World War, and the American Coalition of 115 patriotic, civic, and fraternal societies throughout the United States.

To give you an idea of how un-American this proposed Kerr-Coolidge legislation is, I want to state the names of a few of the organizations supporting this measure: The American Civil Liberties Union, which everyone knows is the defender of radical activities throughout the Nation; the International Migration Service, with headquarters in Geneva, Switzerland, and a British viscountess as its honorary president; the Foreign Language Information Service, which, so far as I know, has never failed to oppose immigration legislation designed to protect the American people; and the National Institute of Immigrant Aid.

Let me add that the Commissioner of Immigration and Naturalization, born in Scotland and a naturalized citizen, says that every organization he knows interested in the welfare of the alien has endorsed this bill.

Advocates of the Kerr-Coolidge bills—and they are led by the Department of Labor—insist that opposition to their provisions is due to the fact that the intent of these measures are not understood. To the contrary, I believe the opposition is due solely to the fact that the intent and purposes of these measures are thoroughly understood by the opponents, and I am one of those opponents.

By varying estimates, there are between five and eight million persons in this country who owe no allegiance to our Government. The Commissioner of Immigration estimates that there are approximately 5,000,000 aliens in the United States. Others estimate the figures to be between seven and eight millions; but whatever the number of these aliens may be, they live here and work here, and, for reasons best known to themselves, they prefer to retain their citizenship in the countries from whence they came.

Statistics vary, but the best information available places the number of these aliens now employed in this country at approximately 3,000,000. Those 3,000,000 aliens now employed displace 3,000,000 Americans, who must either be maintained on relief by the taxpayers or else maintain themselves through the exhaustion of their savings. It is said that a million and a half or more of the aliens now in the United States are on relief and are maintained at the expense of the American taxpayers. The expenses to date for the support of these aliens runs into untold millions of dollars, all of which must be paid by our American people.

Let me direct your attention to the fact that there are now 12,625,000 people out of work in the United States, according to the last survey made by the American Federation of Labor. Now, let us examine the facts about this situation, using only such information as has been made available by the Department of Labor itself.

By the Department's own figures, there are now in the United States 2,862 aliens, who, under existing laws, would be mandatorily deportable.

Without any authority of law, for 2 years and 8 months the Department of Labor has prevented these deportations. Specifically, the Department of Labor now asks Congress to enact the Kerr-Coolidge bills so that these same 2,862 aliens may legally be permitted to remain in this country.

Who are these aliens for whom the Department of Labor is so solicitous?

1. According to the Department's own statement, practically all—at one time the Department used the figure 98 percent—entered this country illegally.

2. From the departmental records it is proven that many—a large percentage, possibly—when they entered the country illegally actually committed a second crime, that of perjury, for which the penalty as prescribed by existing law is a fine of \$10,000 or imprisonment for 5 years or both.

3. The Labor Department's own records disclose that among these aliens, for whose particular benefit Congress is now asked to relax existing laws, there are those who are:

Public charges.

Criminals with long or short police records.

Those who flout not only civil and criminal law but moral laws as well.

To me not the least amazing feature of this attempt on the part of a great governmental agency, to break down immigration barriers erected by Congress in its desire to protect American citizenship, is the persistency with which the attack is maintained.

This is not the first Congress which has been asked to take this step.

In the past 3 years Congress has, by emphatic vote, refused its approval to the proposal submitted by the Department of Labor.

Notwithstanding this definite refusal of Congress to be a party to what seems to me an over-bold attempt to protect thousands of aliens who have defied our laws from the day they set foot on our shores, the pressure on their behalf continues.

The Kerr-Coolidge bills have been called alien deportation acts. They are misnamed. They should be designated bills to protect the alien criminal, the alien narcotic addict, and the alien undesirables of every class from deportation.

Are there any of my listeners tonight who believe for one moment there is another nation on the face of the earth which would put the interest of the alien above that of the citizen? I appeal to you now to telegraph or to write immediately to your Senators and to your Congressmen and urge them to oppose with all their vigor the Kerr-Coolidge bills.

In conclusion, ladies and gentlemen, may I say that at the present time I have a bill pending in the United States Senate which, if enacted, will rid this country of undesirable aliens,

protect the honest and law-abiding immigrant, and tighten up the immigration laws. Congressman STARNES, of Alabama, is sponsoring the Reynolds-Starnes bill in the House of Representatives; however, I shall not attempt an explanation of any bill tonight.

Finally, don't neglect to wire or write, at once, your Senators and Congressmen to oppose the Kerr-Coolidge bills.

Thank you.

MEMORANDUM FOR EMPLOYEES OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there may be published in the RECORD a general memorandum for employees of the Agricultural Adjustment Administration, issued by Mr. Chester C. Davis, Administrator, under date of March 9, 1936.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

GENERAL MEMORANDUM FOR EMPLOYEES OF THE AGRICULTURAL ADJUSTMENT ADMINISTRATION

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,

March 9, 1936.

I am using this approach to explain some of the steps that have been taken during the past 2 months as well as to look forward with you into what may be expected under our future operations. Now that the Soil Conservation and Domestic Allotment Act has become law, we can begin to sight down the road and size up our responsibilities under the new agricultural program.

First, in the way of background, I want to tell you that plans had been under consideration several months prior to the Court's decision for a decentralization of the paper work in connection with the new projected programs. This was being studied looking toward the possibilities of greater efficiency and economy of operation. If those plans could have been carried forward an opportunity would have opened for many people to return to their home States during February and March of this year. This would have made it possible immediately to offer field employment to the some 700 employees in the Controller's Office appointed after May 31, 1935, who under normal circumstances would have been separated from the service late in January. These plans were interrupted by the decision, however, and since the retention of these employees could not be justified for a clean-up program, they were placed on furlough status. Also each division was requested to submit a list of the people who would not be needed in completing existing work. In making up these lists consideration was given to the type of work for which the employees were trained, along with their efficiency rating and length of service. At the same time the required provisions of law relating to married employees in the service were observed, and of this class usually it was the employee in this Administration who elected to take the furlough. Furthermore, the laws relative to military-preference employees have been rigidly followed.

Immediately after the decision our personnel offices went into action and began to arrange for transfers to other Government agencies. They not only assisted furloughed employees in securing other employment, but also arranged transfers for many not on the furlough list. This relieved the situation considerably and made it possible to retain many employees who otherwise would have been placed on furlough. This work is going on, and as a result we have in some instances been able to recall employees who have not been successful in their search for other employment. However, it has only been possible to recall employees in certain classifications.

Now, a word about these furloughs. They were given instead of terminations out of consideration for the uncertainties then existing and in order that our civil-service employees could maintain their eligibility for transfer to other governmental agencies. Every employee placed on furlough status was also given credit for the accrued annual leave he earned during his connection with this administration. I believe that when all things are considered the furlough plan has many advantages and is in the interest of the greatest number of employees.

So much for the past. Most of you are primarily interested in the steps to be taken under the new program in order that you can shape your plans accordingly. Those of you who have studied the new legislation realize that it represents an entirely different approach to the agricultural problem. When the Agricultural Adjustment Act became law in 1933 I doubt if many knew exactly how it could be administered. Much the same situation prevails today, but with a background of experience we do know that the necessary organization can be put in shape to move forward—and I believe successfully.

Although our plans are still in the formative stage, we are in agreement on certain features of the new program in which you are interested. Probably the most important feature from your standpoint will be the decentralization of all work involving the examination and approval of applications for grants. With this work being handled in the field, the organization necessary to carry the load in Washington will be relatively small. I realize there has been a general misunderstanding on this point, giving rise to many unfounded rumors, and for this reason I want to outline briefly the procedure that will be followed.

Congress has recently authorized the payment of obligations under the Agricultural Adjustment Act accrued prior to January 6. The Members of Congress and the many contract signers are expecting a workmanlike job in clearing these obligations, and I believe you will back me to the limit in assuring them that they are going to see the job done just as efficiently as it was being handled before the decision. In this connection I have heard rumors to the effect that from anywhere to 2,500 furlough notices had been prepared and were ready to be sent out. Let me assure you that this is not only untrue but that, as far as I know, no person in an administrative capacity has even made such a recommendation. It is true that furloughs will be inevitable as the work decreases, but it is not contemplated that any further furloughing will be necessary before May 15. We are attempting to arrange new positions and transfers to other agencies for our employees in order to hold furloughs to a minimum.

With this objective in mind, our efforts in assisting employees to find other employment will be intensified. I am sure that most of you know Julien Friant and James E. Jones or know of the interest that they have in you. They have taken over this job, and I know that they will do their best in helping you work out your individual problems. We realize that there are many employees in such circumstances that it would not be feasible for them to accept employment outside of Washington, and they will be given every assistance in securing transfers to other governmental agencies.

First consideration for appointments in connection with the new program will be given to those of you who have gone down the line with us here and those employees already in the field who have been with us through the several commodity-program campaigns. I want you to understand that no inexperienced personnel will be employed until it has been determined that the positions in the State offices cannot be filled by people from that State who have had experience either in Washington or in the State commodity offices under the old programs. If your services have been satisfactory and you are interested in returning to your home State, you may be sure that you will be among those receiving preferential consideration for any openings that may develop. It is expected that work in the field offices under the new program will start around the 1st of August.

Recently a canvass of the organization was made to find employees who were willing to accept employment in their home States in connection with the cotton-price-adjustment offices. I feel that our purpose in this was generally misunderstood. We expect that this work will last approximately 6 months, after which we will be moving forward under the new program. So, although we can only promise temporary employment, prospects are exceptionally good that the people selected for these positions will find continuous work. Some of these positions are still available, and I hope that some of you will find it possible to take advantage of the opportunity offered.

In conclusion, I want to assure you that your welfare is a matter of great concern to this Administration, and every effort will be made to make the required personnel adjustments in an orderly and humane manner.

Sincerely yours,

CHESTER C. DAVIS, Administrator.

LOBBYIST, 1936 MODEL—ARTICLE FROM NEW YORK TIMES MAGAZINE

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in yesterday's New York Times Magazine entitled "Lobbyist—1936 Model."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOBBYIST—1936 MODEL—CONGRESSMAN BLUMPUS LEARNS HOW THE STEAM IS APPLIED IN THE HIGH-PRESSURE MACHINERY

By Duncan Aikman

WASHINGTON.—Congressman Blumpus is having heat trouble. But it has nothing to do with the climate in the District of Columbia. It is entirely a matter of the Blinders bill and the voters back home.

Mr. Blumpus returned to the final session of the Seventy-fourth Congress only dimly aware that a Blinders bill existed. It is one of those painfully technical measures invoking the interstate-commerce powers of the Government to alter the scope of operations for certain major industries. Congressman Blumpus original hope was that he could get some statesmanlike advice from his party whips on how to vote on it and so avoid bothering his head with bewildering details. After all, he has mental troubles enough with the bills that come up in his own committees.

But the Congressman knows better now. Three weeks ago tomorrow he got a dozen telegrams from Smithville—a manufacturing town of about 8,000 in the northern end of his district—telling him he was expected to go out and battle for the Blinders bill from now on. Next day there were 50 similar telegrams from Jonesville. The next, there were 202 from Blankborough—the district's metropolis. In larger or smaller furies, according to the size of the towns, the wires kept coming for 10 days until all the population centers in the district had been exhausted.

The wires were mostly from businessmen, but there was an impressive mixture of labor leaders and local political celebrities.

They all said substantially the same thing: "Counting on you to put your shoulder behind the Blinders bill, which will do a lot for business (or labor, or farm markets, or the political set-up) around here. Stop. Best of luck."

"You can sure pick up that lobby's walking delegate's trail through the district, can't you?" snorted Congressman Blumpus' secretary about the third day of the deluge.

"Yeah," said the Congressman. "It looks like a headache."

It was. When the mails could catch up with the telegraphic facilities, resolutions endorsing the Blinders bill began pouring in from the chambers of commerce, the Young Voters' Federated Forums, the Independent Citizens' Alliance, the United Jeffersonian Clubs of Brown County, and so forth. Letters rolled in from merchants, lawyers, and manufacturers; there were others in the hard scrubs of day laborers and old-time farmers, and in the neat hands of politically conscious housewives. Workers of more or less efficacy in his late campaign took to transmitting barbed bits of political gossip. "Hear So-and-So is coming out against you in the primary if you don't declare for the Blinders bill", was the burden of these discourses. "Sure hope you will see your way clear to do so."

Businessmen in Washington on visits began dropping into the Congressman's office. Five out of six of them, by the secretary's check, worked the conversation around to the Blinders bill. A surprise delegation of three old-fashioned farmers appeared. As they sat on the edge of their chairs with their hats on their knees, the Blinders bill's potential benefits to the farm markets seemed to be the only conversational topic they could think about. Meanwhile, half a dozen daily and 19 weekly newspapers in the Congressman's district started campaigning for the Blinders bill.

Eventually Congressman Blumpus decided to take a run out to the Midlands to see what the shouting was all about. He found awaiting him this letter from the Citizens' Progressive Political Study League (stationery claimed 50,000 voting members): "You are requested to attend our meeting at 8 p. m. tonight and make a full and explicit statement of your attitude on the Blinders bill. If you do not see fit to attend, our organization necessarily will assume that you are opposing this bill for unjust and insufficient reasons."

Snarling grimly, Congressman Blumpus goes into conference with his political lieutenants. "What I want to know," he begins violently, "is how much of this Blinders bill is real and how much fake?" And for that reason he is keenly interested in the Senate committee's inquiry into lobbying.

Congressman Blumpus is a typical victim of the Washington legislative lobby, 1936 style. Yet all this time he has not seen a professional lobbyist. No one has invited him to Lucullan dinners or to exclusive house parties with the Blinders bill's multimillionaire backers. No one has suggested that Mrs. Blumpus might like to go to an intimate tea at the mansion of an internationally known hostess and meet the visiting Dutchess of Ipecac. No one has sent cases of rare wines or liquors or jumbo boxes of de luxe cigars. Mr. Blumpus reflects humorously that if he were the kind of Congressman who would like a \$1,000 bill for his vote on the Blinders bill, he wouldn't know where to go for it and would probably be kicked downstairs if he tried. In fact, he has to do a little telephoning around to find out where the Blinders bill lobby is working from and who is running it.

During his week-end in the district however, Congressman Blumpus learned plenty. There had been a quiet meeting of the "key men" of commerce and industry in Blankborough the week after New Year's. It was addressed by spokesmen for national big business and a decision was reached to "go for" the Blinders bill 100 percent and "put the word out." So when a district organizer for the crusade passed along the Blumpus home front his job was easy.

All the chamber of commerce secretaries along the line already had "the word." So the organizer's duties were confined to sitting at their elbows while they telephoned the local magnates most likely to acquiesce in the suggestion that the time had come to send their Congressman Blinders bill telegrams.

In addition to calling on chamber of commerce secretaries, the organizer held a series of levees for various brands of local talent—chiefly lawyers and aspiring young politicians. No one was precisely promised anything like a legal retainer or a contribution to his campaign fund. All the same, most of the organizer's callers came away with the feeling that they had made a "swell contact" and that it would be a good idea to do something to deserve it. Consequently, within a week after the organizer's passage, nearly every club in every locality he visited—political, social, or occupational—was addressed by a volunteer spokesman for the Blinders bill, and induced to adopt a resolution for the Blumpus mails.

A little more investigation uncovered the rest of the background. The political small fry enlisted by the organizer had persuaded their relatives, dependents, pool-room intimates, and hangers-on to write the affecting series of personal letters the Congressman had been getting. A distinguished labor leader had been promoted to the management side of operations and now his chief duty seemed to be addressing labor groups on the virtues of the Blinders measure. Even the three old farmer partisans turned out to be poor relations by marriage of an executive in a pro-Blinders corporation.

Today, after his week-end of fact-checking and soul-wrestling, Congressman Blumpus has decided to fight the Blinders bill to a finish. He is honestly convinced that its benefits to business in general have been greatly exaggerated and that it would do business in his own district positive harm. Still he takes off

his hat to this intensive promotion of the favor-trading industry in his district. It was about the slickest demonstration of pressure lobby politics he has seen since he came to Congress. If they'd overdone it just a little less, they might have got him.

The Blinders bill campaign is Washington's latest type of lobby and it calls for a distinct, if not altogether unprecedented, type of lobbyist. Let us say for purposes of blurred identification that the Blinders lobby is conducted by an expert called Earl Smithers.

Mr. Smithers brings to his post great natural talents, vast experience, an exhaustive acquaintance with nearly every brand of regional "Who's Who" the Nation offers, and a controlling maxim. After graduating brilliantly from an advertising agency 15 years ago, he managed national publicity campaigns for a number of corporations whose public relations were important, and went on from there to direct political relations for a national association of "vested interests" in a dozen State capitals between Massachusetts and Oregon.

As a result of his professional gaddings about, he knows "key men" everywhere—newspaper publishers, editors, and star reporters; political leaders, both real and ostensible; financial magnates whose words are virtually commands on the corporation front in their regions, the special pleaders and ballyhoo artists for various types of business interests. He knows ward bosses in Connecticut, pulpit leaders in San Francisco, distinguished educators in the Middle West, labor leaders, national panjandrums of lodge brotherhoods, chieftains of veterans' organizations, and fellow lobbyists of greater and less degree everywhere. If need develops, he can get someone to make a point for him in the St. Louis City Council or a southern church convention.

Curiously enough, he hasn't a particularly extensive acquaintance with Congressmen and Senators. This is because the maxim, "Never embarrass a statesman by forcing a lobbyist's attentions upon him unless he likes it" is his first rule of conduct. He knows perhaps a dozen Congressmen and a Senator or two who do "like it", and when it comes to these he can entertain with reasonable magnificence. What he prefers to do is to operate as a coordinator of field armies.

When a campaign is on Mr. Smithers is hardly visible in Washington. He keeps away from committee hearings unless officially summoned, preferring to have his side presented by bluff businessmen, and an occasional corporation lawyer, because it sounds "less professional." As he conceives his job, he is not a personal-contact man at all, except with an inner group of statesmen who were on his side from the beginning and have been picked to act as his congressional strategists. With these he is constantly in touch. But most of the time he sits in his office rolling up prodigious telephone bills as he keeps in touch with "progress" in two-thirds of the States and scores of congressional districts. Indeed, he appointed and daily instructed the organizer who "turned on the heat" in the Blumpus district.

At crucial points in his struggle Mr. Smithers may even be absent from Washington. If the front seems to be crumbling in California, or Arkansas, or Minnesota, he will hop an airplane to straighten out the situation, leaving Capital operations to take care of themselves. He knows that if the armies out in the field keep striking simultaneously his Washington job is three-fourths done.

And when the final vote comes you won't see Mr. Smithers waiting in the gallery to receive congratulations. The boys in the districts put this over, is his attitude, so let 'em celebrate in the districts. He'll take his, thank you, at a little testimonial dinner the nabobs of his business group throw him in New York, with perhaps a fat bonus check for an appetizer. Meanwhile, he hopes, with becoming and very genuine modesty, that his name won't even get into the newspapers.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

WAR DEPARTMENT APPROPRIATIONS

The VICE PRESIDENT. The question is on the motion of the Senator from Kansas [Mr. CAPPER] that the Senate proceed to the consideration of a bill the title of which will be stated.

The CHIEF CLERK. A bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

Mr. COPELAND. Mr. President, I ask unanimous consent that the pending motion may be laid aside temporarily so that the Senate may proceed to the consideration of the War Department appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York that the pending motion submitted by the Senator from Kansas may be temporarily laid aside for the purpose of considering the War Department appropriation bill.

Mr. McNARY. I understand that the request is that the pending motion be laid aside temporarily in order that the appropriation bill may be taken up?

The VICE PRESIDENT. The request is that the motion of the Senator from Kansas be temporarily laid aside for the purpose indicated. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. COPELAND. I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. COPELAND. Mr. President, I think it will expedite consideration of the bill if I make a brief statement of the policy pursued by the committee.

There are a number of items in the bill which are related to one general proposal. It will be recalled that last year, after serious consideration of the matter, the Senate adopted a plan by which the Army was to be increased to 165,000 enlisted men, with a corresponding increase in the number of officers. It has been found by the committee that, as a matter of fact, notwithstanding the action of the Congress, the number of men actually enlisted has been only 147,000, and that no progress is being made beyond that point because of the suggestion of the Budget Bureau to the War Department.

The committee went over the matter again, reviewed the evidence, and decided it was wise that we should have 165,000 enlisted men and the appropriate number of officers. General MacArthur last year and General Craig this year said that we ought to have in the Army 280,000 enlisted men. The committee feels that 165,000 is the reasonable number we should now have, certainly in view of our action of last year. So, a good many of the amendments which will be offered are with a view to conforming to the general principle that the Army shall consist of 165,000 enlisted men.

There is a further addition relating to the Army Engineers. Senators will recall that last year when the flood-control bill was before the Senate, largely because of a very humorous and effective speech by the Senator from Maryland [Mr. TYDINGS], the flood-control bill was sent back to the committee. That bill carried authorizations for \$604,000,000. Since that time we have added \$180,000,000, making a total of \$784,000,000. Since those authorizations have not been made by law, unless they should be made by some further action of the Congress and appropriated for, the only activity of the Army Engineers this year will be in connection with river and harbor items.

The Budget allowed \$100,000,000 for these items, we increased the amount to \$150,000,000, and a proposal for an additional amount will be presented, I presume, in due time by the Senator from Florida [Mr. FLETCHER].

The committee thought it wise that we should go forward rather more energetically with the river and harbor projects, in view of the fact that unless further action be taken they will constitute the sole activities of the Army engineers. Accordingly the Army engineers were asked to submit to the committee the list of those amounts which can be profitably expended during the fiscal year 1937 on projects authorized by Congress, necessary in the interest of commerce and navigation, and on which no substantial delay is expected in the fulfillment of local cooperation. So the projects which are included in the bill are those which have been begun and those which have been authorized and are considered by the Army engineers to be necessary.

We had a further thought in the matter to the effect that we still have unemployment in the country and that by the pursuit of the plan to carry on these engineering projects there would be material relief of that situation throughout the United States.

On pages 5, 6, 7, and 8 will be found the list of projects and the amount of money allocated to each. It will be seen

that the entire country is covered. As a matter of fact, if we should adopt this policy it would furnish means of employment activity throughout the country.

I thought it wise to advise the Senate of these matters in order that all might understand the reasons for the increases over the sums carried in the bill as it passed the House. It explains why the amounts carried by the bill as reported by the Senate committee are as large as they are.

Mr. FRAZIER. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from New York yield to the Senator from North Dakota?

Mr. COPELAND. I yield.

Mr. FRAZIER. I wish to ask the Senator if the river and harbor expenditures totaling \$150,000,000, placed in the bill on the recommendation of the Army engineers, are taken care of by the amendments of the Senate Committee on Appropriations increasing the various amounts?

Mr. COPELAND. They are.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. ROBINSON. No appropriation is carried in the bill, as I understood the Senator's statement, except for projects which have been authorized.

Mr. COPELAND. That is correct. They have been studied and presented by the Army engineers, approved by the two committees of Congress, and authorized in acts of Congress.

Mr. ROBINSON. The total amount carried for the river and harbor improvements is \$150,000,000, I believe.

Mr. COPELAND. Yes; the total amount is \$150,000,000, as shown on the last page of the report of the committee. The House allowed a smaller amount.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from New York yield to the Senator from Michigan?

Mr. COPELAND. I yield.

Mr. VANDENBERG. I understand all the river and harbor projects carried in the bill have been covered by enabling acts of Congress.

Mr. COPELAND. Yes; every one.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Military activities and other expenses of the War Department incident thereto—Salaries, War Department", on page 3, line 10, after the word "exceed", strike out "\$303,960" and insert "\$323,960", so as to read:

Office of Chief of Engineers, \$123,260: *Provided*, That the services of skilled draftsmen, civil engineers, and such other services as the Secretary of War may deem necessary may be employed only in the office of the Chief of Engineers, to carry into effect the various appropriations for rivers and harbors, surveys, and preparation for and the consideration of river and harbor estimates and bills, to be paid from such appropriations: *Provided further*, That the expenditures on this account for the fiscal year 1937 shall not exceed \$323,960; the Secretary of War shall each year, in the Budget, report to Congress the number of persons so employed, their duties, and the amount paid to each.

The amendment was agreed to.

The next amendment was, under the heading "Military activities—Field exercises", on page 9, line 4, after the word "for" to strike out "payment of claims not exceeding \$500 each in amount for damages to or loss of private property incident to such exercises that have accrued or may hereafter accrue: *Provided*, That settlement of such claims shall be made by the General Accounting Office upon the approval and recommendation of the Secretary of War where the amount of damages has been ascertained by the War Department and payment thereof will be accepted by the owners of the property in full satisfaction of such damages" and insert "settlement of claims (not exceeding \$500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when each claim is substantiated by a report of a board of

officers appointed by the commanding officer of the troops engaged, and approved by the Secretary of War, whose action thereon shall be conclusive, \$255,321", so as to read:

For all expenses required for the conduct of special field exercises, including participation therein by the National Guard and the Organized Reserves, comprising allowances for enlisted men for quarters and rations, movement of matériel, maintenance, and operation of structures and utilities, and any other requisite supplies and services, and for settlement of claims (not exceeding \$500 each) for damages to or loss of private property resulting from such exercises that have accrued or may hereafter accrue, when each claim is substantiated by a report of a board of officers appointed by the commanding officer of the troops engaged, and approved by the Secretary of War, whose action thereon shall be conclusive, \$255,321.

The amendment was agreed to.

The next amendment was, under the subhead "Finance Department—Pay of the Army", on page 10, line 10, before the word "commissioned", to insert "three hundred and fifty"; in the same line, after the word "officers", to strike out "\$33,944,252" and insert "\$34,619,252"; in line 14, after the word "officers", to strike out "\$2,186,501" and insert "\$2,224,001"; in line 16, after the word "by", to strike out "nonflying" and insert "nonrated"; in line 18, after the word "such", to strike out "nonflying" and insert "nonrated"; in line 20, after the word "and", to strike out "fifty" and insert "sixty-five"; in line 22, after the name "Philippine Scouts", to strike out "\$60,883,292, and, in addition, \$2,344,211 of the appropriation 'Pay of the Army, 1936', which sum shall remain available until June 30, 1937, for defraying the cost of increasing the enlisted strength of the Regular Army from an average of 147,000 to an average of 150,873 enlisted men, and shall be available also for the objects embraced by and in addition to other appropriations contained in this act", and insert "\$66,573,060"; in line 22, after the word "available", to strike out "\$6,309,574" and insert "\$6,481,574"; in line 23, after the word "allowances", to strike out "\$5,912,561" and insert "\$6,031,511"; on page 12, line 7, after the words "in all", to strike out "\$153,759,906" and insert "\$160,453,124"; and in line 11, after the word "discharges", to strike out "\$153,474,906" and insert "\$160,168,124", so as to read:

For pay of not to exceed an average of 12,350 commissioned officers, \$34,619,252; pay of officers, National Guard, \$100; pay of warrant officers, \$1,474,844; aviation increase to commissioned and warrant officers of the Army, including not to exceed 5 medical officers, \$2,224,001, none of which shall be available for increased pay for making aerial flights by nonrated officers at a rate in excess of \$1,440 per annum, which shall be the legal maximum rate as to such nonrated officers; additional pay to officers for length of service, \$9,706,748; pay of not less than an average of 165,000 enlisted men of the line and staff, not including the Philippine Scouts, \$66,573,060; pay of enlisted men of National Guard, \$100; aviation increase to enlisted men of the Army, \$508,782; pay of enlisted men of the Philippine Scouts, \$1,050,447; additional pay for length of service to enlisted men, \$4,759,614; pay of the officers on the retired list, \$12,369,850; increased pay to not to exceed 7 retired officers on active duty, \$9,145; pay of retired enlisted men, \$13,589,060; pay not to exceed 60 civil-service messengers at not to exceed \$1,200 each at headquarters of the several Territorial departments, corps areas, Army and corps headquarters, Territorial districts, tactical divisions and brigades, service schools, camps, and ports of embarkation and debarkation, \$72,000; pay and allowances of contract surgeons, \$53,076; pay of nurses, \$899,260; pay of hospital matrons, \$600; rental allowances, including allowances for quarters for enlisted men on duty where public quarters are not available, \$6,481,574; subsistence allowances, \$6,031,511; interest on soldiers' deposits, \$30,000; payment of exchange by officers serving in foreign countries, and when specially authorized by the Secretary of War, by officers disbursing funds pertaining to the War Department, when serving in Alaska, and all foreign money received shall be charged to and paid out by disbursing officers of the Army at the legal valuation fixed by the Secretary of the Treasury, \$100; in all, \$160,453,124, less \$285,000 to be supplied by the Secretary of War for this purpose from funds received during the fiscal year 1937 from the purchase by enlisted men of the Army of their discharges, \$160,168,124; and the money herein appropriated for "Pay of the Army" shall be accounted for as one fund: *Provided*, That during the fiscal year ending June 30, 1937, no officer of the Army shall be entitled to receive an addition to his pay in consequence of the provisions of the act approved May 11, 1908 (U. S. C., title 10, sec. 803).

The amendment was agreed to.

The next amendment was, on page 12, after line 17, to strike out:

LXXX—238

None of the money appropriated in this act shall be used to pay any officer on the retired list of the Army who for himself or for others engages in the selling, contracting for the sale of, negotiating for the sale of, or furnishing to the Army or the War Department any supplies, materials, equipment, lands, buildings, plants, vessels, or munitions. None of the money appropriated in this act shall be paid to any officer on the retired list of the Army who, having been retired before reaching the age of 64, is employed in the United States or its possessions by any individual, partnership, corporation, or association regularly or frequently engaged in making direct sales of any merchandise or material to the War Department or the Army.

And in lieu thereof to insert:

None of the money appropriated in this act shall be paid to any officer of the Army on the active list while such officer is employed by any person or company furnishing war materials or supplies to the Government, and such employment is hereby made unlawful: *Provided*, That no payment shall be made from money appropriated in this act to any officer on the retired list of the Army who, for himself or for others, is engaged in the selling of, contracting for the sale of, or negotiating for the sale of, to the Army or the War Department, any war materials or supplies.

The amendment was agreed to.

The next amendment was, under the subhead "Travel of the Army", on page 15, line 7, after the word "employees", to strike out "\$3,096,027" and insert "\$3,126,027", so as to read:

For travel allowances and travel in kind, as authorized by law, for persons traveling in connection with the military and nonmilitary activities of the War Department, including mileage, transportation, reimbursement of actual expenses, or per-diem allowances, to officers and contract surgeons; transportation of troops; transportation, or reimbursement therefor, of nurses, enlisted men, recruits, recruiting parties, applicants for enlistment between recruiting stations and recruiting depots, rejected applicants for enlistment, general prisoners, cadets and accepted cadets from their homes to the Military Academy, discharged cadets, civilian employees, civilian witnesses before courts martial, dependents of military personnel, and attendants accompanying remains of military personnel and civilian employees; travel pay to discharged military personnel; transportation of discharged prisoners and persons discharged from St. Elizabeths Hospital after transfer thereto from the military service, to their homes, or elsewhere as they may elect, the cost in each case not to be greater than to the place of last enlistment; hot coffee for troops traveling when supplied with cooked or travel rations; commutation of quarters and rations to enlisted men traveling on detached duty when it is impracticable to carry rations, and to applicants for enlistment and general prisoners traveling under orders; per-diem allowances or actual cost of subsistence while in a travel status, to nurses, civilian employees, civilian witnesses before courts martial, and attendants accompanying remains of military personnel and civilian employees, \$3,126,027, which may be increased, subject to the approval of the Director of the Bureau of the Budget, by transfers from other appropriations contained in this act of such amounts as may be required in addition to those herein provided for travel in connection with development, procurement, production, maintenance, or construction activities; and, with such exception, no other appropriation in this act shall be available for any expense for or incident to travel of personnel of the Regular Army or civilian employees under the War Department, except the appropriation "Contingencies of the Army" and the appropriations for the National Guard, the Organized Reserves, the Reserve Officers' Training Corps, citizens' military training camps, the National Board for the Promotion of Rifle Practice, the United States High Commissioner to the Philippine Islands, the United States Soldiers' Home, the nonmilitary activities of the Corps of Engineers, and the Panama Canal, and except as may be provided for in the appropriation "Air Corps, Army."

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps", on page 19, line 17, after the words "in all" to strike out "\$25,693,741, and, in addition, \$501,714 of the appropriation 'Pay of the Army, 1936', which shall remain available until June 30, 1937", and insert "\$29,084,455", so as to read:

Subsistence of the Army: Purchase of subsistence supplies: For issue as rations to troops, including retired enlisted men when ordered to active duty, civil employees when entitled thereto, hospital matrons, applicants for enlistment while held under observation, general prisoners of war (including Indians held by the Army as prisoners but for whose subsistence appropriation is not otherwise made), Indians employed by the Army as guides and scouts, and general prisoners at posts; ice for issue to organizations of enlisted men and offices at such places as the Secretary of War may determine, and for preservation of stores; for the subsistence of the masters, officers, crews, and employees of the vessels of the Army Transport Service; meals for recruiting parties and applicants for enlistment while under observation; for sales to officers, including members of the Offi-

cers' Reserve Corps while on active duty, and enlisted men of the Army. For payments: Of the regulation allowances of commutation in lieu of rations to enlisted men on furlough, and to enlisted men when stationed at places where rations in kind cannot be economically issued, including retired enlisted men when ordered to active duty. For payment of the regulation allowance of commutation in lieu of rations for enlisted men, applicants for enlistment while held under observation, civilian employees who are entitled to subsistence at public expense, and general prisoners while sick in hospitals, to be paid to the surgeon in charge; advertising; for providing prizes to be established by the Secretary of War for enlisted men of the Army who graduate from the Army schools for bakers and cooks, the total amount of such prizes at the various schools not to exceed \$900 per annum; and for other necessary expenses incident to the purchase, testing, care, preservation, issue, sale, and accounting for subsistence supplies for the Army; in all, \$29,084,455.

The amendment was agreed to.

The next amendment was, on page 22, line 18, after the word "reasons", to strike out "\$5,759,522" and insert "\$6,621,779", so as to read:

Clothing and equipage: For cloth, woolens, materials, and for the purchase and manufacture of clothing for the Army, including retired enlisted men when ordered to active duty, for issue and for sale; for payment of commutation of clothing due to warrant officers of the mine planter service and to enlisted men; for altering and fitting clothing and washing and cleaning when necessary; for operation of laundries, existing or now under construction, including purchase and repair of laundry machinery therefor; for the authorized issues of laundry materials for use of general prisoners confined at military posts without pay or allowances, and for applicants for enlistment while held under observation; for equipment and repair of equipment of existing dry-cleaning plants, salvage and sorting storeshouses, hat repairing shops, shoe repair shops, clothing repair shops, and garbage reduction work; for equipage, including authorized issues of toilet articles, barbers' and tailors' material, for use of general prisoners confined at military posts without pay or allowances and applicants for enlistment while held under observation; issue of toilet kits to recruits upon their first enlistment, and issue of housewives to the Army; for expenses of packing and handling and similar necessities; for a suit of citizen's outer clothing and when necessary an overcoat, the cost of all not to exceed \$30, to be issued each soldier discharged otherwise than honorably, to each enlisted man convicted by civil court for an offense resulting in confinement in a penitentiary or other civil prison, and to each enlisted man ordered interned by reason of the fact that he is an alien enemy, or, for the same reason, discharged without internment; for indemnity to officers and men of the Army for clothing and bedding, etc., destroyed since April 22, 1898, by order of medical officers of the Army for sanitary reasons, \$6,621,779, of which amount not exceeding \$60,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1937.

The amendment was agreed to.

The next amendment was, on page 25, line 7, after the words "in all", to strike out "\$12,139,083" and insert "\$12,825,819", so as to read:

Army transportation: For transportation of Army supplies; of authorized baggage, including packing and crating; of horse equipment; and of funds for the Army; for transportation on Army vessels, notwithstanding the provisions of other law, of privately owned automobiles of Regular Army personnel upon change of station; for the purchase or construction, not to exceed \$786,000, alteration, operation, and repair of boats and other vessels; for wharfage, tolls, and ferrage; for drayage and cartage; for the purchase, manufacture (including both material and labor), maintenance, hire, and repair of pack saddles and harness; for the purchase, hire, operation, maintenance, and repair of wagons, carts, drays, other vehicles, and horse-drawn and motor-propelled passenger-carrying vehicles required for the transportation of troops and supplies and for official military and garrison purposes; for hire of draft and pack animals; for travel allowances to officers of National Guard on discharge from Federal service as prescribed in the act of March 2, 1901 (U. S. C., title 10, sec. 751), and to enlisted men of National Guard on discharge from Federal service, as prescribed in amendatory act of September 22, 1922 (U. S. C., title 10, sec. 752), and to members of the National Guard who have been mustered into Federal service and discharged on account of physical disability; in all, \$12,825,819, of which amount not exceeding \$250,000 shall be available immediately for the procurement and transportation of fuel for the service of the fiscal year 1937.

The amendment was agreed to.

The next amendment was, under the subhead "Barracks and quarters and other buildings and utilities", on page 28, line 20, after the word "posts", to strike out "\$12,139,668" and insert "\$13,039,668", so as to read:

For all expenses incident to the construction, installation, operation, and maintenance of buildings, utilities, appurtenances, and accessories necessary for the shelter, protection, and accommodation of the Army and its personnel and property, where not specifically provided for in other appropriations, including personal serv-

ices, purchase and repair of furniture for quarters for officers, warrant officers, and noncommissioned officers, and officers' messes and wall lockers and refrigerators for Government-owned buildings as may be approved by the Secretary of War, care and improvement of grounds, flooring and framing for tents, rental of buildings, including not to exceed \$900 in the District of Columbia, provided space is not available in Government-owned buildings and grounds for military purposes, lodgings for recruits and applicants for enlistment, water supply, sewer and fire-alarm systems, fire apparatus, roads, walks, wharves, drainage, dredging channels, purchase of water, disposal of sewage, shooting galleries, ranges for small-arms target practice, field, mobile, and railway artillery practice, including flour for paste for marking targets, such ranges and galleries to be open as far as practicable to the National Guard and organized rifle clubs under regulations to be prescribed by the Secretary of War; warehouse and fuel-handling equipment; stores required for use of the Army for heating offices, hospitals, barracks, quarters, recruiting stations, and United States disciplinary barracks, also ranges and stoves for cooking food at posts, for post bakery and bake-oven equipment and apparatus and appliances for cooking and serving food when constituting fixed installations in buildings, including maintenance and repair of such heating and cooking appliances; for furnishing heat and light for the authorized allowance of quarters for officers, enlisted men, and warrant officers, including retired enlisted men when ordered to active duty, contract surgeons when stationed at and occupying public quarters at military posts, officers of the National Guard attending service and garrison schools, and for recruits, guards, hospitals, storehouses, offices, the buildings erected at private cost, in the operation of the act approved May 31, 1902 (U. S. C., title 10, sec. 1346), and buildings for a similar purpose on military reservations authorized by War Department regulations; for sale of fuel to officers; fuel and engine supplies required in the operation of modern batteries at established posts, \$13,039,668, and \$2,500,000 of this appropriation shall be available immediately for the procurement and transportation of fuel for the service for the fiscal year 1937.

The amendment was agreed to.

The next amendment was, on page 30, after line 22, to insert:

ACQUISITION OF LAND

For the acquisition of land in the vicinity of West Point, N. Y., as authorized by the act approved March 3, 1931 (46 Stat. 1491), \$431,000, to remain available until expended.

The amendment was agreed to.

The next amendment was, under the subhead "Signal Corps—Signal Service of the Army", on page 33, line 3, to strike out "\$5,282,556" and insert "\$5,301,806", so as to read:

Telegraph and telephone systems: Purchase, equipment, operation, and repair of military telegraph, telephone, radio, cable, and signaling systems; signal equipment and stores, heliographs, signal lanterns, flags, and other necessary instruments; wind vane, barometers, anemometers, thermometers, and other meteorological instruments; photographic and cinematographic work performed for the Army by the Signal Corps; motorcycles, motor-driven and other vehicles for technical and official purposes in connection with the construction, operation, and maintenance of communication or signaling systems, and supplies for their operation and maintenance; professional and scientific books of reference, pamphlets, periodicals, newspapers, and maps for use of the Signal Corps and in the office of the Chief Signal Officer; telephone apparatus, including rental and payment for commercial, exchange, message, trunk-line, long-distance, and leased-line telephone service at or connecting any post, camp, cantonment, depot, arsenal, headquarters, hospital, aviation station, or other office or station of the Army, excepting the local telephone service for the various bureaus of the War Department in the District of Columbia, and toll messages pertaining to the office of the Secretary of War; electric time service; the rental of commercial telegraph lines and equipment, and their operation at or connecting any post, camp, cantonment, depot, arsenal, headquarters, hospital, aviation station, or other office or station of the Army, including payment for official individual telegraph messages transmitted over commercial lines; electrical installations and maintenance thereof at military posts, cantonments, camps, and stations of the Army, fire-control and direction apparatus, and material for Field Artillery; salaries of civilian employees, including those necessary as instructors at vocational schools; supplies, general repairs, reserve supplies, and other expenses connected with the collecting and transmitting of information for the Army by telegraph or otherwise; experimental investigation, research, purchase, and development, or improvements in apparatus, and maintenance of signaling and accessories thereto, including patent rights and other rights thereto, including machines, instruments, and other equipment for laboratory and repair purposes; lease, alteration, and repair of such buildings required for storing or guarding Signal Corps supplies, equipment, and personnel when not otherwise provided for, including the land therefor, the introduction of water, electric light and power, sewerage, grading, roads and walks, and other equipment required, \$5,301,806.

The amendment was agreed to.

The next amendment was, under the subhead "Air Corps—Air Corps, Army", on page 36, line 14, after the word "airplanes", to strike out "(including radio and armament)"; in

line 19, after the word "any", to strike out "expense incident to the use of" and insert "structural improvements or for the installation of any new equipment not of a removable character at"; and in line 21, after the name "California", to strike out the comma and "as an air station: *Provided further*, That no available appropriation shall be used upon lighter-than-air craft, other than balloons, not in condition for safe operation on June 30, 1936, or that may become in such condition prior to July 1, 1937", so as to read:

For creating, maintaining, and operating at established flying schools and balloon schools courses of instruction for officers, students, and enlisted men, including cost of equipment and supplies necessary for instruction, purchase of tools, equipment, materials, machines, textbooks, books of reference, scientific and professional papers, instruments, and materials for theoretical and practical instruction; for maintenance, repair, storage, and operation of airships, war balloons, and other aerial machines, including instruments, materials, gas plants, hangars, and repair shops, and appliances of every sort and description necessary for the operation, construction, or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith, and the establishment of landing and take-off runways; for purchase of supplies for securing, developing, printing, and reproducing photographs in connection with aerial photography; improvement, equipment, maintenance, and operation of plants for testing and experimental work, and procuring and introducing water, electric light and power, gas, and sewerage, including maintenance, operation, and repair of such utilities at such plants; for the procurement of helium gas; for travel of officers of the Air Corps by air in connection with the administration of this appropriation, including the transportation of new aircraft from factory to first destination; salaries and wages of civilian employees as may be necessary; transportation of materials in connection with consolidation of Air Corps activities; experimental investigations and purchase and development of new types of airplanes, autogiros, and balloons, accessories thereto, and aviation engines, including plans, drawings, and specifications thereof, and the purchase of letters patent, applications for letters patent, and licenses under letters patent and applications for letters patent; for the purchase, manufacture, and construction of airplanes and balloons, including instruments and appliances of every sort and description necessary for the operation, construction (airplanes and balloons), or equipment of all types of aircraft, and all necessary spare parts and equipment connected therewith; for the marking of military airways where the purchase of land is not involved; for the purchase, manufacture, and issue of special clothing, wearing apparel, and similar equipment for aviation purposes; for all necessary expenses connected with the sale or disposal of surplus or obsolete aeronautical equipment, and the rental of buildings, and other facilities for the handling or storage of such equipment; for the services of not more than four consulting engineers at experimental stations of the Air Corps as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed \$50 a day for not exceeding 50 days each, and necessary traveling expenses; purchase of special apparatus and appliances, repairs, and replacements of same used in connection with special scientific medical research in the Air Corps; for maintenance and operation of such Air Corps printing plants outside of the District of Columbia as may be authorized in accordance with law; for publications, station libraries, special furniture, supplies and equipment for offices, shops, and laboratories; for special services, including the salvaging of wrecked aircraft; for settlement of claims (not exceeding \$250 each) for damage to persons and private property resulting from the operation of aircraft at home and abroad when each claim is substantiated by a survey report of a board of officers appointed by the commanding officer of the nearest aviation post and approved by the Chief of Air Corps and the Secretary of War, \$59,397,714: *Provided*, That \$10,000 shall be transferred to and made available to the Bureau of Mines on July 1, 1936, for supplying helium; and not less than \$41,055,925 (including \$7,686,753 for the payment of obligations incurred under the contract authorization for these purposes carried in the War Department Appropriation Act for the fiscal year 1936) shall be expended for the production or purchase of new airplanes and their equipment and accessories, of which \$29,322,602 shall be available exclusively for combat airplanes, their equipment and accessories: *Provided further*, That in addition to the amounts herein provided for the procurement of new airplanes and for the procurement of equipment, spare parts, and accessories for airplanes, the Chief of the Air Corps, when authorized by the Secretary of War, may enter into contracts prior to July 1, 1937, for the procurement of new airplanes and for the procurement of equipment, spare parts, and accessories for airplanes to an amount not in excess of \$10,669,786, and his action in so doing shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof: *Provided further*, That no part of this or any other appropriation contained in this act shall be available for any structural improvements or for the installation of any new equipment not of a removable character at Crissy Field, Calif.

The amendment was agreed to.

The next amendment was, under the subhead "Medical Department—Army—Medical and Hospital Department", on page 37, line 18, after the word "patients", to strike out the

comma and "including supernumeraries", and on page 39, line 2, after the name "Medical Department", to strike out "\$1,465,198" and insert "\$1,491,448", so as to read:

For the manufacture and purchase of medical and hospital supplies, including disinfectants, for military posts, camps, hospitals, hospital ships and transports, for laundry work for enlisted men and Army nurses while patients in a hospital, and supplies required for mosquito destruction in and about military posts in the Canal Zone; for the purchase of veterinary supplies and hire of veterinary surgeons; for expenses of medical supply depots; for medical care and treatment of patients, not otherwise provided for, including care and subsistence in private hospitals of officers, enlisted men, and civilian employees of the Army, of applicants for enlistment, and of prisoners of war and other persons in military custody or confinement, when entitled thereto by law, regulation, or contract: *Provided*, That this shall not apply to officers and enlisted men who are treated in private hospitals or by civilian physicians while on furlough; for the proper care and treatment of epidemic and contagious diseases in the Army or at military posts or stations, including measures to prevent the spread thereof, and the payment of reasonable damages not otherwise provided for for bedding and clothing injured or destroyed in such prevention; for the care of insane Filipino soldiers in conformity with the act of Congress approved May 11, 1908 (U. S. C., title 24, sec. 198); for the pay of male and female nurses, not including the Army Nurse Corps, and of cooks and other civilians employed for the proper care of sick officers and soldiers, under such regulations fixing their number, qualifications, assignments, pay, and allowances as shall have been or shall be prescribed by the Secretary of War; for the pay of civilian physicians employed to examine physically applicants for enlistment and enlisted men and to render other professional services from time to time under proper authority; for the pay of other employees of the Medical Department; for the payment of express companies and local transfers employed directly by the Medical Department for the transportation of medical and hospital supplies, including bidders' samples and water for analysis; for supplies for use in teaching the art of cooking to the enlisted force of the Medical Department; for the supply of Army and Navy Hospital at Hot Springs, Ark.; for advertising, laundry, and all other necessary miscellaneous expenses of the Medical Department, \$1,491,448.

The amendment was agreed to.

The next amendment was, under the subhead "Corps of Engineers—Engineer service, Army", on page 40, line 14, to strike out "\$518,427" and insert "\$536,427", so as to read:

For the design, development, procurement, maintenance, alteration, repair, installation, storage, and issue of engineer equipment, instruments, appliances, supplies, materials, tools, and machinery required in the equipment and training of troops and in military operations, including military surveys and the Engineer School; for the operation and maintenance of the Engineer School, including (a) compensation of civilian lecturers, and (b) purchase and binding of scientific and professional books, pamphlets, papers, and periodicals; for the procurement, preparation, and reproduction of maps and similar data for military purposes; for expenses incident to the Engineer service in military operations, including military surveys, and including (a) research and development of improved methods in such operations, (b) the rental of storehouses and grounds within and outside the District of Columbia, and (c) repair and alteration of buildings; for heat, light, power, water, and communication service, not otherwise provided for; and for the compensation of employees required in these activities, \$536,427.

The amendment was agreed to.

The next amendment was, under the subhead "Ordnance Department—Ordnance service and supplies, Army", on page 41, line 20, after the word "expenses", to strike out "\$15,697,170" and insert "\$16,188,870", so as to read:

For manufacture, procurement, storage, and issue, including research, planning, design, development, inspection, test, alteration, maintenance, repair, and handling of ordnance material together with the machinery, supplies, and services necessary thereto; for supplies and services in connection with the general work of the Ordnance Department, comprising police and office duties, rents, tolls, fuel, light, water, advertising, stationery, type-writing and computing machines, including their exchange, and furniture, tools, and instruments of service; to provide for training and other incidental expenses of the ordnance service; for instruction purposes, other than tuition; for the purchase, completely equipped, of trucks, and for maintenance, repair, and operation of motor-propelled and horse-drawn freight- and passenger-carrying vehicles; for ammunition for military salutes at Government establishments and institutions to which the issues of arms for salutes are authorized; for services, material, tools, and appliances for operation of the testing machines and chemical laboratory in connection therewith; for the development and procurement of gages, dies, jigs, and other special aids and appliances, including specifications and detailed drawings, to carry out the purpose of section 123 of the National Defense Act, as amended (U. S. C., title 50, sec. 78); for publications for libraries of the Ordnance Department, including the Ordnance Office, including subscriptions to periodicals; for services of not more than four consulting

engineers as the Secretary of War may deem necessary, at rates of pay to be fixed by him not to exceed \$50 per day for not exceeding 50 days each, and for their necessary traveling expenses, \$16,188.870.

The amendment was agreed to.

The next amendment was, under the subhead "Chemical Warfare Service", on page 43, line 10, after the word "ranges", to strike out "\$1,467,297" and insert "\$1,483,608", so as to read:

For purchase, manufacture, and test of chemical warfare gases or other toxic substances, gas masks, or other offensive or defensive materials or appliances required for gas-warfare purposes; investigations, research, design, experimentation, and operation, purchase of chemicals, special scientific and technical apparatus and instruments, including services connected therewith; for the payment of part-time or intermittent employment of such scientists and technicians as may be contracted for by the Secretary of War, in his discretion, at a rate of pay not exceeding \$20 per diem for any person so employed; for the purchase, maintenance, repair, and operation of freight- and passenger-carrying motor vehicles; construction, maintenance, and repair of plants, buildings, and equipment, and the machinery therefor; receiving, storing, and issuing of supplies, comprising police and office duties, rents, tolls, fuels, gasoline, lubricants, paints and oils, rope and cordage, light, water, advertising, stationery, typewriting and adding machines including their exchange, office furniture, tools, and instruments; for incidental expenses; for civilian employees; for libraries of the Chemical Warfare Service and subscriptions to periodicals; for expenses incidental to the organization, training, and equipment of special gas troops not otherwise provided for, including the training of the Army in chemical warfare, both offensive and defensive, together with the necessary schools, tactical demonstrations, and maneuvers; for current expenses of chemical projectile filling plants and proving grounds, including construction and maintenance of rail transportation, repairs, alterations, accessories, building and repairing butts and targets, clearing and grading ranges, \$1,483,608.

The amendment was agreed to.

The next amendment was, under the subhead "Seacoast defenses", on page 45, line 10, after the name "United States", to strike out "\$3,915,591, of which not less than \$3,150,973 shall be available exclusively toward improving the harbor defenses of the Pacific coast of continental United States" and insert "\$915,591", so as to read:

United States, \$915,591.

The amendment was agreed to.

The next amendment was, on page 45, line 14, after the word "departments", to strike out "\$3,379,511, of which not less than \$3,141,780 shall be available exclusively toward defense projects in the Hawaiian department" and insert "\$379,511", so as to read:

Insular departments, \$379,511.

The amendment was agreed to.

The next amendment was, on page 45, line 17, to strike out "\$1,223,892" and insert "\$498,892", so as to read:

Panama Canal, \$498,892.

The amendment was agreed to.

The next amendment was, on page 45, line 18, to change the total appropriation for seacoast defenses from "\$8,518,994" to "\$1,793,994."

The amendment was agreed to.

The next amendment was, under the subhead "Arms, uniforms, equipment, etc., for field service, National Guard", on page 51, line 25, after the word "That" to strike out "officers, warrant officers, and enlisted men of the National Guard and Organized Reserves, who, under regulations prescribed by the Secretary of War, volunteer to participate without pay as competitors or range officers in the national matches to be held during the fiscal year 1937, may attend such matches without pay, notwithstanding any provision of law to the contrary, but shall be entitled to travel and subsistence allowances at the same rates as are provided for civilians who attend and participate in said matches: *Provided further, That*", and in line 17, after the word "by", to strike out "law" and insert "law, which expense shall be provided by the appropriation 'Promotion of rifle practice'", so as to read:

No appropriation contained in this act shall be available for any expense for or on account of a larger number of mounted units and wagon companies of the National Guard than were in existence on June 30, 1932: *Provided, That* officers, warrant officers,

and enlisted men of the National Guard and Organized Reserves may be ordered to duty, with their consent, for the care, maintenance, and operation of the ranges used in the conduct of the national matches and such officers, warrant officers, and enlisted men while so engaged shall be entitled to the same pay, subsistence, and transportation as officers, warrant officers, and enlisted men of corresponding grades of the Regular Army are entitled by law, which expense shall be provided by the appropriation "Promotion of rifle practice"; and after being duly mustered may be paid for the period from the date of leaving home rendezvous to date of return thereto as determined in advance, both dates inclusive.

The amendment was agreed to.

The next amendment was, under the subhead "Organized Reserves", on page 54, line 18, after the words "in all", to strike out "\$8,474,195" and insert "\$8,574,195", so as to read:

For pay and allowances of members of the Officers' Reserve Corps on active duty in accordance with law; mileage, reimbursement of actual traveling expenses, or per-diem allowances in lieu thereof, as authorized by law: *Provided, That* the mileage allowance to members of the Officers' Reserve Corps when called into active service for training for 15 days or less shall not exceed 4 cents per mile; pay, transportation, subsistence, clothing, and medical and hospital treatment of members of the Enlisted Reserve Corps; conducting correspondence or extension courses for instruction of members of the Reserve Corps, including necessary supplies, procurement of maps and textbooks, and transportation and traveling expenses of employees; purchase of training manuals, including Government publications and blank forms, subscriptions to magazines and periodicals of a professional or technical nature; establishment, maintenance, and operation of divisional and regimental headquarters and of camps for training of the Organized Reserves; for miscellaneous expenses incident to the administration of the Organized Reserves, including the maintenance and operation of motor-propelled passenger-carrying vehicles and purchase of 15 such vehicles; for the actual and necessary expenses, or per diem in lieu thereof, at rates authorized by law, incurred by officers and enlisted men of the Regular Army traveling on duty in connection with the Organized Reserves, and for travel of dependents, and packing and transportation of baggage of such personnel; for expenses incident to the use, including upkeep and depreciation costs, of supplies, equipment, and matériel furnished in accordance with law from stocks under the control of the War Department, except that not to exceed \$785,775 of this appropriation shall be available for expenditure by the Chief of the Air Corps for the production and purchase of new airplanes and their equipment, spare parts, and accessories; for transportation of baggage, including packing and crating, of Reserve officers ordered to active duty for not less than 6 months; for the medical and hospital treatment of members of the Officers' Reserve Corps and of the Enlisted Reserve Corps, who suffer personal injury or contract disease in line of duty, as provided by the act of April 26, 1928 (U. S. C., title 10, secs. 451, 455), and for such other purposes in connection therewith as are authorized by the said act, including pay and allowances, subsistence, transportation, and burial expenses; in all, \$8,574,195; and no part of such total sum shall be available for any expense incident to giving flight training to any officer of the Officers' Reserve Corps unless he shall be found physically and professionally qualified to perform aviation service as an aviation pilot, by such agency as the Secretary of War may designate.

The amendment was agreed to.

The next amendment was, under the subhead "Citizens' military training—Reserve Officers' Training Corps", on page 59, line 8, after the words "station wagons", to strike out "\$4,067,996" and insert "\$4,585,846", so as to read:

For the procurement, maintenance, and issue, under such regulations as may be prescribed by the Secretary of War, to institutions at which one or more units of Reserve Officers' Training Corps are maintained, of such public animals, means of transportation, supplies, tentage, equipment, and uniforms as he may deem necessary, including cleaning and laundering of uniforms and clothing at camps; and to forage, at the expense of the United States, public animals so issued, and to pay commutation in lieu of uniforms at a rate to be fixed annually by the Secretary of War; for transporting said animals and other authorized supplies and equipment from place of issue to the several institutions and training camps and return of same to place of issue when necessary; for purchase of training manuals, including Government publications and blank forms; for the establishment and maintenance of camps for the further practical instruction of the members of the Reserve Officers' Training Corps, and for transporting members of such corps to and from such camps, and to subsist them while traveling to and from such camps and while remaining therein so far as appropriations will permit, or, in lieu of transporting them to and from such camps and subsisting them while en route, to pay them travel allowance at the rate of 5 cents per mile for the distance by the shortest usually traveled route from the places from which they are authorized to proceed to the camp and for the return travel thereto, and to pay the return travel pay in advance of the actual performance of the travel; for expenses incident to the use, including upkeep and depreciation costs, of supplies, equipment, and matériel furnished in accordance with law from stocks under the control of the War Department; for

pay for students attending advanced camps at the rate prescribed for soldiers of the seventh grade of the Regular Army; for the payment of commutation of subsistence to members of the senior division of the Reserve Officers' Training Corps, at a rate not exceeding the cost of the garrison ration prescribed for the Army, as authorized in the act approved June 3, 1916, as amended by the act approved June 4, 1920 (U. S. C., title 10, sec. 387); for medical and hospital treatment until return to their homes and further medical treatment after arrival at their homes, subsistence during hospitalization and until furnished transportation to their homes, and transportation when fit for travel to their homes of members of the Reserve Officers' Training Corps who suffer personal injury or contract disease in line of duty while en route to or from and while at camps of instruction under the provisions of section 47a of the National Defense Act approved June 3, 1916 (U. S. C., title 10, sec. 441), as amended; and for the cost of preparation and transportation to their homes and burial expenses of the remains of members of the Reserve Officers' Training Corps who die while attending camps of instruction as provided in the act approved April 26, 1923 (U. S. C., title 10, sec. 455); for mileage, traveling expenses, or transportation, for transportation of dependents, and for packing and transportation of baggage, as authorized by law, for officers, warrant officers, and enlisted men of the Regular Army traveling on duty pertaining to or on detail to or relief from duty with the Reserve Officers' Training Corps; for the purchase, maintenance, repair, and operation of motor vehicles, including station wagons, \$4,585,846; of which \$400,000 shall be available immediately:

Mr. FRAZIER. Mr. President, I should like to have an explanation of the increase in line 8, page 59.

Mr. COPELAND. Mr. President, the item referred to by the Senator from New York relates to citizens' military training in the Reserve Officers' Training Corps. Provision is made for an increase in the number of trainees, but not to the number for which we have provided in several previous years. We had very convincing testimony from the various organizations, largely of citizens—this being a matter having to do with the citizen soldiery—and decided that it was wise to make the addition.

The PRESIDING OFFICER (Mr. MCGILL in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Appropriations was, on page 60, line 6, after the words "Air Corps", to strike out "Medical Corps", so as to read:

Provided further, That none of the funds appropriated in this act shall be available for any expense on account of any student in Air Corps, Dental Corps, or Veterinary units not a member of such units on May 5, 1932, but such stoppage of further enrollments shall not interfere with the maintenance of existing units.

Mr. FRAZIER. Mr. President, I desire to ask the Senator in charge of the bill in regard to the amendment on page 60, line 6, where "Medical Corps" is stricken out. The House put in a provision reading:

Provided further, That none of the funds appropriated in this act shall be available for any expense on account of any student in Air Corps, Medical Corps, Dental Corps—

And so forth.

Mr. COPELAND. Mr. President, the purpose of this amendment is to permit the organization of the R. O. T. C. in medical schools. There was such an arrangement heretofore, but it was eliminated. Abundant evidence was presented to the committee that some of the large medical schools might just as profitably and as well have R. O. T. C. organizations as in the case of academic institutions. I will add my own experience if I may.

During the war I organized a base hospital unit, and expected to go with it to Europe, when it was decided by the Council of National Defense that the medical schools should operate actively, and that the deans should be sent back to those schools. That decision was reached because of the experience of England, which put all its doctors and medical students in the army at the beginning of the war, and by the time the war was ended so many of them had been killed that practically all the medical service of England was being performed by medical men from the United States. Take, also, the experience of the National Guard: In my own State, for example, we have a whole medical regiment, officered by medical men, and many of the members of that regiment are medical students. So, in view of the fact that we are continuing the R. O. T. C.'s, and not appropriating more

money, we are taking off the limitation and permitting the establishment of some R. O. T. C. units in medical colleges.

Mr. FRAZIER. Mr. President, referring to the increase in appropriation on line 8, page 59, undoubtedly a portion of that increase is to go for training the Medical Corps.

Mr. COPELAND. It was found by the testimony of the War Department that there were many more applications from colleges than could be taken care of; and we thought it wise, as we had done in some years past, to make provision for carrying on that activity.

I may say, frankly, so far as I am concerned, that I am much more interested in the development of what might be called the citizen soldier than in the development of the professional soldier. It is perfectly amazing, as the Senator will see if he will study the bill, how few additions were made by the Senate committee. Indeed, I might say the opposite occurred on the military side; reductions were made; and the only increases of any consequence to be found in the bill are in the direction of the care of the citizen soldier.

This matter is thoroughly understood by the Senator from Georgia [Mr. RUSSELL], who is better qualified than am I to answer questions; but I hope the Senator from North Dakota is satisfied.

Mr. FRAZIER. Am I to understand, from the Senator's statement in regard to being primarily interested in citizen soldiers, that he represents the view of the committee in that statement?

Mr. COPELAND. I think so.

Mr. FRAZIER. In other words, the Appropriations Committee and the Military Affairs Committee are more interested in the citizen soldier—that is, in making all the citizens soldiers, or as many as possible—than in the Regular Army?

Mr. COPELAND. Oh, I should not say that. I do not think there is any thought on the part of the committee that we wish to regiment the whole United States, by any means; but the Senator knows there are advantages in this training beyond simply getting ready to carry a gun and go and kill somebody. There are the setting-up exercises, for example.

Mr. FRAZIER. Oh, well, that is all bunk.

Mr. COPELAND. Wait just a moment. It may be "all bunk" to the Senator, but it is not "all bunk" to me. Furthermore, as regards the particular item under discussion, the American Medical Association and other medical organizations have urged that it be adopted.

Mr. FRAZIER. Mr. President, of course, we may have setting-up exercises without being members of the Army. The same thing is true of compulsory military training in the schools. All kinds of gymnastic training and physical exercises may be had in the schools without military training. So far as the benefit of that is concerned, it is a very small argument and a poor argument.

Mr. COPELAND. Let me use another argument, then, which will prevail with the Senator. He has set aside the setting-up exercises.

In every State where there are colleges there are many poor boys who have difficulty in paying their way. The pittance they receive for their training, which I think is \$12 a month for the 8 months of the college year, amounts to a total of about \$100. It is worth something, is it not, to make it possible for some of these young men to stay in school who could not otherwise do so? Even the contribution of this small amount of money may make the difference between having an education and not having an education.

Mr. FRAZIER. Mr. President, of course \$12 a month helps some boys to attend school; but what I object to is compelling them to take military training in order to get the \$12 a month.

Mr. COPELAND. Let us see about that. Whether or not a man is compelled to take military training depends, not upon the Government, not upon this bill, not upon what Congress does, but upon what the individual college determines.

Mr. FRAZIER. Mr. President, in a recent case decided in the courts of California, where some students objected to taking compulsory military training, the court decided, as

stated in its opinion, that it was the Congress that was responsible for compulsory military training.

Mr. COPELAND. Even a court might be mistaken; but the Senator knows that there are schools—in fact, I attended one myself—where chapel attendance is compulsory. I had to go to chapel or I could not stay in school.

Mr. FRAZIER. The Senator probably ought to go some more. [Laughter.]

Mr. COPELAND. If the individual college decides that chapel attendance and attendance upon the R. O. T. C. are both compulsory—and probably the case referred to by the Senator was a case like that—the court would properly say, "That is the rule of the college. If you do not want to go to that college, go to some other college."

Mr. FRAZIER. The Senator's argument about the assistance given to students in colleges and universities to take military training is on a par with a copy of a letter I received from North Dakota just a day or two ago. A farm organization in that State adopted a resolution protesting against the action of the F. E. R. A. officials of North Dakota and sent me a copy of a letter, signed by the executive secretary, F. E. R. A., for North Dakota. This purports to be a copy of the original letter, and I think undoubtedly it is correct. It is directed to executive secretaries of the county welfare boards, and starts out:

Greetings—

A very legal sounding introduction, at least.

The letter says:

We are in receipt of a letter from Colonel Madison, headquarters sixth recruiting division of Minneapolis, Minn., in which he advises us that during the next 2 months the Army is making an intensive effort to secure the additional soldiers authorized by a recent act of Congress. Two new recruiting stations have been added in our State—

That is North Dakota—

and will be in operation for the next 2 months, and it is thought that the welfare offices are in a position to help him in this matter, due to the close touch had by your county welfare secretaries with the class of young men who are eligible for the Army. The Army can take no one with dependents, and you probably know of some young men whose condition would be improved by enlisting in the Army.

This official had the same idea of the Army as has the Senator from New York, that it improves the health of the young men, and so forth.

Mr. COPELAND. What is the date of the letter?

Mr. FRAZIER. The date is February 28, 1936.

Proceeding with the letter:

To be eligible, these men must be between the ages of 18 and 35, in good health, single, without dependents, without police record, able to secure certificates of good character from reputable citizens of their communities, and by test show that they have the equivalent of an eighth-grade education. It occurred to me that you may have men in your county who are eligible for the Army who do not have dependents, so that they are not eligible for the Civilian Conservation Corps. Several young men have written to this office stating they are single with no dependents and are very anxious to get on Work Progress Administration work or something that would enable them to make enough money to pay their board, room, and clothes. Of course young men of this kind cannot be certified to Works Progress Administration nor Rural Resettlement, and it does not seem that men of this kind should be placed on relief and be a burden to the welfare board. As a matter of fact, it would seem to me that these men, if they so desired, could go out and work for their board and room and clothes on some farm.

Of course, we can hardly picture a young man from the city who never has worked on a farm going out to work on a farm for his board and room.

The letter continues:

However, they are not inclined to do this, and it strikes me that some of them would make good soldiers, and probably their going in the Army would make jobs for others who are on relief and thus relieve the relief situation to some extent.

Sergt. Oliver M. Strand is in charge of recruiting stations at Fargo, and he would be the person for you to write to concerning any prospective enlistees for the United States Army. It seems to me that cooperating with Colonel Madison in his effort to select additional soldiers would be a benefit to the relief situation in your counties.

The letter, as I have said, is signed by the executive secretary of the F. E. R. A. for North Dakota.

Mr. COPELAND. Mr. President, that strikes me as a very good letter. What the Senator is talking about is a different subject from what we were discussing a little while ago. The letter refers to the Army, does it not?

Mr. FRAZIER. Yes.

Mr. COPELAND. I may say that, as the Senator knows, in the organization of the Army there are various corps areas, and it is rather interesting that in certain corps areas there are more applicants for enlistment in the Army than in other corps areas. There is a desire that citizens may get whatever employment there is and whatever advantages there may be, and there is a desire to have all the corps areas represented. I did not notice the place from which the letter was written.

Mr. FRAZIER. It was written from Bismarck, N. Dak.

Mr. COPELAND. In the Senator's section of the country perhaps these men are now engaged in farming or other activities and are not interested in the Army, but I thought the gentleman made a very good presentation when he said that it might very well be that if there are unemployed farm hands in that section, if some of the men who need employment should go into the Army it would leave jobs for others. I think that is a very good argument.

Mr. FRAZIER. I was interested to discover whether the F. E. R. A. headquarters in Washington were responsible for a letter of this kind, or whether it was their policy that anyone eligible for the Army must either join the Army or starve. Mr. Hopkins was not in when I attempted to get information about the matter, but I got in touch with one of his assistants and informed him of the purport of the letter. He said, "No; we are not responsible for it. This is the first I have heard of it." I was glad to have that statement, because I did not think they would take the attitude that anyone must either join the Army or starve to death.

Mr. COPELAND. I think the Senator knew that before he made the inquiry.

Mr. FRAZIER. The statement came from one of their officials.

Mr. COPELAND. There is absolutely no relationship between the F. E. R. A., or any other alphabetical agency, and the bill we are now discussing.

Mr. FRAZIER. This was the opinion of a local official; but he entertains very much the opinion indicated by the Senator from New York in his argument that \$12 a month paid to students who take military courses in colleges or high schools will be of benefit, and will enable them to go to school. If a young man enlists in the Army, of course, it gives him a meal ticket.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 60, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the subhead "Citizens' military training camps", on page 62, line 9, after the words "in all", to strike out "\$2,000,000" and insert "\$2,275,000", so as to read:

For furnishing, at the expense of the United States, to warrant officers, enlisted men, and civilians attending training camps maintained under the provisions of section 47d of the National Defense Act of June 3, 1916, as amended (U. S. C., title 10, sec. 442), uniforms, including altering, fitting, washing, and cleaning when necessary, or subsistence allowances and transportation, or transportation allowances, as prescribed in said section 47d, as amended; for such expenditures as are authorized by said section 47d as may be necessary for the establishment and maintenance of said camps, including recruiting and advertising therefor, and the cost of maintenance, repair, and operation of passenger-carrying vehicles; for expenses incident to the use, including upkeep and depreciation costs, of supplies, equipment, and matériel furnished in accordance with law from stocks under the control of the War Department; for gymnasium and athletic supplies (not exceeding \$20,000); for mileage, reimbursement of travel expenses, or allowance in lieu thereof as authorized by law, for officers of the Regular Army and Organized Reserves, and for the travel expenses of enlisted men of the Regular Army, traveling on duty in connection with citizens' military training camps; for purchase of training manuals, including Government publications and blank forms; for medical and hospital treatment, subsistence, and transportation, in case of injury or disease contracted in line of duty, of members of the citizens' military

training camps and for transportation and burial of remains of any such members who die while undergoing training or hospital treatment as provided in the act of April 26, 1928 (U. S. C., title 10, secs. 454, 455); in all, \$2,275,000.

The amendment was agreed to.

The next amendment was, under the subhead "National Board for Promotion of Rifle Practice, Army", on page 64, line 2, after the name "Secretary of War", to strike out "\$545,726" and insert "\$645,726", so as to read:

Promotion of rifle practice: For construction, equipment, and maintenance of rifle ranges, the instruction of citizens in marksmanship, and promotion of practice in the use of rifled arms; for arms, ammunition, targets, and other accessories for target practice, for issue and sale in accordance with rules and regulations prescribed by the National Board for the Promotion of Rifle Practice and approved by the Secretary of War; for clerical services, including not exceeding \$25,000 in the District of Columbia; for procurement of materials, supplies, trophies, prizes, badges, and services, as authorized in section 113, act of June 3, 1916, and in War Department Appropriation Act of June 7, 1924; for the conduct of the national matches, including incidental travel, and for maintenance of the National Board for the Promotion of Rifle Practice, including not exceeding \$7,500 for its incidental expenses as authorized by act of May 28, 1928; to be expended under the direction of the Secretary of War, \$645,726.

The amendment was agreed to.

The next amendment was, under the heading "Title II—Nonmilitary activities of the War Department—Quartermaster Corps—Cemeterial expenses", on page 64, line 24, after the word "exceed", to strike out "\$6,000" and insert "\$177,000, of which \$171,000 shall be available for expenditure by the Secretary of War "for the acquisition, by purchase, condemnation, or otherwise, of such suitable lands in the vicinity of the city of Baltimore, Md., as in his judgment are required for enlargement of existing national cemetery facilities, and shall remain available until expended", and on page 66 line 8, after the name "Rock Island", to strike out "\$814,990" and insert "\$985,990", so as to read:

For maintaining and improving national cemeteries, including fuel for and pay of superintendents and the superintendent at Mexico City, and other employees; purchase of land (not to exceed \$177,000, of which \$171,000 shall be available for expenditure by the Secretary of War for the acquisition, by purchase, condemnation, or otherwise, of such suitable lands in the vicinity of the city of Baltimore, Md., as in his judgment are required for enlargement of existing national cemetery facilities, and shall remain available until expended); purchase of tools and materials; purchase, including exchange, of one motor-propelled passenger-carrying vehicle; and for the repair, maintenance, and operation of motor vehicles; care and maintenance of the Arlington Memorial Amphitheater, chapel, and grounds in the Arlington National Cemetery; repair to roadways but not to more than a single approach road to any national cemetery constructed under special act of Congress; headstones for unmarked graves of soldiers, sailors, and marines under the acts approved March 3, 1873 (U. S. C., title 24, sec. 279), February 3, 1879 (U. S. C., title 24, sec. 280), March 9, 1906 (34 Stat., p. 56), March 14, 1914 (38 Stat., p. 768), and February 26, 1929 (U. S. C., title 24, sec. 280a), and civilians interred in post cemeteries; recovery of bodies and disposition of remains of military personnel and civilian employees of the Army under act approved March 9, 1928 (U. S. C., title 10, sec. 916); not to exceed \$734 for repairs and preservation of monuments, tablets, roads, fences, and so forth, made and constructed by the United States in Cuba and China to mark the places where American soldiers fell; care, protection, and maintenance of the Confederate Mound in Oakwood Cemetery at Chicago, the Confederate Stockade Cemetery at Johnstons Island, the Confederate burial plats owned by the United States in Confederate Cemetery at North Alton, the Confederate Cemetery, Camp Chase, at Columbus, the Confederate Cemetery at Point Lookout, and the Confederate Cemetery at Rock Island, \$985,990.

The amendment was agreed to.

The next amendment was, under the subhead "Corps of Engineers—Rivers and harbors", on page 69, line 23, after the words "by law", to strike out "\$138,677,899" and insert "\$188,677,899", so as to read:

To be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California

Débris Commission in carrying on the work authorized by the act approved March 1, 1893 (U. S. C., title 33, sec. 661); for removing sunken vessels or craft obstructing or endangering navigation as authorized by law; for operating and maintaining, keeping in repair, and continuing in use without interruption any lock, canal (except the Panama Canal), canalized river, or other public works for the use and benefit of navigation belonging to the United States; for payment annually of tuition fees of not to exceed 35 student officers of the Corps of Engineers at civil technical institutions under the provisions of section 127a of the National Defense Act, as amended (U. S. C., title 10, sec. 535); for examinations, surveys, and contingencies of rivers and harbors; and for printing, including illustrations, as may be authorized by the Committee on Printing of the House of Representatives, either during a recess or session of Congress, of surveys under House Document No. 308, Sixty-ninth Congress, first session, and section 10 of the Flood Control Act, approved May 15, 1928 (U. S. C., title 33, sec. 702j), and such surveys as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress, and for the purchase of motor-propelled passenger-carrying vehicles and motor boats, for official use, not to exceed \$146,050: *Provided*, That no funds shall be expended for any preliminary examination, survey, project, or estimate not authorized by law, \$188,677,899.

Mr. FLETCHER. Mr. President, I have an amendment to offer to change those figures.

Mr. COPELAND. Mr. President, may I ask the Senator if he will not allow us to complete the committee amendments? I shall then interpose no objection whatever to reopening the question as to the figures.

Mr. FLETCHER. I did not want to complicate the matter. I expect to ask that \$20,000,000 be added to the figure in this amendment. If I agree to this figure now, there might be a question whether we could make it larger.

Mr. COPELAND. So far as I can speak for the committee and the Senate, if the Senator will present his amendment, including the increase in the figures, it will not be opposed.

Mr. COUZENS. Mr. President, I suggest that the amendment go over for the time being.

Mr. COPELAND. Mr. President, if the committee amendment may be adopted now, I may say that I will be in full accord with the Senator in bringing his amendment before the Senate.

Mr. FLETCHER. We can come back to this amendment. If we adopt the amendment now, it may complicate the situation when I offer the amendment I propose to offer. I suggest that we let the committee amendment go over.

Mr. COUZENS. Mr. President, I suggest that the amendment of the committee to which the Senator from Florida desires to offer an amendment go over, because he might not be able to have the vote reconsidered if it were agreed to.

Mr. COPELAND. Very well.

The PRESIDING OFFICER. The amendment will be passed over, and the clerk will state the next amendment of the committee.

The next amendment of the committee was, under the subhead "United States Soldiers' Home", on page 71, line 17, after the word "Fund", to insert "the accounts for which to be audited and settled as the Secretary of War shall direct", so as to read:

For maintenance and operation of the United States Soldiers' Home, including maintenance, repair, and operation of horse-drawn and motor-propelled freight- and passenger-carrying vehicles, to be paid from the Soldiers' Home Permanent Fund, the accounts for which to be audited and settled as the Secretary of War shall direct, \$799,105.

The amendment was agreed to.

The next amendment was, on page 76, after line 8, to strike out the following section:

SEC. 4. That as to contracts or subcontracts in excess of \$10,000, no appropriation contained in this act shall be available for the payment of a profit in excess of 10 percent to any contractor or subcontractor for the construction and/or manufacture of any complete aircraft or ordnance material, or any portion thereof.

Mr. O'MAHOONEY. Mr. President, by authority of the committee I desire to offer an amendment to come in on page 76, line 8.

Mr. NORRIS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. Was the committee amendment on page 76 agreed to?

The PRESIDING OFFICER. It was not agreed to.

Mr. COPELAND. I ask that the Senator from Wyoming withhold his amendment until the committee amendment on page 76 may be acted on.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 76 to strike out lines 9 to 14.

Mr. FRAZIER. Mr. President, I should like to have an explanation of this amendment.

Mr. COPELAND. Mr. President, the language on page 76 proposed to be stricken out was placed in the bill on the floor of the House. It was considered in the Senate committee, and the language was not agreed to. It reads:

Sec. 4. That as to contracts or subcontracts in excess of \$10,000, no appropriation contained in this act shall be available for the payment of a profit in excess of 10 percent to any contractor or subcontractor for the construction and/or manufacture of any complete aircraft or ordnance material, or any portion thereof.

The Secretary of War, the Chief of the Air Corps, the Chief of Staff of the Army, and other officers of the War Department, as well as civilian witnesses, pointed out that if the War Department calls for bids on 10 airplanes, with each bid there must be presented a finished airplane. A bid will not be received until the War Department actually has an airplane to see and to study.

It will be realized that the successful bidder may be required, then, by reason of negotiations, to change his airplane. It may be impossible to modify the model which he has presented, and he may have to bring forward another plane made in accordance with the recommendations of the War Department. If he is not permitted to have in excess of 10 percent profit he cannot recoup himself for the losses which he will incur by reason of his efforts to bid. So it became very plain to the committee that it would not be in the public interest to have in the law this particular provision relating to airplanes. It might be proper with reference to something else, but where it is necessary to know what sort of plane the Department is to receive, it would actually have to see the plane, have a plane manufactured. Therefore it seemed wise to strike out the language.

Once more I call attention to the fact that this language was inserted on the floor in the House, and was never considered by the House committee.

Mr. FRAZIER. Mr. President, as I understand, if this amendment shall be agreed to, it will leave the bids wide open, and the manufacturers may make as much as they can.

Mr. COPELAND. I do not think that is true.

Mr. FRAZIER. There is no limitation, at least.

Mr. COPELAND. There are limitations.

Mr. FRAZIER. What are they?

Mr. COPELAND. There are limitations placed by law on the functions of the War Department. I do not think the Senator can find evidence of any abuse in the War Department in this particular.

Mr. FRAZIER. Oh—

Mr. COPELAND. I am not going to discuss the general question; I am limiting the discussion to airplanes. So far as airplanes are concerned, if we are to build up aviation, and have the fleet of airplanes in this country which we should have, we must encourage the manufacturers. Most of the airplane concerns are operating on a shoestring, anyway. If the Senator will look over the earnings of the airplane manufacturers he will be surprised to find how very small their profits are.

Mr. FRAZIER. What is the cost of the average airplane which the Government buys for the Army or the Navy?

Mr. COPELAND. I do not believe I can answer that question.

Mr. FRAZIER. The cost is sufficiently high so that a 10-percent profit would be a fairly good profit, would it not?

Mr. COPELAND. I suppose if a manufacturing concern built five airplanes and had one adopted, it probably would make two or three thousand dollars. It would not make much.

Mr. FRAZIER. Of course it is not a one-plane proposition. A number of planes undoubtedly would be built at

one time by one company; and it seems to me that a 10-percent profit would be sufficient.

Mr. COPELAND. I have presented the argument. That is all I can say about the subject. The language in question was not approved by the committee of the House. It was disapproved by our committee. There are many pages of testimony which I suggest that the Senator from North Dakota read. From the argument and testimony contained in the hearings, it is quite conclusive that we ought not to include this language in the bill.

Mr. FRAZIER. Undoubtedly companies making airplanes or other paraphernalia for the War Department would like to make more than 10-percent profit.

Mr. COPELAND. There was not a representative of an airplane concern before the committee.

Mr. FRAZIER. The provision does not refer to airplanes only, as I understand, but refers to other things.

Mr. COPELAND. No; it relates only to airplanes.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. COUZENS. I am somewhat confused as to one matter, and have been unable to find any member of the Appropriations Committee who can explain it.

There appears on page 4 of the report on the bill submitted by the committee an item of \$100,000.

Mr. COPELAND. Will the Senator pardon me a moment? May we have the other amendment disposed of? Then I shall be glad to reply to the Senator's question.

The PRESIDING OFFICER. Is there objection to the amendment on page 76, to strike out lines 9 to 14?

Mr. FRAZIER. I object. It seems to me there ought to be a roll call on so important a question.

If the language in question is not placed in the bill, it will mean that bids for aircraft, for ordnance material, or any portion thereof, will be let without regard to the amount of profit that may be made. Where airplanes are made by the thousands, it seems to me that 10 percent is a big profit, and there ought to be a limit.

As I understand, the House committee put this provision in the bill, and it seems to me it ought to stay in the bill. If it is stricken out in the Senate, I suppose it will go to conference. I do not know what will be done with it in conference. I should like to see the Senate go on record with regard to the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is the request seconded?

The yeas and nays were not ordered.

Mr. COUZENS. Mr. President, the Senator from North Dakota perhaps is laboring under a delusion so far as this 10 percent plus is concerned. I think we all recollect the impositions made upon the Government during the war by the use of the cost-plus method. For my part, I believe that if the responsible authorities of the War Department are at all intelligent they will get better prices through competitive bidding than if they were free to make cost-plus contracts with anyone who might desire to make such bids. There is no way of determining in advance what the cost is going to be; and, for my part, as a buyer, I should rather have legitimate competition than to enter into a contract with anybody on a cost-plus basis.

Mr. FRAZIER. If I correctly understand the language of the provision, Mr. President, it does not limit competition at all. The only limitation is that the profit shall not be in excess of 10 percent.

Mr. COPELAND. Oh, no; the Senator is wrong about that. There are other provisions of law that require competition.

Let me point out one other matter: This provision applies not alone to the finished airplane but to every part of it. The Secretary of War pointed out to us that a great many articles which the Department buys are taken from the shelf, so to speak; that is, they are articles which are in stock; they may be motors or other things which are in stock, and perhaps have been on the shelves for a long time. The Department pointed out that it would be impossible to determine whether there was more than a 10-percent profit in connec-

tion with such materials. However, they gave the committee abundant proof—proof satisfactory to the committee—that the greatest care is exercised in the competitive features of bidding and in the selection of material. It was pointed out to the committee, as the Senator from Michigan said, that the alternative would be to go back to the cost-plus procedure, which would be infinitely more expensive than the proposed method.

Mr. FRAZIER. Mr. President, the limitation of profit to 10 percent is made in case of bids in excess of \$10,000. So, if a manufacturer of parts makes a bid in excess of \$10,000, or any other manufacturer makes a bid of over \$10,000, under this provision he would be limited to a profit of not to exceed 10 percent. If the amendment is stricken out, the sky is the limit.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DUFFY. I know of one instance in my State where there was a limitation of profit as to machinery or some parts of machinery being made for a naval vessel; and I have been informed that the company doing the work are no longer interested in trying to get any Government business, because so many items enter into the execution of a contract that they often suffer losses. They felt that there ought to be some way of balancing up their losses. They often run into great losses.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee, on page 76, to strike out lines 9 to 14. [Putting the question.] By the sound the ayes seem to have it.

Mr. FRAZIER. I ask for a division.

On a division, the amendment was agreed to.

Mr. O'MAHONEY. Mr. President—

Mr. COUZENS. Mr. President, I was in the course of making an inquiry of the Senator from New York when I was interrupted in order to have action completed on the pending amendment. I fear I have some confusion in my mind as to what is meant, on page 4 of the committee report, where it says:

Organized Reserves: Officers' Reserve Corps, \$100,000.

That appears to be an amount added by the Appropriations Committee. Is that correct?

Mr. COPELAND. That is correct.

Mr. COUZENS. On February 18 I received a telegram from the adjutant general of the State of Michigan, in which he said:

Pending War Department appropriation bill as passed by House needs \$100,000 to be added by Senate to national-matches allotment to remedy conditions under the preceding appropriation act.

I notice that is referred to in the paragraph above the \$100,000, and I wondered whether there was any connection.

Mr. COPELAND. No; there is no connection. The preceding language, which the Senate has already adopted, makes it possible for men to be assigned from the National Guard, as the writer of the telegram suggested to the Senator, and that their expenses shall be paid if they are ordered to the place; and provision is made by the language to take care of the very proposal suggested by the gentleman from Michigan who sent the telegram.

Mr. COUZENS. In other words, while no additional appropriation is made, the latitude which is given the War Department is adequate to cover the field?

Mr. COPELAND. That is true.

Mr. O'MAHONEY. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 76, line 8, at the end of the section, it is proposed to strike out the period and to insert a colon and add the following:

Provided, That the commanding officer of the post at which any such exchange is situated shall certify on the monthly report of the post-exchange council that such exchange was, during the period covered by such report, operated in compliance with this section.

Mr. O'MAHONEY. Mr. President, the principle of this amendment was agreed to by the committee, and the amendment is offered in this manner merely because at the time the committee completed its work on the bill the exact language the committee desired to use had not been selected.

Mr. COPELAND. Mr. President, the amendment is satisfactory to the committee.

Mr. COUZENS. I should like to know what the amendment is intended to accomplish.

Mr. O'MAHONEY. Section 3 of the bill is a restriction upon the operation of post exchanges and subexchanges, designed to prevent them from entering into unnecessary competition with local merchants. The post exchange is operated for the sole benefit of members of the Army or those who are associated with the military service. There has been a tendency in some places to violate that general purpose, and the right which has been recognized by Congress for the maintenance of these posts has in some cases been abused. The amendment is merely intended to prevent that abuse.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. COUZENS. If this amendment shall be adopted, will the posts referred to be prohibited from selling to civilians and others not in the posts?

Mr. O'MAHONEY. The law as it now stands, Mr. President, provides that no part of any appropriation shall be used to pay any expense in connection with the operation of these exchanges, save and except for real assistance and convenience to military personnel and civilians employed or serving at military posts, and to retired enlisted naval personnel in supplying them with articles of ordinary use, wear, and consumption not furnished by the Government. The effect of the amendment which is proposed is merely to provide that the commander at each post shall certify each month that the exchanges are operated in accordance with that law. It adds nothing new.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

The PRESIDING OFFICER. Are there additional committee amendments?

Mr. NORRIS, Mr. ROBINSON, and Mr. COPELAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NORRIS. I understand the consideration of committee amendments has been completed.

Mr. COPELAND. I have one or two amendments which I was asked to present.

Mr. NORRIS. Very well, I have no intention of interfering with the committee.

Mr. COPELAND. I send forward an amendment for which an appropriation has already been provided or approved by the Senate, but this language is necessary in order to perfect the amendment and have it conform to law.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, line 11, after the figures "\$34,619,252", it is proposed to insert the following:

Provided, That on and after July 1, 1936, there shall be authorized 1,183 officers of the Medical Corps and 258 officers of the Dental Corps, notwithstanding the provisions of the act of June 30, 1922 (42 Stat. 721), and the authorized commissioned strength of the Regular Army is hereby increased by 300 in order to provide for the increase herein authorized in the number of officers in the Medical and Dental Corps.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. COUZENS. Do I understand correctly that the amendment increases the number of officers in the Medical and Dental Corps in proportion to the increase in other branches of the Army?

Mr. COPELAND. The committee acceded to the desire of the Senator from Michigan that in making provision for an increase in the Army there should be provision for the necessary doctors and dentists. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York. The amendment was agreed to.

Mr. COPELAND. I have one more amendment which I was asked by the committee to present to the Senate without any particular recommendation, but in order that the Senate might be advised as to the request. I wish Senators would give heed to the proposal.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. On page 70, line 9, after the word "commission", it is proposed to insert the following:

Provided further, That the act approved August 30, 1935, Public, No. 403, Seventy-fourth Congress, shall not apply to contracts entered into to meet the emergencies of storm, flood, or accident, dangerous to navigation, from funds involving appropriations for rivers, harbors, or flood control: Provided further, That this appropriation shall be available for the continued employment of persons hitherto employed without regard to the civil-service laws on projects started with funds allotted from appropriations made by the National Industrial Recovery Act of June 16, 1933, the Emergency Appropriation Act of June 19, 1934, and the Emergency Relief Appropriation Act of April 8, 1935.

Mr. COPELAND. Mr. President, Public Act 403, referred to in the proposed amendment, undertakes to maintain the standards as determined by the Department of Labor of those who work on projects, and that sort of thing. I take it that the purpose of the amendment is to make it possible to continue employment upon relief projects in river and harbor activities without regard to the civil-service law or the provisions of the particular act, Public, No. 403.

So far as I am concerned, I have no recommendation to make, and I do not think the committee has. I leave the question to the determination of the Senate.

Mr. FLETCHER. Mr. President, I think the amendment ought to be rejected. It has back of it an insidious sort of purpose which I do not like. I never heard it discussed in the committee at all. The idea appears to be to limit the authority and power of the President under the act of 1935 by imposing some new restrictions as to the use of the funds therein provided. That act is temporary; it will expire in 1937. It is being executed by the President in accordance with its terms. He appreciates the responsibility that rests upon him under that act, and now to come in, at this late day, with an effort to restrict him in the use of these funds when he is vested with absolute authority and also with full discretion in their use is, I think, a great mistake. I make the point of order against the amendment.

The PRESIDING OFFICER. The point of order is sustained.

Mr. COPELAND. Mr. President, I have no further amendments to offer on behalf of the committee.

Mr. VANDENBERG. Mr. President, is there not a committee amendment which has been passed over?

The PRESIDING OFFICER. The Chair is advised that there was an amendment passed over on page 69.

Mr. NORRIS. I understand the agreement to that amendment depends on other amendments.

The PRESIDING OFFICER. The amendment which was passed over will be stated.

The CHIEF CLERK. On page 69, line 23, after the word "law", it is proposed to strike out "\$138,677,899" and insert "\$188,677,899."

Mr. NORRIS. Mr. President, that amendment was passed over to await action of the Senate on individual amendments offered by Senators.

Mr. COPELAND. I take it that the clerk read the amendment merely for the information of the Senate.

Mr. NORRIS. I do not see any reason why that amendment should be considered first. I have an amendment which I desire to offer and to which I think there is no objection whatever.

The PRESIDING OFFICER. Without objection, the Senator from Nebraska will present his amendment.

Mr. NORRIS. I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 71, after line 11, it is proposed to insert the following:

Flood control, Missouri River, Nebr.: For maintenance, repairs, and revetment work in the flood-control work now in progress at or near the town of Niobrara, Nebr., to be immediately available, \$130,000.

Mr. COUZENS. Mr. President, I will ask the Senator if the amendment has been recommended by the Budget Bureau and approved by the Department?

Mr. NORRIS. It has been approved, and the work is in progress now. As a matter of fact—

Mr. COUZENS. It is subject to a point of order, is it not?

Mr. NORRIS. Oh, no; it is not subject to a point of order, as I understand. I received the exact figures this morning from the Chief of Engineers, who says it will take the amount proposed to complete the project. The work ought not to be suspended, because it is partially completed, and because great danger from flood may arise. The amount proposed is merely sufficient to complete a project on which the engineers are now working.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. NORRIS. Yes.

Mr. VANDENBERG. Is this a flood-control project authorized by act of Congress?

Mr. NORRIS. I so understand. The Chief of Engineers told me so this morning over the telephone. He also said that \$175,000—I think that is the amount—has already been expended upon the work and that it will take \$130,000 more.

I will state the reason why the amendment ought to go in the pending bill. I am personally acquainted with the location of Niobrara, where this work is being done; I myself have visited it. It is in a bend of the Missouri River, where a dangerous condition has existed for several years. If a heavy flood should happen in the Missouri River at that point, it would wipe the city of Niobrara off the map. The river has already washed away its banks very close to the city itself, and it is now on the particular bottom where the city is located. The engineers are working on it, and they want to get the work finished if they can before the danger arises of a summer flood in the Missouri River. I have explained the amendment to the Senator in charge of the bill, and he has no objection to it.

Mr. COPELAND. Mr. President, assuming that this project is authorized, as I understand it is, so far as I am concerned I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

Mr. ROBINSON. I offer an amendment and ask the attention of the Senator in charge of the bill to it. The amendment which I am about to propose authorizes and directs the Secretary of War to convey to the city of Little Rock certain real estate, accurately described in the amendment, for use in connection with the municipal airport there.

The property was acquired by the War Department during the World War. Since the establishment of the airport it has been used in connection with the landing field and the buildings. The city finds it necessary materially to improve its airport there, and therefore this amendment is presented. The amendment imposes five conditions, which I will state:

First. That the property shall be used only for public purposes;

Second. That in case of national emergency the War Department may take over the entire airport and operate it

without rental or other charge to the United States Government;

Third. That the municipality shall at all times furnish free use of the City of Little Rock Municipal Airport to all Army and Navy aircraft, together with hangars and necessary service facilities;

Fourth. That a prior right to the use of the airport shall be granted to the Arkansas National Guard in training its air squadron; and

Fifth. The requirement is made that the municipality shall expend annually in new and additional improvements to the airport an amount equal to the amount now paid to the United States Government as rental.

The city now rents that portion of the airport and pays an annual rental which I think is \$1,200 a year. The amendment authorizes the conveyance of the land to the city to the end that the airport may be properly and effectively improved and maintained.

The PRESIDING OFFICER. The amendment proposed by the Senator from Arkansas will be stated.

The CHIEF CLERK. On page 37, after line 6, it is proposed to insert the following:

That the Secretary of War is hereby authorized and directed to convey to the city of Little Rock, Ark., a municipal corporation of the State of Arkansas, the land described in section 2 hereof, subject to the following conditions:

(1) Said property shall be at all times utilized only by the municipality for public purposes.

(2) In time of national emergency, upon request of the Secretary of War, the municipality shall turn over complete control and operation of the entire Little Rock Municipal Airport and the property thereon, without rental or other charge, to the United States of America, for such use and for such length of time as the emergency shall require, in the discretion of the Secretary of War.

(3) That the said municipality shall at all times furnish free use of the said Little Rock Municipal Airport to all Army and Navy aircraft, together with such hangar and necessary service facilities as are available at said airport.

(4) That the said municipality shall furnish free use of the airport field and the squadron hangar now located thereon to the One Hundred and Fifty-fourth Observation Squadron, Arkansas National Guard, or its successor as designated by the War Department, and that the said squadron during periods of intensive training under direction of the War Department, shall have right-of-way or priority in the use of the said field, and that the municipality shall continue to extend to the squadron the same free services of said field as are now extended to the squadron, including free use of the lighting system for night flights.

(5) The municipality shall annually expend in new and additional improvements to the airport an amount equal to the amount now paid the United States of America as rental.

SEC. 2. The land authorized to be conveyed by the Secretary of War under section 1 hereof is described as follows:

Beginning at an iron pin marking the southwest corner of the east half of the northeast quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$), section 12, township 1 north, range 12 west of the fifth principal meridian; thence

(1) South eighty-four degrees forty-five minutes west (S. 84°45' W.), along the east and west half section line of said section, said line also being the center line of Seventeenth Street, a distance of one thousand two hundred forty-one and sixty-five hundredths feet (1,241.65'), to a point in the easterly right-of-way line of the Missouri Pacific Railroad; thence

(2) North thirty-four degrees fifty-six minutes west (N. 34°56' W.), along said right-of-way line, a distance of one thousand five hundred forty-eight and seventy-eight hundredths feet (1,548.78'), to a point in the center line of Thirteenth Street; thence

Along the center line of Thirteenth Street, the following three (3) courses:

(3) North eighty-four degrees forty-six minutes east (N. 84°46' E.), a distance of nine hundred forty-one and four hundredths feet (941.04') to a point;

(4) South eighty-four degrees twenty-one minutes east (S. 84°21' E.), a distance of one hundred seventy-nine and no hundredths feet (179.00') to a point;

(5) North eighty-four degrees fifty-four minutes east (N. 84°54' E.), a distance of eight hundred eighty-four and thirty hundredths feet (884.30') to a point in the center line of the Harrington Avenue, said center line also being the west line of the east half of the northeast quarter of said section 12; thence

(6) North five degrees thirty-six minutes west (N. 5°36' W.) along said center line, a distance of one thousand fifty-eight and eighty hundredths feet (1,058.80') to a point; said point being two hundred eighty-six and no hundredths (286.00') from a stone monument marking the northwest corner of the east half of the northeast quarter of said section 12; thence

(7) North thirty-seven degrees thirty-five minutes east (N. 37°35' E.), a distance of three hundred ninety-one and sixty hundredths feet (391.60') to a point in the north line of said section 12, distant two hundred sixty-eight and no hundredths feet (268.00') from said stone monument; thence

(8) North eighty-four degrees thirty-two minutes east (N. 84°32' E.) along the north line of section 12, a distance of eight hundred forty-three and eighty-five hundredths feet (843.85') to an iron pin, said pin being two hundred eleven and no hundredths feet (211.00') from a stone monument in the northeast corner of said section 12; thence

(9) South five degrees thirty-one minutes east (S. 5°31' E.), a distance of two thousand six hundred fifty-seven and seventy hundredths feet (2,657.70') to an iron pin, said pin being two hundred eleven and no hundredths feet (211.00') from an iron pin in the southeast corner of the east half of the northeast quarter of section 12; thence

(10) South eighty-four degrees forty-two minutes west (S. 84°42' W.) along the east and west half section line of said section 12, said line also being the center line of Seventeenth Street, a distance of nine hundred thirty-five and eighty hundredths feet (935.80') to a point; thence

(11) North five degrees thirty-six minutes west (N. 5°36' W.), a distance of seventy-five and ten hundredths feet (75.10') to a point; thence

(12) South eighty-four degrees forty-two minutes west (S. 84°42' W.), a distance of one hundred seventy-two and twenty hundredths feet (172.20') to a point; thence

(13) South five degrees thirty-six minutes east (S. 5°36' E.), a distance of seventy-five and ten hundredths feet (75.10') to the point of beginning.

Containing in all an area of one hundred fifteen and eight hundred and four thousandths acres (115.804 A.) more or less, all as shown on map no. 6490-101, entitled: "Reservation boundary Little Rock, A. I. D., Little Rock, Ark.", dated March 1928 and filed in the office of the Quartermaster General, Washington, D. C.

Mr. COPELAND. Mr. President, so far as I can as a member of the committee, I may say that I have no objection to the amendment.

Now, as a Senator, I should like to say that, in my opinion, as to all the airports there must be strict Federal supervision. It gives a false sense of security to a pilot who thinks there is an airport somewhere where he can land unless that airport is properly lighted, unless it has a radio beam, unless it is taken care of in a manner to give proper and accurate information to the aviator. Otherwise, it ought not to be operated at all.

Speaking as the Senator in charge of the bill for a moment, provision is made in the amendment that in time of emergency the airport may be taken over by the Federal Government, so that the interests of the public are certainly safeguarded.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas.

The amendment was agreed to.

Mr. FLETCHER. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 68, line 15, after the word "navigation", it is proposed to insert the following: "and to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935", so as to make the clause read:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; and to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935.

And on page 69, line 23, it is proposed to strike out "\$138,677,899" and insert in lieu thereof "\$208,677,899."

Mr. McNARY. Mr. President, the amendment is evidently based on the original print of the bill as it came from the House. As the bill has been reported by the committee, the appropriation referred to has been increased. I think the Senator intends to add to the total sum as reported by the committee.

Mr. FLETCHER. That would be the effect.

Mr. McNARY. I suggest that the clerks be authorized to increase the totals where necessary.

Mr. FLETCHER. I am told that if my amendment should be adopted, it would increase the amount carried by the amendment which has been recommended to the Senate by the committee.

Mr. COPELAND. The committee amendment on page 69, line 23, has not as yet been passed upon; but, as I understand, the Senator from Florida proposes to add \$20,000,000 to the \$188,677,899 which has been included in the bill as a committee amendment.

Mr. FLETCHER. That is correct. The amount carried in my amendment would be added to the amount carried in the committee amendment which has not as yet been agreed to.

Mr. COPELAND. Mr. President, will the Senator yield to me to make a brief statement?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New York for that purpose?

Mr. FLETCHER. I yield.

Mr. COPELAND. When the item referred to by the Senator from Florida came up in the committee I took the position that it was subject to a point of order under rule XVI of the Senate. The subcommittee sustained me in that regard. The same point was raised in the full committee and by a very close vote, and after the chairman announced that he did not think it was subject to a point of order, the full committee rejected the amendment of the Senator from Florida.

I have very serious question in my mind about the amendment being in order under rule XVI. As one reads that rule it is very clear, certainly, that the amendment could not be received under the first section; but there is a provision in the rule, in the last two lines of the first section, under which such an amendment may be presented if it is proposed in pursuance to an estimate submitted in accordance with law. If that means that an estimate submitted by the Director of the Budget is the kind of estimate intended to be covered by the rule, then the Senator from Florida has a perfect right to submit his amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. CLARK. It has been the invariable practice in the Senate and in the House that to be authorized by law a project must be in pursuance of some specific provision in the law having to do with the project. In other words, it does not give authority of law to any item to have the Director of the Budget simply send an estimate to Congress. When we come to consider the rules, we are bound by the rules of the Senate, and the universal practice has been that unless authorized by law amendments providing for such projects are not proper upon a general appropriation bill.

Mr. COPELAND. That is exactly the view I take.

Mr. FLETCHER. The rule, however, does not so provide.

Mr. COPELAND. I have taken the view just expressed by the Senator from Missouri. I had a long talk this morning with our very able parliamentarian, Mr. Watkins. He has convinced me, if not the Senator from Missouri, that the Senator from Florida has a right to present the amendment.

However, I wish to say that I do not believe the language of the rule as interpreted is what the Senate intended it should be. I do not believe the Senate ever intended to formulate a rule which would make it possible to consider an estimate from the Budget Bureau as an authorization for a project. I cannot conceive it possible that the President, in connection with the \$4,000,000,000 relief act, could allocate \$1,000 each to a thousand projects and then the Director of the Budget could send in estimates accordingly.

If that be a correct interpretation of the rule as it exists, then Congress might be bound for the next 50 or 100 years by authorizations which its committees never considered and upon which Congress never had passed. I am convinced that the Senate never intended in the formulation of rule XVI to give such tremendous power to the Director of the Budget and to have him overrule the wishes and desires of the Congress.

However, the rule is as it is and our parliamentarian, Mr. Watkins, has convinced me that a point of order against the proposal could not properly be sustained. I am rather glad personally that that is the view of our parliamentarian, because my great affection for the Senator from Florida has put me in a very embarrassing position during the past week or

two. I am not promising him that I am going to vote for his proposal, but I am somewhat relieved to find that technically he is correct. Therefore, so far as I am concerned I have no disposition to keep him off the floor and prevent him presenting his argument in behalf of his amendment.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. The point of order may be made at any time, may it not? In other words, the point of order is not waived by not making it at this particular time?

The PRESIDING OFFICER. The Senator is correct. The question is on the amendment of the Senator from Florida [Mr. FLETCHER]. The Senator from Florida has the floor.

Mr. VANDENBERG. Mr. President, there is a good deal to be said on that amendment before it is voted upon.

Mr. CLARK. Mr. President, I desire to make a point of order against the amendment. I understood the Senator from Florida desired to address the Senate on it.

Mr. VANDENBERG. Several other things are going to happen before the amendment is voted on.

Mr. KING. I hope so.

Mr. FLETCHER. Very well; let them happen. I shall be ready for them.

Mr. CLARK. I make the point of order.

Mr. FLETCHER. Let the Senator present his point of order. I cannot see any foundation at all for it, and the Committee on Appropriations held that the amendment was not subject to a point of order; but the Senator may present it if he desires.

Mr. CLARK. Mr. President, this matter involves a complete departure from the practice heretofore uniformly followed by the Senate, so far as I know, and authorizes the Bureau of the Budget in the future to make authorizations for appropriations for all matters not previously authorized by law. Before a matter of such importance, and one which will set such a precedent for the future, is discussed, I think there ought to be a quorum present; and I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pope
Austin	Costigan	La Follette	Radcliffe
Bachman	Couzens	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barkley	Donahay	Loneragan	Russell
Benson	Duffy	Long	Schwollenbach
Bilbo	Fletcher	McAdoo	Sheppard
Black	Frazier	McGill	Shipstead
Bone	George	McKellar	Smith
Borah	Gerry	McNary	Stetwer
Brown	Gibson	Metcalf	Thomas, Okla.
Bulkeley	Glass	Minton	Thomas, Utah
Bulow	Gore	Moore	Townsend
Burke	Guffey	Murphy	Trammell
Byrd	Hale	Murray	Truman
Byrnes	Harrison	Neely	Tydings
Capper	Hatch	Norbeck	Vandenberg
Caraway	Hayden	Norris	Van Nuys
Carey	Holt	O'Mahoney	Wagner
Clark	Johnson	Overton	Wheeler
Connally	Keyes	Pittman	White

Mr. LEWIS. I rise to announce the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness.

The Senator from Nevada [Mr. McCARRAN], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Connecticut [Mr. MALONEY], the Senator from New Mexico [Mr. CHAVEZ], and my colleague [Mr. DIETERICH] are detained on official business.

The Senator from Arizona [Mr. ASHURST] is engaged before the Judiciary Committee.

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. CLARK. Mr. President, I desire to address myself very briefly purely to the point of order.

In what I shall say upon the point of order there will be no expression of opinion whatsoever as to the merits of the project proposed in the amendment of the Senator from Florida. Certainly, so far as my feeling toward the Senator from Florida is concerned, it is simply one of affection; and as to the project itself, I do not profess to have any infor-

mation, other than such as has been derived from a few newspaper articles on the project which I have read. But, to my mind, the question involved in this point of order is the most important parliamentary proposition which has come before the Senate of the United States since I have been a Member of it, and one of the most important parliamentary problems presented to either branch of Congress during my lifetime.

Briefly, the proposition embodied in the amendment of the Senator from Florida goes directly to the very fundamentals of the universal practice in this country, which has required authorizations by law before items of appropriation may be offered on general appropriation bills.

I do not think the importance of the precedent we are to set here today can possibly be overestimated. Without going into the merits of whether or not the Government of the United States should construct the Florida canal—which is a question of fact to be determined on its merits by the Congress of the United States—the question presented here today is whether the Director of the Budget, by his mere act, has a right to make items of appropriation authorized on general appropriation bills, without any other previous authority of law.

Without going, as I say, into the merits of the desirability of the Florida canal, we are all familiar with the outline of the facts—that out of funds which were authorized by law to a specific amount, granted to the President in his discretion, the President allocated some \$5,000,000 for preliminary work upon a project which has been variously estimated to cost from \$150,000,000 to \$350,000,000. There are many other projects in the same situation, some in my State; but for the Senate to hold that with that allocation, undoubtedly made in accordance with law and with funds properly within his control, the Director of the Budget has the authority or the right, either under the law or under the rules of the Senate, further to increase the authorization beyond that contained in the \$4,800,000,000 act, is to say that Congress, having appropriated \$4,800,000,000 in an emergency, the Director of the Budget by his own act has authority to increase that authorization from \$4,000,000,000 to \$40,000,000,000, or, for that matter, to \$400,000,000,000, if the Director should see fit to do so!

I submit that Senators ought to give very careful consideration to the point of order raised, not with respect to the merits of the Florida Canal project, which will properly be determined when substantive legislation authorizing such a project is properly brought in and considered by the Senate, not influenced by our affection for the Senator from Florida, whom we all deeply respect and admire, but considering the precedent which is sought to be set of raping the Congress of its jurisdiction, jurisdiction which is only that of Congress, to authorize appropriations, and conferring the jurisdiction upon an administrative official, namely, on the Director of the Budget.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. BARKLEY. The situation which arises in connection with the Florida ship canal may arise as to many other projects which have been or may be begun.

Mr. CLARK. That is true.

Mr. BARKLEY. Does the Senator contend that the President did not have the lawful authority under the blanket appropriation of \$4,800,000,000 to designate certain projects which should be either completed or begun out of that \$4,800,000,000? And if he had the authority under the act appropriating the money to establish certain projects, does not that itself cure any defect by reason of a lack of specific authority given by the Congress for the appropriation of money for the project?

Mr. CLARK. Mr. President, it is my contention, and I think the contention cannot be successfully attacked as a legal proposition, that neither the President nor the Director of the Budget had a right to authorize the expenditure of or to expend one penny in excess of the \$4,800,000,000 appropriated by Congress. It was perfectly proper and perfectly legal for the President to authorize the expenditure

of any of that sum in any manner he might see fit to choose, under the blanket authority, but, as I said a moment ago, simply because \$10 might be spent on a \$10,000,000 project, to say that that was an authorization which gave the Director of the Budget the authority or the legal right to make an estimate in regard to it is simply to extend the appropriation of the \$4,800,000,000 without any limit whatsoever.

Mr. BARKLEY. I grant that the Senator is correct in stating that neither the President nor the Director of the Budget—and, of course, in this matter it is the President, because the Director of the Budget is simply acting under his direction—

Mr. CLARK. The Director of the Budget made the estimate. That is the theory on which the amendment is being offered.

Mr. BARKLEY. He does not authorize the expenditure. Assuming that the President had the lawful power to designate this project, or any other project which might have been completed out of the \$4,800,000,000, or might have been started, if the establishment of the project itself was lawful, then is it necessary to secure a specific act of Congress legitimatizing the authority on the part of the President?

Mr. CLARK. I think unquestionably it is, because unless my contention be correct, there is absolutely no limit which can be conceived of to the extent to which the Treasury of the United States might be subjected to expense because of the original appropriation of \$4,800,000,000. When we voted for the \$4,800,000,000 appropriation we were voting for the greatest expenditure of money ever made in peacetime by any nation on the face of the earth, but it certainly was not our intention to obligate the Government of the United States—at least, it was not mine when I voted for the bill—to obligate the Government of the United States, to expend one penny more than the sum carried in the bill.

Mr. BARKLEY. There is never any obligation on the part of Congress, moral or legal, to appropriate more money than it provides in any appropriation bill, even though it is for a project which Congress itself has authorized, because Congress can authorize projects and appropriate money partly to build them, and then refuse to appropriate any more; and there is no remedy for that. That is a thing which sometimes happens.

Mr. CLARK. The Senator knows, as he has been very much interested in it, that in the city in which I reside there is a project for which the President made an allocation of funds for as much of the project as could be completed in 1 year, and left a very large portion of the project unallotted for, and very properly, because it could not be completed within a year. I hope that some day, and as soon as practicable, Congress may authorize the completion of that project; but because I am very hopeful that the Congress in its wisdom may see fit to pass substantive legislation authorizing the completion of that project, it has never occurred to me for a moment to offer an amendment as a rider to a general appropriation bill for the completion of the project.

Mr. BARKLEY. I do not entirely agree with the Senator. Of course, I realize that if, either out of funds available, or other funds which may be appropriated, the President does not allocate sufficient money to complete that project, and all other projects begun under the \$4,800,000,000, it will then be up to Congress to decide whether it will complete them by additional appropriations.

Mr. CLARK. I agree entirely with the Senator from Kentucky on that proposition; but it is the right of Congress to decide whether it wishes to appropriate the necessary money to complete the project.

Mr. BARKLEY. The decision ought to be rendered on the merits of the case.

Mr. CLARK. I agree with the Senator.

Mr. BARKLEY. It ought not to be rendered on a point of order. My contention is that this is a new situation, and not covered by any ruling of the Chair heretofore. Where the President authorizes the beginning of a project, which he had a legal right to do, it is a legal project, although he cannot spend a dollar beyond the money already appropri-

ated. But having established it legally, and within the authority conferred upon him, a point of order would not lie against the authority of the President in establishing it, although the Senate or the House might vote down an appropriation for which an estimate had been made.

Mr. CLARK. Let me say to the Senator from Kentucky that, so far as I know, no one has thought of contending that a point of order would lie against the original expenditure. My only proposition is that an estimate based simply on an allocation in a blanket \$4,800,000,000 appropriation act, made on his own motion by the Director of the Budget, does not relieve the amendment from its susceptibility to a point of order, and does not constitute authority of law.

Mr. BARKLEY. I do not know how I shall vote on the Florida project—

Mr. CLARK. Nor do I.

Mr. BARKLEY. I am not interested in it one way or the other; I may vote against it when it comes before the Senate; but my point is that the project having been established by the President under the authority of Congress, a point of order does not lie now on the ground that it was not established lawfully, that it was not authorized, although the expenditure of the entire amount might not be authorized under the blanket appropriation. I think the status of the project cures any lack of specific authority by Congress to appropriate for it.

Mr. CLARK. Perhaps I did not make my contention perfectly clear to the Senator from Kentucky. My contention is not that the original allocation was unlawful, or without authority of law, or that the expenditures made up to date have been without authority of law, because the President had specific authority, in the \$4,800,000,000 appropriation act to spend the money for practically any purposes for which he saw fit to spend it. My point is not that the original expenditure was unlawful but that further expenditure will be unlawful unless specifically authorized by Congress.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Missouri yield to me?

Mr. CLARK. I yield.

Mr. THOMAS of Oklahoma. Let me ask a hypothetical question and see if I understand correctly the position of the Senator from Missouri. In the event the Senate should sustain the amendment—in other words, hold that the point of order is not well taken—in the event that the Senate and the Congress should place in the appropriation bill this item appropriating \$20,000,000 for the continuation of work on the Florida canal, does the Senator hold that it would be the duty of the Comptroller General to refuse to allow the money to be spent for further construction of the canal?

Mr. CLARK. Does the Senator mean, unless this amendment should be enacted into law, or additional authorization should be made?

Mr. THOMAS of Oklahoma. In the event the point of order shall not be sustained, then the Senate will vote upon the amendment.

Mr. CLARK. I make no such contention. Of course, if the Senate shall choose to allow a rider appropriating \$40,000,000,000 to be added to the bill, the Comptroller General would have no right to declare it illegal, if the Congress passed the bill and the President signed it. It is the matter of retaining the proper authority in the Congress itself, control of the appropriations, to which I press my point, not that the Comptroller General would have the slightest right to declare an act of Congress invalid.

Mr. ADAMS. Mr. President, will the Senator from Missouri yield to me?

Mr. CLARK. I yield.

Mr. ADAMS. I wish to add a word, with the permission of the Senator from Missouri, in further answer to the point raised by the Senator from Kentucky. It seems to me there is a confusion of terms. There is absolutely no question that when Congress appropriated the \$4,800,000,000 the President had the right to spend the \$4,800,000,000. He could spend it at any place for work or work relief.

Mr. CLARK. He could have spent it all on the Florida canal if he had so desired.

Mr. ADAMS. The authorization of a project is a legislative act. The President of the United States has not the authority, and the authority cannot be delegated to him, to authorize a project, for that is a legislative act. In other words, when we are discussing the authorization for a project, a thing which only Congress can do, it is very different from appropriating money and putting it into the hands of the President and giving him the power to spend it. We did not give to the President the power to authorize projects so as to lay the foundation for demanding of the Appropriation Committees subsequent expenditures. It seems to me, as the Senator from Missouri has pointed out, that there is a very vital and essential matter of principle involved which does not concern this one particular project, that is, as to whether or not Congress has attempted to surrender its rights to control the purse of the Nation.

I do not think Congress meant to do that, and I think it perfectly clear that Congress could not do that. If the authorization for a project is a legislative matter, as it is under our practice, we cannot delegate it to the President; we cannot delegate it to the Bureau of the Budget. So, if an amendment is offered for which there must be an authorization, the Director of the Budget cannot furnish the authorization, nor can the President furnish the authorization.

Mr. KING. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. KING. I desire to supplement the very pertinent remarks of the Senator from Colorado [Mr. ADAMS] by challenging attention to action recently taken by the Senate.

A number of States in the West appealed to the President to obtain a part of the \$4,880,000,000 for irrigation and reclamation projects. The President made a number of allocations for such projects. Some of the projects have been partially completed. Others have not been entered upon, although plans for them have been formulated. Recently some of us who were interested in those projects realized that the President had no power to make them permanent projects, because a legislative act was required to do that; and we therefore secured an amendment to an appropriation bill and had those projects legislatively authorized. If that bill shall be signed by the President, the Congress may go ahead and make appropriations. But in the absence of legislation declaring those projects to be Government projects—that is, unless there was legislation back of them—I doubt whether the President could make any further allocations for them.

Mr. CLARK. At that point let me ask the Senator from Utah a question. Does he think that when Congress appropriated the \$4,880,000,000 for public works, we authorized the work to be done on the installment plan of \$1 down and a dollar forever?

Mr. KING. No; certainly not.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. COPELAND. I came to the Capitol this morning expecting to raise a point of order against the proposed amendment, as I did in the subcommittee. I did what I could in that direction in the full committee. It is perfectly clear in my mind now that there is something wrong about a plan which would permit through the medium of a regular appropriation bill a project to be carried forward which has not been authorized by the Congress. I am perfectly clear that the President had a perfect right under the \$4,880,000,000 appropriation act to allocate to the Florida canal any sum of money that he saw fit, and he can do it now.

Mr. CLARK. And that has not been disputed.

Mr. COPELAND. No; and that money can be spent at any time up to the 1st of July 1937.

Mr. CLARK. Let me ask the Senator from New York a question. As jurisdiction of Senate committees goes, the authorization of a canal of this sort is a matter solely within the jurisdiction of the Committee on Commerce of the Senate, is it not?

Mr. COPELAND. That is true.

Mr. CLARK. That committee has appointed a subcommittee, composed, I believe, of the Senator from Florida [Mr. FLETCHER], the chairman of the committee, the Senator

from New York [Mr. COPELAND], and the Senator from Michigan [Mr. VANDENBERG], to pass on this matter.

Mr. COPELAND. That is correct.

Mr. CLARK. Yet, while those hearings are still in progress, while the subcommittee has not reported to the full committee, and while there has been no substantive legislation on the subject, it is now sought, by rider on the appropriation bill, to give general authority for continuation of the project.

Mr. COPELAND. I am in full agreement with my friend the Senator from Missouri. When I came here to discuss this matter, my attention was called to rule XVI; and I shall now read it to the Senate.

I said in my introductory statement a little while ago that I know it never was the intent of the Congress of the United States to delegate to the Director of the Budget its power to decide what projects shall be undertaken. I know certainly that I am right in estimating the sentiment of the Congress. So far as the point of order is concerned, however, it hinges wholly upon the last two lines of rule XVI; Mr. Watkins, the Parliamentarian, convinced me, I think, upon that subject. I wish to be unconvinced, because I am thoroughly out of patience with the idea of delegating our power to any executive officer of the Government. I know little about law, but it seems to me that even the Supreme Court might find fault with such a delegation of power.

However, this is what the rule says:

All general appropriation bills shall be referred to the Committee on Appropriations, and no amendments shall be received to any general appropriation bill the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation, unless it be made to carry out the provisions of some existing law, or treaty stipulation, or act, or resolution previously passed by the Senate during that session—

We all agree with that.

Mr. FLETCHER. Go on.

Mr. COPELAND. I am going on, if the Senator will be patient. I do not like to go on, but I will go on.

I continue—

or unless the same be moved by direction of a standing or select committee of the Senate, or proposed in pursuance of an estimate submitted in accordance with law.

Mr. CLARK. But, Mr. President, the Senator is not giving any consideration or authority to the last four words of the rule—"in accordance with law." Submitted in accordance with what? "Submitted in accordance with law." Does the rule say "proposed in pursuance of an estimate"? It does not. It says, "proposed in pursuance of an estimate submitted in accordance with law."

Mr. President, what law gives the Director of the Budget authority to submit an estimate for projects not hitherto authorized by law? When the Director of the Budget submits such an estimate, he is not submitting an estimate submitted in accordance with the law. The Director of the Budget is controlled by the law creating the Bureau of the Budget; and when he goes out of his authority to submit an estimate for a project not hitherto authorized by law, he is violating the law, and does not bring himself within the Senate rules.

Mr. COPELAND. Mr. President, let me say to the Senator that if the rule said "or proposed in pursuance of an estimate submitted and in accordance with law", the Senator and I would be all right. It is the duty of the Director of the Budget to submit estimates.

Mr. CLARK. Estimates not in accordance with law cannot be submitted by him, under our rules.

Mr. COPELAND. There is a law which permits him to submit estimates. May I ask the Senator to enlarge upon the subject so as to justify us in taking the position that the amendment is actually subject to a point of order?

Mr. CLARK. It appears perfectly clear to me that if the Director of the Budget arrogates to himself the authority to submit an estimate for a project which never has been authorized by law, he exceeds the authority given the Bureau of the Budget in the very act to which it owes its existence, and, therefore, it is not an estimate authorized by law, and not entitled to be considered in connection with this rule.

Mr. FLETCHER. Mr. President, will the Senator yield? Mr. CLARK. I yield.

Mr. FLETCHER. I desire to say briefly that the rule is so plain that it seems to me it does not need any interpretation.

In the last clause of the rule the language "or proposed in pursuance of an estimate submitted in accordance with law" is used. This estimate was submitted by the War Department, by the Bureau of the Budget, and was recommended by the Chief of Engineers. The estimate is made for the whole appropriation bill, covering the whole bill. Included in the whole bill is the item with which we are now dealing. The estimate was made under the general law, according to law, beyond any question whatever; and, the estimate having been made according to law, the amendment is perfectly in order. It is made according to the express language of the rule.

How can it be assumed that the items here covered were never authorized by law? In my judgment, they were authorized in the first place by law, and the question of delegating the power of Congress is not involved at all. There are persons who think the act of 1935 a foolish act; but we cannot help that. It is the law. It never has been challenged. The Senator admits that the President had authority to authorize the commencement of this project.

Mr. CLARK. I not only admit it; I proclaim it. That is the very essence of the matter we are considering.

Mr. FLETCHER. I think the Senator is absolutely right there. He admits that the President had authority to allocate funds for the prosecution of work on the project.

That was done in accordance with law. In this instance there is no delegation by Congress to the President of authority to legislate. Congress makes the President its agent in deciding upon what projects he will enter and decide upon, and what allotments he will make for them. In the last Congress we included several items in the river and harbor bill, as the Senator will recall, being projects subject to the approval and endorsement of the Chief of Engineers. They were approved by the Senate subject to his endorsement. The endorsement was made.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. CLARK. It seems to me that the Senator chose an unfortunate illustration, because the bill to which he referred carried no appropriation whatever. It was an authorization reported from the committee of the Senate having jurisdiction over such authorizations. It was not as though we had undertaken to make an appropriation as a rider on a general appropriation bill and made the appropriation subject to the approval of the Chief of Engineers. I think the Senator will agree to that.

Mr. FLETCHER. In the illustration referred to, the projects having been authorized, Congress made appropriations for them, and by law made the Chief of Engineers the agent of Congress to pass upon the merits of the projects. We are doing the same thing here. I think by the act of 1935 we made the President of the United States the agent of Congress to authorize projects and to allocate funds for the work on those projects. It is perfectly legal and according to law that estimates should be submitted to the Congress by the Director of the Budget and by the War Department with reference to the appropriation bill covering the requirements of that Department. Those estimates were made according to law. In my judgment, this project was adopted by the Congress through its agent, the President, according to law. But, anyway, the estimates are here, submitted in regular order as the law requires, and the estimates were before the Appropriations Committee. The Appropriations Committee have acted upon those estimates, and included in the estimates were the items which I seek to incorporate in the bill. I think, beyond any question, this amendment is in order, and is not subject to the point raised by the Senator from Missouri.

As to the argument of the Senator from Utah [Mr. KING] about projects which were adopted, the projects he mentions were adopted on an appropriation bill; the appropriation bill carried the items which he mentioned. They were sub-

ject to a point of order as legislation on an appropriation bill, I presume, but the point of order was not raised; and so they entered into that bill and were authorized by Congress by reason of the passage of the appropriation bill.

Mr. CONNALLY obtained the floor.

Mr. COPELAND. Mr. President, may I ask the Senator from Missouri a question?

Mr. CONNALLY. I yield.

Mr. COPELAND. Suppose the Chief of Army Engineers were to go to the Director of the Budget and suggest that \$20,000,000 be estimated for a certain purpose and that the estimate should accordingly be made; would that be in accordance with law?

Mr. CLARK. It would not be. I say that under the act creating the Budget Bureau the Director of the Budget has no right to make any estimate for projects not previously authorized by law. Neither the Chief of Engineers nor the Director of the Budget has a right either to appropriate funds or to make estimates for the appropriation of funds—estimates in a technical sense not previously authorized by law. It is perfectly proper for the Chief of Engineers to make any recommendation he may please on any project that may be properly submitted to him, either by the President or by the Congress, to be passed on by him, but the Chief of Engineers has no right to recommend \$25,000,000 or \$150,000,000 or \$1.50 for projects not previously authorized by law, and neither has the Director of the Budget.

Mr. CONNALLY. Mr. President, I do not claim to be a parliamentarian, but I wish to submit a few remarks on the theory that this amendment is in order.

If the Chair will consult rule XVI, he will note that it provides:

No amendments shall be received to any general appropriation, the effect of which will be to increase an appropriation already contained in the bill, or to add a new item of appropriation unless it be made to carry out the provisions of some existing law—

If it stopped there, the Senator from Missouri might be correct.

Mr. CLARK. There is no question that the Senator from Missouri would be correct.

Mr. CONNALLY. The Senator would be correct. Very well. If the rule stopped there, all right; but it does not stop there. The rule continues—

or treaty stipulation—

If this were a treaty, the Senator would be correct—

or act, or resolution previously passed by the Senate during that session; or unless the same—

In other words, the rule makers were not satisfied with providing that the amendment must be in accordance with some previous authorization, but they said we want a little more freedom—

or unless the same be moved by direction of a standing or select committee.

In other words, if the committee had reported favorably a resolution, although it had not become a law, authorizing this project, even though Congress had not passed on it, an amendment on the subject would still be in order.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. CONNALLY. I yield.

Mr. HATCH. I wish to know if I understand the Senator's position correctly. He has just stated that under the provision of rule XVI which he has just read if any standing committee of the Senate had reported favorably on one of these projects such report would answer the requirements of the rule.

Mr. CONNALLY. It would; that is my understanding of it.

Mr. HATCH. I merely wanted to be sure as to the Senator's position.

Mr. CONNALLY. In other words, whenever a standing committee of the Senate reports favorably, then the matter is ready for the consideration of the Senate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. In just a moment I will yield. The rule does not stop there—

Mr. BARKLEY. I want to refer to that very point by pointing to the fact that on numerous occasions amendments have been added to appropriation bills during their consideration on the floor of the Senate because some standing committee had reported a bill and it was on the calendar but unacted on by the Senate.

Mr. CONNALLY. Of course, that is so.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me use a minute of my own time. The mere fact that a committee has recommended it is sufficient. Is such action on the part of a committee an authorization? The Senator from Missouri seems to contend that before the Senate can consider an amendment it must be authorized by statutory law enacted by both bodies of Congress. I now yield to the Senator from Missouri.

Mr. CLARK. Of course, the Senator is making exactly the argument the Senator from Florida made a little while ago—

Mr. CONNALLY. Mr. President—

Mr. CLARK. Just a moment. Which points the reason for the rule; that is, that this matter should have been considered properly by the committee having jurisdiction of it. Now this proposition is before a standing committee of the Senate, having jurisdiction, which has not reported on it, but without waiting for the committee, which has jurisdiction to make its report, it is sought to be brought in here and added as an amendment on the appropriation bill.

Mr. CONNALLY. The Senator from Texas is simply trying to show that the Senator from Missouri is incorrect in his narrow, legalistic construction of the rule, and the Senator from Texas is showing why the Senate in the rule provided for the exceptions mentioned. The rule did not stop when it said if a committee had recommended it, then it would be in order, but it proceeds to say:

Or proposed in pursuance of an estimate submitted in accordance with law.

The Senator from Missouri contends that every time the Budget Bureau submits an estimate we then have to sit down and figure out whether or not the law under which he acted was constitutional or was beyond our power.

Mr. President, in passing upon rules and their construction, the Chair is supposed to assume that a law is a law until it is declared to be void. The Chair cannot pass on the constitutionality of a statute.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Suppose Congress authorized the President to build a battleship at a cost of \$20,000,000 and when its construction had been nearly completed he discovered that it would take \$21,000,000; could it be contended, because by the original authorization he was directed to spend \$20,000,000, that Congress could not appropriate an additional \$1,000,000 in order to complete the construction of the battleship?

Mr. CONNALLY. It could be contended, but not soundly contended.

Mr. BARKLEY. I mean soundly contended.

Mr. CONNALLY. Mr. President, let me suggest to Senators who are worried about the authority of the Senate, who are disturbed about the Senate giving up some authority, suppose rule XVI were not in existence, the Senate could do whatever it pleased; it could consider any item of appropriation whether it was on an appropriation bill or whether it was on a legislative bill or on any other kind of bill. Rule XVI is a limitation on the power of the Senate, and those who are asserting the Senate is going to be hogtied should realize that we have tied ourselves by our own rule. A rule of that kind must be narrowly construed. It is a limitation on the constitutional authority of the Senate itself, and the Chair, the courts, and no one else should give a broad construction to a limitation on the constitutional power of the Congress. So, in construing this rule, the Chair has got to indulge the most liberal construction, because, without the

rule, the Senate could consider anything at any time, anywhere.

Mr. President, though we have an estimate here from the Bureau of the Budget, submitted in accordance with law, the Senator from Missouri seems to contend that we have got to go back and investigate the original act. What does that mean? It means according to the law which provides that the Budget Bureau shall submit estimates or the Department shall submit estimates. That is what the law means. It does not mean that a Senator may submit an estimate; it does not mean that some clerk may submit an estimate; but the law provides that a department or the Bureau of the Budget may submit estimates; and if those estimates are submitted in the manner provided for their submission, then such action comes within the rule. It does not mean that the law under which the appropriation was authorized had to be constitutional or anything else; but it means that in submitting an estimate if they follow the method set forth by the statute providing for estimates, then, under this rule, it is in order.

I submit that, Mr. President, as not only the parliamentary rule but common sense.

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. LOGAN. I think the Senator from Texas has clearly expressed the proper interpretation of the rule, that the estimate must be submitted in the manner the law requires it to be submitted.

Mr. CONNALLY. Exactly.

Mr. LOGAN. But, listening to the argument of the Senator from Missouri, it seems to me it goes a little further than that. His contention is that this project was established by the President of the United States and that Congress has not given its authority. I do not understand the Senator from Missouri to contend that Congress may not make the appropriation, but that, if it does so, then it becomes a congressional project without Congress having previously considered it. Is that the idea of the Senator from Texas of what the Senator from Missouri is contending from what he has stated?

Mr. CLARK. Mr. President, may I say to my friend that at the conclusion of the remarks of the Senator from Texas I will be very glad to explain to the Senator from Kentucky exactly what my position is. I much prefer to explain my own position than to have the Senator from Texas do so.

Mr. LOGAN. The Senator from Texas has made such a clear explanation of the rule, so much better than anyone else, that I thought perhaps he would be able to explain the contention of the Senator from Missouri.

Mr. CLARK. Mr. President—

Mr. CONNALLY. Just a moment. Let me say to the Senator from Missouri that he can have all the time he desires. I now yield to him.

Mr. CLARK. I will say to the Senator from Texas I will claim the floor in my own right and take all the time I desire.

Mr. CONNALLY. I am willing that that should happen.

Mr. President, let us look for a moment at the contention that because this project originally was selected by the President it is not lawful.

If it is not lawful, then we have embezzled about \$4,800,000,000 of the people's money, and some of the Senators, instead of worrying about the rules of the Senate, ought to be devising ways and means to stop the utilization of the \$4,800,000,000 on any of these projects.

I submit that the language of the rule referring to estimates does not necessarily apply to projects not in existence at all. Suppose it should be a new project? If we have an estimate for it, though there may not have been a cent spent on it, under the rule the Senate may consider it.

Mr. ADAMS. Mr. President, will the Senator yield for an inquiry?

Mr. CONNALLY. Certainly.

LXXX—239

Mr. ADAMS. The amendment which is under consideration proposes to add to the bill, after the word "navigation", page 69, line 4, these words:

And to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935.

May I ask the Senator from Texas what projects are covered by the amendment? It would seem to me this is a wide-open authorization of every waterway project that may have been investigated by the War Department. I do not know whether or not all those projects have Budget estimates behind them.

Mr. CONNALLY. The Senator is a member of the Appropriations Committee and ought to know more about the details of this matter than I do.

Mr. ADAMS. I voted against the amendment for that reason.

Mr. CONNALLY. The Senator now asks me what the amendment means?

Mr. ADAMS. No; I am trying to show that I do not know what may be covered by the amendment.

Mr. CONNALLY. I am not arguing about the merits of the proposal. That is for the Senate to determine. Cannot the Senate trust itself to consider the matter? Cannot the Senate pass upon the merits of the proposal? I am merely arguing the purely technical or legal point involved. If the Senate cannot trust itself to pass on these matters, then rule XVI ought to be made still stronger.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. CONNALLY. Certainly.

Mr. FLETCHER. Referring to the question propounded by the Senator from Colorado [Mr. ADAMS], the amendment provides for an increase of \$20,000,000. The Budget estimate was for \$29,000,000, covering five items authorized by the President, namely, the Passamaquoddy project in Maine, the Atlantic-Gulf Ship Canal in Florida, a third project in New Mexico, a fourth project in West Virginia, and a fifth project in Mississippi. Those were the five projects to be taken care of by the \$29,000,000, which was not included by the House. The amendment which I have offered eliminates the first project, the Passamaquoddy project in Maine, because it was not examined by the War Department engineers. The amendment would limit the appropriation to taking care of the other four projects which I have mentioned.

Mr. ADAMS. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. Certainly.

Mr. ADAMS. We recognize the Budget Bureau has included the first item. My inquiry is whether or not there may not be other projects which come within the language of the amendment but which were not estimated for?

Mr. FLETCHER. No; the language of the amendment covers these certain projects and only these. They have been examined by the War Department engineers and are included in the Budget estimate.

Mr. CONNALLY. Mr. President, in conclusion let me briefly recapitulate. The contention of the Senator from Texas is that the appropriation proposed in the amendment of the Senator from Florida is in order if it is made according to some existing law or some existing treaty or some resolution previously adopted by the Senate. In addition to those classifications are two other classifications; that is, moved by a standing or select committee or proposed in pursuance of an estimate. If the amendment falls within either one of those five classifications, it is in order. I submit that it is in order.

Mr. CLARK. Mr. President, of course I cannot hope to equal the distinguished Senator from Texas [Mr. CONNALLY] in speaking ex cathedra or with dogmatic authority as to what is sound argument and what is not, but I shall undertake to make my contention plain enough so that even the Senator from Kentucky [Mr. LOGAN] will be able to understand it.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. CONNALLY. I apologize to the Senator from Missouri, but when I first rose I stated that I did not claim to be a parliamentarian.

Mr. CLARK. I think the Senator completely demonstrated that in the course of his argument.

Mr. CONNALLY. The Senator from Texas is willing to have it determined by the ruling of the Chair.

Mr. LOGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Kentucky?

Mr. CLARK. I yield.

Mr. LOGAN. Since the Senator from Missouri is going to make it so clear that even the Senator from Kentucky will understand it, may I ask that he use simple and childlike language? [Laughter.]

Mr. CLARK. I shall try to do so in order that the Senator may be able to comprehend it.

May I say in passing, because I might forget it later, that the contention of the Senator from Texas [Mr. CONNALLY] that to say that rule XVI puts any limitation on the right of Congress or the Senate to make an appropriation would constitute an admission that the Senate cannot trust itself, is to contend that the Senate ought to repeal all of its rules and proceed without any rules whatever, on the theory that the Senate can trust itself; that we as a nation ought to repeal all existing laws on the theory that we as a Nation may proceed without any laws or rules because we can trust ourselves.

For the benefit of the Senator from Kentucky [Mr. LOGAN] I will say again, because evidently the Senator from Texas [Mr. CONNALLY] did not seem to comprehend it, it has never been contended on the part of myself or, so far as I know, anyone else that the allocation made by the President for the Florida ship canal or for the Passamaquoddy project or the St. Louis project, in which I am interested personally, or any other public-works project was not made in accordance with the law. So the contention of my distinguished friend from Texas, that before we appropriate only \$4,800,000,000 instead of \$40,000,000,000 or \$400,000,000,000, as the case might be, we ought to go into court and determine the constitutionality of the \$4,800,000,000, is entirely beside the point.

So far as I know, nobody has ever questioned the constitutionality of the Public Works Act of last year and nobody has ever questioned the legality of the appropriations made under that act.

The whole question is whether the authority granted to the President to expend so much as he might see fit for a particular purpose out of that particular appropriation meant authority to obligate the Government beyond the extent of \$4,800,000,000, and, if the President proceeded to spend \$5,000,000 on a project that might ultimately cost \$150,000,000 or \$250,000,000 or \$300,000,000, whether that allocation of a small part gave authority to the Director of the Budget to send here an estimate.

I contend further, that if the contention be correct, that the allocation by the President did not carry any further authority of law on that project than the allocation made by him under that act, the Director of the Budget had no authority to make an estimate for the project, that the Chief of Engineers and the War Department had no authority to make an estimate for the project and, therefore, the project does not properly come before the Senate as being authorized under our rules, which, it may be, had been adopted because we could not trust ourselves, but nevertheless have been on our rule book for many years. The proposed amendment comes outside the various exceptions authorized by the rule because it is not an estimate which the Director of the Budget had the authority or the right to make, and is therefore not made in accordance with law.

Mr. BARKLEY. Mr. President, unless the Chair is ready to rule, I wish to say just a few words; but if the Chair is ready to rule, I shall refrain.

The PRESIDING OFFICER. It is the purpose of the Chair to submit the question to the Senate. The Senator from Kentucky may proceed.

Mr. BARKLEY. In that connection, then, I wish simply to emphasize a point I made awhile ago in an interrogatory propounded to the Senator from Texas [Mr. CONNALLY], and earlier to the Senator from Missouri [Mr. CLARK].

I do not believe a point of order would lie against an item in an appropriation bill reported by the Appropriations Committee increasing the amount of the fund necessary to complete a construction project of any sort which had been authorized by Congress, even though a limitation had been placed upon the amount of money to be spent on the project. For instance, if Congress should include in the Navy appropriation bill, or a bill carrying general legislation with respect to the Navy, an item authorizing the President to construct a battleship to cost \$20,000,000, and the President, in pursuance of the authority to construct such a battleship, exhausted the \$20,000,000 and found it necessary to have another \$1,000,000 or \$2,000,000, and the Appropriations Committee should bring in an item authorizing the expenditure of an extra \$1,000,000 on the battleship, I do not believe a point of order would lie against that extra \$1,000,000, because the construction of the battleship had already been authorized. Of course, the President could not go beyond the \$20,000,000 unless Congress should appropriate the extra amount; but the Appropriations Committee could include such additional amount and bring it here as a part of its appropriation bill for the Navy, and a point of order would not lie against it, although in the authorization itself Congress limited to \$20,000,000 the amount to be expended.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Nebraska?

Mr. BARKLEY. I yield.

Mr. NORRIS. I have not heard all the debate, and I desire to ask the Senator a question for information.

Is it conceded, to begin with, that the President, in allocating or setting aside a sum of money for this particular purpose, acted within the power granted to him by Congress?

Mr. BARKLEY. As I understand, it is conceded by both sides that he acted within the scope of his authority; and that authority never has been questioned.

Mr. KING. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KING. I would not accept without qualification the statement just made by my friend from Kentucky. I am inclined to think that the President might expend the \$4,800,000,000 in any way he saw fit, of course, for a proper purpose; but I deny that he would have the right to make commitments that would call for additional appropriations perhaps of hundreds of millions of dollars, and that such commitments would be a valid command to appropriations committees to include in their appropriation bills sufficient amounts to complete the enterprise.

Mr. BARKLEY. I do not contend that any allocation or the establishment of any project by the President places any compulsion on Congress to finish the project by the appropriation of additional funds. That is always within the jurisdiction of Congress. We ourselves may authorize the expenditure of \$40,000,000 to build a dam across any river in the United States and then refuse to complete it. Congress has that discretion within its jurisdiction. We may appropriate \$20,000,000 and deny the other \$20,000,000 and let the unfinished dam stand there throughout all eternity. There is no legal obligation on Congress ever to complete anything it starts. It may stop at any time it sees fit to do so.

As I said a while ago, I am not concerned with this project itself. I have no interest in it. I am sorry to say—and I say it with some humiliation—that the State of Florida is the only State in the American Union I have never been in. I have never even crossed it by any process of transportation, and that is my misfortune; so I have no personal interest whatever in this project or any other project in Florida. I contend, however, that when the President, acting under the authority of the act creating the \$4,800,000,000 fund, established this project it was established by

law and was authorized just as completely as if Congress itself had named that project in the act and had authorized him to allocate, out of the funds at his disposal, any amount up to the amount necessary to complete the project.

It is not possible, by raising a point of order, to make unlawful a thing which has been lawfully established. The point of order is one thing. The merits of this canal are another thing. Admitting the lawfulness of the project when it was established, admitting that it was established in pursuance of an authority passed on to the President by Congress, which nobody has questioned in any effective way, I do not believe it can be successfully contended here that the status of that project can be changed now simply because it turns out that there is not enough money in the \$4,000,000,000 appropriation to complete it.

I have no doubt there are many projects which have been established and started under this \$4,000,000,000 appropriation which may not be completed without additional funds. I have in mind one or two, not in my own State but in other States, that probably cannot be completed out of the \$8,000,000,000. It may be possible that out of any additional appropriation we authorize for relief, the President may be able to allocate sufficient funds to complete these projects. I hope he may.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. Yes.

Mr. CLARK. It has never been contended that if Congress appropriates additional funds, the President may not allocate anything he pleases for the completion of the project.

Mr. BARKLEY. If Congress, by conferring a blanket authority on the President, has legalized this project in Florida, and if, by appropriating \$2,000,000 or a million and a half, or \$1,000,000, with blanket authority, the President himself can complete it, it certainly is within the power of Congress to authorize its completion by a specific appropriation carried in the bill now under consideration.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Virginia.

Mr. GLASS. To show the uselessness of all this discussion, the President has the money, and may allocate a sufficient amount to complete the project even if Congress should turn down the proposed appropriation.

Mr. BARKLEY. Of course I do not know how much unallocated money the President has at his disposal. The same thing might be said of any other given project. The President may have on hand enough unallocated money to complete some one particular project; but whether he has on hand enough unallocated money to complete all projects is subject to very great doubt.

Mr. GLASS. Oh, yes! In that act we apportioned \$900,000,000 for certain purposes, and then, in another item, \$350,000,000 for other purposes, making a total of \$1,250,000,000. The President has omitted to apportion enough for the completion of this canal. He has not usurped any authority at all. He has just put up to Congress the question whether or not Congress desires to complete the project.

Mr. BARKLEY. My contention is that Congress certainly has the power to do what the President himself could do under the authority of Congress.

Mr. KING. Mr. President—

Mr. BARKLEY. I yield to the Senator from Utah.

Mr. KING. In view of the statement the Senator from Virginia has made that the President has ample funds with which to complete this project, I wish to ask the Senator why the President does not do so. Why come and ask us to make another appropriation, when the President has chosen to allocate to this project sufficient funds to start it, and has sufficient funds to complete it?

Mr. GLASS. I imagine it is because he wishes Congress to assume the responsibility.

Mr. BARKLEY. I do not know anything about that.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Mississippi.

Mr. HARRISON. The Senator from Virginia and others have alluded to this as a Florida project. The Florida project is not all that is included in this amendment. There are at least three other equally or more meritorious propositions involved—one from Mississippi, which I know is a most meritorious project. So it is not merely a Florida proposition.

Mr. BARKLEY. It is generally understood here that four projects are involved in the amendment proposing to increase appropriation; and the question upon which we are about to pass is not the merits of any of these projects, but whether a point of order lies against the amendment offered to the bill. My contention is that the project was legal when it was established, and it is just as legal now as it was when it was established, and it cannot be illegitimized simply by raising a point of order and saying that the President had the power to allocate funds for its completion, but has not done so. Congress has the power to do it.

The PRESIDING OFFICER. The Senator from Missouri [Mr. CLARK] makes the point of order that the amendment of the Senator from Florida [Mr. FLETCHER] is not in order. The question is, Shall the amendment of the Senator from Florida be held to be in order?

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Missouri suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	King	Pittman
Austin	Davis	Lewis	Pope
Bachman	Donahay	Logan	Reynolds
Barkley	Duffy	Loneragan	Robinson
Benson	Fletcher	Long	Schwellenbach
Bilbo	Frazier	McAdoo	Sheppard
Black	George	McGill	Shipstead
Brown	Gerry	McKellar	Smith
Bulkley	Gibson	McNary	Stelwer
Bulow	Glass	Metcalf	Thomas, Okla.
Burke	Gore	Minton	Thomas, Utah
Byrd	Guffey	Moore	Townsend
Byrnes	Hale	Murphy	Trammell
Capper	Harrison	Murray	Vandenberg
Caraway	Hatch	Neely	Van Nuys
Carey	Hayden	Norbeck	Wheeler
Clark	Holt	Norris	White
Connally	Johnson	O'Mahoney	
Copeland	Keyes	Overton	

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present.

The question before the Senate is, Is the amendment of the Senator from Florida [Mr. FLETCHER] in order?

Mr. CLARK. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. An affirmative vote is a vote to hold the amendment of the Senator from Florida to be in order, and a negative vote is a vote to hold it to be out of order?

The VICE PRESIDENT. The Senator states it correctly. Those in favor of holding the amendment to be in order will vote in the affirmative, those opposed to the amendment being held in order will vote in the negative.

Mr. CLARK. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. AUSTIN. I desire to announce that the Senator from New Jersey [Mr. BARBOUR] has a general pair with the Senator from Alabama [Mr. BANKHEAD].

Mr. BARKLEY (after having voted in the affirmative). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I transfer that pair to the junior Senator from Illinois [Mr. DIETERICH] and allow my vote to stand.

Mr. BILBO (after having voted in the affirmative). I have a general pair with the Senator from Iowa [Mr. DICKINSON], which I transfer to the junior Senator from New Mexico [Mr. CHAVEZ], and allow my vote to stand.

Mr. HAYDEN. I wish to announce that my colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained from the Senate.

Mr. HATCH. I announce that my colleague the junior Senator from New Mexico [Mr. CHAVEZ] is necessarily detained. If present and voting, he would vote "yea."

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness, and that the Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from New York [Mr. WAGNER] are detained in important committee meetings.

The junior Senator from Massachusetts [Mr. COOLIDGE], the senior Senator from Massachusetts [Mr. WALSH], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. MCCARRAN], the junior Senator from Maryland [Mr. RADCLIFFE], the senior Senator from Maryland [Mr. TYDINGS], the Senator from Missouri [Mr. TRUMAN], and my colleague the junior Senator from Illinois [Mr. DIETERICH] are unavoidably detained.

The result was announced—yeas 42, nays 32, as follows:

YEAS—42

Bachman	Glass	McNary	Schwellenbach
Barkley	Harrison	Minton	Sheppard
Benson	Hatch	Murray	Shipstead
Bilbo	Hayden	Neely	Smith
Black	Holt	Norris	Steiwer
Brown	Johnson	O'Mahoney	Thomas, Okla.
Byrnes	Lewis	Overton	Thomas, Utah
Connally	Logan	Pittman	Trammell
Davis	McAdoo	Pope	Wheeler
Fletcher	McGill	Reynolds	
Frazier	McKellar	Robinson	

NAYS—32

Adams	Carey	Gibson	Metcalf
Austin	Clark	Gore	Moore
Bulkeley	Copeland	Guffey	Murphy
Bulow	Couzens	Hale	Norbeck
Burke	Donahay	Keyes	Townsend
Byrd	Duffy	King	Vandenberg
Capper	George	Loneragan	Van Nuys
Caraway	Gerry	Long	White

NOT VOTING—22

Ashurst	Chavez	La Follette	Truman
Bailey	Coolidge	Maloney	Tydings
Bankhead	Costigan	Mccarran	Wagner
Barbour	Dickinson	Nye	Walsh
Bone	Dieterich	Radcliffe	
Borah	Hastings	Russell	

So the Senate decided the amendment of Mr. FLETCHER to be in order.

The VICE PRESIDENT. The question now is on agreeing to the amendment proposed by the Senator from Florida.

Mr. VANDENBERG. Mr. President, does the Senator from Florida desire to proceed, or does he prefer that I proceed?

Mr. FLETCHER. I understand the Senator from Michigan is opposed to the amendment, and I should prefer to have him proceed now, so that I may answer his argument.

Mr. VANDENBERG. Mr. President, it seems to me the best possible demonstration of the error the Senate has just made in holding the pending amendment to be in order is the fact that the Senate now must pass upon the merits or demerits of the Florida ship canal, involving an expenditure of from \$150,000,000 to \$200,000,000. In view of the decision the Senate has just made, it puts itself in the position where it now must pass on this project, in the absence of any of the reports which are required traditionally, and as a matter of common sense, by congressional practice, before great waterway undertakings are started.

The Senate now finds itself in a position where it must say "yes" or "no" to the proposal to continue this vast undertaking. The greatest undertaking of its sort in the history of the Nation must be decided by laymen without the benefit of a conclusive report of the Board of Engineers for Rivers and Harbors. It must be decided by the Senate without a conclusive report from the standing committee of the Senate which has jurisdiction over responsibilities of this nature.

The Senate has just voted itself into a position where it must decide upon its own responsibility, without respect to the traditional reliances which usually protect the Treasury in such instances, whether the Florida canal is justified. So I find myself in the somewhat awkward position of attempting to demonstrate to the Senate that the project is not justified.

Mr. President, I find it necessary to say to the Senate, first, that this is the first major waterway in the history of

the United States ever undertaken without an enabling act of Congress prior to its commencement. I am forced to say that this is the first major waterway ever undertaken in the history of the United States without a conclusive report from the Board of Engineers for Rivers and Harbors to justify the project. Yet the Senate has concluded that this survey must be made upon its own responsibility. Therefore, the Senate must bear with me while I present what I believe to be the facts which sustain the conclusion that there is not one scintilla of economic justification for this burden of from \$150,000,000 to \$200,000,000 which is proposed to be placed on the Treasury of the United States.

Make no mistake what you are voting on, Senators. It is not just a little, innocent amendment involving \$20,000,000—not at all! Now is the time when the Senate must decide whether or not this project shall be validated upon congressional responsibility and whether or not it shall proceed to its conclusion. We either stop it now, or we manifestly commit ourselves to subsequent appropriations over the years to complete the project finally, 6, 8, 10 years hence. So the question now pending, Mr. President, is not the question of an appropriation of \$20,000,000 at all. That is just the admission fee.

The question pending before the Senate is whether or not we shall commit ourselves to an undertaking involving what I believe to be an ultimate \$200,000,000, without any economic justification, and without the submission of any conclusive proofs upon which any Senator can say that the undertaking is warranted.

That is not all we are asked to do, Mr. President. The Senate is asked to disagree with the considered conclusions of the House Appropriations Committee. It is asked to disagree with the considered opinion of the House of Representatives itself. It is asked to disagree with the considered opinion of the subcommittee of the Senate Appropriations Committee. It is asked then to disagree with the considered judgment of the Senate Appropriations Committee itself. Here in this last possible forum, when this "innocent" thing can be validated, we are finally to call the roll.

Mr. President, let us now see how this project happens to be under construction at the present time. I assume that Senators are familiar in a general way with what the Florida canal is. My able and distinguished friend the senior Senator from Florida [Mr. FLETCHER] has decorated the walls of the Chamber with exhibits which will facilitate a better understanding of the physical aspects of the project. We are discussing, I may say briefly, a canal which will be about 200 miles long, starting at Jacksonville on the east coast of Florida and slanting off southwest to the Gulf of Mexico. I repeat, it will be about 200 miles long. It is a very circuitous sort of a route. When it reaches the Gulf it still will have to be dug 25 more miles out into the Gulf before it will reach a point where ships can travel in unrestricted water. But finally it is to be a canal 30 feet deep, at sea level, presumably offering a traffic saving between the Atlantic waters and the Gulf waters.

Mr. President, the canal has been dreamed of for from 50 to 100 years; it has been discussed romantically for half a century but it never occurred to anybody actually to start it or to commit the credit and the Treasury of the United States to any such expenditure until easy money began to flow out of the R. F. C. and the P. W. A. Then Florida interests, particularly in the Jacksonville area—for I may say parenthetically at this point that the State of Florida is sharply divided upon this issue, and half of the State, as I shall presently demonstrate, believes that the proposed canal is the greatest physical menace that ever threatened its welfare—representatives of the northern portion of the State came to Washington and asked for R. F. C. funds to start this undertaking. The R. F. C. turned the application over to the P. W. A. under Secretary Ickes. The application went to P. W. A. on August 14, 1933. It was manifestly of such magnitude that the President felt it very necessary to take extraordinary precautions; and I think I am not speaking beside the mark when I say that he has been utterly reluctant from start to finish that this project should be

undertaken solely upon his own responsibility. He appointed a special board of investigation, and the special board of investigation reported respecting costs as follows:

The cost of a 30-foot sea-level canal—the project which is immediately at hand—was estimated at \$142,000,000 without interest during the time of construction, or \$160,000,000 with 4-percent interest during time of construction. Therefore, even upon the basis of these original estimates, I submit that this is, at minimum, a \$160,000,000 project.

I want to call attention parenthetically at this point, however, to the fact that the estimate of \$160,000,000 is based upon the June 1934 price index; and when General Markham was before our committee and under cross-examination he said that prices upon materials have already increased an average of 25 percent since 1934; so that factor must be added to the \$160,000,000.

That is not all. The \$160,000,000 estimate is made on the basis of contractual labor, whereas the canal itself is being built as a work-relief project; and General Markham very frankly stated that on the basis of work relief the cost will be substantially larger than any estimated cost on the basis of contractual operations.

So we have the figure of \$160,000,000 minimum which must be increased first by whatever degree the price index increases after June 1934; second, by whatever price increase is inevitably related to the use of work relief instead of contractual labor.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield.

Mr. CLARK. Is it not a fact that in the construction of the Panama Canal, a canal the construction of which was in some respects a work of less magnitude than the pending Florida canal, there were variations in the various estimates of actual construction cost of from \$60,000,000 to \$70,000,000?

Mr. VANDENBERG. I think the Senator is correct. I think there was ultimately a substantial spread, although the final estimate made by the Board of Engineers, as I recall, was substantially accurate.

Mr. CLARK. That is perfectly correct; but between the time the construction project was conceived and the time the work was actually begun on another set of estimates and the time it had gone sufficiently far that accurate estimates could be made, there was not only a variation but a large spread on the ultimate cost of the Canal.

Mr. VANDENBERG. The Senator is entirely correct; and his observation is completely pertinent to the situation, for the following reason:

We have not as yet a final estimate or recommendation from the Board of Rivers and Harbors Engineers regarding this project. It has not reached the point where the ultimate figure is even remotely suggested by the Board of Rivers and Harbors Engineers. Not only that, but the canal as now being built is a sea-level canal.

Every time an inquiry is made as to hazard to southern Florida ground waters, we are told that if a hazard develops the plans will be changed to provide for a lock canal. Furthermore, we are then told that if a lock canal fails to safeguard southern Florida waters against infiltration and depletion the canal will be sealed.

Mr. President, in addition to the \$160,000,000, in addition to the factors I have already identified as necessarily increasing the sum, all of these additional tentative factors enter into the proposition. So I think it is conservative to say that we are dealing with a \$200,000,000 project.

My firm conviction is, for reasons which I shall subsequently present, that this may be a project involving infinitely more than \$200,000,000; but for the sake of this argument let us say that it is a \$200,000,000 undertaking. The President then asked his special board for a financial report on the prospectus respecting the Florida canal. The board made its report on September 15, 1934; and this is what the President's special board found: It found that if 8-cent tolls were collected the canal could pay its maintenance and opera-

tion and repay the cost of construction without any interest in 80 years. I interrupt myself again to say parenthetically that now it is proposed to build the canal and operate it without any tolls at all; so if the President's special board found that not even the interest could be paid on an 80-year amortization of this canal on a toll basis, what would the President's board have found by way of the economic justification of this undertaking if it had been realized that there were to be no tolls at all?

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Florida.

Mr. FLETCHER. The Senator will be fair enough to state, without any calling attention to it—

Mr. VANDENBERG. I hope so.

Mr. FLETCHER. That the Board of Review appointed by the President made its report on the whole project, I think, on June 28, 1934. That report had to do with the canal itself according to the plans and specifications which had been agreed upon. Then the President directed a special board to consider the question of its self-liquidating possibilities and as to what might be done in that connection. The Senator is reading from that report which has nothing whatever to do with the question before the Senate, because we are not dealing with the self-liquidating feature at all. That report had to do with the toll question and self-liquidating features. That report was never acted on by the President, but the other report, the first report, dealing with the whole project as a river and harbor proposition—and that is the way it is treated now, as a river and harbor proposition—sets the cost at \$143,000,000, and says it would justify an expenditure of \$160,000,000.

Mr. VANDENBERG. What the Senator has stated is precisely what I undertook to show. The report from which I am now reading relates to an inquiry as to whether or not the canal could be so self-liquidating, and the conclusion was that it could not be self-liquidating on a tolls basis; even though it had revenue, it could not be self-liquidating; and I was simply asserting, in passing, that it seemed to me if it failed to be a sound business proposition on a tolls basis, and if it failed to demonstrate compensating advantages on a tolls basis, it was not likely to show any when it was operated free.

However, let me continue with the chronology: What happened down yonder in the executive arm of the Government? Mr. President, the reports which had been accumulated were prepared while the specific project which is now before the Senate was pending before P. W. A. for decision; and I submit that P. W. A. had a great deal better equipment to find out whether the answer ought to be "yes" or "no" than have Senators sitting upon the floor this afternoon. What was P. W. A.'s decision? December 21, 1934, Maj. Philip B. Fleming, Acting Deputy Administrator of P. W. A., recommended that the project be disapproved because it was not self-liquidating.

Let us not misunderstand the phrase "self-liquidating." When the Secretary of the Interior appeared before our committee a few weeks ago I asked him, "What you mean is it was rejected because it was not a sound business proposition?" And he said, "That is what I mean."

Well, let us go on with the chronology. The canal was formally disapproved by Secretary Ickes on January 29, 1935, whereupon Florida submitted revised plans and asked that the matter be reopened. As a result, on February 2, 1935, E. H. Foley, Jr., director of P. W. A. legal division, reported adversely upon the project.

A few weeks later, April 10, 1935, the finance division of the P. W. A. reported again adversely on the project.

In view of these findings, the unanimous adverse findings, of all the experts at his command, Secretary Ickes declined to reopen the case; and it stands, so far as P. W. A. and the Department of the Interior are concerned, precisely where it stood on January 29, 1935, when it was rejected as an unsound business proposition.

Well, there was only one way left then, Mr. President, to make this attack upon the Public Treasury and to commit the American people to this amazing experiment at a time

when the Treasury is twice empty already. That way was to go up through W. P. A. and the \$4,880,000,000 law, with all its latitude and privileges and permits, and get an Executive order to start the canal in spite of the verdict of P. W. A. and in spite of its utter lack of any economic justification whatsoever when the facts are faced in cold reality.

Mind you, Mr. President, it could not have been done under the Relief Act of 1933, because when we passed the emergency relief appropriation of 1933 we had sufficient precaution or wisdom or foresight or something to write a clause into the act requiring any project eligible for Executive allocation to have been either "authorized by Congress or recommended by the Chief of Engineers."

Of course, if the President had been operating under the 1933 act, he could not have made this allocation; but, just because the Congress failed to put those few words into the 1935 act, precisely as the Senator from Missouri argued in connection with the debate upon the point of order, the back door flew open through which this project could enter and attach itself to 200,000,000 potential dollars.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Missouri.

Mr. CLARK. Let me say to the Senator that the illustration he is now using shows completely the reason for the rule in behalf of the retention of which I was arguing a little while ago, because the 1933 act was recommended by a substantive committee of the Senate and constituted substantive legislation to be passed on by Congress, while the act of 1935 was reported as an appropriation bill from the Appropriations Committee rather than from the committee having jurisdiction of the substantive legislation.

Mr. VANDENBERG. I thank the Senator, and I am in complete agreement with his observations.

The result is, Mr. President, that this project finally was inaugurated by an Executive order on September 3, 1935, when the President segregated \$5,000,000 and dedicated it to the commencement of the canal adventure. Since then, I believe, there have been two small additional allocations, \$200,000 each. If that be correct, the sum total that has been taken out of the emergency relief fund to build the Florida canal is \$5,400,000. But that comparatively inconsequential sum is used as a springboard from which to commit Congress to spend the other \$195,000,000 subsequently.

This afternoon is the last time the Senate will have a chance as a free agent to decide whether or not it wants that process to proceed. This is the Senate's last chance to decide whether it wants to build the Florida canal, because if Congress upon its responsibility once makes one appropriation in this direction I will freely agree hereafter with the able Senator from Florida that Congress is under moral obligation to continue and conclude the undertaking.

Up until this moment the Congress is a free agent; up until this moment the Senate never has had a chance—and never dreamed that its power was going to be used to put it in the position which it now finds itself—and the Congress never had a chance to say whether this thing should be done. This afternoon the roll will be called to find out whether it should be done; and, I repeat, I find myself in the difficult position of undertaking to present to the Senate the reasons why it should not be done, whereas the Senate ought to be relying upon reports from the experts. However, this adventure is not being proceeded with in the way waterway projects are usually provided for and carried on. The Senate is proposing action outside the ordinary and traditional precautions. So here we are, and the question is, Should we proceed?

Let us not have any doubt whatever about the fact that it is a totally extraordinary procedure by which the Florida canal gets its conception; there is no doubt about that whatever. I quote from a letter to me from Gen. G. B. Pillsbury, Acting Chief of Engineers of the War Department, dated December 25, 1935:

The customary procedure for the authorization of river and harbor projects has not been followed in the authorization of this canal.

That is bad enough, but worse—and this is highly significant—from the same letter I quote:

The review of the Board—

He is referring now to the Board of Rivers and Harbors Engineers—

The review of the Board has been deferred at the request of local interests desirous of submitting additional data.

In other words, the traditional precautions not only have been abandoned but the attempt to pursue even a pretense of traditional precaution has been interrupted at the request of the proponents of the canal themselves. This phase of the matter would be funny if it were not so sinister.

Now let me submit another exhibit upon this point—and it all fits into the argument made an hour or so ago by the able Senator from Missouri [Mr. CLARK] and justifies every sentence he uttered. General Markham, Chief of Engineers, sent me recently a confidential—mark that word—a confidential abstract prepared from the reports of the special board of Army engineers on the Florida canal. I promptly asked him if he would not permit me to make the abstract public. He answered me under date of February 11, 1936, as follows:

I regret that I am not in a position to authorize the publication of the abstract in question. The reports of this Department are prepared for Congress, and, under a long-standing rule, have been considered as confidential and not for publication until submitted to that body.

So, Mr. President, we are in the further and final anomalous position of being required, through our failure to follow the usual precautions, to decide whether or not this \$200,000,000 canal shall be approved before we even can have the benefit of a report which waits this afternoon in the pigeon-hole of General Markham. If that is not an amazing way in which to proceed in respect to the fiscal responsibilities of the Senate, then I am utterly mistaken.

Mr. KING. Mr. President, would it interrupt the Senator if I should ask a question?

Mr. VANDENBERG. No; I am glad to yield?

Mr. KING. I am amazed at the statement made by the Senator. I assume the committee which had this matter before it must have had reports from the engineers and must have had experts and engineers before it and must have obtained full and complete data from the engineering staff of the Army.

Mr. VANDENBERG. Let me tell the Senator just what the committee had before it. That is a very pertinent inquiry. In the first place, let me remind the Senator that this project was not before the Commerce Committee, which has legitimate jurisdiction of the question of whether or not the canal should be built. The Commerce Committee has never once passed upon the question. The nearest the Commerce Committee ever came to it was to appoint a subcommittee to decide whether or not a resolution of inquiry which I introduced ought or ought not to be adopted.

We are not talking about the Commerce Committee when I reply to the Senator's question. We are talking about the Appropriations Committee, which has no legitimate jurisdiction whatsoever over the question of whether or not the waterway ought to be built. There never has been a decision or any sort of recommendation as to this project by the committee of the Senate with appropriate jurisdiction. I submit to the Senator that even if it were a small casual expenditure, that would be a challenging expenditure, but when it is a \$200,000,000 expenditure potentially, it is so utterly challenging that I fail to understand how any Senator can overlook it.

Let me answer the Senator's question. He asks what the Appropriations Committee had to aid it and upon which to base its decision. It had two very partisan statements by laymen, one by a very partisan friend of the project, my very able and distinguished and beloved friend, the senior Senator from Florida [Mr. FLETCHER], and a statement from an equally partisan adversary. I happened to be testifying at that particular moment.

General Markham sat there as a sort of immobile umpire, embarrassed to say too much about what he really thought of the project. I do not want to put any suspicions in his head, but I could not help but wonder, as I looked at him that day, after having read the record of the Hagood case, whether any engineering officer of the Government could be relied upon to be a free witness when discussing the validity of an Executive expenditure. But there he was! He had no testimony whatsoever to offer respecting the inherent merits of the undertaking except to say that he was the contractor hired by the P. W. A. to build the canal, and that so far as he was concerned he proposed to build it, and that he wanted so much money for this year's portion.

Without any exaggeration, that is the extent of the committee consideration which this \$200,000,000 proposition has received at the hands of any committee in the Senate. When I subsequently give the Senator some of the testimony which I have taken the trouble to collect to show how utterly fabulous are the pretenses that there is any economic justification, he will, indeed, wish that he could have the recommendation of some expert upon which to base his judgment.

Mr. President, let us see about this canal and whether it is justified. The proponents of the canal have constantly referred to the fact that the Department of Commerce made a survey and are constantly intimating that they are relying upon the recommendations in the report of the Department of Commerce for the economic justification which they plead in behalf of affirmative Senate action this afternoon.

Mr. President, it happens that the report of the Department of Commerce has been exceedingly difficult to obtain, because it was never printed. It is a very voluminous affair involving nearly a 5-foot bookshelf. I laboriously went through the report of the Department of Commerce when Secretary Roper very kindly made it available to me at my request. In the voluminous presentation of the problem by the Department of Commerce—mark you, we have already had the Department of the Interior turning thumbs down upon the project, and now we are over in the Department of Commerce—what does the Department of Commerce say about it? I quote:

The consensus of opinion of that part of the shipping industry with which contact has been established in the preparation of this study appears to be that the probable cost of building the projected waterway is not justified through any benefits which might thereby accrue to the cargo or the vessel.

The decision of the Department of Commerce is that the project is not justified in terms of economic advantage to ships and shipping.

I continue quoting:

The significance of this is that it rests primarily upon the considered opinion of the principal and naturally most interested group, namely, the tanker trade.

Mr. President, why would not ships use the canal if it were available? That question is constantly asked. When I confronted General Markham in our committee hearings with this quotation from the Department of Commerce report which I have just read, to my amazement General Markham said:

I do not understand why the Department of Commerce should say these things would not use the canal. If it is built I would think that, of course, they would use it.

Returning to the question asked a little while ago by the able Senator from Utah [Mr. KING], let me say that the one last quoted was the Chief of Engineers, the man primarily upon whom we must rely for opinion. He had not even made a semblance of an effort to start to commence to get ready to begin to inquire into the justification for this canal. But the report of the Department of Commerce had within it a complete answer, and here it is. I quote further from the report of the Department of Commerce:

A significant question which has been generally raised relates to the length of time a vessel would be confined to restricted waters. It has been pointed out by ship operators that the proposed waterway would be practically twice as long as the world's

longest canal—the Suez—and that roughly 30 to 40 hours would be required to move a vessel from open water to open water over this distance. The question reflects directly the reluctance of those responsible for the operation of ships to have them confined to restricted waters.

That is the answer. When we were arguing about the St. Lawrence seaway 2 or 3 years ago the most formidable argument we confronted was that the seaway was not feasible because it involved the enormous hazard of 40 miles of restricted waters out of a total of 2,000 miles. We were told time and time again that 40 miles of restricted waters were a perfectly vital link in that chain. Here is 200 miles of restricted water out of 200 miles. That is the reason why ships and ship operators, the presumed beneficiaries of this undertaking, are not interested in using the canal if constructed.

Let us go a little further. When my distinguished friend the senior Senator from Florida [Mr. FLETCHER] and the Jacksonville lobby want to make a case in favor of the economic justification for this canal they rely upon just one thing. They rely upon the fact that if all of the shipping in Gulf and ocean waters in the area should use the canal, then, hypothetically, the net result would be a navigation saving of a certain amount and of a certain advantage.

It seems to me that the testimony of ship operators, the testimony of shipowners, is of far more importance than the hypothetical calculations of some swivel-chair promoters who have not a single, solitary witness to produce to say, "I would use the canal if it were built."

I am coming to that in a minute, but let us first take the hypothetical case; and, I repeat, the advocates of the canal rely exclusively upon these hypothetical calculations for their economic justification.

Returning to the Department of Commerce report, it estimated that the time savings resulted from 9,573 potential transits involved in 1931 would have been approximately 205,000 hours. I am now reading from the Commerce Department report:

For the purpose of evaluating waterway benefits, the operating costs at sea, plus a proportionate share of fixed or capital charges of each vessel for a period equal to the time saved through the use of the waterway was adopted as a measure. So measured, total benefits which would have accrued in 1931 based on 100-percent participation would have been \$6,137,500.

I ask Senators to bear in mind that figure. Let us use a round figure, \$6,000,000; and I am quoting the Department of Commerce figures, the report upon which the proponents of the canal have relied for their economic justification. The Department of Commerce says that if all the commerce which was available in Gulf and Florida waters in 1931—all of it, without any exception—had used the canal, the net savings in terms of dollars out of navigation and ship-operation costs would have been \$6,000,000.

With money over the years averaging the United States a cost of better than 3 percent per annum for the purpose, is a \$6,000,000 saving a justification for a \$200,000,000 expenditure? Why, we cannot charge a penny's amortization against the principal. We cannot offset a penny of the annual maintenance and operating cost, which is estimated at another million dollars.

We cannot do a thing but pay the naked interest out of the alleged advantages if we concede that the alleged advantages would be realized; and I repeat that the alleged advantages are based upon a 100-percent participation of all eligible traffic in the canal.

Mr. KING. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Utah.

Mr. KING. There have been furnished to the Senate no data justifying this enormous appropriation. The Senator is furnishing us facts. I suggest the absence of a quorum, in order that the Senate may get some information on this subject.

Mr. VANDENBERG. Mr. President, I thank the Senator; but I am sure if the Senators should return it would only be momentarily, because, after all, what is \$200,000,000 in these days?

Mr. KING. I confess that that does not awaken very much interest or concern upon the part of Senators. Never-

theless, it does seem to me that Senators ought to be interested in this important project; and if the Senator does not forbid me, I should like to suggest the absence of a quorum.

Mr. VANDENBERG. Let me forbid the Senator, because I should like not to break the continuity of what I am trying to say.

Mr. KING. Very well, Mr. President.

Mr. VANDENBERG. I thank the Senator for his interest. I agree with him that there ought to be an interest which does not exist.

Now we are coming to the most interesting part of all about this thing, from my point of view. I have told you what happens upon the basis of a hypothetical calculation of benefits from this canal. I showed you that if all the hypothetical benefits put together should really be achieved, still the net result in terms of navigation dollar savings would only just about pay the interest on the debt involved and would not provide a penny either for amortization or for the annual maintenance and upkeep charges. But, Mr. President, the alarming and the astounding and the shocking thing is that almost none of the hypothetical trade will use the canal after it is built.

This is a magnificent map which hangs upon the wall, with the red footprints of the ships of the world trailing their way around the tip of Florida; and I suppose the presumption is that after that black line is turned into \$200,000,000 worth of ditch, all those red footprints are going to trail right down across that black line. The tragedy of the thing is that there is going to be an utterly merciless disillusionment even for the Senator from Florida and his associates and his constituents, because it is perfectly evident from the record that these ship operators do not propose to use this canal at all. They are not interested in it. They do not think it is feasible, and they do not think it is economically justified.

Now, let us see if that is so.

Mr. KING. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KING. Why should the Senator say, as his statement would imply, that all the constituents of the senior Senator from Florida favor this canal? I have received communications from some indicating that a very considerable number of the people of Florida are opposed to it.

Mr. VANDENBERG. Oh, yes; I am coming to that.

Mr. FLETCHER. About 3 percent of them.

Mr. VANDENBERG. Now, let us see who would use the canal; because, after all, that is the common sense, rational test. Is there anybody who wants the canal? Are these hypothetical beneficiaries prepared to take advantage of grace after it is supplied? Let us see.

In 1933, when the canal was still just a more or less vague prospectus, the Board of Rivers and Harbors Engineers sent a questionnaire to 61 shipping concerns. They tell me that those 61 shipping concerns were all the shipping concerns operating in Gulf and Florida waters; and on the basis of a preliminary engineering prospectus, which lacked much detailed information and was more or less of a test question as to the abstract problem involved, the Board of Engineers asked these 61 shipping concerns how they felt about the canal, and whether they would like to have it built, and whether they would probably use it if it were built. Out of 61 shipping concerns, they were able to find just 9 who expressed any interest whatever in the matter; and on the basis of the original conversation we were told that these 9 shipping concerns undoubtedly would use the canal, and, therefore, that there was proof that although only 9 out of 61 were interested, the canal did involve a practical reality.

That was very interesting; so, in 1935, after the canal had ceased to be just a prospectus, just an abstract thing, and had come to be a specific, 30-foot, sea-level canal over an established route, I asked the same question of the same 61 shipping operators: "Do you consider this canal economically justified? Would you use it if it were constructed?" And, Mr. President, all nine of the ship operators who 2 years before had said they might use the canal if it were built unanimously testified that in their judgment the canal

lacked any economic justification whatever, and that they did not expect to use it if, as, and when it were completed and opened.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. VANDENBERG. I do.

Mr. NORRIS. The Senator has told us the answers of the nine. What about the remainder?

Mr. VANDENBERG. I am coming to the remainder, because the answers of the remainder are even more significant. The nine testified one way at one time and another way at another time, so perhaps that partially invalidates their credibility. Therefore I am even more interested, as the Senator's question indicates he might be, in some of the other answers; but I wish to finish first with the nine. I submit that it does not lie in the mouths of the proponents of the canal to question the credibility of the nine, because the nine were their witnesses, and I was merely cross-examining.

Now, let us see what some of them say. I am not going to burden the Senate with this material in great detail, but I wish to have Senators understand what the practical ship operator thinks about taking \$200,000,000 out of the Treasury of the United States to dig this ditch.

Here is a letter from the Gulf Refining Co., New York City, signed by James Kennedy:

We have on different occasions made careful surveys of the practical and economical features of such a waterway; but it is our conclusion, from either standpoint—

That is, practical or economical—

it is our conclusion, from either standpoint, that even if it were completed, it probably never would be used by our sea-going vessels.

Senators cannot laugh that off.

Now, let us try one or two others.

Here is a letter from the Pennsylvania Shipping Co., Charles Kurz, president, writing under date of January 6, 1936:

Accordingly, and further because of the risk of collision and grounding that would be taken in navigating the canal, it is our present opinion that we would not avail of the canal excepting in case of some emergency.

Let us see what C. D. Mallory & Co., of New York, one of the largest ship-operating outfits, says under date of December 30, 1935:

We are of the opinion that the proposed canal does not offer sufficient saving to warrant serious consideration.

Then the letter goes on to say that they have been down to Florida and looked the thing over, just to see whether or not they might have made a mistake; and their ultimate conclusion is:

Referring to your recent visit and discussion of a canal across the State of Florida: On further consideration we are inclined to hold to our previously expressed view that the proposed canal does not offer sufficient saving to warrant the expense involved.

I have here a letter from the Brooks-Scanlan Corporation, J. S. Holey, president, under date of January 2, 1936, from which I read one sentence:

We have prepared no data on the saving, but it is our belief that it would be useful and timesaving for vessels from the Gulf to the Atlantic. We have sold most of our vessels; therefore we hardly would be interested in the operation of boats through the canal.

That is rather conclusive as to whether or not some of these hypothetical calculations would ultimately justify themselves.

What does the Sinclair Navigation Co. say under date of December 30, 1935? I read:

In our opinion, the navigation savings would not warrant an expenditure of between \$140,000,000 to \$200,000,000 for this project.

So it goes, Mr. President, so far as these particular nine are concerned. Now I wish to come to the remainder of the traffic.

Mr. NORRIS. Mr. President, before the Senator leaves the nine, let me ask, Were there any of the nine who were favorable?

Mr. VANDENBERG. No, Mr. President. The nearest of the nine rendering an opinion which might be construed as favorable was the final one I read, which stated that they were out of the business and therefore would not use the canal anyway, but perhaps, if it were built, theoretically it would be a good thing. I say to the Senator categorically that the nine said "No."

This would hardly be considered conclusive because, after all, nine lines do not tell the whole story of the available shipping operations in that area. So let us go to another classification which comes straight down to the core of the whole contemplation. The Department of Commerce survey shows that even in its theoretical calculations, out of the reported navigation savings of \$6,137,500, nearly four and a half million dollars of the hypothetical savings will accrue to oil tankers—\$4,100,000 to American tankers and \$400,000 to foreign tankers. In other words, the oil trade is the chief reliance in building even a hypothetical pretense of economic justification.

Remember the figures, remember I am relying upon the Department of Commerce survey, and remember that it suggests that nearly two-thirds of the traffic must be from oil tankers in order to arrive at even the hypothetical advantage which is claimed in behalf of the undertaking.

Mr. KING. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KING. May I inquire whether the Department of Commerce, before it even ventured that hypothetical opinion, made a survey through competent engineers as to the cost and as to the feasibility of the proposed waterway? My information is that there is a great deal of doubt as to its feasibility, as to the character of the soil, so as to make possible or feasible a project of this character, and I was wondering whether the Department of Commerce relied upon engineers. Did they avail themselves of the engineering staff of the War Department, which deals with these important problems, or did they have an engineering staff of their own?

Mr. VANDENBERG. Mr. President, it is my recollection that the Department of Commerce was dealing solely with the economic phase, and did not invade the other fields; but others did, and I shall have something further to say of those aspects a little later.

Let us remember about the oil tankers, and the fact that oil tankers would have to be depended on for two-thirds of the hypothetical traffic in order even to make a pretense of justifying this undertaking. Would the oil tankers use the canal? That is a fair question, and certainly it goes squarely to the heart of the problem.

I have already told the Senate what the Sinclair Navigation Co. and the Gulf Refining Co. say. They say "No." I will now read what is said by some of the other operators of oil tankers, not involved in the misunderstanding regarding the nine to which I have heretofore referred.

I read now from a letter written by the Socony Vacuum Oil Co., 26 Broadway, New York City, January 3, 1936:

I have questioned our operating division, as well as the masters on our ships, and the unanimous opinion is that as far as we are concerned this proposed waterway is neither necessary nor desirable. Even if the canal were open to free transportation, without tolls or any other charges, it is very doubtful there would be any advantage in our using it. This being the consensus of opinion of our practical people—

Mr. President, I hope that the opinion of practical people is not entirely ruled out of consideration in these days. It is the opinion of their "practical people who have had years of experience that the expenditure of such a large amount is not warranted."

Let us look at what is said by one or two others of these operators in the tanker trade, which is the major reliance, I remind the Senate again, of the hypothetical justification of this amazing expenditure of public money. I now quote the Cities Service Transportation Co., 60 Wall Tower, New York, December 28, 1935, a letter signed by C. Story, general manager:

We have given this matter considerable attention, and do not feel that the canal will serve a useful purpose except, possibly,

locally, and, if it is constructed, it is not our intention to send any of our large tankers through it, even though there are no tolls. In our opinion, the canal is too long for practical navigation.

Mr. President, some of the little red marks on the map, which is to be relied on as exhibit A in the argument to justify this assault upon the Treasury, represent the ships of the Cities Service Transportation Co., which says over its own signature that it does not propose to send its ships through the canal at all.

Let us see about some more of these operators of tankers. I read from the Standard Oil Co. of New Jersey, December 31, 1935:

It is our opinion that this project is ill advised and is not in conformity with the mature consideration of practical shipping people. In our judgment, the expenditure of \$140,000,000 to \$200,000,000 on this project is not justified by economic considerations, nor by present or potential traffic, which could profitably make use of the canal.

Therefore, as we do not believe there would be any monetary advantage to this company, in consideration of anticipated delays due to fog, increased collision hazards while in the confined waters of the canal, and added restrictions which would probably be imposed on oil tankers on account of the nature of their cargoes, we do not contemplate using this canal should it be constructed.

Mr. President, surely this practical evidence, from those who must provide the traffic through the canal, if there is to be any, cannot be ignored by the Senate when it makes up its mind upon this enormous expenditure. I could go on with these letters from operators of tankers, but I will not weary the Senate with further detail. I have letters here from the Texas Co. of New York, and the Sun Oil Co. of Philadelphia. I sum up this phrase of the presentation by saying that I have yet to find a single tank operator who has said that he wants the canal, or would use it if it were built, or considers that it is economically justified in its prospective navigation savings.

Mr. NORRIS. Mr. President, will the Senator yield further?

Mr. VANDENBERG. I yield.

Mr. NORRIS. It may be that the Senator will take up later in his address the question I have in mind, and if so, I will not ask him to do so at this time; but the question occurs to me, Have any of the potential operators of the canal given any other reasons for their feeling that they would not use the canal if it were built except what the Senator has read?

Mr. VANDENBERG. What I have read is a rather conclusive cross section of their argument. There are other reasons dropping in here and there, such, for instance, as the fear that insurance rates will be very much heavier while ships are transiting the canal.

Mr. NORRIS. Has the Senator investigated that subject? I am merely seeking information, and I am at once struck with the query, Why will the shipping interests not use the canal if it shall be built even though we assume, for the sake of the argument, that it never ought to be built and would be an economic mistake? I was wondering whether the Senator had received from any of the shipping interests any other reason except the ones to which he has briefly referred.

Mr. VANDENBERG. Was the Senator present when I opened my original consideration of the report of the Department of Commerce?

Mr. NORRIS. Yes; I have heard every word the Senator has said on the subject.

Mr. VANDENBERG. The Senator remembers the reason given by the Department of Commerce why the canal would not be used, to wit, the restricted waters.

Mr. NORRIS. Yes; but "restricted waters" is a very indefinite term. I wish to ask a question. It may not be at all important, but in trying to think of reasons for not using the canal it occurred to me that perhaps its length might be one of the reasons, and that the time taken to go through a canal of such length would be as much as it would take to go around the State of Florida from the Gulf to the ocean.

Mr. VANDENBERG. Mr. President, there is a hypothetical saving of time provided the canal can be transited day

and night. There is no saving of time if it cannot be transited after dark. On the theory that it can be transited continuously, there is a saving of time; but there are offsets in ship operating costs to the saving of time.

Mr. NORRIS. One of the shippers referred to the question of insurance. Did the Senator look into that question? Would there be increased insurance?

Mr. VANDENBERG. I specifically asked the largest insurance underwriters of New York—because I have scrupulously undertaken to get all the available facts—whether or not rates would be increased on ships transiting the canal. The answer was that it is impossible to make a prophecy until the canal is built or operating regulations are established, so that all available factors upon which rates are based are in hand. The operating regulations would have more to do with the size and nature of the insurance rates than anything else.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Michigan yield to the Senator from Florida?

Mr. VANDENBERG. I yield.

Mr. FLETCHER. Speaking of restrictions in the canal, is it not true that the Department of Commerce was considering a lock canal; that is to say, the Board of Engineers for Rivers and Harbors considered a canal with three locks in it, and that is what the Department had under consideration? Since then the Board has provided for a sea-level canal without locks.

Mr. VANDENBERG. Mr. President, all the letters I have been quoting are in reference to the proposed sea-level program now being pursued in the construction of the canal.

Mr. NORRIS. That reminds me of another question which was one of the very vital questions when we were considering the construction of the Panama Canal. Is there any difference between the height of the water in the Atlantic Ocean where the canal starts and the height of the water in the Gulf of Mexico, at the other end of the canal?

Mr. VANDENBERG. I judge not, in view of the fact that the engineers are planning a sea-level canal.

Mr. NORRIS. Then why is anybody talking about a lock canal? How could a lock canal be built in a level country?

Mr. VANDENBERG. It could be done in connection with a phase of the matter that I have not reached, namely, that engineers have said that if there is a menace to the groundwater supply of central and southern Florida from a sea-level canal, it may be obviated by building a lock canal.

Mr. NORRIS. If a lock canal should be built, it could not be supplied with water either from the ocean or from the Gulf of Mexico. It would have to be supplied with water from rivers or from some other source. Is that not obvious?

Mr. VANDENBERG. I should think so.

Mr. NORRIS. Unless someone is thinking of supplying the water from rivers that are of a higher elevation, I cannot understand how it would be possible, in a canal of that kind, to have such a thing as a lock.

Mr. VANDENBERG. I cannot answer the Senator's question; and, of course, he cannot find any testimony in any Senate or House committee hearings which will answer his question. That is the vice of the method under which we proceed—snap judgments on the floor of the Senate, without the advantage of any professional and dependable advice; no presentation of the matter save the voluntary, casual argument that one Senator happens to be making because he was challenged by the nature and extent of this amazing enterprise.

Mr. President, there is another phase of the matter. It has been argued that this canal would be a great boon to shipping because of the dreadful hazard in the Florida Gulf waters; but here, again, realities do not appear when summoned to examination. Florida waters are not nearly so deadly as they are painted for the purpose of getting this appropriation. I asked the United States Coast Guard, which is the official source of information, for a report upon this proposition so as to discover whether or not these waters are so stormy that the construction of a \$200,000,000 canal is necessary as a contribution to save life at sea. I asked

the United States Coast Guard about it. What do you suppose they told me? They sent me a very complete chart which shows that in the past 16 years just one passenger's life has been lost in all these related waters put together. That is the horrible hazard to safety of life at sea which is involved in this contemplation and in this proposition; and, Mr. President, the average maritime property loss in these waters during the past 16 years has been less than \$250,000.

It does not make the slightest difference on what basis we make our approach to this amazing expenditure. So far as I am concerned, I am utterly unable to find the slightest justification for it, of any name or nature.

Something else is involved; and this is a matter of home consideration in the State of Florida, so I rather hesitate to say anything about it. Certainly I do not represent the State of Florida in the Senate; but if half the State of Florida thinks it is going to be ruined by this canal—I do not mean economically, I mean physically—somebody ought to present that contemplation for the benefit of whatever consideration Senators wish to give it.

There is involved in this matter another consideration which goes to the responsibility which the Senate must assume when it decides to validate this amazing undertaking. I suppose there is no more distinguished citizen in the State of Florida than Mr. Frank B. Shutt, publisher of the Miami Herald at Miami, Fla. I read a letter dated March 12, 1936, signed by Mr. Shutt. He is not only a distinguished newspaper proprietor but he is one of the leaders at the Florida bar:

DEAR SIR: The Miami Herald—

Referring to his own newspaper—

is a Democratic newspaper, and it is supporting generally the policies of the New Deal.

I do not know what that has to do with this contemplation, except that perhaps Mr. Shutt is apologizing in advance for not being able to come along with this particular policy of the New Deal.

Continuing the reading:

It has, however, consistently opposed the creation of the Florida cross-State canal. It has used every good argument at its command. As owner and publisher of the Herald, I have been accused of ulterior motives—

Says Mr. Shutt—

The Miami Daily News—

That is the other great Miami daily newspaper—

the Herald's competitor, is owned by ex-Governor James M. Cox, of Ohio, one-time candidate for President on the Democratic ticket. Perhaps he would not be accused of ulterior motives.

Enclosed I hand you clipping of an article which appeared in the March 11 issue of Governor Cox's paper.

It is worthy of and entitled to Senators' prayerful consideration. I am going back to the enclosure in a minute. First, I wish to finish Frank Shutt's letter. This is not my testimony. This is not any external testimony. The one who is speaking is one of the leading citizens of southern Florida from any possible aspect from which one wishes to measure it.

In my judgment, if the Florida cross-State canal is completed within 10 years, probably within your time and mine, the greater part of south Florida may be another great American desert, open only to the winds, a magnificent territory as it now exists—then lost to the world.

That sounds like a very extravagant statement. Perhaps it is. In the past 6 weeks, since it has become known that I was interesting myself in the pursuit of facts in connection with this canal, I desire to say to the Senate that I have received literally thousands of letters from all over central and southern Florida voicing this precise fear. The letters are written obviously in the greatest of good faith and in the most earnest contemplation of what the writers believe to be an irreparable hazard confronting the underground water supply of the State of Florida.

What is the enclosure from Governor Cox's paper to which Mr. Shutt refers in the letter I have just read? The article from Governor Cox's paper says:

Florida Canal imperils water, scientist finds.

The next headline:

Dr. Henry Sharp, Columbia geologist, points out seepage danger.

I read only this one paragraph from the article:

New York, March 11.—Florida's water supply will be jeopardized by construction of the proposed Atlantic-Gulf ship canal, Dr. Henry S. Sharp, geologist of Columbia University, asserts in the current issue of the Independent Journal, university publication.

Dr. Sharp, after a study of the project, prompted by his interest in geomorphology, or geologic changes, believes "all geologists unite in predicting that the canal will cause some damage to the water supply, while a considerable number believe that it will prove to be a textbook example of the large-scale destruction of water resources by artificial interference with underground flow."

That may or may not be true. I am no geologist. I do not presume to say what value should be attached to the testimony. But it is one more of those things, Mr. President, which indicate the iniquity of the process we pursue when we try to solve a problem of this nature on the floor of the Senate, instead of by the traditional routine which brings us conclusive expert recommendation to which we can turn and upon which we can rely.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. VANDENBERG. I yield.

Mr. NORRIS. Admitting entirely the force of the argument made by this geologist, still the Senator ought to read, if the editorial will bear out such construction, enough of the editorial from Governor Cox's paper to justify the comment made by the editor and publisher of the other paper. Governor Cox would not be at all blamable so far as the Senator has offered evidence yet, because there is no editorial comment or opinion, but it is a matter of news entirely, under a New York date line. I simply suggest in passing that if the editorial bears out the statement made about the proposal in the other newspaper it ought to be read to the Senate.

Mr. VANDENBERG. It bears it out in great detail. I have not brought with me this afternoon all the geologic exhibits which are available in this connection because, frankly, I did not care to invade this particular field other than to indicate its existence. I do not know which side is right or wrong in connection with the argument respecting Florida's geology. All those in central and southern Florida produce their experts to say that it is to be ruined by the infiltration of saline water into its fresh water supply and through the lowering and depletion of the water supply upon which its citrus industry depends. All those in northern Florida who believe in the canal produce their geologists or experts to say this will not happen. The Senator can choose his own experts. As usual, they are available upon both sides. However, that is not the point which I am stressing.

Mr. NORRIS. That is the point I tried to make. I admit all the Senator says about the experts. I do not know who is right. I am like the Senator in that respect. However, the Senator has read from one newspaper a statement in which it was said that Governor Cox editorially had opposed this proposal. I submit the Senator has not read anything from Governor Cox to show that he has editorially opposed it.

Mr. VANDENBERG. I think the Senator is in error. The letter from Mr. Shutts said that he, Mr. Shutts, had editorially opposed it, and that he was enclosing an article from the opposition paper bearing upon the same proposition.

Mr. NORRIS. Yes; and he said further certainly they would not make any charges against him as opposing the New Deal. I submit again that all the Senator read from the other paper is no statement whatever as to the attitude of the owner or publisher or editor of that newspaper on this question.

Mr. VANDENBERG. I will have to leave the Senator to whatever consolation he can get out of that situation. I have not the remainder of the exhibits with me. In my view the point raised does not bear the slightest upon the real proposition which is involved. Let us see what the United States Geological Survey has said. Never mind Mr. Shutts

and Governor Cox, let us see what the United States Geological Survey has said:

There appears to be no reasonable doubt that serious adverse effects will be produced upon the important underground water supplies of the Ocala limestone in a wide zone extending outward from the canal line by the construction of a sea-level canal along route 13-B.

That is the route now being followed by this amazing undertaking. Not only may we rely upon the United States Geological Survey but upon the State geologist, Mr. Herman Gunter, who arrives at precisely the same conclusion.

Mr. NORRIS. I hope the Senator will not construe from my remarks that I am questioning these authorities. I am not by any means. I only wanted to call attention to what seemed to me ought to be rectified in the RECORD. It is said by one paper that Governor Cox's paper is opposing the canal. If it is not, it is probably an injustice to him to let that assertion stand uncontradicted. I do not pretend to know. I have no knowledge about it. I am saying that as a matter of fairness to Governor Cox.

Mr. VANDENBERG. I repeat to the Senator that the letter said nothing of the sort. The letter said Mr. Shutts had editorially opposed the canal, and then he referred to Governor Cox only as follows:

Perhaps he would not be accused of ulterior motives. Enclosed I hand you clipping of an article which appeared in the March 11 issue of Governor Cox's paper. It presents in powerful form one and only one of the arguments against the canal. It is worthy of and entitled to your prayerful consideration.

That still refers to Governor Cox.

Mr. NORRIS. The article enclosed under a New York date line said that the geologists had claimed that the canal would be damaging to the water supply. That is a matter of news, I suppose, and whether a man were in favor of or against the canal, if he wanted to be at all fair he would print it in the newspaper as a matter of news.

Mr. VANDENBERG. I am totally at a loss to understand the point the Senator is trying to make.

Mr. NORRIS. I am sorry. I probably should not have interrupted the Senator.

Mr. VANDENBERG. It seems to me totally inconsequential in respect to the main show.

Mr. NORRIS. I admit it is a side show, but the Senator himself brought it in. There is an implication there that Governor Cox's paper is opposing the canal. In order to prove that, a news item out of Governor Cox's paper is produced from New York quoting a geologist, entirely as a matter of news, to the effect that in the opinion of the geologist there would be damage. I simply wanted to prevent, and I supposed the Senator would join with me, any insinuation that the other newspaper at Miami, Governor Cox's paper, was opposing the canal.

Mr. VANDENBERG. If the other newspaper is or is not opposing the canal, let the fact be established. I have not said it was or was not. Mr. Shutts has not said it was or was not.

Mr. NORRIS. I submit Mr. Shutts said it was.

Mr. VANDENBERG. Mr. Shutts said he is opposing the canal and considers it utterly fatal to the welfare of Florida, and he submitted from Governor Cox's paper a clipping quoting a great geologist as supporting that conclusion. It does not make any difference to me whether or not Governor Cox is for the canal or whether or not Shutts is for the canal.

Mr. NORRIS. Nor to me.

Mr. VANDENBERG. The important thing to my mind is to demonstrate the division of opinion upon the proposition in Florida solely for this purpose.

Mr. FLETCHER. Mr. President, will the Senator permit an interruption at that point?

Mr. VANDENBERG. Certainly.

Mr. FLETCHER. Miami is 365 miles south of the proposed canal. The canal would no more affect the water supply of Miami than the Chesapeake & Ohio Canal, between Washington and Harpers Ferry, affects the water supply of Washington. I do not believe Mr. Shutts really

believes the statement made in the letter, but, at any rate, I think we might understand that Miami is somewhat concerned because of the apprehension that Miami commerce and trade might be adversely affected by the construction of the canal. I do not think that would happen at all. I think it would help Miami commerce and trade rather than otherwise, but I think that apprehension is at the bottom of the opposition of Mr. Shutts.

Mr. VANDENBERG. Mr. President, I am glad to have the Senator's testimony. He may put whatever construction he pleases upon the opposition of Miami and his other constituents in southern Florida. Eighty chambers of commerce and other civic bodies of Florida have petitioned the President of the United States within the past 6 weeks to stop this thing lest it ruin them. They may be 300 miles away from the canal, as the Senator says Miami is, and yet they may still be tremendously concerned about the potential ruin of the great citrus-fruit industry of Florida, upon which, after all, the great cities of the State rely for at least a portion of their prosperity and commerce.

If I had known that this phase of the matter was to be pursued in this particular fashion—and I am yet so dumb that I fail to understand what the Senator from Nebraska [Mr. NORRIS] is trying to inject into the debate—I would have brought innumerable exhibits from the State of Florida to demonstrate the very definite reality of fear respecting what may happen to two-thirds of the peninsula if, as, and when this thing is done.

That, however, is not the point I make. The point I make is that here is a situation where we have experts upon one side who say, "Yes; this canal is going to ruin central and southern Florida"; and we have experts upon the other side whom, I freely concede, my able friend the senior Senator from Florida can quote for hours, saying, "No; the canal will not ruin central and southern Florida." Unfortunately, however, we cannot find out whether the canal will ruin central and southern Florida until the canal is completed and in operation, and the ruin has occurred, if it should occur. If it should occur, and it should happen that the gentlemen in the north of Florida guessed wrong instead of right, I wonder if the Senate can contemplate the extent of the damages which central and southern Florida would be asking the Government of the United States to pay to compensate the State for the Government's wanton trespass upon the State's fundamental natural resources.

When we went to Florida to kill the Mediterranean fruit fly we were welcomed with our millions to kill the fly; and when we had the fly killed—although I understand there never actually was one—we were asked to pay for all the fruit we destroyed while we were killing the fly. [Laughter.] Mr. President, what do you suppose will happen if it develops that this canal does do to central and southern Florida the horrible thing which so many of its citizens believe it will do? Inevitably we will confront a climaxing damage charge besides which \$200,000,000 is mere chicken feed.

What is there about this project which justifies taking any such chance as that? It has not any justification on the basis of economics. It has not any justification on the basis of ship operators who say they expect to use it if it is built. It has not any justification on the basis of the value that ought to accrue to an investment of \$200,000,000 of the public money. It has not any justification on the basis of conclusive reports from the Board of Rivers and Harbors engineers, because there has not been any conclusive report; and this is the first time in 100 years that it has been proposed to launch a project of this sort without a conclusive report from the Board of Rivers and Harbors engineers. It has not a leg on earth to stand on, except that it was launched as a \$5,000,000 work-relief project.

Mr. President, so far as I am concerned, this is the one and only and last time that the Senate may say whether it desires to have this canal built. If we vote to appropriate this little installment of the cost, we certainly shall be morally committed to the appropriation of the entire balance

during the next 6, 8, or 10 years before the work is completed. So far as I am concerned, I should infinitely rather give Florida another \$5,000,000 by executive decree to fill up what has already been dug than to waste another \$190,000,000 by proceeding to conclude the undertaking.

At a time when the public credit is at low ebb, at a time when the Government already is spending \$2 for every dollar we take in, at a time when Congress is about to be confronted with a demand from the President for a new tax revenue of a billion dollars, I submit that there is not one scintilla of justification on the face of the living earth for a responsible Senate of the United States to commit our people to any such enterprise as this.

Mr. AUSTIN. Mr. President, will the Senator yield for an interrogatory?

Mr. VANDENBERG. Yes.

Mr. AUSTIN. I should like to inquire if there is any record of any committee where the facts which have been discussed by the Senator from Michigan, and similar facts, may be found?

Mr. VANDENBERG. Mr. President, unfortunately, there is no complete record. I can only refer the Senator, first, to the printed hearings of the subcommittee of the Committee on Commerce taking testimony upon my resolution to investigate the canal. There is a partial summation of the case in that document. I can then refer the Senator to the printed hearings upon the War Department appropriation bill, in which the able senior Senator from Florida and I debated the problem for an hour before the committee. Beyond that, I can refer the Senator to nothing official under the Senate's mark, because, unfortunately, this thing never has had the formal, traditional consideration which projects of this sort usually do have.

Mr. AUSTIN. Mr. President, I think the Senate owes an expression of gratitude to the Senator from Michigan for bringing these facts to our attention at this time.

Mr. FLETCHER. Mr. President, with regard to the inquiry of the Senator from Vermont, I wish to call his attention to the hearings before the subcommittee of the Committee on Commerce, and ask him to read the hearings. They are not very extensive; but the Senator will get a history and a correct record of this whole matter if he will read the testimony of Mr. H. H. Buckman in the hearings. By doing so he can save a great deal of time, and obtain the information he desires.

I will send the Senator a copy of the hearings if he likes, and especially call his attention to the testimony of Mr. Buckman, which reviews the whole history of the question, and the records in the case.

Mr. AUSTIN. I thank the Senator from Florida.

Mr. COPELAND. Mr. President, if it is agreeable to our leader, I suggest that we let this matter go over until tomorrow.

Mr. ROBINSON. Very well, Mr. President. I understand the Senator from Florida would like to have that course taken.

Mr. FLETCHER. It is immaterial to me, but I am agreeable to anything.

W. W. COOK—VETO MESSAGE (S. DOC. NO 187)

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate a message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on Claims, and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, S. 1837 (74th Cong., 2d sess.), entitled "An act for the relief of W. W. Cook."

This bill authorizes and directs the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to W. W. Cook, of Pella, Iowa, the sum of \$30, in full settlement of his claim against the United States for the refund due him on two broker's special tax stamps, no liability to such special tax having been incurred by him. The bill would authorize and direct the payment notwith-

standing the fact that a claim for the refund of such tax was filed after the expiration of the period of limitations provided by law for the filing of such claims.

On several occasions there have been submitted to me other bills which proposed to except certain taxpayers from the operation of the statutes of limitations pertaining to the revenue laws by extending the time for the refunding of certain taxes to such taxpayers. On those occasions I expressed my accord with the enacted policy of Congress that it is sound to include in all revenue acts statutes of limitations, by the operation of which, after a fixed period of time, it becomes impossible for the Government to collect additional taxes or for the taxpayer to obtain a refund of an overpayment of taxes. I pointed out in each instance that such legislation selects a small class of taxpayers for special treatment by excepting them from that policy, thus discriminating against the whole body of Federal taxpayers, and establishing a precedent which would open the door to relief in all cases in which the statute operates to the prejudice of a particular taxpayer, while leaving the door closed to the Government in those cases in which the statute operates to the disadvantage of the Government.

In this regard the instant measure, S. 1837, does not differ in principle from the bills which were under consideration on those prior occasions. I know of no circumstances which would justify the exception made by S. 1837 to the long-continued policy of Congress. Again I must express my belief that the field of special legislation should not be opened to relieve special classes of taxpayers from the consequences of their failure to protect their claims for the refund of taxes within the period fixed by law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 16, 1936.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

PUBLIC WORKS ADMINISTRATION

The Chief Clerk read the nomination of Herman G. Baity to be Director of the Public Works Administration in North Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joe B. Mullins to be State engineer inspector in Tennessee of the Public Works Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF INTERNAL REVENUE

The Chief Clerk read the nomination of William H. Kelly to be collector of internal revenue, fifth district of New Jersey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. COPELAND. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. COPELAND. I ask that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 4 o'clock and 20 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 17, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 16 (legislative day of Feb. 24), 1936

PUBLIC HEALTH SERVICE

The following-named doctors to be assistant surgeons in the United States Public Health Service, to take effect from dates of oaths:

John W. Hornibrook	Eric C. Johnson
Roger E. Heering	Erwin C. Drescher
Seward E. Miller	Marion B. Noyes
Hugh L. C. Wilkerson	John B. Hozier
Robert H. Felix	Michael J. Pescor
John E. Dunn	Jonathan Zoole
Floyd A. Hawk	William E. Graham
John R. McGibony	Virgil J. Dorset
Jonathan B. Peebles, Jr.	Earl L. White
Charles F. Blankenship	Curtis R. Chaffin
Edgar W. Moreland	Paul T. Erickson
Eugene A. Gillis	Eugene W. Green
Henry A. Holle	Robert F. Martin

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenant with rank from date of appointment

First Lt. Edwin Stewart Kagy, Medical Corps Reserve.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Walter Hitzfeldt, Field Artillery, with rank from August 1, 1935.

Capt. Ernest Arthur DeWitt, Infantry, with rank from June 25, 1932.

TO FINANCE DEPARTMENT

Capt. George Van Studdiford, Infantry, with rank from November 5, 1929.

Capt. Roy Judson Caperton, Infantry, with rank from September 1, 1934.

TO CORPS OF ENGINEERS

First Lt. William Charles Hall, Infantry, with rank from August 1, 1935.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lt. Col. Walter Raymond Wheeler, Infantry, from March 5, 1936.

Lt. Col. George Frederick Ney Dailey, Infantry, from March 5, 1936.

To be lieutenant colonels

Maj. John Stewart Bragdon, Corps of Engineers, from March 5, 1936.

Maj. George Jacob Richards, Corps of Engineers, from March 5, 1936.

To be majors

Capt. Silas Warren Robertson, Cavalry, from March 1, 1936, subject to examination required by law.

Capt. Donald Van Niman Bonnett, Infantry, from March 5, 1936.

Capt. Winfield Rose McKay, Infantry, from March 5, 1936.

MEDICAL CORPS

To be major

Capt. Edward John Kallus, Medical Corps, from March 5, 1936.

DENTAL CORPS

To be major

Capt. James Melvin Epperly, Dental Corps, from March 8, 1936.

VETERINARY CORPS

To be lieutenant colonel

Maj. George William Brower, Veterinary Corps, from March 8, 1936.

**APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES
GENERAL OFFICER**

To be major general, National Guard of the United States

Maj. Gen. William Kern Herndon, Kansas National Guard.

POSTMASTERS

ALABAMA

Margie Gardner to be postmaster at Aliceville, Ala., in place of Margie Gardner. Incumbent's commission expires April 4, 1936.

Ora B. Wann to be postmaster at Madison, Ala., in place of O. B. Wann. Incumbent's commission expires April 4, 1936.

Prentiss B. Snodgrass to be postmaster at Scottsboro, Ala., in place of A. N. Holland. Incumbent's commission expired January 13, 1935.

ALASKA

Serena B. Pollock to be postmaster at Anchorage, Alaska, in place of E. I. Amundsen. Incumbent's commission expires March 28, 1936.

Otto H. Kulper to be postmaster at Cordova, Alaska, in place of W. J. Shepard. Incumbent's commission expires April 12, 1936.

ARIZONA

Jessie Stephens to be postmaster at Camp Verde, Ariz. Office became Presidential July 1, 1935.

Patrick D. Ryan to be postmaster at Fort Huachuca, Ariz., in place of P. D. Ryan. Incumbent's commission expired February 14, 1935.

ARKANSAS

Monroe R. Hughes to be postmaster at Nettleton, Ark., in place of Paul Smith. Incumbent's commission expired January 11, 1936.

Frank N. Johnston to be postmaster at Ozark, Ark., in place of R. J. Gammill. Incumbent's commission expired January 11, 1936.

James W. Byrd to be postmaster at Smackover, Ark., in place of R. P. Allen. Incumbent's commission expired February 5, 1936.

CALIFORNIA

Alma B. Pometta to be postmaster at Benicia, Calif., in place of Theodore Rueger. Incumbent's commission expired January 26, 1936.

Peter D. McIntyre to be postmaster at Blythe, Calif., in place of P. D. McIntyre. Incumbent's commission expires April 27, 1936.

Purley O. Van Deren to be postmaster at Broderick, Calif., in place of P. O. Van Deren. Incumbent's commission expires March 17, 1936.

Floyd F. Howard to be postmaster at Courtland, Calif., in place of F. F. Howard. Incumbent's commission expires March 17, 1936.

Valente F. Dolcini to be postmaster at Davis, Calif., in place of C. A. Maghetti. Incumbent's commission expired January 9, 1936.

John H. Dodson to be postmaster at El Cajon, Calif., in place of J. H. Dodson. Incumbent's commission expires April 27, 1936.

Corinne Dolcini to be postmaster at Guadalupe, Calif., in place of Corinne Dolcini. Incumbent's commission expires March 29, 1936.

George L. Clare to be postmaster at Guerneville, Calif., in place of G. L. Clare. Incumbent's commission expires March 17, 1936.

Harry H. Chapman to be postmaster at Hornbrook, Calif., in place of H. H. Chapman. Incumbent's commission expires March 29, 1936.

Nettie Fausel to be postmaster at Independence, Calif., in place of Nettie Fausel. Incumbent's commission expires March 29, 1936.

James M. Toomey to be postmaster at Manteca, Calif., in place of J. A. Wilson. Incumbent's commission expired February 9, 1936.

Frank N. Lawrence to be postmaster at Mount Shasta, Calif., in place of F. N. Lawrence. Incumbent's commission expires April 12, 1936.

Mary A. Roels to be postmaster at Point Reyes Station, Calif., in place of M. A. Cheda, deceased.

Joseph Galewsky to be postmaster at St. Helena, Calif., in place of E. M. Murray. Incumbent's commission expired January 26, 1936.

Anna McMichael to be postmaster at San Juan Bautista, Calif., in place of Anna McMichael. Incumbent's commission expires March 29, 1936.

Manuel S. Trigueiro to be postmaster at San Miguel, Calif., in place of M. S. Trigueiro. Incumbent's commission expires March 17, 1936.

Catherine E. Ortega to be postmaster at Sonora, Calif., in place of C. E. Ortega. Incumbent's commission expires March 29, 1936.

George H. Banning to be postmaster at South Pasadena, Calif., in place of A. B. Kirk, deceased.

COLORADO

Will Van Engen to be postmaster at Crawford, Colo., in place of M. I. Wood. Incumbent's commission expired February 17, 1936.

James M. Faricy to be postmaster at Florence, Colo., in place of N. R. Usher. Incumbent's commission expired February 17, 1936.

Mathias J. Schmitz to be postmaster at Gunnison, Colo., in place of P. C. Boyles. Incumbent's commission expires March 18, 1936.

James H. Parker to be postmaster at Julesburg, Colo., in place of Z. N. Cleveland. Incumbent's commission expired February 17, 1936.

Cyril Edward Taylor to be postmaster at Spivak, Colo., in place of S. H. Leipziger. Incumbent's commission expired February 25, 1935.

James L. Allison to be postmaster at Woodmen, Colo., in place of J. L. Allison. Incumbent's commission expires April 27, 1936.

FLORIDA

Mary Joyner to be postmaster at Bagdad, Fla., in place of Mary Joyner. Incumbent's commission expires March 28, 1936.

GEORGIA

William W. Baldwin to be postmaster at Madison, Ga., in place of P. N. Little. Incumbent's commission expires June 10, 1936.

Estelle Willis to be postmaster at Hardwick, Ga., in place of Estelle Willis. Incumbent's commission expires March 22, 1936.

William T. Pilcher to be postmaster at Warrenton, Ga., in place of R. I. Corbin. Incumbent's commission expired January 7, 1936.

HAWAII

Antone F. Cravalho to be postmaster at Paia, Hawaii, in place of A. J. Brown. Incumbent's commission expires April 27, 1936.

IDAHO

Frank Dvorak to be postmaster at Aberdeen, Idaho, in place of Frank Dvorak. Incumbent's commission expires April 12, 1936.

ILLINOIS

Henry Harris to be postmaster at Auburn, Ill., in place of William Ryder. Incumbent's commission expired December 18, 1934.

Fred H. Stoltz to be postmaster at Bridgeport, Ill., in place of F. C. Baker. Incumbent's commission expired January 28, 1936.

Betty Davis to be postmaster at Easton, Ill., in place of S. L. Ryno, resigned.

Walter T. Smith to be postmaster at Havana, Ill., in place of L. H. Borgelt. Incumbent's commission expires March 17, 1936.

Stanley L. Pool to be postmaster at Sumner, Ill., in place of H. M. Lathrop. Incumbent's commission expired January 7, 1936.

John Wacker to be postmaster at Techny, Ill., in place of John Wacker. Incumbent's commission expires April 27, 1936.

INDIANA

Thomas L. Hart to be postmaster at Dunkirk, Ind., in place of L. A. Pratt. Incumbent's commission expired January 22, 1936.

William W. Workman to be postmaster at Kokomo, Ind., in place of E. M. Hunt. Incumbent's commission expired January 9, 1936.

John N. Bonifas to be postmaster at Portland, Ind., in place of F. E. Meeker. Incumbent's commission expired January 25, 1936.

Ruth B. Flinn to be postmaster at Roann, Ind., in place of J. E. Turner. Incumbent's commission expired February 5, 1936.

IOWA

Hans C. Johnson to be postmaster at Northwood, Iowa, in place of E. K. Pitman. Incumbent's commission expired February 24, 1936.

KANSAS

Thomas G. Riggs to be postmaster at Burns, Kans., in place of T. G. Riggs. Incumbent's commission expires March 23, 1936.

Martin Miller to be postmaster at Fort Scott, Kans., in place of G. R. Hughes. Incumbent's commission expired January 25, 1936.

KENTUCKY

Mayme D. Cogar to be postmaster at Midway, Ky., in place of M. E. Gatrell. Incumbent's commission expired April 2, 1934.

Sam J. Spalding to be postmaster at Lebanon, Ky., in place of L. M. Jackson. Incumbent's commission expired January 27, 1936.

Gemmell Baker Senff to be postmaster at Mount Sterling, Ky., in place of W. H. Knox. Incumbent's commission expired February 5, 1936.

MAINE

Wilbur F. Goodwin to be postmaster at Kennebunk Port, Maine, in place of S. H. Ward. Incumbent's commission expired January 7, 1936.

MASSACHUSETTS

Isabelle Crocker to be postmaster at Cotuit, Mass., in place of Isabelle Crocker. Incumbent's commission expires March 17, 1936.

Mary T. Harrington to be postmaster at Holden, Mass., in place of A. F. Newell. Incumbent's commission expired February 9, 1936.

Philip Morris to be postmaster at Siasconset, Mass., in place of Philip Morris. Incumbent's commission expires April 27, 1936.

MICHIGAN

Sebastiano Camilli to be postmaster at Bessemer, Mich., in place of J. L. Gotta. Incumbent's commission expired January 7, 1936.

Walter W. Derby to be postmaster at Covert, Mich., in place of H. G. Turner, transferred.

Lura B. Schreiber to be postmaster at Douglas, Mich., in place of R. A. McDonald. Incumbent's commission expired December 16, 1933.

Harry E. Penninger to be postmaster at Lake Linden, Mich., in place of H. E. Penninger. Incumbent's commission expires March 22, 1936.

Jarvis C. Chamberlin to be postmaster at Saint Clair, Mich., in place of H. A. Hopkins. Incumbent's commission expired February 5, 1936.

Morris R. Ehle to be postmaster at Wayland, Mich., in place of R. G. Mosher. Incumbent's commission expired December 16, 1933.

Charles J. McCauley to be postmaster at Wells, Mich., in place of C. J. McCauley. Incumbent's commission expires March 22, 1936.

William H. Stickel to be postmaster at White Pigeon, Mich., in place of C. S. Sisson, transferred.

MINNESOTA

George Enblom to be postmaster at Atwater, Minn., in place of William Peterson, deceased.

Obert M. Wammer to be postmaster at Badger, Minn., in place of G. J. Brenden. Incumbent's commission expired February 20, 1935.

Eric Lind to be postmaster at Chisago City, Minn., in place of J. A. Bloom. Incumbent's commission expired May 7, 1934.

Stephen Singer to be postmaster at Goodridge, Minn., in place of Stephen Singer, removed.

Henry Groth to be postmaster at Wright, Minn., in place of Henry Groth. Incumbent's commission expires March 17, 1936.

MISSISSIPPI

Willie M. Windham to be postmaster at Lena, Miss., in place of W. M. Windham. Incumbent's commission expires April 12, 1936.

Ella C. Covington to be postmaster at Lyon, Miss., in place of E. C. Covington. Incumbent's commission expired January 13, 1936.

MISSOURI

Leonard Moore to be postmaster at California, Mo., in place of W. L. Hert. Incumbent's commission expired March 29, 1936.

Susan T. Fulbright to be postmaster at Doniphan, Mo., in place of W. O. Roberts. Incumbent's commission expired December 18, 1934.

Sterling H. Bagby to be postmaster at Huntsville, Mo., in place of J. Q. Martin. Incumbent's commission expired February 24, 1936.

Arch B. Young to be postmaster at Perry, Mo., in place of F. M. Rich, resigned.

Dora H. Weber to be postmaster at Tipton, Mo., in place of E. G. Crawford. Incumbent's commission expired February 1, 1936.

MONTANA

Thomas E. Devore to be postmaster at Whitehall, Mont., in place of T. E. Devore. Incumbent's commission expires April 27, 1936.

NEBRASKA

Emil Nelson to be postmaster at Minden, Nebr., in place of I. J. Thomsen. Incumbent's commission expired March 10, 1936.

NEVADA

Isaac L. Stone to be postmaster at McGill, Nev., in place of I. L. Stone. Incumbent's commission expired March 10, 1936.

NEW JERSEY

Rachel E. Berger to be postmaster at Ringoes, N. J., in place of R. E. Berger. Incumbent's commission expires April 12, 1936.

Susan L. Kenworthy to be postmaster at Wanaque, N. J., in place of F. R. Parry, removed.

John P. Ryan to be postmaster at Warren Point, N. J., in place of J. P. Ryan. Incumbent's commission expires March 28, 1936.

NEW YORK

Timothy V. O'Shea to be postmaster at Rome, N. Y., in place of W. T. Binks. Incumbent's commission expired January 13, 1935.

NORTH CAROLINA

Woodrow McKay to be postmaster at Lexington, N. C., in place of T. E. McCrary. Incumbent's commission expires March 17, 1936.

Lonnie W. Jacobs to be postmaster at Pembroke, N. C. Office became Presidential July 1, 1935.

NORTH DAKOTA

Peder T. Rygg to be postmaster at Fairdale, N. Dak., in place of P. T. Rygg. Incumbent's commission expires April 27, 1936.

Leta L. Davis to be postmaster at Lansford, N. Dak., in place of L. L. Davis. Incumbent's commission expires March 17, 1936.

OHIO

Charles W. Zeller to be postmaster at Gibsonburg, Ohio, in place of N. B. Ervin, Jr. Incumbent's commission expired February 24, 1936.

Valentine J. Meade to be postmaster at Harrison, Ohio, in place of W. H. Tracy. Incumbent's commission expired January 7, 1936.

George W. Blessing to be postmaster at Jeffersonville, Ohio, in place of W. S. Bush. Incumbent's commission expired January 7, 1936.

PENNSYLVANIA

Michael Heffren, Jr., to be postmaster at Adah, Pa., in place of L. A. Brown. Incumbent's commission expired December 19, 1933.

Edward B. Walker to be postmaster at Berlin, Pa., in place of George Wetmiller. Incumbent's commission expired January 9, 1935.

P. Louise Brant to be postmaster at Garrett, Pa., in place of E. M. Schrock. Incumbent's commission expired January 9, 1935.

Raymond P. Smith to be postmaster at Jerome, Pa., in place of A. U. Shumaker. Incumbent's commission expired January 22, 1935.

Hugh G. Provins to be postmaster at Masontown, Pa., in place of R. G. Stilwell. Incumbent's commission expired January 28, 1935.

Joseph G. Weakland to be postmaster at Meyersdale, Pa., in place of W. S. Livengood. Incumbent's commission expired January 26, 1933.

S. Burton Flickner to be postmaster at Point Marion, Pa., in place of A. L. Carlier. Incumbent's commission expired June 20, 1934.

Christain S. Lichliter to be postmaster at Salisbury, Pa., in place of O. W. Petry. Incumbent's commission expired January 9, 1935.

Frank J. Fulton to be postmaster at Stoystown, Pa., in place of E. H. Shockey. Incumbent's commission expired December 18, 1932.

RHODE ISLAND

Daniel J. Dennis to be postmaster at Tiverton, R. I., in place of Samuel Seabury, 2d, resigned.

SOUTH CAROLINA

Carrie R. Goodman to be postmaster at Clemson, S. C., in place of C. R. Goodman. Incumbent's commission expires April 12, 1936.

Malcolm J. Stanley to be postmaster at Hampton, S. C., in place of M. J. Stanley. Incumbent's commission expires April 29, 1936.

Murray S. McKinnon to be postmaster at Hartsville, S. C., in place of M. S. McKinnon. Incumbent's commission expired January 25, 1936.

SOUTH DAKOTA

Clyde V. Hill to be postmaster at Highmore, S. Dak., in place of L. W. Carter, deceased.

TENNESSEE

Douglas B. Hill to be postmaster at Collierville, Tenn., in place of D. B. Hill. Incumbent's commission expires March 28, 1936.

TEXAS

Ralph C. Owens to be postmaster at Dickinson, Tex., in place of R. C. Owens. Incumbent's commission expires April 14, 1936.

James S. Colley to be postmaster at Legion, Tex., in place of J. S. Colley. Incumbent's commission expires April 4, 1936.

Carroll T. Coolidge to be postmaster at Pasadena, Tex., in place of C. T. Coolidge. Incumbent's commission expires April 14, 1936.

VERMONT

Dora W. Brown to be postmaster at Lunenburg, Vt., in place of D. W. Brown. Incumbent's commission expired February 9, 1936.

Cecile M. Beaton to be postmaster at South Ryegate, Vt., in place of C. M. Beaton. Incumbent's commission expires April 27, 1936.

VIRGINIA

Hattie C. Barrow to be postmaster at Dinwiddie, Va., in place of H. C. Barrow. Incumbent's commission expires April 12, 1936.

Henry A. Storm to be postmaster at McLean, Va., in place of H. A. Storm. Incumbent's commission expires April 12, 1936.

WYOMING

Waldo H. Bolln to be postmaster at Douglas, Wyo., in place of W. H. Davis. Incumbent's commission expired January 9, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 16 (legislative day of Feb. 24), 1936

PUBLIC WORKS ADMINISTRATION

Herman G. Baity to be director of the Public Works Administration in North Carolina.

Joe B. Mullins to be State engineer inspector for the Public Works Administration in Tennessee.

COLLECTOR OF INTERNAL REVENUE

William H. Kelly to be collector of internal revenue, fifth district of New Jersey.

PROMOTIONS IN THE NAVY

Robert W. Bockius to be lieutenant commander.

John B. Lyon to be lieutenant commander.

Elmer F. Helmkamp to be lieutenant commander.

Everett P. Newton, Jr., to be lieutenant.

James W. Haviland, 3d, to be lieutenant.

David G. Greenlee, Jr., to be lieutenant.

Charles F. Chillingworth, Jr., to be lieutenant.

John E. Florance to be lieutenant.

Ranald M. MacKinnon to be lieutenant.

Martin J. Drury to be lieutenant.

Alexander MacIntyre to be lieutenant.

Edward D. Crowley to be lieutenant.

Hugh P. Thomson to be lieutenant.

George P. Biggs to be lieutenant.

Henry R. Oster to be lieutenant commander.

Lawrence B. Richardson to be lieutenant commander.
 James R. Allen to be lieutenant commander.
 Charles A. Nicholson, 2d, to be lieutenant commander.
 Charles D. Kirk to be paymaster.
 Charles S. Bailey to be paymaster.
 Walter W. Mahany to be paymaster.
 John H. Davis to be paymaster.
 Harold T. Smith to be paymaster.
 Charles J. Lanier to be paymaster.
 James P. Dowden to be passed assistant paymaster.
 Gerard J. O'Brien to be chief boatswain.
 Homer V. Randolph to be chief boatswain.
 Ralph A. Wiley to be chief boatswain.
 Milton P. Dominquez to be chief boatswain.
 Percy Bond to be chief boatswain.
 Charles G. Jenkins to be chief boatswain.
 Noyes V. Sanborn to be chief boatswain.
 John F. Pingley to be chief boatswain.
 John D. Garland to be chief boatswain.
 Percy D. Generous to be chief boatswain.
 Roland B. McArthur to be chief boatswain.
 Charles E. Mowry to be chief electrician.
 Perry E. Koon to be chief electrician.
 James B. Terwilliger to be chief electrician.
 Ernest E. Dobson to be chief machinist.
 Roland A. Platt to be chief pay clerk.
 James D. Stephens to be chief pay clerk.
 Louis J. Spare to be chief pay clerk.
 James L. Kemper to be lieutenant (junior grade).
 Charles Conard to be pay director.

MARINE CORPS

John C. Beaumont to be brigadier general.
 Albert E. Randall to be colonel.
 Charles A. Wynn to be lieutenant colonel.
 Merritt A. Edson to be major.
 Curtis W. LeGette to be major.
 Homer L. Litzenberg, Jr., to be captain.
 Floyd A. Stephenson to be captain.
 Robert E. Hogaboom to be captain.
 Francis H. Brink to be captain.
 David R. Porter to be chief pay clerk.
 James U. Meyer to be chief pay clerk.

POSTMASTERS

MINNESOTA

Thomas J. Murphy, Adrian.
 James J. Daly, Frazee.
 George J. Andrews, Paynesville.
 Thomas G. Schaefer, Sauk Rapids.

NEW JERSEY

John L. A. Gorman, Dumont.
 Walter D. Finch, Mahwah.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 16, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou, who hast brought us again fresh to the morning light and revealed Thyself as a loving Father, we praise Thee that we are not cast down because of our imperfections. We pray that we may rise into the blessedness of hope and cheer, looking for the things that are excellent in one another. Enable us to be, our Father, always considerate and kind, reflecting Thy loving nature, and thereby dignifying our associations. May we so take heart in this quiet moment that we shall be faithful and thoughtful all the day through. Add to our souls a finer spiritual beauty; if our thoughts be dark, clarify them with the spirit of disinterested love. Above all, may we not forget that living is giving; may our desire for rest or gain keep us from no helpful act. Thus let the day close, blessed Lord, on hours well spent. Through Christ. Amen.

LXXX—240

The Journal of the proceedings of Friday, March 13, was read and approved.

IS PRESIDENT ROOSEVELT'S TAX PROGRAM CONSTRUCTIVE?

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some remarks I made over the radio last evening.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered yesterday over the radio:

Ladies and gentlemen, the subject selected for discussion this evening results from the special message sent to Congress by President Roosevelt 12 days ago, in which he suggested the necessity for legislation to levy taxes to meet current expenses. The necessity for most of these taxes grew out of two occurrences which have happened since the President sent his Budget message to Congress at the beginning of the present session of Congress: One was the decision of the Supreme Court of the United States holding the Agricultural Adjustment Act unconstitutional. That decision necessitates the raising of about \$1,000,000,000 in some other way than originally proposed. The other event was the enactment into law by Congress, over the President's veto, of the bill to pay, immediately, the adjusted-service-compensation certificates, popularly known as the bonus, instead of payment being made in 1945, as provided in the original act. To meet that payment now, one hundred and twenty million additional revenue will be necessary this year.

To procure this additional revenue, the President suggested, for the consideration of Congress, the levying of taxes on the earned-income surpluses of corporations.

In passing, it might not be amiss for all of us to recall that, while taxes of all kinds are exceedingly unpopular, our Government has no other source of revenue to meet its expenses. Many other governments procure a great part of their needed revenue from the government engaging in business; in fact, having a monopoly on certain businesses, such as tea, coffee, liquor, matches, and the like. In our Government every cent spent must be provided by taxes, such as the personal-income taxes, corporation-income taxes, liquor taxes, tobacco taxes, excise taxes, custom taxes, estate and gift taxes, and others.

Of course, taxing corporations is not new. They are paying at the present time about \$1,000,000,000 by way of a tax on their net earnings. This is only 8 cents of every dollar spent by the Government. Incidentally, it is worthy to note, in view of the widespread complaint against personal-income taxes, that only 7 cents of each dollar spent is paid by the few million of income-tax payers. The proposal to levy a special or new form of tax on the surplus incomes of corporations is neither new nor novel. It has been discussed for years in Congress and elsewhere. In three Congresses I have introduced such a proposal. Naturally, I believe the President's tax program is constructive, and I am not so sure but what the National Association of Manufacturers, my opponent on this evening's broadcast, will yet endorse it.

Immediately upon the President's message going to the country, discussion became widespread as to the wisdom and effect of such a proposal. Sides were taken immediately on the question, long before the proposal was even partly digested. The stock market reacted; chambers of commerce again "resolved"; and editors approved or lamented the proposal, often in accordance with their political leanings. Since then the news is carried extensively daily as to the progress being made or not being made by the Ways and Means Committee of the House of Representatives in its consideration of the matter. Although I am not a member of that great committee, I feel I can say that it is proceeding carefully in the matter, as it always does, and that no report as to its present attitude toward any proposal or any part of any feature of such proposal is authentic. Thoughtful citizens will suspend judgment until the President's proposal assumes definite shape in the form of a bill. There will be plenty of time then for all persons interested to register any protest.

The proposal to tax the surplus incomes of corporations is supported on the following grounds:

Income taxation promotes prosperity. It is not a burden on industry nor does it increase the cost of doing business. If there is no profit, there is no tax. Such taxes tend to promote and stabilize prosperity. As against the argument that such a tax would interfere with the expansion of business, the fact is, that the tax would put a brake on the over-expansion of production facilities. It would keep money in circulation. It would enlarge the buying power of the general public by reason of dividend distributions.

The further fact is, that today individuals are taxed at a very much higher rate than corporations with an equal amount of income. Because of this, large holders of stock in corporations see to it that corporate earnings are not distributed in dividends to themselves, or other stockholders, for the humanly selfish reason that on such a distribution they might have to pay to their Government as much as 50 percent, or even more, of such earnings, whereas the corporation pays, at most, 15 percent.

Under such a bill as proposed, the Government would probably not derive its revenue directly from the corporations. The tax,

over

whether it be 33½ percent, or greater or less, would, in all probability, not be paid by the corporations. What would undoubtedly happen would be that the corporations would distribute their earnings to their stockholders who would pay the taxes to the Government.

It is notorious that some large corporations, which are closely controlled have for years unjustly withheld their earnings from their stockholders, so that the large stockholders, who do not need the money, would not be obliged to pay high surtaxes on their own dividend distributions. While beneficial to these comparatively few individuals, it has worked an injustice to the small stockholders, who have needed the money and who would immediately put it into circulation, and thus increase our purchasing power.

Take, for instance, the United States Steel Corporation, with total assets at the beginning of 1935 of \$2,084,000,000 and \$126,000,000 of cash and marketable securities. This great corporation has 239,000 stockholders, no one of whom owns more than 2 percent of the common stock or more than 1 percent of the preferred stock. Would it not be more beneficial to this army of stockholders and the country at large if the earnings of that corporation were annually distributed up to a reasonable amount? Likewise with the American Telephone & Telegraph Corporation, with its quarter of a million of stockholders, and other huge corporations in the automobile industry, for instance. To say that the American Telephone & Telegraph Co. has in recent years maintained its \$9 dividend when its annual earnings were less is no answer to distributions in previous years.

It is one of the scandals of our history that in those "whoopie" stock-market days of 1928 and 1929 such large corporations with undistributed surpluses of hundreds of millions in some cases—more than any bank in the world held—used that money to foment the orgy of speculation in Wall Street and contributed in no small measure to the "crash" of 1929, from which we have not yet wholly emerged.

When the call-money rate was 9 percent, yes; as high as 15 percent, these corporations poured their hundreds of millions of surplus, which should have been distributed to their stockholders, into Wall Street. They reaped their profit, but at what a cost to the Nation and the individual investor. If they had been influenced to distribute a fair share of their earnings by such a tax as that proposed, they would not have been in a position to join in that revel.

The opponents of the proposal to tax the surplus earnings of corporations argue at first glance that if such a tax were in effect before 1929 many corporations could not have survived the depression, that it was only because of their accumulated surpluses that they did survive, and that to a large extent these surpluses have been depleted during these years of the depression. This is not a fact. The oft-cited example of the Ford Motor Co., a typically closely owned corporation—in fact, wholly owned by Mr. Henry Ford and his son, Mr. Edsel Ford—is no criterion. It is well known that the use of an accumulated surplus by that huge corporation was made necessary by reason of the change of its model and competition for the first time in the low-priced car field. That company, and no other large company, depleted its surplus to employ men in production when there was not demand for its product. That argument against the proposed bill is the most humorous advanced. Inventories have been low during all the depression. The opposite of overproduction has existed. Even today the production of the Ford and other automobile companies does not meet the demand. No man is ever employed by such corporations one day after the demand for the product does not equal his productive capacity. Enough of that specious argument.

The enormous success of the automobile industry in the last 2 years is not due to the corporations keeping men at work when they were not needed. It is due practically entirely to the increase of three billions of income to the farmers due to the policies of this administration, the \$1,000,000,000 paid to the farmers directly by our Government and the reciprocal-trade agreements entered into with other countries, which have increased our export trade, especially in automobiles.

It is expected that the proposed tax on surplus income of corporations will increase wages. It is hoped that this will be one of the beneficial results of the measure. One can well imagine that a corporation, rather than paying a tax of 33½ percent, or higher, on its undistributed earnings, or rather than distribute these earnings to its stockholders, might decide to increase wages—give bonuses to employees—to avoid taxation. We sincerely hope this will result.

Another argument against the proposal is that it will deter plant expansion and increased production. Any danger as to this can readily be taken care of in the bill as finally adopted. Corporations build additional plants for profit, not to give men work or to use up their surplus.

Another argument is that if you pass such a law you deprive the corporations of a "cushion" to protect them against the shocks of depression and the "rainy day."

Of course, the critics of the plan lose sight of the fact that there is no proposal to take all the surplus income of any corporation. When corporations need new money for plant extension or working capital, their first source after their surplus is their stockholders who are vitally interested in the company. If a fair share of the earnings of the corporation have been distributed to its stockholders, it will be for their interest to respond to any unprecedented need for additional capital—and after that recourse is exhausted, there are the banks, the underwriting houses and the investing public.

The most generally discussed argument against such a form of tax is, that in any event the corporation should be permitted to retain a reasonable "reserve" of its surplus income, or that the tax should be graduated on percentage of its surplus. This contention is put forth in editorials in that great newspaper, the New York Times, which also says: "This is not to say that any tax on undistributed corporation profits is itself necessarily unsound."

There has never been any suggestion by anyone advocating the measure that the Government take, in the form of taxes, or otherwise, all the surplus income of any corporation and leave it with no surplus for contingencies, depressions, or "rainy days." The individual pays as high as 75 percent of his income. That leaves him a surplus of 25 percent, less his needs.

If a corporation persists in refusing to aid the Government in procuring indispensable revenues, by withholding its earnings from its stockholders, and the Government then steps in and takes that idle money on the basis of a tax of one-third or one-half, the balance of two-thirds or one-half still remains as a surplus for that proverbial "rainy day." What is wrong with that?

I said "idle money"—of course it's "idle money." Their unreasonably accumulated surpluses are just that—outside of speculations in the "call money market" which contributed to over-expansion of credit. In fact there are some who believe that the most potent force back of this expansion which brought such disaster was the accumulation of these enormous corporation surpluses. They have rarely been used for any useful purpose. The cash lies in banks carrying no interest. The rest is usually invested in Government securities—short-term paper as a rule—carrying a very low rate of interest. As to the latter it will be said that such investments help to finance the Government. The answer to that is that if the Government received in taxes its fair share of income from these corporations, it would ordinarily not have to borrow.

As compared to the stockholder or the individual taxpayer, the corporations have never shouldered their fair share of the burden of the cost of government.

It is estimated that about 250,000 corporations will have a net taxable income in the year 1936 of \$8,300,000,000. Of this, it is estimated, only about \$3,500,000,000 will be distributed to stockholders, leaving nearly \$5,000,000,000 retained in the "war chests" of the corporations. Even a 20 percent tax on this undistributed surplus would yield nearly a billion dollars and still leave four billions, or 50 percent, of all earnings for a "cushion" or that "rainy day."

I said "war chest", and I said it advisedly. The size of a surplus is chiefly important in its relation to the size of other "war chests" of competitors in the same industry. These "war chests" are used in a price war or a depression to crush the little fellow without the huge surplus at his command. Take the automobile-tire industry for instance. At one time there were over 600 tire manufacturers. Today there are 30. The huge surpluses of the three leaders have been an important factor in eliminating the 570 little fellows.

It is the opinion of many businessmen that instead of huge surpluses being necessary to bridge corporations across a depression, these surpluses enable the big fellows in the industry, especially during a depression, to gobble up the small competitors with consequent damage to labor and the consumer.

Nobody knows this better than Wall Street, which now has the "jitters", over the President's tax program.

That's not surprising. Before the details of the tax bill were known in the market, they went off half cocked with their usual timidity and superstition.

If a black cat was seen to run across Wall Street between the hours of 10 in the morning and 3 in the afternoon, the market would break.

COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be privileged to sit during the sessions of the House all of this week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MANAGERS ON THE PART OF THE HOUSE IN THE RITTER CASE

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that the managers on the part of the House in the Ritter matter may be excused from attendance at the sessions of the House until disposition of that case.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SHIP CONSTRUCTION ON THE PACIFIC COAST IN RELATION TO NATIONAL DEFENSE

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement made by me before the Committee on Naval Affairs of the House of Representatives, and also certain evi-

dence with reference to the rehabilitation of ship construction on the Pacific coast in the interest of national defense.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, I did not hear the request.

Mr. WELCH. My request refers to a statement made by me before the Committee on Naval Affairs in which I produced certain evidence as to the necessity for ship construction on the Pacific coast in the interest of national defense.

Mr. BANKHEAD. How long is the evidence that the gentleman desires to insert in the RECORD?

Mr. WELCH. It is perhaps longer than the average statement put in the RECORD; but, if the gentleman will recall, during the years that I have been here I have not filled up the RECORD with a lot of immaterial statements. By reason of its importance, not only to the Pacific coast, but to the Nation, I feel that the Members of Congress should be given the privilege of reading it.

Mr. BANKHEAD. The gentleman is aware of the fact there are certain restrictions with reference to the extensions which may be put in the RECORD. I have no disposition to object to the request of the gentleman, of course, as far as his personal request is concerned, but, as I have indicated, the gentleman has not indicated the length of the evidence and how many pages it will cover.

Mr. WELCH. It is not nearly as lengthy as the evidence that was adduced in Friday's RECORD with reference to the hearings before the Subcommittee on Appropriations when the District of Columbia appropriation bill was under consideration.

Mr. BANKHEAD. Was this evidence taken down by a reporter and published as a part of the hearings on the matter to which the gentleman refers?

Mr. WELCH. It will appear eventually when the committee hearings are printed.

Mr. BANKHEAD. Mr. Speaker, I am very much afraid it is pretty bad practice to begin incorporating in the RECORD extensive hearings had before committees.

Mr. WELCH. Mr. Speaker, I may say to the gentleman it is not unprecedented.

Mr. BANKHEAD. Mr. Speaker, I shall not object to this request, but I think it is fair to give notice that hereafter we should regard with considerable caution requests to extend in the RECORD evidence taken before House committees. I shall not object in this instance because the gentleman has been very modest in his requests heretofore.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement made by me, Member of Congress from the State of California, before Committee on Naval Affairs, February 28, 1936:

Mr. WELCH. Mr. Chairman, may I be permitted to make a brief statement? After that I shall be glad to answer any questions which may be asked to the best of my ability.

The CHAIRMAN. I will suggest that we permit Mr. WELCH to make his complete statement without interruption, and then we will examine him. He has made considerable of a study of this problem.

Mr. WELCH. The bill, H. R. 10978, now before your honorable committee for consideration, provides for the construction of 54 auxiliary naval vessels for the Nation's security at a cost of \$175,000,000. The amendment under consideration at this time authorized a differential of 6 percent in favor of ship construction on the Pacific coast.

May I state, Mr. Chairman and gentlemen of the committee, that the President of the United States subscribes to this policy. The Department of Commerce has also subscribed to the policy of a differential of 6 percent for ship construction on the Pacific coast as is contained in H. R. 8555, a bill entitled "An act to develop a strong American merchant marine, to promote the commerce of the United States, and to aid national defense." I ask that the record show at this point the section and subdivision pertaining to a 6-percent differential for ship construction on the Pacific coast (p. 96, H. R. 8555). This bill, as you know, passed the House last year.

Section 502 (f), referred to, is as follows:

"In case a construction subsidy is applied for under this part by an applicant who has as his principal place of business a place on the Pacific coast of the United States (but not including one

who, having been in business on or before Aug. 1, 1935, has changed his principal place of business to a place on the Pacific coast of the United States after such date), to aid in the construction or reconditioning of a vessel to be operated in foreign, coastwise, or intercoastal trade in a service, route, or line from ports on the Pacific coast of the United States, and the amount of the bid of the shipbuilder on the Pacific coast who is the lowest responsible bidder on such coast for such construction or reconditioning does not exceed the amount of the bid of the shipbuilder on the Atlantic coast of the United States who is the lowest responsible bidder therefor by more than 6 percent of the amount of the bid of such Atlantic coast shipbuilder, the Authority shall approve such Pacific coast bid, and in such case no payment shall be made to aid in such construction or reconditioning unless the applicant accepts the bid of such Pacific coast shipbuilder and agrees to designate and continue as the home port of the vessel to be constructed or reconditioned a port on the Pacific coast."

What is known as the Copeland bill, S. 3500, contains the identical provision on page 29. Senator COPELAND is the chairman of the Committee on Commerce in the Senate. May I add that only yesterday there were introduced in the Senate what are known as the Guffey and Gibson bills, said to be compromise measures meeting with the approval of the administration. I do not know that to be a fact, but this morning's papers so indicated. Both of those bills contain the same provision. For the benefit of the committee I will read the section, which is practically the same as that in the bill which passed the House and which is in the Copeland bill.

The CHAIRMAN. Is that Senator GUFFEY, of Pennsylvania?

Mr. WELCH. Yes; Senator GUFFEY, of Pennsylvania.

Section 24, subdivision (d), page 25, of the bill reads as follows:

"If the applicant for the building and purchase of a vessel with a construction subsidy has his principal place of business on the Pacific coast of the United States, and the amount of the bid of the shipbuilder on the Pacific coast who is the lowest responsible bidder on such coast for such construction does not exceed the amount of the bid of the shipbuilder on the Atlantic coast of the United States who is the lowest responsible bidder therefor by more than 6 percent of the amount of the bid of such Atlantic coast shipbuilder, the commission may approve such Pacific coast bid, and in such case the commission shall not enter into contracts for the construction and sale of the vessel unless the applicant accepts the bid of such Pacific coast shipbuilder and agrees to designate and continue as the home port of the vessel to be constructed a port on the Pacific coast."

So you will see that the principle of a 6-percent differential and policy has been continued in the interest of the construction of merchant vessels and for the upbuilding and construction of our merchant marine.

Mr. Chairman and members of the committee, there are three definite links in our chain of national naval defense. First, our Navy; second, our merchant marine; and, third, our shipbuilding facilities. All three are interdependent upon each other for our national security. The last link, however, with reference to shipbuilding facilities, is really a missing link as it applies to shipbuilding on the Pacific coast.

There has been no shipbuilding to speak of on the Pacific coast since the war. Our shipyards have gone to wrack and ruin. Were it not for the limited shipbuilding in the two Pacific coast navy yards, shipbuilding on the West coast would have become a lost art.

There are seven navy yards and seven private shipyards building and repairing naval vessels on the Atlantic coast. The seven navy yards are Brooklyn, Norfolk, Philadelphia, Washington, Boston, Portsmouth, N. H., and Charleston. The private shipyards are Bethlehem Steel; New York Shipyard Co.; Newport News Shipbuilding & Dry Dock Co.; Bath Iron Works, Bath, Maine; Federal Shipyard, Kearney, N. J.; and United Dry Docks & Building Co.; and Staten Island Shipbuilding Co.

Admiral Land has referred to shipbuilding facilities on the Pacific coast and a survey made by him during a recent visit there. Admiral Land knows that our naval fleet is on the Pacific and has been there for several years. And the admiral knows why it is there. But we are not going to raise that question. There are nearly 2,000 miles of American seacoast between the Canadian line and the Mexican line. May I call to the attention of the committee and to the admiral that in case our Navy became engaged in a major conflict on the Pacific, that there are not four shipyards or drydocks between the Mexican line and the Canadian line where a crippled naval ship or a merchant ship could be brought for major repairs. If they exist, I challenge Admiral Land to tell your committee where they are located. Gentlemen of the committee, that is not national defense.

Mr. VINSON, the distinguished chairman of your committee, fathered a bill to bring our Navy up to treaty strength. That bill authorized the expenditure of approximately one-half billion dollars, and it passed at the last session. The bill under consideration, as I said before, authorizes \$175,000,000 for auxiliary naval construction, and the millions that will be provided under the ship-subsidy bill to develop a strong American merchant marine in the interest of national defense will add more millions to this enormous amount.

Under the present order of things every dollar of this money will be spent in shipyards on the Atlantic coast within a radius of 500 miles of the National Capitol. That is not national defense. Many of the shipyards referred to have signed contracts that will

take years to fill. What a shipbuilding feast for those favored eastern shipyards. From this banquet table not a crumb to the Pacific coast even in the interest of national defense.

Many factors contribute to the increased cost of ship construction on the Pacific coast over the Atlantic coast. Ninety-five percent of the materials entering into a ship built on the west coast are produced east of the Missouri River.

Mark you, 95 percent of the materials entering into a ship built on the west coast are produced east of the Missouri River and, you might say for all practical purposes, within a radius of 500 miles of this room.

Wage scales are now and always have been higher in private shipyards on the Pacific coast than on the Atlantic coast. That applies to all labor, skilled and unskilled, in every industry on the Pacific coast.

I know those things to be true, gentlemen, because I live in a large industrial city, the city of San Francisco.

On the Atlantic coast complete coordination exists between the mines, the mills, and the shipyards. In some cases all are operated under one head. You know that to be a fact. The Bethlehem Steel Co. owns the sources of raw material; they own the mills that make the finished products from the raw materials, and they own the shipyards.

In other words, there is complete coordination in the shipbuilding industry on the east coast against absolute demoralization of this industry on the west coast. Of course, we cannot compete. There is an old saying that the best proof of the pudding is in the eating. The people of Washington, Oregon, and California are as energetic and as enterprising as any people on the face of God's earth; and if shipbuilding were possible under present conditions, it would be a thriving industry on the Pacific coast. There is not a man on this committee, nor connected with the United States Navy, were he a multimillionaire, who would invest a penny in a shipyard on the Pacific coast under present conditions.

The ship subsidy bill, H. R. 8555, a bill entitled: "An act to develop a strong merchant marine to promote the commerce of the United States and to aid national defense" passed the House June 27, 1935, and contained a 6-percent differential in favor of Pacific coast construction of merchant vessels.

The question of a differential with reference to Pacific coast ship construction was raised before the Committee on Merchant Marine during the hearings, which lasted 5 weeks, the result of which was that Mr. H. Gerish Smith, president of the National Council of American Shipbuilders, after consultation with the members of his organization, suggested the amount of 6 percent, which was later unanimously voted by the Committee on Merchant Marine and Fisheries.

The idea of a 6-percent differential, Mr. Chairman and gentlemen, was not pulled out of the sky, nor was it arrived at arbitrarily. That differential was agreed to by the shipbuilders on the Atlantic coast.

During the debate on the floor, which lasted 3 days, not one voice was raised against this provision in the bill. Fifteen members of the Committee on Naval Affairs voted for the bill. Whatever opposition was made to the bill was due to subsidies in the form of mail-carrying contracts and not to the resumption of ship construction on the Pacific coast in the interest of national defense.

Mr. DARDEN. Did that bill carry a provision for a 6-percent differential, or was it a 6-percent differential in favor of ships built for the Pacific trade?

Mr. WELCH. No; in favor of ship construction on the Pacific coast, with certain limitations.

Mr. DARDEN. Wasn't that limitation that it was for ships for the Pacific trade?

Mr. WELCH. Yes; exactly so. I am glad the gentleman asked that question. That is provided in the bill, and it was granted, so far as the House was concerned, and it will be in the Senate when the bill is acted upon by that body. It was a 6-percent differential in favor of ships to be constructed on the Pacific coast for Pacific coast trade making Pacific coast ports their home ports.

It would be difficult to apply the same yardstick to naval construction, because those ships have no home ports. Therefore it would have to be left to the discretion of the Navy Department and your committee, if you please, to fix the percentage of naval vessels to be built on the Pacific coast.

Senate bill 3500, introduced by Senator COPELAND, chairman of the Senate Committee on Commerce, contains the same 6-percent provision as the House bill. Every privately owned shipyard on the Atlantic coast is owned and controlled by shipbuilders who are members of the National Council of American Shipbuilders, and who know the actual difference between ship construction costs on the Atlantic coast and the Pacific coast.

Mr. Chairman, if you were sick you would send for a doctor; if you needed legal advice, you would consult a lawyer; and if you wanted advice on shipbuilding costs, you would naturally seek such advice from shipbuilders themselves. These shipbuilders, who have hundreds of millions of dollars invested in shipbuilding facilities on the Atlantic coast, have recommended, in fairness and in the interest of national defense, that a differential of 6 percent be allowed to the shipyards on the west coast.

The CHAIRMAN. In that connection, Mr. WELCH, will you supply the committee with the testimony before the Merchant Marine Committee along that point, where the shipbuilders' president did that?

Mr. WELCH. I shall be glad to do so.

The CHAIRMAN. And just incorporate that in the record.

EXCERPT FROM TESTIMONY OF MR. H. GERRISH SMITH, PRESIDENT OF THE NATIONAL COUNCIL OF AMERICAN SHIPBUILDERS, BEFORE THE COMMITTEE ON MERCHANT MARINE AND FISHERIES OF THE HOUSE OF REPRESENTATIVES, ON H. R. 7521, MARCH 27, 1935 (P. 351)

Mr. WELCH. The Government of the United States has made available approximately \$150,000,000 for shipbuilding and the shipbuilding interests of this country, not \$1 of which has been spent in the construction of a ship on the Pacific coast. Our shipyards have gone to wrack and ruin. Shipyards, the gentleman will agree, are a part of our national defense, but they do not exist on the west coast. Can you suggest anything to this committee that will revive shipbuilding on the Pacific coast?

Mr. SMITH. I should like to say this, however, in the first instance, that I am entirely sympathetic with that point of view, that there should be some private shipbuilding facilities maintained and continued on the west coast, from the standpoint of the national defense. I think it is very important.

Mr. WELCH. The witness will agree that shipyards are a necessary part of our national defense?

Mr. SMITH. Yes, sir; they are just as important a factor in the national defense as our Government navy yards, in my opinion.

When the merchant-marine bill, which was passed by the last session of the House of Representatives, was originally being considered by the Committee on Merchant Marine and Fisheries, the thought was to allow a differential amounting to the equivalent of 6 percent of the cost of a vessel by granting a differential in the interest rate on Government loans for merchant ships constructed on the Pacific coast. It was intended to accomplish this by charging 2½ percent for such Government loans on vessels constructed on the Pacific coast for use in foreign trade and 4½ percent on loans for ships constructed on the Pacific coast for vessels to be used in the coastwise or intercoastal trade, as against 3½ and 5½ percent, respectively, for such vessels constructed on the Atlantic coast.

In accordance with a promise subsequently made in his testimony, Mr. Smith sent me a communication on April 16, 1935, in which he said, "The figures of 2½ percent and 4½ percent do not seem to me to be out of line so far as we can ascertain the additional freight cost and higher labor rates." With this communication he forwarded the following table which clearly illustrates how this three-fourths-percent differential in the interest charge on Government loans would be the equivalent of a 6-percent differential in favor of vessels built on the Pacific coast. Subsequently, however, the committee amended the bill to provide a direct 6-percent differential.

[Assumed initial cost of vessel=\$1,333,333.33; loan=¾ of initial cost, \$1,000,000]

Date	Principal	Amortization	Interest payments			
			At 2½ percent	At 3½ percent	At 4½ percent	At 5½ percent
Jan. 1, 1935.....	\$1,000,000					
Jan. 1, 1936.....	950,000	\$50,000	\$27,500	\$35,000	\$45,000	\$53,500
Jan. 1, 1937.....	900,000	50,000	26,125	33,250	42,750	49,875
Jan. 1, 1938.....	850,000	50,000	24,750	31,500	40,500	47,250
Jan. 1, 1939.....	800,000	50,000	23,375	29,750	38,250	44,625
Jan. 1, 1940.....	750,000	50,000	22,000	28,000	36,000	42,000
Jan. 1, 1941.....	700,000	50,000	20,625	26,250	33,750	39,375
Jan. 1, 1942.....	650,000	50,000	19,250	24,500	31,500	36,750
Jan. 1, 1943.....	600,000	50,000	17,875	22,750	29,250	34,125
Jan. 1, 1944.....	550,000	50,000	16,500	21,000	27,000	31,500
Jan. 1, 1945.....	500,000	50,000	15,125	19,250	24,750	28,875
Jan. 1, 1946.....	450,000	50,000	13,750	17,500	22,500	26,250
Jan. 1, 1947.....	400,000	50,000	12,375	15,750	20,250	23,625
Jan. 1, 1948.....	350,000	50,000	11,000	14,000	18,000	21,000
Jan. 1, 1949.....	300,000	50,000	9,625	12,250	15,750	18,375
Jan. 1, 1950.....	250,000	50,000	8,250	10,500	13,500	15,750
Jan. 1, 1951.....	200,000	50,000	6,875	8,750	11,250	13,125
Jan. 1, 1952.....	150,000	50,000	5,500	7,000	9,000	10,500
Jan. 1, 1953.....	100,000	50,000	4,125	5,250	6,750	7,875
Jan. 1, 1954.....	50,000	50,000	2,750	3,500	4,500	5,250
Jan. 1, 1955.....	0	50,000	1,375	1,750	2,250	2,625
Total.....	1,000,000		1,288,750	1,367,500	1,472,500	1,551,250

¹ Total interest=\$1,000,000×2½ percent×10½ years=\$288,750.

² Total interest=\$1,000,000×3½ percent×10½ years=\$367,500.

³ Total interest=\$1,000,000×4½ percent×10½ years=\$472,500.

⁴ Total interest=\$1,000,000×5½ percent×10½ years=\$551,250.

The saving in interest for a foreign trade vessel which results from reducing the interest rate from 3½ percent to 2½ percent is \$78,750, or 5.9 percent of the initial cost. The saving in interest for a coastwise trade vessel which results from reducing the interest rate from 5½ to 4½ percent is \$78,750, or 5.9 percent of the initial cost.

Mr. DARDEN. To those shipbuilders who own facilities on the west coast it would not be material what the differential is, so long as they are getting the business, would it? I mean to the east-coast builders who put forward this scheme or, rather, who approved this plan before the Merchant Marine Committee. It would not be particularly material to them what the differential happened to be, just so long as the business was secured. I am not in any way reflecting upon your comments on the naval facilities on the west coast. But with respect to the differential, that is not a matter of concern to the private shipbuilders if they can get the business. It might be 25 percent, so far as they are concerned. The business has to be done at the expense of the United States Government; and the differential might well be so

great as to enable us to build and equip a navy yard, for instance, in the San Francisco area, where it is needed. That is what concerns me. I think we might well pay a profit to private shipbuilding companies, a sum sufficient to put a naval base there and pay for it within a period of a few years, and in an area that needs it badly.

Mr. WELCH. If the condition is to be met that was referred to by me and by others who preceded me, and which was referred to by the gentleman from Minnesota [Mr. MAAS] the other day in interrogating Admiral Land, who very cleverly evaded his questions, it can only be met in two ways, either by a differential or by more Government naval shipyards on the Pacific coast.

Mr. DARDEN. Yes; but should it be met by a differential? It is met by a differential in favor of private yards over which we have no control unless we commandeer them in time of war. If the money is to be expended, would it not be better to expend it in naval establishments which are always available for service of the fleet and over which we always have control?

Mr. WELCH. I will not quarrel with the gentleman over that question of policy. I have always been inclined to favor public ownership of public utilities; but I do not go as far as some people along those lines. Whether it would be good policy at this time to have all ship construction done in navy yards is something to which I would not want to be committed. I rather think it would be a mistake at present.

Mr. DARDEN. I never favored any such policy. That is not what I had in mind.

Mr. DELANEY. How did you arrive at that particular amount of 6 percent?

Mr. WELCH. I regret the gentleman from New York was not here when I made my statement.

Mr. DELANEY. If it is in the record, don't repeat it.

Mr. WELCH. It was arrived at by the National Council of American Shipbuilders through their president. They brought it to us. Their president suggested the 6-percent differential to Judge BLAND, chairman of the House Committee on Merchant Marine and Fisheries, and he also gave it to Senator COPELAND in the Senate. And it was not arrived at overnight, either; it took the council a long time to determine that question of policy. And I have since understood that some of them were very reluctant to permit a differential of a penny to the Pacific coast.

The CHAIRMAN. Let Mr. WELCH complete his statement.

Mr. WELCH. I have done so.

The CHAIRMAN. Have you any questions you desire to ask Mr. WELCH, Mr. DARROW?

Mr. DARROW. Mr. WELCH, I want to compliment you upon the splendid presentation of the situation.

Is the development of a merchant marine largely in connection with the building up and strengthening of the Navy? In time of emergency will this provision, to which you have referred in the merchant-marine bill, develop building by the private yards on the Pacific coast?

Mr. WELCH. The limitations in the bill, which we accepted, make it possible only for ship construction on the Pacific coast of ships that make Pacific coast ports their home ports. Our offshore or foreign trade from the Pacific coast is limited to the Orient. And by reason of Japanese competition that is very limited. There are not very many American vessels in the foreign trade.

The CHAIRMAN. It is very limited.

Mr. WELCH. Yes; it is very limited. Our ship construction, therefore, would come largely from vessels engaged in the inter-coastal and coastwise trade. And you can readily see that that would hardly be sufficient to warrant the rehabilitation of ship-construction plants on the Pacific coast. Men with capital are very careful about investing in a shipyard at a cost of millions of dollars unless they are assured of continuous business.

I am afraid, gentlemen, if we are limited to the construction of merchant vessels such as I have described, that we will not get results so far as rehabilitation of shipbuilding on the Pacific coast in the interest of national defense is concerned.

Mr. DARROW. I am in thorough accord with trying to stimulate our merchant fleet. I think it is very essential for peacetime requirements as well as for emergency requirements. But it does seem to me that in order to compete with other nations we must have for a merchant marine some form of subsidy—that is, in order to have it compete with the operating costs as well as with the building costs of other nations. I am wondering whether your bill to which you referred fully covers that. To my mind that is very essential in order to build our merchant marine.

Mr. WELCH. The bill is in the form of an amendment before your committee, subject to any amendments which your committee may see fit to make to strengthen it.

You understand that we should and must subsidize our merchant marine by reason of the fact that we cannot meet foreign competition. While the east coast cannot compete with Europe, the west coast cannot compete with the east coast. It is farther from the city of New York to the city of San Francisco than it is from the city of New York to Europe. All of the facilities for ship construction are within a radius of 400 or 500 miles from where we are sitting. But out there we are removed entirely from the base of supplies. If by chance it happened that the Navy had written into a specification that those auxiliary ships be made of redwood—and redwood is only grown in the State of California—and the shipbuilder owned the forest and he owned the mills, what chance would an eastern shipbuilding company have in competing with the west coast for the construction of those vessels?

But here we have the condition reversed. We have nearly all of the materials produced within 400 or 500 miles of this room. And we cannot compete with you. On the east coast there is complete coordination from the mine to the mill and from the mill to the shipyard as against absolute demoralization on the west coast.

The CHAIRMAN. Have you any further question, Mr. DARROW?

Mr. DARROW. I have no further questions.

The CHAIRMAN. Has Mr. DREWRY any questions?

Mr. DREWRY. As I understand it, this is a transportation situation, is it not?

Mr. WELCH. Mr. Lea will ask the gentleman who will follow me to cover that. At least, Mr. Lea will ask the committee to hear a gentleman who will follow me who is conversant with that situation. He has built ships on both the Atlantic coast and on the Pacific coast. He will explain to your committee the difference in transportation costs between points, referred to by Admiral Land, and the Pacific coast.

Mr. DREWRY. But isn't that the main trouble?

Mr. WELCH. It is one of the factors. It is only one factor.

Mr. DREWRY. Suppose you could buy steel close to the place where you want to build your ships in California; let us say you had steel-manufacturing plants there; then to a great extent your trouble would be alleviated, would it not?

Mr. WELCH. To an extent, but not entirely.

Mr. DREWRY. To a large extent?

Mr. WELCH. It would be one of the controlling factors.

Mr. DREWRY. Then do you think it would be right for the Government to subsidize steel plants in California?

Mr. WELCH. I do not know about steel plants; but they should make a differential of 6 percent in favor of ship construction on the Pacific coast in order to rehabilitate those shipyards for national security. I have said they have gone to wrack and ruin and do not exist.

Mr. DREWRY. I am trying to show that if it is right to do it in one case it is all right to do it in another case. If it is all right to differentiate in the case of shipbuilding plants why wouldn't it be all right to differentiate in the case of steel plants?

Mr. WELCH. Except as it might enter into the picture.

Mr. DREWRY. Except what?

Mr. WELCH. As it might enter into the picture. I am not going to debate that question with the gentleman from Virginia. If the committee will keep before it at all times the necessity of national defense and national security, we will not be splitting hairs over the cost of transportation from Pittsburgh f. o. b. to San Francisco or from Pittsburgh f. o. b. to Newport News or Norfolk. Keep before you the fact that today or tomorrow if the fleet were engaged in a major battle on the Pacific coast, there are not four, and there are perhaps not more than three facilities where one of our crippled ships could go in for repairs. It is national defense to which we should look. We should not quibble over where steel and iron are produced or over the cost of transportation between the east coast and the west coast.

Mr. DREWRY. I am entirely in sympathy with you.

Mr. WELCH. I am glad to know that. The gentleman is always fair.

Mr. DREWRY. I am trying to develop a situation which will enable you to get your shipbuilding plants; but I do not want to place myself in the position of adopting a principle which seems to me to be full of trouble in the future. If you can do it in one case, you can do it in another case. That is what I fear.

Mr. WELCH. We did it for years. The Government carried on that policy for a number of years before the war.

Mr. DREWRY. But they finally got rid of it.

Mr. WELCH. Only during the wartime when it was a case of ships, ships, and more ships, and then we built them of concrete on San Francisco Bay at the request of the Government. It was a question of wherever you could build a ship and at whatever price. However, since the war the differential has not been resumed. We are trying to have it done now.

Mr. DREWRY. This is a rider attached to a bill which, to my mind, is extremely important. Would it not be satisfactory to you to put it in a separate bill so we could take it up on its merits, and not have it attached to this bill which is so important?

Mr. WELCH. Now, let's be fair with each other. The gentleman has been here a long time, and so have I. The gentleman has been here in Congress longer than I have. Congressman CARTER and Congressman McGRATH, since they have been here, and I have been trying for years through a separate bill to get a differential provision in favor of Pacific coast ship construction. But we did not get to first base with it. And it was only when a comprehensive bill was before the Committee on Merchant Marine and Fisheries and after every member of the west coast delegation, from Oregon, Washington, and California, appeared before that committee and by their presence and splendid statements which could not be contradicted, that we succeeded in getting the differential provision written into the bill referred to by me a few moments ago. And I am afraid, Mr. DREWRY with all due respect to your suggestion, that if it is not contained in this bill, like Congressman McGRATH's bill, Senator JOHNSON's bill, and my bill, which have all been turned down by the Navy Department, it will never come before Congress for consideration. This is the time and place. If you think the west coast is entitled to that consideration from a national defense standpoint, the opportunity is here and now.

Mr. DREWRY. I will say to the gentleman, that is giving me more trouble than anything else.

The CHAIRMAN. Mr. DARROW, do you want to ask some questions?

Mr. DARROW. When the question of the concrete ships came up a little while ago I wanted to ask whether they were ever used.

Mr. WELCH. They were used. There was practical use made of them. They were also slow and cumbersome, but they served a purpose.

Mr. BURNHAM. Supplementing Mr. WELCH's remarks, two of those concrete ships were built in San Diego, my own home town, and two of the best concrete ships ever built were built there. Perhaps that was due to the fact that the engineers came from Philadelphia.

Mr. DARROW. That accounts for it.

Mr. BURNHAM. One of them, I believe, is in use today as a tanker.

The CHAIRMAN. I remember when they were built, and I saw them built, and I was very much interested in them.

Mr. DELANEY. Does the merchant-marine bill give the Pacific coast the 6-percent differential?

Mr. WELCH. Yes, sir; it does.

Mr. DELANEY. Does that go a great way to help out the private yards out there?

Mr. WELCH. It has not been enacted into law, may I say to the Congressman. It passed the House, and the distinguished Representative from New York voted for it. And it included the differential of 6 percent.

Mr. DARROW. Do you mean to say Mr. DELANEY voted for a merchant-marine bill containing the 6-percent differential?

Mr. WELCH. Yes, sir. I have the list of the 15 here. Your good self voted for it, and Mr. DREWRY voted for it.

Mr. MILLARD. Are you sure it was this Mr. DELANEY?

Mr. WELCH. Yes; it was this Mr. DELANEY.

Mr. DELANEY. The other day, Mr. WELCH, in a very heated way, said "you did vote for the bill."

Mr. WELCH. Not in a heated way.

Mr. DELANEY. Well, you can't withdraw it now. It is in the record.

For the last 4 years, Mr. WELCH, the fleet has been on the west coast, has it not, with the exception, I think, of one trip through the Canal to the east coast?

Mr. WELCH. Yes; with the exception of one trip through the Canal.

Mr. DELANEY. And all of the repairs on those ships while they were there had been made on the West coast in the Mare Island Yard or up in Bremerton, or some place along there?

Mr. WELCH. There are no other places.

Mr. DELANEY. There are no other places?

Mr. WELCH. No; there are no other places.

Mr. DELANEY. Of course, when the fleet is out there that means that the eastern yards suffer very considerably from lack of work; in other words, the repair work being done out there takes it away from the eastern yards. Has anything been done in the way of extending the works out there and improving them in order to make them more up to date so that eventually they will be places where Navy ships may be built?

Mr. WELCH. They are building Navy ships there now. They always have at the Mare Island Yard at the northern end of San Francisco Bay and at the Bremerton Navy Yard in the Puget Sound district. It has been a limited number, however.

May I say to the gentlemen that the States of Oregon, Washington, and California are not responsible for the presence of the fleet on the Pacific coast.

Mr. DELANEY. I did not intend to indicate that.

Mr. WELCH. They would be down here if the circumstances required it.

Mr. DELANEY. That is an administration matter, of course; and I know the reason why that was done, or, at least, I assume I know it.

Eastern companies have plants on the Pacific coast, have they not?

Mr. WELCH. Bethlehem Steel Co. has what is known as the old Union Iron Works plant, which was purchased by them from the Scott interests. That is where the Oregon and other splendid vessels were built in years past.

Mr. BOLAND. Is that the Hunters Point Yard?

Mr. WELCH. That is a part of their system; Hunters Point drydocks, which are several miles from the plant proper, also belong to the Bethlehem Steel Corporation.

Mr. DELANEY. Have the Bethlehem Shipbuilding Co. been getting quite a number of contracts from the Navy?

Mr. WELCH. Yes, sir. Recently the Bethlehem Steel Corporation was awarded the contract for four destroyers. An agreement was entered into between the Bethlehem Steel Corporation and the Navy Department in order to assist ship construction on the Pacific coast that two of those destroyers were to be built in the San Francisco plant. To say that they will be built there is really incorrect. They will be assembled there and that is all. They will not even be fabricated there. Every part of the machinery, the engines, the boilers, the condensers, and everything to complete those ships, will be built over here at the Bethlehem Fore River plant and shipped to San Francisco to be put into the hulls when they are assembled on the Pacific coast.

As a matter of fact, I had this up with the manager of the Bethlehem Steel plant in San Francisco. I know the gentleman and I know the plant, because as a young man I learned a trade there in that shipyard. I asked if it was their intention to build the ships from the keels up and open the foundry and machine shops and boiler shops and pattern shops, and he said, "No; not at all." He said they simply were going to assemble them there.

I will say, moreover, I was told by the same authority in times past that the Bethlehem Steel Co. had no intention of building ships in their west coast plant because they cannot compete with the eastern yards. They virtually closed up that plant years ago.

Mr. DELANEY. Because of the expense of transporting the material from the East?

Mr. WELCH. Yes; and because of labor and other things essential to the construction of ships.

Mr. DELANEY. Labor is not as high on the Pacific coast as it is in the Eastern States?

Mr. WELCH. When shipbuilding was going on on the Pacific coast before the war, and during the war, the wage scales were higher on the Pacific coast than on the Atlantic coast. But by reason of that fact there has been no ship construction. There has not been a ship constructed on the Pacific coast that you could call a ship in 14 years—the shipbuilding industry, so far as mechanics and artisans are concerned, has been completely demoralized. Shipbuilding artisans and mechanics have come east. Some of them may be in the navy yard in your district; some of them are in Virginia and elsewhere. The few who remained there were willing to accept anything that was offered to them by those engaged in repairing of ships, particularly the Bethlehem Steel plant. While the Bethlehem Steel plant is in San Francisco, there is nothing favorable I can say in its behalf. It is notorious for its low-wage scale.

Mr. DELANEY. In other words, one of the principle reasons for your asking this amendment is, if possible, to keep up the morale of the men out in that part of the country by giving them work to do so that in case of an emergency they can be relied upon to go to work for the Government in case of need?

Mr. WELCH. That would be one of the factors. And now I wish to refer to those two ships to be assembled at San Francisco. Let me make that qualification. As my colleague from California knows, they have already brought artisans from the Quincy, Mass., shipyard to the Pacific coast to supervise the assembling of those two ships. We did not have the men there to do it.

Mr. DELANEY. Recently when we passed this very comprehensive bill providing for bringing the Navy up to treaty strength, did the Pacific coast yards make a real effort to bid on the ships which are now building in Virginia, Maine, New York, and in that vicinity?

Mr. WELCH. There have been several efforts made on the part of the Pacific coast builders, but they did not succeed.

Mr. DELANEY. Was there a great difference in the bids of the two sections?

Mr. WELCH. In one case a Pacific coast builder, a very good man, Mr. Arms, bid and was the successful bidder. But the bond writers would not underwrite his bond. They said his bid was too low and he could not compete, that the west coast could not compete with the east. And they refused to give him a bond for that reason.

Mr. DELANEY. That is a very usual thing with us right here in Washington. A couple of years ago several fly-by-night shipbuilding concerns put in bids on certain ships but the Navy Department very wisely rejected those bids as no bonding company would go on their bond. They had no backing. The bids were low, and it was proved afterward that these shipbuilding companies were fly-by-night concerns.

Mr. WELCH. It proved that the west coast cannot compete with the east coast, and it is recognized by the bonding people.

Mr. DELANEY. They could compete by offering a very low bid as against the eastern shipbuilders; but it was not because they were not able to do it, because I figure that if they were not able to do it they would not make the bid; but it is only because the bonding people out in your part of the country did not feel this company could do it at the price they bid. There might be some trouble there. But here is a company willing, and probably able, to go on with this work, but they could not secure the necessary backing on the Pacific coast by the Pacific coast insurance companies or bonding companies. In other words, it showed a lack of confidence by the Pacific coast insurance companies or bonding companies in the ability of the builder on the Pacific coast.

Mr. WELCH. If the gentleman were the head of a big bonding company with the responsibility that goes with it, you would be very careful about underwriting a bond for a shipbuilding company where millions of dollars were involved, would you not? And the company, with the same care that you would exercise, refused to underwrite the bond for the Pacific coast firm.

Mr. DELANEY. Why would eastern companies be able to secure the necessary bonding, even though their bids were much lower than the bids of other companies?

Mr. WELCH. Because they know they have the facilities here in the East. There is complete coordination here, as I have explained. Take, for instance, the bid of the Bethlehem Steel, who own the mines and who also own other sources of raw materials. They own the mills and they own the shipyards. The whole thing is coordinated.

Mr. DELANEY. These companies were not connected with the Bethlehem Co. at all; they were companies formed rather hurriedly and were able to get a bond. The only reason the Navy Department rejected it was because they did not think the people were competent to do the work at that price. In other words, I feel this way about it: The Pacific-coast people do not take the position of backing their people out there as well as they do in the East, and they do not give them the encouragement they need.

Mr. WELCH. The Pacific-coast people are as courageous and as enterprising as any other people on the face of the earth. That was demonstrated by the construction of two of the biggest bridges in the world, one being the Golden Gate Bridge, with a span of 4,200 feet, which is under construction at this time and is about two-thirds completed. It was carried on during the period of the depression without a penny of appropriations or a penny of relief from the United States Government. And at times we paid as high as 6 percent for our money in order to keep that project going. One bridge cost nearly \$100,000,000 and the other one \$35,000,000. Both are in northern California, supported, of course, by the entire State of California and the entire Pacific coast.

Mr. DELANEY. It is not my intention to question the courage of the people on the Pacific coast, of course.

Mr. BURNHAM. The great majority of them come from the East, I might add.

Mr. DELANEY. I am only trying to help the gentleman along in his argument so that we may have the facts before us to get this information on the record.

Mr. WELCH. I have made my argument, if the Congressman please.

Mr. DELANEY. I want to have the record show the reasons why the Pacific coast delegation is endeavoring to have this differential of 6 percent included in the bill. And we must have that on the record in order to enable us to vote intelligently on this very important question.

Mr. WELCH. It is not only the Pacific coast delegation but also every local and State chamber of commerce, as well as innumerable labor and civic organizations in Washington, Oregon, and California which have endorsed this policy.

I have a telegram here that I should like to have made a part of the record. It is signed by the president of the California State Chamber of Commerce. So it is not a question of a delegation; it is a question of the entire Pacific coast through their civic, their commercial, and their labor organizations.

Mr. DELANEY. May I say that I prefer to take your word and the word of the delegation from the Pacific coast in regard to these questions rather than the word of the chambers of commerce? I am not questioning the activities of your delegation in this regard. I prefer to take your word about it than to take the word of others.

Mr. WELCH. I appreciate the confidence the gentleman has in our delegation. And I hope he will vote accordingly when the matter comes up for final consideration.

May I make this a part of the record? This is the telegram to which I referred. It is dated San Francisco, February 22, 1936, and is addressed to Hon. CLARENCE F. LEA and RICHARD J. WELCH, House of Representatives Building, Washington:

"The California State Chamber of Commerce deems it of the highest importance that the Congress of the United States should be respectfully but none the less vigorously impressed with the paramount need of reasonable shipbuilding industry on the Pacific coast as a reserve aid to the United States fleet in the Pacific. Shipbuilding on the Pacific coast, aside from two navy yards, has practically ceased, the last Government vessels being built by private yards 14 years ago. The chamber feels with all deference that a major naval engagement in the Pacific would have most disastrous results if injured craft were compelled to go 5,000 miles to eastern shipyards for repairs. The 6-percent differential proposed by Representative VINSON has been arrived at after considerable investigation of the subject and is believed to be reasonable and just. The chamber urgently advocates adoption of VINSON's 6-percent differential.

"JOSEPH R. KNOWLAND,
President, California State Chamber of Commerce."

The bonding companies referred to by Mr. DELANEY, I am reminded to say, are not Pacific-coast bonding companies; they are New York bonding companies.

Mr. MILLARD. Do you suspect collusion there?

Mr. BURNHAM. Mr. WELCH, there is no desire on the part of the people on the west coast to have any advantage over the Atlantic coast, as I understand it; but there is a difference in the cost of construction of ships, and in order to encourage and maintain the yards, which are so essential when it comes to the matter of national defense, it is necessary that they be granted some kind of a differential to equalize matters and put them on an equal footing with the Atlantic seaboard. They are not asking for any advantage, as I understand it.

Mr. WELCH. No, sir. You know that as well as I do.

Mr. BURNHAM. I believe the statement was made by Admiral Land that the center of the steel industry was rapidly moving west; that it is no longer in the East but it is gradually moving toward the Pacific seaboard. I think the admiral must have been mistaken in that. As I understood him, that is what he intended to say or did say.

Mr. WELCH. That is impossible, if I may interrupt you. An industry as static as is the iron and steel industry never goes beyond its source of supply. The iron and steel industry will never be on the Pacific coast; the raw materials are not there. Nature provides those things. Nature gave to this belt within five or six hundred miles of this National Capitol the raw materials, the iron, the steel, the coal, and the splendid harbors where you can build ships, and nature gave to California the redwood. If the ships were built of redwood, we could compete.

Mr. DARDEN. With reference to the statement made by Admiral Land, I don't think he stated the steel industry was moving to the west coast. I understood him to say that the steel industry was moving west. And that is unquestionably true. There is a great

steel development around the city of Chicago. It was not there 10 years ago. All you have to do is check steel production and the plants producing it in order to get the facts. Admiral Land is technically and absolutely correct in what he said. He did not say it was moving to the west coast; he said it was moving west.

Mr. WELCH. That is all I have to say at this time.

Mr. DARDEN. I just wanted to say what I did in fairness to Admiral Land.

The CHAIRMAN. Are there any questions the members would like to ask?

Mr. MAAS. Mr. Welch, taking up the point about the moving of the steel industry, isn't it a fact that if that was the tendency, to move west, eventually it would be equidistant from the Pacific and the Atlantic? That is unquestionably true. But that will not help you at the present time. It will be a long time before it gets to an equal point in the matter of transportation.

I think what the committee is interested in, Mr. WELCH, is: What is the purpose of this differential? Is it to compensate for the difference in items of cost in manufacturing or in building a ship, such as transportation and labor conditions, or is it to enable the shipyards to rehabilitate themselves, to get the necessary repairs that would be necessary if they were building ships, and get trained technicians from the East to move to the West and to get the shipyards into condition? In other words, is it a temporary necessity or is it one which will be permanent?

Mr. WELCH. That will depend upon future developments. If, through the 6-percent differential, the Pacific coast shipbuilding industry were thoroughly rehabilitated, and we had splendid facilities such as we had before the war and during the war, up to the time the shipbuilding ceased on the Pacific coast, it is possible—I will not say entirely probable—that the west coast shipbuilding plants could get along without a differential. That is something to be seen, however. It takes time to work that out.

Mr. MAAS. Those are the questions that are vitally involved here, as to what will bring about a decrease in the necessity for this subsidy, if it is to decrease it. We have to consider on this committee whether this is to be adopted as a permanent policy of the Government or whether this is simply a temporary aid to rehabilitate the industries which will be self-liquidating so far as the subsidy is concerned. I am quite in accord with you that something absolutely must be done on the Pacific coast, but I am keeping in mind national defense. I know we do not have adequate facilities on the Pacific coast, and we have an obligation, a constitutional obligation, to provide adequate facilities. What this committee wants to know is, Mr. WELCH, how best to accomplish that. If we are to launch a permanent policy of subsidy—it may be justified—we have to know that. If it is to be a temporary provision, there may be some justification under the immediate emergency.

Mr. BURNHAM. Will the gentleman yield?

Mr. MAAS. Yes; I do.

Mr. BURNHAM. Of course, if conditions change and it is no longer necessary to offer a subsidy to the Pacific coast, this act could be amended.

Mr. MAAS. We would not need to amend it, because the bidding itself would take care of it. But what I am interested in, Mr. BURNHAM, is what factors are foreseen now that will bring about a decrease in the necessity or the elimination of the differential.

Mr. SCOTT. Will the gentleman yield?

Mr. MAAS. Yes; I will.

Mr. SCOTT. The shipyards out there were on the way to rehabilitation during the war, but when the war ended the necessity for that construction ceased, and naturally shipbuilding died down. Because of the coordination that Mr. WELCH pointed out it was sensible to withdraw that activity from the west coast. And eastern shipbuilders were interested in it and were interested in the west-coast yards. It was sensible to withdraw from the west coast and go back where they could do it more economically. And they took men, I think about 5,000 men, skilled technicians from the west-coast yards, and they came back to work in the east-coast yards. We have lost that type of labor. Part of the equipment was also withdrawn, and what is left is obsolete. If the encouragement by a subsidy of this kind were given the west coast and the equipment were put there, that big cost would not have to be taken again, and men skilled in the work would be developed out there or would be brought out there. And in spite of the fact of coordination of the material and the work referred to, I think that once having rehabilitated it and once having gotten the labor back out there or having developed the labor out there, the same amount of subsidy would not be necessary in the future. But nobody could say you would never need a subsidy or how many years it would be necessary.

Mr. MAAS. Mr. WELCH, do you agree with that, that the main factors to be compensated for now are temporary rather than permanent?

Mr. WELCH. I would say so. Of course, I cannot predict the future.

Mr. McGRATH. Mr. WELCH, the point Mr. SCOTT has brought out I was just going to ask you about. When the shipbuilding yards get organized, that 6 percent may not be necessary, 4 percent may not be necessary, and we may eventually get it down to 2 percent or even down to 1 percent. In connection with the initial organization, the cost of establishing yards and the cost of training mechanics, that would very largely be where the 6 percent would come in at the present time, or the 5 percent, or the 4 percent, or the 2 percent, in addition to the freight cost and the material transportation cost. Don't you think that we could come down and reduce that differential as we go along?

Mr. WELCH. That would be reflected in the bids from year to year. We do not get a flat 6 percent added to the bid of the west-coast yard if this amendment is adopted. It gives that as the maximum under which to bid. That is not added to the cost. It is possible, as you have well said, that after the shipyards have been rehabilitated and have become organized that they can compete in their bids. The 6 percent would not be added; it just gives 6 percent within which to bid with a maximum of 6-percent preferential rate over the eastern bid. It does not assure them a 6-percent bonus at all.

Mr. McGRATH. One of the members of the committee asked you if we were able to take care of repairs on the west coast; if peacetime repairs can be taken care of at the present time. Our Navy is almost entirely on the west coast. Do you think it is true that in the two navy yards, Mare Island and Bremerton, they can take care of the repairs?

Mr. WELCH. I would rather that question be answered by more competent authority. I would rather that question be answered by the distinguished gentlemen, the admirals who represent the Navy at this hearing.

Mr. McGRATH. Mr. WELCH, we are spending many millions of dollars in building up a Navy to treaty strength, and that Navy is on the west coast. The Navy had a purpose in bringing the Navy up to treaty strength, and it has a very definite purpose in keeping the fleet on the west coast. Now, should the fleet ever get into difficulties and we have possibly 20 or 30 ships crippled within a reasonably short time, what would become of those crippled ships?

Mr. MAAS. Will the gentleman yield?

Mr. McGRATH. Yes; I will.

Mr. MAAS. Do you consider this is the most economical way for us to accomplish the purpose of acquiring adequate facilities on the west coast?

Mr. McGRATH. In my opinion, there are two methods. One is this differential in building up private yards that may be able to take care of repairs in emergencies and one is to expand our navy yards so that we can have those yards in emergencies and so that we can have trained mechanics in the same emergency.

Mr. SCOTT. Will the gentleman yield?

Mr. MAAS. Yes; I will.

Mr. SCOTT. I think it would be the most economical way, and I am sure it would be the most practical way.

Mr. McGRATH. Mr. WELCH you have had practical experience in shipbuilding yourself. Do you think it is as important to have a ship mechanic in a yard in the event of an emergency repair as it is to have sailors on a battleship, or even to go so far as having officers trained at Annapolis?

Mr. WELCH. We must have competent artisans available, men who are trained in the art of shipbuilding. If an auxiliary naval ship or a naval ship came in crippled, nothing could compare with the catastrophe and loss of naval ships by reason of the lack of facilities and the lack of artisans to give it the repairs that are required.

Mr. McGRATH. Back of your argument, Mr. WELCH, and back of this 6-percent differential national defense is the whole purpose, is it not?

Mr. WELCH. That is absolutely so. And if you want to build up and give us absolute assurance of national defense by providing facilities on the west coast to meet the emergency, so well described by my colleague from California, you will go further than the 6 percent and you will allocate a certain percentage of those 54 vessels to be built on the west coast, and make it mandatory.

The CHAIRMAN. Are there any further questions?

Mr. SCOTT. The question was asked a little while ago if all of the repair and all of the service work on the fleet is done on the west coast now. It is my understanding that any number of ships have been sent back to the east coast for annual overhaul. It is not all done on the west coast. They are not in position to do it there.

Mr. WELCH. I am not in position to answer that question.

Mr. McGRATH. In the second place, what repair work is done out there is done in the navy yards rather than in the private yards.

The CHAIRMAN. The law required it. Or, rather, it is the custom, anyway.

Mr. SCOTT. The repair work done on the fleet on the west coast would not stimulate the private shipbuilding industry at all.

Mr. DELANEY. These repairs are made in navy yards out there; but as to the ships coming back East, that was not primarily for the purpose of having repairs but for the purpose of going to sea, anyway.

The CHAIRMAN. Are there any questions from any other members of the committee?

If there are none, I want to thank you, Mr. WELCH.

Mr. WELCH. I thank you, Mr. Chairman and gentlemen of the committee, for this opportunity of appearing before you.

THE CONSENT CALENDAR

The SPEAKER. This is consent day. The Clerk will call the first bill on the calendar.

IRRIGATION CHANNEL BETWEEN CLEAR LAKE AND LOST RIVER, CALIF.

The Clerk called the first bill on the Consent Calendar, H. R. 6773, to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Bureau of Reclamation, under the direction of the Secretary of the Interior, is authorized and directed to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, so as to permit water to be drained from such lake into such river for delivery to the Langell Valley irrigation district, at the Malone Diversion Dam, Klamath County, Oreg.

Sec. 2. The Secretary of the Interior is authorized and directed (1) to make a full and complete investigation with a view to determining whether any dams, waterworks, or other projects have been constructed in the Clear Lake Watershed, in the State of California, in violation of the water rights of the United States in such State, and (2) to report thereon to the Congress as soon as practicable.

Sec. 3. There is hereby authorized to be appropriated from the reclamation fund (1) the sum of \$12,000, or so much thereof as may be necessary to carry out the provisions of section 1 of this act, and (2) the sum of \$5,000, or so much thereof as may be necessary to carry out the provisions of section 2 of this act, the amounts expended from such appropriations to be reimbursable under the reclamation law.

Mr. COSTELLO. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COSTELLO: Page 1, line 3, strike out all of line 3 down to and including the words "Sec. 2. The" in line 10, and insert "That the."

Page 2, line 6, after the abbreviation "Sec." strike out "3" and insert "2"; and in line 7, after the word "fund", strike out everything down to and including "and (2)."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

COLONIAL NATIONAL MONUMENT IN VIRGINIA

The Clerk called the next bill, H. R. 5722, to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to acquire by purchase and/or accept by donation, in behalf of the United States, such lands, easements, and buildings comprising the former Governor Berkeley's mansion and homestead in James City County and Carter's Grove mansion and homestead in the same county, and the Rosewell mansion and homestead in Gloucester County as are desirable for the proper rounding out of the boundaries and for the administrative control of the Colonial National Monument, and such lands as are necessary for parkways, not to exceed 500 feet wide, to connect said mansions to the said Colonial National Monument, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That the said acquisition of lands and/or improvements shall be made only from such funds as may be appropriated pursuant to the authorization of the act of March 3, 1931 (46 Stat. 1490).

Sec. 2. That the area now within the Colonial National Monument, together with such additions as may hereafter be made thereto pursuant to section 1 hereof, shall be known as the "Colonial National Historical Park", under which name the aforesaid national park shall be entitled to receive and to use all moneys heretofore or hereafter appropriated for the Colonial National Monument.

Sec. 3. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THE HOMESTEAD NATIONAL MONUMENT OF AMERICA, GAGE COUNTY, NEBR.

The Clerk called the next bill, S. 1307, to establish the Homestead National Monument of America in Gage County, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to acquire, on behalf of the United States, by gift, purchase, or condemnation, the south half of the northwest quarter, the northeast quarter of the northwest quarter, and the southwest quarter of the northeast quarter section 26, township 4 north, range 5 east, of the sixth principal meridian, Gage County, Nebr., the same being the first homestead entered upon under the General Homestead Act of May 20, 1862, by Daniel Freeman, and that when so acquired the said area be designated "The Homestead National Monument of America."

Sec. 2. That there is authorized to be appropriated a sum not to exceed \$24,000, out of any money in the Treasury not otherwise appropriated, for the purpose of acquiring said tract.

SEC. 3. It shall be the duty of the Secretary of the Interior to lay out said land in a suitable and enduring manner so that the same may be maintained as an appropriate monument to retain for posterity a proper memorial emblematical of the hardships and the pioneer life through which the early settlers passed in the settlement, cultivation, and civilization of the great West. It shall be his duty to erect suitable buildings to be used as a museum in which shall be preserved literature applying to such settlement and agricultural implements used in bringing the western plains to its present high state of civilization, and to use the said tract of land for such other objects and purposes as in his judgment may perpetuate the history of the country mainly developed by the homestead law.

SEC. 4. For the purpose for carrying out the suggestions and recommendations of the Secretary of the Interior, the necessary annual appropriations therefor are hereby authorized.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM SYSTEM OF BANKRUPTCY

The Clerk called the next bill, S. 1425, to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object—

Mr. MILLER. Mr. Speaker, I think the subject matter of this bill is covered by legislation that has been heretofore passed, and the bill perhaps should be tabled.

Mr. WOLCOTT. I wonder if we cannot dispose of it in some way at the present time. The bill has been passed over without prejudice heretofore.

Mr. MILLER. Mr. Speaker, I move that the consideration of the bill be indefinitely postponed.

The motion was agreed to.

POST OFFICE AND COURTHOUSE BUILDING AT RUTLAND, VT.

The Clerk called the next bill, S. 37, authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.

The SPEAKER. This bill requires three objections.

Mr. COSTELLO and Mr. CLARK of Idaho objected.

There being no further objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust on a pro-rata basis in an amount not exceeding the unpaid balance, the claims of subcontractors and materialmen who furnished material and labor in the construction of a post-office and courthouse building at Rutland, Vt., which work was completed by the National Surety Co., as surety on the performance bond before said surety company was placed in the hands of a rehabilitator appointed by the Insurance Department of the State of New York, and after the United States had terminated the right of the Brooklyn & Queens Screen Manufacturing Co., Inc., to proceed under contract no. T1SA-1755, dated June 25, 1931.

The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, materialmen, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims.

And there is hereby made available from such appropriations not to exceed \$19,138.18 for this purpose; payments so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States: *Provided*, That before any allowance is made pursuant to the terms of this act, the liquidator of the National Surety Co. shall file with the Comptroller General written consent thereto.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PORT FREDERICA NATIONAL MONUMENT

The Clerk called the bill (H. R. 8431) to provide for the establishment of Fort Frederica National Monument at St. Simon Island, Ga.

There being no objection, the Clerk read the bill, as follows:

Resolved, etc., That when title to the site of Fort Frederica, on St. Simon Island, Ga., and such other related sites located thereon, as may be designated by the Secretary of the Interior, in the exercise of his discretion, as necessary or desirable for national-monument purposes, shall have been vested in the United States, said area shall be, and is hereby, set apart as a national monument for the benefit and inspiration of the people, and shall be called the Fort Frederica National Monument.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, buildings, structures, and other property within the boundaries of the said national monument as determined and fixed hereunder, and donations of funds for the purchase and maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, either by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

SEC. 3. (a) The Secretary of the Interior is authorized, in his discretion, to maintain in some suitable structure within the national monument a museum for relics and records pertaining to Fort Frederica, and for other articles of national and patriotic interest, and in his discretion to accept, on behalf of the United States, for installation in such museum, articles which may be offered as additions to the museum.

(b) Any State or political subdivision thereof, organization, or individual may, with the approval of the Secretary of the Interior, erect monuments or place tablets commemorating historic events or persons connected with the history of the area, within the boundaries of the Fort Frederica National Monument.

SEC. 4. The administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider the vote was laid on the table.

EMPLOYMENT OF SKILLED SHORTHAND REPORTERS

The Clerk called the bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That any department, bureau, board, commission, or independent agency in the executive branch of the Government is authorized, without regard to the civil-service laws and without regard to any provision of law requiring advertising for proposals to furnish supplies or services to any of the departments of the Government, to employ such number of shorthand reporters as may be necessary in the conduct of its business.

SEC. 2. Said reporters shall be skilled in their profession and before receiving any employment under this act shall have had not less than 3 years' actual experience reporting court proceedings or similar work. Said reporters shall be given an examination by the employing authority as to their competency and upon completing such examination to the satisfaction of such employing authority they may be employed for such period as the character of the services require.

SEC. 3. Said reporters shall be sworn to report and transcribe correctly any proceedings in connection with which they are employed. Copies of the transcript of such proceedings when certified by the reporter making the same may be admitted as prima facie evidence of their correctness in the courts of the United States and shall have the same force and effect as the original would have if produced and authenticated in court.

SEC. 4. For services performed within the District of Columbia said reporters shall receive compensation of not exceeding 25 cents per one hundred words for the original copy of the transcript and 5 cents per one hundred words for each additional copy; for services performed outside the District of Columbia they shall receive compensation of not exceeding 30 cents per one hundred words for the original copy of the transcript and 5 cents per one hundred words for each additional copy.

SEC. 5. All appropriations heretofore or hereafter made for contract stenographic reporting services shall be available for payment of compensation provided for in section 4.

With the following committee amendments:

On page 2, line 23, after the word "receive", insert the words "the rates of."

Page 2, line 24, strike out the words "of not exceeding 30 cents per one hundred words for the original copy of the transcript, and 5 cents per one hundred words for each additional copy" and insert "prevailing in the locality where they are employed."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BOARD OF SHORTHAND REPORTING

The Clerk called the bill (H. R. 4887) to create a Board of Shorthand Reporting, and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

Mr. EAGLE. Mr. Speaker, I ask that the bill S. 1453 be substituted. The bills are identical, except sections 9 and 10, and correspond with the recommendation made by the House Judiciary Committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

An act to create a board of shorthand reporting, and for other purposes

Be it enacted, etc., That there is hereby established a National Board of Shorthand Reporting (hereinafter referred to as the "Board") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. The members of the Board, with the exception of the members first to be appointed, shall be holders of certificates issued under the provisions of this act. The members first appointed shall be skilled in the art and practice of shorthand reporting and shall have been actively and continuously engaged as professional shorthand reporters within the United States for at least 5 years preceding their appointments. The members shall hold office for a term of 3 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of nomination, one at the end of 1 year, one at the end of 2 years, and one at the end of 3 years, after such date. The Board shall elect one of its members as chairman and one as secretary-treasurer, who shall hold their respective offices for 1 year. The Board shall make all necessary rules and regulations to carry out the provisions of this act. Any two members shall constitute a quorum for the transaction of business.

SEC. 2. Any person who has received from the Board a certificate of his qualifications to practice as a shorthand reporter shall be known and styled as a "Federal certified shorthand reporter", and no other person, and no partnership all of the members of which have not received such certificate, and no corporation shall assume such title or the abbreviation "F. C. S. R.", or any other words, letters, or abbreviations tending to indicate that the person, partnership, or corporation so using the same is a Federal certified shorthand reporter.

SEC. 3. The Board shall grant a certificate as a Federal certified shorthand reporter to any citizen of the United States, or to a person who has duly declared his intention of becoming a citizen, (a) who is over the age of 21 years, is of good moral character, and is a graduate of a high school or has had an equivalent education; and (b) who has, except as provided in section 5 of this act, successfully passed an examination in shorthand reporting under such rules and regulations as the Board may prescribe.

SEC. 4. The Board shall hold regular meetings for the examination of applicants for certificates under this act beginning on the third Monday of June and December of each year, and additional meetings at such times and places as it shall determine but not to exceed one every 3 months. The time and place of holding such examinations shall be advertised in a periodical to be selected by the Board at least 30 days prior to the date of each examination.

SEC. 5. The Board may, in its discretion, waive the examination provided for in this act and issue a certificate as a Federal certified shorthand reporter to any person submitting an application within 1 year after the appointment of the members of the Board (a) who possesses the qualifications set out in section 3, (b) who has been actively engaged in the practice of shorthand reporting for more than 5 years next preceding the date of enactment of this act, and (c) who is competent, in the opinion of the Board, to perform the duties of a Federal certified shorthand reporter.

SEC. 6. The Board may revoke any certificate issued under this act for unprofessional conduct or other sufficient cause after appropriate notice and opportunity for hearing. Said notice shall state the cause for such contemplated revocation, the time and place of such hearing, and shall be mailed to the registered address of the holder of such certificate at least 30 days before such hearing. Each member of the Board shall be empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records concerning any matter within the jurisdiction of the Board.

SEC. 7. Upon the filing of an application for an examination or a certificate under this act the Board shall charge a fee of \$25. Should the applicant fail to pass the required examination he shall be entitled to take subsequent examinations after the expiration of 6 months and within 2 years without the payment of an additional fee.

SEC. 8. Each member of the Board shall receive \$25 for each day actually employed in the discharge of his official duties and in addition thereto all necessary expenses incurred by them in

executing their functions under this act. The compensation and expenses of the members of the Board and the expenses of the Board that are necessary to carry out the provisions of this act shall be paid from the fees collected under section 7: *Provided*, That such compensation and expenses shall not exceed the amount so collected as fees.

SEC. 9. On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branches or by any independent agency of the Government unless said person is the holder of a certificate provided for in this act: *Provided*, That nothing in this act shall be construed to prohibit the temporary employment of a shorthand reporter not holding a certificate, until a reporter holding a certificate shall be available: *And provided further*, That the provisions of this act shall not apply to any person not employed for the shorthand reporting of such proceedings as are described and defined in section 10 hereof.

SEC. 10. When used in this act the term "shorthand reporting" means the making, by use of symbols or abbreviations, of a verbatim record of any oral testimony, proceeding, hearing, or trial before a court, commission, independent agency of the Government, master, referee, convention, deliberative assembly, or proceedings of like character.

SEC. 11. If after January 1, 1936, any person shall represent himself as having received a certificate as provided for in this act or shall practice as a Federal certified shorthand reporter without having received such certificate, or after having his certificate revoked shall continue to practice as a Federal certified shorthand reporter, or shall use any title or abbreviation that indicates that the person using the same is a Federal certified shorthand reporter, or shall violate any of the provisions of this act, said person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than \$500.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

SAN CARLOS APACHE INDIANS

The Clerk called the bill (S. 2523) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896.

The SPEAKER. Is there objection?

Mr. COCHRAN. I object.

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The Clerk called the bill (H. R. 8293) to amend the Longshoremen's and Harbor Workers' Compensation Act.

The SPEAKER. Is there objection?

Mr. SMITH of Virginia, Mr. BLAND, and Mr. BACON objected.

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that this bill be referred to the Committee on the Judiciary. I make this request because the committee instructed the gentleman from Kentucky [Mr. GREGORY], chairman of the subcommittee, to make the request; and the gentleman from Kentucky asked me, if he was not present, to make the request in his behalf.

Mr. O'CONNOR. Reserving the right to object, I have had some correspondence in reference to this matter, and as I understand, the Judiciary Committee said that it might recall the bill for further consideration.

Mr. CELLER. Reserving the right to object, if this request is granted will it take it off the calendar?

Mr. MICHENER. Yes.

Mr. CELLER. Does not the gentleman think it was the purpose of Mr. GREGORY to have it passed over without prejudice?

Mr. MICHENER. It was not; the Judiciary Committee took action and directed the gentleman from Kentucky [Mr. GREGORY] to make a unanimous-consent request that the bill be recommitted to the committee, and the gentleman from Kentucky [Mr. GREGORY] asked me to do this if he was not present.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CLAIMANTS UNDER WAR MINERALS RELIEF ACT

The Clerk called the bill (S. 1567) to amend section 5 of the act of March 2, 1919, generally known as the War Minerals Relief Act.

The SPEAKER. This bill requires three objections.

Mr. COCHRAN, Mr. BACON, and Mr. DONDERO objected.

Mr. McLEAN. Mr. Speaker, I think there is some misunderstanding about this bill. I feel sure that the gentlemen who object do not understand the bill.

Mrs. GREENWAY. Mr. Speaker, may I explain the bill?

Mr. COCHRAN. Mr. Speaker, others have objected to the bill besides me; but as far as I am concerned, I am perfectly willing to withdraw the objection for the time being to allow the lady from Arizona to speak.

The SPEAKER. Does anyone else object?

Mr. DONDERO and Mr. BACON withheld their objection.

Mrs. GREENWAY. Mr. Speaker, this bill has no connection whatever with the Georgia war minerals relief bill. It is a bill to take care of a group of claimants, constituting 300 in number, who have not been cared for as the larger corporations were under the War Minerals Act. We have received today a statement from the Department explaining that they have actually found in their records over 50 percent of the notices that would have enabled these 300 miners to take the same advantage that the corporations took. They have found these letters returned, in their files, and do not now object to the passing of this bill, which involves \$75,000, to be distributed to 300 miners. The bill has already passed the Senate, and I hope those objecting will see its merit and will not object.

Mr. COCHRAN. Mr. Speaker, will the gentlewoman yield?

Mrs. GREENWAY. Yes.

Mr. COCHRAN. Is it not true that this bill originally passed 15 years ago?

Mrs. GREENWAY. Not for this group.

Mr. COCHRAN. I think the gentlewoman is mistaken. The report shows it did. And then in 1929 Congress very generously reopened the matter and gave the claimants who had not filed a right to file. Now we are going back again, 6 years afterward, and we are asked to reopen the claims again. Seventy-five thousand dollars is involved in the claims. The Departments are opposed to reopening the claims. Is the gentlewoman in favor of going back and reopening them after they have had a second opportunity to file?

Mr. CRAVENS. Mr. Speaker, will the gentlewoman yield?

Mrs. GREENWAY. Yes.

Mr. CRAVENS. Mr. Speaker, since the report from the Secretary it has been discovered that practically 183 notices mailed out to these claimants were returned, never having been delivered. The claimants had no notice of their right or opportunity to file their suits.

Mr. COCHRAN. The gentleman must realize that if the Government or a State passes a statute which grants to an individual the right to enter suit under certain conditions the Government or the State is not going to mail out notices to everyone who might have the right to sue under the act.

Mr. CRAVENS. However, they did mail out notices to the claimants, and 183 were returned, because when the act passed out of existence these miners left their work and went elsewhere. They had no further work to do.

Mr. COCHRAN. They are simply attempting to reopen a matter that has been closed on the books of the Government. These people had opportunity in 1919 and again in 1929. I think the Government has been fair.

Mrs. GREENWAY. Mr. Speaker, the gentleman is so fair-minded that I am sure if he would just let us bring the human equation into this he would not object. Let me read what the War Minerals Relief Commissioner of the Department of the Interior says in a letter received this morning:

The records of this Commission disclose that about one-half the claimants under the original War Minerals Relief Act were notified of their rights under the 1929 amendment to petition the Supreme Court of the District of Columbia to review the decisions of the Secretary of the Interior upon questions of law. For the reason that so many letters were returned because of change of address, as shown in the records of the Commission, some former Secretary of the Interior discontinued the sending of further notices—

And so forth. This group of scattered people have no permanent addresses, did not receive the notices, and could not take advantage of the act.

Mr. COCHRAN. Mr. Speaker, I am willing to have the bill go over without prejudice until I can communicate with the

Comptroller. I have one letter here from the Comptroller respecting some war-mineral claims already settled that involves a million dollars and more in interest.

Mrs. GREENWAY. But that is not this bill.

Mr. COCHRAN. I know it is not, but when are we going to end these matters? If they had not had their day, I would not object, but twice they have had an opportunity to file their claims.

The regular order was demanded.

The SPEAKER. The regular order is called for. Is there objection?

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

Mr. MONAGHAN. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COCHRAN, Mr. BACON, and Mr. DONDERO objected.
ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF PRATTVILLE, ALA.

The Clerk called the next business, House Joint Resolution 241, to provide for the observance and celebration of the one hundredth anniversary of the founding of Prattville, Ala.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. MARTIN of Massachusetts and Mr. WOLCOTT objected.

Mr. TOBEY. Mr. Speaker, I wish the gentlemen would withhold their objections. The gentleman from Alabama [Mr. HOBBS] is compelled to be absent today. I also have an interest in this bill, and I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

ECONOMIC STUDIES OF FISHERY INDUSTRY

The Clerk called the next bill, H. R. 8055, to provide for economic studies of the fishery industry, market news service, and orderly marketing of fishery products, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

GOVERNMENT OF MILITARY AND NAVAL FORCES

The Clerk called the next bill, S. 2253, to make better provision for the government of the military and naval forces of the United States by the suppression of attempts to incite the members thereof to disobedience.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MAVERICK, Mr. LUCKEY, Mr. BIERMANN, Mr. PIERCE, Mr. MONAGHAN, and Mr. SAUTHOFF objected.

LIMITATIONS ON PROSECUTIONS BY COURT MARTIAL

The Clerk called the next bill, H. R. 4454, to amend the Articles of War to provide a 10-year period of limitations on prosecutions by court martial for offenses involving frauds against the United States.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. MARTIN of Massachusetts, Mr. SNELL, Mr. RICH, and Mr. KINZER objected.

EVERGLADES NATIONAL PARK, FLA.

The Clerk called the next bill, H. R. 8741, to amend an act entitled "An act to provide for the establishment of the Everglades National Park in the State of Florida, and for other purposes", approved May 30, 1934.

The SPEAKER. Is there objection?

Mr. RICH, Mr. SNELL, Mr. BACON, Mr. WOLCOTT, and Mr. MARTIN of Massachusetts objected.

VENDING STANDS IN FEDERAL BUILDINGS FOR BLIND PERSONS

The Clerk called the next bill, H. R. 4688, to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of providing blind citizens of the United States with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, all Federal buildings having suitable locations for stands are hereby required to be open for operation of vending stands therein by blind persons licensed by the Office of Education, and the Office of Education in the Department of the Interior, subject to the direction of the Commissioner of Education and such rules and regulations as he may, with the approval of the Secretary of the Interior, prescribe, shall (1) make surveys of concession-stand opportunities for blind persons in Federal and other buildings in the United States; (2) make surveys throughout the United States of industries with a view to obtaining information that will assist blind persons to obtain employment; (3) make available to the public, and especially to persons and organizations engaged in work for the blind, all information obtained as a result of such surveys; (4) issue licenses to blind persons who are citizens of the United States and 21 years of age or over for the operation of vending stands in Federal buildings for the vending of newspapers, periodicals, candies, tobacco products, and such other articles as may be approved for each building by the custodian thereof and by the Commissioner, and (5) take such steps as may be necessary and proper to carry out the provisions of this act.

SEC. 2. (a) The Office of Education shall, in issuing each such license for the operation of a vending stand, give preference to blind persons who are in need of employment and have resided for at least 1 year prior thereto in the State in which such stand is to be located. Each such license shall be issued for an indefinite period but may be terminated by the Commissioner when he is satisfied that the stand is not being operated in accordance with the rules and regulations prescribed by him. Each such license shall be subject to the approval of the Federal agency having charge of the building in which the stand is located. Such licenses shall be issued only to applicants who are blind within the meaning of this act but are able, in spite of such infirmity, to operate such stands.

(b) The Office of Education is authorized, with the approval of the Federal agency having charge of the building in which the stand is to be located, to select a location for the stand.

SEC. 3. The Office of Education is authorized to purchase stand equipment out of funds hereinafter authorized to be appropriated, and, subject to such rules and regulations as he may prescribe, to lend such stand equipment to the various State commissions for the blind, and in States in which no State commission for the blind is in existence, the Commissioner shall designate a responsible private agency or agencies which will agree to cooperate with the Commissioner as provided in section 4 of this act.

SEC. 4. A State commission for the blind or an agency designated by the Commissioner shall, in order to obtain such stand equipment, (1) agree to supply such stand equipment without charge to blind persons who are licensed by the Commissioner to operate a vending stand in the Federal buildings in such State, and to other blind persons who are qualified to operate stands in other buildings in such State and who are in need of employment; (2) agree to cooperate with the Commissioner and the division of rehabilitation of such State, in training, placing, and supervising blind persons; (3) lend such funds as may be necessary to enable the blind persons operating such stands in such State to purchase an original stock of supplies to be vended therefrom; and (4) agree to keep such stand equipment in repair.

SEC. 5. The Commissioner is authorized to cooperate with the State boards for rehabilitation of handicapped persons, established by the several States pursuant to the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment", approved June 2, 1920, as amended and supplemented, in carrying out the provisions of this act.

SEC. 6. (a) The Commissioner is authorized to make such expenditures out of any money appropriated therefor (including expenditures for personal services and rent at the seat of government and elsewhere, books of reference and periodicals, for printing and binding, and for traveling expenses) as he may deem necessary to carry out the provisions of this act.

(b) The Commissioner shall, in employing such additional personnel as may be necessary, give preference to blind persons who are capable of discharging the required duties.

SEC. 7. As used in this act—

(a) The term "United States" includes the several States, Territories, and possessions of the United States, and the District of Columbia.

(b) The term "blind person" means a person (1) having not more than 10-percent visual acuity in the better eye with correction, or (2) whose vision is so impaired that regular employment cannot be obtained due to this infirmity; and such blindness shall be certified by a duly licensed ophthalmologist.

(c) The term "State commission for the blind" means a commission established under authority of the State and engaged primarily in work for the blind.

(d) The term "private agency" means any organization, other than a State commission for the blind, engaged primarily in work for the blind.

(e) The term "State" means a State, Territory, possession, or the District of Columbia.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary for carrying out the provisions of this act.

Mr. RANDOLPH. Mr. Speaker, I offer certain clarifying amendments.

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: Strike out beginning on page 1, line 3, down to and including line 10, on page 4, and insert in lieu thereof the following:

"That for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, all Federal buildings having suitable locations for vending stands are hereby authorized to be made available for operation of such stands therein by blind persons licensed under the provisions of this act.

"SEC. 2. (a) The Office of Education in the Department of the Interior, subject to the direction of the Commissioner of Education and such rules and regulations as he may, with the approval of the Secretary of the Interior, prescribe, shall—

"(1) Make surveys of concession-stand opportunities for blind persons in Federal and other buildings in the United States;

"(2) Make surveys throughout the United States of industries with a view to obtaining information that will assist blind persons to obtain employment;

"(3) Make available to the public, and especially to persons and organizations engaged in work for the blind, information obtained as a result of such surveys;

"(4) Designate, as provided in section 4 of this act, the State commission for the blind in each State, or, in any State in which there is no such commission, some other public agency to issue licenses to blind persons who are citizens of the United States and at least 21 years of age for the operating of vending stands in Federal and other buildings in such State for the vending of newspapers, periodicals, confections, tobacco products, and such other articles as may be approved for each building by the custodian thereof and the State licensing agency; and

"(5) Take such other steps as may be necessary and proper to carry out the provisions of this act.

"(b) The State licensing agency shall, in issuing each such license for the operation of a vending stand, give preference to blind persons who are in need of employment and have resided for at least 1 year in the State in which such stand is to be located. Each such license shall be issued for an indefinite period but may be terminated by the State licensing agency if it is satisfied that the stand is not being operated in accordance with the rules and regulations prescribed by such licensing agency. Each such license for the operation of a vending stand in a Federal building shall be subject to the approval of the Federal agency having charge of the building in which the stand is located. Such licenses shall be issued only to applicants who are blind within the meaning of this act but are able, in spite of such infirmity, to operate such stands.

"(c) The State licensing agency designated by the Office of Education is authorized, with the approval of the custodian having charge of the building in which the vending stand is to be located, to select a location for such stand and the type of stand to be provided.

"SEC. 3. (a) Subject to such rules and regulations as the Commissioner of Education, with the approval of the Secretary of the Interior, may prescribe, the Office of Education is authorized—

"(1) To purchase vending-stand equipment for use in Federal buildings. Such equipment shall be purchased on requisition of the custodian of the Federal building in which the stand is to be placed and shall thereafter remain in his custody and be used for the purposes specified in this act; and

"(2) To purchase vending-stand equipment for use in all other buildings where vending-stand concessions for blind persons have been obtained by the State licensing agencies designated by the Office of Education. Such equipment shall be purchased on requisition of such licensing agencies and loaned to such State licensing agencies under the conditions set forth in section 4 of this act.

"(b) All stand equipment purchased under the provisions of subsection (a) of this section shall be made available, without charge, for the use of blind persons licensed under the provisions of this act.

"SEC. 4. (a). A State commission for the blind or other State agency desiring to be designated as the agency for licensing blind persons for the operation of vending stands and desiring to secure vending-stand equipment as provided in this act shall, with the approval of the Governor of the State, make application to the Commissioner of Education and agree—

"(1) To cooperate with the Commissioner of Education and with the division of vocational rehabilitation of such State in training, placing, and supervising blind persons;

"(2) To provide through loans, gift, or otherwise, for each blind person licensed to operate a stand, an adequate initial stock of suitable articles to be vended therefrom; and

"(3) To keep such stand equipment in other than Federal buildings in repair."

Page 5, line 4, before the period, insert a comma and the following: "and at least 50 percent of such additional personnel shall be blind persons."

Page 5, strike out lines 9 to 14, inclusive, and insert in lieu thereof the following:

"The term 'blind person' means a person having not more than 10 percent visual acuity in the better eye with correction. Such blindness shall be certified by a duly licensed ophthalmologist."

Page 5, strike out lines 18 to 20, inclusive.

Page 5, line 21, strike out the letter "e" in the parentheses and insert in lieu thereof the letter "d."

Mr. McLEAN. Mr. Speaker, these amendments are rather long and I wonder if the gentleman will give us some explanation of how they affect the bill? It appears to me that they create a new bill.

Mr. RANDOLPH. The clarifying amendments are drawn up with the approval and desire of the Office of Education of the Department of the Interior, and instead of the legislation being mandatory the word "required" is changed to read "authorized" throughout. The bill remains with its features of self-help for deserving blind, a survey of industry to show opportunities for employment of the blind.

Mr. McLEAN. They still allow discretion in the Department?

Mr. RANDOLPH. Yes.

Mr. McLEAN. As to when, where, and how the stands will be placed?

Mr. RANDOLPH. Yes. I might say further the custodian of the building, of course, must give his O. K. In other words, there must be approval of the Federal agency having charge of the building in which the stand is located.

Mr. O'CONNOR. Will the gentleman yield?

Mr. RANDOLPH. I yield.

Mr. O'CONNOR. I understand that was the objection to the bill. Otherwise the Rules Committee had considered hearing the bill, and possibly reporting out a rule for it.

Mr. RANDOLPH. That is right. It comes here with the unanimous approval of the House Committee on Labor, and the support of practically all agencies for aid to the blind. The bill provides a common-sense method of aiding this deserving group to help themselves.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from West Virginia [Mr. RANDOLPH].

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAN JUAN NATIONAL MONUMENT FOR PUERTO RICO

The Clerk called the next bill, H. R. 7931, to establish the San Juan National Monument, P. R., and for other purposes.

Mr. COSTELLO, Mr. CLARK of Idaho, and Mr. McLEAN objected.

INTERNATIONAL EXPOSITION, PARIS, FRANCE, 1937

The Clerk called the next resolution, House Joint Resolution 305, accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937.

The SPEAKER. Is there objection?

Mr. LUCKEY. Mr. Speaker, I object.

The SPEAKER. Are there further objections?

There being no further objections, the Clerk read the resolution, as follows:

Resolved, etc., That the invitation extended by the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937, is hereby accepted.

SEC. 2. The President is authorized to appoint a commissioner general to represent the United States in the exposition, who will serve in this capacity without compensation. The President is further authorized to designate upon the nomination of the Secretary of State a permanent Government official as commissioner, who while on this detail shall serve without additional compensation. The expenses of the commissioner general and the commissioner and such staffs as they may require will be met out of the funds provided for the purposes of the Government participation in the exposition. Their duties shall be prescribed by the Secretary of State and shall include arrangements for providing and allotting space for exhibitors who may be willing to ship exhibits to the exposition. All arrangements with regard to such exhibit space to be provided for American exhibitors shall be made between the exposition authorities and the commissioner general, or, in the event he should delegate the authority, the commissioner. All arrangements made by exhibitors for space not provided by themselves, but made available through arrangements carried on by the

commissioner general or commissioner, shall be with the latter two officials. It shall be the duty of the Secretary of State to indicate to the commissioner general and the commissioner appropriate methods of interesting possible American exhibitors in the exposition. The other departments of the Government are authorized and directed to cooperate with these officers when requested.

SEC. 3. The commissioner general and the commissioner may employ such clerks, stenographers, and other assistants as may be necessary and fix their reasonable compensation without regard to the Classification Act of 1923, as amended; purchase such material, contract for such labor and other services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), and exercise such powers as are delegated to them by this act, and in order to facilitate the functioning of their officers may subdelegate their powers (authorized or delegated) to such officers and employees as may be deemed advisable.

SEC. 4. In order to defray the expenses of representation of the United States at this exposition, including personal services; transportation of things; travel and subsistence expenses; rent; printing and binding; official cards; entertainment; hire, maintenance and operation of motor-propelled passenger-carrying vehicles; and such other expenses as may be necessary in the opinion of the Secretary of State to carry out the purposes of this act, the sum of \$20,000, or so much thereof as may be necessary, is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until expended. All expenditure shall be subject to approval by the Secretary of State and payable upon his certification, provided that he is authorized in his discretion to delegate this authority to the commissioner general and/or the commissioner. Such expenditures shall not be subject to the provisions of any law regulating or limiting the expenditure of public money other than this act, but this provision shall not be construed to waive the submission of accounts and vouchers to the General Accounting Office for audit, or permit any indebtedness to be incurred in excess of the amount authorized to be appropriated.

SEC. 5. The heads of the various executive departments and independent offices and establishments of the Government are authorized to assist the commissioner general and the commissioner in the procurement, installation, and display of exhibits; to lend to the International Exposition of Paris—Art and Technique in Modern Life, with the knowledge and consent of the commissioner general and the commissioner, such articles, specimens, and exhibits which the commissioner shall deem to be in the interest of the United States to place with the science or other exhibits to be shown under the auspices of the exposition management; to contract for such labor or other services as shall be authorized by the commissioner general or commissioner, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); and to designate officials or employees of their departments or branches to assist the commissioner general and the commissioner.

SEC. 6. The commissioner general and the commissioner, with the approval of the Secretary of State, may receive from any source contributions to aid in carrying out the general purpose of this act, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this act. The commissioner general and the commissioner are also authorized to receive contributions of material to aid in carrying out the general purpose of this act, and at the close of the exposition or when the connection of the Government of the United States therewith ceases, under the direction of the Secretary of State, shall dispose of any such portion thereof as may be unused, and account therefor.

SEC. 7. It shall be the duty of the Secretary of State to transmit to Congress within 6 months after the close of the exposition a detailed statement of all expenditures, together with the reports hereinbefore specified and such other reports as he may deem proper, which reports shall be prepared and arranged with a view to concise statement and convenient reference.

With the following committee amendments:

On page 3, line 20, strike out "20,000" and insert "50,000."

On page 3, line 23, after the word "expended", strike out the period and insert "for the purposes of this joint resolution and any unexpended balances shall be covered back into the Treasury of the United States."

On page 4, line 2, strike out the word "and."

The committee amendments were agreed to.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZATION FOR EXCHANGE OF LAND BETWEEN WAIANAE CO. AND THE NAVY DEPARTMENT

The Clerk called the next bill, H. R. 9999, to authorize an exchange of land between the Waianae Co. and the Navy Department.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to transfer to the Waianae Co. title to a tract of

land, containing an area of 665 acres, more or less, now a part of the United States Naval Radio Station, Lualualei, Oahu, Territory of Hawaii, and comprising the northeast corner of said radio station, in exchange for title to a tract of land, containing an area of 800 acres, more or less, now the property of the Waianae Co. and adjoining the said radio station to the south, and any and all interest the Waianae Co. has in any and all rights-of-way in and through the said naval radio station: *Provided*, That the President is hereby authorized to transfer to the Territory of Hawaii the land, or any portion thereof, conveyed by the Waianae Co. pursuant to this act, whenever such land, or portion thereof, shall no longer be required for the uses and purposes of the United States Navy.

Mr. KING. Mr. Speaker, I ask unanimous consent that the bill may be recommitted to the Committee on Naval Affairs.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

HOURS OF DUTY OF POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 10193, to amend the act to fix hours of duty of postal employees.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, can the gentleman from New York [Mr. MEAD] justify the Federal Government establishing this policy, setting up an agency which competes with private enterprise in which governmental agency the women employed receive from \$4.40 a day to \$7.60 a day? It is now desired to cut their hours from 44 down to 40 and to increase their pay 10 percent. Will the gentleman from Buffalo, N. Y., advise us if there is a plant in Buffalo which treats its employees as well as the Government treats these employees?

Mr. MEAD. Mr. Speaker, I may say to the gentleman from Pennsylvania that if they are not doing as well, they should. If the gentleman will yield, I will take a few moments to explain the bill.

Mr. RICH. Mr. Speaker, I yield to the gentleman.

Mr. MEAD. In the first place, we are not competing with private enterprise, because this branch of the Post Office Department was instituted in 1798. In this equipment shop they sew up torn mail bags, repair mail locks, and do other work of such nature.

The employees we are trying to benefit by this bill, 192 in number, are mostly women, many of them old women. They are the poorest-paid employees in connection with the activities of this shop.

Under the Classification Act the employees of the equipment shop were divided into two classes, and these people got the worst of that deal. They were called per diem employees rather than per annum, which has not accorded them the same security and consideration under subsequent legislation.

Mr. RICH. Mr. Speaker, if the gentleman will permit an interruption at this point, the gentleman states they got the worst of the situation. Does the gentleman think it is fair to the people back home to pay this group of employees from \$4.40 to \$8 a day? Are they not treated pretty well?

Mr. MEAD. I would call the gentleman's attention to the fact that the people back home, except as they buy postage, are not paying the salaries of these people by taxation, because the postal salaries in the aggregate are lower today than they were in 1929, 1930, and 1932. In other words, the efficiency of the Postal Service, even though we have restored all the wage cuts and reduced the hours, makes it possible for us to do the same work with fewer employees than used to be the case in the Postal Service.

Mr. RICH. The only reason that seems to be so is because of the devaluation of the gold dollar.

Mr. MEAD. That has nothing to do with it. The efficiency of the Postal Service, even though the workers are not machine mechanics, has increased so rapidly that I really believe the postal employees of today could do the work of two postal employees of 25 or 30 years ago.

The skilled workers at the equipment shop were put on a 40-hour week with full-time pay by the act of March 28, 1934. Our shorter workweek act of last session took care of the per annum employees at the shop in the same manner. But the 192 per diem employees at the shop, through the

Comptroller's decision, forfeit a day's pay every week for their reduced workweek under the same legislation.

I merely want to give them what we intended when we passed the 5-day-week bill. There are 192 of these employees, most of them women, and they are not engaged in competition with private enterprise. They sew up the mail bags, and by doing so they save money for the Government. I hope there will be no objection to the bill.

Mr. RICH. The gentleman does not mean to say we could not have this work done at the rate of \$4.40 for the smallest ones and \$8.80 for the highest ones by private enterprise and make money and pay a tax to the Government? It is all tommyrot.

Mr. MEAD. It was decided as early as 1888, in connection with this activity, that the Government should have an agency or a shop in which to repair mail bags. This department has been associated with the Postal Service for years. Most every agency of the Government has a repair shop; it would be too expensive to dispatch small articles used by a particular agency to a private business shop for repairs, and besides it takes more time, as it would involve advertising for bids, and so forth.

Mr. RICH. I am not trying to kick the mail-bag shop out of existence, but I am thinking of the people back home who have not half as much as these people have. Do not forget that these mail-bag employees have been to see me in Pennsylvania. They all admitted that there was not a person in their own town who received as much as they are getting. Now, two wrongs do not make a right. Why do something here just because we did something to other employees when the people back in our respective districts do not have the same advantage?

Mr. DOBBINS. Replying to the gentleman's statement that private industry could do this work cheaper than this department, may I say this:

Mr. RICH. Well, leave that out of the matter. If these people want to do it, all right.

Mr. DOBBINS. May I give the gentleman this information. This repair shop was established by the Government in 1888, at which time we probably did not have one-third of the postal business we have today. The first year it was established the Government saved \$60,000 by having this work done in its own repair shop instead of letting it out at private contract. The Government now has a modern factory building for this work which was built several years ago.

Mr. RICH. I do not have anything against these employees and I do not want to hurt them, but I think we are doing an injustice to the people back in the gentleman's district and in my district if we permit this bill to go through.

Mr. DOBBINS. The gentleman will hurt these employees by uttering just two words, "I object." If the gentleman wishes to do that, then all right.

Mr. RICH. Mr. Speaker, I object. It does not make any difference about that, and I am not trying to hurt any Government employees.

VOLUNTEER OFFICERS AND SOLDIERS IN THE WAR WITH SPAIN

The Clerk called the next bill, H. R. 9472, for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. McLEAN. Mr. Speaker, reserving the right to object, will someone inform us whether or not this bill has been previously vetoed?

Mr. GUYER. Yes; I think it has been.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain who were held to service in the Philippine Islands

for service in the Philippine Insurrection after April 11, 1899, and after the conclusion of peace with the Kingdom of Spain, shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899.

Sec. 2. Claims hereunder shall be settled in the General Accounting Office and shall be payable to the officer or soldier, or if the person who rendered the service is dead, then to his widow, children in equal shares (but not to their issue), father, or mother as provided by existing acts relating to the settlement of accounts of deceased officers and soldiers of the Army (34 Stat. 750), but if there is no widow, child, father, or mother at the date of settlement, then no payment on account of the claim shall be made.

Sec. 3. The Comptroller General is authorized and directed to certify to the Congress, pursuant to the provisions of section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), all claims allowed hereunder.

Sec. 4. Applications for the benefits of this act shall be filed within 3 years after the date of its passage.

Sec. 5. Payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers in any application under this act shall not exceed the sum of \$10: *Provided*, That this limitation shall not apply to attorneys employed by claimants entitled to the benefits of this act who were active in the prosecution of their claim before Congress, to whom a fee of not to exceed 10 percent of the amount found to be due may be allowed. Any person collecting or attempting to collect a greater amount than is herein allowed shall be deemed guilty of a misdemeanor and shall be punishable by a fine of not more than \$500 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

DISPOSITION OF MATERIAL TO SEA-SCOUT DEPARTMENT OF THE BOY SCOUTS OF AMERICA

The Clerk called the next bill, H. R. 9671, to authorize the Secretary of the Treasury to dispose of material to the sea-scout department of the Boy Scouts of America.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized, in his discretion, to dispose of without charge, except for transportation and delivery, to the sea-scout department of the Boy Scouts of America such obsolete material as may not be needed for the Coast Guard, and such other material as may be spared at prices representing its fair value to the Coast Guard.

With the following committee amendment:

On page 1, line 5, strike out "department" and insert "service."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America."

A motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER AT RANDOLPH, MO.

The Clerk called the next bill, H. R. 10187, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of the bridge across the Missouri River, at or near Randolph, Mo., authorized to be built by the Kansas City Southern Railway Co., its successors and assigns, by the act of Congress approved May 24, 1928, heretofore extended by acts of Congress approved March 1, 1929, May 14, 1930, February 6, 1931, May 6, 1932, January 19, 1933, and April 9, 1934, are hereby further extended 2 and 4 years, respectively, from May 24, 1936.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

On page 1, line 7, strike out "the act" and insert in lieu thereof "an act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECTIONS 109 AND 113 OF THE CRIMINAL CODE AND SECTION 190 OF THE REVISED STATUTES OF THE UNITED STATES

The Clerk called the next bill, S. 3453, limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of an act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or in section 190 of the Revised Statutes of the United States (U. S. C., title 5, sec. 99), or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government, or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to Clarence C. Calhoun, in the event he shall be employed, retained, or appointed by the Attorney General or under authority of the Department of Justice, to assist in the prosecution of litigation arising under the War Risk Insurance Act, as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD STATION, CRESCENT CITY, CALIF.

The Clerk called the next bill, H. R. 1398, to provide for the establishment of a Coast Guard station at or near Crescent City, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station on the Pacific coast at or in the vicinity of Crescent City, Calif., in such locality as the Commandant of the Coast Guard may recommend, and appropriations for the establishment and construction thereof are hereby authorized, out of any money in the Treasury not otherwise appropriated.

With the following committee amendment:

Page 1, line 6, after the word "may", strike out the remainder of the bill and insert "recommend."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST GUARD, PORT WASHINGTON, WIS.

The Clerk called the next bill, H. R. 8370, to provide for the establishment of a Coast Guard station at Port Washington, Wis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station on Lake Michigan at Port Washington, Wis., and appropriations for the establishment and construction thereof are hereby authorized, out of any money in the Treasury not otherwise appropriated.

With the following committee amendment:

In line 5, after the word "Wisconsin", strike out the remainder of the bill and insert "at such point as the Commandant of the Coast Guard may recommend."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PACIFIC OCEAN FISHERIES

The Clerk called the next bill, H. R. 3013, to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries.

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. BLAND. Mr. Speaker, will the gentleman withhold his objection a moment?

Mr. WOLCOTT. I may say that I am going to insist upon my objection, but I will withhold it for the purpose of allowing the gentleman to make a statement.

Mr. BLAND. I would like to make a statement about the measure. This is an important bill. It provides a fisheries' research vessel for the Pacific coast. A similar vessel was provided for the Atlantic coast by legislation enacted

at the last Congress. The fisheries on the Pacific coast are valued at about \$50,000,000, and recently testimony was taken before the Committee on the Merchant Marine and Fisheries with respect to the condition of the sardine or pilchard industry. The salmon industry is also involved. There is serious need of a research vessel to make this study and to determine just whether depletion is occurring or not. These people are entitled to this. They have been asking for it a long time and I hope the bill may go through.

Mr. WOLCOTT. I may say to the gentleman that we have just defeated a bill that would allow the Bureau to carry on research in other matters. This bill authorizes an appropriation of \$500,000 and is not in accord with the financial program of the President.

Mr. BLAND. That is true.

Mr. WOLCOTT. And I am simply coming to the defense of the President when I object to this bill.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COLDEN. I wish to say to the gentleman that this bill vitally affects the Pacific coast and particularly my town. The fishermen from San Pedro in the tuna industry go at least 2,000 miles away from home, down to Galapagos Islands on the coast of Ecuador. The salmon, the tuna, and the sardine industry are vitally affected. There is continual controversy between the fish and game commission of the State of California and the fishermen about the depletion or the supply of these various fishes. It is very necessary that we have some authority to make this investigation. The Bureau of Fisheries has approved the bill. Other countries are doing similar work. England, for instance, has five of these research vessels; Scotland has three, Ireland has one, Denmark has three, and even Persia has one, while France also has three. There is no other way by which we can get an accurate opinion of the supply of these fish.

The bill simply authorizes a boat, such as has already been provided on the Atlantic coast, and I wish the gentleman would waive his objection and give us an opportunity on the Pacific Coast to have this boat, so that the fishing industry there may have the same advantage as the fishing industry on the Atlantic coast.

Mr. WOLCOTT. That statement might go to the merits of this whole matter, but here is a bill that comes in here and you ask us to authorize an appropriation of \$500,000 by unanimous consent. Now, it is somewhat ironical that when the gentlemen on your side of the aisle want to disagree with the President they do so with impunity, but when they want to stick with the President they come in and say, "Follow our great leader." In this instance, for the protection of the Budget, whether the President recommends it or not, I am compelled to object, and I am going to object, because I do not think we have any moral right to pass a bill which authorizes an appropriation of \$500,000 for the purchase of a vessel in opposition to the Director of the Budget and the President himself; and if you gentlemen over there do not want to go along with your President to the extent of protecting him and his Budget, you will find plenty of support on this side when it comes to protecting the credit of the United States, and for this reason I object.

Mr. COLDEN. I may say to the gentleman that we are following the President better than the gentleman who is objecting to this bill.

Mr. WOLCOTT. I am sure that is true. I object, Mr. Speaker.

BRIDGE ACROSS THE CURRENT RIVER AT POWDER MILL FORD, MO.

The Clerk called the bill (H. R. 11073) granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on route no. Missouri 106, Shannon County, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge and approaches thereto across the Current River, at a point suitable to the interests of navigation, at or near Powder Mill Ford on route no.

Missouri 106, in Shannon County, Mo., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TIMBER RIGHTS ON THE GIGLING MILITARY RESERVATION, CALIF.

The Clerk called the bill (H. R. 10182) to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire by purchase, condemnation, or otherwise, all the rights and interests which were reserved by the former owners on conveyance to the United States of the land embraced in the military reservation known as the Gigling Military Reservation (now designated as Camp Ord), in Monterey County, Calif., relative to the cutting of timber thereon and the preparation and removal of forest products, and to terminate all easements, rights, and privileges insofar as they have application to timber operations for private benefit; and there is hereby authorized to be appropriated the sum of \$25,000 to carry out the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO EXTEND THE PERIOD FOR THE EMIGRATION OF FILIPINOS FROM THE UNITED STATES TO THE PHILIPPINE ISLANDS

The Clerk called the bill (H. R. 9991) to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935, is amended to read as follows:

"Sec. 6. No application for the benefits of this act shall be accepted by any officer of the Immigration Service after December 1, 1937; and all benefits under this act shall finally terminate on December 31, 1937, unless the journey has been started on or before that date, in which case the journey to Manila shall be completed."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFIRMING BY PATENT THE TITLE TO LOTS IN PENSACOLA, FLA.

The Clerk called the bill (H. R. 2737) extending and continuing to January 12, 1936, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.," approved January 12, 1925.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.," approved January 12, 1925, are hereby extended and continued to January 12, 1936: *Provided,* That there be paid to the register of the district land office a fee of \$5 for each lot described in an application for a deed of quitclaim under such act, which fee shall be considered earned, irrespective of the action taken on the application.

With the following committee amendments:

Page 2, line 1, strike out "1936" and insert "1938."

Page 2, line 1, strike out "register of the district land office" and insert "Commissioner of the General Land Office."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended.

RECOINAGE OF 50-CENT PIECES FOR EXPOSITION AT SAN DIEGO, CALIF.

The Clerk called the bill (H. R. 9673) to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I wish the gentleman would explain wherein this is going to be done without cost to the Government. I have in mind that this bill is merely asking cooperation of the Government in advertising the San Diego exposition. I understand that the surplus minted last year was returned to the Treasury and minted up into new coin.

The question I wish to ask is, Will the recoinage be confined to coins already coined or is it directing new 50-cent pieces to be coined?

Mr. BURNHAM. This bill merely calls for reminting of the 50-cent pieces coined last year bearing date 1935, which the exposition paid for. It costs the Government not one cent. Two hundred and fifty thousand were coined, and the exposition people took them all and paid for them. Due to the fact that they were received so late and the short time that the exposition was in existence thereafter they were not all disposed of. Those remaining bearing the date 1935 we are asking to have reminted, bearing the date 1936, the expense of which the exposition pays. There will be no cost to the Government whatsoever.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, to indicate the interest of the Government of the United States in the continuation of the California-Pacific International Exposition at San Diego, Calif., for the year 1936, the Director of the Mint is authorized to receive from the California-Pacific International Exposition Co., or its duly authorized agent, not to exceed 180,000 silver 50-cent pieces heretofore coined under authority of an act of Congress approved May 3, 1935, and recoin the same, under the same terms and conditions as contained in said act, bearing date 1936.

SEC. 2. The United States shall not be subject to the expense of making preparations for this recoinage, and such coins shall be issued only to California-Pacific International Exposition Co., or its duly authorized agent, which may dispose of the same at par or at a premium: *Provided*, That all proceeds therefrom shall be used in furtherance of the California-Pacific International projects.

SEC. 3. That all laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of same; regulating and guarding the process of coining; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the recoinage herein directed.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

AREAS BETWEEN SHORES AND BULKHEAD LINE IN RIVERS, ETC.

The Clerk called the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. In many instances the States have provided by law for the ownership or title of lands between the meandering lines, which are supposed to be the low-water mark, and the actual low water. It is problematical whether this bill recognizes the State laws in that respect or whether or not we are granting to the Secretary of War the right to authorize the use of the land in some other manner than is provided by the State law.

Mr. PARSONS. Mr. Speaker, that has already been worked out by the engineers of the War Department with the various States where this will have effect. This bill was unanimously reported by the Committee on Rivers and Harbors and was recommended by the Chief of Engineers and by those who studied the matter for the last 2 or 3 years.

Mr. WOLCOTT. In the interpretation of the act, is it the gentleman's opinion that as to the lands which I think are called relicited lands, the title to which usually vests in the State, under this bill the State is fully protected in its right to exercise jurisdiction over those lands.

Mr. PARSONS. Absolutely; and it will not be taken without due process of law and agreement with the owners.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That where bulkhead lines have been or may be established in or along navigable waters except the inland waterways of the United States in accordance with the provisions of section 11 of the River and Harbor Act of March 3, 1899, the Secretary of War may, in his discretion and on the recommendation of the Chief of Engineers, grant authority to the owners of shore lands and the submerged lands in front thereof to fill in and erect structures on the whole or any part of the area between ordinary high-water line on the shore and the established bulkhead line. When such authority has been granted by the Secretary of War and availed of by the grantee, the said area shall be deemed to be exempt from any servitude in favor of the Federal Government for the benefit of navigation and, if required and taken thereafter by the Government for navigation purposes, the owners thereof shall be entitled to just compensation for the improvement and structures made and erected in pursuance of such authorization.

With the following committee amendment:

Page 1, line 4, after the word "waters", strike out "except the inland waterways."

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXTENDING BENEFITS OF EMERGENCY OFFICERS' RETIREMENT TO CERTAIN PROVISIONAL OFFICERS

The Clerk called the bill (S. 2265) extending the benefits of the Emergency Officers' Retirement Act of May 24, 1928, to provisional officers of the Regular Establishment who served during the World War.

The SPEAKER. Is there objection?

Mr. McSWAIN. Mr. Speaker, being advised that certain groups propose through their voice on this floor to propose an amendment to this bill that might affect very materially its operation, I ask unanimous consent that the bill be allowed to go over without prejudice so that the committee may have a chance to consider the proposed amendment.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the bill go over without prejudice. Is there objection?

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. COCHRAN. Does the bill conform with the suggestion of the Administrator of Veterans' Affairs in reference to having Public Act No. 2 apply to certain cases that might come up so that they will all be on an equal footing?

Mr. McSWAIN. I am not prepared to say just what would be the effect of it. I confess certain lack of information as to the details of the operation of it, but I am sure that the amendment proposed would very materially modify the operation of the bill.

Mr. COCHRAN. Does the gentleman not think he ought to give us some information in reference to the question of expense and whether we are giving special recognition to some that will be denied others?

Mr. McSWAIN. That is why I want it to go over.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Yes.

Mr. McCORMACK. I was going to offer an amendment. The purpose of the amendment was to eliminate the "causative factor" in reference to emergency officers. In no way does it effect existing law with reference to those whose injuries are presumptively service-connected. It does not go that far. In other words, the "causative-factor rule" has worked extreme hardship on those who contracted disability from sickness in actual service, and it places the emergency officer in this respect in the same category as it does the Regular Army officer. The proposed amendment has no intention of affecting those whose injury is presumptively

service-connected, but to change the "causative-factor rule" with reference to those whose condition are directly service-connected.

Mr. THOMASON. Mr. Speaker, will the gentleman yield?
Mr. McSWAIN. Yes.

Mr. THOMASON. I do not profess to know the merits of the amendment the gentleman from Massachusetts [Mr. McCORMACK] proposes to offer when the bill is heard on the floor, but it occurs to me that it would probably change the entire text and purpose of this bill. This bill as introduced and as passed by the Senate is to take care of a very few provisional officers who rendered distinguished service in the World War. They were among the very first who went to France, and if I understand the report correctly, there are only 10 provisional officers affected, and those men at the present time have no status at all relative to financial benefits which accrue to other officers. They cannot come under the retirement act or avail themselves of the bonus, and yet those fine young lieutenants who were taken in as provisional officers, and who believed they were entitled to the same benefits and privileges as other officers are being denied justice. I am not saying that I am against the suggested McCormack amendment, but we ought not in this bill reopen the whole field concerning emergency officers, for that is a big subject and very controversial. It only means delay and complications. I hope nobody will now object and let us pass on this bill on its own merit. I know some provisional officers in my own district who have been denied justice for years. I have specially in mind Capt. Charles Chaffee, of El Paso, who has a splendid record, and is entitled to relief. I propose to offer an amendment myself, but it is germane and largely corrective. I realize that if the distinguished chairman of the Committee on Military Affairs [Mr. McSWAIN] objects there is nothing under the rules that I can do to stop it.

I fear the McCormack amendment will change the entire purpose of the bill and probably defeat it. The War Department has made an adverse report. I am very hopeful that this bill will be promptly reported back to this House and these few provisional officers who today have no status at all will be given at least some measure of justice. I insist that the amendment be considered by the Committee on Military Affairs at its regular meeting tomorrow, so that bill will be sure to come up again on next Consent Calendar day.

Mr. McCORMACK. Will the gentleman yield further?

Mr. McSWAIN. I yield, but this really is neither the time nor the place to debate it.

Mr. McCORMACK. I think the gentleman has taken the proper course, and I am in complete agreement with what the gentleman from Texas [Mr. THOMASON] says. I am for this bill. On the other hand, if the committee can consider this question, the time to do it is while this bill is pending, and I think the chairman of the committee has made a very excellent suggestion, which in no way interferes with this bill.

Mr. THOMASON. Do I understand the bill is not being recommitted?

Mr. McSWAIN. Oh, no.

Mr. THOMASON. It is simply going over without prejudice?

Mr. McSWAIN. Yes.

Mr. McCORMACK. Yes. I am for this bill myself.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McSWAIN] that the bill go over without prejudice?

Mr. WOLCOTT. Reserving the right to object, is it the intention of the gentleman to have informal hearings on the bill?

Mr. McSWAIN. It is our intention to give whatever consideration we decide may be necessary in order to be prepared to advise the House as to what to do with the amendment which will be proposed by the gentleman from Massachusetts [Mr. McCORMACK].

Mr. WOLCOTT. There seems to be need for the legislation and also the proposed amendment. I was wondering if the gentleman had in mind at the present time calling his committee together and considering the proposition.

Mr. McSWAIN. The committee will meet tomorrow and take whatever action it decides to take; yes.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. McSWAIN]?

There was no objection.

COINAGE OF 50-CENT PIECES COMMEMORATING TWO HUNDRED AND FIFTIETH ANNIVERSARY OF FOUNDING OF NEW ROCHELLE, N. Y.

The Clerk called the next bill, H. R. 10489, to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That, in commemoration of the two hundred and fiftieth anniversary of the founding of the city of New Rochelle, N. Y., there shall be coined by the Director of the Mint 20,000 silver 50-cent pieces, such coins to be of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

Sec. 2. Coins shall be issued at par, and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of New Rochelle, N. Y.

Sec. 3. Such coins may be disposed of at par or at a premium by the committee, person, or persons duly authorized in section 2, and all proceeds shall be used in furtherance of the commemoration of the founding of the city of New Rochelle, N. Y.

Sec. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

Sec. 5. The coins authorized herein shall be issued in such numbers, and at such times as they may be requested by the committee, person, or persons duly authorized by said mayor of New Rochelle, N. Y., and only upon payment to the United States of the face value of such coins.

With the following committee amendments:

Page 1, line 6, strike out the word "twenty" and insert "twenty-five."

Page 2, line 5, strike out the words "the committee, person, or persons" and insert in lieu thereof "a committee of not less than three persons."

Page 2, line 9, strike out the words "person, or persons."

Page 2, line 24, strike out "person, or persons."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTRUCTION OF MODEL BASIN ESTABLISHMENT

The Clerk called the next bill, H. R. 10135, to authorize the construction of a model basin establishment, and for other purposes.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to acquire 55 acres of land, more or less, in the vicinity of Cabin John, Md., and to construct thereon a model basin establishment, with buildings and appliances, in which the Bureau of Construction and Repair of the Navy Department shall conduct the work of investigating and determining the most suitable and desirable shapes and forms to be adopted for United States vessels, including aircraft and the investigation of other problems of ship design, at a cost not to exceed \$3,500,000: *Provided*, That upon the authorization of the Secretary of the Navy experiments may be made at this establishment for private parties, who shall defray the cost thereof under such regulations as the Secretary of the Navy may from time to time prescribe: *Provided further*, That the results of such private experiments shall be regarded as confidential and shall not be divulged without the consent of such private parties, except that the right is reserved to the Secretary of the Navy to use data so obtained for governmental purposes, subject to the patent laws of the United States.

With the following committee amendment:

Page 1, line 4, strike out the words "55 acres of land, more or less, in the vicinity of Cabin John, Md." and insert in lieu thereof "a site at a cost not to exceed \$100,000 in the vicinity of Washington, D. C."

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERMS OF UNITED STATES DISTRICT COURT AT WILKES-BARRE, PA.

The Clerk called the next bill, H. R. 11098, to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however,* That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre: *Provided further,* That this authority shall continue only during such time as suitable accommodations for holding court at Wilkes-Barre are furnished free of expense to the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPORTING CERTAIN ALIENS

The Clerk called the next bill, H. R. 11040, to deport certain aliens who secured preference-quota or non-quota visas through fraud by contracting marriage solely to expedite entry into the United States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I ask unanimous consent that this bill be passed over without prejudice. I may say I am only doing this at the request of the gentleman from Ohio [Mr. JENKINS], who is somewhat interested in the bill and has requested that I do this in order that he may discuss it with the lady from New York [Mrs. O'DAY] before the next call of the calendar.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXEMPTION FROM TAXATION RECEIPTS FROM OLYMPIC GAMES

The Clerk called the next bill, H. R. 11327, to exempt from taxation receipts from the operation of Olympic games if donated to the State of California, the city of Los Angeles, and the county of Los Angeles.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Reserving the right to object, I would like to ask the gentleman from California why the Federal Government should give up its receipts to any subdivision?

Mr. DOCKWEILER. The Federal Government is not really giving up anything, as appears from the report, page 2, on which appears the following statement from the Treasury Department:

Since the language of the bill is deemed to be merely declaratory of existing exemptions with respect to income and gift taxes, this Department has no objection to its enactment.

In other words, the Treasury Department does not believe there would be any tax, either income, gift, or inheritance, levied against this corporation which conducted the Olympic games in California.

Mr. MARTIN of Massachusetts. Does it have anything to do with the admissions tax?

Mr. DOCKWEILER. It has nothing to do with the admissions tax whatsoever. The admissions tax was paid in every case on every admission which was purchased on the occasion of the Olympic games held in Los Angeles.

Mr. MARTIN of Massachusetts. They must be expecting some profit or the bill would not direct the profit be turned over to the State and county.

Mr. DOCKWEILER. The Olympiad Committee, Inc., did not expect to make a profit. It was organized by some of our very civic-minded men, and we never anticipated any profit. The State of California issued \$1,000,000 of bonds to help defray the expenses.

A part of this—about \$1,250,000—we want to repay to the State of California, the \$1,000,000 in anticipation of the due date of these bonds; and we want to repay to the city and county of Los Angeles, which also made contributions

toward the holding of these games, some moneys they paid us.

As the gentleman will note from the letter of the Treasury Department, attention is called by the Bureau of Internal Revenue to the fact that a decision of the Supreme Court of California has been rendered which holds that the surplus money from the operation of the Olympic games belongs to the Tenth Olympiad Committee; that the committee is ready to dissolve or dispose of its surplus; and that technically its members are entitled to the whole surplus, share and share alike, as a liquidating distribution but that the members have waived their rights in favor of gifts of such surplus by the committee of the State of California, the city of Los Angeles, and the county of Los Angeles.

Mr. MARTIN of Massachusetts. Would not the members of this Olympiad Committee be obliged to pay a tax; and are we not giving up the right of the Federal Government to collect that tax?

Mr. BUCK. If the gentleman will yield for a moment, I think I can perhaps explain the situation to his satisfaction.

The American Olympic Association endeavored to collect any surplus moneys and prevent them from being paid back to the incorporators of the Tenth Olympiad Committee. The Tenth Olympiad Committee was a voluntary, non-profit organization composed of certain representative gentlemen of California. Money was loaned to this committee by the State of California and by the city and county of Los Angeles. The Supreme Court on March 21, 1935, decided that the American Olympic Association had no right to these funds; that they belonged to the Tenth Olympiad Committee. This committee is a nonprofit organization.

The Treasury Department at the present time feels that there is no tax coming from these people as individuals growing out of these Olympic games; but they feel there might be some adverse ruling in the future; so we are asking Congress to pass a declaratory statute that such money as they received in transit and pass over to the State of California and to the city and county of Los Angeles be declared exempt from taxation.

Mr. MARTIN of Massachusetts. There is no urgency about the matter; we can let it go over for another 2 weeks.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERRY VICTORY MEMORIAL, PUT IN BAY, OHIO

The Clerk called the next bill, H. R. 8474, to provide for the creation of the Perry's Victory and International Peace Memorial National Monument on Put in Bay, South Bass Island, in the State of Ohio, and for other purposes.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I hesitate to object to this bill. I am somewhat acquainted with this monument and I think it should be perpetuated. The monument and the park have been there for many years.

I am of the opinion this is just a transfer of the obligation to maintain the park and the monument to the Federal Government.

There is one thing, however, which does compel me to object to the bill in its present form, and that is section 5, which provides that the employees of the Perry Victory Memorial Commission may be employed without regard to the civil-service laws. In order that the committee may take into consideration my objection, I ask unanimous consent that the bill may go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRELIMINARY EXAMINATION OF COSATOT RIVER, ARK.

The Clerk called the next bill, H. R. 9235, to provide for a preliminary examination and survey of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning

out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination and survey to be made of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river, with a view to the control of floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River, and the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, line 4, strike out "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods."

A motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF RED AND LITTLE RIVERS, ARK.

The Clerk called the next bill, H. R. 9236, to authorize a preliminary examination and survey of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination and survey to be made of the Red and Little Rivers, Ark., insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of floods of the Mississippi River and the Sacramento River, Calif., and for other purposes", approved March 1, 1917, and the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, line 4, strike out the words "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods."

PRELIMINARY EXAMINATION OF LITTLE MISSOURI RIVER, ARK.

The Clerk called the next bill, H. R. 9249, to provide for a preliminary examination and survey of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I inquire how much money is being expended for all these different surveys?

Mr. CRAVENS. This bill does not provide for a survey.

Mr. MARTIN of Massachusetts. I am not referring particularly to this bill. I am taking this opportunity, however, to find out how much money is being expended for all these different surveys. Can the gentleman throw any light on that inquiry?

Mr. TERRY. These are not my bills, but I can answer the question in a general way.

Mr. MARTIN of Massachusetts. That is what I want the gentleman to do. I am asking for information.

Mr. TERRY. When one of these bills is passed calling for an examination but not a survey the practice is for the district engineers' office having charge of that area to send one or more of their engineers into the area affected. They make an informal examination; and if they think there is anything worth while, they make a report to the Rivers and Harbors Board of Engineers in Washington. Then that Board takes the matter up further.

Mr. MARTIN of Massachusetts. Then there is not a great amount involved in any of these preliminary surveys?

Mr. TERRY. It is a preliminary examination by the local engineers' office, that is all.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination and survey to be made of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvement with a view to the control of floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examination, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, line 4, strike out "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods."

A motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF THE PETIT JEAN RIVER, ARK.

The Clerk called the next bill, H. R. 9250, to provide for a preliminary examination and survey of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination and survey to be made of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvement, with a view to the control of floods, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, line 4, strike out "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods."

PRELIMINARY EXAMINATION OF BIG MULBERRY CREEK, ARK.

The Clerk called the next bill, H. R. 9267, to provide for a preliminary examination and survey of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination and survey to be made of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the control of floods, in accordance with the provision of section 3 of an act entitled "An act to provide for the control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, and the cost thereof to be paid from appropriations heretofore or hereafter made for the examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

Page 1, line 4, strike out "and survey."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended to read as follows: "A bill to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods."

PRELIMINARY EXAMINATION OF CADRON CREEK (ARK.)

The Clerk called the next bill, H. R. 9874, authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Cadron Creek, Ark., a tributary of the Arkansas River, with a view to the control of floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

PERISHABLE AGRICULTURAL COMMODITIES ACT, 1930

The Clerk called the next bill, H. R. 8759, to amend the act known as the Perishable Agricultural Commodities Act, 1930, approved June 10, 1930, as amended.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I wonder if the gentleman from California will explain the purpose of this bill?

Mr. BUCK. Mr. Speaker, it is provided by the Perishable Agricultural Commodities Act that where reparation awards have been made to shippers by the Secretary of Agriculture at any time within 2 years prior to the application for renewal of an old license or for a new license, and they still remain unpaid, the Secretary may refuse to issue a license to the applicant. It was the intention of Congress in adopting the amendment that I proposed 2 years ago to provide that the words "said applicant" should refer back to the words "partnership, association, or corporation" in a previous subsection, but the Solicitor has ruled that the language adopted is not sufficient.

The purpose of this bill is to provide new language in section 2, subsection 4, providing that if the Secretary finds after notice and hearing in case the applicant is a partner-

ship, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant, had previously, at any time within 2 years, been responsible in whole or in part for any flagrant or repeated violation of the provisions of section 2, the application may be refused.

The point is that at the present time a man may be engaged in the perishable commodity business as an individual. When his license is about to expire, even though he has repeatedly refused to pay the awards against him or otherwise has violated the act, he may incorporate and receive a new license. The Solicitor has ruled that in the case of a new corporation there is not sufficient language to justify the Secretary in keeping these wicked operators out of the perishable business.

Mr. WOLCOTT. I understand that one of the purposes of the bill, and perhaps the principal purpose, is that heretofore the wording of the bill has been such that it has compelled the issuance of licenses in some instances where the Secretary of Agriculture would have preferred not to issue the license?

Mr. BUCK. The gentleman's understanding is correct.

Mr. WOLCOTT. This bill is to correct that abuse?

Mr. BUCK. Yes.

Mr. WOLCOTT. With that explanation, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 4 of section 2 of the Perishable Agricultural Commodities Act of 1930, as amended, is hereby amended to read as follows:

"(4) For any commission merchant, dealer, or broker to make, for a fraudulent purpose, any false or misleading statement in connection with any transaction involving any perishable agricultural commodity which is received in interstate or foreign commerce by such commission merchant, or bought or sold, or contracted to be bought, sold, or consigned, in such commerce by such dealer, or the purchase or sale of which in such commerce is negotiated by such broker; or to fail or refuse truly and correctly to account promptly in respect of any transaction in any such commodity to the person with whom such transaction is had;"

SEC. 2. That paragraph (b) of section 4 of the Perishable Agricultural Commodities Act of 1930, as amended, is hereby amended to read as follows:

"(b) The Secretary shall refuse to issue a license to an applicant (1) if he finds that the applicant has previously been responsible in whole or in part for any violation of the provisions of section 2 for which a license of the applicant, or the license of any partnership, association, or corporation in which the applicant held any office, or, in the case of a partnership, had any share or interest, was revoked; or (2) if he finds after notice and hearing that at any time within 2 years said applicant was responsible in whole or in part for any flagrant or repeated violation of the provisions of section 2; or (3) if he finds, in case the applicant is a partnership, association, or corporation, that any individual holding office or, in the case of a partnership, having any interest or share in the applicant, has previously been responsible in whole or in part for any violation of the provisions of section 2 for which the license of such individual, or of any partnership, association, or corporation in which such person held any office, or, in the case of a partnership, had any share or interest, was revoked; or (4) if he finds, after notice and hearing in case the applicant is a partnership, association, or corporation, that any individual holding any office or, in the case of a partnership, having any interest or share in the applicant, subject to his right of appeal under section 7 (b), has failed, except in case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office, or, in case the applicant is a partnership, association, or corporation, that any individual holding any office, or, in the case of a partnership, having any interest or share in the applicant, subject to his right of appeal under section 7 (b), has failed, except in the case of bankruptcy, to pay within the time limit provided therein any reparation order which has been issued, within 2 years, against him as an individual, or against a partnership of which he was a member, or an association or corporation in which he held any office. Notwithstanding the foregoing provisions, the Secretary, in the case of such applicant, may issue a license if the applicant furnishes a bond or other satisfactory assurance that his business will be conducted in accordance with the provisions of the act and that he will pay all reparation orders which may previously have been issued against him for violations, or which may be issued against him within 2 years following the date of the license, subject to his right of appeal under section 7 (b), but such license shall not be issued before the expiration of 1 year from the date of revocation of license or from the date of the

Secretary's finding that the applicant has been responsible, in whole or in part, for any flagrant or repeated violation of section 2;."

Sec. 3. That paragraph (c) of section 7 of the Perishable Agricultural Commodities Act, 1930, as amended, is hereby amended to read as follows:

"(c) Either party adversely affected by the entry of a reparation order by the Secretary may, within 30 days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which said hearing was held: *Provided*, That in cases handled without a hearing in accordance with paragraphs (c) and (d) of section 6 or in which a hearing has been waived by agreement of the parties, appeal shall be to the district court of the United States for the district in which the party complained against is located. Such appeal shall be perfected by the filing of a notice thereof, together with a petition in duplicate, which shall recite prior proceedings before the Secretary, and shall state the grounds upon which petitioner relies to defeat the right of the adverse party to recover the damages claimed, with the clerk of said court with proof of service thereof upon the adverse party by registered mail. The clerk of court shall immediately forward a copy thereof to the Secretary of Agriculture, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima facie evidence of the facts therein stated. Appellee shall not be liable for costs in said court, and if appellee prevails he shall be allowed a reasonable attorney's fee to be taxed and collected as part of his costs. Such petition and pleadings certified by the Secretary upon which decision was made by him shall, upon filing in the district court, constitute the pleadings upon which said trial de novo shall proceed subject to any amendment allowed in that court;."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting, *Liev Eiriksson Discovers America*.

CONSENT CALENDAR

CHICKASAWHA RIVER IN THE STATE OF MISSISSIPPI

The Clerk called the next bill, H. R. 8694, to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to call a preliminary examination to be made of the Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

With the following committee amendment:

On page 1, line 4, strike out "call" and insert "cause."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

SAN DIEGO RIVER IN THE STATE OF CALIFORNIA

The Clerk called the next bill, H. R. 10583, to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a preliminary examination to be made of the San Diego River and its tributaries in the State of California, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NAVAL RESERVE

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Reserve bill I have introduced.

The SPEAKER pro tempore (Mr. O'CONNOR). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MAAS. Mr. Speaker, the world situation is such today that it behooves the United States to take every precaution to ward off the danger of our being drawn into war, but to be adequately prepared to defend ourselves against any threat to us as a result of a possible world-wide conflict.

The best way to do both of these things is to properly build up our trained civilian components of the military and naval forces. Since the Navy is our first line of defense, it must be completely ready to go into defensive action at all times. In order to do this, there must be provided in times of peace an adequately trained Naval Reserve of twice the size of the regular peacetime Navy.

For every officer and man in the Navy now we will need two additional Reservists.

The civilian military trained Reservist is the best guaranty of our safety and is certainly no military threat to the peace of the world. He has everything to lose and nothing to gain by war, but he makes by far the most effective defense force because he is able to effectively fight to defend his family and home.

Willingness to defend one's country is not enough. To be effective, one must also be trained to do the job.

Well-trained Reserves are the cheapest and most effective defense forces possible, and they are never going to try to stimulate aggressive nor overseas wars.

Unfortunately, our Naval Reserve is not at present an effective force. Because of its pitifully small size and inadequate training, it is not in a position to permit quick mobilization of even a treaty Navy. Immediate, effective mobilization of the Navy is the heart of our national-defense plans.

The Naval Affairs Committee of the House, last session of Congress, came to a realization of the inadequacy of our Naval Reserve, and so the able chairman of the committee appointed a select subcommittee, of which I have the honor of being a member, to make a full study and to make recommendations for a proper program. Our select committee, under the direction of its chairman, Hon. JOHN J. DELANEY, held extensive hearings. The results of a Navy board, which studied the problem, were presented to us. Representatives of the United States Naval Reserve Officers Association testified and made recommendations after extensive studies upon their part.

As a result of these elaborate reports and recommendations and following a personal intensive study of the matter, both in committee and throughout the country, made on a private trip last summer and fall, I have introduced two bills to carry out the objectives of providing a proper and definite program for building up such a Naval Reserve as will accomplish the purpose for which a Reserve is needed—the mobilization of the Navy in time of emergency.

Since the present method of administering the Naval Reserve has not accomplished the desired results, I have provided a new set-up, somewhat similar to that of the National Guard Bureau in the War Department, which has brought that arm of defense to such a high and yet economical state of efficiency.

Such a bureau in the Navy Department will be resisted by many old line officers just as the National Guard Bureau was resisted in the Army.

Today, no one connected with the Army would have the National Guard system changed if he could. The whole Army is proud of the National Guard and its splendid administration.

To object to a Reserve bureau in the Navy is to indict the bureau system as it exists today, and not of the proposed method of administering the Reserve as such.

If the bureau system is good for the various activities of the Navy, then it should be good for the Reserve. After all, it is the system that the Navy has built up, and I am merely adapting it to one of the most vital activities of the Navy—training and organizing the Reserves.

At present, because of the loose, unwieldy, and overlapping system of administering the Reserve, in which every bureau has a hand but little responsibility, the results are most unsatisfactory. All the testimony demonstrated the necessity for a unified, coordinated administrative set-up with a definite program and plan—something now sadly lacking.

The committee is convinced that the present Reserve presents the finest material possible, if properly directed and expanded.

At present a number of officers have responsible direction over various Reserve matters, but these same officers have many other duties and responsibilities beside directing Reserve activities. Reserve is a side line with them, while it represents a major national policy to the country.

The present method leaves the direction of Reserve policies in the hands of officers who are coming and going, their contact with Reserve matters being comparatively short, and then only a minor part of their duties. The result is necessarily a complete lack of continuity of policy and the absence of a definite program.

The policy and program of the Reserve is the policy and program of the officer in charge at the moment.

The establishment of a Reserve bureau should result in a definite program and intelligent long-time planning.

The bill provides for reaching the necessary minimum requirements of the Navy by definite annual steps.

The bill also provides for placing annually on active duty with the Regular Naval Establishment 500 Reserve officers, 25 of whom each year shall be commissioned in the line of the Navy and Marine Corps. This should have a very healthy effect. It will bring to the Navy, fresh each year, the best civilian point of view and indoctrinate into the Regular Navy the civilian philosophy. It will give new blood to the service.

At the same time, these Reserve officers, going back to civilian pursuits each year after their year's contact with the Navy, will carry back to the general public in a splendid manner the real needs of the Regular Establishment.

This bill will provide a trained Reserve based exclusively upon qualifications and ability of officers and men for the ranks which they will fill in time of national emergency or war.

To sum up, this new Reserve with its definite objectives, definite training program, its extension of the principles of naval administration to include the Reserve, the weeding out of all inactive personnel, the system set-up that all rewards go only to such officers and men who establish, maintain, and improve their professional efficiency, should result favorably and create a Naval Reserve of which the Navy and the country may well be proud. I think, too, that the recognition accorded to the Reserve by many of the provisions of this bill should create a new morale, a new desire to serve, a throwing off of a possible inferiority complex by the realization that the required professional skill may well and profitably be sought for and attained.

The continuance of a small number of Reserve officers on active duty in the naval districts will assure the necessary contacts with civilians, civilian authorities, and local naval authorities to further the best interests of the Navy and the Reserve.

To insure full and proper administration of the Reserve there is provided an Assistant Secretary of the Navy in charge of such activities. It is certainly not asking too much to have the administration of an activity which is twice the size of the Regular Navy itself administered by an Assistant Secretary. This assures that a major policy of the Congress in our Naval Establishment will be carried out by a responsible civilian official.

A synopsis of these two bills which will provide the above program will show just how this is to be accomplished.

DIGEST OF H. R. 11681

A bill to provide for the reorganization, administration, and maintenance of the United States Naval Reserve, the United States Marine Corps Reserve, and for other purposes.

Section 1: States that an adequate Naval and Marine Corps Reserve composed of such numbers and classes as Congress may direct is necessary for the national defense in time of war or national emergency, for expansion and operation of the Navy and its activities.

Section 2: Creates United States Naval Reserve to be made up of three classes—fleet, volunteer, and merchant marine. Also a Marine Corps Reserve of two classes—fleet and volunteer.

Section 3: Subjects the Marine Corps Reserve to the provisions of this act and subsequent acts affecting the Naval Reserve so far as they are adapted.

Section 4: Repeals the act of February 28, 1925, and various other acts which are pertinent.

Section 5: Declares the Naval and Marine Corps Reserve to be integral components of Navy and Marine Corps, respectively, and to be administered accordingly except as otherwise provided.

Section 6: Transfers to the new Reserves in their present ranks, grades, warrants, or ratings all personnel now covered by the act of 1925 except enlisted men receiving compensation as the result of 16 or more years' service in the Navy or Marine Corps.

Section 7: Transfers to the graded retired list of the Navy or Marine Corps those long-service enlisted men not transferred to the new Reserve by section 6.

Section 8: Transfers to the new fleet reserves the personnel in the former fleet and volunteer general classes who have established their professional qualifications, except those enlisted men transferred to the graded retired list by section 7.

Section 9: Transfers the old volunteer special class to the new United States volunteer Reserve as qualified therefor.

Section 10: Provides similar transfer of the Merchant Marine Reserve personnel to its new class.

Section 11: Provides that all personnel as transferred shall retain their respective dates of precedence.

Section 12: Provides for an Assistant Secretary of the Navy to supervise the administration of this act under the directions of the Secretary.

Section 13: Provides for a staff to assist, consisting of Reserves, Regulars, and civilians.

Section 14: Creates a Bureau of the Naval Reserve in the Navy Department under the direction of Secretary of Navy.

Section 15: Provides a Chief of the Bureau of the Naval Reserve, to be appointed by the President, and prescribes manner in which he shall be recommended for appointment by selection from a list compiled by a board of seven members, appointee to be confirmed by Senate.

Section 16: Only qualified or confirmed officers of the Naval Reserves of the grade of lieutenant commander or above shall be considered for this appointment.

Section 17: Chief of Bureau shall serve 4 years, unless removed for cause; shall not succeed himself, and when 64 years old shall cease to hold office. His rank shall be that of rear admiral, United States Naval Reserve, and while serving shall receive similar pay and allowances of other chiefs of bureaus.

Section 18: Provides for the detail of requisite regular personnel deemed necessary for the instruction of the Reserve by the Secretary of the Navy.

Section 19: Similar to section 18 but relates to Naval Reserve and Marine Corps Reserve personnel.

Section 20: Relates to employment of civilian personnel to carry out this act.

Section 21: Creates a Naval Reserve Policy Board of 10 members who shall be experienced officers, half to be Navy and half to be Reserves, one of each group to be a marine, the Assistant Secretary to preside. Board to meet annually in October and oftener if necessary, shall study and recommend policies for the Reserve. Two members shall be appointed from States with Naval Militia organizations with

95 per cent of their personnel members of the Naval Reserve. Recommendations shall be requested from adjutants general of such States for study by this Board.

Section 22: All other courts and boards dealing with Reserve matters and not specifically provided for shall consist of equal numbers of Regulars and Reserves.

Section 23: Provides for segregating Fleet Reserve into two parts—seagoing and aviation—qualified for combatant duties and available for immediate mobilization.

Section 24: Provides for organization of seagoing class Fleet Reserve into units or individuals for duties on board combatant vessels of the Navy.

Section 25: Provides similarly for aviation class Fleet Reserve.

Section 26: Provides for mandatory training periods Fleet Reserve not to exceed 15 days annually.

Section 27: Authorizes drill pay at rate of one-thirtieth of monthly base pay, for duty under competent orders as prescribed by Secretary of the Navy, not to exceed 60 drills in any one fiscal year.

Section 28: Authorizes appropriate duty pay not to exceed \$10 per week for certain officers under regulations prescribed by Secretary of the Navy.

Section 29: Authorizes command pay at rate of \$240 per year for administrative functions prescribed under Secretary of the Navy regulations.

Section 30: Authorizes a moderate uniform allowance for Fleet Reserve officers in peacetime and for all officers in wartime.

Section 31: Provides for an inspection board of regular officers to inspect and report upon the qualifications of the Fleet Reserve units, annually.

Section 32: Federally recognizes the Organized Militia and members thereof of certain States and provides for the loan of vessels and equipment under certain conditions, namely, conformation with standards prescribed by Secretary of the Navy.

Section 33: Provides that distribution of commissioned officers of the line in the Fleet Reserve shall be same relatively as authorized by law for the Navy and Marine Corps and not less than 12 percent of enlisted men of this class. Present personnel who are to be transferred to the new Fleet Reserve under section 6 are protected in their grades.

Section 34: Provides that number and distribution of commissioned officers of the Staff Corps of the Fleet Reserve in the several grades shall be in the same proportion, relatively, as authorized for the Staff Corps of the Navy and Marine Corps.

Section 35: Establishes the grade and rank of commodore in the United States Naval Reserve.

Section 36: Provides that computations shall be made annually by the Secretary of the Navy to determine the authorized total number of commissioned officers and the authorized number in each grade.

Section 37: Provides for the commissioning in the Reserve of officers of the Navy or Marine Corps resigning under honorable conditions.

Section 38: Provides for promotion of Fleet Naval Reserve line officers to vacancies in grades above lieutenant commander by selection board, one-half of whom shall be Reserve officers.

Section 39: Provides for promotion of Fleet Naval Reserve staff officers in similar way except that selection board shall contain four officers (two Regular, two Reserve) of particular staff concerned.

Section 40: Provides for promotion Fleet Marine Corps Reserve to vacancies in grades above that of major, both line and staff, by selection board, one-half of which to be Marine Corps and one-half Fleet Marine Corps Reserve.

Section 41: Provides for assignment to Merchant Marine Naval Reserves of personnel of the seafaring profession and connected with certain ships.

Section 42: Provides two classes—Merchant Marine Naval Reserve—organized and unorganized.

Section 43: Prescribes certain qualifications for organized class of Merchant Marine Naval Reserve.

Section 44: Prescribes and authorizes certain training duty for organized class of Merchant Marine Naval Reserve under regulations and conditions set up by Secretary of the Navy.

Section 45: Authorizes drill pay for organized class of Merchant Marine Naval Reserve under certain conditions.

Section 46: Authorizes personnel of unorganized class of Merchant Marine Naval Reserve to apply for training duty.

Section 47: Authorizes Merchant Marine Naval Reserve pennant to be flown on certain ships under certain conditions.

Section 48: Provides for the annual inspection of the units and vessels of the organized class, Merchant Marine Naval Reserve, and report thereon by inspection board. If unsatisfactory conditions are found, pennant warrant may be withdrawn.

Section 49: Provides for transfer or discharge of Merchant Marine Naval Reserve personnel when they become ineligible for class.

Section 50: Assigns to the volunteer Naval Reserve all United States Naval Reserve personnel not otherwise assigned. Assigns to the volunteer Marine Corps Reserve all members of the United States Marine Corps Reserve who are not assigned to Fleet Reserve.

Provides two classes, organized and unorganized, in volunteer Naval and volunteer Marine Corps Reserves.

Section 51: Prescribes qualifications for the organized class of the volunteer Naval and Marine Corps Reserves.

Section 52: Provides for mandatory instruction and training duty for volunteer classes, as may be prescribed by Secretary of the Navy.

Section 53: Authorizes annual compensation of \$240 to commanding officers of organized volunteer units for faithful performance of administrative duties.

Section 54: Prescribes citizenship of the Reserve and age of entry. Also obligation to perform training duty and serve in Navy in time of war or national emergency, and prohibits membership in any other naval or military organization except the naval militia.

Section 55: Authorizes in the Naval and Marine Corps Reserves the various grades, warrants, and ratings of the Regulars, and provides for appointments, promotions, changes in rating, and transfer between classes to be made in accordance with regulations prescribed by Secretary of the Navy.

Section 56: Provides that original appointments of Reserve officers shall be provisional and made by Secretary of the Navy. Upon qualifying under regulations for duties of grade they shall be certified for appointment by President and thereafter become eligible for promotion.

Section 57: Authorizes qualified Fleet Reserve officers of or above grade of lieutenant commander or equivalent to be confirmed by Senate.

Section 58: Provides that all other commissioned Reserve officers who have established their qualifications in grade and class shall be appointed by the President alone upon certification by Secretary of the Navy.

Section 59: Provides that Secretary of the Navy shall warrant persons in midshipman and warrant grades.

Section 60: Provides that Secretary of the Navy shall make assignments to and transfer between the several classes of the Reserve.

Section 61: Provides that Reserve enlistments be for 4 years and may be extended for varying periods thereafter.

Section 62: Provides that Reserve officer personnel shall be commissioned or warranted in grades authorized by law for Navy and Marine Corps to serve during the pleasure of President or Secretary of the Navy, as case may be.

Section 63: Provides that numbers and distribution of Reserve warrant officers shall be determined by Secretary of the Navy.

Section 64: Provides that the numbers and distribution of commissioned officers by classes and grades in the Volunteer Reserves and Merchant Marine Reserve shall be determined by the Secretary of the Navy. Also that in the staff corps of the Volunteer Reserves there shall be maintained such minimum numbers of captains and commanders or

equivalent as recommended by chiefs of the respective staff bureaus of the Navy and Commandant of Marine Corps.

Section 65: Provides that promotions in Reserves not otherwise covered in this act shall be as prescribed by the Secretary of the Navy.

Section 66: Provides for manner of separation of Reserve personnel from service in peace and war.

Section 67: Authorizes appointment from enlisted Reserves of 50 midshipmen annually.

Section 68: Authorizes active duty with Navy or Marine Corps for 1 year 500 professionally qualified Reserve line officers.

Section 69: Authorizes for 10 years the annual commissioning in the Navy of 25 Reserve officers who have qualified for seagoing or aviation duties. Five to be in Marine Corps and 20 in line of the Navy.

Section 70: Provides for active duty with pay of Reserve personnel in peacetime in naval districts and areas, such numbers as the Secretary of the Navy may require to carry out this act.

Section 71: Provides that all Reserve personnel may be ordered to active duty in time of war or national emergency, by the Secretary of the Navy, to service for such duration. In time of peace consent of individual is required. Release from duty may be by request or for cause after a hearing.

Section 72: Provides when Reserve personnel shall be subject to the laws, regulations, and orders from the government of the Navy and the duration thereof.

Section 73: Authorizes and prescribes the pay and allowances of Reserve personnel when in active or training duty and what service shall be included in computing same.

Section 74: Prescribes uniform bedding and equipment allowances of Reserve enlisted men and issue thereof by regulations.

Section 75: Establishes jurisdiction of the United States Employees' Compensation Commission in cases where members of the Reserve incur injury, illness, or death under certain conditions in line of duty in time of peace.

Section 76: Provides for precedence of Reserve officers among themselves according to date of appointment, except as otherwise provided. Officers of the same date shall be regulated by Secretary of the Navy.

Section 77: Provides that in time of peace Reserve officers take precedence with but after Regulars of the same grade and same or approximately same dates of commission or warrant.

Section 78: Provides for precedence of Fleet Reserve Officers when mobilized for war. If previously confirmed by Senate, they shall take precedence with but after a running mate of the Regulars assigned by Secretary of the Navy, and thereafter by seniority.

Section 79: Provides for precedence when mobilized for war, of Reserve officers who have qualified in grade, but not confirmed, by assignment of running mates in the Regular service as in section 78.

Section 80: Provides for precedence when mobilized for war, of Reserve officers who have not been confirmed nor found qualified. They take precedence with, but after the junior regulars, in the line on mobilization date, and thereafter are subject to promotion by seniority with assigned running mate.

Section 81: Provides that in time of war commissioned Reserve officers on active list and on active duty shall be advanced in grade as prescribed for the Regulars and take precedence in accordance with date of advancement, and upon establishing his qualifications by examination as prescribed. Reserve officers who are advanced shall receive pay allowance of higher grade from date of commission. This section does not apply to retired Reserve officers.

Section 82: Provides that when serving in time of war, Reserve personnel shall be entitled to all rights, privileges, and benefits, except retirement for age, that are accorded by law to Regulars.

Section 83: Provides for quadrennial physical examination for Reserve officers and honorable discharge or retirement if found not qualified. Age in grade retirements under certain conditions also provided for.

Section 84: Establishes 64 years as compulsory retiring age for Reservists. May voluntarily retire after 30 years' service.

Section 85: Authorizes a limited retired pay up to 50 percent of active pay (from Navy) for Reserve personnel of the honorary retired list, who have performed not less than 20 years' active service.

Section 86: Authorizes similar benefits to those set forth in section 85 to apply to certain enlisted shipkeepers.

Section 87: Provides for reenlistment of certain Reservists in the Navy or Marine Corps.

Section 88: Outlines the duties of the Secretary of the Navy in connection with Reserves' administration and not otherwise covered in this act. Provides also that Federal employees who are Reservists shall be entitled to leave without loss of pay while performing training duty.

Section 89: Prescribes that the Reserve shall be administered with the definite objective of reaching the prescribed numerical strength, in qualified personnel, within 10 years and if possible by equal annual increments.

Section 90: Authorizes the appropriation of necessary funds annually for the support of the Reserves.

Section 91: Authorizes the part-time employment of scientists, technicians, and specialists—various bureaus and officers of the Navy Department, and that bureau appropriations in certain cases shall be available for active-duty pay and allowances of Reserve officers ordered to such duty by the Secretary of the Navy.

Section 92: Provides that Secretary of the Navy shall submit annual statement to Congress in considerable detail, showing the sums required for the various Reserve purposes by separate classes, namely, Fleet, Volunteer, and merchant-marine classes during succeeding fiscal year; the numerical strengths of said classes are also established in this section.

Section 93: Authorizes the use of unobligated funds from Reserve appropriations for current fiscal year to carry out this act.

Section 94: Provides that Secretary of the Navy shall submit annual report to Congress for preceding fiscal year, which shall contain certain specified matters concerning:

First. Numerical strengths in detail at beginning and end of year.

Second. Officers confirmed at beginning and end of year.

Third. Qualified personnel at beginning and end of year.

Fourth. Provisional appointments at beginning and end of year.

Fifth. Separation from Reserve in detail, and reasons therefor.

Sixth. Cost of Reserve in preceding fiscal year, with appropriate detail.

Seventh. Recommendations for progressive development over the 10-year period, with estimated cost in detail.

DIGEST OF H. R. 11682

A bill to establish a graded retired list for the enlisted men of the Navy and Marine Corps who were transferred to Fleet Naval Reserve by act of February 28, 1925, without loss of previous rate of pay or benefit; upon completion of 20 years' total service, transfer to retired list of Navy with legal pay; plus allowances, of regular 30-year Navy men.

Section 4: Provides for transfer to the graded retired list with one-third base pay, plus permanent additions, at time of transfer if service has been 16 years but less than 20; if 20 or more years' service, the rate is one-half; 10 percent added for heroism or high good-conduct marks. After 30 years' total service, they go to Regular Navy retired list. Men affected are: (a) The enlisted men serving in Navy on July 1, 1925, and now serving; (b) or who upon discharge reenlisted in Navy within 3 months; (c) or who serving in Naval Reserve force on July 1, 1925, in enrollment within 4 months of Navy discharge and who have or hereafter may reenlist in Navy within 3 months of discharge from Naval Reserve.

Section 5: Men enlisting in Navy after July 1, 1925, and those enlisting after passage of this act must serve 20 years before applying for transfer to graded retired list; except when on active duty, pay is one-half of base. After 30 years total they go to retired list of Navy with one-half base pay of rating, plus permanent additions and allowances.

Section 6: Authorizes certain computations of service requisite for transfer.

Section 7: Authorizes Navy Department to supervise transfers and makes its findings final in determination of such questions as pay and allowances, rank, rating, length of service, may correct errors, etc. Allows double time now authorized by law to count toward retirement.

Section 8: Provides for forfeiture of pay for failure to report for inspection under conditions prescribed by Secretary of Navy.

Section 9: Provides for optional 2 months' active duty each 4 years and physical examinations once in 4 years. If found not qualified for war duty, transfer to the retired list of Navy with pay of transfer date. After 30 years' total shall receive pay authorized by law. Provides for sick rations in hospital under certain conditions.

Section 10: Provides that transferees shall at all times be governed by Navy law and regulations; no discharge without consent of transferee except by court-martial sentence or conviction of felony by civil authorities, in discretion of Secretary of Navy after opportunity to submit written statement before final action.

Section 11: Provides for appointment, under regulation by Secretary of the Navy, of commissioned or warrant grade in event of war or national emergency; and upon release, resume former status without loss of any benefit, but retaining rank without pay increase.

Section 12: Effective date of act, July 1, 1936.

THE CONSENT CALENDAR

PAY AND ALLOWANCES IN THE ARMY, NAVY, MARINE CORPS, COAST GUARD, COAST AND GEODETIC SURVEY, AND THE PUBLIC HEALTH SERVICE

The Clerk called the next bill, S. 3281, to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended."

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, as I understand, this bill is to put the Coast and Geodetic Survey upon a basis of equality with the other services referred to.

Mr. BLAND. That is the purpose of the bill. There is a discrimination in view of the important duties that are performed by this officer and the bill puts him on a parity with the other officers.

Mr. WOLCOTT. The effect will be to raise their salaries to that existing in the Coast Guard?

Mr. BLAND. No; the head of the Coast and Geodetic Survey will be raised and put on a parity with the heads of the other bureaus.

Mr. WOLCOTT. The purpose is to put him on an equality with the others.

Mr. BLAND. That is the sole purpose; yes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended", be amended to read as follows:

"Sec. 5. That the Director of the Coast and Geodetic Survey shall be appointed and hold office as now authorized by law; his appointment shall not create a vacancy, and while holding said office he shall have the rank, pay, and allowances of a Chief of Bureau of the Navy Department."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING CAPACITY OF PANAMA CANAL

The Clerk called the next resolution, House Joint Resolution 412, to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Governor of the Panama Canal is hereby authorized and directed to investigate the means of increasing the capacity of the Panama Canal for future needs of interoceanic shipping, and to prepare designs and approximate estimates of cost of such additional locks or other structures and facilities as are needed for the purpose, and to make progress reports from time to time of the results thereof.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

ALIEN EMPLOYEES OF THE PANAMA CANAL

The Clerk called the next bill, H. R. 4991, authorizing superannuation disability pay for alien employees of the Panama Canal.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the chairman of the committee if this sets up an old-age pension for the superannuated employees of the Panama Canal?

Mr. BLAND. No; the bill takes care of the particular class that is mentioned here, the old and faithful employees who have been working there for years and who were brought in for construction purposes on the Canal. It serves as an old-age pension for this particular class of employees.

Mr. WOLCOTT. Is there any provision as to the amount of time they must be employed in order to participate?

Mr. BLAND. Yes.

Mr. WOLCOTT. The thought I have in mind is whether we are not, perhaps, discriminating against our own citizens in the passage of this bill in favor of the aliens who have been employed there.

Mr. BLAND. Our own citizens have already been taken care of, and at a much better rate of pay.

Mr. WOLCOTT. How long must an alien be employed by the Panama Canal in order to be eligible under this bill?

Mr. BLAND. Ten years of service on the Panama Canal, including any service on the Panama Railroad on the Isthmus of Panama.

Mr. WOLCOTT. And the beneficiary gets this only when he is mentally or physically disabled, presumably, as a result of his service or employment on the Panama Canal?

Mr. BLAND. Not necessarily as a result of his service, but from age or disability. Many of these men, I may say, were recruited when the construction of the Panama Canal was in process.

Mr. BLANTON. Mr. Speaker, I want to ask the gentleman from Virginia a question. How many employees, approximately, will this embrace?

Mr. BLAND. I do not recall now, but I may say the report shows the amount will gradually increase from \$12,000 for the first year to \$121,000 in the twentieth year, and will stop there.

Mr. BLANTON. It will stop entirely in 20 years?

Mr. BLAND. That will be the maximum attained. I do not want to say it will stop then, but the maximum will be attained in 20 years and will amount to \$121,000.

Mr. BLANTON. The gentleman means that in 20 years the amount will gradually increase to \$121,000 and thereafter will not be increased but will be continued indefinitely until they die.

Mr. BLAND. That is, if this class of employees is still employed by the Canal?

Mr. BLANTON. Will it embrace eventually employees who are not now employed?

Mr. BLAND. Yes; I should say it would.

Mr. BLANTON. It will embrace all new employees who are to be employed hereafter?

Mr. BLAND. It would embrace all the alien employees, but there is a tendency, of course, to get American labor so far as conditions will permit.

Mr. BLANTON. And these men who are to draw pensions are not American citizens?

Mr. BLAND. No; they are not.

Mr. BLANTON. And they do not intend to become American citizens?

Mr. BLAND. The evidence shows many of them desire to become American citizens, but there was no naturalization court and no opportunity in the Panama Canal for them

to become American citizens. I talked with many of them when I was down there last summer, and some of them are as fine a type of man as I have ever seen.

Mr. BLANTON. Does my friend think that we ought to extend old-age pensions to these people before we have provided for all of our own nationals? Many States have not taken advantage of the Federal law. Does the gentleman think that we should provide old-age pensions to these people before we provide old-age pensions for all of the citizens of the United States?

Mr. BLAND. I will say that when the bill was first brought to my attention I felt a prejudice against it mainly on the ground stated by the gentleman from Texas. But these beneficiaries, we must remember, were brought in there for the purpose of construction. Many are employed on the Panama Canal now. If they go back home they are a burden on the islands. They cannot return to the city of Panama without being put on charity there. It is one of those things that unfortunately arise, a peculiar condition, and probably could exist nowhere else in this country.

Mr. BLANTON. Mr. Speaker, I think the Government of the United States has done more for Panama and the people living in that section, in bettering health conditions and in furnishing employment to an army of them. [Cries of "The regular order!"] Then, Mr. Speaker, if two Members are so petulant they cry "Regular order" and we cannot discuss the matter of granting these pensions to aliens, I object to the bill, and we will stop it right here.

The SPEAKER pro tempore (Mr. O'CONNOR). Objection is heard.

ARE YOU TAX CONSCIOUS?

Mr. HARTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address that I made on Saturday last.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARTLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following address on the tax problem which I delivered on the radio on March 14, 1936, through the courtesy of the National Broadcasting Co.:

My talk, tonight, may differ from the usual discussion of political and economic subjects in that I am not going to vilify anyone or call anyone names.

I propose to talk to you on one of the most important and vital problems of our Government, the tax problem. It has been said that two things are certain; death and taxes. Yet there's a difference between the two. Death doesn't get worse every time Congress meets.

In its last session, Congress appropriated \$9,948,370,000. To give you an idea of just how fast your money is being spent by the Federal Government, I call to your attention that that figure represents over \$27,000,000 every day, over \$1,000,000 every hour, over \$18,000 every minute, and over \$300 every second. Time will not permit me to elaborate on the merits or demerits of those appropriations of your money. Some of these expenditures are good, some are bad, some necessary, others unnecessary.

When added to the cost of local and State governments and compared with the total national income, it becomes apparent that you, my listeners, are paying nearly 30 cents out of every dollar you earn for the cost of Government. The earnings of over 3 months of your year's work is what you pay to be governed.

The tax bill is now the biggest bill paid by the American people. We pay more for taxes than we do for food or for rent, twice as much as we do for clothing, and six times as much as is spent for light and power.

You may or may not pay an income tax or a real-estate tax, but you are paying it just the same.

The trend in tax legislation in recent years has been most insidious. Taxation has become the art of so picking the goose as to secure the greatest amount of feathers with the least amount of squawking. We have turned from direct taxes on private incomes, which we could all understand, to indirect taxes on private spending, which few can decipher. Our taxes have been disguised, they have been candy coated, or they have been injected as a narcotic, in every business transaction, leaving most of us unconscious of the fact that we are being assessed.

As a result, everything we buy, not only luxuries, but our food and clothing, the very necessities of life, are increased in cost. Let us take a look at some of our hidden taxes.

You have been in the habit of crawling out of bed in the morning from between cotton sheets taxed at over 4 cents a pound. You have gone into the bathroom and turned on the electric light, taxed at 3 percent of your bill. You have brushed your teeth with a dentifrice taxed at 5 percent. The soap you used had a 5-percent tax on it.

When you sat down to breakfast there was a card on your plate printed in invisible ink which you could not read, but which said, nevertheless: "Cover charge payable to government—25 percent of the cost of all food on this table." Your ham was taxed over \$2 per hundredweight. The ice water came from a refrigerator which was taxed 5 percent of what you paid for it. The toast you ate carried 53 separate taxes. Other food, the silverware, linens, dishes, and other household appliances, each bore the sign—also invisible—of hundreds of tax collectors.

When you light a cigarette you are taxed nearly 100 percent. You paid 13 cents for the package, but you didn't notice the little green stamp pasted on the top which, had your curiosity been great enough, would have disclosed to you that Uncle Sam collected 6 cents in tax.

The flivver you drive to the office carries a 3-percent sales tax. Your tires are taxed 2½ cents per pound—the innertubes 4 cents a pound—and when you fill your tank with gas you pay more in taxes on the gas than its wholesale price.

Meantime, your wife's cosmetics, perfumes, and furs and jewels—if she is fortunate enough to possess them—are all taxed 10 percent. If you hunt or fish, your gun and your rod bear a 10-percent tax. If you play golf or tennis, your clubs and rackets each carry a 10-percent tax.

When you get home at night and sit down to a friendly rubber of contract you have paid a 10-cent tax on the cards you use. If you go to the movies or the theater, you pay 1 cent on each 10 cents in excess of the admission price of 40 cents. Other examples and the manner in which the tax is passed on to you could be related ad infinitum.

You may say, well, what difference does it make how I pay it as long as I pay it. It makes a great difference. Direct taxes result in greater interest in the cost of Government. As an example, permit me to call to your attention the situation here following the World War. It is unquestionably true that because the major part of the Government's income was derived from direct taxation, causing greater interest in governmental expenditures, the post-war retrenchments and economies were effected in Washington.

Until 1932 the income tax provided 53 percent of the Government's income, but then an astonishing decline took place, and now we find that less than one-third of its revenue is derived from that source. As we borrow 49 percent of our expenditures and raise 44 percent by hidden taxes, we find the personal income tax pays only 7 percent of the Government's spending.

Only 1 out of every 41 Americans of voting age pay an income tax. Less than 2 percent of our population file a taxable return. In the light of our burdens this is, indeed, an undesirable situation.

Let us compare our position with that of Great Britain. In Britain a married man without dependents begins to pay when his net earnings exceed \$1,060, or about \$20 per week. Here he would pay nothing until his net earnings amounted to \$53 per week. Over there he pays \$26 on a net income of \$1,500, \$67 on \$2,000, and \$157 on \$2,500 net income. Here he pays nothing at all on any of these figures.

All through the lower and middle brackets the British tax is higher than ours. It is only on the very large incomes that our tax is greater than theirs. As a result, they have a far greater stability of revenue.

Between 1926 and 1931 the number of taxable returns in Great Britain varied less than 3 percent, while here it fell off by nearly 40 percent. It is a startling comparison that the number of individuals now paying income tax in Great Britain is one and a half times as large as those in the United States, while their population is about one-third of ours.

But, even if stability of revenue were not an important consideration, their direct method of payment produces a result, making it far more desirable than our experiment in camouflaged levies.

In England, when the taxpayer who earns \$50 per week pays \$157 of his earnings to the Government, his mind's eye traces a straight line from his \$157 contribution to the Government's spending. As a result, England has been able to resist, far more successfully than we, the demands of special groups for special subsidies.

One of the most urgent needs in our national life today is tax consciousness on the part of our people. It is true that the adversity of the last few years has turned the attention of some of the people toward the cost of Government. But, strange as it may seem, the great masses of our people show a marked indifference toward the cost of Government or how the bills are to be paid.

As a result, one group after another, without regard for costs, and often spurred on by utopian money schemes that lead them to believe that their demands won't cost anyone anything, have lined up at the door of the United States Treasury for one kind of a subsidy or another.

The popular impression seems to be that Uncle Sam, in order to obtain these millions and billions, has merely to rub some sort of an Aladdin's lamp. Ah, but there's the rub. There comes a day of reckoning.

For every dollar spent or handed out, a dollar must be collected in taxes, and with interest. We may do tricks with our currency or we may juggle our books, but we can't stop the inevitable; we've got to pay the bills sooner or later. Uncle Sam will stop being a wet nurse only when the masses of our people realize this.

The dawn of tax consciousness in this Nation will arrive only when we have had the courage to discard those taxes, narcotic in their nature, which, while sapping our vitality, leave us blissfully ignorant of their damage, and substitute therefor necessary direct taxes, which we can see and feel.

Although the country needs taxes for revenue, designed to distribute the burden over a larger proportion of the population, no legitimate tax program will be followed during this session of Congress. Piecemeal efforts at reform like those now proposed are both inopportune and inadequate. And, of course, we must remember that this is election year. A President, Senators, and Congressmen have to be elected or reelected. The real music will be faced in 1937.

What then? you may ask. My answer is that if Congress is to do the honest thing tax innovations will be dropped. We'll reject artfully worded tax schemes designed to lead the masses to believe they're escaping the levy, and substitute therefor a broader base for our income-tax structure, commensurate with our ability to pay, comparable with taxes we're all paying indirectly, under a sound and orderly program designed to ultimately balance the Budget.

I hope I can make it clear that what I am advocating is not a greater tax than that which we will be called upon to pay, but rather that our tax program be brought out in the open when our people will know what they have to pay and thus understand what the spending of Federal funds means to their pocketbooks.

This statement may not carry popular appeal. I suppose I'll be told why not "soak the rich" some more. Ladies and gentlemen, under the present "soak the rich" policy there isn't anything left to soak. We could confiscate all the really large incomes and our problem would still be with us. Then I may be asked, Why not get after the big corporations? Why not a manufacturers' sales tax or a transaction tax? In that event who will pay the bill? You, Mr. Average Citizen; you'll pay 90 percent of it by every purchase you make, because it will be passed right on to you.

Some may say, Why not increase the corporation tax? If Uncle Sam took all the net income of every corporation that had a net income, he could obtain less than \$3,000,000,000, and we spend over twice that sum annually.

The answer to this problem is retrenchment in the cost of government, aided and encouraged by direct taxation.

Rather than be waylaid in the dark, let us understand the levy we have to pay, so that tax consciousness may be restored and efficiency and economy in Government become an achievement, rather than a forlorn hope.

CONSENT CALENDAR

REMOVAL OF FINANCIALLY DISTRESSED ALIENS TO THEIR NATIVE COUNTRY

The Clerk called the bill (H. R. 3472) to amend section 23 of the Immigration act of February 5, 1917 (39 Stat. 874).

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I call attention to the fact that this bill was on the calendar last session. I am going to ask that this bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS, Mr. STARNES, and Mr. FORD of Mississippi objected.

REPATRIATION OF CERTAIN NATIVE-BORN AMERICAN WOMEN CITIZENS

The Clerk called the bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. FADDIS, Mr. STARNES and Mr. WOLCOTT objected.

REPATRIATION OF CERTAIN NATIVE-BORN PERSONS

The Clerk called the bill (H. R. 3023) to provide for citizenship to persons born in the United States who have not acquired any other nationality by personal affirmative act, but who have heretofore lost their United States citizenship through the naturalization of a parent under the laws of a foreign country, and for other purposes.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I object.

Mr. FADDIS. Mr. Speaker, I object.

ALIEN HUSBAND OF CITIZEN OF UNITED STATES

The Clerk called House Joint Resolution 336, to clarify the provisions of section 4 of the act of May 24, 1934, with regard to period of residence required of an alien husband of a citizen of the United States as a prerequisite to naturalization.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

Mr. DICKSTEIN. Mr. Speaker, I object.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

SPECIAL MEXICAN CLAIMS COMMISSION

The Clerk called the bill (H. R. 10670) to amend section 11 of Public Law No. 30, approved April 10, 1935, to establish a commission for the settlement of the special claims comprehended within the terms of the convention between the United States of America and the United Mexican States concluded April 24, 1934.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object, to ask the chairman of the Committee on Foreign Affairs if the Appropriations Committee has already passed on this bill? As I understand it, we do not authorize an appropriation here, but we appropriate an additional \$90,000.

Mr. McREYNOLDS. If there is any question about it, we will make it an authorization.

Mr. WOLCOTT. I think I would be inclined to object to it anyway.

Mr. McREYNOLDS. I do not think the gentleman would object with all of the facts before him. A million dollars has now been paid into the Treasury by the Mexican Government and over \$5,000,000 are to be paid. That settlement is already made between the United States and Mexico for a certain class of claims. It is necessary for our Government to set up some way of determining who have the proper claims and how much.

Mr. WOLCOTT. When this bill was on the calendar last year, if the gentleman will remember, there was extended argument concerning the advisability of authorizing even \$90,000.

Mr. McREYNOLDS. I know.

Mr. WOLCOTT. And now the gentleman comes back and asks to increase that amount.

Mr. McREYNOLDS. The gentleman was not in that argument. Mr. ZIONCHECK had it all wrong. He thought it was for some oil company.

Mr. WOLCOTT. I remember we went into it thoroughly. I wish the gentleman would consent to have it go over without prejudice.

Mr. McREYNOLDS. I am not going to consent to that.

Mr. WOLCOTT. Then, Mr. Speaker, I object.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

The Clerk called the bill (H. R. 6499) referring the claims of the Turtle Mountain band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement.

The SPEAKER pro tempore. Is there objection?

Mr. COCHRAN. Mr. Speaker, I object.

Mr. BURDICK. Mr. Speaker, will the gentleman withhold his objection?

Mr. COCHRAN. Yes.

Mr. BURDICK. The only purpose of this bill is to give the Court of Claims jurisdiction to inquire into the claims made by the Indians to the loss of some 10,000,000 acres of land.

Mr. COCHRAN. Why send the case to the Court of Claims when we have already paid \$1,000,000 for the land? Of course, the land is more valuable now than it was 53 years ago.

Mr. BURDICK. The Government paid the Indians \$1,000,000 for 10,000,000 acres of land in 1882, at a time when the Indians were wards of this Government. It stands to reason on the face of it that a court of equity should inquire into the matter of giving \$1,000,000 for 10,000,000 acres of land to a bunch of people who were wards of this Government and there should be a strict accountability in any court, and the only thing we ask now is to be given a chance to go before the Court of Claims and present our case.

Mr. COCHRAN. Will the gentleman advise the House how much in gratuities and advances the Government has made to this band of Indians?

Mr. BURDICK. Under the term "gratuity" as this House will have it, the Government has paid \$1,000,000, and from whatever may be found by the Court of Claims that million dollars will be deducted as a set-off.

Mr. COCHRAN. I admit to the gentleman that this is one bill that I have not received a report on from the Comptroller General and I shall call for a report upon it immediately. I hope to have it on the next call of the calendar. The bill is not going to be considered until I have that report.

Mr. BURDICK. Here is the report.

Mr. COCHRAN. Oh, no; the report the gentleman has is from the Secretary of the Interior, who does not have the records. The records are in the hands of the Comptroller General and he is the one I will ask for a report.

Mr. BURDICK. This report has what the gentleman has in mind. It says that the proposed legislation is not in accordance with the financial policy of the President.

Mr. COCHRAN. Then it should not be passed. However, I am willing to withdraw the objection and let it go over without prejudice to be taken up at the next call of the calendar, and I shall get the Comptroller's report by that time, if possible. I will write for it this evening. Is that satisfactory? I shall not withdraw the objection unless the gentleman agrees to do that.

Mr. BURDICK. Oh, I agree to do that.

Mr. COCHRAN. Then, Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER pro tempore. Is there objection?

There was no objection.

TRIENNIAL MEETING OF ASSOCIATION OF COUNTRY WOMEN OF THE WORLD

The Clerk called the bill (S. 2664) to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936.

The SPEAKER pro tempore. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object to ask who are the Associated Country Women of the World? Personally I have never heard of them.

Mr. McREYNOLDS. An international organization, made up of real country women of this country. Nobody can be a delegate unless she is a real dirt farmer. I am opposed to this character of appropriations. We have stopped it for international meetings here.

Mr. WOLCOTT. If the gentleman is opposed to it, let me call attention to the fact that he says in his report—

So strongly are we of this opinion that of our own accord we have raised this authorization from \$5,000 to \$10,000.

So the gentleman could not have been very strongly opposed to this meeting.

Mr. McREYNOLDS. The gentleman did not wait until I finished. I said I am opposed to this character of legislation, but this is an exception, and I so state. It was the custom of this committee to report out quite large sums for the entertainment of these international organizations. I am opposed to that. It was some time before we would even give these good ladies a hearing; but when they came before the committee I saw it was a real organization of country women, and I saw the great benefit they could do, and it completely sold me on this proposition.

Mr. WOLCOTT. What is the purpose of the organization and why do they have international conferences?

Mr. McREYNOLDS. I yield to the gentleman from New York [Mr. Bloom].

Mr. BLOOM. About once every 3 years the farm women of the world get together and hold these conferences, and it is to teach the farm women how to raise things on the farm, how to market things, how to dress the children, how to make their clothes, and so forth. It is composed only of women who do their own work and marketing on the farm. This is not a society women's affair. It is really a worthwhile thing.

Mr. McREYNOLDS. Some of the ladies who came before me operated stalls out here at this country market.

Mr. WOLCOTT. I may say that we have the Grange and the Farm Bureau and the Farm Union, and all of those meetings of American women. They meet and talk things over.

Mr. BLOOM. This is to hold an international convention. Those women have been to other countries on several occasions. They all pay their own expenses.

Mr. WOLCOTT. How much did they ask for?

Mr. BLOOM. They asked for \$5,000.

Mr. WOLCOTT. Does not the gentleman think it is rather presumptive on our part to give them \$10,000 when they asked for only \$5,000?

Mr. BLOOM. Now, they have nothing for their convention expenses. They come overland in their cars. They sleep in tents. This \$5,000 would not even pay the regular expenses, such as the cost of a hall, clerks, or anything else. That is why the committee, after listening to these women, raised it from \$5,000 to \$10,000. It is one of the most meritorious bills that has ever come before the Committee on Foreign Affairs.

Mr. McLEAN. Is it like a Rotary Club? [Laughter.]

Mr. BLOOM. No; nothing like that.

Mr. WOLCOTT. The argument of the gentleman from New York overwhelms me, and I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000, to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, such sum to be expended for such purposes and under such regulations as the Secretary of State shall prescribe and without regard for any other provision of law.

With the following committee amendment:

Page 1, line 5, strike out "\$5,000" and insert in lieu thereof "\$10,000."

The committee amendment was agreed to.

The bill, as amended, was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, on March 3 I received permission to extend my remarks and to incorporate some excerpts and data. I am waiting on some data from the Department, and I will not have it until Friday. I ask unanimous consent that instead of dating it on the 3d it may be dated next Friday the 20th.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CONSENT CALENDAR

AMEND SECTION 4, PUBLIC ACT NO. 286

The Clerk called the next bill, H. R. 10321, to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, is amended by striking out the words "section 3 hereof" and inserting in lieu thereof the words "section 2, paragraph 2, and section 3 of this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC HEALTH SERVICE AVAILABLE TO SEAMEN ON GOVERNMENT VESSELS

The Clerk called the next bill, S. 2625, to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That hereafter seamen not enlisted or commissioned in the Military or Naval Establishments, who are not now entitled by virtue of any law to medical relief by the Public Health Service, shall, when employed on vessels of the United States Government of more than 5 tons' burden and on State school ships, be entitled to medical relief by the Public Health Service in the same manner and to the same extent as seamen

employed on registered, enrolled, and licensed vessels are entitled. Cadets on State school ships shall also be entitled to the same medical relief as is herein granted to seamen.

With the following committee amendment:

Page 1, line 7, after the word "Government", insert the following: "(other than those of the Panama Canal)."

The committee amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SURVEY OF LOWELL CREEK, ALASKA

The Clerk called the next bill, H. R. 10487, to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, I want to call the attention of the gentleman from Alaska to the fact that this authorizes and directs a survey to be made. All of the other flood-control bills which we have permitted to be passed without objection call for a preliminary examination in anticipation of a survey if the War Department reports that a survey should be made in consequence of their preliminary examination. The difference to us is that a preliminary examination involves the expenditure of no additional money, because it is made by the personnel who are on the pay roll of the War Department at the present time and involves no extra expense. But a survey does sometimes cause additional expense, and we have been asked to make appropriations for surveys; so I ask the gentleman if a preliminary examination is not what he wants instead of a survey?

Mr. DIMOND. Mr. Speaker, answering the question just propounded, I may say to the gentleman from Michigan that a survey is what is desired and not a preliminary examination. This, of course, was thoroughly understood by the committee.

May I give a very brief historical account of the matter? In the Fifty-ninth Congress an act was passed calling for the construction of a flood-control project at Seward, Alaska—this identical one. The Federal Government put up \$100,000, and local interests, including the city of Seward, put up \$25,000. The project was undertaken and completed.

Last summer it was discovered for the first time that the work then done is not sufficient to take care of the floods, for last summer this region was visited by a flood which destroyed property in value probably between \$25,000 and \$50,000, including a very large damage to the Alaska Railroad, which is owned by the Government.

I may also say that the flood was so serious that it put the electric-light plant which serves the city out of commission for a period of nearly 10 days. After this occurred I wrote the Chief of Engineers and asked what ought to be done, and I have in my hand a letter from General Pillsbury, Acting Chief of Engineers, dated November 18, 1935, in which, among other things, he states as follows:

The review of the existing project to determine the best plan for future flood control would appear desirable, and I am enclosing for your information a draft of a proposed bill which would authorize this Department to undertake the necessary investigations, with a view to submitting an appropriate review to Congress.

Accompanying this letter was draft of the identical bill now before the House for action.

A preliminary examination would add nothing to the information of the War Department.

Mr. WOLCOTT. I understand they have already obtained all the information which it is customary to obtain through a preliminary examination.

Mr. DIMOND. Yes; that is true.

Mr. WOLCOTT. And I notice the Secretary of War has no objection to it. Inasmuch as it has been referred to the Secretary of War, and he has no objection to it, I am sure I have no objection so long as it is understood by the War Department that this is to be a survey and not a preliminary examination.

Mr. DIMOND. Yes; and I repeat to the gentleman that the draft of the bill now before the House was prepared in the War Department.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized and directed to cause a survey to be made of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods, the cost of such survey to be paid from appropriations heretofore or hereafter made for flood control of Lowell Creek.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MATANUSKA RIVER, MATANUSKA, ALASKA

The Clerk called the next bill, H. R. 11042, authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the Matanuska River in the vicinity of Matanuska, Alaska, with a view to the control of floods in the said Matanuska River, in accordance with the provisions of section 3 of the act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF PENSION ACT

The Clerk called the next bill, H. R. 9496, to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1913, and for other purposes", approved August 7, 1912 (37 Stat. 312; 38 U. S. C., sec. 50), is hereby amended to read as follows:

"Sec. 3. Pensions, compensation, insurance, or other allowances or benefits provided for by laws administered by the Veterans' Administration shall be paid by checks drawn, pursuant to certification by the Administrator of Veterans' Affairs, by the Division of Disbursement of the Treasury Department in such form as to protect the United States against loss, without separate vouchers or receipts, and payable by the Treasurer of the United States, except in any case in which the Administrator of Veterans' Affairs may consider a voucher necessary for the protection of the Government. Such checks shall be transmitted by mail to the payee thereof at his last-known address, and the envelope or cover thereof may bear an appropriate notice of the prohibition hereafter set forth in this section.

"Postmasters, delivery clerks, letter carriers, and all other postal employees are prohibited from delivering any mail addressed by the United States bearing such notice and containing any such check (except that in the case of checks in payment of allowances and benefits other than pensions, compensation, or insurance, the prohibition shall apply only insofar as the Administrator of Veterans' Affairs deems it necessary to protect the United States against loss), to any person whomsoever, if the addressee has died or removed, or in the case of a widow believed by the postal employee entrusted with the delivery of such mail to have remarried (unless such mail is addressed by the United States in the name which the widow shall have acquired by remarriage); and the postmaster in every such case shall forthwith return such mail with a statement of the reasons for so doing, and if because of death or remarriage, the date thereof, if known. Checks returned as herein provided on account of death or remarriage shall be canceled."

With the following committee amendment:

Page 1, line 7, strike out the figure "7" and insert in lieu thereof the figure "17."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE OF ALABAMA

The Clerk called the next bill, H. R. 3369, for the relief of the State of Alabama.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the State of Alabama be, and is hereby, relieved from all responsibility and accountability for certain quartermaster and other property to the approximate value of \$22,361.43, the property of the War Department in possession of the Alabama National Guard, which was lost, destroyed, or used for emergency relief work incident to the Elba (Ala.) flood of March 1929, and the tornadoes which occurred over large portions of said State in March 1932; and the Secretary of War is hereby authorized and directed to terminate all further accountability for said property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ACQUISITION OF ADDITIONAL LAND FOR WALTER REED HOSPITAL

The Clerk called the next bill, H. R. 3629, to authorize the acquisition of additional land for the use of Walter Reed General Hospital.

The SPEAKER pro tempore. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I notice this bill is not recommended by the War Department and is not in accordance with the financial program of the President of the United States. I wonder if the chairman of the committee could review the bill for us and state why the War Department is opposed to it?

Mr. HILL of Alabama. I may say to the gentleman that a subcommittee of the Committee on Military Affairs, which has jurisdiction over the purchase of land for military reservations, had a thorough hearing on this bill. Among other witnesses, we had General Reynolds, Surgeon General of the United States Army, before the subcommittee. There is no question about the fact that additional land is needed today for the Walter Reed Reservation. There seems to be no question about the fact that this is the most propitious time to buy the land. If we delay purchasing the land, it will cost us more in the future than at the present time.

The truth of the matter is the situation there is such that the reservation now cannot be extended on the north, east, or west. Any extension will have to be made to the south. If we do not secure the property now, as the plan calls for, and if that property is divided up into lots and streets are laid off, as is proposed, and the property is sold for residences and houses are built there, it will cost the Government a great deal more money in the future than if purchase is made at the present time.

I may say further there are some eighty-odd medical officers at the Walter Reed Hospital who have to live in town because there is no place on the reservation for them to reside. This is a bill that no Member of the House would have a particular personal interest in, but looking at it entirely from the standpoint of the Government and the matter of economy, as well as the welfare of the reservation, I think the bill should pass.

Mr. WOLCOTT. The point that I wanted to raise was simply that this is an authorization which permits the Secretary of War to acquire this land. It does not direct him to do it. Inasmuch as he has reported unfavorably upon this bill, does not the gentleman think it is idle on our part to authorize him to do something which he has inferentially said he should not do?

Mr. HILL of Alabama. I do not think so, and I will state my reason. The Secretary of War realizes the need for this land. The reason he could not report favorably on the bill was because at this particular time the Director of the Budget did not approve the bill. However, the gentleman will recognize the fact that this authorization bill has to pass and become law before an effort can be made to secure the funds with which to purchase the land. If the authorization bill passes the House and Senate and becomes law, then the Secretary of War may pursue the matter further with the

Director of the Budget and have him send up an item to be put into an appropriation bill. However, nothing can be done until the Congress sees fit to appropriate the money.

Mr. WOLCOTT. In view of the gentleman's explanation, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to negotiate for the purchase from the present owner or owners, and to enter into a contract for the purchase, if the price be satisfactory and within the limits hereby authorized, of all that tract or parcel of land shown on plat book of the District of Columbia as parcel 89/14, located adjacent to and on the south side of the existing reservation of the Walter Reed General Hospital, and extending from Sixteenth Street on the west through to Georgia Avenue on the east, and containing 22.78 acres, more or less, exclusive of all lands therein set apart for streets; and if said land be acquired, the said Walter Reed General Hospital, by the Secretary of War, is hereby authorized and empowered to use for hospital purposes all land indicated upon said plat book as reserved and set apart for streets within said tract of land, and all of said land when so acquired shall be for use in connection with the Walter Reed General Hospital.

Sec. 2. That there is hereby authorized to be appropriated a sum not exceeding \$200,000 to enable the Secretary of War to carry out the provisions of this act.

Sec. 3. If the Secretary of War be unable to negotiate a contract for the purchase of said tract of land from the present owner or owners thereof at a price that he shall deem to be fair and reasonable, and not exceeding the sum of \$200,000, then and in such event the Secretary of War is hereby authorized to cause condemnation proceedings to be instituted in the name of the United States for the condemnation of said tract of land for the purposes herein stated, under the provisions of the act of Congress of May 18, 1933, being Public Law No. 17 of the Seventy-third Congress, and entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes." Section 25 of said act with reference to the procedure in condemnation proceedings is hereby made a part of this act by way of reference, and for the purpose of prescribing the mode and manner of exercising the right of eminent domain for securing for the uses of the Government of the United States the land hereinbefore mentioned.

Sec. 4. In the hearing upon said condemnation proceedings, it shall be in order to introduce in evidence the tax assessments as to said real estate of the taxing authorities of the District of Columbia for the 10 years preceding the institution of such condemnation proceedings, and it shall be further in order to offer in evidence in the course of said condemnation proceedings, testimony as to the prices for which parcels of real estate situate within 1,000 feet of any portion of the land hereby sought to be acquired for the uses of the United States Government, whether such sale was by private contract between the seller and buyer, or at any judicial sale whether for the partition of real estate or for the satisfaction of any lien, or for the satisfaction of any execution based upon judgment, and any other facts logically and naturally indicating the fair and reasonable value of said parcel of real estate shall be competent to be introduced in evidence in such condemnation proceedings, irrespective and notwithstanding any existing rules of evidence heretofore prevailing in the United States courts in the District of Columbia or elsewhere.

With the following committee amendments:

Page 1, line 8, strike out "parcel 89/14" and insert "parcels 89/16, 89/17, 89/18, and 89/19."

Page 2, line 12, strike out "\$200,000" and insert "\$204,162."

Page 2, line 18, strike out "\$200,000" and insert "\$204,162."

Page 3, after line 12, insert "The provisions of this section shall not be construed to be in substitution for, but shall be supplemental to, any method of acquiring land or interests therein provided in existing law."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERAN ORGANIZATIONS OF THE DISTRICT OF COLUMBIA

The Clerk called the next bill, H. R. 10388, to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the sum of \$2,500 be, and the same is hereby, authorized to be appropriated for the current and succeeding years to aid the Veterans Memorial Day Corporation in its Memorial Day services and the decoration of the graves of all the soldiers, sailors, and marines with flags and flowers in the

cemeteries in the District of Columbia and in the Arlington National Cemetery in Virginia.

Sec. 2. That said fund shall be paid to the treasurer, or his successor or successors in office, of the Veterans Memorial Day Corporation, organized under the laws of the District of Columbia on or about November 17, 1928, and shall be disbursed by him or them for said memorial services, flowers, and flags: *Provided*, That no part of said fund be expended for salaries or compensation for services rendered by any member or officer of said corporation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

AUTHORITY TO ATTORNEY GENERAL TO DETERMINE AND PAY CERTAIN CLAIMS

The Clerk called the next bill, S. 2603, to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General is hereby authorized to consider, ascertain, adjust, determine, and pay any claim accruing after January 1, 1934, on account of damages to any person or damages to or loss of privately owned property, where the amount of the claim does not exceed \$500, caused by the Director, any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment: *Provided*, That no claim shall be considered or paid under the provisions of this act unless presented to the Attorney General within 1 year from the date of accrual of said claim; except that any claim accruing between January 1, 1934, and the date of approval of this act may be presented within 3 months after the date of such approval.

Sec. 2. Appropriations to carry into effect the provisions of this act are hereby authorized.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Attorney General of the United States may consider, adjust, and determine any claim accruing after January 1, 1934, on account of damages to any person or damages to or loss of privately owned property, caused by the Director; any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment, and such amount as may be found due to any claimant, not exceeding \$500 in any one case, shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That this authorization shall not be construed to apply to cases of persons in the employ or service of the United States while acting within the scope of such employ or service: *Provided further*, That no claim shall be considered under this act unless presented to the Attorney General within 1 year from the date of the accrual of said claim; except that any claim accruing between January 1, 1934, and the date of the approval of this act may be presented within 3 months after the date of such approval: *And provided further*, That acceptance by any claimant of the amount determined to be due him under the provisions of this act shall be deemed to be in full and final settlement of such claim against the Government of the United States."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed. The title was amended to read as follows: "An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation", and a motion to reconsider was laid on the table.

AUTHORITY TO ATTORNEY GENERAL TO SETTLE OUTSTANDING CLAIMS AGAINST CHAPMAN FIELD, FLA.

The Clerk called the next bill, H. R. 4670, to authorize the Attorney General to settle outstanding claims against Chapman Field, Fla., and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I object.

ADDITIONAL DISTRICT JUDGE FOR EASTERN DISTRICT OF PENNSYLVANIA

The Clerk called the next bill, H. R. 11072, authorizing the appointment of an additional district judge for the eastern district of Pennsylvania.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I think we should have an explanation as to why this

judge seems to be necessary at this particular time? It is stated that when a vacancy occurs, a judge shall be appointed. Will the gentleman explain the reasons for this bill?

Mr. WALTER. The reason is that the business in the United States District Court for the Eastern District of Pennsylvania has been steadily increasing. Last year there were 11 percent more cases in which the United States was a party than there were at the end of the fiscal year immediately preceding. The criminal cases have increased approximately 40 percent. In all, there are about 2,000 cases on the calendar that were not disposed of by the end of the last fiscal year.

I may say further that the judges have been very actively attending to their duties. They have been sitting there very steadily. As the Members know, two of the judges are former Members of the House, and I do not believe there are any more conscientious, able, or hard-working judges than these men anywhere in the United States. If the gentleman will examine the report of the Attorney General and compare the amount of business transacted in the courts of the eastern district of Pennsylvania with that of other districts he will easily see the great need for the additional judge at this time. Unquestionably the business of the courts is going to increase steadily. The newly created judgeship expires upon the death or resignation of any one of the three sitting judges, and by providing for it we will materially assist in providing speedy justice for all.

Mr. WOLCOTT. Frequently there have been occasions where a temporary judge has been named, and the office which he holds expires at his death. Is that the situation which the gentleman has in his district at the present time?

Mr. WALTER. No; when one of the present judges resigns or dies, then the judge who will be appointed under the authority of this bill receives a permanent appointment and the number of judges will then be three.

Mr. WOLCOTT. Will it be necessary to create a new office?

Mr. WALTER. No.

Mr. WOLCOTT. Then the purpose of this bill is to provide one more judge permanently?

Mr. WALTER. No; this will be a temporary judgeship.

Mr. WOLCOTT. And it does not create a permanent judgeship?

Mr. WALTER. It does not create an additional new judgeship.

Mr. WOLCOTT. I wonder if the gentleman would object to this bill going over without prejudice in order that we may look into it a little further?

Mr. WALTER. I dislike very much to consent to that, because there is such an urgent need for this judgeship. I may say to the gentleman that the Attorney General has requested it.

Mr. CELLER. The Attorney General has requested this because the docket is so very heavy.

Mr. WOLCOTT. He would probably ask for it anyway, because they usually want all the judges they can get. I simply wish sometime to go into the merits of this bill a little further.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POST OFFICE AND CUSTOMHOUSE BUILDING IN NEWARK, N. J.

The Clerk called the next bill, H. R. 10985, to repeal Public Law 246 of the Seventy-second Congress.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public Law No. 246 of the Seventy-second Congress, entitled "An act to provide for the sale of a portion of the site of the post-office and customhouse building in Newark, N. J., to the city of Newark for the use of a public street", be, and is hereby, repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

UNITED STATES RECLAMATION PROJECT AND INDIAN IRRIGATION PROJECTS

The Clerk called the next bill, H. R. 10751, to further extend the operation of the act entitled "An act to further extend the operation of the act entitled 'An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932', approved March 27, 1934", approved June 13, 1935.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all the provisions of the act entitled "An act to further extend the operation of the act entitled 'An act to further extend the operation of the act entitled 'An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law', approved April 1, 1932', approved March 27, 1934", approved June 13, 1935, be, and all of the provisions thereof are hereby, further extended for the period of 1 year.

With the following committee amendments:

Page 1, line 4, after the word "extend", strike out down to and including "1934", on page 2, and insert "relief to water users on United States reclamation projects and on Indian irrigation projects."

Page 2, line 4, after "1935", strike out all of line 5 and insert "hereby"; and in line 6, after the word "year", insert "so far as concerns 50 percent of the construction charges, for the calendar year 1936."

Mr. WHITE. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. WHITE: On page 2, line 8, after "1936", insert a colon and the following: "Provided, however, That where the construction charge for the calendar year 1936 is payable in two installments, the sum hereby extended shall be the amount due as the first of such installments. If payable in one installment, the due date for the 50 percent to be paid shall not be changed."

Mr. WHITE. Mr. Speaker, this is an amendment that was agreed to in committee. It simply provides that inasmuch as there is going to be a moratorium of 50 percent where there are two payments, the moratorium goes to the last payment and the first payment becomes due in the second half of the moratorium.

Mr. MARTIN of Massachusetts. Was this amendment before the committee?

Mr. WHITE. Yes; it was before the committee and the committee agreed to it.

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read as follows: "A bill to further extend relief to water users on United States reclamation projects and on Indian irrigation projects."

PRELIMINARY EXAMINATION OF THE YAKIMA RIVER, ETC.

The Clerk called the bill (H. R. 8414) to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries, in the State of Washington, with a view to control of their floods.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Yakima River and its tributaries and the Walla Walla River and its tributaries, in the State of Washington, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE TAYLOR GRAZING ACT

The Clerk called the bill (H. R. 10094) to amend section 1 of the act entitled "An act to stop injury to the public graz-

ing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269).

The SPEAKER pro tempore. Is there objection?

Mr. ENGLEBRIGHT. Reserving the right to object, and I shall not object, I wish the gentleman would explain to the House what his amendment does.

Mr. TAYLOR of Colorado. Mr. Speaker, the object of this bill is to bring all the remaining public domain under the provisions of the Taylor Grazing Act that was enacted into law June 28, 1934 (48 Stat. 1269). The way the bill passed the House in the spring of 1934 it applied to all the remaining public domain in the United States. The bill was amended in the Senate limiting its application to only 80,000,000 acres of vacant, unappropriated, and unreserved lands of the public domain. This bill only changes one word in that law. It extends that limitation of 80,000,000 to 143,000,000 acres and will enable all the Western States to come in and put all of their remaining public lands under this law if they desire to do so.

Mr. GREEVER. I should like to ask the gentleman, Is the bill properly safeguarded so that the rights of the States to exchange their lands for lands of the United States are preserved?

Mr. TAYLOR of Colorado. This bill makes no change whatever in the existing law except in one word. It changes eighty to one hundred and forty-three. That is in the first section of the present law. The gentleman from Wyoming and all the rest of the western Members remember that last year we sought to make this change in the law, because it is entirely wrong to leave out of any protection all the 63,000,000 acres of remaining public domain. I think everybody now realizes that fact. In fact, several western Members have bills bringing all the remaining public domain in their States that is not now in a grazing district in as subject to this act. In fact, there are almost exactly 80,000,000 acres now in grazing districts and the Grazing Division has applications for practically all the rest of the public land to be put into grazing districts. The law is working splendidly and is wonderfully satisfactory and popular.

This provision was in a bill a year ago, and it was satisfactory to both the Senate and the House. But the Senate added some very objectionable additions to it, and for those reasons the President vetoed the bill. I hope no amendments will be added to this bill, because if those provisions are tacked onto this bill of mine, the President will probably veto it again.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of said act of June 28, 1934 (48 Stat. 1269), is amended to read as follows:

"That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of 143,000,000 acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, reversioned Oregon and California Railroad grant lands, or reversioned Coos Bay Wagon Road grant lands, and which, in his opinion, are chiefly valuable for grazing and raising forage crops: *Provided,* That no lands withdrawn or reserved for any other purpose shall be included in any such district except with the approval of the head of the department having jurisdiction thereof. Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law validly affecting the public lands, and which is maintained pursuant to such law except as otherwise expressly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State, nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights. Neither this act nor

the act of December 29, 1916 (39 Stat. 862; U. S. C., title 43, secs. 291 and following), commonly known as the Stock Raising Homestead Act, shall be construed as limiting the authority or policy of Congress or the President to include in national forests public lands of the character described in section 24 of the act of March 3, 1891 (26 Stat. 1103; U. S. C., title 16, sec. 471), as amended, for the purposes set forth in the act of June 4, 1897 (30 Stat. 35; U. S. C., title 16, sec. 475), or such other purposes as Congress may specify. Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of 90 days after such notice shall have been given, nor until 20 days after such hearing shall be held: *Provided, however*, That the publication of such notice shall have the effect of withdrawing all public lands within the exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district.

With the following committee amendment:

On page 1, line 6, strike out the word "its" and insert the word "their."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PRELIMINARY EXAMINATION OF SPOKANE RIVER, IDAHO

The Clerk called the bill (S. 1470) to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for the control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examination, surveys, and contingencies of rivers and harbors.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LIEV EIRIKSSON

Mr. KNUTE HILL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 165, directing the Architect of the Capitol to accept a copy of the painting Liev Eiriksson Discovers America and consider the same at this time.

The SPEAKER. The gentleman from Washington asks unanimous consent for the present consideration of Senate Joint Resolution 165, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 165

Directing the Architect of the Capitol to accept a copy of the painting Liev Eiriksson Discovers America

Resolved, etc., That the Architect of the Capitol is authorized and directed to accept as a gift to the people of the United States from certain Norwegian citizens a copy of the painting Liev Eiriksson Discovers America, and to cause such copy to be hung in a suitable place at the National Capitol.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. What is this?

Mr. KNUTE HILL. Mr. Speaker, last year the Minister from Norway contacted Members of the House and Senate, asking if they could accept the painting offered to them by certain citizens of Norway. The matter was considered before Senator BARKLEY's committee in the Senate. They agreed to accept it. The painting has been finished and it is on its way over here. A program has been arranged for a week from today at which the painting will be formally accepted. It has been discovered that Senator BARKLEY failed to bring the resolution up at the last session for consideration in the

Senate and have it passed. It was passed in the Senate today, and we are asking for its passage now because of the fact that the ceremonies for the acceptance of the picture are to take place a week from today.

Mr. SNELL. And there is no other obligation connected with it?

Mr. KNUTE HILL. None whatever.

Mr. SNELL. And where is it to be hung?

Mr. KNUTE HILL. In the gallery in the Senate.

Mr. ENGLEBRIGHT. Mr. Speaker, will the gentleman yield?

Mr. KNUTE HILL. Yes.

Mr. ENGLEBRIGHT. Has the picture been passed upon by the Fine Arts Commission or a similar body of the Capitol as to its merits?

Mr. KNUTE HILL. It has been passed on by the Joint Library Committee.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. KNUTE HILL. Yes.

Mr. MARCANTONIO. Just to make the observation that Christopher Columbus discovered America.

Mr. KNUTE HILL. Christopher Columbus has been recognized twice here, and we are asking now for recognition for Liev Eiriksson, who came to the shores of America in the year 1000.

Mr. TERRY. And I was about to inquire whether a copy of the resolution has been served upon Christopher Columbus.

Mr. SNELL. Mr. Speaker, these matters ought to be gone into very carefully. I do not know anything about what there is back of it, but when we accept something of this character from a foreign government, someone ought to know definitely what we are doing and why we are doing it.

Mr. KNUTE HILL. Senator BARKLEY was to have brought this matter up last year, but did not. We went ahead thinking that it had been done. The ceremony is to take place a week from today.

Mr. SNELL. Whoever arranged for that ought to have arranged to have this properly explained in the House and the Senate. I shall not object to the resolution, but it is a poor way of doing business.

Mr. KNUTE HILL. I agree; but the blame rests with the Senate.

Mr. SNELL. No; it rests with the majority here.

The SPEAKER. Is there objection?

There was no objection.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DISPENSING WITH BUSINESS IN ORDER ON CALENDAR WEDNESDAY

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with.

The SPEAKER. Is there objection?

Mr. SNELL. Mr. Speaker, I reserve the right to object. Is it the plan of the majority not to have any more Calendar Wednesdays?

Mr. BANKHEAD. We hope to have them, but we are very anxious to get through with the appropriation bills.

Mr. SNELL. The gentleman's side is responsible for the program. I shall not object, but a tendency has grown up in the House to put all of the small bills from various committees on the Consent Calendar. That does not tend to careful and considered legislation, but Members are forced to do that because there are never any Calendar Wednesdays. They cannot bring their bills up in a normal way to receive consideration. That is wrong. I appreciate the responsibility on the part of the majority side, and if they wish to do away with all of the Calendar Wednesdays—and there has not been one this season, if I remember correctly—I shall not object, though I call attention to the fact the majority is following a wrong procedure in forcing so much on the Consent Calendar and having so many of these bills go through without careful consideration.

Mr. BANKHEAD. I admit there may be a good deal in what the gentleman says, but it has been our expectation to get through with what we regard as the essential bills of the session.

Mr. SNELL. But the average committee never gets a chance to call a bill up under the regular program.

Mr. BANKHEAD. I hope the gentleman will not object.

Mr. SNELL. I said I would not object, though I want to express my opinion about that kind of procedure. I shall not object.

Mr. BANKHEAD. We are all anxious to get through this session of Congress as soon as possible.

Mr. SNELL. I am anxious not to have so many bills go through on the Consent Calendar without proper consideration.

The SPEAKER. Is there objection?

Mr. BACON. Mr. Speaker, I reserve the right to object to ask when the next appropriation bill will be called up in the House.

Mr. BANKHEAD. It may be brought up Wednesday, and if not, then immediately after we get through with the long- and short-haul bill, which it is intended to take up Thursday. That is the present arrangement.

Mr. SNELL. The long- and short-haul bill will be called up Wednesday?

Mr. BANKHEAD. On Thursday.

Mr. BACON. Then if the appropriation bill comes in Wednesday it will have to be laid aside until Friday?

Mr. BANKHEAD. That is true.

Mr. WHITE. Reserving the right to object, may I ask what we are going to take up on Wednesday?

Mr. BANKHEAD. We hope to have an appropriation bill ready.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of other matters on the Speaker's desk, and after the address of the gentleman from Ohio [Mr. CROSSER], I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. McFARLANE. Reserving the right to object, is the gentleman by any chance going to disclose to the House why his committee is not reporting out the antilobby registration bill?

Mr. CELLER. I do not know that that has anything to do with what I am going to address the House about.

Mr. McFARLANE. Well, I am trying to get at what the gentleman is going to address the House about.

Mr. CELLER. I might say for the gentleman's edification that the committee is considering the Smith antilobbying bill at the present time.

Mr. McFARLANE. Is there any chance of the committee reporting out that bill?

Mr. CELLER. I think there is a very excellent chance. It ought to be out shortly.

Mr. O'CONNOR. Reserving the right to object, the Rules Committee, which endorsed the bill, is very hopeful that the Committee on the Judiciary will report the bill out.

Mr. McFARLANE. Further reserving the right to object, I hope the committee will report out a much stronger bill than the Smith bill. I would much prefer that the committee would report out the Black bill which has been in the gentleman's committee since May of 1935.

Mr. CELLER. I shall convey the gentleman's observations to the committee.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. CELLER]?

There was no objection.

THE 30-HOUR WEEK

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. BEITER. Mr. Speaker, for the past 6 years everyone has been so busy passing that buck called depression that few of us have taken the time to analyze the real causes behind the national bugaboo of unemployment.

In our glowing recollections of the halcyon days of '28 and '29 we are inclined to lose sight of the fact that there were, even in that era of apparently limitless prosperity, almost 2,000,000 men on the rolls of the unemployed. When we realize that there is a yearly increase of approximately 1,000,000 work applicants it should be obvious to the most optimistic of us that there is little hope for lightening the relief burdens in trying to re-create the past.

Let the Liberty Leaguers grow maudlin over America, the golden land of opportunity, with every boy on his way to being a millionaire or President. For those whose days of accomplishment lie in the past, the past will always relive itself in an aura of perfection.

But to those of us who are trying to carry the burdens imposed by the past and who must look to the future for our utopia, it is obvious that the solution for our problems of the present and the future lies in the present and the future. We cannot answer starvation with the reminder that an Alfred E. Smith rose from poverty in Oliver Street to riches in the Empire State tower, nor unemployment by pointing to the fact that in 1929 there were less than 2,000,000 jobless.

According to a report of the National Bureau of Economic Research there has been an increase of 27 percent in the average workingman's output since 1929. That means that, leaving the depression out of our consideration entirely, there is one less job for every five workers in the United States than there was in 1929.

Granting the possibility of a return to the prosperity of the twenties, we are still no nearer to a solution of the problem of unemployment.

Progress and our modern passion for speed and efficiency have brought about an entirely new distribution of effort. For generations inventors have been occupied with schemes for lifting the burden of production from man and transferring it to machines.

The so-called machine age has produced two serious problems that must be solved by a new economics. Production has been speeded up to such an extent that artificial means must be employed to regulate the law of supply and demand. To further complicate this process of creating new demands, new buying power, there is that other problem of the men whose places in industry have been usurped by the machines.

It is a paradox of maladjustment that progress has served to lighten the burdens of the few and increase the burdens of the many.

But while we attempt to fit an entirely new industrial era into the mold of an old economic system, there can be no sense nor justice in the distribution of benefits.

There is something painfully illogical in us, as a nation, in our reactions to innovation. We do not travel by horse car just because our grandfathers found it a fairly successful mode of transportation. We did not cling to candles after electricity was proved a cheaper and more effective method of lighting. Yet the hue and cry that is raised over attempts to modify our outmoded legislation for the protection of the great majority of our American people—the working class—would seem to indicate that we shun progress as we would the plague.

Why? What strange blindness is it that afflicts American industry that it fails to see the writing on the wall?

It should not take a master mind to grasp the fact that if one perfects a machine that will turn out a million more pairs of shoes than were turned out yesterday, one is creating a demand for just that much more buying power. If, at the same time, the machine is one which requires 10 men to operate instead of 50, and if the other 40 men are thrown out of work, one is decreasing the prospective buying power by something like 80 percent.

That, in simple terms, is what has been happening in America during the past 30 years. Business has recognized the fact superficially. Combining streamlining with efficiency, packing products in attractive cartons, national advertising, are all high-pressure methods for forcing demand to keep pace with supply. But all those things are so much lost effort if the fundamental basis for demand—buying power—is wiped out.

For a time, perhaps, Federal relief in the form of P. W. A., A. A. A., C. C. C., and so forth, can bolster the national buying power and act as a check upon the falling demand. But Federal relief will never bring about permanent recovery.

President Roosevelt realized that when he mapped out the N. R. A. program. He said then that reform, and not just reform, but a new and sound economic set-up, were not only essential to the recuperation of industrial activity but that they must come through industry itself. The N. R. A. tried to point the way with its legislation for the abolishment of child labor, the shorter workweek, and the adjusted wage scale.

The N. R. A. was passed upon as unconstitutional, yet it was ultraconservative in its demands compared with the changes that are essential in order to reshape our economic system to fit our present needs.

When the workingman points out the fact that he is bled to put more money into the pockets of the capitalists, he is called a Socialist. But certainly there can be no socialism involved in pointing out to the capitalist that he is taking money out of his own pocket when he shows no interest in preserving the goose that lays the golden egg.

So, I repeat, the N. R. A. was ultraconservative in its suggestions. The American Federation of Labor, after making a survey of present conditions, maintains that only by the acceptance of the 6-hour day, the 5-day week, can business hope to take care of this country's employable millions. And only by raising the present wage scale can buying power be made to match production.

Yet, in the face of this incontestable evidence, the executive council of the A. F. L. reports that—

With increasing industrial activity this year, a tendency to increase work hours has become apparent. According to records of actual hours worked, as furnished by the United States Department of Labor, and covering about one-half of all small-salaried workers in industry, work hours in American mines, factories, and service industries have steadily averaged about one-half hour longer per week during the first half of 1935 than they did during the last half of 1934.

The N. R. A. was accused of attempting to straight jacket business, to strangle it in a series of petty tyrannies. But it would seem from this that if business is strangled it will be in the meshes of its own greed and lack of foresight.

The Government can remain static and let unemployment increase year by year, or it can force remedies upon a self-emaciated industry. Either way, industry will pay the price or reap the benefits.

It is possible that, left to itself, American business might eventually realize its mistakes and put into effect its own reforms. But can we afford to wait for that millennium?

And if so, in the meantime, what? Is the laboring man, like Rip Van Winkle, to go to sleep for 20 years?

We all seem to forget, in our concern with red tape and the business of maintaining the status quo, that the Government is the servant of the people. It was created by the majority for the protection of the majority.

The Constitution itself is not an heirloom of value only by reason of its antiquity. Its value lies in its life—its ability to serve.

It would be a poor servant who watched his master starve without taking steps to alleviate his sufferings. It would be a disinterested servant who permitted his master to commit suicide without interference.

And yet we have on the one side eleven and one-half million men who are on the verge of starvation, and on the other side we have industry stubbornly putting its head in the noose of economic suicide. And still there are the rugged individualists who demand a strictly hands-off policy on the part of the Government. In doing so they fail to

realize that they are paving the way for the very danger they fear. For there are those who will defend a misguided government against revolution, but there are relatively few who want to die fighting for a corpse.

Those of us who have stood behind the President in his tireless efforts for recovery know that the worst criticism that can be made of the New Deal is that it has been forced to move fast in order to cope with emergencies—emergencies, I may add, that were not of its own making.

If it had been possible to take the time to sugar-coat the pills that were administered to business to remedy its own ills, it is probable that the dose would never have been followed by so bitter a storm of abuse.

But abuse does not alter the efficacy of the prescription. Critics may hound an N. R. A. off the boards, but criticism will never solve the problem of unemployment. Neither will it put industry back on its feet.

The solution of those problems lies in a program of economic adjustment that will give the workingman an equitable share in the benefits derived from the mechanized increase in productive efficiency in the form of shorter working hours and that will provide business with an outlet for its surplus production through a larger buying public.

Whether one calls that program N. R. A., New Deal, 30-hour week, or what you will, it is the program which has been and continues to be advocated by the Democratic Party and by the President. It is the only program which can hope to provide a more or less permanent adjustment of the differences between capital and labor and which takes into account immediate necessity and lasting good.

HISTORY OF TEXAS

Mr. SOUTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an address which I made on Texas history recently.

The SPEAKER. Is there objection?

There was no objection.

Mr. SOUTH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me at the First Baptist Church, Washington D. C., March 1, 1936, as a part of Texas Centennial service:

Dr. Weaver, ladies and gentlemen, I am very happy to have a part in this Texas centennial service. I feel greatly honored that the privilege has been accorded me.

Texas comes from the Indian word "tejas", meaning friendly. Our State motto is friendship.

Reference is frequently made to the vast area of Texas, which contains 265,896 square miles. It is farther from Texarkana, Tex., to El Paso, Tex., than it is from Texarkana to Chicago, and from Texline on the north to Point Isabel to the south is 200 miles farther than from Chicago to New York City by rail. There are 254 counties in Texas. From Rockwell, the smallest, with an area of 149 square miles, to Brewster, with an area of 5,935 square miles, which latter county is 1,000 miles greater than Connecticut and 50 percent larger than the combined area of Rhode Island and Delaware.

The greatness of Texas, however, is not dependent upon its immense area. This State has contributed much to the religious, educational, and commercial life of the Nation. Your great Baptist denomination has among its number Dr. R. C. Burleson, who was the first president of Baylor University at Waco, also Samuel Palmer Brooks, Ex-Governor Pat M. Neff, and that great churchman and religious leader, known not only throughout the United States but throughout the civilized world, Dr. George W. Truett, who has been pastor of the First Baptist Church in Dallas, Tex., for 39 years, and one of the great men of America today.

Other churches have contributed their share also. It was Mirabeau B. Lamar, second President of the Republic of Texas, who said, "A cultivated mind is the guardian genius of democracy; it is the only dictator which free men acknowledge and the only security which free men desire." He did much toward establishing a great school system for the infant Republic. The University of Texas and the Agricultural and Mechanical College are among the leading institutions of learning in this country today. Texas ranks first in the production of cotton, livestock, and mineral products. It produces approximately 40 percent of the oil produced in the United States, and more than 85 percent of the total sulphur production. It has more miles of railroad than any other State in the Union, and is now one of the leading States in agriculture, commerce, and industry.

The early history of Texas is replete with stories of daring, courage, and sacrifice. The oft-repeated expression, "Texas under six flags", is understood when we reflect that the flags of Spain, France, Mexico, the Republic of Texas, the United States, and Confederate States have all flown over this territory at different times. From March 2, 1836, at which time Texas declared her independence from Mexico, until her admission into the Union

In December 1845, Texas was an independent Republic. Except during Civil War days, perhaps the most dangerous and critical period in the history of the United States, was the several years during which time consideration was being given to the admission of Texas into the Union. Twice refused admission because of agitation and confusion growing out of the slavery question, Texas was seriously considering an offer on the part of England and France for protection against further Mexican aggression, provided she would not become a part of the American Union. Had this course been followed, the map of the United States would probably be quite different today. Oregon, California, New Mexico, and other western and northwestern States had not been organized into States at that time.

The Texas Revolution resulted from the clashing of religious views, governmental policies, educational ideals, etc., of the Latin-American people to the south and the Anglo-Americans on the north, the more aggressive and progressive Anglo-Americans finally prevailing.

It is hard to believe that Texas, with a mere 30,000 population, could win her independence from Mexico, with a population of 7,000,000, yet this was accomplished.

Many brave and noble patriots played an important part during these trying times and won for themselves lasting glory and fame. I have no hesitancy, however, in saying that the man who is entitled to first place in Texas history is Gen. Sam Houston. Born in Virginia March 2, 1793, he was left fatherless when a mere child. He moved with his mother to Tennessee, where he attended school, clerked in a store, and lived several years with the Cherokee Indians. He was a valiant soldier during the War of 1812, school teacher, lawyer, Member of Congress, and Governor of Tennessee. For some reason not fully understood, he voluntarily gave up the governorship, separated from his wife, spent a short time with his Indian friends again, and then cast his fortune with the Texas patriots during the most trying days of their struggle for independence. It was he who led the half-starved, undisciplined, and poorly equipped handful of Texas soldiers in orderly retreat for many days in advance of the Mexican Army of some 3,000 men, and finally, on April 21, with his army of less than 800, completely routed the Mexican Army under Santa Ana, killing, as he stated 5 days later, 630 men and taking 570 prisoners, among whom was Gen. Santa Ana.

The few weeks preceding the battle of San Jacinto were days of intense excitement, disorder, and consternation for the Texas colonists. On March 6 Col. William B. Travis, with 182 men, including James Bowie, David Crockett, and James D. Bonham, perished in the Alamo, after holding a large Mexican army of 3,000 men at bay for 13 days, in what is probably the most heroic struggle recorded in the annals of history. Although given an opportunity by Colonel Travis, not a man chose to escape, each man selling his life at an enormous cost to the enemy, and giving rise to the expression, "Thermopylae had her messenger of defeat, but the Alamo had none." On March 19, at Goliad, Colonel Fannin and about 300 brave men, finding themselves greatly outnumbered by the Mexicans, surrendered. On March 27 these men were marched out of camp and shot down while unarmed.

San Jacinto has been listed as the sixteenth decisive battle of the world. It determined not only the fate of the Texas colonists, but pointed the way to the Pacific coast.

General Houston was the first elected president of the Republic of Texas, and later served a second term. After Texas was admitted into the Union, he was elected Senator, and later Governor of the State. Although an ardent believer of State rights, he warned against secession, and was deposed as governor rather than take the oath of allegiance to the Confederacy. With prophetic vision and wisdom, he warned, "You may, after the sacrifice of countless millions of treasures, and hundreds of thousands of precious lives, as a bare possibility, win Southern independence, if God be not against you; but I doubt it." Before the Civil War ended he died, thus ending the career of a noble man, endowed with vision, courage, and patriotism.

For the past few years preparations have been under way for the Texas Centennial, which opens officially in Dallas on June 6. The citizens of Texas, as well as visitors from other States and countries, will have an opportunity to view the many places of historic interest, and also the wonderful progress and advancement which has been made in Texas during the past century. In the midst of the beautiful city of San Antonio still stands the historic Alamo. In this immediate vicinity are to be seen several old Spanish missions erected more than 2 centuries ago. The San Jacinto Battleground is now a beautiful State park. An imposing monument, comparable to any in the country, is being erected there. A great memorial museum building is being built on the 200-acre university campus at Austin, the capital, and magnificent buildings and improvements will be seen in Dallas, Fort Worth, and other places throughout the State. There is hardly a section of Texas but that has some place of historic interest, such as old forts, Spanish missions, etc.

We have a wonderful system of highways traversing every portion of the State, on which one may drive through the beautiful pine forests and great oil fields of east Texas, the broad prairies and great ranches of central and west Texas, from the Texas Panhandle on the north to the beautiful winter gardens in the Rio Grande Valley.

Every citizen of Texas is interested in making the Centennial a success and will take a delight in contributing to the happiness of each visitor who becomes our guest during this Centennial.

As stated in the beginning, our motto is friendship—

"Out where the world is in the making,
Where fewer hearts in despair are aching,
That's where the West begins;
Where there's more of singing and less of sighing,
Where there's more of giving and less of buying—
And a man makes friends without half trying—
That's where the West begins."

Texas, the land of the Tejas!

THE SYNAGOGUE AS AN AGENCY MAKING FOR ETHICAL GROWTH

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include an address delivered by my colleague, Mr. KOPPLEMANN, at the Willard Hotel recently.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the gentleman from Connecticut [Mr. KOPPLEMANN] delivered before the United Synagogue of America Convention at the Willard Hotel, Washington, D. C., Sunday afternoon, March 15, 1936:

The subject assigned to me is one that could more adequately be treated by a rabbi and scholar. Why a layman should have been chosen to speak on this vital problem is hard to say. Perhaps the intention was to limit the discussion just to those elements which appear significant to the average layman. Thus there would be a more practical approach to the discussion at this symposium as well as at the seminar meetings tomorrow. As a layman I naturally relate thinking and planning, whatever may be the nature of that thinking and planning, to everyday matters. Hence, I am glad to be here today and hope that whatever I can offer will be of help to this conference.

Many of us look at the synagogue chiefly as a house of worship, a holy temple where, through appropriate ritual and ceremony, we may come closer to the Divine. That is not altogether so. The synagogue is more than a place where prayer and praise is offered the Holy One. It has a definite concern and relationship to everyday life. That fact is evident when we review the principal activities of our present-day synagogue, particularly one affiliated with the United Synagogue. What do we find when we examine one of these?

Every day, except Saturdays, classes are conducted for children to receive instruction in Hebrew, the principles of our faith, and the history of our people. On Sunday afternoon and evenings groups of boys and girls organized in bar mitzvah clubs, alumni associations, Young Judean Clubs, Boy Scouts, Girl Scouts, Junior Achievement Leagues, Camp Fire Girls, and others hold meetings.

The Young People's League, offering cultural and social activities, draws large attendance to the synagogue assembly rooms. Often committees of this organization will be found conferring in small rooms making arrangements for debates, dramatic performances, social gatherings, lectures, and forums. The Men's Club, or Brotherhood, and Sisterhood also have their functions at the synagogue for social, cultural, communal, and philanthropic endeavors. Thus, we find the synagogue of today much more than a house of prayer. Rather it is a community institution in which old and young find some interest that satisfies their religious, cultural, and social needs.

Let us examine the activities of these different organizations. The teachers of the religious classes instruct the children in the prayer book, the Bible, and the ceremonies which are part of our religion. They also teach the history of our people, and the events which form the background of our festival celebrations and the significance of these events which caused our ancestors to establish the commemoration of them and to attach to them holy importance. The festivals are not mere ceremonies. The manner and the reason for their observance brings us closer to the highest ideals of mankind. In the religious schools the children are taught early the nobility of charity and are encouraged to divide the money given them by their parents with the various charitable organizations. They send flowers to the hospitals, gifts to the home for the aged, and provide entertainment for the children of orphan asylums. Thus we see that children acquire more than mere knowledge in the synagogues. Their characters are trained and they are inspired to live in accordance with the highest ideals. Our young people are less concerned with the learning from textbooks than with the general interest that makes life real and vital to them. In the synagogue they engage in pursuits which bring them together, strengthen friendships, and because of these friendships they take a more understanding interest in what is happening. They consider it a matter of course to help the synagogue, to work for Palestine, and to support local social and welfare institutions.

The Sisterhood and Brotherhood make an important contribution to synagogue life and, as a result, to the community as a whole. Their interest in the synagogue extends to other institutions, Jewish and non-Jewish. Culturally they play an important part because of the discussion groups and lectures, which are outstanding features of their program.

Why do men and women join the Brotherhood and the Sisterhood? The answer will probably be, "We want to form new friendships, we want to cultivate our old friends, we want to learn something about Jewish life or about the great movements that determine human progress." Some will say they are interested in giving expression to their abilities and aptitudes. We see, then, that the synagogue has all the foundations needed for the building of a fine educational institution, dedicated to the enlarging of our human interests, and bringing out the best that is in us for worth-while causes and purposes.

Perhaps some look askance at these activities. Perhaps they feel that after all the most important activity of the synagogue is that of worship. But let us examine a little more closely the ritual and prayer of our services. What do we say or do when we worship? The most important part of the service is the reading of the Torah. This portion of the service is emphasized by the beautiful melodies chanted when the scroll is taken from the ark and replaced after an appropriate selection is read. Now, what is the nature of these selections that we read on the Sabbath and the holidays? They consist of laws, narrations of events, and exhortations of the prophets that express the highest ethical aspirations.

In the olden days when a man was called to the Torah he not only read the portion assigned to him but also translated it and explained to the congregation how the ethical principles expressed in that portion could be applied to their times and conditions. Nowadays this practice has been discontinued. The sermon has taken its place. It is evident, however, that the principal objective of the reading of the Torah was the ethical and moral education of our people.

What are the things we pray for? "Oh, my God," reads a prayer we recite every day, "guard my tongue from evil and my lips from speaking guile, and to such as curse me let my soul be dumb; yea, let my soul be unto all as the dust. Open my heart to Thy law, and let my soul pursue Thy commandments."

Again:

"And may it be Thy will, O Lord our God and God of our fathers, to make us familiar with Thy law, and to make us cleave to Thy commandments. Oh, lead us not into the power of sin, or of transgression or iniquity, or of temptation, or of scorn; let not the evil inclination have sway over us; keep us far from a bad man and a bad companion; make us cleave to the good inclination and to good works; subdue our inclination so that it may submit itself unto Thee; and let us obtain this day, and every day, grace, favor, and mercy in Thine eyes and in the eyes of all who behold us; and bestow loving kindness upon us."

When we express our remorse and penitence for our transgressions, it is not so much the violation of ritual observance that oppresses us as the transgression of ethical law.

Another prayer reads: "For in Thy compassion we put our trust, upon Thy charity we depend, to Thy forgiveness we look, and for Thy salvation we hope. The paths of Thy mercies Thou didst reveal unto him and taughtest him that Thou art a compassionate and gracious God, slow to anger, abundant in mercy, and full of beneficence, governing the whole world with the attribute of compassion."

How truly does the Prophet Micah guide us along paths of ethical conduct. Here are his words:

"And many nations shall come and say, Come and let us go up to the mountain of the Lord and to the house of the God of Jacob; and He will teach us His ways and we will walk in His paths; for the law shall go forth of Zion and the word of the Lord from Jerusalem."

"And He shall judge among many people and rebuke strong nations afar off; and they shall beat their swords into plowshares and their spears into pruninghooks; nation shall not lift up a sword against nation, neither shall they learn war any more."

"But they shall sit every man under his vine and under his fig tree; and none shall make them afraid, for the mouth of Lord of Hosts hath spoken it."

"He hath shewed thee, O man, what is good; and what doth the Lord require of thee but to do justly and to love mercy and to walk humbly with thy God?"

Would that every Member of the Congress and the leaders of the nations commit his words to memory and keep them in their hearts. What a happier world would be ours.

We must realize, then, that worship is intended to strengthen our will to live in accordance with moral and ethical law. From every standpoint, then, the synagogue is an institution that has found its highest usefulness in building character.

Unfortunately, we cannot say that the synagogue is altogether succeeding at the present time in this most-important function. Obsequious fealty inside the synagogue is not always followed by straightforward and ethical dealing outside the synagogue. There are times even when the synagogue adopts a business code for the management of its affairs, which falls short of the ethical codes set forth for us in our holy writings.

Why is the synagogue nowadays so powerless in influencing our lives? The answer must be because we have managed to confine synagogue activities to a very small part of our interests. If we cut the synagogue off from the world, how can we expect it to influence the world. We, ourselves, have impoverished and weakened the synagogue.

In times past the synagogue was the center of Jewish life. Everything that took place in the synagogue was related to the life of the Jewish community. The rabbi was more than a speaker—he was the guide and the leader. The social values of the synagogue were manifest in many ways. For instance, at least 10 people, a minyan, is necessary for adequate worship activity. The reason for group worship was to get away from the selfish motives

of individual worship. When a man prays with at least nine other people he feels himself part of the larger community. His prayers are uttered not alone for his own benefit. They take into account the needs of the community and the suffering of his fellow men.

It often happened that the services would be interrupted, and properly so, by a worshiper, who would state that another worshiper had committed an injustice against him, had taken unfair advantage of him in some way. He felt himself aggrieved and stated that it was impossible for the congregation to draw closer to the divine when injustice and unrighteousness were in their midst. The community leaders made arrangements for the adjustment of the grievance in order that the service may be continued. Definitely here the ethical ideal was part and parcel of synagogue life.

Nowadays, unfortunately, we have retained only the shell, the outside form of our synagogue life. We go through the ceremonies, we utter the prayers, but they are meaningless to us. Something must be done to revitalize the synagogue as an agency making for ethical growth. The Jewish heart and soul crave it. Only a few days ago I received a letter from a very dear friend whose father had recently passed away. Because of his heart-rending experience his thoughts were naturally turned to the deeper things of life, and this is what he wrote me with regard to the synagogue:

"The thought that has come to me more than almost any other during the last few weeks is the yearning of people for understanding and fellowship. Too often in our synagogues and churches we find respect for the mighty, influential, and wealthy alone. Too often people do things for their effect and their publicity value. What we long for is the genuine fellowship of people who understand. We Jews today should be able to give each other just that type of understanding. Regardless of class, of wealth, of difference in creed, heart should touch heart and life should touch life. In the old days of our forefathers the synagogue meant just that. All of us together shared the ghetto life. We were all equal in the synagogue. Today, in the face of world disaster, we must recover some of that understanding of suffering. Then, too, this understanding of suffering should not be confined to that of our own people. We must extend the hand of friendliness and brotherhood to all who are afflicted, wherever they may be and whatever their faith."

My young friend continued: "Never before in my life have I felt the nearness of God as I have in these last 2 weeks. We, too, in Jewish life must recover our sense of the presence of the Heavenly Father as an unseen but constant companion. Hitler may persecute, pogroms may kill, fortunes may be wiped away, but 'from everlasting to everlasting Thou art God.' We Jews need this feeling of continuity—this possession of an anchor midst the turbulent seas of modern life. America has no greater need than the recovery of a sense of reverence for and worship of Almighty God."

To make the synagogue function once more in our lives in the vital way in which we need it, we should reexamine the present synagogue activities. Are we making adequate use of the institutions that are housed in our synagogues? Is the curriculum of our religious schools a mere vestige of what was adequate a hundred years ago? Are we utilizing modern educational progress in enriching our school life? Are the programs that we are adopting for our children, our youth, and our adults adequate for the ethical aims we seek to reach? Are we bringing out all the spiritual value in our services so that we can derive the greatest amount of help? Is the synagogue being used as a means for bringing back into our homes that beautiful love and spiritual content which made the home a bulwark of strength to our people?

The synagogue has preserved Jewish life for thousands of years. In times of persecution and despair the Jew has found in the synagogue a source of strength and happiness that has enabled him to hold his head high and to bear up under insult and oppression, confident of the greatness and value of his traditions. We must restore the synagogue to its former powers. To do this we must realize that a synagogue is very much like a dynamo. You know how a dynamo functions. Mechanical motion is applied to it, and it proceeds to transmit this coarser form of energy into electricity, a higher and more valuable form. So it is with the synagogue. Let us put into it our devotion, our material sacrifices; let us supply to it our energy, our intellectual strength, and it will transform this material force into spiritual energy that will ennoble, enrich, and uplift our lives.

Judaism has two institutions from which we can draw spiritual energy. As members of families, we go to the home for a sense of love and security. As members of the community, we go to the synagogue for fellowship and understanding. Let our seminar meetings tomorrow devote themselves to the various aspects of this problem so that the United Synagogue of America may have before it a program for developing and creating the materials, curricula, methods, textbooks, etc., that the synagogues and the institutions may need so that they may be restored to their functions as agencies for ethical growth. Our synagogues should become veritable towers of strength for the spiritual life. In this way the citizens of our faith in the United States will make their contributions to the development of ever higher ethical planes of living and fellowship in this great country of ours.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BROOKS, for 4 days, on account of important business.

To Mr. DEMPSEY, for 1 week, on account of important business.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following title were taken from the Speaker's table and, under the rule, referred as follows:

S. 1561. An act to provide relief for disbursing officers of the Army or Navy in certain cases; to the Committee on Military Affairs.

S. 2288. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. J. Res. 223. Joint resolution relating to the employment of the personnel of the Agricultural Adjustment Administration in carrying out certain governmental activities; to the Committee on Agriculture.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes) the House adjourned until tomorrow, Tuesday, March 17, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, old House Office Building, Wednesday, March 18, 1936, at 10:30 a. m., on H. R. 11172.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

708. A letter from the executive secretary of the Public Utilities Commission of the District of Columbia, transmitting, pursuant to paragraph 5 of the Public Utilities Act of March 4, 1913, its views on H. R. 9497, relating to the removal of certain tracks in and about the Capitol Grounds; to the Committee on the District of Columbia.

709. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation for the District of Columbia for the fiscal year 1936 in the amount of \$250,000 for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency; to the Committee on Appropriations and ordered to be printed.

710. A letter from the Secretary of Agriculture, transmitting, in accordance with the provisions of section 3 of the act of Congress approved February 18, 1929 (45 Stat. 1222; U. S. C. Supp., ch. 7a), the report of the Migratory Bird Conservation Commission for the fiscal year ended June 30, 1935; to the Committee on Agriculture.

711. A letter from the Postmaster General, transmitting, in accordance with a provision in Thirty-ninth United States Code, section 49, the facts in the claim for credit of Michael E. Sullivan, postmaster at Park Ridge, Ill., on account of public funds and property lost in the burglary of the post office at Park Ridge, Ill., on March 6, 1935; to the Committee on Claims.

712. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers, on a preliminary examination of deep-channel waterway from Lake Ontario near Olcott, N. Y., to Niagara River at Tonawanda, N. Y.; from Lake Ontario to Tonawanda, via Eighteen Mile Creek to Lockport, N. Y., and via New York State Barge Canal, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

713. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Prouts Neck, Maine, with a view to the establishment of a harbor of refuge, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

714. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Alexandria Bay Harbor, N. Y., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

715. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers on a preliminary examination of Menantico Creek, Cumberland County, N. J., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

716. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 13, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Indian Neck Harbor, Conn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

717. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 13, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Pirates Cove Channel in Sacarna Bay, Pirates Cove and Johnsons Pass, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

718. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Sebewaing River, Huron County, Mich., with a view to the control of floods, authorized by act of Congress approved June 11, 1935; to the Committee on Flood Control.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. STEAGALL: Committee on Banking and Currency. March 14, 1936. S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity; with amendment (Rept. No. 2199). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 10761. A bill for the relief of the present leader of the Army Band; without amendment (Rept. No. 2200). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 2612) granting a pension to Mary Tompkins; and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FITZPATRICK: A bill (H. R. 11817) to provide for the honorary designation of St. Paul's Church, together with the churchyard and the village green associated therewith, in the town of Eastchester, Westchester County, State of New York, as a national shrine; to the Committee on the Library.

By Mr. McCLELLAN: A bill (H. R. 11818) conveying certain land in Hot Springs National Park to the State of Arkansas for the construction thereon of a National Guard armory; to the Committee on the Public Lands.

By Mr. NELSON: A bill (H. R. 11819) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11820) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. PIERCE: A bill (H. R. 11821) to correct an error in section 16 (e) (1) of the Agricultural Adjustment Act, as amended, with respect to adjustments in taxes on stocks on hand, in the case of a reduction in processing tax; to the Committee on Agriculture.

By Mr. ROBERTSON: A bill (H. R. 11822) to permit certain special-delivery messengers to acquire a classified status through noncompetitive examination; to the Committee on the Post Office and Post Roads.

By Mr. SECREST: A bill (H. R. 11823) to reimburse the Muskingum Watershed Conservancy District of Ohio for expenditures made in buying lands and easements in connection with a public-works contract for flood control and improvement of navigation in the Muskingum watershed; to the Committee on Flood Control.

By Mr. DIMOND: A bill (H. R. 11824) to amend the Alaska coal-leasing law; to the Committee on the Territories.

By Mr. HOEPEL: A bill (H. R. 11825) to amend the act of June 6, 1924, entitled "An act to amend in certain particulars the National Defense Act of June 3, 1916, as amended, and for other purposes"; to the Committee on Military Affairs.

Also, a bill (H. R. 11826) to restore hospitalization and domiciliary care to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection; to the Committee on Pensions.

By Mr. SECREST: A bill (H. R. 11827) to establish the Bureau of Veterans' Affairs in the Department of the Treasury with the Commissioner of Veterans' Affairs at the head thereof, to abolish the Veterans' Administration and transfer its functions pertaining to veterans' affairs to such Bureau, to adjust and equalize pensions of veterans and widows and dependents of veterans, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. MAAS: A bill (H. R. 11828) to limit the consideration by boards convened by the Secretary of the Navy to select officers of the line and staff corps of the Navy for promotion to the professional records of eligible officers; to the Committee on Naval Affairs.

By Mr. BLOOM: Joint resolution (H. J. Res. 523) amending the Second Deficiency Appropriation Act, fiscal year 1935, for the Navy and Marine Memorial Monument; to the Committee on Appropriations.

By Mr. DRIVER: Joint resolution (H. J. Res. 524) providing for the contribution by the United States to the expense of the celebration by the State of Arkansas of its admission to the Federal Union; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASEY: A bill (H. R. 11829) for the relief of Joseph Zani; to the Committee on Claims.

Also, a bill (H. R. 11830) for the relief of William R. Herrick; to the Committee on Claims.

Also, a bill (H. R. 11831) for the relief of James Shimkunas; to the Committee on Claims.

By Mr. COLE of New York: A bill (H. R. 11832) for the relief of David W. Scribner; to the Committee on Claims.

By Mr. COLLINS: A bill (H. R. 11833) for the relief of Cornelius Philip Cassin; to the Committee on Naval Affairs.

By Mr. IMHOFF: A bill (H. R. 11834) for the relief of Isaac Abraham; to the Committee on Military Affairs.

By Mr. JOHNSON of West Virginia: A bill (H. R. 11835) for the relief of Samuel Pelfrey; to the Committee on Military Affairs.

By Mr. MAIN: A bill (H. R. 11836) granting a pension to Julia A. Allen; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 11837) granting a pension to Mary A. Lynch; to the Committee on Invalid Pensions.

By Mr. MONAGHAN: A bill (H. R. 11838) for the relief of John W. Murray; to the Committee on Military Affairs.

By Mr. POWERS: A bill (H. R. 11839) granting a pension to Mary Quirk; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11840) granting an increase of pension to Jennie M. Jenness; to the Committee on Invalid Pensions.

By Mr. RAMSAY: A bill (H. R. 11841) for the relief of James Evans Monroe; to the Committee on Claims.

By Mr. REED of Illinois: A bill (H. R. 11842) granting a pension to Olive M. Hunt; to the Committee on Invalid Pensions.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11843) granting an increase of pension to Lovina Baumgardner; to the Committee on Invalid Pensions.

By Mr. CARPENTER: Joint resolution (H. J. Res. 522) for the relief of William W. Brunswick; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10525. By Mr. CARPENTER: Petition of Mrs. R. L. Williams and other residents of Woodson County, State of Kansas, to prohibit, within the District of Columbia, the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, etc.; to the Committee on the District of Columbia.

10526. By Mr. COLDEN: Resolution passed by the Public Works and Unemployed Union, Local No. 8, Los Angeles, Calif., asking that a congressional investigation be made of alleged activities of shipowners and industrialists in opposition to maritime unions; to the Committee on Merchant Marine and Fisheries.

10527. Also, communication signed by Elizabeth T. Gesner and 44 other ladies, residents of Los Angeles, Calif., in behalf of the Lucretia Mott amendment to the Constitution, proposed by Representative LUDLOW; and urging opposition to all bills which deny women the rights of adult citizenship, and the repeal of section 213 of the Economy Act; to the Committee on the Judiciary.

10528. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing Senate bill 3363, regulating and promoting commerce with foreign nations and among the States, etc.; to the Committee on Interstate and Foreign Commerce.

10529. Also, memorial of the Philadelphia Board of Trade, opposing Senate bill 2573, providing for creation of the United States Railways; to the Committee on Interstate and Foreign Commerce.

10530. Also, memorial of the Philadelphia Board of Trade, opposing enactment of the Robinson and Patman bills (S. 3154 and H. R. 8442); to the Committee on the Judiciary.

10531. By Mr. ENGLEBRIGHT: Petition of patrons of star route no. 76136, Plymouth to River Pines, Calif., favoring legislation that will indefinitely extend all existing star-route contracts and increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10532. Also, petition of Mrs. A. H. Strawn and 65 other patrons of star route no. 76134, Redding to Knob, Calif., favoring legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10533. Also, petition of patrons, star route no. 76306, Mariposa, Calif., favoring legislation that will indefinitely extend all existing star-route contracts and increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10534. Also, petition of patrons of star route no. 76315, California, favoring legislation that will indefinitely extend all existing star-route contracts and increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10535. Also, petition of patrons of star route no. 76283, Aukum to Plymouth, Calif., favoring legislation that will indefinitely extend all existing star-route contracts and increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10536. Also, petition of patrons of star route no. 76291, Sacramento to Jackson, Calif., favoring legislation that will indefinitely extend all existing star-route contracts and increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10537. By Mr. FITZPATRICK: Petition of the Yonkers Lodge, no. 287, Loyal Order of Moose, favoring the passage of House bill 8540, providing for a national lottery; to the Committee on the Judiciary.

10538. By Mr. PATMAN: Resolution adopted by a large number of trade associations and small business enterprises in a mass meeting assembled on February 29, 1936, in the city of Chicago, favoring the Robinson-Patman bill, known as Senate bill 3154 and House bill 8442; to the Committee on the Judiciary.

10539. By Mr. PFEIFER: Petition of the Colonial Works, Inc., Brooklyn, N. Y., concerning House bill 10634, which adds a new section to 77-C of the bankruptcy law; to the Committee on Banking and Currency.

10540. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring enactment of House bill 11323, authorizing the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first white settlement on Long Island; to the Committee on Coinage, Weights, and Measures.

10541. By Mr. REED of Illinois: Petition signed by Lawrence W. Zerna and three other employees of J. D. Brown & Co., of Joliet, Ill., requesting passage of Robinson-Patman antidiscrimination bill; to the Committee on the Judiciary.

10542. Also, petition signed by Oliver J. Beidelman and 33 other members of Du Page County Retail Druggists' Association, requesting passage of Senate bill 3822 and House bill 8442; to the Committee on the Judiciary.

10543. By Mr. SHANLEY: Petition adopted by officers of San Salvador Council, No. 1, Knights of Columbus, New Haven, Conn., concerning the Mexican situation; to the Committee on Foreign Affairs.

10544. By the SPEAKER: Petition of the American Legion, Department of the District of Columbia; to the Committee on the Judiciary.

10545. Also, petition of numerous citizens of the District of Columbia and nearby Virginia and Maryland; to the Committee on the District of Columbia.

SENATE

TUESDAY, MARCH 17, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 16, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams
Austin
Bachman
Bailey
Barkley
Benson
Bilbo
Black
Bone
Borah
Brown
Bulkeley
Bulow
Burke
Byrd
Byrnes
Capper
Caraway
Carey
Clark

Connally
Copeland
Costigan
Couzens
Davis
Donahay
Duffy
Fletcher
Frazier
George
Gerry
Gibson
Glass
Guffey
Hale
Harrison
Hatch
Hayden
Holt
Johnson

Keyes
King
La Follette
Lewis
Logan
Loneragan
Long
McAdoo
McGill
McKellar
McNary
Maloney
Metcalf
Minton
Moore
Murphy
Murray
Neely
Norbeck
Norris

Overton
Pittman
Pope
Radcliffe
Reynolds
Robinson
Russell
Schwellenbach
Sheppard
Shipstead
Smith
Stelwer
Thomas, Utah
Townsend
Vandenberg
Van Nuys
Wagner
Walsh
Wheeler
White

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is absent because of illness, and that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the junior Senator from Oklahoma [Mr. GORE], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from Florida [Mr. TRAMMELL], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily absent.

Mr. TOWNSEND. I announce that my colleague, the junior Senator from Delaware [Mr. HASTINGS], is necessarily absent.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Communications Commission, transmitting, pursuant to Senate Resolution 245 (submitted by Mr. BORAH and agreed to on Mar. 9, 1936), a report relative to inspection or seizure of telegrams or other private communications, which, with the accompanying report, was ordered to lie on the table and to be printed.

REPORT OF NATIONAL HISTORICAL PUBLICATIONS COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Archivist, transmitting, pursuant to law, a report submitted by the National Historical Publications Commission pertaining to the making of "plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication and/or otherwise recording at the public expense", which, with the accompanying papers, was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

Mr. WALSH presented a letter in the nature of a petition from the Gloucester (Mass.) Business and Professional Women's Club, praying for the enactment of the bill (H. R. 5051) to amend the Civil Service Act approved January 16, 1883 (22 Stat. 403), and for other purposes, which was referred to the Committee on Civil Service.

He also presented the petition of Sergeant William E. Walters Camp, No. 58, United Spanish War Veterans, of Framingham, Mass., praying for the enactment of House bill 9472, the so-called Philippine travel pay bill, which was referred to the Committee on Claims.

He also presented the petition of Local Union No. 3284, United Textile Workers of America, of Webster, Mass., praying for the enactment of the so-called Ellenbogen bill, relating to the textile industry, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a petition from the board of directors of the Lowell (Mass.) Chamber of Commerce, praying for the enactment of the so-called Copeland bill, providing for the repeal of section 184D of the

Revenue Act of 1934, pertaining to the publication of income-tax returns, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from the Greater Lawrence (Mass.) Liberty Associates, remonstrating against the imposition of additional taxes upon beers and liquors, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from the Springfield (Mass.) Chamber of Commerce, remonstrating against the enactment of the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the board of directors of the Gardner (Mass.) Chamber of Commerce, remonstrating against Government ownership of railroads or further regulatory railroad measures, such as the full-crew bill, and so forth, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from the legislative committee of the Massachusetts Home Economics Association, the Committee on Government and Its Operation of the Medford League of Women Voters, the Young Woman's Club, and the Woman's Christian Temperance Union of Winthrop, all in the State of Massachusetts, praying for the enactment of legislation to regulate block booking and blind selling of motion pictures, which were referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Division of Conservation of Natural Resources and Gardens of the Massachusetts Federation of Women's Clubs, favoring the enactment of legislation making Mount Olympus a national park, which was referred to the Committee on Public Lands and Surveys.

He also presented petitions of sundry citizens, being retail grocers, and the New Bedford Retail Grocers' and Provision Dealers' Association, all in the State of Massachusetts, praying for the enactment of Senate bill 3154, to prevent price discriminations, which were ordered to lie on the table.

He also presented a letter in the nature of a memorial from the board of directors of the Gardner (Mass.) Chamber of Commerce, remonstrating against the enactment of Senate bill 3154, to prevent price discriminations, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (H. R. 8577) to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes, reported it without amendment and submitted a report (No. 1699) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 3976. A bill to amend the act approved February 27, 1931, known as the District of Columbia Traffic Act (Rept. No. 1701);

S. 3977. A bill to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes (Rept. No. 1695); and

S. 4165. A bill amending section 1 (h) of the District of Columbia Unemployment Act (Rept. No. 1700).

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3799. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo. (Rept. No. 1696); and

S. 3971. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y. (Rept. No. 1697).

Mr. SHEPPARD also, from the Committee on Commerce, to which was referred the bill (S. 3945) to extend the times

for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak., reported it with amendments and submitted a report (No. 1703) thereon.

Mr. BULKLEY, from the Committee on Banking and Currency, to which was referred the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes, reported it with amendments and submitted a report (No. 1698) thereon.

Mr. ADAMS, from the Committee on Banking and Currency, to which was referred the bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States", reported it without amendment and submitted a report (No. 1702) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAREY:

A bill (S. 4293) for the relief of George W. Middleton; to the Committee on Military Affairs.

By Mr. LOGAN:

A bill (S. 4294) to amend the Alaska coal leasing law; to the Committee on Mines and Mining.

By Mr. CAPPER and Mr. COPELAND (by request):

A bill (S. 4295) to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes; to the Committee on the Library.

By Mr. SHEPPARD:

A bill (S. 4296) to amend section 11 of the act of March 1, 1919 (40 Stat. 1270); to the Committee on Printing.

By Mr. McADOO (by request):

A bill (S. 4297) to amend section 80 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended; to the Committee on the Judiciary.

By Mr. HATCH:

A bill (S. 4298) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

(Mr. BARKLEY (for Mr. BLACK) introduced Senate Joint Resolution 234, which was ordered to lie on the table, and appears later under a separate heading.)

AMENDMENT TO AGRICULTURAL APPROPRIATION BILL

Mr. NORBECK submitted an amendment intended to be proposed by him to House bill 11418, the Agricultural Department appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 48, to strike out lines 4 to 8, inclusive, and insert in lieu thereof the following:

"For cooperative planting and care of the shelterbelt on a 50-50 basis with landowners, who will make the land available free of charge and enter into an agreement with the Government for planting, care, and maintenance over a period of 5 years under conditions by which not more than 50 percent of the expense is borne by the Government, \$1,000,000: *Provided*, That the shelterbelt shall consist of planting of trees and shrubs in strips not exceeding 165 feet wide and from one-half mile to a mile apart of length to be determined by the Government, oriented so as to protect fields and buildings from wind and located within a zone approximately 100 miles in width between the ninety-seventh and one hundred and first degrees of longitude west of Greenwich and extending from the Canadian boundary to the thirty-second degree of latitude: *Provided further*, There may first be a deduction of 5 percent from this fund to be used exclusively for the necessary expense in connection with production of trees and shrubs, including the purchase of land for nursery sites for the production of trees for shelterbelt purpose, and for distribution of nursery stock at cost to actual farmers living within the shelterbelt area, who may desire to undertake tree planting at their own expense."

ST. PATRICK'S DAY

Mr. DAVIS. Mr. President, March 17 has most unusual distinction, for on that day St. Patrick is honored throughout all America although he died 1,443 years ago in Ireland. Only one other person of foreign birth is so honored in this country and that is Columbus, who discovered the New

World. The fact is that people generally in this country observe St. Patrick's Day with almost as much zest as they do the birthdays of our great national heroes.

This is more amazing when one recalls that St. Patrick was not a native of Ireland, but rather was a Britisher, stolen away as a slave to Ireland, escaping to secure an education, and then returning to the Emerald Isle as a missionary. While tradition has it that he was responsible for driving the snakes out of Ireland, and although many think of him in terms of the shamrock and the "wearing o' the green", the substantial reasons for preserving his memory have not been given sufficient attention.

Fourteen hundred and forty-three years ago, on the 17th day of March, St. Patrick died in Ireland after having devoted 61 years of his life to the holy work of implanting in the hearts of the Irish people the faith which, at all costs, they have kept to the present time.

Mr. President, St. Patrick's Day recalls the great achievements of men of Irish faith and trained in Irish learning during three centuries after Patrick's death—that golden age of Ireland, when not only the students of Europe flocked to her schools, were admitted to them without distinction, and educated gratuitously, but her scholars carried the light of knowledge to all parts of the then known world. The labors of Irish monks and missionaries in Scotland, England, Gaul, Italy, Switzerland, and Germany; the illustrious names that Ireland contributed to the civilization of those countries; Ireland's early contribution to the arts and sciences and to the principles of wise representative and just government are all set down in the pages of history never to be forgotten.

In order to have a proper appreciation of St. Patrick and the golden age which he introduced one should have some slight acquaintance with history. It should be remembered that he did his work in the fifth century, at a time when the light of Roman civilization was rapidly fading into its twilight glow. Then followed 500 years of the Dark Ages, when civilization lapsed into barbarism. During this time it was the beacon light of Irish culture, lighted by St. Patrick, which afforded the illumination by which Europe returned to the paths of civilization and culture. Hence it is true that not only Ireland but all the world has become indebted to this noble saint.

Mr. President, having been born in Wales, where Celtic blood and traditions are supreme, I have some understanding of the fascination which Ireland holds for Irish people everywhere. The map of Ireland represents the roots and bedrock of the Celtic race, regardless of class, boundary lines, or religious tradition. I have yet to meet any person coming from this place who has not been proud if he appeared to have the map of Ireland imprinted on his face.

St. Patrick was the most successful missionary of the fifth century. His resting place at Downpatrick is still a shrine of pilgrimage. His would have been a saint's life in any age or in any country. Since the days of St. Paul no greater missionary ever lived. The primal motive power of his life was his desire to preach the gospel.

I like to join in celebration of St. Patrick's Day because he belongs to all Christians, both Protestant and Catholic. He did his work in a day when Protestants and Catholics as we know them did not exist. His was undying loyalty to his Lord. It does us good today to lay aside the formalities of sectarian difference to join in praise of the patron saint of Ireland who belongs to men and women of all lands.

I have long observed that the true spirit of the Irish people is devotion to religion, irrespective of denomination or sect. We should not forget that Ireland has furnished the world with heroic examples of Protestant as well as Catholic leadership. The struggle for freedom in Ireland was basically due to an economic rather than a religious issue. Proof of this is found in the championship of Ireland's cause by the great Gladstone, who characterized the Act of Union of 1800 "the blackest and foulest transaction in the history of man." Witness also that bravest and most picturesque of Ireland's heroes, Robert Emmet, a stalwart Protestant. In 1803 Emmet led a desperate revolt which failed, and he died on the scaffold with such supreme courage that his name has ever been

dearest to his race. The Young Ireland movement was led by brilliant men, John Mitchel, Thomas Davis, and Smith O'Brien, all of whom were Protestants. Hence it is that Ireland's cause has transcended the narrow boundaries of sectarianism.

Mr. President, if I interpret the genius of the Irish people aright, I would say that they have joined a consuming passion for the Christian religion with a flaming love for liberty. This has produced in them a spirit of toleration as a result of long generations of struggle for the ideals they hold dear. Having suffered in the cause of liberty, they have come to understand the virtues of patience and sympathy which extend the rights of religious liberty to others. The same spirit of religious toleration is one of the cornerstones of our American liberty. It is interesting to observe that apart from the birthday of the Christ, observed at Christmas, St. Patrick is the only outstanding character in the field of religion whose glory is extolled equally by men of all faiths in this country.

St. Patrick's life was one sublime with love. He was summoned to begin his missionary work in Ireland in a heavenly dream. In his dream he heard voices calling to him, saying: "We entreat thee, holy youth, that you come here and walk among us." He responded to the call, saying: "God rules me. Therefore I go to Ireland to preach the gospel."

It was the gospel of love which St. Patrick carried with him on his journeys. He was under commission of the Master who had said: "A new commandment I give unto you, that ye love one another." No man could be, can be his disciple, his follower, and fail in the realization of this fundamental teaching. "By this shall all men know that ye are My disciples, if ye love one another." And going back again to his ministry we find that this precept breathes through all his teaching. Its very essence is summed up in the principle we call the golden rule. "Whatsoever ye would that men should do to you, do ye even so to them." As I view it, the golden rule is the supreme law of life. It may be paraphrased in the words of Ralph Waldo Trine: "As you do unto others, others will do unto you. What I give, I get. If I love you, really and truly and actively love you, you are as sure to love me in return as the earth is sure to be warmed by the rays of the midsummer sun. If I hate you, ill-treat you and abuse you, I am equally certain to arouse the same kind of antagonism toward me."

Mr. President, unless we love people we cannot understand them. The great need of the world today is love and understanding. In a world confronted with war, in a land where we have poverty amidst plenty, in a day when youth are graduating into a society where no useful employment is being offered them, in a machine age where automobile accidents take a toll of 36,000 people every year in this country, we need more of love and human understanding. We have acquired a knowledge of machines. Now we must acquire a knowledge of ourselves. We must come to a deeper appreciation of the human beings about us. The great problems of today are human problems, and we must solve them in a human way.

St. Patrick pointed the way for us when he went into Ireland when its natives were wild and barbarous and within his lifetime planted the seeds of love and understanding which produced the great people who are honored all over the world today. Let us, like St. Patrick, resolve to preach and to practice the gospel of love.

BOONDOGLING AND BUDGET BALANCING IN RELATION TO PROSPERITY—ADDRESS BY SENATOR ROBINSON

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting and timely address delivered by the senior Senator from Arkansas [Mr. ROBINSON], majority leader of the Senate, over the national network of the Columbia Broadcasting System, on March 12, 1936. The subject of the address is Boondoggling and Budget Balancing in Relation to Prosperity.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Records which cannot be questioned disclose the existence of higher business levels during the early part of 1936 when compared with the same period for 1935.

The February department-store report of the Federal Reserve Board showed sales during February of this year 13 percent above those in February 1935.

Steam-railway freight revenues for the year 1935 exceeded those in 1934 by more than \$155,000,000. Passenger revenues increased approximately \$12,000,000. Railway employment was augmented more than 6 percent for February 1936, compared with the same month in 1935.

Labor Department statistics disclose a 33-percent decline in employment from April 1930 to April 1933 and a decrease in pay rolls during the same period of 53 percent. Industrial employment is shown to have risen 31 percent between April 1933 and December 1935 and the industrial pay rolls have increased 61 percent during the same time.

Do you know why agriculture and industry are making such rapid strides back to prosperous conditions under the wise policies of the Roosevelt administration? There is no occasion to repeat once again the dreary economic picture which prevailed when this administration came into power. It has been done elsewhere and done well and the people are acquainted with the facts.

During the Hoover administration approximately 900,000 farms were sold either for delinquent taxes or under mortgage foreclosure. Do you realize what that means? The American farmers, among the hardest-working men in the world, were being turned from their homes in the midst of plenty like exiles because a Republican administration was unable to manage properly our economic policies.

The Roosevelt administration broke the curve of deflation and started the spiral upward. How was this done? Simply by building up for the farmers a decent income. It substituted industrial activity for industrial stagnation. Our present enviable position in world economics is a direct result of Roosevelt policies. Don't let anyone tell you otherwise.

Every business page in every newspaper daily proclaims by its headlines that our people are again on the road to prosperity and the emergency is receding farther and farther into history. Our political foes cannot dispute the facts, but, driven by political necessity, they seek to belittle the administration that made success a fact and not a dream. So they are sniping at every policy, every step that leads toward the goal of restoration.

They have no economic plan; not even an economic theory. By elaborating on petty details they hope to build up a case which the American people will mistake for a program but thus far they have been notably unsuccessful. They moan about Government expenditures and speak of waste and squandering, failing to tell the public that legislators of their own political complexion voted for the very appropriations which they criticize. They likewise fail to tell the people why that spending program was necessary. I shall do so tonight.

The carping spokesmen fail to agree, and in most cases they merely plead for a chance to administer the very policies which the New Deal has placed in effect.

The only thing offered by the Republican Party is a return to the Pollyanna theory of economic reform. You good people are very well acquainted with the Pollyanna theory because it cost you dearly under the last Republican administration. You recall how the President in the White House was declaring that "prosperity was just around the corner" while a few of the vast army of unemployed stood on the street corners, shivering and cold, trying vainly to sell apples and pencils to the passersby. It was a "noble experiment" in economics but unfortunately it had a disastrous effect upon the unhappy occupants of American homes. It just wouldn't work.

In their efforts to ridicule and defame the Roosevelt program, the Republican spokesmen are now directing a heavy fire against certain work-relief projects which they call "boondoggling" and which they hold up as horrible examples of the waste of the taxpayers' money.

In a recent speech in the Senate I took up in detail the specific projects ridiculed by the Republican National Committee and by the miscalled Liberty League, and showed that in most instances they were the best projects that could be devised, considering the fact that the projects must be accessible to the workers and also of such nature as to absorb the untrained in great numbers, as well as the skilled, who are comparatively small in number. I showed by the record that they were health projects which will prevent untold misery for large numbers of people in the future. It was also shown that in every instance the Works Progress Administration had secured the advice and approval of local authorities before undertaking such projects, whether those local officials were Republicans or Democrats or members of any political party. The record discloses that the administration here in Washington has tried to keep politics out of the great humane and charitable work of caring for the unemployed.

But our Republican foes still continue to belabor the administration. They complain that we fail to answer their constant grumbling and complaints.

Tonight I shall answer one of our severest critics, because he has demanded an answer, and because he says we are afraid to meet him with the facts. It is my purpose now to take up some of the statements made by Mr. Herbert Hoover, the titular head and spokesman for the Republican Party, who is carrying on a continuous campaign to break the faith of the people in Roosevelt policies, and apparently to secure for himself the Presidential nomination.

In his speech at Colorado Springs on last Saturday night, Mr. Hoover accused Democratic spokesmen of answering him with

personal remarks, but with making "no answer to facts or verses or chapters given in proof."

Let us examine some of the statements which Mr. Hoover has passed out for facts. In his Lincoln Day speech on February 12, the former President quoted a New York newspaper to the effect that the Rural Resettlement Administration was employing 12,089 Federal officials to provide relief for 5,012 persons, adding that it was costing Uncle Sam \$350 in overhead for every \$60 of relief. He neglected to state that the same newspaper, long before he made that Lincoln Day speech, published an admission that the story was in error and that the figures were grossly incorrect.

This newspaper ran the full text of Mr. Hoover's Lincoln Day speech, and once again, for the sake of accuracy, the newspaper pointed out that the figures were in error. But Mr. Hoover, to my knowledge at least, has never made correction.

Several months ago a member of President Roosevelt's Cabinet made an honest mistake by saying that three bills, later held unconstitutional by the Supreme Court, had been passed during Mr. Hoover's administration. The latter promptly announced that the bills had actually been enacted under Mr. Coolidge, and he demanded a public correction, which was given him. I wonder now if Mr. Hoover will be fair enough to apologize publicly to the Roosevelt administration for this gross misstatement which he has sent broadcast regarding the cost of relief?

On every opportunity he can get, Mr. Hoover takes occasion to question the financial policies of the Federal Government and to raise disturbing doubts in the minds of people who have a little money invested in worth-while American stocks and bonds. He keeps preaching that inflation is on its way and that its consequences will ruin investors. Instead of promoting confidence, he seeks to destroy it.

A month or more ago he appeared as a witness in court to repeat once again his inflationary threat, and he cited the increase in stock-market values to justify his position. He made no reference to the all-important fact that at the same time the bond market was rising at a rate only slightly below that of the stock market. In other words, the whole picture showed public confidence in the upward swing of business and industry, while Mr. Hoover only gave part of the picture to suit his own ends. Is that conscientious or justified criticism? What he is saying now is exactly in line with the tactics he used in 1932, when he predicted that the election of the Democrats would still further paralyze trade and commerce, and that as a result of their policies, grass soon would be growing in the streets of every city.

Perhaps the most remarkable claim made by Mr. Hoover is that the downward spiral of the depression was stopped in June-July of 1932 and that the subsequent upward movement was stopped only because the people lacked confidence in Mr. Roosevelt. That statement was so contrary to the facts that the administration made no answer, but now it is being repeated in solemn and grave manner by Republican spokesmen and partisans in all parts of the country.

To refute that statement, I shall now call Mr. Herbert Hoover himself as a witness. He says the depression was turned in June and July of 1932. He accepted renomination by the Republican Party on August 11 of that same year, and in his acceptance speech he admitted that millions of his fellow countrymen were out of work, that the farmers were selling their products at prices below a living standard, and that millions of other people were "haunted by fears for the future." Then he added, and I quote:

"With united effort we can and will turn the tide toward the restoration of business, employment, and agriculture. It will call for the utmost devotion and wisdom. Every reserve of American courage and vision must be called upon to sustain us and to plan wisely for the future."

Now we have the true situation. Mr. Hoover claims now that he turned the depression in June of 1932, whereas in August of that same year he was accepting renomination with the pious hope that he might be able to turn the tide if given another chance.

Let us follow Mr. Hoover a bit further. Back in 1931, when the depression was digging in and taking a terrific toll in human suffering, I sponsored, along with my colleagues, a bill to provide a moderate sum of money to feed hungry drought victims in Arkansas and other States. Mr. Hoover fought that measure with all the power at his command, and he accused those of us who sponsored the bill with "playing politics with human misery." Yet in his recent speech at Colorado Springs, to which I just referred, Mr. Hoover said the following, and again I quote:

"If the use of all the powers of the Government to relieve our people from hunger and cold in calamity is radical, then you should be radical."

How can you reconcile those two conflicting statements? How can you answer a man who constantly shifts his position on every important issue?

Pass on now to perhaps what is the most amazing of all the astonishing statements made by the former Republican President in his frenzied efforts to halt the onward movement of President Roosevelt's popularity. Like the man who wanted to sweep back the tide with a broom, the unhappy Mr. Hoover is grasping at anything in the hope that it may serve his purpose. In another of his great oratorical efforts, this one delivered at St. Louis, on December 17 last, he said:

"After the election of the New Deal we began a retreat. Only in the United States was there an interruption. We were the strongest and should have led the van. And we lagged behind for 2 years."

"The other countries of the world went forward without interruption. They adopted no New Deal."

I ask the American people to pass judgment on that statement by Mr. Hoover. It seems incredible that any man who reads the daily newspapers could make such a statement. Of course, as good Americans, it is not our part to adopt a pharisaical attitude and to think ourselves better than other nations because we are fortunate enough to avoid most of the troubles which pursue them constantly.

One wonders how many people in this country agree with Mr. Hoover that the other nations of the world have gone forward economically while we lagged behind? Is that true of Europe? Is it true of the Orient? Why the newspapers for the past several weeks have been headlining the threatening events taking place across the Pacific and across the Atlantic. We have been assured that the far eastern powder keg is close to another explosion, that nations are glaring at one another and virtually defying one another to armed conflict. We heard of the war in Africa and of the mobilization of millions of armed men. We are informed by those who should know that the real cause is the severe economic crisis threatening the nations involved. We read of armies marching once again, of military airplanes droning overhead, of tanks rumbling through city streets, while statesmen meet and do their best to avert what threatens to be an awful calamity. And back of it all is the well-known fact that the main contributing factor is the distressed financial and economic position of those nations involved. We know how the nations of Europe have suffered economically during the past several years, and with the notable exception of Great Britain, we realize how hard they are finding the struggle to come back.

And yet in the face of such undeniable facts Mr. Hoover goes on the radio and solemnly assures the American people that the other nations are moving forward toward prosperity while we lag behind. It reminds us of the theory advanced by Republican spokesmen everywhere back in 1929 that the real cause of the depression came from abroad. Now we know that actually the depression in foreign lands was only a contributing factor, if any, and that the real cause of the collapse in this country was unbridled speculation and exploitation and the failure of the Republican Party to revive the buying power of agriculture.

Contrary to what Mr. Hoover says, the rest of the world, unfortunately, has suffered extreme reverses in the drive to bring back economic prosperity, while on the other hand, we have forged steadily forward under the New Deal policies. There has never been a time in recent years when the United States has occupied a finer or better position in world affairs, and it is due wholly to the course pursued under the leadership of our great President.

He has removed the rancor and distrust with which the nations of Latin America formerly looked upon our policies, and he has taken great strides forward in cementing the bonds which bind the peoples of North, South, and Central America. At the same time he has kept us away from anything even remotely suggesting participation in the quarrels of Europe and the Far East by pursuing a policy which was at once wise and strong.

In attacking what they call New Deal spending policies, I have pointed out that our Republican critics are careful to confine themselves to generalities without explaining the enormous good which New Deal policies have accomplished in promoting recovery both for the farmers and for industry in general. It is safe to say that without the courageous policies advanced by Mr. Roosevelt, an untold number of retailers, merchants, department-store owners, and businessmen engaged in the heavy construction industry would have passed into bankruptcy long since.

In his recent speech at Baltimore Senator TRIDINGS put his finger with unerring accuracy upon the fundamental distinction between the policies pursued by the three previous Republican administrations and those pursued by the administration now in power. We all know that if you want to run a business, you must have a market for your product. That market must be either in this country or abroad, and in some cases it may be both. The Roosevelt administration has been striving with might and main to build up a constant and permanent market for American goods in this country while the Republicans were always casting their eyes on Europe and other foreign lands. Let me quote from Senator TRIDINGS, who said:

"During the period from 1921 to 1929 approximately 14½ billions of dollars in gold were loaned by the people of this country to foreign governments with the stamp of approval of the United States Department of State upon most of the loans.

"During the same period of time America sold more goods abroad than ever before in its peacetime history.

"We made these large sales of goods to foreigners because we were lending them the money with which to buy our goods; lending it to foreigners who already owed us more than they could pay under existing tariff barriers created by us."

In line with the foregoing, I wish to point out that billions of dollars included in those foreign loans were lost by default. It may be objected that the Roosevelt administration is using Government loans while those loans abroad were privately promoted and privately floated. My contention is that it was money earned and owned by hard-working American citizens and that the loss was terrific.

These foreign-loan defaults were one of the major causes of the depression. They resulted in innumerable bank failures and gave birth to economic troubles which this administration is still endeavoring to overcome. You will note that these foreign loans built up a false prosperity and that to replace that market a new

market had to be created. Under the prudent direction of Secretary of State Hull, this administration is now making substantial progress in clearing away the international trade and tariff restrictions which strangled world trade, to which strangulation this country had led the way by enacting the Smoot-Hawley tariff. Mr. Hull is succeeding in opening up new markets while at the same time avoiding consequent harm to industry and agriculture in this country.

Along with this restoration of foreign commerce the administration has made marvelous strides forward in building up new markets in America, in neglected areas, which should have received aid from the Federal Government years before. The best customer for American manufactured goods is the American farmer and the Roosevelt administration has acted on that theory.

Why are the smokestacks of Pennsylvania, Ohio, Michigan, and New England belching forth black smoke once again? Because the Roosevelt administration put money in the pockets of farmers in Kansas and Nebraska and other parts of the agricultural regions of this country. By the same token the policy of relief spending has accomplished the twofold purpose of providing absolutely essential assistance to millions of unemployed needy while at the same time it has primed the pump and helped start the wells of business once again. This relief money has not been tossed away in Europe or any other foreign land. Almost every dollar has been expended here in America, and by common agreement of the economists, it has been the most useful money imaginable.

We all know that relief dollars are spent quickly because the recipients have no cash reserves and they must spend it for necessities about as fast as it is received. The relief money in this way has been a tremendous help to the small business man and the retailers who depend upon a cash income for their livelihood.

As I said in the Senate the other day, the Roosevelt administration has no wish to claim that its administration of this relief money is perfect, but we do insist that it has been administered as honestly and efficiently as it is humanly possible to administer such a job. If there has been chiseling locally, it has not been countenanced by Federal officials here, but on the other hand every effort has been made to stamp out such practices. Some projects may have been undertaken unwisely, but on the whole the amount of permanent benefit which the \$4,880,000,000 relief fund will confer upon this country is enormous. The cause of public health has been given a decided impetus and at the same time public buildings, highways, and bridges and other useful works are being constructed in all parts of the country.

I have tried to tell you in this broad outline why it was absolutely necessary for President Roosevelt to put in force the policies which he did, not alone to relieve the needy, but, at the same time, to rescue business men and individuals in every State of the Union who were threatened with dire disaster unless some method was found to get our agriculture and industry working once again.

The Roosevelt administration used the only method which was at hand and I'd like to remind you that it was endorsed in the beginning by virtually every outstanding Republican in this country. But now that they see the policy is working, they refuse to take responsibility for their own actions. They like to sit back and cry, very unfairly, that the Roosevelt administration is hurting business and piling up a huge and unnecessary tax burden. I have shown you how the administration has helped business by its spending policies, and now let's consider the tax burden. I'm going to quote briefly from a well-known economist, who said:

"Politicians may not like to deal with taxes in an election year, but every sensible citizen knows that sooner or later the enormous bills for the depression must be paid."

The writer has pointed out quite accurately that the cause of new taxes is the Hoover depression, and not the efforts of the Roosevelt administration to undo the causes of the depression. The use of Federal credit was necessary to save American business and States and cities from bankruptcy because of the unwise financial policies pursued by the last three Republican administrations.

As a matter of fact, many honest Republican leaders are willing to admit, and have admitted, that the policy of spending to provide relief will probably have to be carried on for some time to come.

The fact is that at present the Federal Government is in excellent financial condition in relation to normal receipts and normal expenditures. Because of better times, both in industry and agriculture, revenue has increased at a very encouraging rate and there is every indication that the increase in income will keep pace with the continued pick-up in industry. The tide of recovery, about which Mr. Hoover spoke so wistfully in 1932, is now flowing in the proper direction, and it is flowing in the right direction because of Roosevelt policies.

In facing the fact that relief expenditures for the unemployed may be necessary for a period to come, we should recognize the fact that such expenditures in the normal course of affairs would be made by States, cities, townships, and local charities. Does anyone wish to throw that burden back upon the cities and States at this time? Does anyone think they are financially able to bear the burden after the long strain through which they have passed? The adoption of such a course, abruptly taken, might prove a blow of deadly seriousness to the financial condition of State and local governmental units. The Federal Government, under the pressure

of events, must continue to bear the burden until the other units are strong enough to take up and carry the load.

The use to which the Roosevelt administration has put the Federal credit is the most honorable use to which it could be put. In an era of deflation, at a time when homes, savings, and jobs were crashing away in the downward spiral of depression, Uncle Sam stepped in to save the day. We balanced the budget of the farmer; we balanced the budget of the businessman; we restored profits to industry; we balanced the budget of the small shopkeepers; we provided wages for industry; we aided the unemployed; and we kept cities and States from going into receivership with a consequent loss to millions of investors. Such a record calls for praise rather than blame and I hardly think our Republican foes will win public support in attacking that record.

Among those going about the country and complaining about the unbalanced state of the Federal Budget is Mr. Hoover. He apparently forgets that under his own administration the Budget was badly out of balance, with this essential difference: Under Mr. Hoover's administration the Budget was out of balance because people had suffered an appalling loss of income and hence could not pay taxes. Under this administration the Budget is out of balance because the Federal Government has undertaken a great constructive program which has restored industry and agriculture and put money into the pockets of the American people.

President Roosevelt has done a splendid job of putting this country once again on the road to economic stability and he has accomplished it without impairing the Federal credit in the least. He is now engaged in the great task of paring down expenditures in exact relation as private business takes up the burden, and he is doing that efficiently and decisively. The Federal Budget will be balanced as soon as practicable. It will be done by President Roosevelt and not by Mr. Hoover or those other Republican critics who talk about economy but do nothing to bring it about. The Republican membership in Congress, and by that I mean the old guard Members who intend to dictate the party nominee, have offered nothing constructive to solve the Nation's troubles and apparently they have nothing to offer.

Mr. Hoover is certainly a fit symbol and spokesman for the present-day grand old party. He offers nothing new; he still looks toward Europe while forgetting the great home markets which this administration is developing. He is using, as I have shown, inaccurate figures to support the picture of terror which he likes to paint to an anxious public.

I have one final word to say on the Federal credit. We have heard much in recent years about the need for the banks to resume the old practice of making "character loans." We know that the banks always regarded a man's character as the most essential thing in considering his ability to pay back what he has borrowed.

Let me say that the outstanding financiers of this country and the whole world have looked with critical and appraising eye at the financial policies pursued by President Roosevelt's administration. The bond markets and the investment markets show that these experts have faith rather than fear in the present state of Federal credit. In other words, the credit of the Federal Government is good, because the financiers and the people have faith in the character of its Chief Executive, Mr. Roosevelt.

OUR TERRITORIES AND INSULAR POSSESSIONS—ADDRESS BY SENATOR GIBSON

Mr. AUSTIN. Mr. President, on March 10 my colleague, the junior Senator from Vermont [Mr. GIBSON], delivered an informative and interesting address on the subject, Our Territories and Insular Possessions. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Nearly everybody knows about continental United States, but comparatively few people are as familiar with our Territories and insular possessions which have areas equal to one-fourth that of the mainland, a population of more than 16,000,000, and commerce running into the hundreds of million dollars annually.

My purpose this evening is twofold: First, to speak briefly of our Territories and possessions; and, second, to suggest a better medium for handling the administration of their affairs that must, of necessity, pass through the central Government at Washington.

The outlying islands and Territories should command our keen interest because most of the people inhabiting them are citizens of this Republic and have problems peculiar to themselves as well as in common with the people of the Nation as a whole.

We have possessions in the Atlantic; namely, Puerto Rico, the Virgin Islands, and the Canal Zone.

We have Territories and insular possessions in and bordering the Pacific, which include American Samoa, Guam, several small islands, the Philippines, the Territory of Hawaii, and the Territory of Alaska.

A distinction exists between Territories and insular possessions. Territories are incorporated into the national fabric, have organized governments with legislatures, and governors appointed by the President. They are practically self-ruling as to their internal affairs. This is also true of Puerto Rico, an organized but not an incorporated Territory.

Now, let us look first at some of our far-away islands. Guam, which came to us under the Treaty of Paris in 1898, is the largest

of the Mariana group. It is about 30 miles in length and $4\frac{1}{2}$ to 8 miles in width. The natives are Chamorros of the Malay race. The people are well Americanized. Their self-established congress sets forth their loyalty in the following resolution:

"Be it resolved, That we renew our pledge of allegiance to the United States of America, to its institutions, to its ideals of justice and democracy, and that we affirm our happiness to be a part of that great Nation, over which waves the Stars and Stripes."

I have never witnessed a more inspiring sight than that of hundreds of the school children of Guam saluting the American flag with great enthusiasm in the plaza at Agana, the capital.

We govern American Samoa, located far down in the Pacific. This dependency, which is under the direction of the Navy Department, consists of several small islands and has an advisory legislative body called the Fono, in which the native chiefs take part.

Our flag still waves over the Philippines, and will continue to do so until 1945, at least.

There are 7,000 islands in the group, 1,000 of which are capable of sustaining human life. The population is about 14,000,000. The islands extend a thousand miles north and south off the coast of Asia; the most northerly is a hundred miles from Japan (Formosa), the most southerly a short distance from British Borneo and the Dutch East Indies. Their situation places them between great powers contending for the trade of the Orient, and across the lanes of commerce that supply the needs of more than half the people of the world.

The country is rich in natural resources. It has valuable deposits of gold, silver, copper, lead, zinc, chromium, coal, and salt. Oil has recently been discovered. Already as much gold has been produced in 1 year as Alaska produced in 1935. One deposit of iron runs to 52 percent, with 500,000,000 tons of ore in sight. Here also exist the most extensive deposits of war materials in the world in the form of chromium.

The story of the growth of our trade with the Philippines is a remarkable one. In 1900 our share of import and export trade was 11 percent; in 1933, 78 percent. In 1901 we supplied 12 percent of the Philippine imports; in 1932, 64 percent.

As a market for American goods the Philippines have occupied the following ranks in recent years: Eighth for metals and manufactures, excepting machinery and vehicles; sixth for chemicals and related products (exceeded only by Canada, the United Kingdom, France, Germany, and Japan); second for wheat flour, canned fish, and cotton fabrics by the pound; first for cotton cloth, colored, bleached, and unbleached; and first for galvanized iron, steel sheets, and ready-made paints.

We promised the Filipinos independence, and in redeeming that promise we have recently established a commonwealth government with a 10-year adjustment period to give them an opportunity to demonstrate that they can govern themselves. I anticipate, however, that within that period they may ask a modification of the independence act so that they can remain an integral part of this Nation.

I do not wish to trespass in Delegate KING's field in regard to Hawaii, or Delegate DIMOND's in regard to Alaska, or Commissioner IGLESIAS as to Puerto Rico. They are here and will speak for their respective Territories.

Alaska, our first outlying territorial venture, was purchased from Russia in 1867 for \$7,200,000. Organized as a Territory, it enjoys many of the advantages of statehood, electing its own officials, except the Governor, who is appointed by the President.

It was 30 years before we again increased our domain beyond the seas, when we brought Hawaii under the flag.

Like Alaska, the Territory of Hawaii has its own government, elects all officials with the exception of the Governor and secretary, who are appointed by the President.

On the Atlantic side we have the Canal Zone, a strip of land extending 5 miles on each side of the Panama Canal from the Atlantic to the Pacific. It must be recognized that our paramount duty not only to our country but to all the world naturally places the administration of the zone under the War Department. It should rest there.

The Virgin Islands were purchased during the World War from Denmark as a protection to the Panama Canal. They consist of several islands, the largest of which are St. Croix and St. Thomas. They are especially attractive to the travelers of the world. The people are well educated, only 16 percent being illiterate. Certain disagreements recently arose concerning the government and it was necessary to conduct sweeping investigations, with the result that in this congressional session the fundamental law is being rewritten, granting a greater degree of self-government and extending the right of suffrage.

Puerto Rico, of marvelous scenic beauty, came to us as a result of the Spanish-American War, and is rich in agricultural products. Recent outbreaks indicate that the Congress must give special attention to the situation thereby created and extend to the people a greater measure of self-government. We should see to it that the people suffer no injustice at the hands of the United States.

Now, to turn to the bill which I have introduced in the Senate. This bill recognizes the need of combining the administration of the civil government of all our Territories and possessions which must have the attention of the Government at Washington. The fact is we have been too little interested in our outlying lands, and in our responsibility to their people. For nearly 25 years the Territories and insular possessions have sought greater recognition and a more unified administration in Washington. The governmental supervision of our domain is divided and subdivided among bureaus, divisions, and offices.

The War Department, in its Bureau of Insular Affairs, controls such civil duties as are still exercised over the Philippine Islands, and another office handles the affairs pertaining to the Canal Zone. The Navy Department has charge of the affairs of the islands of American Samoa, Guam, Wake, Palmyra, the Midway group, Jarvis, Howland, Christmas, and Baker—all islands of the Pacific. The remainder of our Territories and possessions are under control of a division of the Interior Department. This group consists of Hawaii, Alaska, Puerto Rico, and the Virgin Islands. The work of supervising the civil needs and development of a territory of nearly 600,000 square miles, with a population of over 2,000,000 that falls to the Interior Department is performed by an office force of 21 and a small field force. I have nothing but praise for the executive efficiency of this personnel.

Thus the work of governing our Territories and insular possessions is divided between four offices—a situation which the bill I have introduced corrects by placing all under one head, adding unity and prestige and bringing about a coordinated policy which is now lacking.

The civil personnel of these offices which assists in governing our Territories and insular possessions would be transferred to the new department. Provision is made for the attachment of Army and Navy officers now employed in carrying on the various civil governments, and other officers as needed. All records would be transferred to the central office. In the transaction of business concerning any particular possession or territory there would be no question as to which office to contact, as is now the case.

This bill would not restrict the statehood ambition of any Territory or possession. In fact, the department would be in a position of greater prestige and better fitted to assist in statehood aspirations. It would surely place our possessions on a more self-respecting basis.

Such a department would have inestimable value in the training of employees, selected from the various Territories and island possessions, to carry on its work and become appointees to the outlying parts of the United States from which they come. It would change the custom of political appointments to a practice ground for career men.

I believe as the people come to know more of the ideas behind the creation of this department that they will give it hearty endorsement.

Former President Coolidge once said, "Men do not make laws; they do but discover them." The proposal is presented at this time so that the situation may be studied, and the right way to handle the governmental affairs of our outlands may be discovered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills and joint resolution of the Senate:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1453. An act to create a board of shorthand reporting, and for other purposes;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; and

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting *Liev Eriksson Discovers America*.

The message also announced that the House had passed the bill (S. 2603) to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments;

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3071. An act providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUDLOW, Mr. BOYLAN, Mr. GRANFIELD, Mr. O'NEAL, Mr. TABER, and Mr. McLEOD were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H. R. 1398. An act to provide for the establishment of a Coast Guard station at or near Crescent City, Calif.;

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.", approved January 12, 1925;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 4688. An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes;

H. R. 4886. An act providing for the employment of skilled shorthand reporters in the executive branch of the Government;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 6773. An act to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes;

H. R. 8370. An act to provide for the establishment of a Coast Guard station at Port Washington, Wis.;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington with a view to the control of their floods;

H. R. 8431. An act to provide for the establishment of the Fort Frederica National Monument at St. Simon Island, Ga., and for other purposes;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi with a view to the control of their floods;

H. R. 8759. An act to amend the act known as the "Perishable Agricultural Commodities Act, 1930", approved June 10, 1930, as amended;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek, in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9472. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899;

H. R. 9496. An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the United States", approved July 10, 1935;

H. R. 10094. An act to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range; and for other purposes", approved June 28, 1934 (48 Stat. 1269);

H. R. 10135. An act to authorize the construction of a model-basin establishment, and for other purposes;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10321. An act to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended;

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 10751. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects;

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska;

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct, maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on Route No. Missouri 106, Shannon County, Mo.;

H. R. 11098. An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.;

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life—to be held at Paris, France, in 1937; and

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

The VICE PRESIDENT. The question is on the amendment of the Senator from Florida [Mr. FLETCHER].

The amendment of Mr. FLETCHER is as follows:

On page 68, line 15, after the word "navigation", to insert the following: "and to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935", so as to make the clause read:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation, and to include waterway improvements investigated by the War Department under specific authorization from Congress and subsequently undertaken pursuant to the Emergency Relief Appropriation Act of 1935.

And on page 69, line 23, to strike out "\$138,677,899" and insert in lieu thereof "\$208,677,899."

Mr. FLETCHER. Mr. President, it seems important to explain the meaning of the amendment now proposed, to throw some light on the merits of the enterprise involved, and to correct some misunderstandings and misrepresentations, at least, that have appeared in magazine articles, on the floor, and elsewhere in the discussion of the subject.

It was stated by the Senator from Michigan [Mr. VANDENBERG] in his presentation of the matter yesterday that this is an extraordinary proceeding; that no river and harbor project has ever been treated in this way; that there is no merit or justification for this project; that it is here without proper authorization, without the proper consideration by the committees of Congress, and that it appears altogether irregularly at this time. These are broad general statements, which, I contend, are not founded upon the record in this case or upon the facts, and I think I will be able to prove my contention by the record.

Of course, the regular procedure in the case of river and harbor projects, the habitual practice in connection with ordinary river and harbor projects, has been to have a direction by Congress in the river and harbor bill for a survey of the project. That direction goes to the Chief of Engineers, who orders the district engineer to proceed with a survey. The district engineer reports to the division engineer; the division engineer reports to the Board of Engineers for Rivers and Harbors; that Board reports to the Chief of Engineers; the Chief of Engineers reports to the Secretary of War; and the Secretary of War reports to the House of Representatives, where the report is referred to the Rivers and Harbors Committee, and final action by Congress is taken.

I concede that that is the usual and customary practice with reference to river and harbor projects. I concede that the authorization of this river and harbor project is at variance with that practice.

But the legislation of 1935 is extraordinary in its character. These are extraordinary times. We are in the midst of problems today with which we were never before confronted. In the beginning of 1933 we had 13,000,000 people unemployed. Other conditions prevailed which made it necessary to enact legislation to remedy and cure the situation so far as we could. We have enacted legislation which is

out of the ordinary. I grant that. But the legislation was needed and was necessary at the time and has been found to have cured and to have saved a situation which otherwise would have brought on chaos and disaster.

I admit the Legislative Act of 1935 is unusual. I admit that the authority there granted is unusual. I admit that the power vested in the President is unusual. I concede all that, but that does not answer the question here. That is not an argument against the project we propose now. That might have been an argument against the bill itself. It is no argument against anything except as it might have been used against the bill when it was introduced, considered, and became a law in 1935.

There are those who voted against the bill, among them the Senator from Michigan [Mr. VANDENBERG]. He had a perfect right to vote that way. In the Senate there were 66 votes in favor of the legislation and 13 against it. The legislation is on the statute books. It may have been a foolish thing to do at the time, as some claimed, but it is the law, and acting under that law we are now presenting the situation to the Senate.

The amendment provides for an increase of \$20,000,000 in the amount carried in the War Department appropriation bill. There were submitted to the Congress by the War Department and by the Budget Bureau estimates for \$129,000,000 for river and harbor works. The committee in the House eliminated \$29,000,000 of that amount and provided for only \$100,000,000 of the recommendation and estimate. The ground for eliminating the \$29,000,000 is stated in the hearings before the House committee.

At page 15 of those hearings will be found listed five projects. They are the Passamaquoddy tidal power project in Maine; the Atlantic-Gulf ship canal in Florida; the Conchas Dam in New Mexico; the Bluestone Reservoir in West Virginia; and the Sardis Reservoir in Mississippi.

Those were the five projects which called for the \$29,000,000 which the House eliminated from the bill. The reason for that omission is explained in the House hearings at page 23, from which I quote:

Mr. BOLTON. I want this point distinctly understood, that, as a member of the Appropriations Committee of Congress, I believe we are supposed to provide funds for carrying out activities which have been authorized by Congress, but I think it is entirely wrong to suggest to this committee the appropriation of funds for activities which have never been authorized by Congress. I think that would be entirely beyond the scope of our authority.

Mr. PARKS. I think it has been held that any project that actually has been begun and on which money has been expended stands on the same level with projects authorized by Congress. Of course, that does not mean we have to do it, but, so far as the authorization is concerned, it is there.

Mr. PARKS was chairman of the subcommittee. That was the issue. It was finally decided to omit the five projects from the bill, reducing the total appropriation by \$29,000,000.

I propose in my amendment to comply with the Budget recommendations and estimates so far as \$20,000,000 of the amount is concerned. The amendment itself provides that that amount shall apply to projects which have been examined by the Army engineers in accordance with acts of Congress. The Passamaquoddy item, I understand, was never examined by the Army engineers, so that passes out of consideration.

Mr. HALE. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Florida yield to the Senator from Maine?

Mr. FLETCHER. I yield.

Mr. HALE. I think the Senator is mistaken in saying the Army engineers have not examined the Passamaquoddy project. I think they have not made a report on the project.

So far as I am concerned—and I think the same applies to my colleague, the junior Senator from Maine [Mr. WHITE]—I am in favor of the Passamaquoddy project, but I do not feel it has a place in the pending bill. I believe the Passamaquoddy project is a relief project, and that it can and should be taken care of out of relief funds such as have been provided by Congress. I am entirely satisfied to have that item

left out of the bill, as the Senator has left it out of his amendment.

Mr. FLETCHER. I understood the Senators from Maine were entirely agreeable to leaving that item out of the pending bill. No matter whether it is favored or not, it was certainly represented before the committee that the Senators from Maine did not desire it included, so the Passamaquoddy project in Maine is not before us. The question before us is the \$20,000,000 which would take care of the appropriation for the four projects authorized by the President and for which funds were allotted and upon which work has been begun.

Mr. HALE. Mr. President, will the Senator yield further?

Mr. FLETCHER. Certainly.

Mr. HALE. I think the Senator should state that in the recommendation by the Budget Bureau \$9,000,000 was included for the Passamaquoddy project. The omission of that amount accounts for the reduction of the appropriation to \$20,000,000 which is provided for in the amendment of the Senator from Florida.

Mr. FLETCHER. That is quite true; and that is what I intended to say. Of the \$20,000,000 proposed in my amendment, \$12,000,000, according to the break-down, will go to the Atlantic-Gulf canal. The other \$8,000,000 will be divided in three sums of about \$2,330,000 each to the projects in New Mexico, Mississippi, and West Virginia. These projects were authorized by the President in pursuance of a law enacted and approved in April 1935.

Congress empowered the President to make this authorization. Congress empowered the President and invested him with discretion to allot funds to the works which he should select. I do not believe it can be objected that in that act there was a delegation of legislative power to the President. An agency was created by the Congress and power vested in the President to do precisely what he has done.

The President accepted that responsibility imposed upon him by Congress, and with that rare vision and splendid judgment which has made him famous and with that patriotism and statesmanship which characterized him he proceeded to act.

He designated these projects as worthy of public improvement. He allotted funds to them. He has started the work upon them. Now he comes to Congress and tells what he has done, and recommends to Congress that they take over these projects and treat them as Federal projects, in accordance with other river and harbor activities, and under the usual river and harbor procedure.

That has been done. These projects are now Federal projects under the law. They are authorized by the President. He had the power to authorize them. They are in process of being completed, and they are to be treated precisely as duly authorized Federal projects.

I read from the testimony of General Markham upon that subject, so that there may be no doubt about it, although I believe that is not questioned. In the hearings before the subcommittee of the Commerce Committee, I asked him this question:

Is it not true that projects classed as rivers and harbors projects and not authorized by Congress directly but authorized by the President, under authority delegated to him in the Emergency Relief Appropriation Act of 1935, and placed under the direction of the Chief of Engineers, as follows: Sardis Reservoir, located in Mississippi; Conchas Dam, located in New Mexico; Bluestone Reservoir, located in West Virginia; Passamaquoddy project, located in Maine; and the Florida canal, located in Florida, that those were the projects authorized by the President?

General MARKHAM. That is correct, sir.

Senator FLETCHER. Isn't that true?

General MARKHAM. That is true.

Senator FLETCHER. Each of those projects were authorized by the President and the work initiated under an allotment which amounted, in many instances, to only a fraction of the cost?

General MARKHAM. That is correct.

Senator FLETCHER. Each of these is regarded by the Chief of Engineers as an authorized project, he proposes to carry them in his budget from year to year until completed, unless it is otherwise disposed of?

General MARKHAM. That is correct.

We will proceed in what we conceive to be an orderly fashion from the beginning of that authorization and first allotment to whatever would be the Executive or congressional conclusion.

Senator FLETCHER. It is the same way with all these projects. The Florida canal does not stand distinct and separate from other projects. It is among the group of projects which have been authorized by the President and adopted by the President.

General MARKHAM. That is correct, sir.

The Senator from Michigan [Mr. VANDENBERG] gives the impression that the project with which we are now dealing has had only superficial examination; that it has not been thoroughly considered, and has not been properly examined by the engineers and its merits disclosed. I read this from General Markham's testimony in reference to the work that has been done in pursuance of the act of Congress calling upon the Army Engineers to make examination and survey; and I am going to contend, and I think I shall be able to show, that no river and harbor project has ever been authorized by Congress which has had a more thorough and more complete examination and consideration and study than this project has had.

Mr. President, I venture to say that for 27 years I have been a member of the Commerce Committee of the Senate. That committee has to do with river and harbor legislation. In all my experience I do not know of a single project which has ever been considered and approved or adopted by Congress which has had back of it a more complete and thorough and exhaustive investigation and study than this project—not one—and I shall show directly a comparison of the benefits arising from this project with the benefits arising from other projects which have been adopted by Congress.

General Markham, in his communication to me on this subject, said as follows—I read from page 56 of the hearings before the subcommittee of the Committee on Commerce of the Senate:

MY DEAR SENATOR: In your letter of January 23, 1936, you referred to Senate Resolution No. 210, with respect to the Atlantic-Gulf waterway and asked to be furnished with certain specific information.

I take pleasure in furnishing this information herewith:

1. You state that paragraph 1 of the resolution proposes an inquiry into "the nature and extent of expenditures to be made from emergency relief funds and subsequent expenditures for construction and maintenance to be made from regular funds", and ask whether or not, in my opinion, there has been sufficient competent survey, examination, and study of this project to determine its construction and maintenance cost with the same degree of accuracy as in the case of other river and harbor improvements in general heretofore approved and constructed. The investigations undertaken by this Department with respect to the Atlantic-Gulf waterway have been as exhaustive and detailed as those normally undertaken in connection with the preliminary examinations and surveys of river and harbor projects. This Department has realized from the inception of this examination that the magnitude of the project required a comprehensive study and its investigations undertaken over a period of 6 years were conducted in scope and detail sufficient to establish construction costs with reasonable accuracy. The estimated cost of maintenance, which must be based in large part on the experience gained from the maintenance of the many river and harbor projects throughout the country, would also appear to be dependable.

That is the statement of the Chief of Engineers. General Markham, the Chief of Engineers, will supervise this construction work. It is under his charge, not as a hireling of the P. W. A., as stated yesterday. He is in charge of this work by direction of the President, in accordance with and in pursuance of river and harbor practice, and in accordance with his official duties as Chief of Engineers of the War Department of the United States.

The P. W. A. has nothing to do with this construction. It is being done by the Army, as other river and harbor projects are being done; and the Chief of Engineers of the Army will have entire charge of this work from beginning to end.

The Chief of Engineers is an expert, trained, capable engineer. His standing in his profession, as Emerson said of Aristotle, is that of "master of those who know." He will have charge of this work as Chief of Engineers.

Now, as to the intimation which has been made that there has not been sufficient and thorough examination and survey and study of this particular project.

In the first place, the act of Congress of 1927 directed a survey for a canal across Florida. In pursuance of that act

of Congress the engineers were directed to proceed to make that examination and survey. The task was not delegated to a district engineer and in turn delegated by the district engineer to individual engineers, as is the practice in the ordinary run of river and harbor projects. The Chief of Engineers appointed a special board of engineers, a special board of survey, to make this study and this investigation. They were engaged in that work for 18 months. They brought into cooperation with them experts from the Commerce Department simply with reference to the economic and commercial justification of the canal. That Special Board of Survey of the Army Engineers went exhaustively into every question which is considered by engineers in passing upon the merits of river and harbor projects—the economic and commercial data, the route, the plans and specifications. They went into every question that determines the matter of recommendation with reference to river and harbor projects. They were 18 months at that work.

In the meantime, there were further developments. The act of 1934 was passed authorizing loans and grants for public projects.

The National Gulf-Atlantic Ship Canal Association, a corporation not organized for profit, and subsequently a public agency of the State of Florida, made application to the Reconstruction Finance Corporation for a loan and grant with which to build this canal. So much time was elapsing between reports and conclusions that the national association thought they would make application to the Reconstruction Finance Corporation for a loan and grant. The application was transferred by the Reconstruction Finance Corporation to the P. W. A., becoming the application of the Ship Canal Authority of the State of Florida, especially created by the State legislature for that purpose. The P. W. A. engineers made a thorough survey and examination, in accordance with the law, to determine the possibility and prospect of this being a self-liquidating proposition as a toll canal. Under the application they had to consider the question of the security for such a loan. The engineers of the P. W. A. made a thorough examination of the whole project from beginning to end; they studied the question for months and months, and they reported favorably on the application as follows. I quote from their report of October 19, 1933, as it appears on page 43 of the hearings before the subcommittee of the Senate Committee on Commerce:

It is concluded that the project covered herein constitutes a public necessity and is of real social value. The project will afford much employment to many classes of skilled and unskilled labor; that the design is in accord with sound engineering practice; and that the project is economically sound. It is recommended that the loan with or without the grant be made.

Subsequently, however, the Secretary of the Interior turned it down, after the board of review had reported that ships would probably pay a cash toll equivalent to only 45 percent of the savings realized, or about 8 cents per net registered ton, believing that it would not be self-liquidating within the P. W. A. requirements.

Of course, the question primarily was as to the amount of revenue that would be derived from the tolls which might be imposed, and the rate of the tolls and the amount of tonnage were determining factors. It depends on whether there is a rate of 8 cents per net ton in the way of tolls, or the Panama toll of a dollar a ton. They figured on a toll of 8 cents per net ton of cargo. The Secretary finally decided that he did not consider this security sufficient for the loan applied for.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COUZENS. Does the Senator know why they selected the figure of 8 cents per net ton?

Mr. FLETCHER. That is just an arbitrary figure they used. They could fix it at any figure up to the total savings, about 18 cents per ton. It was estimated by the board of review that only 45 percent of the benefits to the ship could be collected for tolls, the ship taking the other 55 percent as its net benefit from using the Canal. That is purely an arbitrary adjustment. At any rate, on the basis on which they figured, the P. W. A. were not satisfied that the Canal

would yield revenue sufficient to make it self-liquidating within their requirements.

The report of the engineers, however, is valuable as a collection of data and as a basis for further study of the project.

The report of the Special Board of Survey of the Army Engineers dealt with a canal which was to be a lock canal, with three locks. The report of the P. W. A. engineers dealt with a canal with two locks.

There was a variation between the estimates of cost. There was a difference in other respects, as to some specifications and unit costs, and there was a considerable spread between the cost estimates of the P. W. A. and the estimates of the special board of rivers and harbors, although they both estimated the direct benefits to shipping at somewhat above \$8,000,000 per year.

Every Senator from the Gulf States joined in asking the President to appoint a board of review in order to consider and, if possible, reconcile the cost estimates of the different engineers and make its own study and investigation. The President did appoint such a board. He called on the Secretary of War to name two engineers for that board of review. The Secretary of War named Colonel Hannum and Major Somervell, of the Corps of Engineers, both experienced, capable, high-class engineers of high standing. He called on the Secretary of the Interior to name two engineers, and he named Mr. McDonough, chief engineer of the P. W. A., and his assistant, Mr. Fowler. These four were directed to select a fifth as chairman. They selected Mr. Douglas, of New York, a civil engineer of international reputation, who had had charge of the Cape Cod Canal, of the Detroit tunnel, and other great enterprises in this country and some abroad. He stands among those at the top in his profession. No one questions his ability, his high character, his genius, his training, his experience, or his capacity.

This board of five members, as fine and splendid engineers as can be found in this or any other country, was selected by the President to examine into all the details of this entire proposed project, and to examine also all the data and material which had been gathered by the Army engineers' special board of survey, and all the data and material which had been gathered by the P. W. A. engineers, and then to make their own investigation and study. I submit that no board of engineers ever exceeded in ability and in training and in experience this special board of review.

The board set to work on this problem. They did go into all the material which had been gathered by the special board on survey of the Army engineers, they did go into all the material which had been gathered by the P. W. A. engineers, and they did make their own examination and their own study of this matter. Every factor entering into it was considered, and after exhaustive study this board reported and recommended to the President a sea-level canal instead of a lock canal. Making it a sea-level canal, of course, would bring down the cost. Such locks as are proposed cost millions of dollars; after they are put in they have to be maintained, and the cost of operating the locks is considerable. The new plan would save all that. The board favored a sea-level canal. It would save in the cost and it would result in a more useful canal, because it would save the delay incident to ships' passing through locks in the canal, and it would save a very considerable amount in annual maintenance.

This board not merely submitted its report to the President, but it made recommendations. I will read from the report of the hearings before the Senate Committee on Appropriations at page 175. This board of review, as fine and capable a body of engineers and experts as was ever established or set up in any country, made recommendations to the President.

We hear talk about this project not having been properly examined or studied, and its consideration being hurried by the President, the intimation being not only that the President had no authority, but that he did not properly exercise what authority he had, indicating to the public that the President has wasted \$5,400,000 of public funds on this project without proper investigation and study.

The mere fact that a committee of Congress has not given consideration to the report is not important. Under the law the report was to be made to the President, not to Congress. The application was pending before the President, under the act of 1935. The report had to be made to him. It was not made to the Board of Engineers for Rivers and Harbors, or to Congress; it was made to the President. He was charged with the responsibility of determining the merits of this proposed project, and whether he would allocate money to its development.

I read from page 175 of the hearings before the Senate Committee on Appropriations as to what the board recommended.

This board * * * recommends for your consideration a 30-foot sea-level canal at a cost of \$143,000,000, exclusive of interest during the period of construction. This board further recommends the deepening of this canal to 35 feet when traffic may justify it.

They favored the sea-level canal—

Because of slightly lower first cost and much lower operating and maintenance cost.

Because it has greater ship capacity.

Because of the lesser difficulties in construction.

Mr. CAREY. Mr. President—

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Florida yield to the Senator from Wyoming?

Mr. FLETCHER. I yield.

Mr. CAREY. I find in the report of the Board of Review the following language in the last paragraph:

This Board was not instructed to estimate the benefits accruing from the construction and operation of this canal. However, if it be assumed that the economic study made by the Special Board of Army Engineers for a lock canal is sound and considering the lower maintenance and operating costs of a sea-level canal the cost of a canal which would be justified, at 4-percent interest, would be—

Then the cost is given.

As the Senator from Florida will recall, I tried to bring out in the hearing before the Appropriations Committee the fact that an economic study of this proposed canal had never been made; that no study had been made as to whether such a canal was necessary or whether it was worth while, and I could not get any evidence in the committee that such a report ever was made. Has any such report ever been made?

Mr. FLETCHER. The economic survey and the report were made by the special board of survey appointed by the Chief of Engineers. That report was filed with the Board of Engineers for Rivers and Harbors.

Mr. CAREY. Was that a report on the economic benefits and public necessity for the canal?

Mr. FLETCHER. Absolutely. That special board brought in experts from Government departments to assist it in that study. That special board's report is on file in the War Department, and it covers the economic and commercial survey, giving ship by ship, as I shall point out on the map in a moment, that would use the canal. That is the report which the board of review accepted after taking it up and considering it, after ascertaining the basis upon which the calculations were made, because they held that the estimates in that report and the findings applied to a lock canal, which would obviously be much more favorable when applied to a sea-level canal. The board of review adopted that report as applicable to lock-canal requirements, and accepted it for the sea-level canal.

Mr. CAREY. Mr. President—

The PRESIDING OFFICER (Mr. BACHMAN in the chair). Does the Senator from Florida yield to the Senator from Wyoming?

Mr. FLETCHER. I yield.

Mr. CAREY. I find in the report of the hearings on the bill before the House committee that Mr. Howard asked General Pillsbury:

Mr. POWERS. Do I understand, then, that the Florida ship canal has never been approved by any board of the Army Engineers or anyone else?

General PILLSBURY. I do not recollect any.

Captain CLAY. There was a special board, and they did point out that, although it lacked complete economic justification with a part of its cost charged to relief, it would be suitable as a relief project.

Mr. FLETCHER. I do not know anything about that board, but I think there is some confusion there. A special board did consider the economic problem as this board of review mentions. The board of review says:

However, if it be assumed that the economic study made by the Special Board of Army Engineers for a lock canal is sound and considering the lower maintenance and operating costs of a sea-level canal the cost of a canal which would be justified at 4-percent interest, would be:

Sea-level canal..... \$160,000,000

This board found that the canal would be justified; it accepted the estimates made by the special board with reference to a lock canal as applicable to a sea-level canal at a cost of \$160,000,000, and then they further found that the cost would be \$142,700,000, or, roughly, \$143,000,000.

Mr. CAREY. Has the Senator from Florida seen a copy of the report of the War Department Engineers in which they set forth the economic benefits of this canal? Is such a report available?

Mr. FLETCHER. I have only seen portions of it. I have not seen a full copy of it.

Mr. CAREY. I thank the Senator.

Mr. FLETCHER. The board of review reported that it had accepted the report of the estimates and findings as to economic justification by the special Board of Survey of the Army Engineers, as applied to a lock canal. Of course, there would be less cost in connection with building a sea-level canal; it would be less expensive to operate, and so forth. The figure it gave would be a conservative figure for such a canal. The board of review, as I said, estimated the cost to be justified at \$160,000,000. But this proposed project will not cost \$160,000,000. It figures down to \$143,000,000. The right-of-way, of course, is to be furnished by the State, and the State has furnished that right-of-way. I will come to that point in a moment.

Gentlemen, what higher authority could be called upon and what more complete study and investigation could be made of any project than has been made of this project? Six years has been spent on it by engineers, and finally the culmination and the accumulation and the coordination of all the work which has been done was submitted to the board of review, which reported to the President and recommended this project as being thoroughly justified, and that it ought to be undertaken. What higher authority could we have?

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. NORRIS. The Senator several times has mentioned that a sea-level canal would cost less than a lock canal. While I do not know that it is material to this discussion whether the canal shall be a lock canal or a sea-level canal, I am, however, very curious to know in the first place why the Senator makes that statement. Secondly, in reaching the conclusion, as some of the boards did, that the canal ought to be a lock canal, how high did they decide that the locks are to be, and where will they get the water to supply the locks; and if the canal is made a sea-level canal how much deeper will they have to make such a canal than they would have to make it if it were a lock canal?

Mr. FLETCHER. My understanding is, Mr. President—I am not an expert engineer—that the depth will be the same, 30 feet in either case, a lock canal or a sea-level canal. I think that was the estimate made as to the depth of either canal. The first board of survey, the Special Board of Survey of the Army Engineers, considered three locks in the canal. The P. W. A. engineers considered two locks.

Mr. NORRIS. If the sea-level canal and the lock canal are to be of the same depth, what is the necessity for any locks?

Mr. FLETCHER. There is usually a choice between the two types. The decision is determined by many factors. The final decision in this case is for a sea-level canal.

Mr. NORRIS. I cannot understand that yet. As I said, it may not be material in considering this subject, because we are not passing on the question of whether it should be a lock canal or a sea-level canal. I know, however, that when we built the Panama Canal there was great controversy, which was national in its scope, as to whether that canal should be a lock canal or a sea-level canal, and President Roosevelt—Roosevelt the First—appointed an eminent corps of engineers, some of them foreigners, some of the greatest engineers in the world, to study that question and to report to him. I am speaking entirely from memory now, but as I remember, that board of engineers recommended, and I believe unanimously, though there may have been a dissenting vote, that the canal should be a sea-level canal. President Roosevelt set aside their recommendations entirely and decided on a lock canal. Some other engineers had recommended that the canal be a lock canal, although they were in the minority. We built a lock canal. One of the greatest arguments against a sea-level canal was the enormous additional cost that would be made necessary by a sea-level canal.

I cannot understand how a sea-level canal can be built for less money than a lock canal can be built, and I cannot understand why any locks are necessary unless the intervening ground between the ocean and the Gulf is so high that the cost of digging a canal at sea level would be prohibitive.

Mr. FLETCHER. I will say to the Senator from Nebraska that most of this route is practically level. There is 75 miles of cutting. I think the highest elevation would be about 70 feet.

Mr. NORRIS. That is one of the things I wanted to find out. Of course, if we have a lock canal, then the water must be supplied from a river or some other place that is higher than sea level.

Mr. FLETCHER. I read further from the report of the board of review:

The board of review, after further investigation, is of the opinion that these conditions are not controlling and for the following additional reasons, prefers the sea-level canal.

- (1) Because of the slightly lower first and much lower operating and maintenance cost.
- (2) Because it has greater ship capacity.
- (3) Because of the lesser difficulties in construction.

Those are the reasons they give for preferring a sea-level canal.

Mr. NORRIS. That is what aroused my curiosity. They say that a sea-level canal will be less expensive than a lock canal. I cannot understand how that can be possible.

Mr. FLETCHER. The conditions at the locality in Florida are somewhat different from the conditions at the Panama Canal, where there is quite a variation between the level of the Pacific and the Atlantic Oceans. The nature of the material is also very different. Evidently the excavation of the larger amount of soft material will cost less than the locks.

Mr. NORRIS. Oh, yes. If we had had a sea-level canal at Panama some locks would have been necessary on account of the difference in the tide on the Pacific side and the Atlantic side. I am wondering if that explains the conclusion that is reached in the report, because if the water on the Gulf side is higher or lower than the water on the Atlantic side, made so by the tides, it might be necessary to have locks anyway, even if a sea-level canal were constructed.

Mr. FLETCHER. There is very little variation there. Anyway, the lock question is out of the picture, because the President adopted the report of the board and acted upon it and provided in the first allotment of \$5,000,000 for a sea-level canal.

Mr. NORRIS. It seems to be plain, but in the recommendations the Senator has just read there is contained the statement, in effect, that a sea-level canal will cost less money than a lock canal. If the report shows how that can be possible, I should like to have the Senator read it. I do not see how that can be.

Mr. FLETCHER. The report does not go into details about that. The board just makes that statement. It may

be that attached to their report are some details which I have not at hand. I am simply relying upon that report; and the President relied upon it and based his action upon it.

The President had before him this report for nearly a year and had it under serious consideration all that time. He was not hurried into this venture at all; he took his time about it; he studied the whole problem thoroughly and exhaustively; he had this report and these data before him for a year before he issued the order to the Treasury. That order, by the way, was issued not on September 3, as stated yesterday, but on August 30, 1935.

With reference to hazards, while the Senator from Michigan stressed that there was almost no loss of life and no loss of property by reason of the hazards in the Florida Straits, it happened that last year—and I do not brag about those hazards; they are too close to Florida; and I mention this as a fact that cannot be questioned—on September 2 the *Dixie*, a fine passenger ship costing six or eight million dollars and voyaging from New Orleans to New York, while passing through the Florida Straits was blown by a hurricane upon the reef opposite the Florida Keys. Three hundred and twenty-nine passengers and 110 officers and members of the crew of the vessel were in desperate peril of their lives for 3 days on that reef. It happened that there was no loss of life, for, after a while, the waters became sufficiently smooth to permit the rescue of those on the ship. But I venture to say that none of them would like to undergo that experience again. It also happened that the ship was not lost. After the lapse of 4 or 5 days more they were able to salvage the ship and take her off the reef. I do not know the percentage of damage to the vessel, but all during that time the lives of four or five hundred persons were in imminent danger of being lost, as was the ship itself. That is one instance. Another hurricane came in the early part of November last year, in that same region, which was just as severe. So there are hazards in that region. The trans-Florida canal will relieve shipping of those hazards in passing through the Florida Straits at certain seasons of the year. If the canal had been constructed, and the *Dixie* had been in it, she would have been perfectly safe in going from New Orleans to New York.

Let me pass on to the statement that there is no justification for the construction of the canal and that there are no benefits practically shown by the engineers. The estimate of the Army engineers is that the benefits to commerce from the enterprise will be approximately \$8,300,000 a year. The P. W. A. engineers did not go into the question of the hazards or the question of the value of the canal to national defense or the question of promoting commerce; that was not their function; but the Army engineers on river and harbor projects do consider those questions. They estimated that the benefits to commerce alone annually arising from the use of the canal will be approximately \$8,300,000; and the engineers approving river and harbor projects usually consider all the elements of cost, such as the interest, maintenance, actual outlay for construction, and every other element entering into the cost. They total the figures, and if the annual benefits amount to 3 percent of the cost plus operation and maintenance they recommend the project. And their figures show that this project much more than meets these requirements for justification.

Now I desire to call attention to some testimony on that subject of the benefits of the canal. The Board of Review was instructed to study and examine the report of the special board of survey of the Army engineers and the report of the P. W. A. engineers, and to make such further examination and study as it might deem appropriate.

On June 28, 1934, the Board made a report to the President, recommending the construction of a sea-level canal, and estimated its cost at \$142,700,000, exclusive of land or right-of-way and interest during construction.

The board of review further recommended the deepening of the canal to 35 feet when the traffic will justify it.

It further found that, based upon the economic survey of the special board of survey of the Corps of Engineers, such a sea-level canal would be economically justified on even a 4-percent basis up to a cost of \$160,000,000. That is what

this competent board found; and there is no higher or better evidence that could be produced to the President and no more authoritative statement could be made than was furnished him in this connection.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. FLETCHER. I yield.

Mr. COUZENS. What is the attitude of the people of Florida toward this enterprise?

Mr. FLETCHER. There are some people in Florida who are opposed to the canal. Some propaganda has been spread abroad; some publications have been printed with reference to the objections which they make. I will indicate, I think in a way, what the sentiment is. The State was required to furnish the right-of-way. The canal is to run through six counties. The six counties undertook to furnish the right-of-way by issuing bonds. They provided for the issuance of a million five hundred thousand dollars of bonds.

The law requires that freeholders must vote on the question of issuing bonds and that a majority of them must participate in the election. This question was presented to the people there and the bonds were voted by a vote of 27 to 1. Ninety percent of the freeholders registered and went to the polls to vote upon that question. Ninety-seven percent of them voted for the bond issue. I think that indicates somewhat how the people stand on the question of the canal. About 3 percent of them were against the bond issue.

Mr. COUZENS. I assume it is safe to conclude that those voters were closer to the canal than other people in the State and more interested in it because their land was going to be cut through?

Mr. FLETCHER. I think perhaps that is true. Those bonds were issued, let me say to the Senator, and the proceeds are being used to secure the right-of-way.

Mr. NORRIS. What proportion of the right-of-way has been purchased?

Mr. FLETCHER. I cannot say exactly as to that, but quite a large portion of the right-of-way has been acquired. There are some condemnation proceedings now pending, which are necessary because the authorities cannot reach an agreement with the landowners.

There are other people—and I think I can give some reasons for their attitude—who are against the canal. As a general proposition, the Senator knows that the railroads are not favorable to waterway improvements. I state that as a general proposition, and the record here shows it to be so in this case. The railroads opposed this canal before the special board of survey. That is the record. I am not stating this case except by the record. The representatives of the railroads appeared there and opposed this canal. They do not like the idea of readjustment of freight rates. Perhaps there may be other reasons why they do not favor the canal, but there will be some effect on freight rates undoubtedly. The tendency will be to reduce freight rates. That is not quite agreeable to the railroads. Perhaps they do not like the idea of having to build a bridge or two here and there. I do not know what their argument is, but, as a general proposition, they are against waterway improvements; and that opposition has spread over the State. They have had their representatives in chambers of commerce and elsewhere, and probably here in Washington, for aught I know to the contrary.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. FLETCHER. I yield.

Mr. COUZENS. What is the attitude of the Committee on Commerce, which usually passes first on appropriations of this kind?

Mr. FLETCHER. With reference to what?

Mr. COUZENS. With reference to the project. What is the attitude of the Committee on Commerce with respect to the Florida project?

Mr. FLETCHER. This project has not been before the Committee on Commerce. A subcommittee of that committee had a hearing on a resolution involving the matter, but has not yet made its report. The subcommittee will report to the full committee.

Mr. COUZENS. May I suggest that it might be a better program to put this additional appropriation in a deficiency bill after this report shall have been made, rather than to attempt to push it through prior to the time a senatorial committee has passed upon the question?

Mr. FLETCHER. I submit that a senatorial committee has nothing to do with it; that the act of 1935 vested the authority and power in the President, and the President is to consider matters which ordinarily a Senate committee would consider as to their merits. The President has obtained information through the Army engineers and the P. W. A. engineers and the special board of review who have examined the project. That is the same information which would be laid before a committee. It was not necessary to lay it before a committee. It had to be presented to the President. The reports were made to the President.

With reference to the benefits, I invite attention to a comparison between the benefits to be derived from this project and the benefits in relation to cost of other river and harbor projects in the United States which have been adopted by Congress.

The benefits in relation to cost in this instance, taking only direct benefits to shipping, stand at about 1 to 1.6. The ordinary ratio of cost to benefits of river and harbor projects throughout the country is much less than this. This project stands in the front rank of river and harbor projects in the country. All things considered, the ratio of cost to benefits of this project will be higher than that of any other project now in existence that I know of or of which we have any record.

That comparison is all covered in the hearings, and I shall not take the time to go into it. It appears at page 61 of the hearings before the subcommittee where comparisons are made with various other projects, such as the Delaware River to Philadelphia and Trenton, the New York-New Jersey channel, the Chesapeake and Delaware Canal, the Beaver-Mahoning Canal, and the Cape Cod Canal. In the three latter cases the ratio is as 1 to 1. In the case of the Florida canal the ratio is 1 to 1.6, according to the figures given by the experts who have examined the whole matter.

Let me now take up the exhibits and maps on the wall. Some comment has been made rather facetiously about the map and what it is intended to show. I call attention to the fact that each and every ship located on the map is indicated by a red marker, placed there by the Department of Commerce. The red markers indicate the location of the ships on the 10th day of December 1932, at noon. The map shows the location of the ships on the seas at that hour, at noon on the 10th day of December 1932. The ships which would ordinarily use the canal are so indicated. The English Channel is shown, with ships coming from Holland, France, and Germany. On the other side of the map are shown the ships along the Atlantic coast, ships from New York and Baltimore.

The actual location of ships at that hour on that day is shown with reference to those ships which would use this canal. The entrance to the canal on the Gulf side and on the Atlantic side is shown. At noon on the 10th day of December 1932 the ships were actually located as shown on the map. There is no guesswork about it. That information is furnished from the records of the Commerce Department. Each red marker on the map represents an actual ship in its actual location at noon on the 10th day of December 1932. It was necessary to greatly magnify the size of the ships to make them appreciable on the map.

About 900 ships are shown. An additional 100 or more could not be shown, because they were in portions of the world not covered by the map. Those ships make more than 10,000 transits per year through the straits of Florida. Every ship shown upon the map was bound through the Straits of Florida and would have used the canal if it had been open. No other ships are shown. There is no attempt to show any other ships on the sea except those which are now using the Straits of Florida to the Gulf, and which would have used this canal if it had been constructed.

The location of the ships, as indicated on this map, was furnished by the Department of Commerce. The name of

each ship can be obtained from the official marine register of that date.

The average savings in time which the canal would afford to these ships, so far as coastwise traffic is concerned, would be approximately 2 days on each round trip. A ship clearing from New York to New Orleans would save 2 days by passing through the canal on the round trip. A ship from Baltimore to Galveston would save about 2 days' time by using the canal on the round trip. Ships of foreign traffic would save approximately 1½ days. Only about 30 percent of the commerce which would be carried through the canal goes foreign. Seventy percent would be coastwise, the engineers estimate. This is a steadily increasing traffic. If the map were brought up to date it would show more than 50 additional ships.

This is the greatest stream of ocean-borne traffic in the world, and is equivalent to one ship passing through the canal every 47 minutes, day and night, throughout the year. This is the actual traffic as it exists today available to the canal. It does not include any of the traffic passing through the straits of Florida which probably would not use the canal. The traffic available to the canal at the present time amounts to 90,000,000 deadweight tons per year. This is nearly double the traffic on the Suez Canal and almost one-half again as great as that on the Panama Canal.

All of the figures and statistics which I have quoted were supplied by the Corps of Engineers or the Department of Commerce.

Mr. President, is it possible that Senators will oppose a mighty stride of progress, the greatest undertaking in this generation on the part of this Government? Is it possible that Senators will block the way of the greatest accomplishment achieved by the Government in this century?

The Senator from Michigan [Mr. VANDENBERG] says that shipowners and ship operators do not appear to favor the proposed canal. I shall not take the time of the Senate to read a number of letters; but I submit that the commercial value, the economic justification of a project, cannot be determined by asking individual shipowners or operators their opinion about it. Their opinion ordinarily is obtained for what it is worth. It may be valuable merely as supplementary or corroborative, but it does not determine the matter. The engineers have to consider commerce as a whole. This is a great national enterprise. The question is not whether this shipowner or that interest wants the canal, but whether it is in the public interest. The President undoubtedly looked over the situation and concluded that the result of this project will be for the benefit of the whole country; that it is a national undertaking; that it will add to the national wealth; that there are in this country thousands of persons who are unemployed, and here is a project which will give employment to those persons. The Chief of Engineers estimates that when the canal is in full process of construction, it will afford employment to 20,000 workers annually—20,000 annually! That is one consideration. The President has, therefore, after considering these facts, authorized the project.

I say now, with reference to the individual letters which have been received, that the writers of the letters contradict each other and themselves. They say one thing to the special board of survey when they send out a questionnaire, and they say another thing to the Senator from Michigan [Mr. VANDENBERG]. The writers cannot be depended upon as furnishing reliable testimony, and they are practically worthless when it comes to expressing their views, because, as I say, they contradict themselves and change their minds from time to time. They represent merely their respective individual interests.

I wish to read an extract from a letter written by a man whose letter the Senator from Michigan read yesterday, addressed to him. Here is one addressed to the Army Engineers' Special Board of Survey from the Sinclair Navigation Co., 45 Nassau Street, New York City, under date of May 15, 1933, signed by J. G. Johnson, vice president. It says:

Reviewing our company operations and allowing 36 hours for one transit of canal, the estimated time saved via canal as com-

pared to present route would be approximately 3,000 hours per annum for all vessels. On present freight rates this would represent to our company a saving of about \$74,000 per year. This is based on about 130 trips equal to 260 transits.

The only reliable testimony submitted on the question of the time required for making a transit of the canal comes from the Army engineers and the Bureau of Navigation, which are qualified and equipped to make such calculations. The Bureau gives us the time of transit as 24 hours from the lightship on the Atlantic at one entrance of the canal to the lightship on the Gulf of Mexico at the other entrance of the canal. These ship people are figuring on 36 hours. I presume perhaps they had in view a lock canal; but even with that, they show a benefit of \$74,000 per year. They say further—I quote from the same letter:

As to the necessity for, or desirability of, this project in the interest of navigation and marine commerce, the estimated savings, in our opinion, would not permit of the canal being operated on a toll basis as a self-liquidating project. If the canal were constructed by the War Department as a regular river and harbor project and operated toll free, there would be a saving to marine commerce.

That, of course, is natural.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BENSON in the chair). Does the Senator from Florida yield to the Senator from Colorado?

Mr. FLETCHER. I yield to the Senator.

Mr. COSTIGAN. What the Senator from Florida is saying is of such general interest that I should like, at this moment, to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Overton
Austin	Copeland	King	Pittman
Bachman	Costigan	La Follette	Pope
Bailey	Couzens	Lewis	Radcliffe
Barkley	Davis	Logan	Reynolds
Benson	Donahay	Loneragan	Robinson
Bilbo	Duffy	Long	Russell
Black	Fletcher	McAdoo	Schwellenbach
Bone	Frazier	McGill	Sheppard
Borah	George	McKellar	Shipstead
Brown	Gerry	McNary	Smith
Bulkley	Gibson	Maloney	Stetson
Bulow	Glass	Metcalf	Thomas, Utah
Burke	Guffey	Minton	Townsend
Byrd	Hale	Moore	Vandenberg
Byrnes	Harrison	Murphy	Van Nuys
Capper	Hatch	Murray	Wagner
Caraway	Hayden	Neely	Walsh
Carey	Holt	Norbeck	Wheeler
Clark	Johnson	Norris	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

(At this point Mr. FLETCHER yielded to Mr. REYNOLDS, who spoke on the subject of the deportation of aliens. Mr. REYNOLDS' speech appears on p. 3843 in today's RECORD.)

Mr. FLETCHER. Mr. President, I hope to conclude my remarks in a very short time. Many hours could be spent going into details in connection with this project, but if what I have said has not been convincing, nothing I might say further would be.

There is one point which the Senator from Michigan [Mr. VANDENBERG] mentioned on yesterday which occurs to me now. His argument was that the cost of the project would probably run up to \$200,000,000, or some other indefinite sum, and that the regular business operations in connection with an enterprise like this would be interfered with by reason of employing relief labor.

The testimony of General Markham was that he expected to complete the project within the estimates furnished, notwithstanding some increases in connection with some requirements of the W. P. A. The estimates made by the engineers and by the board of review were to the effect that the total cost of the canal would be \$143,000,000. There is no foundation for any argument to the effect that it would exceed that figure. If there were an increase in the cost, of, say, 25 percent, by reason of employment of labor on the relief rolls, that would not extend over the whole period of 5 or 6 years.

Senators might apply that to 1 year if they wish, and suppose we say that by reason of conditions now imposed or by reason of restrictions which are suggested, that the cost would be 25 percent higher for the next year than it would be if the engineers had a free hand to let contracts and attend to this work just as they would in connection with an ordinary proposition; that would mean an increase of \$3,000,000; it would not mean an increase of 25 percent of the total cost, but an increase in cost of 1 year's work, the total of which is estimated to be \$12,000,000. I merely mention that.

There are other things suggested in the Senator's remarks which I should like to take up, but I will not take time to do so.

I desire to call attention to the exhibits on my left, the photographs on the wall. These photographs show excavation in the cut section of the canal. This cut section is really the canal proper, and is only 29 miles long. All the rest of the so-called canal is merely a canalization of existing rivers. Senators will hear talk of the great length of the canal. As a matter of fact that canal itself, the actual cut, is only 29 miles long. I hope Senators will bear that in mind.

These pictures show the excavation of approximately 17,000,000 cubic yards so far. These excavating operations at the present time extend over a line 20 miles long. In other words this "hole in the ground", as it is sometimes described, is about 20 miles long, with some gaps.

The average labor at the present time employed is about 5,000 men.

As the pictures will show, the work is being done by efficient machines and by hand labor where appropriate.

The dimensions of the canal are as follows:

Depth, 30 feet.

Bottom width: A. Sea approaches, 1,000 feet. B. In rivers, 400 feet. C. In cut, 250 feet.

Mr. President, it is sometimes called the Florida canal. It gets that name because of its passage across the State of Florida. Its proper title is Atlantic to Gulf Canal. It affords a connection between the Atlantic and the Gulf.

Florida, of course, is interested in the canal. The Florida Legislature unanimously petitions for the construction of the canal. Florida has authorized its construction across the State. Florida people are greatly interested because, in the first place, they have been given to understand this canal would be constructed, that the Government would proceed with it, and they have trusted in that assurance. They have voted for a million and a half of bonds which have been issued to provide the right-of-way.

I do not know how much of the original grant of funds under the act of 1935 remains in the hands of the President. I am not familiar with that. I only know that the President has come to Congress and laid this proposal and recommendation before Congress: That the Director of the Budget has recommended this appropriation of \$12,000,000 for the next year's work on that canal. These are projects which the President has recommended, which he has authorized, pursuant to law, which have been undertaken and which are under construction, and he brings them to Congress and recommends specific appropriation of money for them.

It has been said that the President has ample authority to continue to allot funds to these projects under the Emergency Appropriation Act of 1935, and possibly from any additional relief appropriations which Congress may make, and this is unquestionably true. But that is no valid reason why we should not make specific appropriations for them in this bill. They are undoubtedly qualified for appropriations as river and harbor items.

I have not dwelt upon other features such as the importance of the construction of the canal to the national defense. It would afford another route to the Panama Canal and to the Gulf of Mexico, if the Straits of Florida should be blockaded or interfered with. Its value as a factor in national defense cannot be estimated in dollars and cents. This project is the mightiest force now available in making the Gulf of Mexico the Mediterranean of the western world.

I submit the matter to the Senate.

Mr. President, I ask to have printed, as a part of my remarks, a statement by Mr. Henry H. Buckman, consulting engineer, giving the facts and the history in connection with the Florida canal project; and a telegram which I have received from Col. Gilbert A. Youngberg, a retired former United States district engineer.

There being no objection, the statement and the telegram were ordered to be printed in the RECORD, as follows:

STATEMENT BY HENRY H. BUCKMAN, CONSULTING ENGINEER

The proposal to construct a waterway across Florida which would obviate the expense and danger attendant upon navigation of the route through the straits of Florida has been considered now and again for more than a century. President Jackson urged the construction of such a canal, and since that time it has been from time to time the subject of examinations and inquiry by the Federal Government. Until recent years the project assumed the form of a barge canal. Until the growth of ocean shipping into and out of the Gulf of Mexico increased to a point which appeared to justify the cost of a ship canal such surveys and discussions were limited to a waterway of the barge-canal type because of the smaller dimensions of a barge canal and other engineering considerations. The possible location covered a much wider area than is the case with a ship canal, and the earlier surveys made by the Corps of Engineers included the examination of routes whose eastern termini ranged from the east central coast of Florida to points on the coast of Georgia. The results of these surveys indicated that several routes were feasible for a barge canal, but in no case has the potential barge traffic been sufficient to warrant the cost of a canal which would transit only barges. Some time prior to 1925 the development of ocean-going traffic through the straits of Florida had reached a point to where the apparent savings to shipping and ocean-borne commerce indicated the justification of the more expensive ship canal, which would also serve for barge traffic. However, engineering considerations governing the construction of a waterway of ship-canal dimensions confined the location of the project to the Peninsula of Florida and eliminated the possibility of a route through both Georgia and Florida.

Under the River and Harbor Acts of 1927 and 1930 the Corps of Engineers initiated and completed examinations and physical surveys of this project. The surveys were conducted by a special board of Army engineer officers detailed to that work by the Chief of Engineers.

In 1932 there was organized in New Orleans a National Gulf-Atlantic Ship Canal Association, the stated purpose of which was to procure construction by the Federal Government of this project in order that the resulting benefits might accrue to industry, agriculture, and commerce of the Nation.

The above-named association, a corporation not for profit, made a pro-forma application to the Reconstruction Finance Corporation for a loan for the construction of the canal as a self-liquidating project. This pro-forma application proposed that the loan be made to such appropriate public corporation or agency as the Reconstruction Finance Corporation might direct.

By an act of the Legislature of the State of Florida, approved May 12, 1933, there was created the Ship Canal Authority of the State of Florida with powers and duties appropriate to cooperation with the Federal Government in the construction of such a waterway. This authority then became the applicant for the loan before the Reconstruction Finance Corporation, replacing the national association.

In June 1933 the special board of survey of the Corps of Engineers made a preliminary report to the Chief of Engineers. At this date the board had completed the gathering of the greater part of its physical data upon which the cost of the project might be developed.

No action on the application was taken by the Reconstruction Finance Corporation; and in or about August 1933 the application, together with all other applications of this class, was transferred by Executive order to the Public Works Administration.

The engineering division of the Public Works Administration made a thorough examination of the project, assuming the basic physical data obtained by the Special Board of Survey of the Corps of Engineers, but developing its own plans, specifications, and unit construction costs, and supplementing by its own examination the economic survey which was being carried out by the special board. Under date of October 19, 1933, a report on the project was made by the Public Works Administration engineers. This report found that the estimated cost of a lock canal, according to the plans of the Public Works Administration engineers, would be \$115,000,000, and that the direct benefits resulting from a canal would be upward of \$8,524,000 per year; that in addition to the direct benefits there would be additional benefits of \$2,004,000 per year; and that the cash tolls which might reasonably be expected to be collected would be \$6,500,000 per year. The conclusions reached in that report are quoted as follows:

"It is concluded that the project covered herein constitutes a public necessity and is of real social value. The project will afford much employment to many classes of skilled and unskilled labor; that the design is in accord with sound engineering practice, and that the project is economically sound. It is recommended that the loan with or without the grant be made."

On December 30, 1933, the Special Board of Survey of the Corps of Engineers completed its work and made its final report. The examination made by the special board included an exhaustive economic survey made by the Department of Commerce at the request of the Chief of Engineers. That report was based upon

examination of the project as a river and harbor project, without reference to its self-liquidating possibilities. Its findings with regard to traffic which might be served by the canal, and the general benefits to commerce were in substantial agreement with the findings of the engineers of the Public Works Administration; but owing to different design and specifications and unit costs, the lock canal covered by that report showed an estimated cost at considerable variance with the costs developed by the engineers of the Public Works Administration.

In the first part of 1934, in response to a request made by all the Senators of the States of Texas, Louisiana, Mississippi, Alabama, and Florida, the President constituted and appointed a board of review, which consisted of two Army engineers designated by the Secretary of War, two engineers designated by the Administrator of Public Works, and one engineer from civil life designated by the other four. The personnel of this board was as follows:

For the War Department: Lt. Col. Warren T. Hannum, Corps of Engineers; Maj. Brehon B. Somervell, Corps of Engineers.

For the Public Works Administration: Clarence McDonough, chief engineer; Frederick Fowler, consulting engineer.

Fifth member of the board and chairman: Walter J. Douglas, of New York City.

This board of review was instructed to study and examine the reports of the special board of survey and the Public Works Administration, and to make such further examination and study as it might deem appropriate.

On June 28, 1934, this board made a report to the President, recommending the construction of a sea-level canal and estimated its cost at \$142,700,000, exclusive of land for right-of-way and interest during construction. The board further recommended the deepening of the canal to 35 feet when the traffic shall justify it. The board further found that, based upon the economic survey of the special board of survey of the Corps of Engineers, such a sea-level canal would be economically justified, on a 4-per-cent basis, up to a cost of \$160,000,000.

Subsequent to this report, the President directed the board of review to make an examination of the project with a view to determining whether it could be constructed as a self-liquidating project upon the basis of tolls which might be collected from shipping.

Under date of September 15, 1934, the board reported adversely on this aspect of the project.

On January 29, 1935, acting upon a memorandum of the Chief Engineer of the Public Works Administration, citing the recommendation for a sea-level canal made by the board of review and the estimated cost of \$142,700,000, the Administrator of Public Works disapproved the application for a loan to the Ship Canal Authority of the State of Florida for a lock canal. This disapproval was without reference to the economic justification of the project as determined by the criteria ordinarily applied to river and harbor projects, and without reference to the recommendation of the board of review and its findings that a 30-foot sea-level canal is economically justified up to a cost of \$160,000,000, that recommendation remaining as the final and approving official finding with reference to the canal as a river and harbor project.

I quote from a letter under date of February 12, 1936, from Senator FLETCHER to Lt. Col. Brehon Somervell, member and recorder of the board of review, and Colonel Somervell's reply under date of February 12, 1936.

FEBRUARY 10, 1936.

Lt. Col. BREHON B. SOMERVELL,
Member and Recorder, Board of Review,
War Department, Washington, D. C.

MY DEAR COLONEL SOMERVELL: I have before me copy of the report of the board of review for the Florida canal under date of June 28, 1934. My understanding of this report is that the board recommended to the President a sea-level canal of 30-foot depth, and found that the cost of such a canal will be approximately \$143,000,000, exclusive of land and interest during construction, and that the board found further that the project is justified by the criteria ordinarily applied to river and harbor projects at a cost of \$160,000,000 or more.

I have also before me a supplementary report of this board which is responsive to a directive from the President that the project be examined with a view to its self-liquidating possibilities, and finding adversely on this aspect. I understand further that this latter finding has no reference to the board's first finding that the canal is justified on the total benefits when judged by the criteria ordinarily applied to river and harbor projects.

I am advised that you served as a member of this Board and were its recorder. As a member of the subcommittee of the Senate Committee on Commerce, which is examining Senate Resolution 210, providing for an inquiry into certain matters relating to this project, I shall appreciate your advising me as to whether my understanding of these reports as set forth above is a correct interpretation of the action of the board.

Sincerely yours,

DUNCAN U. FLETCHER.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., February 12, 1936.

HON. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your letter of February 10, 1936, in which you state that it is your understanding that the Board of Review appointed by the President to consider the Atlantic-Gulf Ship Canal found that the canal would be justified by the criteria

ordinarily applied to river and harbor projects at a cost of \$160,000,000. You also state that it is your understanding that the second report of the Board had no reference to the Board's first finding in this regard.

You undoubtedly have reference to the following statement in the first report of the Board:

"This Board was not instructed to estimate the benefits accruing from the construction and operation of this canal. However, if it be assumed that the economic study made by the special Board of Army Engineers for a lock canal is sound, and considering the lower maintenance and operating costs of a sea-level canal, the cost of a canal which would be justified at 4 percent interest would be:

"Sea-level canal, 30-foot depth, \$160,000,000."

The second report of the Board had to do with an investigation of tolls and had no reference to justification on the basis of total benefits.

Sincerely yours,

BREHON SOMERVELL,
Lieutenant Colonel, Corps of Engineers, Recorder.

On August 30, 1935, by virtue of authority vested in him under the Emergency Relief Appropriation Act of 1935, approved April 8, 1935, the President authorized the project and directed the Secretary of the Treasury to transfer to the War Department, Corps of Engineers, \$5,000,000 of the funds provided in the above act, for the initiation of work.

On September 3, 1935, construction was begun under the direction of the Chief of Engineers, and is continuing at this time, with an average employment of approximately 5,000 men.

In his annual report for 1935 the Chief of Engineers made the following recommendation for this project. I quote from pages 620 and 621 of that report:

"Proposed operations: It is expected that work under contract on excavation of the high ground in the central sections of the canal will commence on or before October 28, 1935. Funds allotted will be applied as follows:

Clearing right-of-way	\$500,000
Housing, shops, and minor structures	500,000
Excavation in central areas	3,500,000
Bridge foundations	500,000
Total	5,000,000

The additional sum of \$31,000,000 can be profitably expended during the fiscal year 1936 as follows:

Equipment	\$16,360,000
Housing, shops, and minor structures	750,000
Excavation	10,390,000
Bridges	1,500,000
Surveys	1,000,000
Contingencies	1,000,000
Total	31,000,000

It is further estimated that the sum of \$26,000,000 can be profitably expended during the fiscal year 1937 as follows:

Excavation, wet and dry	\$20,000,000
Bridges	2,500,000
Flood-control works	500,000
Gulf breakwater	1,000,000
Engineering and contingencies	2,000,000
Total	26,000,000

On October 22, 1935, in conformity with the conditions imposed by Federal authority, the six counties comprising the Florida ship canal navigation district voted by a majority of 27 to 1 a bond issue of \$1,500,000 for the purchase of all necessary land for right-of-way for the canal. On January 23, 1936, the first block of \$300,000 of these bonds was sold, and the proceeds employed to deliver to the Federal Government right-of-way for excavation in the central or cut section of the canal.

The foregoing is, in briefest form, the official record of the project. Before proceeding further, it appears appropriate to direct attention to the exhaustive nature and broad scope of the examinations and studies made of this project by the Federal agencies. I quote from a letter from the Chief of Engineers to Senator FLETCHER under date of January 28, 1936:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 28, 1936.

HON. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: In your letter of January 23, 1926, you referred to Senate Resolution No. 210, with respect to the Atlantic-Gulf waterway and asked to be furnished with certain specific information.

I take pleasure in furnishing this information herewith:

1. You state that paragraph 1 of the resolution proposes an inquiry into "the nature and extent of expenditures to be made from emergency relief funds, and subsequent expenditures for construction and maintenance to be made from regular funds", and ask whether or not, in my opinion, there has been sufficient competent survey, examination, and study of this project to determine its construction and maintenance cost with the same degree of accuracy as in the case of other river and harbor improvements in general heretofore approved and constructed. The investigations undertaken by this Department with respect to the Atlantic-Gulf waterway have been as exhaustive and detailed as those normally

undertaken in connection with the preliminary examinations and surveys of river and harbor projects. This Department has realized from the inception of this examination that the magnitude of the project required a comprehensive study, and its investigations undertaken over a period of 6 years were conducted in scope and detail sufficient to establish construction costs with reasonable accuracy. The estimated cost of maintenance, which must be based in large part on the experience gained from the maintenance of the many river and harbor projects throughout the country, would also appear to be dependable.

2. You refer to paragraph 2 of the resolution, which proposes an inquiry into "the sufficiency of plans and information to determine whether the canal should be a sea level or a lock canal, and whether it should be 30 or 35 feet in depth", and asked if I believe that there has been gathered a sufficiency of such plans and information to determine whether the canal should be a sea level or a lock canal, and whether it should be 30 or 35 feet in depth. The data before the Department indicate rather clearly that the effects of the sea-level canal on the underground water supply of the State will not be of a widespread and serious nature. Consequently, there is no necessity for the construction of a lock canal at an increase in construction cost and in operating time over a sea-level canal. The information gathered by the Department shows that a depth of 30 feet will suffice for practically all vessels now engaged in the Gulf trade, or likely to be engaged in that trade for some time in the future.

3. You refer to paragraph 3 of the resolution, which proposes an inquiry into "the sufficiency of authentic information to determine whether the canal will contaminate the ground water supply of the adjacent areas", and asked if, in my opinion, a sufficiency of information with respect to underground water supply has been gathered to make a determination of the effect of the canal on such supply. This Department, in its investigations of the canal, has utilized the services of expert geologists and water engineers. A special board of review, formed pursuant to instructions from the President, also had the services of a competent water engineer. The preliminary data gathered by the Department indicated that there was some possibility of adverse effects on the underground water supply. The more detailed information which is now available clearly indicates that the adverse effects are largely local and not of a serious nature. When the project was placed under way as a part of the relief program, I had the district engineer at Ocala, Fla., assemble a board of selected experts to consider the data gathered by the two boards, the State geological department and the Geological Survey, and to undertake additional and exhaustive field investigations. These experts have recently submitted their interim report, which definitely concludes that the effects of the sea-level canal on the underground water supply will not be serious but local in nature and capable of control with reasonable expenditures for remedial works. The authentic information available permits the conclusion that the sea-level canal will not contaminate the underground water supply of adjacent areas.

4. You refer to paragraph 4 of the resolution which proposes an inquiry into "the nature and extent of the available traffic to warrant the ultimate expenditure of between \$140,000,000 and \$200,000,000", and asked if a sufficient investigation and examination has been made and data compiled to enable a decision as to the amount of cost of the project which available traffic will justify. The Special Board of Engineers had available data compiled by the Department of Commerce. In addition, they made a detailed study to determine the economic benefits to transportation which would result from the construction of the canal. While this information and data have not been reviewed in detail by the Board of Engineers for Rivers and Harbors, it is most complete and adequate for a full determination of the estimated value of the benefits to navigation which will result from its construction.

5. You refer to my appearance before the subcommittee of the Committee on Commerce on January 17, in which certain questions were asked with respect to the replies received from shipping concerns to a questionnaire sent out by the Special Board of this Department in connection with their investigation, and asked if these letters were used to establish the economic justification of the project, and further as to the usual factors which are studied in determining economic justification. This Department has not stated that the replies to these questionnaires represented the economic justification for the canal project, nor are such letters generally used for the establishment of economic justification. The Special Board of Army Engineers made an extensive economic survey, and was aided in the preparation of its report by an independent survey undertaken by the Department of Commerce at the request of the Chief of Engineers.

The determinations of the special board with respect to the economic benefits of the project were based in large part on these surveys. The letters to which you refer are some of the replies to questionnaires addressed by the special board to shipping concerns, so that it might be informed as to their opinions with respect to the effect of the project on the individual interests of the companies concerned. In determining the economic justification of a proposed river and harbor improvement, the investigating officers ascertain the definite savings in time and distance which will be made available to navigation without increased hazards as a result of the improvement in question. These savings in time and distance converted into monetary savings and such other incidental benefits as clearly accrue to water-borne commerce and the general public interest, such as a reduction in the hazards of navigation, form the basis for the determination of the economic jus-

tification of a project. The views of navigation and commercial interests as to the effect which the proposed improvement may have on their operations are an aid to the board in weighing the public value of the savings and benefits as determined by the board.

I trust that the information contained herein answers the specific questions propounded in your letter. I shall be pleased to furnish any further information desired on request.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

Attention is invited to a recapitulation of the record as regards the findings of the several examining agencies, with regard to cost and economic justification. In the first place, it should be borne in mind that the engineers of the Public Works Administration and the special board of survey of the Corps of Engineers developed their cost estimates from plans and specifications for a lock canal which varied in many important details. For instance, the engineers of the Public Works Administration planned a canal with two locks while the special board of survey considered a canal with three locks. Other important differences in plan and specifications make the estimates of total costs of these two examining agencies incommensurate. Again, the board of review developed its cost estimate from plans and specifications for a sea-level canal. As these board of review plans and specifications and cost estimate of \$142,700,000 have been approved by the Chief of Engineers, these elements of the project may be considered as definitely determined. It remains to consider the benefits found by the examining agencies, and to apply these benefits to the cost of the project. The method for determining the economic justification of a river and harbor project established and followed by the Corps of Engineers is as follows:

The direct benefits to commerce are determined as accurately as possible in terms of dollars and cents per year. From these direct benefits are deducted the annual cost of maintenance and operation of the improvement, and, in the case of a certain class of structures which are subject to depreciation, an additional annual amount is deducted to amortize such structures over a reasonable period of time. The net remainder of benefits, when capitalized at 3 percent, should exceed the estimated cost of the project, if it is economically justified. Sometimes, when the whole project is subject to depreciation, the net annual benefits are capitalized at 4 percent in lieu of charging amortization. In the case of the canal under discussion, the only structures which are subject to depreciation are two small water-control works and certain bridges, the cost of which is less than 2½ percent of the total cost of the project. With this explanation, the essential conclusions which may be drawn from the findings and figures of the board of review are the following:

(1) On the basis of the methods customarily used by the Board of Engineers for Rivers and Harbors to determine the economic justification of a project, the Florida ship canal is justified by a wide margin. These methods are analogous to those used in commercial practice for work of a similar character.

(2) Not only would the benefits to shipping exceed by a wide margin maintenance and operating costs and interest at the current rates as required by the Board of Engineers but in approximately 32 years they would, in addition, more than amortize the original cost of the work plus interest during construction.

(3) The return from tolls considered by the board of review is no longer an issue as the route is being opened as a free canal, as are the other waterways of the United States.

On work of the nature of the canal, which includes but a small percentage of items subject to depreciation (less than 2½ percent), the Board of Engineers requires that estimated annual benefits exceed by a safe margin estimated maintenance and operating charges and interest at current rates. These rates are now less than 3 percent.

In the case of the Florida ship canal, the board of review's report of June 28, 1935, finds with the Army special board of survey annual benefits of approximately \$8,200,000, which, even on a 4-percent basis, allowing for amortization, the board found would justify a cost up to \$160,000,000, or \$17,000,000 above the actual estimated cost. It will be recalled that the engineers of the Public Works Administration reported annual benefits above \$10,500,000. The figure of the special board of survey of the Army is therefore the more conservative.

Following the method of the Board for Rivers and Harbors of the Corps of Engineers, we have, then, the following basis of justification for the Florida canal, using the benefits determined by the Army special board of survey and the cost estimate approved by the Chief of Engineers.

Annual benefits.....	\$8,200,000
Cost, without interest during construction.....	\$143,000,000
Interest during construction, at 3 percent.....	12,870,000
Total first cost.....	155,870,000
Annual interest charges on \$155,870,000, at 3 percent.....	4,676,000
Annual maintenance and operation expense.....	601,000
Total annual costs.....	5,277,000
Net annual benefits.....	2,923,000

This amount, at 3 percent, will amortize the entire cost of the project in approximately 32 years. If capitalized at 3 percent, it shows a margin over the cost of construction of \$99,000,000. In other words, on the basis used by the Board for Rivers and Harbors of the Corps of Engineers, the project shows that it will pay in direct benefits sufficient to meet all interest, operation, and maintenance charges, and repay its entire cost, including interest during construction, in approximately 32 years. It is therefore not only economically justified, but is in a highly preferred class of projects. This becomes even more apparent when the ratio of cost to benefits of the project is compared with the ratios of cost and benefits of other meritorious authorized projects. The following is a list of the most outstanding of these:

Name of project	Ratio of cost to benefits	Rank according to ratio
Florida Canal.....	1 to 1.6.....	First.
Delaware River to Philadelphia and to Trenton.....	1 to 1.3.....	Second.
New York-New Jersey channels.....	1 to 1.2.....	Third.
Chesapeake and Delaware Canal.....	1 to 1.....	Fourth.
Beaver-Mahoning Canal.....	do.....	Do.
Cape Cod Canal.....	do.....	Do.

The soundness of the above conclusions is enhanced by the fact that the figures do not include any benefits resulting from stimulation of commerce and shipping; adjustment of freight rates and mail subsidies; reduction in hazards to shipping during hurricane season; increased earning power of ships due to the shorter time required to make the voyage; and the very real value of the project as a factor in the national defense.

It seems appropriate to direct attention to both the support and the opposition which have been offered to this project. The record shows that it is formally opposed by the Atlantic Coast Line Railroad, the Florida East Coast Railway, the Seaboard Air Line Railway, and the Southern Railway. The record also shows that it is opposed by the Chamber of Commerce of the city of Tampa, the city of Orlando, and by certain other civic organizations in the State of Florida. The record further shows that both the city of Tampa and the city of Orlando have petitioned the Corps of Engineers to make a survey with a view to constructing a canal along a route which would lie adjacent to those two cities, respectively.

In support of the project, there are in the official record resolutions of the Mississippi Valley Association, the Atlantic Deeper Waterways Association, the National Rivers and Harbors Congress, the Texas and Louisiana Intracoastal Waterway Association; the Legislature of the State of Florida, and numerous commercial and civic organizations from various parts of the country.

I quote from a resolution of the Mississippi Valley Association in convention at St. Louis, November 27, 1935:

"We recommend . . . the Gulf-Atlantic Ship Canal now under construction, and its completion, under the schedules laid down by the Chief of Engineers."

Again, I quote from a resolution of the Atlantic Deeper Waterways Association in convention at Boston, October 7, 1935:

"This association has for many years urged the construction of a canal across Florida, and we are gratified that the Federal Government, through the Army Engineers, has begun work on a ship canal which will not only serve ocean commerce but will provide a connecting link between the Intracoastal Waterways of the Atlantic and the Gulf of Mexico. We recommend the further allocation of funds for the completion of this project, the benefits of which will be Nation-wide."

Again, I quote a letter under date of February 12, 1935, to Senator FLETCHER, from the National Rivers and Harbors Congress, signed by its president, Frank Reid:

NATIONAL RIVERS AND HARBORS CONGRESS,
Washington, D. C., February 12, 1936.

HON. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: At its thirtieth annual convention held in Washington, D. C., May 2-3, 1935, the National Rivers and Harbors Congress, upon the recommendation of its projects committee, voted unanimously to endorse the Gulf-Atlantic Ship Canal across Florida as being sound, needful, and sufficiently advanced in status, and a project that should be promptly constructed in the public interest.

The projects committee of the Congress is composed of an outstanding waterway leader from each of the 10 engineering divisions of the United States, and gave careful consideration to this project at open hearings. The committee itself voted unanimously to recommend approval of the Florida canal, and its report was adopted without a dissenting vote by the convention composed of delegates from 40 States, the District of Columbia, Alaska, and Puerto Rico, representing the Federal Government, States, cities, counties, State, municipal, and local governmental agencies, chambers of commerce, waterway associations, agricultural, labor, industrial, and trade organizations throughout the Nation.

This project will strengthen the national defense, provide a permanent investment which will increase the national wealth, greatly benefit industry, agriculture, commerce, and labor, and afford protection to human life and property from the menace of the tropical hurricanes that visit the Florida Peninsula.

From my own personal examination of the project, I am convinced that it is one of the most meritorious waterway projects ever undertaken by the Government, and that the expressed fears of its ill effects are groundless. I hope the Senate Committee on Commerce will not be misled by the insidious campaign to discredit and destroy our national waterways.

Very truly yours,

FRANK R. REID,

President, National Rivers and Harbors Congress.

In addition to these, approval of the project has been formally expressed by 70 Members of the United States Senate and the Governors of 36 States, representing all of the major political parties.

Evidence has been presented in the form of letters from ship-operating concerns which indicates a lack of interest in or hostility to the project on the part of those particular companies. It seems appropriate to call attention to certain considerations which necessarily govern the evaluation of this kind of testimony.

Long-established and universally accepted custom has determined that the highest authority on questions of hazards to inland navigation, and the safe dimensions and conditions for harbors and inland waterways, is the Corps of Engineers; and the highest authority for sailing routes and for questions of time and distance is the Bureau of Navigation. When these two agencies unite in determining that a given route for navigation will be adequate and safe, and will require certain times and distances to be covered, it may be reasonably concluded that these determinations are correct. In the case of the present project, the Army Engineers and the Bureau of Navigation have determined that it will be adequate and safe for navigation, and that it will effect certain savings of time and distance. These savings in time and distance may be, and have been, translated, with reasonable accuracy, into dollars and cents. When a ship operator states that he will not avail himself of these savings, he may be presumed, in the absence of evidence to the contrary, to be telling the truth. But when he denies the time and distance savings determined by these agencies, it is fair to assume that he is in error. Since the immemorial tendency of trade and navigation has been to take advantage of every factor which might increase profit, it would appear that when a ship operator states that he will not avail himself of such factors, they are probably overbalanced by other factors, not necessarily apparent, which apply to the interests of that particular operator. For these reasons, expressions, either favorable or adverse to a project of this kind, from ship-operating concerns, can only be taken as a guide to the individual interest of those concerns, respectively, and cannot be made the basis for determining whether or not commerce in general will avail itself of the improvement or, for that matter, whether all commerce would not use the improvement once it came into existence, regardless of their preference for or satisfaction with the status quo. It is of record that there was a very considerable body of adverse opinion among ship operators with regard to all the great canals of the world prior to their construction, and it is also of record that, with unimportant exceptions, commerce in general promptly availed itself of these new routes when opened.

Ship-operating concerns may be divided into a number of classes, which include the following:

(1) Those operators whose Gulf-Atlantic shipping is secondary to some other phase of their business. Many companies falling within this group have interlocking directorates and ownerships in other business which do not show on the surface and can only be determined after an elaborate analysis of the holdings of these companies.

(2) Those operators who hold mail-subsidy contracts from the United States Government. While the rate of pay by the Government varies, nevertheless the general principle is to subsidize the American-flag vessel so that it may compete with the cheaper-operated foreign vessel in the same trade. Today's subsidy to the mail vessels in the Gulf trade is approximately \$2.50 per outbound mile. Further, the contract stipulates that the vessel is paid on the shortest available route. Therefore, it is obvious that by construction of the Florida canal the route would be shortened and the pay to these ships would be reduced by \$2.50 per mile for each outbound mile so shortened. In the case of some operators this item becomes considerable because of the many ships operated by them. However, it must be remembered that the reduction of this mail pay by shortening the route is a direct saving to the United States, and the canal should be credited with this saving. At the same time, no injustice will be done to the ship operator, providing the original theory of determining the mail pay on a mileage basis is correct, because the reduced pay for reduced mileage will still leave the American and foreign ship on the same parity. However, it may be that the mail ship prefers to collect from the Government and run the extra mileage at Government expense.

(3) Those operators whose business it is to charter their ships: These companies operate mainly in the tanker trade and own no product to carry in their own bottoms. They are, therefore, dependent upon a shortage of vessels to create a demand for their ships. They, therefore, cannot view any facility which tends to bring the Atlantic seaboard and the Gulf coast closer together as a benefit to their business.

Further than this, there is an almost universal feeling among operators in the Gulf-Atlantic run that they are in a trading position. In other words, if the canal is constructed, they desire to have accrue to them the largest possible share of the benefits. This

thought may be reflected in three ways: First, by a desire that the canal be toll-free, in order that the entire savings will accrue to them; second, by a desire not to see the principle of tolls established for the use of any waterway within the United States; third, by a desire that if tolls are charged they be as low as possible, in order that their share of the increased savings will be a maximum.

Again, some operators feel that competition will force most of the savings to be passed on to the producers and consumers of the Nation. While this is really an argument in favor of the canal, it nevertheless results in a trading attitude on the part of the operators.

This becomes increasingly clear when the exact wording of the original questionnaire sent out by the War Department is considered. I quote from that letter to all shipping concerns, under date of May 9, 1933:

"It will be appreciated if you will review the data presented herewith and express your views as to the necessity for or desirability of this project in the interests of navigation and marine commerce, presenting any information of unusual importance that may be in your possession and stating briefly the manner in which it would affect your individual interests, assuming that the construction of the canal would be handled by the War Department as a regular river and harbor project, approved by Congress, and operated (a) toll free after completion, and (b) on a toll basis, as a self-liquidating project."

It appears entirely probable that, knowing whatever benefits it might admit could be used against itself, should it wish to contest the toll rate established on the canal, every company so addressed would tend to minimize those benefits which may be translated into dollars and cents.

However, there are in the record, in addition to the letters from ship operators mentioned as being uninterested in or hostile to the project, certain other letters which are interested in and favorable to the project. I quote from a number of such, as follows:

From the Mystic Steamship Co., Boston, Mass., under date of May 22, 1933, signed by F. B. Craven, manager, marine department:

"We are inclined to believe in a general way that the proposition would be quite interesting to us and should appreciate an opportunity at a later date to more fully express our reactions. We assume at that time that you will be in a position to give us a more detailed picture of all characteristics of the canal and particulars relating thereto."

From the Sinclair Navigation Co., 45 Nassau Street, New York City, under date of May 15, 1933, signed by J. G. Johnson, vice president:

"Reviewing our company operations and allowing 36 hours for one transit of canal, the estimated time saved via canal as compared to present route would be approximately 3,000 hours per annum for all vessels. On present freight rates this would represent to our company a saving of about \$74,000 per year. This is based on about 130 trips, equal to 260 transits."

"As to the necessity for or desirability of this project in the interest of navigation and marine commerce, the estimated savings, in our opinion, would not permit of the canal being operated on a toll basis as a self-liquidating project. If the canal were constructed by the War Department as a regular river and harbor project and operated toll free, there would be a saving to marine commerce."

From the Continental Steamship Co., P. O. box 1637, Baltimore, Md., under date of May 15, 1933, signed by I. C. Stocksdale, manager:

"At the present time this company has two tankers operating from Baltimore to Aransas Pass (Corpus Christi). It is estimated that such a canal would save on each passage 19 hours' time and \$350 in operating cost if the canal were operated free. If on a toll basis, the tolls would have to be less than that amount to make the use of the canal attractive."

From the Hartwellson Steamship Co., 10 Post Office Square, Boston, Mass., under date of May 20, 1933, signed by Capt. E. Boranger:

"The following are only a few facts regarding the proposed trans-Florida canal:

"Distance saved from the Atlantic side of the trans-Florida canal to Galveston would be 347 miles each way. Distances from or to any other Gulf ports accordingly. Bound toward Galveston with a 10-knot ship, bucking the Gulf stream around Florida Keys would consume approximately 38 hours' more time than through the proposed canal. Returning from Galveston to the Atlantic side of the canal via Florida Keys would consume approximately 33 hours' more time than through the canal route."

"May I state that the trans-Florida canal route, besides being a great saving of time and expense to shipowners, would be an effective means of avoiding the destructive hurricanes raging around the Florida Keys from June to October each year, with their attending loss of life and property."

"Thanks and best of luck to the United States engineers and all concerned in this splendid piece of important waterway engineering."

From the Ford Motor Co., 3674 Schaefer Road, Dearborn, Mich., under date of May 15, 1933, signed by O. A. Johnson, marine department:

"We are not at the present time nor neither do we expect to in the near future operate any service which would utilize this proposal. However, we think the project a very worthy one and feel that it would effect a very substantial saving to steamship operations between the North Atlantic ports and the Gulf. There is no doubt but what it would effect a saving of approximately 2 days' transit time on the type of ships that we operate between New York

and New Orleans or Houston. It is possible that at a later date we may reenter the Gulf service, in which case this canal would prove advantageous to us."

From the Gulf Refining Co., Charles R. Buerger, vice president, 17 Battery Place, New York City, under date of May 24, 1933, signed by James Kennedy, general manager:

"Based upon a 10-knot ship and the distances appearing on the outline map accompanying your letter, there would be a net saving of about 25 hours per trip, or about 50 hours per voyage, which is equivalent to a cash-outlay saving of about \$208,550 per annum, and the total saving in time becomes approximately 546 days per annum.

"We believe, however, that you have overestimated the speed at which transit can be effected and that 5 miles per hour would constitute very good progress, having in mind delays due to locks, bridges, fog, and other unforeseen circumstances, and on this basis the saving would be about 28 hours per voyage as against the 50-hour estimate based on your forecast."

From the Pennsylvania Shipping Co., 260 South Broad Street, Philadelphia, Pa., under date of May 24, 1933, signed by J. H. Pelly:

"If the above-contemplated canal across Florida is built, its use would cause a saving of approximately 1 day each way on a round voyage of a steamer from Gulf loading ports to discharging ports north of Hatteras. Estimating the round trip to require approximately 16 days' steaming, the saving on a voyage in steaming time would be 2 days, or 12½ percent of the operating cost for a round trip.

"This would be quite an item, and if the canal were free of tolls no doubt a large number of vessels would use the canal."

From the Newtex Steamship Corporation, pier 23, North River, New York City, under date of May 23, 1933, signed by D. A. Moloney, president:

"In the coastwise trade, due to the keen competition and the low freight rates, it would be necessary to either have a free canal, or at the most a nominal charge per net ton, not to exceed, say, 5 cents per net ton for one transit of the canal. This can be readily seen, when I tell you that the current revenue on cargo carried in this coastwise trade does not exceed \$5 per ton, for a voyage of approximately 2,000 miles; and standard commodities such as flour, rice, paper, etc., are carried 2,000 miles for an average of \$3 to \$3.50 per ton.

"It would, therefore, appear that it would be an encouragement to coastwise shipping if the canal were operated as a toll-free proposition."

From the Kellogg Steamship Corporation, 17 Battery Place, New York City, under date of May 20, 1933, signed by R. A. Murphy, treasurer:

"We are very much interested in the proposed trans-Florida ship canal outlined in your letter of May 9, 1933, and the enclosed map of one of the suggested locations.

"As we see it, this canal would make possible a saving for our vessels of about 1 day's steaming time in each direction between Atlantic and Gulf ports. Our vessels do not operate regularly in this trade, but have been making a substantial number of voyages a year, which would benefit from the proposed canal.

"In our opinion, the possible saving, the value of which varies with existing conditions, is not sufficient to warrant the imposition of tolls. We would, therefore, endorse the project if the canal be made toll free after completion."

That such testimony cannot safely be, and is not, used as a guide to the economic justification of such a project is clearly stated by the Chief of Engineers as follows: I quote from exhibit F-1a, which has been introduced into the record.

"You refer to my appearance before the subcommittee of the Committee on Commerce on January 17, in which certain questions were asked with respect to the replies received from shipping concerns to a questionnaire sent out by the special board of this Department in connection with their investigation, and asked if these letters were used to establish the economic justification of the project, and further as to the usual factors which are studied in determining economic justification. This Department has not stated that the replies to these questionnaires represented the economic justification for the canal project, nor are such letters generally used for the establishment of economic justification. The Special Board of Army Engineers made an extensive economic survey, and was aided in the preparation of its report by an independent survey undertaken by the Department of Commerce at the request of the Chief of Engineers. The determinations of the special board with respect to the economic benefits of the project were based in large part on these surveys. The letters to which you refer are some of the replies to questionnaires addressed by the special board to shipping concerns, so that it might be informed as to their opinions with respect to the effect of the project on the individual interests of the companies concerned. In determining the economic justification of a proposed river and harbor improvement, the investigating officers ascertain the definite savings in time and distance which will be made available to navigation without increased hazards as a result of the improvement in question. These savings in time and distance converted into monetary savings and such other incidental benefits as clearly accrue to water-borne commerce and the general public interest, such as a reduction in the hazards of navigation, form the basis for the determination of the economic justification of a project. The views of navigation and commercial interests as to the effect which the proposed improvement may have on their operations are an aid to the Board in weighing the public value of the savings and benefits as determined by the Board."

Likewise the statement of Prof. Emory Johnson, Special Commissioner for the Panama Canal. I quote from a letter from Professor Johnson to Senator FLETCHER, under date of February 8, 1935 [reading]:

"As to the method to be followed in deciding what use will be made of a proposed canal, the only way to do is to do what was done in estimating the probable traffic of the Panama Canal and what was done by those who measured the tonnage of shipping that would use a trans-Florida canal, i. e., to make up a record of actual vessel movements for a year over routes for which the proposed waterway would provide a shorter route, to calculate the saving that the vessels so recorded could have made by using the proposed canal, and then to credit to the tonnage of probable canal traffic the tonnage that would result from shifting to the canal route such vessel movements as could be made more safely and more economically via the canal. It may be safely assumed that companies owning vessels will have them operated by the most advantageous and economical route."

In addition to the above, there is the affirmative evidence of the use of the canal by shipping contained in the formal findings of the Corps of Engineers, the Public Works Administration, the Department of Commerce, and the Board of Review.

There remains the consideration as to the possible effect which the construction of a sea-level canal along the route selected might have upon the underground fresh-water supply of Florida. Questions involved in this consideration are highly technical and highly specific. It should be borne in mind that there is no record of any specific survey or investigation of this problem by any competent individual or group, except a group of experts which have been and are conducting this inquiry under the direction of the Chief of Engineers.

There has apparently arisen in the minds of many people an impression that the Florida State Geological Survey or the Federal Geological Survey has made special surveys of this phase of the project and has rendered reports upon the same.

The facts are that a careful and comprehensive survey has been conducted by competent experts under the direction of the Chief of Engineers, but by no others, and this group of experts has rendered an opinion, approved by the Chief of Engineers, to the effect that damage to the underground water supply which may be caused by the canal will be local and will be limited to the possible lowering of water in wells adjacent to the route of the canal; and that agriculture will be entirely unaffected.

The record appears to be as follows: The Special Board of Survey of the Corps of Engineers made a careful study of this question and concluded that the data and information gathered and studied by them was inconclusive; and, according to the statement of the Chief of Engineers, they adopted a lock type of canal as a precautionary measure.

The board of review continued the studies initiated by the special board of survey and reviewed all of the evidence, including both published and unpublished data gathered by itself, the Geological Survey, and others.

In its report of June 28, 1934, the board of review found—I quote:

"Any possible damage to agriculture beyond the limits of the right-of-way to be secured for the canal would be negligible, due to the fact that the water table is now from 30 to 70 feet below the ground along the route of the canal and for miles on either side of it. The damage to water supply would be small and would consist only in lowering levels in nearby wells. The possibility of salting the water supply at high level would be eliminated."

Under date of June 15, 1935, in a letter addressed to Mr. W. F. Coachman, Jr., the Florida State geologist—this is the report, I think, to which you refer—stated that if the ground-water table in central Florida were to be lowered to a profound extent by a sea-level canal, the consequences would very seriously affect the ground-water supply of that part of Florida. It will be noted that the State geologist did not say that the construction of a sea-level canal would lower the water table profoundly, but confined his opinion as to the results upon the underground water supply if the water table should be profoundly lowered. The record does not show that at any time the State geologist has expressed a formal opinion to the effect that a sea-level canal would necessarily profoundly lower the water table in central Florida.

Under date of June 25, 1935, the State geologist, in a letter to Mr. Coachman, restates his attitude in the following words. I quote:

"It was not my purpose to condemn a sea-level canal, provided the construction plans are adequate to maintain the adjacent ground-water level at approximately 40 feet above sea."

Under date of August 26, 1935, the personal assistant to the Secretary of the Interior, Mr. Harry Slatery, in a letter to Hon. J. Hardin Peterson, stated that in the opinion of the Geological Survey:

"There appears to be no reasonable doubt that serious adverse effects would be produced upon the important underground water supplies of the Ocala limestone in a wide zone extending outward from the canal line by the construction of a sea-level canal along 13-B.

"The particular dangers herein discussed apply to a sea-level canal only and not to a lock canal so constructed as to avoid deep cuts in the Ocala limestone and thus to leave undisturbed the present water level in this important water-bearing formation."

Under date of February 13, 1936, Senator FLETCHER addressed a letter to the Secretary of the Interior to which the Secretary of

the Interior replied under date of February 18, 1936. I quote both letters in full.

This is a letter dated February 13, 1936, from Senator FLETCHER to the Secretary of the Interior in reference to the letter of Mr. Slattery.

FEBRUARY 13, 1936.

HON. HAROLD L. ICKES,

Secretary of the Interior, Washington, D. C.

MY DEAR MR. SECRETARY: In reference to the letter of Mr. Slattery dated August 26, 1935, addressed to Representative J. HARDIN PETERSON, in which he refers to an opinion of the Geological Survey to the effect that the construction of a sea-level canal across Florida might seriously damage the underground water supply of the State, the impression seems to obtain in the minds of some people that the Geological Survey made a special survey and investigation of this specific question and has issued a report giving its findings.

So far as I am able to determine from an examination of the records of the survey, no such specific survey was ever made by the Geological Survey, nor was any final or formal report ever made by it on this question, and the opinion referred to in Mr. Slattery's letter to Mr. PETERSON was preliminary and informal and based upon the general data on the geology and water supply of Florida theretofore collected and cannot be considered as a final or formal report of the survey.

I also understand that the Geological Survey has made available to the War Department its applicable data on this subject, both published and unpublished.

I shall appreciate it if you will advise me as to whether my understanding of this matter, as set forth above, is correct.

Very respectfully and sincerely yours,

DUNCAN U. FLETCHER.

The Secretary of the Interior replied to that letter under date of February 18, 1936, as follows:

"MY DEAR SENATOR FLETCHER: I have your letter of February 13 in which in effect you request an interpretation of Mr. Slattery's letter of August 26, 1935, to Representative J. HARDIN PETERSON.

"The Geological Survey's information on the geology and underground waters of the peninsula of Florida is based on a series of studies made independently or in cooperation with the Florida State Geological Survey over a period of a quarter of a century. You have been supplied with copies of the later and more significant reports resulting from these studies.

"It is entirely true that the Survey has not specifically studied the particular question of the possible effects upon ground-water conditions of the trans-Florida canal. It is equally true, of course, that detailed studies of the geology of the State and of the relation of the ground waters to the geology throughout the State cannot fail to give a broad perspective on the whole problem, which affords a sound basis for at least certain general conclusions about the effects of any proposed alteration of natural conditions. The quotation of the Survey's opinion in Mr. Slattery's letter to Mr. PETERSON had this basis only.

"It is also entirely true that the Survey has made freely available to the War Department all information it has, published and unpublished, bearing upon the problem for the solution of which the War Department is responsible. This material included a manuscript on the Artesian Water in the Florida Peninsula, as yet unpublished. This manuscript constituted one of the reports in the series of six reports recently sent you. It is also clear from a reading of the preliminary report on the geological and ground-water conditions in Florida in their relation to the Atlantic-Gulf Ship Canal, issued by the War Department on December 18, 1935, that in the preparation of that report extensive use was made of this manuscript and of earlier reports by the United States Geological Survey and the Florida State Geological Survey.

"It would appear then that the understanding of the Geological Survey's relation to this problem, set forth in your letter of February 13, is substantially correct, except that it perhaps does not take full cognizance of the broad background of experience with ground-water problems and of knowledge of conditions in Florida that underlay the informal Survey opinion presented in Mr. Slattery's letter.

"Sincerely yours,

"HAROLD L. ICKES,
"Secretary of the Interior."

In September 1935, by direction of the Chief of Engineers, a special board of experts was constituted and appointed to continue the study of this question.

Under date of December 18, 1935, this board, after a most exhaustive reexamination of all existing data, and development of much new data, confirmed the findings of the board of review to the effect that the damage to the underground water supply resulting from the construction of a sea-level canal would be negligible.

Under date of December 28, 1935, in a letter transmitting the above report to Senator FLETCHER, the Acting Chief of Engineers states—I quote:

"The findings of the board at this time definitely indicate that no serious adverse effects on the underground water supply need be anticipated from the construction of a sea-level canal."

Under date of January 17, 1936, the Chief of Engineers stated before this committee his opinion that the rather generally expressed fears in central and southern Florida with regard to extensive damage to the water supply are wholly without foundation.

The above is a recitation of the record. Attention is again invited to the fact that no survey or special examination of this question has ever been undertaken by the Federal Geological Survey or by the Geological Survey of Florida or by any other public

body except the Special Board of Survey of the Corps of Engineers; the board of review, comprising Army engineers, engineers of the Public Works Administration, and an eminent engineer from private life; and a special board of experts designated exclusively to examine into this matter by the Chief of Engineers. There is no formal report nor any formal expression of opinion in the record from any competent source that the construction of this canal at sea level will seriously affect the ground-water supply of any portion of the State of Florida.

In fact, there is only one expression, formal or informal, to this effect, and that is an avowedly informal opinion emanating from the Geological Survey and based upon general data and not upon specific examination of this question. On the other hand, all agencies of the Federal Government which have made specific studies of the matter are unanimous in their conclusions that construction of a canal at sea level would not be attended by any extensive damage to the water supply.

It may not be inappropriate to point out that the very history of this matter, as shown in the record recited here, indicates strikingly the inability of even expert geologists and engineers to form accurate conclusions from inadequate or general data on a highly technical and entirely specific problem such as that under discussion. The only competent opinion is that of duly qualified experts who were actually engaged in the examination and study of the specific physical situation involved. It would appear significant that all such competent opinion is unanimous in concluding that the construction of the canal at sea level cannot seriously adversely affect the underground water supply.

JACKSONVILLE, FLA., March 17, 1936.

HON. DUNCAN U. FLETCHER,

Senate Office Building:

Re Senator VANDENBERG's assertion yesterday no scintilla evidence economic justification, would advise P. W. A. special engineering board reported project constitutes public necessity, real social value, affording much employment, many classes labor; design accords with sound engineering practice and project economically sound. This board reported potential revenues equal 100 percent construction costs for 30-foot depth; also reported many intangible benefits to shipping not susceptible evaluation or collection to apply against operating costs, fixed charges, and debt retirement. Special economic survey made by Federal Department of Commerce reported 9,573 potential ship transits 1931, with total benefits shipping exceeding \$6,137,000, and additional benefits barge traffic exceeding \$1,190,000. Chief of Engineers, United States Army, has been quoted that economic benefits fully justify cost \$160,000,000. Presidential board review reported project physically and economically sound. With aid Government Shipping Board and Department Commerce, my firm made complete, unbiased survey commerce 1929, and found direct savings in vessel-operating costs exceeding \$5,615,000, with additional potential savings in fixed charges and collateral benefits exceeding \$6,000,000. Our report furnished Federal Engineer Department in 1931. Tampa, Orlando, Fort Pierce, and other Florida cities have previously endorsed project, provided route would run through their back yards. Certain shipping companies who have not definitely endorsed project and some who have opposed it route their ships through Kiel Canal, cutting Jutland Peninsula between Baltic and North Seas, in Europe, although Kiel Canal less capacious than proposed Florida Canal. Colonel Shutts' opinion, quoted by Senator VANDENBERG, south Florida may become another great American desert, completely refuted by special board of engineers and geologists employed by Government, and also by letters Florida State geologist. Ample economic justification exists for this project as regular river-harbor project under formulas heretofore used in justifying such projects.

GILBERT A. YOUNGBERG.

DEPORTATION OF ALIENS

During the delivery of Mr. FLETCHER's speech,

Mr. REYNOLDS. Mr. President, I do not desire to interfere with the subject now engaging the attention of the senior Senator from Florida [Mr. FLETCHER], but at the same time I should like to take this opportunity to present a resolution in which I am greatly interested, and if the Senator will be good enough to bear with me for a few minutes, I will present the resolution.

Mr. FLETCHER. Does the Senator merely desire to submit the resolution?

Mr. REYNOLDS. I should like to have the opportunity of reading the resolution while a number of the Members of the Senate are present, because I want them to hear it. The resolution (S. Res. 258) which I propose is as follows:

Whereas there are in excess of 2,600 aliens in the United States who are known to and allowed by the Department of Labor to remain in the United States, although subject to deportation; and

Whereas the Department of Labor is interested in and desires the enactment of legislation setting up an agency, composed of representatives of the Departments of Labor, State, and Justice, with authority to permit such aliens to remain in the United States; and

Whereas request has been made of the officials of the Department of Labor for the names of and available information relating to such deportable aliens; and

Whereas the said officials have refused to furnish such information; and

Whereas it is fitting, proper, and necessary that such information be furnished to the Members of the United States Senate in order that such legislation may be considered properly: Therefore, be it

Resolved, That the Secretary of Labor is requested to transmit to the Senate, as soon as practicable, a list containing the names of and available information relating to such aliens subject to deportation and permitted to remain in the United States.

Mr. President, I present this resolution because there is pending now before the Committee on Immigration of the Senate a bill referred to as the Kerr-Coolidge bill, which deals with the question of immigration and the deportation of aliens. A few days ago it was developed in testimony before the committee that there are now in the United States, under the direct supervision, so to speak, of the Bureau of Immigration and Naturalization, Department of Labor, 2,862 aliens; and at that time the Commissioner of Immigration and Naturalization very frankly admitted that at least a great majority of the aliens thus in this country, a large portion of whom are being supported by the taxpayers of this country, had entered the country illegally. For more than 2 years and 8 months the Department of Labor, without any authority whatsoever, has kept these aliens in this country, although they should have been deported many months ago, and the number has grown from something over a thousand a year ago to 2,862 at present.

I know that when this bill comes to the floor of the Senate for discussion by the Members of this body a bone of contention, and a very serious one, will be the question what to do with the 2,862 aliens. The point I make, by way of this resolution, is that the Members of the United States Senate will at that time be entitled to know the names and something about those 2,862 aliens who are subject to be deported now under the laws of our country. I ask that the Secretary of Labor be called upon to provide the Members of this body with a description of them.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. REYNOLDS. I am glad to yield to the Senator.

Mr. WALSH. I have understood that among the number of persons referred to by the Senator the Department of Labor has cited several meritorious cases in which, they say, possible hardship would justify the Department in not deporting the aliens, and I had understood that that information had been submitted to the committee of the House. Is that true or not?

Mr. REYNOLDS. I may state to the Senator, in answer to his question, that the Department has not submitted the original files of those cases to the committee of the House, but has merely submitted a brief outline of each case. I had a partial investigation made very hurriedly, and I was informed that in a great many of the cases the names of the individuals had not been given.

I wish to say to the Senator further, in answer to his inquiry in reference to the employment of the words "hardship cases", that there are many of them about which I have information and as to which I cannot possibly agree with those who submitted a report to the effect that they are hardship cases, or that they ought to be dealt with as hardship cases.

I merely desire to have the information presented to the Members of this body, in order that they may at least give some consideration to some of the cases, if not to all of them. I know, of course, that that would be impossible, in view of the great amount of work we have to do.

Mr. WALSH. Mr. President, may I make a further inquiry of the Senator?

Mr. REYNOLDS. Certainly.

Mr. FLETCHER. Mr. President, if this discussion is to continue, I shall have to demand the floor. How long will the discussion take? I had the floor.

Mr. WALSH. I had supposed the Senator from North Carolina had the floor.

Mr. FLETCHER. No; I yielded to enable the Senator to present a resolution.

Mr. WALSH. This is a very important subject, and I should like to interrogate the Senator from North Carolina further, if possible.

Mr. KING. Mr. President, I shall object to the consideration of the resolution at this time, but shall not object to its going to the Committee on Immigration. I do not think it is a proper resolution to be discussed at this time by the Senate. If the Senator will move to have it referred to the Committee on Immigration, I promise, although the chairman of the committee is not in the Chamber at the present time, that the committee will meet at any time convenient to the Senator.

Mr. REYNOLDS. Mr. President, I shall be glad to answer any inquiry the Senator from Massachusetts may have to make.

Mr. WALSH. If the Senator from Florida feels that the matter is trespassing unduly upon his time, I will not now interrupt.

Mr. REYNOLDS. Mr. President, I thank the Senator from Florida for his courtesy in permitting me to take the floor for the purpose of presenting my resolution.

The PRESIDING OFFICER. The resolution (S. Res. 258) submitted by the Senator from North Carolina [Mr. REYNOLDS] will be referred to the Committee on Immigration.

After the conclusion of Mr. FLETCHER's speech,

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. GLASS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 9, 10, 11, and 12.

CARTER GLASS,
JAMES F. BYRNES,
FREDERICK HALE,

Managers on the part of the Senate.

C. A. WOODRUM,
JED JOHNSON,
EDWARD C. MORAN, Jr.,
JAMES M. FITZPATRICK,
R. B. WIGGLESWORTH,

Managers on the part of the House.

Mr. GLASS. I move that the Senate agree to the conference report.

Mr. KING. Mr. President, will the Senator from Virginia permit an inquiry?

Mr. GLASS. Certainly.

Mr. KING. What were the matters in controversy?

Mr. GLASS. There were no matters in controversy. The important matters were the appropriation of something over a billion dollars to pay the bonus and one of \$440,000,000 to pay the farmers for soil conservation.

Mr. KING. Of course, the Senate conferees disagreed to those amendments?

Mr. GLASS. No; the Senate adopted the amendments, and therefore the Senate conferees agreed.

The PRESIDING OFFICER (Mr. BENSON in the chair). The question is on agreeing to the conference report.

The report was agreed to.

IMPROVEMENTS BETWEEN THE SHORE AND BULKHEAD LINES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors.

Mr. COPELAND. I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. FLETCHER, and Mr. McNARY conferees on the part of the Senate.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 10919) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GLASS. I move that the Senate insist upon its amendments, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. STEIWER, and Mr. NORBECK conferees on the part of the Senate.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. FLETCHER].

Mr. COPELAND. Mr. President, may I ask if there are other Senators who wish to discuss the amendment? If not, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Keyes	Pittman
Austin	Copeland	King	Pope
Bachman	Costigan	La Follette	Radcliffe
Bailey	Couzens	Lewis	Reynolds
Barkley	Davis	Logan	Robinson
Benson	Donahey	Loneragan	Russell
Bilbo	Duffy	McAdoo	Schwellenbach
Black	Fletcher	McGill	Sheppard
Bone	Frazier	McKellar	Shipstead
Borah	George	McNary	Smith
Brown	Gerry	Maloney	Steiwer
Bulkeley	Gibson	Metcalf	Thomas, Utah
Bulow	Glass	Minton	Townsend
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Neely	Walsh
Caraway	Hayden	Norbeck	Wheeler
Carey	Holt	Norris	White
Clark	Johnson	Overton	

Mr. LEWIS. I reannounce the absence of certain Senators and the causes therefor as given on a previous roll call.

The PRESIDING OFFICER. Seventy-nine Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the Senator from Florida [Mr. FLETCHER].

Mr. COPELAND. On that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. VANDENBERG. Mr. President, I wish to make but a brief observation before the vote is taken. There are three minor projects attached to the amendment which have not been discussed and which are of relatively minor concern. There is an ample way for those three lesser projects to be cared for in the course of the session. On the one hand, they could be cared for, as a matter of fact, by a continuing Executive order and could be completed out of emergency funds. On the other hand, they could be cared for by the method recommended in the House committee report which passed specifically upon them.

The House committee report recognized the fact that the Sardis Reservoir and the Bluestone Reservoir have been favorably recommended by the Board of Rivers and Harbors Engineers, but the House committee insisted, and I am quoting now from their report, that—

If for no other reason, the committee feels that the total ultimate cost involved is too great for it to recommend an appropri-

tion for further prosecution of work upon such projects until they have run the usual gantlet of scrutiny by the Corps of Engineers, the legislative committees having jurisdiction of such matters, and the legislative bodies themselves.

The House committee then proceeded to say:

The committee's action does not mean in any sense that these five unauthorized projects are to be abandoned. Two of them, as has been previously stated, already have been favorably recommended by the Chief of Engineers. It is entirely possible that all will be. There would seem to be ample time for the appropriate legislative committees to study the projects in order that the House may at least have the views of such committees before being called upon for the first time to appropriate money for carrying them forward, which, of course, could be done later in the session in a deficiency measure.

I am simply pointing out the status of the minor projects, and I am urging that their status should in no sense affect the major decision which the Senate now must make.

Referring finally to the major decision, I feel compelled to present one or two very brief exhibits, and then I am done.

Some question was raised yesterday respecting the editorial attitude of the Miami Daily News, which is owned by ex-Governor Cox, of Ohio. It was suggested that, if the Miami Daily News had taken a position upon the proposition, its position would have been announced by editorial comment. I send to the desk a brief excerpt from an editorial of the Miami Daily News of March 11, 1935, which I ask to have read by the clerk.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

[From the Miami Daily News of Mar. 11, 1935]

There are reports, and more reports, on this huge enterprise, not two of which agree, and there remain many serious questions to be answered. The findings of Dr. Henry S. Sharp, geologist of Columbia University, appearing in the News' columns today, renew the challenge to Congress to answer these questions before authorizing construction or appropriating another dollar for the canal. Dr. Sharp asserts that it will jeopardize Florida's water supply over a wide area. "a matter of considerable economic importance." It is the consensus of all geologists that there will be some damage, he reports, "while a considerable number believe that it will prove to be a textbook example of large-scale destruction of water resources by artificial interference with underground flow." Such a statement from a scientist who has no sectional or partisan interest in the matter, renewing the warning given earlier by Florida's State geologist, must be definitely proved false or the canal project must be abandoned. Promoters have yet to produce sufficient evidence to prove that the canal would pay for itself if built. The majority of Gulf-Atlantic shipping lines seem uninterested in it. But this Nation could, if necessary, withstand the loss of \$150,000,000 in the construction of the waterway. It would be extreme folly indeed at a time when economy is sorely needed. But \$150,000,000 would be a relatively small amount compared to the damage if Florida's water resources were ruined, with all the agriculture dependent upon them. That is a disaster neither Florida nor the Nation can risk. So long as this threat remains the canal must not be built.

Mr. VANDENBERG. Mr. President, I have just been handed a telegram from Mr. W. Keith Phillips, president of the Miami Chamber of Commerce. I read only the latter portion of the telegram, because the first portion deals with personal matters.

The president of the Miami Chamber of Commerce states the following:

The people most affected by this canal are thousands of small farmers, truck gardeners, and citrus growers scattered over the southern two-thirds of this State, who are unorganized and unable to make a proper defense of their rights. We beg of you to stand by us in this hour of need, and, if possible, defeat this dangerous project. There is no demand for this canal from the shipping interests; and personal contact with numerous shipping men convinces me that the canal will not be used, and that negotiating it during the winter will be very difficult on account of fogs and in the fall of the year on account of high cross winds.

Just one other telegram, from Mr. E. C. Rolph, who I understand is president of the First National Bank of Miami, and I understand is one of the leading businessmen of the South. His message to me this morning is as follows:

I think I speak the prevailing sentiment of this entire south Florida area when I say that, in our judgment, the cross-State canal, if completed, will be a calamity. Many reasons have been advanced why it should not be perpetrated, all of which you know; but it should be suggested to the Senate that there are more people living and more active business south of the proposed canal

than north of it, and that the southern portion is almost unanimously opposed to it. If this project were left for decision to the people of Florida, I think it would be overwhelmingly defeated.

Mr. President, everything that has been said respecting the merits of the matter suffices, so far as I am concerned, to leave the decision to the conscience of the Senate. I simply remind the Senate, in conclusion, that it is now being asked to approve an enormous appropriation which has been rejected by P. W. A., which has been recommended against by the Department of the Interior, which has been recommended against in the reports of the Department of Commerce, which has been rejected by the House Appropriations Committee, which has been rejected by the House itself, which has had an adverse report by the Senate Appropriations Committee; and now the final decision impends.

Mr. FLETCHER. Mr. President, I do not care to prolong the discussion, but I think it is fair for me to say, in response to what has been suggested by the Senator from Michigan, that any number of telegrams may be furnished in support of this project. Every waterway association in the country—the Mississippi Valley Association, the Atlantic Deeper Waterways Association, the National Rivers and Harbors Congress—all favor this project and have passed resolutions to that effect. I shall not go into details about that; but, with reference to the water supply, I simply wish to call the attention of the Senate to Senate Document 147, which deals with the subject. It is a report made recently by a board of experts, dated December 18, 1935. Clarence E. Boesch, Sidney Paige, Frank C. Carey, E. B. Burwell, and Malcolm Pirnie were the members of a board of experts on water questions, geology, and so forth, set up by Colonel Somervell, of the Board of Rivers and Harbors Engineers, and instructed to make special examination into this question of the water supply and the effect of the construction of the canal upon it.

That report is a Senate document, and I ask Senators to read it. It is mentioned by General Markham in his testimony, in which he said, regarding it:

The Board unanimously regards the effects of the sea-level canal as being, using a term, relatively inconsequential.

Senator VANDENBERG. You think that the rather generally expressed fears in general and southern Florida are without foundation?

General MARKHAM. I think they are wholly without foundation.

I will not prolong the discussion. I submit that for the RECORD.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida [Mr. FLETCHER]. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRAZIER (when Mr. NYE's name was called). On this question my colleague [Mr. NYE], who is unavoidably absent, has a pair with the junior Senator from Florida [Mr. TRAMMELL]. If the Senator from Florida were present, I understand he would vote "yea", and if my colleague were present he would vote "nay."

The roll call was concluded.

Mr. BARKLEY. On this question I have a pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I transfer that pair to the junior Senator from Louisiana [Mrs. LONG], and will vote. I vote "yea."

Mr. BILBO. I have a general pair with the Senator from Iowa [Mr. DICKINSON]. Not knowing how he would vote on this question, I transfer my pair to the Senator from New Mexico [Mr. CHAVEZ], and will vote. I vote "yea."

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained from the Senate.

Mr. HATCH. My colleague the junior Senator from New Mexico [Mr. CHAVEZ] is necessarily detained from the Senate and out of the city. If present and voting, he would vote "yea."

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained from the Senate on account of illness, and that the Senator from Washington [Mr.

BONE], the Senator from California [Mr. McADOO], and the Senator from Georgia [Mr. RUSSELL] are detained in important committee meetings.

I also announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Oklahoma [Mr. GORE], the Senator from Oklahoma [Mr. THOMAS], the Senator from Louisiana [Mrs. LONG], the Senator from New Jersey [Mr. MOORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Nevada [Mr. McCARRAN], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Missouri [Mr. TRUMAN] are unavoidably detained.

I further announce that the Senator from California [Mr. McADOO] has a pair on this question with the Senator from Massachusetts [Mr. COOLIDGE]. If present and voting, the Senator from California would vote "yea", and the Senator from Massachusetts would vote "nay."

The Senator from Wyoming [Mr. O'MAHONEY] is paired on this question with the Senator from Pennsylvania [Mr. GUFFEY]. If present and voting, the Senator from Wyoming would vote "yea", and the Senator from Pennsylvania would vote "nay."

Mr. AUSTIN. I announce the necessary absence of the Senator from New Jersey [Mr. BARBOUR]. He has a general pair with the Senator from Alabama [Mr. BANKHEAD].

The result was announced—yeas 34, nays 39, as follows:

YEAS—34

Bachman	Fletcher	McGill	Robinson
Bailey	George	McKellar	Schwellenbach
Barkley	Glass	Murray	Sheppard
Benson	Harrison	Neely	Smith
Bilbo	Hatch	Norris	Thomas, Utah
Black	Hayden	Overton	Wagner
Byrnes	Holt	Pittman	Wheeler
Caraway	Johnson	Radcliffe	
Connally	Logan	Reynolds	

NAYS—39

Adams	Clark	Hale	Norbeck
Austin	Copeland	Keyes	Pope
Borah	Costigan	King	Shipstead
Brown	Couzens	La Follette	Stelwer
Bulkeley	Davis	Loneragan	Townsend
Bulow	Donahay	McNary	Vandenberg
Burke	Duffy	Maloney	Van Nuys
Byrd	Frazier	Metcalf	Walsh
Capper	Gerry	Minton	White
Carey	Gibson	Murphy	

NOT VOTING—23

Ashurst	Dickinson	Long	Russell
Bankhead	Dieterich	McAdoo	Thomas, Okla.
Barbour	Gore	McCarran	Trammell
Bone	Guffey	Moore	Truman
Chavez	Hastings	Nye	Tydings
Coolidge	Lewis	O'Mahoney	

So Mr. FLETCHER's amendment was rejected.

Mr. HATCH. Mr. President, it had been my intention to offer another amendment, but, after consultation with other Senators interested, it is understood, I believe, that the Senator from West Virginia [Mr. NEELY] has framed the same amendment which I had intended to offer, and I yield at this time to the Senator from West Virginia to offer the amendment.

Mr. CONNALLY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CONNALLY. Are not committee amendments given precedence over other amendments?

The VICE PRESIDENT. Committee amendments are first to be considered.

Mr. CONNALLY. What has happened to the Senate committee amendment on page 69? That has not been acted upon, and I think it ought to be acted upon before we consider other amendments.

Mr. COPELAND. Mr. President, I ask that the Senate agree to the amendment referred to by the Senator from Texas.

The VICE PRESIDENT. If there are no further amendments to be offered to the committee amendment on page 69, the question is on agreeing to the amendment, which the clerk will state.

The CHIEF CLERK. On page 69, line 23, under the heading "Rivers and harbors", it is proposed to strike out "\$138,677,899" and to insert in lieu thereof "\$188,677,899", so as to read:

CORPS OF ENGINEERS
RIVERS AND HARBORS

To be immediately available and to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers:

For the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation; for survey of northern and northwestern lakes and other boundary and connecting waters as heretofore authorized, including the preparation, correction, printing, and issuing of charts and bulletins and the investigation of lake levels; for prevention of obstructive and injurious deposits within the harbor and adjacent waters of New York City; for expenses of the California Débris Commission in carrying on the work authorized by the act approved March 1, 1893 (U. S. C., title 33, sec. 661); for removing sunken vessels or craft obstructing or endangering navigation, as authorized by law; for operating and maintaining, keeping in repair, and continuing in use without interruption any lock, canal (except the Panama Canal), canalized river, or other public works for the use and benefit of navigation belonging to the United States; for payment annually of tuition fees of not to exceed 35 student officers of the Corps of Engineers at civil technical institutions under the provisions of section 127a of the National Defense Act, as amended (U. S. C., title 10, sec. 535); for examinations, surveys, and contingencies of rivers and harbors; and for printing, including illustrations, as may be authorized by the Committee on Printing of the House of Representatives, either during a recess or session of Congress, of surveys under House Document No. 308, Sixty-ninth Congress, first session, and section 10 of the Flood Control Act, approved May 15, 1928 (U. S. C., title 33, sec. 702j), and such surveys as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress, and for the purchase of motor-propelled passenger-carrying vehicles and motor boats, for official use, not to exceed \$146,050: *Provided*, That no funds shall be expended for any preliminary examination, survey, project, or estimate not authorized by law, \$188,677,899.

The amendment was agreed to.

Mr. FRAZIER. Mr. President, I wish to offer an amendment.

The VICE PRESIDENT. The Senator from New Mexico [Mr. HATCH] and the Senator from West Virginia [Mr. NEELY] desired to present an amendment, and the Senator from New Mexico yielded to the Senator from West Virginia so that he might offer the amendment.

Mr. NEELY. Mr. President, in behalf of the senior Senator from Mississippi [Mr. HARRISON], the junior Senator from Mississippi [Mr. BILBO], the senior Senator from New Mexico [Mr. HATCH], and myself, I offer the amendment, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 70, after line 21, it is proposed to insert the following:

For continuing work on the following projects which are being undertaken with funds allotted from the appropriations made by the Emergency Relief Appropriation Act of 1935: Sardis Reservoir on the Little Tallahatchie River, Miss., \$2,500,000; Conchas Reservoir on the South Canadian River, N. Mex., \$3,500,000; Bluestone Reservoir on the New River, W. Va., \$2,000,000; in all, \$8,000,000.

Mr. NEELY. Mr. President, these items were all included in the estimate of the Director of the Budget. I wish to say just a word in behalf of the West Virginia project. Those who are more intimately acquainted with the other projects will probably speak for them later on.

Last year the Chief of Engineers recommended to Congress the construction of the Bluestone Reservoir in what is known as House Document 308, Sixty-ninth Congress. His recommendation was in response to legislation in the Rivers and Harbors Acts of 1927 and 1928, calling upon the Chief of Engineers to make a survey of the Mississippi River and its tributaries for the purpose of locating, reporting to Congress, and recommending the construction of flood-control dams on the Mississippi and its tributaries.

The Bluestone Reservoir was vigorously recommended by the Chief of Engineers as the first dam to be constructed. It is located on the New River, which is the most important tributary of the Great Kanawha River, which in turn is one

of the largest tributaries of the Mississippi. The New River has a tremendous rainfall at its headwaters, approximately 70 inches a year. It is subject to destructive floods, which on the average do damage of over \$350,000 a year.

The project was endorsed not only by the Chief of Engineers but also by the Board of Engineers of the Mississippi River. It will be a combination flood-control, navigation, and power project. Its value in improving navigation will be sufficient to justify it, but in addition it will save a tremendous annual loss in damage by flood and will create a sufficient amount of power to make it self-liquidating.

The President by Executive order commanded the Chief of Engineers to proceed with the construction at once, and appropriated from public-works funds \$1,000,000 for this purpose. The Army engineers have about 400 men employed in drilling cores, locating the dam site, and doing the engineering work preparatory to the construction of the reservoir. Three C. C. C. camps are occupied in clearing the floor of the reservoir, and the Government has been purchasing land for this purpose.

The construction of this reservoir can be differentiated from other projects rejected by the House, on the following grounds: (a) That this is a carrying out of river and harbor legislation dating back to 1927 and 1928; (b) that it has the strongest possible recommendation from the Chief of Engineers and the Board of Engineers of the Mississippi River; (c) that it is a part of a great program long planned and recommended for the purpose of controlling the flood waters of the Mississippi and its tributaries.

Mr. McNARY. Mr. President, I inquire of the Chair the parliamentary status of the project referred to by the Senator from West Virginia. Does it come within the general authorization given by Congress to the President? Has it received the sanction of the Bureau of the Budget? Has it received the affirmation of a standing committee of the Senate? What is its relationship to the parliamentary situation?

The VICE PRESIDENT. The parliamentary situation with reference to the proposed amendment is the same as it was with reference to the amendment offered by the Senator from Florida. These projects have been estimated for, and, according to the vote of the Senate, they are in order.

Mr. HARRISON. Mr. President, may I say, in further answer to the Senator from Oregon, that all these projects have been passed on by the Chief of Engineers? The Budget Bureau has made its recommendation for the items, and I very much hope that the Senator having the bill in charge and the distinguished Senators who have opposed some of the other projects will permit this amendment to be agreed to. The arguments which applied against the other amendment cannot apply against this. May I ask the Senator from Michigan whether he does not think these items ought to be adopted?

Mr. VANDENBERG. Mr. President, it seems to me that these items differ from the item covered by the amendment submitted by the Senator from Florida in just two respects. The first respect is that they do not involve any such enormous sums of money; but that is a matter of degree, and does affect the principle.

The second difference is that apparently two of the projects have conclusive, affirmative reports from the Board of Engineers for Rivers and Harbors. To that extent the projects differ from the one which the Senate has just rejected. But since the Senator has asked me for my opinion, I give it to him. The projects included in the pending amendment do not qualify under the traditional practice of the Congress in dealing with projects of this character. They were rejected by the House committee and by the House itself under precisely the same rule that the item for the Florida canal was rejected. It seems to me that the orderly process for the Senator and his colleagues to pursue would be to obtain an authorization for the projects by Congress in the regular traditional fashion, and subsequently to secure the necessary appropriations in the deficiency bill.

Mr. HARRISON. I may say to the Senator that the committee of which he is a member included in the Overton bill the Mississippi item in which I am interested.

Mr. VANDENBERG. But the Overton bill has not been passed by the Senate.

Mr. HARRISON. It has not, but it has been favorably reported by the committee and is now on the calendar.

Mr. VANDENBERG. It has not been passed, and there would be some controversy about it on the floor.

Mr. HARRISON. I was simply hoping that we might save time in the discussion.

Mr. VANDENBERG. In saving time we might waste some money.

Mr. HATCH. Mr. President, I desire to detain the Senate for a very brief time to explain the situation in connection with the project which is located in my State. It is referred to in the report which was made and in the discussions which have been had upon it as the Conchas Dam. The Conchas Dam project differs in degree and extent and I think in other ways from the Florida canal project which has been discussed by the Senate for the past 2 days.

While a study of this project has been made by different departments of the Government, I am quite sure I am correct when I say it has not been rejected by any department.

I have before me at this time a long report written by the Chief of Engineers, General Markham, on the Arkansas River and its tributaries. The Conchas Dam is located on the Canadian River in New Mexico. The Canadian River is a tributary of the Arkansas River. Flood waters annually go down the Canadian River into the Arkansas and on into the Mississippi. This project is designed primarily as a flood-control project. It is desired by all officials, I think, who have been interested in the study of the problems of the Mississippi River flood control and also the flood control of the Arkansas River.

In his statement written to the Secretary of War on July 26 last year, General Markham, reporting on the Arkansas River and its tributaries, said:

I submit for transmission to Congress my report with accompanying papers and illustrations on Arkansas River and tributaries made under the provisions of (a) the act of Congress approved May 31, 1924, which call for preliminary examinations of the following streams with a view to the control of their floods in accordance with the provisions of section 3 of the act approved March 1, 1917: Canadian River, N. Mex., Tex., and Okla.—

And other rivers named.

2. Description: The Arkansas River has its sources in the Rocky Mountains in central Colorado and flows 1,450 miles generally southeasterly through Colorado, Kansas, Oklahoma, and Arkansas to the Mississippi River. From the source to Pueblo, Colo., 171 miles, it is a typical mountain stream. At Pueblo it enters the Great Plains and flows over a sandy bed with low banks to Hutchinson, Kans., a distance of 460 miles, with an average slope of nearly 7 feet to the mile. The flow in this section is erratic. While destructive floods occur, portions of the stream bed run dry for considerable periods. Large areas adjacent to this section are under irrigation. * * *

3. The total drainage area of the Arkansas is 160,500 square miles. * * * The largest tributary, the Canadian River, drains 47,500 square miles.

Much other data is assembled in this report, and I desire to ask that it be printed in full in the RECORD at this point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 26, 1935.

7249 (Arkansas River).

Subject: Report on Arkansas River and tributaries.

To: The Secretary of War.

1. I submit for transmission to Congress my report, with accompanying papers and illustrations, on Arkansas River and tributaries, made under the provisions of (a), the act of Congress approved May 31, 1924, which called for preliminary examinations of the following streams with a view to the control of their floods in accordance with the provisions of section 3 of the act approved March 1, 1917: Canadian River, N. Mex., Tex., and Okla.; North Fork Canadian, Tex. and Okla.; Deep Fork, Verdigris, and Little River, Okla.; Cimarron River, N. Mex. and Okla.; Arkansas River in Kansas, Oklahoma, and Arkansas; (b) section 4 of the River and Harbor Act of January 21, 1927, which authorized a preliminary examination and survey of the river; (c) House Document No. 308, Sixty-ninth Congress, first session, which was enacted into law,

with modifications, in section 1 of the River and Harbor Act of January 21, 1927; and (d) section 10 of the Flood Control Act of May 15, 1928, which calls for preparation of projects for flood control on all tributary streams of the Mississippi River system subject to destructive floods.

2. Description: The Arkansas River has its sources in the Rocky Mountains in central Colorado and flows 1,450 miles generally southeasterly through Colorado, Kansas, Oklahoma, and Arkansas to the Mississippi River. From the source to Pueblo, Colo., 171 miles, it is a typical mountain stream. At Pueblo it enters the Great Plains and flows over a sandy bed with low banks to Hutchinson, Kans., a distance of 460 miles, with an average slope of nearly 7 feet to the mile. The flow in this section is erratic. While destructive floods occur, portions of the stream bed run dry for considerable periods. Large areas adjacent to this section are under irrigation. From Hutchinson to Little Rock, Ark., a distance of 641 miles, the river flows through the rolling prairies of Kansas and Oklahoma and the rugged section of western Arkansas. The average slope through this section is about 2 feet to the mile. Below Little Rock the valley is broad and merges into that of the Mississippi River. The river length is 178 miles and the average slope 0.6 foot per mile.

3. The total drainage area of the Arkansas is 160,500 square miles, which is 12.8 percent of the entire Mississippi River watershed. The largest tributary, the Canadian River, drains 47,500 square miles. Other large tributaries are the Cimarron, the Grand, the Verdigris, and Salt Fork. The average annual rainfall is about 12 inches in the western part of the basin, about 23 inches in the central part, and 50 inches in the eastern part. The channel capacity of the main stream and also of the tributaries is generally insufficient to carry the storm run-off. Flood flows in the arid region are usually sharp crested and soon lost in river channel storage and absorption, so that the least flow of the main river is in the vicinity of Hutchinson. The run-off at Little Rock fluctuates from 1,000 to 830,000 second-feet and averages about 41,000 second-feet.

4. The population of the basin is about 3,700,000. The largest cities are Oklahoma City, Okla., 185,400; Tulsa, Okla., 141,300; Wichita, Kans., 111,100; Little Rock, Ark., 81,700; Pueblo, Colo., 50,100; Amarillo, Tex., 43,100; Joplin, Mo., 33,500; Muskogee, Okla., 32,000; and Fort Smith, Ark., 31,400. Agriculture is the chief industry. The basin has valuable mineral resources, including petroleum and natural gas. Transportation is provided by nine railroad systems and numerous improved highways and secondary roads cover the watershed.

5. In general, improvement for navigation is advocated only on the main river below Tulsa; practical power sites are found only in eastern Oklahoma; destructive floods occur in practically all the valleys except those in the mountain section, the damage depending on the extent of development, and irrigation is needed only west of the ninety-ninth meridian.

6. Navigation: The bed and banks of the Arkansas River are generally unstable, and at low water the river channel is shifting and tortuous and obstructed by sand and gravel bars, snags, and wrack heaps. The controlling depth at low water ranges from 2 feet in the lower reaches to 6 inches or less in the upper reaches. The currents in flood are exceptionally swift. The annual fluctuations of flow are not sufficiently regular to afford dependable seasonal navigation. Before the construction of railroads through the basin, steamboats operated to Fort Gibson at the mouth of Grand (Neosho) River in eastern Oklahoma, 475 miles above the mouth, and some sporadic attempts were made to operate steamboats above that point. River traffic reached its maximum in 1871 and 1872, and subsequently fell off as railroad service was extended through the region. The Supreme Court, in a decision rendered in 1922, has held the river is not a navigable stream above the mouth of Grand River.

7. Considerable sums have been appropriated by Congress and expended in an effort to improve the river for navigation by dredging and snagging and revetments to hold caving banks. In 1910 the construction and operation of two dredges was authorized by Congress to determine the practicability of maintaining a low-water channel 3½ feet deep to Ozark in western Arkansas. It was found, however, that the dredged channels were obliterated after each freshet and operations were discontinued in 1916. Present operations are limited to snagging the portion of the river used by navigation and the maintenance of revetments at Little Rock and Pine Bluff. The total expenditures to June 30, 1933, have been \$4,253,692.84. Commerce is now limited to local movements of sand and gravel and a small amount of logs. During the past 10 years it has ranged from a maximum of 577,000 tons in 1931 to a minimum of 57,000 tons in 1932.

8. The navigation improvement now strongly advocated by local interests is a 9-foot channel to Tulsa, Okla., or the vicinity. The district engineer finds that because of the slope and unstable bed of the stream, the river flow, even if fully conserved by storage reservoirs, is inadequate to provide a dependable 9-foot channel without locks and dams. He presents a comprehensive plan for improvement to provide a 9-foot channel to the vicinity of Tulsa by the construction of locks and dams. The waterway would leave the Mississippi at the mouth of White River, some miles upstream from the mouth of the Arkansas, and would enter the Arkansas through a cross connection in the lowlands at the mouth of the two rivers. It would follow the Arkansas to the confluence of the Verdigris River, just above the mouth of the Grand, and thence up the Verdigris to Catoosa, which is about 15 miles from Tulsa, but at nearly 100 feet lower elevation. The waterway would be 537 miles in length and have 40 locks and dams, each

with a lift of about 11 feet. The dams in the Arkansas would be movable dams of the type used on the Ohio, with locks having chambers of standard Ohio River dimensions, 110 feet in width and 600 feet in length. The four dams required on the Verdigris would be fixed dams, with lock chambers 62 feet in width and 480 feet in length, the decreased dimensions being made necessary by the restricted width of the stream. A storage reservoir would be necessary to assure the requisite water for lockage. Dredging would be necessary to provide and maintain a suitable channel. To afford stability to the improved channel extensive bank protection works are considered necessary. The total estimated cost is in round numbers, \$204,000,000. Interest during construction would be in addition a little more than \$20,000,000. The estimated annual charges would be \$18,712,000. If the improvement were extended up the main river to Tulsa instead of up the Verdigris to Catoosa, 14 more locks and dams would be required, and the estimated cost would be increased to nearly \$270,000,000. If, on the other hand, the size of all locks were reduced to the dimensions proposed for those in the Verdigris River, the estimated cost of the channel to Catoosa would be reduced to \$192,000,000, exclusive of interest during construction.

9. The district engineer made a detailed study of the prospective tonnage and revenue and savings resulting therefrom. The tributary area which would be benefited by rail-water or rail-water rail rates on freight routed over the waterway as determined by him in accordance with the established rulings of the Interstate Commerce Commission includes a large part of Arkansas, all of Oklahoma, nearly one-half of Kansas, the southeastern portion of Colorado, the eastern half of New Mexico, and the Texas Panhandle. He finds that about 7,460,000 tons, or about 10 percent of the total 1929 rail tonnage, could have moved on the river if a 9-foot channel were available, with a saving in transportation costs of about \$10,220,240, based on an estimated average water rate of 4.7 mills per ton-mile. Since the benefits fall far short of the annual charges of the improvement, he concludes that such improvement is not justified.

10. At the request of local interests further investigation was made to determine the cost of a 6-foot channel to Tulsa. It was found that it might be possible to provide such a channel by regulating works and open-channel improvements as far up as the mouth of Grand River, provided that a large increase in the low-water flow were effected by water conservation by storage reservoirs. Above the mouth of the Grand, the construction of locks and dams would be necessary. The estimated cost of providing a 6-foot channel to Catoosa by this plan is found to be in excess of \$126,000,000, and to Tulsa \$185,000,000. The annual carrying charges are \$15,600,000 and \$20,900,000 respectively. The cost of providing a more assured 6-foot channel by a complete installation of locks and dams is, in round numbers, \$187,000,000 to Catoosa, and \$247,000,000 to Tulsa, with annual carrying charges of \$17,900,000 and \$23,300,000 respectively. It is clear that the relatively small reduction in cost under either plan does not warrant the consideration of a 6-foot channel, and at a hearing before the Board of Engineers for Rivers and Harbors the representatives of local interests expressed the view that such a channel should not be considered.

11. Power: Power is now developed at 25 water-power plants in the Arkansas Basin, with a total installed capacity of 7,000 horsepower. None of these is on the main stem, and 22 are on the Grand River. The limited development has been due to the prior rights of irrigation to the use of water in the western portion, the irregular stream flow which requires large reservoirs for regulation, and the cheap steam power resulting from the abundance and proximity of coal, oil, and gas. The district engineer investigated a number of sites for possible developments both on the main stream and on the tributaries, and presents full information upon them in his report. The three most favorable sites were found on the Grand River, where an aggregate installation of 186,500 kilowatts could be made at an estimated cost of \$28,000,000 in round numbers. The cost of producing power at these installations is estimated at $5\frac{1}{2}$ mills per kilowatt-hour. The plans include a storage reservoir with a capacity of nearly a million acre-feet at the upstream site. The reservoir system could be operated for flood control although this method of operation would decrease the efficiency of the hydroelectric development. However, in the event a comprehensive flood-control plan of the Arkansas River is undertaken under Federal auspices, this method of operation would entitle the proposed development to some consideration on this basis. The operation of the reservoir for power production would increase the navigable depths in the lower Arkansas by from 6 to 9 inches, but such an increase would still afford depths far short of those required to afford an artery of commerce. The State of Oklahoma has enacted legislation creating a Grand River Authority for the development of hydroelectric power on the Grand River. Some 9 other sites were found on the tributaries and the main stream, suitable for installations ranging from 4,000 to 20,000 kilowatts each, but the cost of production in each case was found to be well in excess of 1 cent a kilowatt-hour. A large-scale development with an installation of 280,000 kilowatts could be made on the main river just above Little Rock, at an estimated cost of \$120,000,000; but the cost of power would be nearly 2 cents per kilowatt-hour. The district engineer is of the opinion that none of the projects investigated would be commercially sound at the present time.

12. Irrigation: About 750,000 acres of land were under irrigation in the basin west of the ninety-ninth meridian in 1929. The greater part of this area lies along the main river and its tributaries in Colorado and Kansas above Garden City, Kans., which is 205 miles above Hutchinson. The area in Colorado amounted to

557,000 acres. The water is diverted at 23 diversion dams in the main river, and flood and winter flows conserved in some 64 tributary and off-channel reservoirs. More land is under irrigation than can be reliably served with the available water supply, and conflicting claims to water rights are still under litigation.

13. State agencies in Colorado, New Mexico, and Oklahoma have investigated numerous reservoir sites for the further conservation of water for irrigation and flood control. The district engineer has supplemented these investigations. The best available site on the main river is at Caddo, just below the mouth of the Purgatoire, and 122 miles above Garden City. For purposes of irrigation only the most advisable project is the construction of an earth-fill dam, about 100 feet in height, with a concrete spillway, and with a storage capacity of 400,000 acre-feet at an estimated cost of \$8,250,000. The estimated supplemental water supply made available is 170,000 acre-feet, and better use could be made of an additional 135,000 acre-feet of water covered by prior rights. The district engineer considers that the economic justification for the work depends upon the payments that the holders of prior rights would consent to make for the benefits. By increasing the height of the Caddo Dam to 120 feet to afford a reservoir of 680,000 acre-feet capacity, at a total cost of \$10,000,000, flood-control benefits estimated at \$2,666,400 could be secured in addition to the benefits to irrigation, leaving a net charge of \$7,333,600 against irrigation benefits. The district engineer regards the higher dam as the most efficient project for the development of water resources and flood control in eastern Colorado and western Kansas.

14. A less comprehensive plan lies in the construction of a dam about 118 feet in height on the Purgatoire River about 24 miles above its confluence with the Arkansas, to conserve the unused water from this tributary. This reservoir would afford a supplemental water supply of 48,500 acre-feet to the Arkansas River. The cost of the reservoir is estimated at \$1,663,000, and the cost per acre-foot of net annual supply is \$34. A second project for water conservation, supplementary to but independent of the Purgatoire Reservoir, is the construction of a diversion dam about 7.5 miles above Hartland, Kans., and about 104 miles below the Caddo Dam site, to divert water to an off-channel reservoir on Bear Valley, an adjacent tributary. The estimated cost of the project is \$700,000, of which \$60,000 is the cost of the diversion dam. It is estimated to furnish a supplemental supply of 40,000 acre-feet to 20,000 acres of land at a cost of \$17.50 per acre-foot. While these two projects appear to be economically sound, the district engineer regards the comprehensive plan afforded by the Caddo Reservoir as the most desirable.

15. The district engineer presents also data for reservoirs on the tributaries of the Arkansas for the conservation of water for irrigation, but finds that they are not economically justified at the present time.

16. An area of 125,000 acres in Arkansas on the north bank of the river below Little Rock is irrigated for rice culture by pumping from deep wells. This area is between the Arkansas and White Rivers, and the district engineer states that it is more susceptible of direct-flow irrigation from the White than from the Arkansas. Plans for a gravity irrigation system were included in a report on the White River printed in House Document 102, Seventy-third Congress, first session.

17. Floods: The Arkansas River and its tributaries are in general subject to destructive floods. The total area liable to inundation amounts to nearly 4,000,000 acres, of which about 1,500,000 acres are on the main stem of the river and 2,500,000 on the tributaries. The average annual flood losses, including damages to towns and cities, are estimated at somewhat in excess of \$4,500,000. The nature and extent of the floods vary widely in the different parts of this long river. From Pueblo, where the river enters the Great Plains, to the Colorado-Kansas State line, storms of cloudburst intensity result in occasional floods, which often do damage, principally to irrigation headworks, and at infrequent intervals do large damage. Through western Kansas no important tributaries enter, and the watershed, because of its sandy character, does not produce floods of importance. The quick-rising short floods from the upper section diminish in volume as they pass down the river, and are so reduced when they have reached the vicinity of Hutchinson, in central Kansas, that the flood losses are negligible. The tributaries entering the river in central Kansas again contribute flood flows greatly exceeding the capacity of the stream in the remainder of its course through that State. Several important cities and towns lie in part within the flood plain of the river in this section. The flood-discharge capacity increases after entering Oklahoma, and damaging floods are rare until the mouth of the Verdigris is reached. From the mouth of the Verdigris down to the backwater of the Mississippi, a distance of 369 miles, a number of large tributaries contribute flood flows and the flood damages are the maximum. The area subject to overflow is 730,900 acres, exclusive of that on the south bank protected by the project for the flood control of the alluvial valley of the Mississippi, and a number of the towns and cities are also subject to flood damage. The backwater area north of the Arkansas amounts to 313,000 acres, much of which is, however, unimproved.

18. Flood-protection works have been constructed by the cities of Pueblo, Colo., and Wichita and Arkansas City, Kans., and extensive levees have been constructed to protect the bottom lands below Fort Smith, 379 miles above the mouth. The control and protection works at Pueblo, constructed at a cost of \$4,000,000 after the disastrous flood of 1921, are designed to meet a flood from two to three times that of record. The works at Wichita, constructed at a cost of about \$1,000,000, afford protection to the maximum flood of record. Other works are considered effective against moderate floods only. Levees on the south bank below Pine Bluff, 61

miles below Little Rock, have been constructed by the Federal Government as a part of the project for the flood control of the alluvial valley of the Mississippi, and are designed to protect the alluvial lands south of the Arkansas from the largest flood to be anticipated. Local drainage districts have constructed levees, ditches, and channel rectification on Grand River, Verdigris River, on tributaries of North and South Canadian Rivers, and other tributary streams, at an aggregate cost of several million dollars. These works are, in general, effective only against moderate floods.

19. The district engineer made a comprehensive study of the feasibility of the reservoir control of floods on the main stem and principal tributaries. His investigations show that the cost of any comprehensive plan of reservoir control greatly exceeds the benefits; but that the construction of the Caddoa Reservoir near Lamar, Colo., for the joint use for irrigation and flood control, at an estimated cost of \$10,000,000, is economically justified, provided that the irrigation interests benefited pay a part of the cost. This reservoir would greatly reduce flood losses along the main stem of the river in western Kansas and the adjacent area in eastern Colorado, but would have no sensible effect on floods further downstream. A reservoir of 400,000 acre-feet capacity on the North Canadian River at Fort Reno, 55 miles above Oklahoma City, formed by an earth-fill dam 45 feet in height, would afford local flood protection to the city and 160,000 acres of land and water supply to the city at an estimated total first cost of about \$8,000,000, but is considered economically justified only if \$1,280,000 is allocated to domestic water supply. The Fort Reno Reservoir supplemented by two smaller reservoirs located at Fort Supply and Optima would provide complete flood control for the North Canadian River as well as contribute materially to flood control on the Arkansas River. The Fort Supply Reservoir on Wolf Creek, with a capacity of 150,000 acre-feet, would be formed by an earth dam 53 feet in height and 10,200 feet in length, at an estimated first cost of \$2,360,000. The Optima Reservoir, on the North Canadian River, with a capacity of 77,500 acre-feet, would be formed by an earth dam 65 feet in height and 4,200 feet in length, at an estimated first cost of \$1,350,000. The three reservoirs would prevent annual flood damages estimated to average \$418,000, and also provide a dependable additional water supply for Oklahoma City. The Great Salt Plains Reservoir, located on Salt Fork River, with a capacity of 332,000 acre-feet, would be formed by an earth dam 40 feet in height and 4,120 feet in length, at an estimated first cost of \$1,122,000, and would prevent annual average flood damages of \$52,320. Much of the land necessary for the construction of this reservoir is now owned by the Biological Survey, which has endorsed its construction in the interests of wildlife. The Conchas Reservoir, located on the South Canadian River, with a capacity of 800,000 acre-feet, would be formed by an earth-filled dam 230 feet in height and 26,600 feet in length, at an estimated first cost of \$8,691,000. This reservoir would prevent annual flood damages estimated to average \$175,000, and in addition has a potential value for irrigation and water-supply purposes estimated at \$422,000 annually. Considering its value to irrigation and water conservation, the construction of this reservoir would appear economically justified. However, utilization of the irrigation storage would require the construction of a distributing system at an additional cost estimated at \$4,000,000.

20. A detailed investigation was made of the economic justification for providing flood protection by levees. Except for a few relatively small areas, aggregating 11,770 acres, so located that protection can be afforded at small cost by floodgates and minor levee construction, it was found that protection of agricultural lands is not warranted at the present time. The construction or improvement of levees for the protection of Arkansas City, Kans., on the main stem of the river, at an estimated cost of \$104,000; Kaw, Okla., at an estimated cost of \$37,000; and Tulsa, Okla., at an estimated cost of \$349,000; Augusta, Kans., on Walnut River, at an estimated cost of \$86,000; Winfield, Kans., on the same river, at an estimated cost of \$121,000; Clarksville, Ark., on Spadra Creek, at an estimated cost of \$78,000; and Blackwell, Okla., on Chickaskia River, at an estimated cost of \$62,000, are considered to be economically justified or advisable for the protection of life and property.

21. Reservoirs for control of Mississippi River floods: The large floods from the Arkansas River during Mississippi River flood periods come from the eastern portion of the watershed, mainly from the Verdigris, Grand, Illinois, Poteau, Petit Jean, and Fourche La Pave Rivers, and the lower portions of the Cimarron and Canadian Rivers. The district engineer selects a group of 21 reservoirs on these tributaries with a capacity of 11,312,000 acre-feet as the best for the control of these floods. The estimated cost, including operation and maintenance, is \$116,195,000, or an average of \$10.25 per acre-foot. These reservoirs would have reduced the maximum stage of the Arkansas River in the great flood of 1927 by 1.4 feet at Pine Bluff, and of the Mississippi at Arkansas City by 3.34 feet. The most effective plan for Mississippi River flood control would entail the construction of a reservoir just above Little Rock with a capacity of 29,000,000 acre-feet, at an estimated project cost of \$267,000,000, or \$9.20 per acre-foot of capacity. The operation of this reservoir would have reduced the crest stage of the Mississippi River flood in 1927 if confined by levees by 7.25 feet, and under the adopted project for Mississippi River flood control with the Boeuf floodway in operation would reduce the flow down the floodway from 1,250,000 cubic feet per second to 650,000 cubic feet per second. The 21 tributary reservoirs with a smaller reservoir at Little Rock would give the same reduction as the large Little Rock reservoir alone, but the aggregate cost would be greater. The Mississippi River Commission, under the provisions of section 10 of the Flood Control Act of May 15, 1928, has completed a comprehensive study of the use of reservoirs located on the tributaries as a means of controlling floods on the lower Mississippi River. The

report of the Commission includes 13 reservoirs on the Arkansas River and its tributaries in the system of reservoirs selected as the best general plan toward which future flood-control reservoir construction should be directed.

22. The district engineer discusses the related questions whose consideration is directed by section 10 of the Flood Control Act of May 15, 1928. He concludes that the benefit of return waters in irrigated areas would accrue to irrigation rather than to navigation; that the benefits from reduction in soil erosion and by flood-control works or otherwise would be incidental and too inconsequential to allocate to those factors any appreciable portion of the cost of reservoir construction. The prospective sale for reservoir flood waters for use of power and irrigation is considered in the discussion of projects for these developments.

23. The division engineer concurs in general with the views of the district engineer but expresses the view that the maintenance of a 9-foot channel on the Arkansas River by means of locks and dams is most doubtful, if not actually impracticable except at a cost far in excess of the estimates, and that the experience in the development of navigation on similar streams does not warrant the assumption that a commerce of 7,500,000 tons would develop on this river if a 9-foot channel were provided. He is further of the opinion that the flood-control projects presented by the district engineer are not economically justified, and recommends that the United States do not participate in plans for flood control, irrigation, power, or navigation on the Arkansas River Basin except as already authorized by law.

24. The Mississippi River Commission, to which the reports were referred as required by law, states that the construction of storage reservoirs in the basin of the Arkansas River, either for the purpose of prevention of flood losses in that basin or in connection with the control of floods in the Mississippi River would cost more than equal relief from present flood conditions by the use of other approved methods of flood control.

25. The reports of the district and division engineers and of the Mississippi River Commission have been referred, as required by law, to the Board of Engineers for Rivers and Harbors, and its report, concurring in general in the conclusions of the division engineer, is submitted herewith.

26. After due consideration of these reports, I concur in general with the views and recommendations of the Board. Because of its considerable slope and the heavy movement of sand in its bed, the improvement of the river to the vicinity of Tulsa to afford a 9-foot channel of width suitable for modern long-haul barge service is of doubtful feasibility, even through the construction of locks and dams at great cost. The figures presented by the district engineer show that the cost would not be justified even if a commerce of 7,500,000 tons annually should develop. Gaged from the through commerce that has actually developed on the Ohio, where an ample channel is maintained, and where an enormous potential commerce is available, it does not appear that a commerce of such volume is reasonably to be anticipated on the Arkansas. Because of its physical characteristics, the execution of effective plans for the improvement of the Arkansas River for navigation is not, therefore, economically justified. It is not feasible to combine such improvement with the development of potential water power, the control of floods, or the needs of irrigation. The outflow of the Arkansas is a serious factor contributing to disastrous floods on the Mississippi. While the construction of a dam above Little Rock to impound these waters in a great reservoir would be of substantial benefit in controlling the floods of the Mississippi, yet the great cost of this dam and the flowage of fertile and productive lands and communities not now subject to flood damage renders its construction unjustifiable. The possibilities for the economic generation of power, independent of navigation, are quite limited in the basin. The survey shows the feasibility of constructing large reservoirs at Caddoa on the main stem at an estimated cost of \$10,000,000; Conchas on the South Canadian at an estimated cost of \$8,691,000; and Fort Reno on the North Canadian at an estimated cost of \$8,000,000 for the conservation of water either for navigation or domestic water supply combined with control of local floods. It also shows the feasibility of constructing smaller flood-control reservoirs in the North Canadian Basin, one at Fort Supply at an estimated cost of \$2,360,000, and one at Optima at an estimated cost of \$1,350,000, which, combined with the Fort Reno Reservoir, will give almost complete flood control in the basin of that tributary. The Great Salt Plains reservoir on Salt Fork at an estimated cost of \$1,122,000 also appears feasible for flood control and as a wild-bird refuge. The survey develops also a number of relatively minor works for the local protection of cities. Subject to the consummation of agreements as to the distribution of the benefits and reasonable payments therefor, these projects appear to warrant a place in any broad plan for water conservation.

E. M. MARKHAM,
Major General, Chief of Engineers.

Mr. HATCH. I particularly desire to call attention to the following statement which appears on page 8, and I particularly direct the attention of the Senator from Michigan [Mr. VANDENBERG] to this statement. I read from General Markham's letter to the Secretary of War, written for transmission to Congress.

The Conchas Reservoir, located on the South Canadian River, with a capacity of 800,000 acre-feet, would be formed by an earth-filled dam, 230 feet in height and 26,600 feet in length, at an estimated first cost of \$8,691,000.

That is the exact sum which is still estimated for that project.

This reservoir would prevent annual flood damages estimated to average \$175,000, and in addition, has a potential value for irrigation and water-supply purposes estimated at \$422,000 annually. Considering its value to irrigation and water conservation, the construction of this reservoir would appear economically justified.

Then General Markham says, discussing several other projects included in this survey:

The survey shows the feasibility of constructing large reservoirs on the main stem at an estimated cost of \$10,000,000;—

That is not involved—

Conchas on the South Canadian at an estimated cost of \$8,691,000.

Mr. DUFFY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. HATCH. I yield.

Mr. DUFFY. Is that word "Conscious" or "Conscience"?

Mr. HATCH. The word is Conchas, C-o-n-c-h-a-s. It means seashells.

The War Department in May of this year made an application for the allotment of funds under the Emergency Relief Appropriation Act of 1935 to build the Conchas Reservoir and Dam, and in the application the costs and benefits accruing from it are set forth in detail. I ask, Mr. President, that this application be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The application is as follows:

REVISED APPLICATION—FEDERAL PROJECTS

Application for allotment of funds under Emergency Relief Appropriation Act of 1935

Department project no. 201.

Official project no. 13-209.

Amount requested..... \$2,500,000

Amount approved..... 2,500,000

Department or independent office: War.

Bureau: Corps of Engineers.

Location of project: State, New Mexico; county, San Miguel; city or town,

General location, if other than above: On South Canadian River in northeastern New Mexico.

1. Description of project and character of work: Conchas Reservoir: Earth-fill dam; length, 26,600 feet; height, 230 feet; involving approximately 550,000 cubic yards of rock and earth excavation, 6,500,000 cubic yards of earth fill, 250,000 cubic yards of riprap, and 70,000 cubic yards of plain and reinforced concrete. The reservoir capacity is 800,000 acre-feet. The area submerged is 17,000 acres.

(a) Relative priority of this project in comparison with all projects embraced within the program of the Bureau: One.

2. Total estimated cost of project:

(b) Amount of allotment requested in this application..... \$2,500,000

(c) Additional amount required to complete..... 6,191,000

(d) Total..... 8,691,000

3. Give sources of funds, if any, under 2 (a): None.

4. Estimated division of allotment:

	(1) Amount	(2) Percent of subtotal	(3) Percent of total allotment	(4) Daily average number to be employed
(a) Labor:				
(1) Unskilled.....	\$676,000	55	27	1,133
(2) Skilled.....	428,000	35	17	453
(3) Technical and clerical.....	120,000	10	5	57
(4) Subtotal.....	1,224,000		49	1,643
(b) Superintendence.....	200,000		8	57
(c) Other expenses on project:				
(1) Supplies, materials, equipment.....	914,000	85	37	
(2) Contingent expense.....	162,000	15	6	
(3) Land.....				
(4) Subtotal, other expenses.....	1,076,000		43	
(d) Total (should correspond with amount shown in 2(b)).....	2,500,000			1,700

5. Estimated expenditure per man-year of employment: \$1,260; 173 hours per month. Wage scale as prescribed in Executive order of May 20, 1935, for 90 percent of labor force. Remaining 10 percent of labor force on prevailing wage scale.

6. Estimated total man-hours: 4,120,000.

7. Estimated period of preparation before work at site can be started: 45 days.

8. Estimated daily average number of employees each month during execution of project: 1, 180; 2, 220; 3, 500; 4, 1,000; 5, 1,700; 6, 2,700; 7, 2,700; 8, 2,700; 9, 2,700; 10, 2,700; 11, 2,700; 12, 2,700; 13, 1,000; 14, 300.

9. Estimated elapsed time from beginning work to completion: 14 months.

10. (a) What part of labor on project would usually be handled by contract? 0 percent; (b) what part of labor on project would usually be day labor? 100 percent.

11. If this project is in fulfillment of some specific statutory authorization give date of such law and statute reference. None.

12. Is any part of this project in conflict with previous congressional action? No.

13. Under what provision or classification of projects specified in section 1, Emergency Relief Appropriation Act of 1935, may allotment be made legally? Flood control (h).

14. Has validity of proposed allotment been approved by legal staff of department or independent office? Yes.

15. From what other Federal agency, if any, has an allotment for this project been requested? None.

16. Status of plans: (a) Surveys? Complete; (c) sketch plans? Complete.

17. Status of land or sites: (d) Negotiations not begun? Not begun.

18. Is project wholly or partially self-liquidating under present laws? (See 21 below.)

19. To what extent will this allotment increase or decrease the annual expense of physical upkeep and operating cost to the Federal Government? (a) Increase, \$54,000. By what agency to be borne? By local interests.

20. Extent of participation, if any, by other agencies: State of New Mexico or legal subdivision thereof to contribute rights-of-way and to assume responsibility for maintenance and operation of completed structure and for any damages to private property during construction. Estimated cost of right-of-way, \$234,000.

21. Justification (a short, concise statement giving reason or necessity for the proposed allotment, including any comments or further statement about the nature of the work. An additional sheet may be inserted if necessary): The project would prevent annual flood losses estimated at \$175,000. In addition, it has a potential value to irrigation of \$366,000 and to the water supply for the city of Tucumcari of \$56,000, giving annual benefits estimated at \$597,000. The irrigation benefits cannot be obtained, however, until a distribution-canal system is provided at an additional estimated cost of \$4,000,000. The estimated annual cost, including capital charges on the reservoir project alone, is estimated at \$411,000.

Allotment of funds for this project requested by:

WAR, CORPS OF ENGINEERS,
For the Chief of Engineers.
LUCIUS D. CLAY,
Captain, Corps of Engineers.

Mr. HATCH. I invite the attention of Senators to this very significant statement appearing in the application filed under the Emergency Relief Appropriation Act of 1935, with the Emergency Appropriation Board of the Works Progress: The question is:

(a) Relative priority of this program in comparison with all projects embraced within the program of the Bureau.

And General Markham says in answer that it ranks no. 1. Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. VANDENBERG. May I ask the Senator if he is relying upon the final sentence of General Markham's letter of July 26, 1935, for his statement that this project was approved by General Markham?

Mr. HATCH. I have read to the Senate the statements in the letter. I do not recall the last sentence in General Markham's letter. I think he uses the expression, "Probably they are justified."

Mr. VANDENBERG. The last sentence reads as follows:

Subject to the consummation of agreements as to the distribution of the benefits and reasonable payments therefor, these projects appear to warrant a place in any broad plan for water conservation.

I would hardly call that the kind of a recommendation upon which Congress relies traditionally in making its decisions upon projects of this character. Does the Senator disagree with that statement?

Mr. HATCH. That sentence standing alone would certainly bear the interpretation the Senator from Michigan

has placed upon it, and it would not justify the statement that it was a recommendation or an approval.

Mr. VANDENBERG. Well, is there any other statement, because I have been conscientiously looking for it?

Mr. HATCH. Yes; I called the attention of the Senator from Michigan to the express statement in two different places in the report that the Conchas Reservoir is economically justified. That is a flat statement made by General Markham in the report. I can conceive of no greater recommendation than could be made, and I cannot conceive of any greater recommendation than that made by the Board of Engineers when they filed their application with the Works Progress Administration and set forth the Conchas Reservoir as project no. 1.

I have another letter in which the Senator from Michigan, if I may invite his attention to it, will be interested, and which shows what General Markham thinks of this project, along with others of a similar nature. This letter was written to Representative FERGUSON, of Oklahoma, in response to a request concerning projects in Oklahoma of the same general nature and kind. In this letter General Markham says:

In your recent telephonic request you asked to be advised as to the flood-control reservoirs recommended by this Department for inclusion in the emergency relief program.

This Department has received a number of applications from interested parties for the inclusion of flood-control reservoirs in the emergency relief program. These parties have been advised that only those projects will be considered which are sponsored by duly established public agencies—

I want the Senator from Michigan [Mr. VANDENBERG] to listen to the condition he lays down—

prepared to furnish rights-of-way without cost to the United States, to accept responsibility for the maintenance and operation of the completed structures, and for any damages to private property incident to construction. In addition, the applications are carefully analyzed by this office with a view to determining their eligibility for inclusion in the relief program. If the cost per man-year is considerably in excess of the figure established for the projects to be included in the relief program, the applicants are advised accordingly and an application is not submitted for the project.

At the present time only six reservoirs have met the conditions established. These reservoirs are located at Fort Supply, Okla.; Optima, Okla.; Conchas, N. Mex.; Caddo Lake, La.; Great Salt Plains, Okla.; and Wallace Lake, La. The project for Caddo Lake, La., is for the raising of the existing dam.

This Department has also recommended the inclusion of seven reservoir projects in the Yazoo Basin, for which local interests have not agreed to furnish the necessary rights-of-way. However, this recommendation was based on a report submitted to Congress by the Chief of Engineers recommending this work as a modification of the authorized Mississippi flood-control plan.

This Department has also received a number of applications for miscellaneous flood-control projects, consisting in the construction of levees and cut-offs. These projects have been analyzed in the same way as the reservoir projects, and only those projects which would appear to meet the requirements of the emergency-relief program have been recommended for inclusion in that program.

I shall be pleased to furnish you with any additional information desired.

Very truly yours,

E. M. MARKHAM,
Major General, Chief of Engineers.

The latter part of the letter is not material to the present discussion, but I have inserted the letter in its entirety.

I also desire to have included in the RECORD a statement of the Interstate Water Commission for New Mexico, prepared by Mr. Arch Hurley, setting forth some of the benefits which will accrue from the building of the Conchas Reservoir.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Re: Application No. 192, NEC, Conchas Dam, South Canadian River, \$4,500,000. Brief of Arch Hurley, Interstate Water Commissioner for New Mexico.

I wish to submit the following in support of the above-mentioned application, which is now pending before the Advisory Committee on Allotment, for the information of Maj. Gen. Edward M. Markham, Chief of Engineers:

1. The construction of this project, from the flood-control standpoint alone, would seem to be entirely justifiable. It is believed the construction of this dam would result in an actual saving of approximately \$350,000 by eliminating damage by reason of disastrous floods in the South Canadian River. A careful analysis of damages caused by floods in this river for the past many years

indicates that the estimated saving of \$350,000 per year is a conservative estimate. In this connection, your attention is respectfully directed to the report filed by the Arkansas Basin Committee to the Public Works Administration. The findings set forth in this report are based on a conscientious and careful investigation by the committee covering a long period of time, in collaboration with officials of the States of New Mexico, Texas, and Oklahoma.

2. It is conservatively estimated that this construction would result in the employment of approximately 4,000 laborers directly employed at the site, in addition to probably considerably in excess of that number who would receive employment indirectly through the building trades, manufacturing concerns, stimulation of railroad business, and general improvement throughout the area involved.

3. The conservation of water throughout this area has long been recognized as of primary importance and this project would be most beneficial from this standpoint also. The construction of this reservoir would also result in furnishing an adequate water supply for domestic purposes, for adjacent towns and cities of New Mexico and the Panhandle of Texas, including Amarillo, Tex., a city of some 50,000 population, as well as other west Texas cities in this general area. Records covering a period of some 25 years indicate a steady lowering of the water level throughout this general area, constituting a serious menace to the future water supply of this section of New Mexico and the adjoining west Texas area. It is believed the construction of this reservoir is absolutely essential to obviate a present deficiency in the water supply for the communities within the area mentioned.

4. It is believed the records in the office of the Federal Emergency Relief Administration will indicate that the relief situation in San Miguel County, N. Mex., the county in which this reservoir is proposed to be constructed, and the surrounding counties in both New Mexico and Texas, is such as to readily absorb the labor necessities of this project and that without construction of the magnitude contemplated by this project, the relief-roll situation could not be adequately provided for.

5. In addition to the foregoing, this project will make possible the irrigation of a considerable area, which is largely devoted to stock farming and cultivation of crops by dry-farming methods. In other words, the irrigation of these lands would merely mean the substitution of farming through irrigation for the present farming by dry-farming methods. This area is not adapted to the raising of cotton or other crops which would come into competition with general agricultural commodities. It is principally adapted to the raising of alfalfa and other feed for range livestock, a local market for which is readily available in New Mexico and west Texas. The lands proposed to be irrigated from this reservoir would be ideally suited to resettlement projects. They would afford homes and means of livelihood to those in need of rehabilitation. The lands of this project would not be subject to droughts or other hazards pertaining in the cultivated areas depending upon rainfall alone, but with the adequate water supply afforded by the proposed reservoir the raising of a crop each and every year would be assured.

Mr. HATCH. Mr. President, I invite the attention of the Senate to another situation with reference to the Conchas Reservoir which makes it somewhat different, I think, from other projects. The House of Representatives at the last session passed an omnibus flood-control measure. Included in that bill is the Conchas Reservoir. That bill was favorably reported by the Commerce Committee of this body to the Senate at the last session. Therefore, at the last session of the Congress this project had the approval not only of the Army engineers and the House of Representatives, which by its vote passed the bill authorizing the project, but it had the approval of this body by the recommendation of a standing committee of the Senate. I think clearly it is well within the technical objections raised yesterday as to rule XVI.

There is another reason, Mr. President, which to me is of vast importance and of vast interest, why this project should be authorized and why the amendment should be adopted. We have discussed the authorization given to the President of the United States under the general relief appropriation of \$4,000,000,000 at the last session. I went to the President of the United States, as other Senators from the Western States went to him, and advocated and insisted that the Emergency Relief funds be spent on worth-while projects, of permanent, lasting benefit. I further insisted to the President of the United States that the building of the Conchas Reservoir was such a project; that it would add material value to my State from the standpoint of wealth and, in addition to that, would give employment to many hundreds of residents of New Mexico. It is estimated that 3,000 workers will be employed on this project. The Works Progress Administration, through its engineering department, I am

advised, approve the Conchas Dam as being the best work-relief project of its nature and kind which has been submitted. More than \$2,000,000 have been or will be spent upon the project by the 1st of July this year. I am informed there is a possibility that work will have to be abandoned unless this appropriation shall be made. To me it is of great concern and it is of grave importance to the people of New Mexico that this project be continued, not only for the material wealth which it will add to the State of New Mexico, not only for the prevention of the damage done yearly, according to all reports by all the engineers, by floods along the Canadian River in the States of Oklahoma and Texas, but also because it will provide employment in my State for three or four thousand people at useful work and result in a permanent and lasting improvement.

Mr. President, I wish to say further that this project has another long-range advantage and possibility. It is located in what might be termed the "dust bowl" of the western area. A great many citizens of the United States along the border lines of Kansas, Oklahoma, Texas, and New Mexico for many years have sought to make a living by dry-land farming in that area. That they have not been successful goes without saying. Perhaps the building of this reservoir will add a hundred thousand acres of land which can be placed under irrigation, and the people who have been trying to make a living there on submarginal lands, as they are sometimes called, can be provided with a place where they can establish permanent homes and make their own living, as decent American citizens have a right to do.

Finally, I submit, Mr. President, that this project is of too much importance to be objected to upon any technical grounds or considerations. I trust that the amendment will be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY] on behalf of himself, the senior Senator from Mississippi [Mr. HARRISON], the junior Senator from Mississippi [Mr. BILBO], and the Senator from New Mexico [Mr. HATCH].

Mr. COPELAND obtained the floor.

Mr. HARRISON. Mr. President—

Mr. COPELAND. Does the Senator from Mississippi wish to speak on the amendment?

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Holt	Neely
Austin	Connally	Johnson	Norbeck
Bachman	Copeland	Keyes	Overton
Barkley	Couzens	King	Pittman
Benson	Davis	Lewis	Radcliffe
Bilbo	Duffy	Logan	Robinson
Black	Fletcher	Lonergan	Sheppard
Bone	Frazier	McAdoo	Shipstead
Brown	George	McGill	Smith
Bulkley	Gerry	McKellar	Steiwer
Bulow	Gibson	McNary	Thomas, Utah
Burke	Glass	Maloney	Townsend
Byrd	Hale	Metcalf	Vandenberg
Capper	Harrison	Minton	Van Nuys
Caraway	Hatch	Murphy	Wheeler
Carey	Hayden	Murray	White

The PRESIDENT pro tempore. Sixty-four Senators having answered to their names, a quorum is present.

Mr. HARRISON. Mr. President, as I know Senators are anxious to vote on the pending question I will be very brief.

I hope no Senator will get the very wrong impression that the pending amendment is like the amendment which was rejected a while ago. It is now divorced from the Florida project; it is divorced from the Maine project, and stands upon its own footing. The Board of Army Engineers recommended the three projects. The Senator from Michigan [Mr. VANDENBERG] was uncertain about the New Mexico project, but he heard the speech of the Senator from New Mexico [Mr. HATCH] and, of course, is now convinced.

Mr. VANDENBERG. No; I am now more uncertain than ever.

Mr. HARRISON. The Senator from New Mexico convinced me that the Board had recommended that project because he read from the report of the Chief of the Board of Army Engineers.

I am glad the Senator from Michigan has raised no point with reference to the Mississippi project because it has been studied not only by the committees of the Senate, but by the Board of Army Engineers. The Commerce Committee made a favorable report upon the project and the Board of Army Engineers has recommended it very strongly. Indeed, every requirement for the project has been met and complied with. The people have provided the land at most reasonable figures, and are all ready to proceed with the work upon this great reservoir.

The reservoir will be constructed in the Mississippi Delta and in that section of the Delta which for years and years has paid taxes to provide levees against overflow from the Mississippi River. I have no doubt that in the past the flood waters from the Mississippi have cost that section of my State hundreds of millions of dollars. Even though this reservoir is to be constructed at a point 50 miles east of the Mississippi River, yet the people in that section of the Delta are taxed to pay for levees along the Mississippi River. Fifty million dollars has been raised for that purpose, of which the people in the Yazoo Delta, in which this reservoir will be constructed, have contributed \$20,000,000. They will provide for the upkeep of the reservoir. I am sure the project will appeal to the wisdom and conscience of Senators.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HARRISON. Certainly.

Mr. VANDENBERG. Will the Senator tell me the present status of the project? Has construction been entered upon at all or is it still in contemplation?

Mr. HARRISON. The project was approved by the President with the condition that options must be obtained upon lands to be covered by the reservoir. Those options have been acquired at most reasonable figures, which have been approved by the Board of Army Engineers. In other words, the people of the locality have complied with every condition that must be met prior to the beginning of construction of the project.

Mr. VANDENBERG. It will be some time, will it not, before actual work of construction is begun?

Mr. HARRISON. If we should get this little \$2,500,000 this week—and the Senator will note I say "little"—work would probably be started within 10 days. When the construction of the reservoir shall have been completed, several million dollars will be saved to the property owners of that rich and fertile section of Mississippi, to say nothing of the saving of the lives of many of my people.

Mr. VANDENBERG. What is to be the final cost of the project?

Mr. HARRISON. I believe some \$9,000,000. No great, ambitious scheme is contemplated in the construction of this particular reservoir.

Mr. President, I hope the Senate will adopt the amendment, because it is not out of order and the project has been recommended by the Board of Army Engineers.

Mr. COPELAND. Mr. President, of course, in view of the action of the Senate yesterday, I cannot interpose a point of order against the amendment. Nevertheless, I think it is clearly out of order. The projects covered by the amendment may be slightly better, so far as that is concerned, than the Florida project; but still they are not authorized according to law as I understand the law.

I should like to say to my colleagues that a flood-control bill will come before the Senate next week. We hope to have a report on the bill from the Commerce Committee in a few days. If those who advocate these projects could secure final reports from the Army Engineers and bring them to the Commerce Committee, I am sure they would be given very kindly consideration.

As the Senator in charge of the bill, I hope the amendment will not be adopted.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from West Virginia [Mr. NEELY] on behalf of himself, the senior Senator from Mississippi [Mr. HARRISON], the junior Senator from Mississippi [Mr. BILBO], and the Senator from New Mexico [Mr. HATCH]. [Putting the question.] The Chair is in doubt.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FRAZIER (when Mr. NYE's name was called). My colleague [Mr. NYE] is unavoidably absent. He is paired on this question with the junior Senator from Florida [Mr. TRAMMELL]. If my colleague were present, he would vote "nay"; and I understand that if the junior Senator from Florida were present he would vote "yea."

The roll call was concluded.

Mr. BILBO. I have a general pair with the Senator from Iowa [Mr. DICKINSON]. I transfer that pair to the Senator from New Mexico [Mr. CHAVEZ], and will vote. I vote "yea."

Mr. BARKLEY. I have a general pair with the senior Senator from Delaware [Mr. HASTINGS]. I transfer that pair to the junior Senator from Louisiana [Mrs. LONG], and will vote. I vote "yea."

Mr. HATCH. My colleague [Mr. CHAVEZ] is unavoidably detained from the Senate and out of the city. If present, he would vote "yea."

Mr. LEWIS. I announce that my colleague [Mr. DIETERICH], if present, would vote "yea."

Mr. FLETCHER. I announce that my colleague [Mr. TRAMMELL] is absent on account of illness. I will let this announcement stand for the day.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is necessarily absent. He has a general pair with the Senator from Alabama [Mr. BANKHEAD].

Mr. HAYDEN. I announce that my colleague the senior Senator from Arizona [Mr. ASHURST] is unavoidably detained.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] is detained on account of illness; and that the Senator from North Carolina [Mr. BAILEY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from South Carolina [Mr. BYRNES], the Senator from Ohio [Mr. DONAHEY], the Senator from Georgia [Mr. RUSSELL], the Senator from Idaho [Mr. POPE], the Senator from Washington [Mr. SCHWELLENBACH], the Senator from Massachusetts [Mr. WALSH], and the Senator from New York [Mr. WAGNER] are detained in important committee meetings.

I also announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Oklahoma [Mr. THOMAS], the Senator from Oklahoma [Mr. GORE], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Louisiana [Mrs. LONG], the Senator from Nevada [Mr. McCARRAN], the Senator from New Jersey [Mr. MOORE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. TRUMAN], the Senator from Maryland [Mr. TYDINGS], and my colleague the Senator from Illinois [Mr. DIETERICH] are unavoidably detained.

The Senator from Colorado [Mr. COSTIGAN] is detained on important departmental matters.

The result was announced—yeas 37, nays 27, as follows:

YEAS—37

Adams	Duffy	Logan	Robinson
Bachman	Fletcher	McAdoo	Sheppard
Barkley	George	McGill	Shipstead
Benson	Gerry	Minton	Smith
Bilbo	Harrison	Murphy	Thomas, Utah
Black	Hatch	Murray	Van Nuys
Bone	Hayden	Neely	Wheeler
Byrd	Holt	Overton	
Caraway	Johnson	Pittman	
Connally	Lewis	Radcliffe	

NAYS—27

Austin	Clark	Hale	Metcalf
Brown	Copeland	Keyes	Norbeck
Bulky	Couzens	King	Steiger
Bulow	Davis	Loneragan	Townsend
Burke	Frazier	McKellar	Vandenberg
Capper	Gibson	McNary	White
Carey	Glass	Maloney	

NOT VOTING—32

Ashurst	Costigan	Long	Russell
Ballley	Dickinson	McCarran	Schwellenbach
Bankhead	Dieterich	Moore	Thomas, Okla.
Barbour	Donahey	Norris	Trammell
Borah	Gore	Nye	Truman
Byrnes	Guffey	O'Mahoney	Tydings
Chavez	Hastings	Pope	Wagner
Coolidge	La Follette	Reynolds	Walsh

So the amendment offered by Mr. NEELY on behalf of himself, Mr. HARRISON, Mr. BILBO, and Mr. HATCH was agreed to.

Mr. COPELAND. Mr. President, this amendment having been adopted, I ask the Senate to turn to page 69, line 23. I move to reconsider the vote by which the amount was made \$188,677,899, and change it to \$196,677,899, so that it will include these items in the bill.

The PRESIDENT pro tempore. Without objection, the vote will be reconsidered; and, without objection, the amendment offered by the Senator from New York to correct the total will be agreed to.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 1398. An act to provide for the establishment of a Coast Guard station at or near Crescent City, Calif.;

H. R. 8370. An act to provide for the establishment of a Coast Guard station at Port Washington, Wis.;

H. R. 8414. An act to provide a preliminary examination of the Yakima River and its tributaries and the Walla Walla River and its tributaries in the State of Washington, with a view to the control of their floods;

H. R. 8694. An act to provide a preliminary examination of Chickasawha River and its tributaries in the State of Mississippi, with a view to the control of their floods;

H. R. 9235. An act to provide for a preliminary examination of the Cosatot River in Sevier County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9236. An act to authorize a preliminary examination of the Red and Little Rivers, Ark., insofar as Red River affects Little River County, Ark., and insofar as Little River affects Little River and Sevier Counties, Ark., to determine the feasibility of leveeing Little River and the cost of such improvement, and also the estimated cost of repairing and strengthening the levee on Red River in Little River County, with a view to the controlling of floods;

H. R. 9249. An act to provide for a preliminary examination of the Little Missouri River in Pike County, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9250. An act to provide for a preliminary examination of the Petit Jean River in Scott and Logan Counties, Ark., to determine the feasibility of cleaning out the channel and leveeing the river and the cost of such improvements, with a view to the controlling of floods;

H. R. 9267. An act to provide for a preliminary examination of Big Mulberry Creek in Crawford County, Ark., from the point where it empties into the Arkansas River up a distance of 8 miles, to determine the feasibility of cleaning out the channel and repairing the banks, and the cost of such improvement, with a view to the controlling of floods;

H. R. 9874. An act authorizing a preliminary examination of Cadron Creek, Ark., a tributary of the Arkansas River;

H. R. 10487. An act to authorize a survey of Lowell Creek, Alaska, to determine what, if any, modification should be made in the existing project for the control of its floods;

H. R. 10583. An act to authorize a preliminary examination of the San Diego River and its tributaries in the State of California, with a view to the control of its floods;

H. R. 11042. An act authorizing a preliminary examination of the Matanuska River in the vicinity of Matanuska, Alaska; and

H. R. 11073. An act granting the consent of Congress to the State Highway Commission of Missouri to construct,

maintain, and operate a free highway bridge across the Current River at or near Powder Mill Ford on route no. Missouri 106, Shannon County, Mo.; to the Committee on Commerce.

H. R. 2737. An act extending and continuing to January 12, 1938, the provisions of the act entitled "An act authorizing the Secretary of the Interior to determine and confirm by patent in the nature of a deed of quitclaim the title to lots in the city of Pensacola, Fla.," approved January 12, 1925;

H. R. 5722. An act to provide for the addition or additions of certain lands to the Colonial National Monument in the State of Virginia;

H. R. 8431. An act to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes; and

H. R. 10094. An act to amend section 1 of the act entitled "An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent upon the public range, and for other purposes", approved June 28, 1934 (48 Stat. 1269); to the Committee on Public Lands and Surveys.

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California; and

H. R. 10388. An act to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30; to the Committee on Military Affairs.

H. R. 4688. An act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes; to the Committee on Education and Labor.

H. R. 4886. An act providing for the employment of skilled shorthand reporters in the executive branch of the Government;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America; and

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the calendar.

H. R. 6773. An act to deepen the irrigation channel between Clear Lake and Lost River, in the State of California, and for other purposes; and

H. R. 10751. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

H. R. 8759. An act to amend the act known as the Perishable Agricultural Commodities Act, 1930, approved June 10, 1930, as amended; to the Committee on Agriculture and Forestry.

H. R. 9472. An act for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899; to the Committee on Claims.

H. R. 9496. An act to protect the United States against loss in the delivery through the mails of checks in payment of benefits provided for by laws administered by the Veterans' Administration; to the Committee on Post Offices and Post Roads.

H. R. 9673. An act to authorize the recoinage of 50-cent pieces in connection with the California-Pacific International Exposition to be held in San Diego, Calif., in 1936; and

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.; to the Committee on Banking and Currency.

H. R. 9991. An act to extend the time for applying for and receiving benefits under the act entitled "An act to provide means by which certain Filipinos can emigrate from the

United States" approved July 10, 1935; to the Committee on Immigration.

H. R. 10135. An act to authorize the construction of a model-basin establishment, and for other purposes; to the Committee on Naval Affairs.

H. R. 10985. An act to repeal Public Law No. 246 of the Seventy-second Congress; to the Committee on Public Buildings and Grounds.

H. R. 11098. An act to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.; to the Committee on the Judiciary.

H. R. 10321. An act to amend section 4 of Public Act No. 286, Seventy-fourth Congress, approved August 19, 1935, as amended; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937; to the Committee on Foreign Relations.

H. J. Res. 412. Joint resolution to authorize an investigation of the means of increasing capacity of the Panama Canal for future needs of interoceanic shipping, and for other purposes; to the Committee on Interoceanic Canals.

PAYMENT OF CERTAIN ENLISTED MEN NEW HAMPSHIRE NATIONAL GUARD

The PRESIDENT pro tempore laid before the Senate the amendments of the House of Representatives to the bill (S. 3173) to authorize and direct the Secretary of the Treasury to pay men formerly enlisted as members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard, for armory training during the period from November 1, 1932, to July 1, 1933, which was, on page 1, line 8, after "Guard", to insert "in full settlement of their claims against the United States"; on page 2, line 4, after "promulgated", to insert: "Provided, That the Secretary of War shall have first determined the persons who are entitled to pay under this act: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000"; and to amend the title so as to read: "An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard."

Mr. BROWN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

THIRD TRIENNIAL MEETING OF THE ASSOCIATED COUNTRY WOMEN OF THE WORLD

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 2664) to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, which was, on page 1, line 5, to strike out "\$5,000" and insert "\$10,000."

Mr. CAPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 37. A bill authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1453. An act to create a board of shorthand reporting, and for other purposes;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho with a view to the control of their floods;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; and

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting Lief Eiriksson Discovers America.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. STEIWER. Mr. President, I desire to speak about a feature of the bill which was considered by the Senate upon yesterday in connection with the appropriations for seacoast defenses.

The Senate agreed to the amendments proposed by the committee, and struck from the bill certain items which had been included by the House of Representatives. These items consisted of \$3,000,000 for the Pacific coast seacoast defenses, \$3,000,000 for those in Hawaii, and I think \$725,000 for the defenses of the Panama Canal. The total of the reductions to which the Senate yesterday gave its assent is \$1,793,944. Of this amount, the War Department advises me that \$1,177,621 is necessary for the maintenance of the existing fortifications. As a result of the action which we took yesterday, there is left only \$540,000—to be exact, \$543,347—for the improvement of all these defenses upon the Pacific coast, in the Territory of Hawaii, and in the Canal Zone.

This sum of \$540,000 will be divided in something like an equal division as between the three different areas to be defended. This, of course, means that there will be something like \$200,000, or possibly less than \$200,000, for each one of the areas.

I think Senators should know that the coast defenses are being constructed under a program which the War Department has most carefully considered over the years, and which it has adopted after very thorough study. The requirements of this program are something like \$15,000,000. At the rate at which we shall go under the action taken yesterday, it will take approximately 75 years to complete this program of coast defense; and it is obvious to those who give the matter only a moment's thought that long before the program shall have been completed it will be obsolete, and the whole effort of the Nation to provide an adequate seacoast defense will come to nothing.

I do not wish to detain the Senate to discuss a matter of this kind, nor shall I ask for a reconsideration of the action taken by the Senate upon yesterday. There is some justification for the course we are pursuing. The chief basis in justification, as I regard the matter, is that these items in excess of \$6,000,000 were not in the estimates of the Bureau of the Budget. They were, nevertheless, included by the House of Representatives at the time it considered and passed the bill.

There may be adequate reason for the elimination of the items. I do not wish to be contentious about the matter; but I do express the hope that the conferees of the Senate,

in case there shall be a conference upon the bill, will give to the viewpoint of the House the consideration to which I think it is entitled.

It would appear that there is abundant argument in support of the appropriations voted by the House or at least for the inclusion in this bill of some considerable portion of those appropriations, so that this important item of national defense shall not in the name of economy be reduced to the point of a farce.

Having expressed this hope, and having called attention to the matter, I am quite content to let it rest as it is.

Mr. FRAZIER. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 60, line 14, after the word "Corps", it is proposed to insert:

Provided further, That none of the funds appropriated in this act shall be used for or toward the support of any compulsory military course or military training in any civil school or college, or for the pay of any officer, enlisted man, or employee at any civil school of college where a military course or military training is compulsory; but nothing herein shall be construed as applying to essentially military schools or colleges.

Mr. FRAZIER. Mr. President, the amendment which I have offered simply provides that none of the money appropriated in the War Department appropriation bill shall be used in schools and colleges where there is compulsory military training. It would not prevent military training in schools; it would only prevent the use of the money where there is compulsory military training.

There is an organization of young people, headed by what is known as the Committee on Militarism in Education, which has worked on this proposition for a number of years. Polls have been taken in the schools in various States, and also a general poll of the voters of the States, and in all instances the vote has been recorded in favor of an amendment of the kind I have offered; that is, against compulsory military training in our educational institutions.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. WALSH. Are there institutions which require compulsory military training?

Mr. FRAZIER. Oh, yes.

Mr. WALSH. What are they, and where are they located?

Mr. FRAZIER. The Massachusetts Institute of Technology is one of them. I have forgotten the exact number, but I have a list of them here somewhere.

Mr. WALSH. Is there a substantial number of such institutions?

Mr. FRAZIER. There are many of them, including land-grant colleges. In my State both the State University and the Agricultural College, separate institutions, require military training. In other words, if a boy from the farm in North Dakota goes to the agricultural college in order to obtain training in agriculture, if he is an able-bodied boy, in order to get a diploma at that agricultural college—and I may say that we have a good agricultural college in North Dakota—he must take at least 2 years of military training. The same statement applies to our State University. The same thing is true in practically every State of the Union, with the exception of Wisconsin and Minnesota. In Wisconsin the State legislature passed an act prohibiting compulsory military training in their colleges and universities. In Minnesota the State board of administration, or of education—I do not remember the exact title—adopted a provision of the same kind.

The argument is made that boys do not necessarily need to attend such colleges unless they desire to, but that is hardly a fair argument, because in most instances they must attend an institution in their own States if they are to go to college or to a university; and in North Dakota, as in many other States, if they desire to attend college and get a degree they have to take 2 years of compulsory military training.

During the past few years a number of students, because of religious scruples or some conscientious objection, have

refused to take military training, and in several instances the cases have been taken to court. The courts have invariably held that the young man must take the course prescribed if he desires to go to school and get a degree.

Such a case occurred at the University of Maryland. Two young men there, one a Methodist, the other a Unitarian, refused to take the military training. The Baltimore superior court ruled against the University of Maryland. The case was taken to the State court of appeals, and there the university was sustained, and the boys were expelled from college.

In 1933 two students at the University of California who happened to be Methodists refused to take military training. The case went to court and was carried clear to the Supreme Court of the United States. I have an extract from the opinion handed down by Justice Butler in the California case, from which I desire to quote just a few words:

The conscientious objector is relieved from the obligation to bear arms in obedience to no constitutional provision, express or implied; but, because, and only because, it has accorded with the policy of Congress thus to relieve him. . . . The privilege of the native-born conscientious objector to avoid bearing arms comes not from the Constitution but from the acts of Congress. That body may grant or withhold the exemption as in its wisdom it sees fit; and if it be withheld, the native-born conscientious objector cannot successfully assert the privilege.

In other words, according to this decision of the Supreme Court, and the decisions of some of the State courts, the only way in which conscientious objectors can avoid compulsory military training is by an act of Congress, and it seems to me it is only fair to attach this amendment to the pending bill, and provide that none of the money shall be spent in colleges or universities or schools where there is compulsory military training.

There is also compulsory military training in high schools. At Bangor, Maine, a boy who was the son of a professor in the Bangor Theological Seminary, while going to high school, made up his mind that he did not wish to take the military training, and he appealed to the faculty. The faculty held that he would have to take military training. There was quite a time about it, and I have an article here from the Christian Century Magazine under date of March 11, 1936, which refers to a number of cases where it was held that boys who refused because of conscientious scruples to take military training must either forego their college education, or at least their degrees, or take the training. Some of the universities have held that they will allow a boy to attend classes, and so forth, but will not give him his degree unless he complies with the compulsory military feature. This article mentions the school in Massachusetts of which I spoke, referred to here as the "M. I. T". It was held in the case referred to here that the boy would not be allowed to graduate unless he took military training.

I shall not take much time in discussing this matter, but I feel that there is a great demand for the amendment I have offered. A vote has been taken in practically every State university and college and high school where there is compulsory military training, and the result has been an overwhelming verdict, or at least the expression of a majority, opposed to compulsory military training.

Some of our Army officers have stated that where there has been a change from compulsory military training to voluntary or elective military training, they get a better class of young men in the R. O. T. C., because where there is an elective course only those who desire to take the course pursue the military training and go through with the 4-year course. At the present time 2 years' training is compulsory, and the other 2 years is elective.

Mr. WALSH. Mr. President, I should like to inquire of the Senator whether the requirement of military training applies where the individual pays his tuition in order to attend the school?

Mr. FRAZIER. Oh, yes; in some institutions where they pay tuition, and in other institutions, such as State institutions, where no tuition is paid.

Mr. WALSH. I suppose in State institutions no tuition is required; but I know that in the Massachusetts Institute of Technology tuition is required. I am surprised to learn

that where a pupil pays tuition voluntarily he is required to take military training.

Mr. FRAZIER. Of course, the argument is made that the boy does not need to attend that particular school unless he desires to do so, and he knows that military training is part of the course. In some instances the fact is that colleges have gone so far as to allow the students to select different courses, even required courses, and to select practically their own courses; but when it comes to military training they have to take that if they desire to graduate and get a diploma.

Mr. WALSH. So it seems that in some institutions, regardless of whether the tuition is free or paid for by the individual students, they are compelled to take military training?

Mr. FRAZIER. That is correct.

Mr. BONE. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. BONE. If the Senator's amendment were adopted, would its effect be to permit students entering colleges to elect whether or not they would take military training?

Mr. FRAZIER. It would be an elective course and not a compulsory course—that is, if money from the Army appropriation act is to be expended there in the employment of officers and the promotion of the training of the R. O. T. C.

Mr. BONE. In other words, the adoption of the amendment would not deprive a boy of an education because he did not want to take military training?

Mr. FRAZIER. Oh, no!

Mr. BONE. It would not summarily cause him to be kicked out of school?

Mr. FRAZIER. Oh, no!

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DUFFY. The Senator states that the fact that a boy is compelled to take military training in a college or university has some bad reaction upon the boy himself. Does the Senator put his objection to it upon that ground, or upon the other ground that there might be some religious objection?

Mr. FRAZIER. I am speaking of compulsory military training as it affects the conscientious objectors, those who do not wish to take military training. I do not object to having military training in schools if the students desire to have it and to take military training; but I do object to the compulsory feature of it in our public schools and universities and colleges.

Mr. DUFFY. I have in mind—I think I have mentioned it to the Senator in a previous debate—the fact that at the time I was in the university, if I had had my own way about it, I am quite sure I should not have taken military training. I was compelled to do so; and when the war came on, and I wanted to do my part, I was very happy to have had that training. I do not think there is anything about it which is detrimental so far as the reaction upon the individual boy is concerned. I really think that during the last war a great many of the boys who served on our side were very glad they had been compelled to take that course in the schools. In our school the only way to avoid military training was to get on the athletic team. I recall getting out and making the track team one year in order to avoid military training. I did, however, have some military training there, and it stood me in very good stead. I wonder why it is not proper to leave it entirely up to the school administrations to determine whether or not they desire to have it.

Mr. FRAZIER. Mr. President, the Senator's reference to his own experience in the university recalls my own experience. I took the military course for 2 years, which was compulsory; but during the fall term I was excused because I was on the football team. I think I got more actual exercise on the football team than in the military training squad.

The number of these schools has been increasing rapidly, and the amount of money being spent is being considerably increased. It is felt by a great many that military training in the schools has a tendency toward militarization of our public schools and our universities.

I know the argument is made that the State institutions, or the boards which control the State institutions, may

regulate the military course if they wish to do so; that they may make it elective. There seems, however, to be a sort of a standing gentleman's agreement between the War Department and the educational boards that unless they have compulsory-military training they will not be able to get money from the War Department or secure the detail of officers from the War Department. Many of the institutions are short of money, especially during these hard times, and they keep up compulsory-military training in order to get money from the War Department. Otherwise they would necessarily, of course, be obliged to hire instructors in gymnasium work or to teach in some other line of exercise.

I appreciate the fact that the amendment under discussion has been offered in the Senate many times and voted down. When the bill was considered in the House a similar amendment was offered but was defeated. Nevertheless, I am strongly of the opinion that the amendment is only fair and absolutely right, and that it should be adopted.

The Senator from Wisconsin [Mr. DUFFY] knows, I am sure, that in the University of Wisconsin, since the compulsory feature has been eliminated, they still have the elective course; and, according to some of the instructors there and some of the Army officers themselves, the boys who take the course make better officers, because they are taking military training as an elective course and not as a compulsory course. They are interested in military training, and wish to take up that line of work.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DUFFY. I suppose the same boys who took the compulsory course would take the elective course. The only difference is that more of them would be taking it under the compulsory system than under the elective system.

Mr. FRAZIER. That is it. It also costs more money under the compulsory system, because there are so many more who take the course and then drop out at the end of the 2 years, and do not go through the 4-year course.

Mr. DUFFY. I was wondering if the Senator knew what difference in cost there would be, say between a regiment containing 300 boys and a regiment containing 600 boys who were being trained. I do not think there would be a great deal of difference in the cost to the Government. Has the Senator any figures on that subject?

Mr. FRAZIER. No; I have not the figures, but there is quite an appreciably less number where the course is elective than where it is compulsory.

A short time ago there was a contest among students on the bill known as the Nye-Kvale bill, which contains a provision similar to this amendment. That bill is now pending before the committee. I have quotations from the essay of the student who won first prize, the one who took second place, and the one who took third place. The first prize was won by Roger E. Chase, of Columbia University, New York City. The first two paragraphs of the essay are rather interesting to me. In the first, he quotes the Secretary of War as follows:

We won some things from the war that were not on the program. For example, we had a complete demonstration of the fallacy of the old tradition that preparedness prevents war.

That is a quotation from an address by George H. Dern at Riverside, Calif., in December 1931. Then this young man goes on to say:

In December 1935 Mr. Dern, as Secretary of War, is busy spending the largest peacetime military appropriation in the history of the United States, making capital of "the old tradition that preparedness prevents war" to hasten the drive toward a bigger and better war.

I have read all the statements by these young men, and they are very well written and very intelligent. I should like to have the time to read them all to the Members of the Senate. I am not going to take that time. Every one of them presents what seems to me a very logical argument against the compulsory feature of military training in our colleges and universities. So, Mr. President, I am hopeful that the amendment will be adopted.

Mr. COPELAND. Mr. President, I sincerely hope this amendment will not be adopted. We have the land-grant colleges, which are required by law to give military instruction.

The provision of the bill before us does not require that there shall be compulsory military service. As a Democrat, I am in favor of local self-determination. The law contemplates that each college shall determine for itself whether military service shall be compulsory or otherwise. The States in many instances determine whether or not military service in the colleges shall be compulsory.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WALSH. Will the Senator state in what year the law was passed setting up this system of granting Federal funds to the colleges?

Mr. COPELAND. In 1862.

Mr. WALSH. I asked the Senator purposely because I observed that it was during the middle of the Civil War. I should like to inquire of the Senator if the fact that we were at war had anything to do with the policy?

Mr. COPELAND. I venture to say it did; but it is not about that phase of the question I wish to speak. It is not the question of preparing young men for war. That is not the important thing about their training.

I am not going to reflect in the least upon the Senator from North Dakota in what I am about to say. I absolve him from any such thoughts. I know he is not associated in any sense with the groups I am about to mention. I say that in advance, so I shall not be misunderstood.

It is remarkable, Mr. President—and I observed it this year more than ever before—that in the hearings before the committee, so far as my recollection goes, there was no attack made upon the established military organization of our country. There was no criticism of what we were proposing to do with regard to the Regular Establishment, the standing Army.

But it was remarkable that the witnesses spoke particularly against the Reserve Officers' Training Corps. Why was that?

Revolutionary movements usually originate in colleges. Indoctrination of youth is a practice of those who desire to overturn government, particularly orderly government. It is well known to those groups who have subversive ideas that it is unwise, if they are going to prevail in the country, to permit the indoctrination of youthful minds with ideas of patriotism and love of country, respect for the flag, and respect for our institutions.

Mr. FRAZIER. Mr. President, will the Senator yield at that point?

Mr. COPELAND. I yield.

Mr. FRAZIER. I submit to the Senator whether he thinks that forcing a high-school boy to take compulsory military training against his own best judgment and best wishes will make him more patriotic? Will forcing him to take military training for 2 years, when he opposes it either because of religious principles or conscientious scruples or for any reason, make him a more patriotic citizen?

Mr. COPELAND. I want to limit the discussion somewhat. I do not believe there is a single high school where there is compulsory military training.

Mr. FRAZIER. Oh, yes; in Bangor, Maine, where a boy was expelled from the high school because he would not take military training. It is almost the same in the District of Columbia.

Mr. COPELAND. Oh, no; not in the District. Did the Senator mention any other point than Bangor, Maine?

Mr. FRAZIER. No; but I believe there are others.

Mr. BONE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BONE. With his indulgence, I should like to call his attention to an item taken from the Washington News of today, which I think has some very definite bearing. That is why, with the indulgence of the Senator from New York, I should like to read this item. It was a comment on the book, *The Lost Generation*, by Maxine Davis, which has

been published by the Macmillan Co. In this comment the News had this to say:

Eight million American young people, between the ages of 16 and 25, are neither at work nor at school. Idle youngsters just like them were largely responsible for the swift success of fascism in other countries.

That is not the subversive movement the Senator from New York has in mind, and it is not the fascism which men like Hitler and Mussolini represent and promote.

The article goes on to say:

If we don't do something about this problem in a hurry, says Maxine Davis in the *Lost Generation* (Macmillan), out today, "some self-appointed piper may . . . lead our youth, God knows where."

This young lady, it appears, made a 10,000-mile journey around the country making a survey in this connection. The article proceeds:

If the right leader came along, they might be carried away like their contemporaries in Italy and Germany. If not, she sees the danger of their becoming an embittered, vitiated citizenry of the future. But she found enough sportsmanship, courage, high spirits, optimism, and adaptability to give her some measure of hope for the future.

A tragic aspect of the situation is the rapidity with which youth becomes "obsolete" to employers. Mature men with dependents are usually rehired when business picks up, and even when employers want youth for beginners' jobs they favor the fresh crop.

Graduates of 2 or 3 years back, with a period of bitter idleness or spotty, menial employment behind them, take a back seat. The embarrassment of a businessman with a 25-year-old messenger boy is all too real.

That, as I view it, is the danger, if there is a danger, in this great body of disillusioned young men, and not in the suggestion the Senator made—that the universities of the country are going to turn out young fellows who are going to do something subversive because of something they learn there. Disillusionment of these young men who are turned out of the colleges and universities without hope of jobs, may cause serious trouble. I know hundreds of them in my own State who are disillusioned and heartbroken and embittered by reason of the fact that they can find no place in the scheme of things. That has come home to me, as I assume it has to the Senator from New York.

I beg the Senator's pardon for intruding on his speech.

Mr. COPELAND. I thank the Senator for what he said. If he had been here 2 or 3 weeks ago when I had a colloquy with the Senator from Massachusetts [Mr. WALSH] and expatiated at some length upon the situation as regards the unemployed youth, he would know I share the sentiments expressed by this writer and the implication of the Senator who presented them. Of course, it is a menace to our country. There is no doubt about that. We must find some way to solve the economic problem in order that youth may be employed. I agree to that fully.

Mr. BONE. May I ask the Senator another question?

Mr. COPELAND. Certainly.

Mr. BONE. If I were a young man entering a university and sincerely in my heart I did not care to take military training, why should I be compelled to do so? No matter what my opinions are, why should I be compelled to take it when I do not want it, whatever may be the reason? My motives might be the worst or the best in the world; perhaps my impulses were wrong, but why deprive a boy of education because he does not want to have military training? I cannot see why that should be done.

Mr. BENSON rose.

Mr. COPELAND. I shall reply to the Senator from Washington in a moment, but apparently the Senator from Minnesota [Mr. BENSON] wishes to ask me a question and I yield to him.

Mr. BENSON. Are we to infer from what the Senator just said that compulsory military training in our land-grant colleges is to keep down possible insurrections which may occur at some future period?

Mr. COPELAND. Oh, no; I do not think so. I do not think I ever said that.

Mr. BENSON. The Senator referred to possible insurrections.

Mr. COPELAND. If the Senator will bear with me until I can attempt to explain what I mean, perhaps I can make clear my position.

First, in reply to the Senator from Washington [Mr. BONE], not every college in the United States has military training. There is not an R. O. T. C. in every college in the United States; far from it. Many of the colleges are asking for units, not to make the training compulsory, but in order to provide such training for those who wish it.

If for any reason a boy chose to go to a school where the rule for compulsory military activity prevailed, he would do so voluntarily. If he did not care to go to such a school he would not have to do so. I have had sufficient experience trying to get students to attend a school to learn that there were plenty of other schools than the one I happened to be serving.

It is not necessary for a boy to go to an institution where military attendance is required.

To go back a little further to what the Senator from Washington suggested, he spoke about the ambitious young man who wants to go to school. The boys enrolled in the R. O. T. C. get \$12 a month. They not only have the training, but they have \$12 a month and certain provisions for uniforms besides. They get \$100 a year. In many instances that may be the reason why a boy can go to school. That helps the lad to go to school even though it may be an institution where military activity is required.

Responding to the inquiry of the Senator from Minnesota [Mr. BENSON], while I hesitate to take the time of the Senate, I wish to say to him that the greatest social problem confronting America today is juvenile delinquency, delinquency of youth. The average age of the criminals in all the penal institutions of America is 23 years. The largest age group is found at 19 years, and the next largest age group at 18 years. Our correctional institutions are filled with misguided boys and girls of the impressionable age, the age when, with improper care, the child may become antisocial—not alone nonsocial, but antisocial. He may become imbued with the idea that the accepted social organization ought to be destroyed.

I do not speak about this matter entirely without knowledge of it. God was good enough to grant a great boon to me. I have a boy. So far as my ability permitted, I gave him all the privileges of education possible. He was in the R. O. T. C. at his university for 4 years. He was sufficiently competent so that he became second in command, and also went to Plattsburg. I am here to say that, in my opinion, the finest thing that ever happened to that boy was his experience in the R. O. T. C.

Referring now to thousands of other boys who have been members of the R. O. T. C., there can be no doubt that they learned what it means to be Americans, what it means to belong to our country. They became not only lovers of our country but patriots, anxious to serve our country; not to fight, necessarily; not to go to war; but to make our country in peacetime the greatest country that can be conceived of by the mind of man. It gave them respect for authority; it gave them regard for our civic institutions; it gave them regard for our political institutions. It made them, in short, better citizens; and I believe with all my soul that the training these lads receive in the R. O. T. C. units is in many ways more important than all they gain in the way of scholastic achievement.

Mr. KING. Mr. President—

Mr. COPELAND. I yield to my friend from Utah.

Mr. KING. I am not sure that my question is pertinent; but I drew the deduction from the Senator's remarks that possibly he had the idea that young men could not learn patriotism other than through military schools. I wish to ask the Senator if it is not a fact that millions of Americans who have not gone through military schools or had military drill are just as patriotic as those who have had military drill.

Mr. COPELAND. It is appropriate that a Senator from Utah should ask that question, because Utah is the one State in the Union where by law the public-school system

has been given supervision of the child for 12 months in the year.

Mr. KING. But this supervision is not military training.

Mr. COPELAND. Not at all. I am not speaking for that. Utah is the foremost State of the Union in grasping this great social problem and offering a solution of it. I congratulate the Senator that he represents a State so forward-looking. It is not military training about which I am talking.

Mr. KING. Mr. President, will the Senator yield again?

Mr. COPELAND. Yes.

Mr. KING. Having paid a compliment to my State, I may say to the Senator that the views of the people of that State have been and are that education must not stop with the public schools, and that, in addition to the curricula in the schools, the students should have the advantage of reasonable supervision to protect them against evil influences and to inculcate principles in regard to peace and sobriety and industry, and equip them for suitable places in the social and economic activities of life. Accordingly, during vacation this supervisory care is continued, and the State is doing everything it possibly can to prepare the young men and women for the responsibilities of life. The result has been that there has been great improvement and great social advancement; and I might add that this system of education imposes very heavy burdens upon the State—burdens which the people willingly bear.

Mr. COPELAND. In my opinion, it is money well spent. I think the State of Utah is to be congratulated. It is doing a wonderful thing for its youth; and I wish wisdom could come to every other State of the Union to do the same thing.

At some time I wish to compare notes with the Senator from Utah on this question, because I am fully informed of what his State has done. I have spoken of it a dozen times or 50 times, hoping the example of Utah might be followed elsewhere.

I desire, however, to go back to college conditions.

Every one of us who attended a college or a university knows how many temptations come to the college student; temptations relating to the appetites—many temptations. I am not here to confess nor to boast, but I am here to say that I am a competent witness by reason of my own experience as a student and by reason of 25 years as a teacher in a college or university. I have had opportunity to observe youth and to know the temptations besetting youth.

It is not possible for a young man who is associated with a military establishment, whether in the regular Military Establishment or in one of the R. O. T. C. units, to wander far from the path of rectitude. It is not long before his officers, major and minor, call him to account for his failure to observe those things which are considered high and right and in accord with the standards which prevail in these military institutions.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McKELLAR. I have just read rather casually the amendment of the Senator from North Dakota. As I understand, it is to prevent the use for compulsory military training of any of the funds appropriated in this bill.

Is there any such thing in this country? I know of no law which provides for compulsory military training. It is not done by the act of 1862; it is not done by the act of 1916; and, in my judgment, it is not done by any act, except when the country is at war. Have we ever had compulsory military training in this country except when the country was at war?

I do not understand the reason for the amendment.

Mr. COPELAND. Further, I may say to the Senator, we are not now proposing that there shall be compulsory military training.

Mr. McKELLAR. I wish to call the attention of the Senator to the fact that I know a good many high-school and other students in the public schools of my State who take this course; but they are not compelled to take it. It is purely optional as to whether or not they shall take it; and

there is no law now in force in this country which provides for compulsory military training.

Mr. FRAZIER. Mr. President, will the Senator yield to enable me to answer the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. FRAZIER. I have in my hand an article by Oswald Garrison Villard, published in the Atlantic Monthly for February 1936, entitled "We Militarize." In speaking of the R. O. T. C. training he says:

In 1913 there were 57 such institutions giving military training under War Department direction. By 1935 the number had risen to 399. In 1913 there were 85 officers and men on duty in such schools and colleges, and today there are no less than 1,658.

Those schools do not all make military training compulsory, but there are 118 schools and colleges in the United States which compel the student to take 2 years of military training if he is to attend the school and get a degree.

Mr. McKELLAR. Mr. President, there is no Federal law that provides for compulsory military training. I was a Member of the House of Representatives in 1916, and I remember very well the law, because I had a great deal to do with preparing it, which established the R. O. T. C. Since that time that organization has grown considerably, as the article just read states; but membership in it is not compulsory anywhere at any school or college.

Mr. FRAZIER. Oh, yes; it is compulsory. There are 118 colleges and schools where it is compulsory.

Mr. McKELLAR. They have no right to make it compulsory.

Mr. FRAZIER. Oh, yes; they have.

Mr. COPELAND. Mr. President, if the Senator will permit me, they have no right so far as our action is concerned.

Mr. McKELLAR. Certainly not.

Mr. COPELAND. In a great many of the States military training is required in the State institutions. The land-grant colleges feel they are obliged to make it compulsory under the old law.

Mr. President, the desire of the Senator from North Dakota is clear. No matter what the board of trustees of the institution may wish, no matter what the State authorities may wish, or what they feel the law imposes upon them, the Senator does not wish to have any of the money used for any unit of the R. O. T. C. where the particular institution, by reason of local or State laws, feels that military training must be required of every student.

Mr. McKELLAR. Mr. President, the land-grant law of 1862, commonly known as the Morrill Act, does not provide for compulsory military training, under the terms of the law, and no act of the United States Congress now provides for compulsory military training.

Mr. FRAZIER. Mr. President, if the Senator will yield further, the Senator from Tennessee was not on the floor when I offered the amendment and spoke about it.

Mr. McKELLAR. No; I was not.

Mr. FRAZIER. The authorities have gone so far that in a number of cases students who have refused to take military training because of some religious scruple or conscientious objection have been expelled from school. The cases have been taken into court, and have gone clear to the Supreme Court of the United States, and the Supreme Court of the United States has held that a school has the right to have compulsory military training if it so desires; that it may require it.

Mr. McKELLAR. That is a matter which should be fought out in the local school or local community; it certainly has nothing to do with Federal law, because the only body in this country which has a right to declare war is the Congress of the United States. There is no Federal law which provides for compulsory military training. It is not provided for in the original Morrill Act of 1862, and it is not provided for in any law now on the statute books. Why should we attempt to regulate local institutions? It seems to me we would be going very far afield if we should attempt to do so.

Mr. FRAZIER. Mr. President, it is not an effort to regulate local institutions, but to require that the money appropriated by the United States Congress shall not be used

for compulsory military training. The Senator says there is no law to require it, and we do not want it to be used in that way; at least, there are many of us who do not.

Mr. RUSSELL. Mr. President, the effect of the amendment offered by the Senator from North Dakota would be to take the administration of a college out of the hands of the trustees or the local governing body that might be prescribing the courses of study and the rules and regulations of the college, insofar as any military activities may be concerned, and to place the administration solely in the hands of the individual student, and let him prescribe the rules for the institution, insofar as they pertained to military training.

Mr. SHIPSTEAD. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. SHIPSTEAD. The Senator from Tennessee is correct when he says there is no Federal law compelling military training. The State of Minnesota has a land-grant college which used to have compulsory military training, but by action of the board of regents it was made elective, and I think the same thing was done in Wisconsin. However, I cannot but believe that it is an old practice when Congress appropriates money to impose limitations on how the money shall be used. Congress can prohibit the money's being used for compulsory military training if it so desires. Whether the Congress will do so is another matter.

Mr. COPELAND. Mr. President, we are not imposing any requirement upon a local college. It can determine for itself what it wishes to do. But the Senator from North Dakota desires to have the law so framed that if a college does not choose to do away with its rule of compulsory military service, it can have none of the money we appropriate.

Mr. President, I may never be an angel, but I want to be on the side of the angels. I know I am on the side of the angels when I say that the great majority of the people of this country are in sympathy with what we are trying to do for youth. On the other hand, the subversive groups, those having different ideas of government, those who would change existing institutions in the United States, are all on the side of doing away with the R. O. T. C. and throwing every possible embarrassment in its path.

I do not wish to be on that side. I want to be on the other side, to say to these schools, "Here is the money; do with it as you like; compulsory military education or not, as you please. Here are the funds, and God bless you."

We want these R. O. T. C. units to be maintained, and we are going to provide, so far as we can as a Federal Government, for the machinery and the money to operate them. So I am content.

Mr. BENSON. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. BENSON. The Senator has made several remarks in very beautiful language about insurrections in colleges and among college students, and has spoken very eloquently—

Mr. COPELAND. Mr. President, I have not said a word about insurrections in colleges; I have not even intimated that there are insurrections in colleges. So, if the Senator will confine his remarks to what I have said, I shall be well pleased.

Mr. BENSON. I may have misunderstood the Senator, but I think I understand English. The Senator has also remarked, in very beautiful language, about the need of spending this money in order to train young men in order to give them a patriotic understanding and an American understanding of what is going on in this country.

When we appropriate money for roads, we appropriate money for roads, do we not? When we appropriate money for schools, why should we not appropriate the money for schools, and not for military training, and not to educate Army officers? If we want to educate Army officers, let us do it at West Point, or schools which are dedicated to that purpose, and not compel the State of Minnesota or the State of North Dakota or the State of Montana to compel all the students who attend their colleges in order to take up medicine or agriculture or engineering, also to take a course in

military tactics. Whether or not I understood the Senator I think there are other Senators here who understood him as I did.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. AUSTIN. I merely wish to say that I desire to take the floor when the Senator from New York is through.

Mr. COPELAND. I wish to answer the question, and then I shall yield the floor.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. WHEELER. With reference to giving military training, it seems to me that what has happened in Japan recently ought to be a lesson to the people of the United States. The Japanese have been giving their young people military training, the result of which has been that the military element has taken over the civil functions of the government. That is one reason why, in my judgment, we should not at this time attempt to build up a great military force in the United States.

Mr. BONE. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. BONE. I wish to say first to the Senator from Vermont that I am not desirous of taking him off the floor. I simply want to call the attention of the Senator from New York, handling the bill, to a training manual put out by the War Department, for the use of young men in the training courses in our colleges. This manual contains some of the most extraordinary language and proposals that I have ever seen in print. This matter has been previously adverted to on the floor of the Senate by the Senator from Nebraska, Mr. NORRIS. It is not a matter of first impression in the Senate. The title of the manual is "Citizenship." It was prepared under the direction of the Chief of Staff of the United States Army, for use in the Reserve Officers' Training Camps. It bears date of November 30, 1928. I wonder why the War Department, which is merely supposed to be training officers, is telling the young men of this country things of this kind. I am quoting:

Public utilities corporations build great hydroelectric plants in one State for distribution of power to many. Railroad, telegraph, and telephone companies invest billions of dollars in properties, and conduct their affairs to the benefit and profit of the Nation. Capital is consolidated and labor employed, farms enriched, cities builded, and our citizens bound together in one cooperative, prosperous, happy union by the magic power of interdependent relationships.

If Sammy Insull had written this manual, he could not have written a more subtle and persuasive argument for the Middle West Utilities Co., which took the whole country to the cleaners after this manual was prepared. Why is the War Department, in a training manual prepared for boys in colleges, trying to promote a very high regard for privately owned utilities?

Mr. COPELAND. Mr. President, in just a moment I am going to leave the floor.

If the Senator from Washington does not like the manuals which are put out by the War Department—and he apparently refers to one of ancient vintage—why does he not propose that they stop printing those manuals? If there are Senators here who do not like the R. O. T. C., why do they not propose to wipe out the appropriations for the R. O. T. C.?

Let us be honest about it. Are we for it? Do we want it to go forward? Has it a useful purpose to serve? Does it tend to promote good citizenship? Is it worth while? If it is not worth while, take it out of the bill! But, so far as I am concerned, so long as I can stand on my feet, I am not going to permit anybody to force upon me the idea that the R. O. T. C. is bad. I know differently. But why do not Senators who become excited over compulsory military training be consistent and say, "We will not have any military service"?

Talk about the conscientious objector! It is not the conscientious objector; it is not the pious man; it is not the occasional religionist, who is seeking to do away with military training in these institutions. There is a well-organized movement in the United States of America to make an attack

upon the citizen soldier, upon the National Guard, upon the R. O. T. C., upon the Reserve Officers' Corps.

If we are going to do something for the country such as the Senator from North Dakota desires to do, for heaven's sake, let him move to strike the whole item out of the bill. Then he will be on sound ground. But the occasional cases of conscientious objectors, like occasional swallows, do not make a summer. I have full sympathy for the Senator from North Dakota; but I have no sympathy for the organized movement going on in America against orderly government, against institutions as they now exist, and against the flag itself.

I say to those who wish to be counted that way, "All right; I am going to be 'on the side of the angels.'"

Mr. AUSTIN obtained the floor.

Mr. BONE. Mr. President, will the Senator yield for a few remarks that I desire to make about the document I referred to a moment ago, and then I will yield the floor?

Mr. AUSTIN. I shall yield the floor in a very few moments. My remarks will be very few.

I rise to oppose this amendment upon a ground which has not yet been mentioned. Before stating it I wish to say that I should oppose the amendment upon the same grounds that have already been discussed by those who oppose the amendment, namely, that the R. O. T. C. is a very valuable element of education for citizenship in this country. But the particular point I wish to place in the RECORD tonight, while this matter is fresh, and so that it may be considered in connection with what has already occurred here, is that we are under an obligation as a government not to adopt this amendment, for by the adoption of the amendment we should absolutely repudiate, with all the obnoxiousness of that term, a solemn, binding contract with every State of the Union.

The Morrill Act of 1862 made grants of land scrip which could be converted into money for the purpose of establishing and maintaining universities and colleges in every State in the Union upon condition that those colleges should teach military training. I read, from section 4, a part of the section revealing this condition, because it ought to be considered at this time:

Shall be inviolably appropriated by each State—

That is, the fund—

which may take and claim the benefit of this act, to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life.

Sec. 5. And be it further enacted, That the grant of land and land scrip hereby authorized shall be made upon the following conditions, to which, as well as to the provisions hereinbefore contained, the previous assent of the several States shall be signified by legislative acts.

That is only a portion of the Morrill Act of 1862; but the events which followed the passage of that act—namely, legislative acts of every State in the Union accepting the grants upon those conditions—effected a binding obligation upon the several States and the United States which cannot be broken without repudiation.

I have heard much said about compulsory military training. If we are to criticize the inclusion of military tactics in the curriculum of a college and object to that, why not object to the inclusion of French in the curriculum for a bachelor of philosophy degree? If we do not like the idea, why not, by act of the Congress of the United States, exclude from the requirements of a university in the State of Vermont the study of Greek in order to obtain a bachelor of arts degree? As I listened to it, the entire argument seemed to be perfectly absurd that the Congress of the United States should be reaching into the several universities of the country and undertaking to tell them what they shall and shall not include in their prescribed courses.

So far as the freedom of the individual boy is concerned, he does not have to elect a course in any land-grant college which would compel him to perform military service.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. FRAZIER. In the State of North Dakota we have a State university and an agricultural college, separate institutions, located at different places. They are the only two institutions which grant a college degree, with the exception of one small church institution in the State. I should like to ask the Senator where the boys on the farm who want to get agricultural training can go to school without going to an agricultural college? If they go to that agricultural college and get a degree, they must take 2 years of compulsory military training.

Mr. AUSTIN. That is but one of the circumstances in the lives of those boys in North Dakota for whom I am exceedingly sorry, if that is their condition. They are not compelled to perform military service. They are not compelled to take military education anywhere in the United States. They are not compelled to go to any land-grant college in North Dakota. I venture the suggestion, although I am talking about something with which I am unfamiliar, that they could get a liberal education in those very schools mentioned by the learned Senator from North Dakota without taking a degree, and that the doors of the State college or the State university would not be closed in their faces. It would be strange if a State university should close its doors to its own boys and girls, and I apprehend we will not find a single State in the Union that does such a thing.

Mr. FRAZIER. There have been a number of cases at the University of Maryland, just a few miles from the National Capital. Two boys were expelled from that university because they refused to take military training. They took the matter into court. One court upheld the boys, and on appeal the university authorities were upheld and the boys were expelled from school. There have been numerous such cases, one in California and one in Massachusetts, which is pending right now.

Mr. AUSTIN. Mr. President, read the amendment and see what its scope would be if it were enacted into law, how it would operate upon all the land-grant colleges of the United States by the simple method of undertaking to change the policy of the United States with respect to education which has been in operation since 1862, how it would operate to repudiate the obligation which exists between the States and the Federal Government, and how it would operate to violate all those philanthropies and trusts which have been created on the good faith of the contract between the Federal Government and the several States.

Mr. FRAZIER. Mr. President, will the Senator yield at that point?

Mr. AUSTIN. I yield.

Mr. FRAZIER. I should like to have the Senator from Vermont point out where there is anything in the law that requires compulsory military training in any land-grant college or any other college of the United States.

Mr. AUSTIN. I have read it into the RECORD.

Mr. FRAZIER. The Senator from Tennessee just concluded a long discourse proving that there was not any law anywhere. He quoted from the law. He is an eminent lawyer, too. The Secretary of War and the Attorney General have issued their opinions to the effect that military training is not compulsory because of any law enacted by Congress.

Mr. AUSTIN. I believe the Senator from North Dakota and I were not speaking on the same subject. If the Senator will wait a moment, I shall undertake to make clear that to which I was referring. I think the Senator from North Dakota was talking about the obligation of an individual boy. I have not been talking about that. I have been talking about the obligation of the State which accepted land-grant money. When the State accepted the grant from the United States of a sum of money to establish a university, upon the condition that it teach military tactics, it obligated itself to teach military tactics in that

university. The university is under compulsion to teach, but the boys of that State or any other States are absolutely free to take it or leave it as they see fit. That is the difference between the Senator from North Dakota and me.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Washington?

Mr. AUSTIN. I yield.

Mr. BONE. Is the requirement that the college teach military training in language that would compel every male student in a school to submit to military training? Does the Senator feel that the language is sufficiently broad so that the compulsion would rest upon every male student in such a school?

Mr. AUSTIN. I do not believe so. That has not been my opinion and it is not my opinion now.

Mr. WALSH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Massachusetts?

Mr. AUSTIN. I yield.

Mr. WALSH. I do not know that I comprehend the exact issue before us. As I understand, the present law, where the Federal Government grants funds to educational institutions, is such that the authorities of those institutions may or may not make military training compulsory. Is that correct?

Mr. AUSTIN. That is not correct with respect to the Morrill Land Grant College Act.

Mr. WALSH. With respect to that class of colleges, is military training compulsory?

Mr. AUSTIN. It is compulsory upon the States which accepted that grant. The grant was made to the States upon condition that they would appropriate money for the building or maintenance of a college in which military tactics would be taught.

Mr. WALSH. That, of course, is an entirely different proposition from making military tactics a part of the curriculum of a college and to make it compulsory. Is it the Federal Government or is it the State that makes military training compulsory?

Mr. AUSTIN. The only information I have about that subject is that it is the university itself which makes the rule with respect to what degrees require military tactics as an element of the curriculum. It is just like Greek or Latin or French or German being added to other subjects and balancing a course which entitles a candidate to a certain degree.

Mr. WALSH. I think we all agree that is a perfectly proper procedure; but, as I understand the position of the Senator who has proposed the amendment, it is that there are in fact institutions receiving Federal grants who refuse admission to the school of youths who will not take military training. Is that true or not?

Mr. AUSTIN. I do not know of any that do so.

Mr. WALSH. We ought to have that fact established first.

Mr. AUSTIN. Yes; before we adopt any such amendment as the one now pending.

Mr. WALSH. If that fact does not exist, then the amendment is inconsequential.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield to the Senator from Minnesota.

Mr. BENSON. For all practical purposes, is it not a fact that a good many of the land-grant colleges have been laboring under the assumption that military training was compulsory upon their part, and that the Federal Government was insisting that military training or military tactics be not optional with all the male students at their schools? Is it not a fact that high-ranking officers of the United States Army have gone into the States in which land-grant colleges are located, and have done everything in their power to create that impression, and have done everything in their power to disparage efforts to make military training optional rather than compulsory?

LXXX—245

Mr. AUSTIN. Mr. President, those are questions that I cannot answer. Of course, if they are important, they should be examined into by a committee and carefully studied and considered. My objection to this amendment is that it is an effort to hamstring universities and colleges which depend upon this appropriation for the payment of salaries of teachers of military science.

Mr. FRAZIER. Mr. President, will the Senator yield again?

Mr. AUSTIN. Yes; I yield.

Mr. FRAZIER. I think the Senator is entirely mistaken. There is nothing in the amendment that would hamstring any college or university.

For instance, take the case of the land-grant college of Wisconsin. There the State legislature passed a law against compulsory military training. Military training is still given at that college, but it is optional with the students whether or not they shall take it.

The same thing is true in the University of Minnesota. Just a year or so ago the State board did away with the compulsory feature as to military training in that school.

Mr. AUSTIN. Mr. President, assume that a land-grant college says in its catalog to prospective students, "If you get a degree of bachelor of philosophy from us you will have to take 2 years of military tactics." My friend the learned Senator from North Dakota undoubtedly would assert that military education was compulsory in that college. Another might see the matter in a different light, and say, "Oh, no; if it is true that in that institution one could take a degree of doctor of medicine without having military tactics, it does not come within the scope of this amendment."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. CLARK. I do not see any necessity, in the matter of appropriations, for making military training compulsory in universities.

I went to the University of Missouri and graduated therefrom. I did not take military training, although I was fond of military drill, because I had already had it in high school. But I graduated from the University of Missouri, as many others did in my time, without taking compulsory military training; and I think probably we were just as good citizens as though we had had compulsory military training.

Why should it be necessary now, 20 years later, to say that a land-grant university shall not receive an appropriation in aid of military training unless it makes military training compulsory on all students? I might want to send my boy to the University of Missouri, where I myself graduated, and might not want him to have military training. Why should not I, as a citizen of Missouri contributing by my taxes to the support of that great educational institution, be permitted to send my boy there without having him compelled by a relatively small appropriation by Congress to undergo military training?

Mr. AUSTIN. Mr. President, that is the reverse of the situation here. Here is an attempt by Congress to coerce these universities. Here is an attempt by Congress to say to the States of the Union, "Your land-grant colleges will have to quit requiring, as a part of the curriculum of any one of these degrees, military tactics." That I regard as a repudiation of the obligation between the United States and the several States established by the Morrill Land-Grant College Act, and the acceptance of it by the solemn acts of the legislatures of the several States.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield.

Mr. BENSON. The amendment does not attempt to do any such thing. The amendment merely states that the taking of military tactics at the university or college shall be optional and not compulsory with the students.

Mr. AUSTIN. Mr. President, let me read the amendment and see if it states any such thing.

On page 60, line 14, after the word "corps", it is proposed to insert:

Provided further, That none of the funds appropriated in this act shall be used for or toward the support of any compulsory

military course or military training in any civil school or college, or for the pay of any officer, enlisted man, or employee at any civil school or college where a military course or military training is compulsory; but nothing herein shall be construed as applying to essentially military schools or colleges.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. CLARK. That amendment certainly does not prohibit the Morrill Act from functioning in its full blossom as it was originally passed by Congress and originally intended, which was, as it was in my day in the university, as I have just said, to have a voluntary system of military training in the universities. The amendment does prohibit the use of the land-grant appropriations by Congress as a fulcrum to compel State colleges and State universities to put in a system of compulsory military education.

Mr. AUSTIN. Mr. President, let me finish my remarks.

What could a land-grant college do without military officers? Nothing. A land-grant college founded upon the condition of teaching military tactics must have military officers to teach military tactics.

Mr. CLARK. Mr. President, will the Senator yield again? I do not wish continually to interrupt him.

Mr. AUSTIN. I have not finished my thought, but I am perfectly willing to yield.

Mr. CLARK. I shall not interrupt the Senator again; but I again suggest that there is no limitation in this amendment on the payment of Army officers or Army enlisted men or noncommissioned officers assigned to duty in land-grant colleges which do not make military training compulsory. The whole point is as to whether the land-grant college shall make the training compulsory or leave it voluntary; and there is absolutely no limitation in this amendment which prevents any land-grant college from setting up any voluntary system of military training it may see fit to set up.

Mr. AUSTIN. Mr. President, a college that cannot prescribe its courses and say what shall be taken in a certain curriculum is no college at all. It is a hybrid institution. There may be such an institution somewhere in the world, but I never heard of it.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes.

Mr. FRAZIER. There are many institutions that do not require military training.

Mr. AUSTIN. That is begging the question; and I am not talking about those institutions. I do not condemn them for not teaching military tactics. That remark is entirely beside the question.

Mr. FRAZIER. There are a great many institutions which have military training but do not make it one of the subjects in the curriculum that must be taken in order to graduate.

Mr. AUSTIN. Very well. They are not land-grant colleges.

Mr. FRAZIER. Oh, yes!

Mr. AUSTIN. Oh, no!

Mr. FRAZIER. I beg the pardon of the Senator. I do not know how many there are; but at least in Wisconsin and Minnesota, with which I am familiar, there are land-grant colleges that teach military training as an elective course.

Mr. CLARK. I am a graduate of one.

Mr. AUSTIN. And they are land-grant colleges?

Mr. FRAZIER. They are land-grant colleges.

Mr. AUSTIN. No State can abandon the teaching of military science in its land-grant college without violating the terms of the grant made to it under the Morrill law of 1862.

Mr. CLARK. Mr. President, I promised not to ask the Senator to yield to me again; but on that point I should like his indulgence for just one moment to say that I am a graduate of a university which in my day had voluntary military training, and had a cadet corps of some twelve hundred.

But there were also perhaps a thousand students who were not members of the cadet corps. I went through the uni-

versity in good standing and graduated without being a member of the cadet corps. I did not feel I was any less a good citizen or good student because I did not belong to the cadet corps.

Mr. AUSTIN. Mr. President, it is not my purpose to reflect upon the Senator from Missouri or his university in any way.

Mr. CLARK. Certainly not.

Mr. AUSTIN. I have great regard for him and for his university also. I am undertaking to express an opinion upon the law, and that is all. If I have stated something in haste which sounded bad to the Senator, I hope he will, in reading it in the morning, find that it is not so bad as it sounded.

Mr. CLARK. Mr. President, I would never suspect the Senator from Vermont of saying anything unkind to me personally.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. RUSSELL. As I understand the case of the land-grant college, the grant from the Federal Government to the institution is dependent upon the institution maintaining a course in military science in the school. As to whether or not the course shall be compulsory depends upon the board of regents or the board of trustees, or the other governing body of the institution. The effect of the amendment offered by the Senator from North Dakota would be to enact into law the proposition that the trustees, or the governing body of the institution, should not have control over the curriculum as it related to military training, but that each individual student should have a right to say whether or not he would take military training.

Mr. FRAZIER rose.

Mr. AUSTIN. Mr. President, I will state my views about that matter, and then I will yield to the Senator from North Dakota.

The object of the amendment, if it has any object at all, is to bring pressure upon the trustees of land-grant colleges to take military tactics out of the requirements for a bachelor of arts degree, for a bachelor of philosophy degree, or for any other degree granted by the college upon prescribed courses, and just hang the military science course up in the air. Whether that is a compliance with the Morrill Act I will submit to any reasonable lawyer in the Senate. Is a college, is a State, which accepts a grant under the Morrill law, and which takes out of the curriculum the subject of military tactics, complying with the conditions of the grant? I doubt it.

It is my opinion, from a study of the amendment, that its adoption would affect all land-grant colleges injuriously. Any person who claimed that the payment of salaries to military officers who were teaching military tactics at a land-grant college was contrary to the terms of the amendment would probably have some ground to stand on.

While I have been trying to express my views, three or four Senators have expressed the idea that a curriculum is compulsory which requires, for the granting of a degree, the teaching of military science; that is, that it is compulsory to a certain extent. On the other hand, one might say, in order to get this amendment through, "Oh, no; that is not compulsory, if a student can go there—as he can in most of the land-grant colleges—and take a course under another curriculum which does not include military science."

What I say is that in order for a State or a State university to comply with the Morrill Land Grant College Act, there must be at least one course in the university which requires military tactics as a part of the course, and as a condition without which a degree in the college will not be granted. Therefore, I say that this amendment attacks all the land-grant colleges; the amendment is contrary to the educational policy of the United States and of the several States since 1862, and it is in violation of the spirit of the founding of the colleges and the subsequent philanthropies which were made to the colleges under the conditions of the Morrill Act. For that reason, I think the amendment should not be adopted.

Mr. FRAZIER. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield.

Mr. FRAZIER. I cannot quite follow the argument of the Senator from Vermont. Of course, I am not a lawyer. He intimates that he will submit his argument to any reasonable lawyer on the floor of the Senate. There are some of us who are not lawyers.

Mr. AUSTIN. Mr. President, there is nothing invidious in that. The reference was to a legal question. I expect that perhaps the Senator from North Dakota could answer very much better than any other lawyer in the Senate.

Mr. FRAZIER. I am not a lawyer, so I ask the Senator not to call me another lawyer. I am not qualified in that class. I wish to say, however, that I happen to know that some of the land-grant colleges require military training—that is, the teaching of military tactics—if the students attend in the regular courses during a term of years. It is required that they take military training, even though they are taking the first 2 years of law in their college course, or the first 2 years of medicine in their college course. The students are required, if they are to graduate, to take a military course.

Mr. AUSTIN. Mr. President, such facts ought to be brought out in hearings before some Senate committee, at which they could be carefully investigated, before any such drastic piece of legislation as that contained in the amendment is adopted.

Mr. BONE. Mr. President, let me assure the Senate, and particularly the chairman of the subcommittee having the bill in charge, that my interest in the subject arises solely out of the fact that I think military training should be optional with the student. That is why I asked the Senator from Vermont whether, in his judgment, the law was so written that it compelled every student to take military training whether he wanted to or not.

Mr. President, I go back again to this remarkable document of the War Department, issued in 1928, and which was widely circulated, and went into the schools and became the basis of the training of these young fellows compelled to take military training.

I happen to be one of those western folks who believe in public ownership of power. I have given 20 years of my professional life to a battle for public ownership of power in my State, and I confess my great astonishment when I discovered that the War Department, for some reason, instead of teaching military tactics, was teaching the young fellows in the universities that public ownership of power was very bad.

Frankly, I was unable to see the connection between military tactics and the question of whether or not the people of any State or community might own their own power systems. I am at a loss to understand why the Chief of Staff of the United States Army is so desperately anxious, apparently, to promote the interests of the Power Trust of this country by language that was very persuasive and engaging. He refers so touchingly to private utility corporations building great plants that render magnificent service to the people of this country. What, forsooth, does that have to do with military tactics? How does that teach the young fellow to handle a rifle, or a bayonet, or a machine gun, or a field piece? But the War Department finds in the fact that my city or some other city owns its own power system some dark or gloomy or sinister thing.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. The Senator is a member of the Munitions Committee and has undoubtedly been familiar with the very intimate connection between the great manufacturers of munitions and the War Department and also the Navy Department. Does he think it strange that some ideas from the Du Ponts might have trickled over to the War Department and been passed out to those engaged in the compulsory education imposed on our schools?

Mr. BONE. Unhappily, what my good friend the Senator from Missouri says about this thing is true. The communion of spirit between the War Department and some of the big

munitions "boys" is a very touching thing. I admit that I cannot understand why these two should be united in the holy bonds of some sort of wedlock, but apparently they are.

Now, Mr. President, I go further and find other economic doctrines that the War Department is teaching the young fellows in the Reserve officers' training camps. I suggest that there is no connection between what is here set forth in this manual and the proper use of a bayonet or a machine gun, and I am wondering why they go into the field of economics when teaching young men to be Army officers.

The Chief of Staff says:

Power of consumption is based upon the ability to purchase and pay for the desired commodities. In America the employee receives 72 percent and the employer 28 percent of the income of industry, constituting a range of wealth distribution which fixes our living standards at the highest point known in the world.

Assume that it be true, which I do not, may I ask what that has to do with the teaching of a young fellow to shoot a cannon or handle a rifle? Is the War Department defending the status quo—the trimming of labor by big business interests of this country, or incidentally the bilking, fleecing, and trimming of both labor and consumers, with which process we are all familiar?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. I think the Senator is mistaken. I contend there is no connection between the kind of instruction that is being given out and the use of a bayonet. For instance, we know that in a certain foreign country there is a dictatorship which employs what is known as the goose-step, and which takes young boys from their youth up and trains them in economic matters and governmental matters in behalf of the dictatorship for the ultimate purpose of using them as cannon fodder and personally to use the bayonets. It may be that the author of these expressions in the War Department had some such ideas as that in mind.

Mr. BONE. I find myself in such happy and hearty agreement most of the time with my good friend, the Senator from Missouri, that I am happy upon this occasion to again agree with him. I know that the Senator from New York [Mr. COPELAND] suggested that this manual was issued several years ago, but, Mr. President, I have not seen a single repudiation of this astounding document from the War Department. So far as I know, it is still being used; so far as I know, it is still good War Department dogma. It is the credo of the War Department yet, so far as I know and you know, Mr. President.

But let us go ahead with a further examination. I shall be through in just a moment:

America has amassed unbelievable wealth which is being spent for the good of mankind.

I suspect if we went out and took a poll of the great army of unemployed in this country we would not find very hearty agreement with that statement. Of course, when that statement is put across and firmly implanted in the mind of the young student, that is supposed to make a good soldier out of him!

Now listen to this gem! This—if I may employ the vulgar vernacular of my small boy—is a peach:

A surfeit of food, clothes, comfortable homes, and much time for idleness can easily become the first step to the overthrow of civilization.

If any man in the Senate ever heard a more astounding suggestion than that, I should like to have him rise to his feet right now and proclaim it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. I am not certain that I correctly understood the Senator. Would the Senator mind reading that sentence again?

Mr. BONE. I want my able friend the Senator from Missouri to get this, because it is surely a gem of "purest ray serene." It must have taken one with a Jovian brow to produce a thing like this, because the man who wrote it is deliberately saying that too much food for the hungry and too

much clothing for the use of those who are without might be a bad thing for them and the country. For God's sake, do not give them too much in the way of good food and clothing, and in the way of homes, because that might be subversive; that might overthrow the Government. I read it again:

A surfeit of food, clothes, comfortable homes, and much time for idleness can easily become the first step to the overthrow of civilization.

Mr. President, I submit that if that statement is true our civilization is safe—oh, it is safer than anybody here suspects. Millions in this country know no possibility of realizing a surfeit; the sad army of the poor cannot even get enough to sustain their poor bodies in even a semblance of decency.

I pass to the next gem in this document. Democracy is defined, and I want my colleagues to listen carefully to this definition of "democracy" by our War Department:

A government of the masses; results in mobocracy; attitude toward property is communistic, negating property rights; attitude toward law is that the majority shall regulate.

Oh, what an astounding proposition. How un-American that the majority should by some awful mischance have anything to say about how the rules of the game are made. Quoting again:

Democracy is the direct rule of the people, and has been repeatedly tried without success.

Under the representative form of government there is no place for direct action (by the people). The inherent characteristic of a republic is government by representation. The people are permitted to do only two things; they may vote once every 4 years for the executive and once in 2 years for members of the legislative body.

One might well imagine, Mr. President, that the War Department sits in sackcloth and ashes and rends and tears its garments all the time because the people are even permitted to do that much.

Democracy—

My father spent nearly 4 years with a rifle on his shoulder, and he almost died from wounds in a military prison upholding democracy in this country. I say as a Member of the Senate that I do not like suggestions from the War Department of this country that democracy, which my father was willing to die to preserve, is a foul and noxious thing.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BONE. I yield.

Mr. CLARK. Does the Senator think that in conformity with the Morrill Act, adopted on the motion of a great patriot back in the sixties, that if you send your boy to school in Washington, or I send my boy to school in Missouri, to a land-grant college, which most of the universities are, he should be compelled to be instructed in that sort of doctrine?

Mr. BONE. No, Mr. President. That is precisely the point. I believe that, within reason, a boy should be permitted to elect what he wants to take. There is something fundamentally sound and sane in that sort of a proposition. If the school wants to teach military training, all well and good, but they ought not to compel a boy to take military training if he does not want it, and then when he is compelled to take military training, be taught the subversive and anarchistic doctrine that democracy is a foul and filthy thing that ought to be abolished from the earth.

Oh, Mr. President, that is not all:

Several dangerous experiments have been proposed, such as the initiative, referendum, recall, and the election of judges.

Here we find the War Department teaching the young officers under this compulsory training that it is a bad thing to allow common folks to elect judges. They ought to be appointed for life! Does any Senator here agree that the initiative and the referendum and the election of judges by you poor human beings who sit here is bad business? Senators ought not to be permitted to vote for judges. Some fellow above you ought to appoint them for life, so that they can later snap their fingers at you and play ducks and drakes with the laws and the Constitution if they so elect; so they can be so far removed from the salutary

force of public opinion as to be wholly immune from its wholesome effects.

Departures from constitutional principles threaten to impair the efficiency of our representative form of government, and if continued, will ultimately destroy it.

Direct action—

That is through the initiative and referendum—and Government ownership—

Get this!—

and government ownership should be avoided as perils that threaten the very foundation of the Republic.

Mr. President, again I ask my brethren in the Senate what right, moral right, or any other kind of right, the War Department has to arrogate to itself the right to teach that sort of philosophy to my boy or any other boy in this country under the guise of military training. What business is it of the Chief of Staff that the people in my State want to own a power plant? This thing was circulated all over the country in these schools. There can be no justification for teaching that kind of stuff.

That is a damnable thing, and it ought to be repudiated and spurned by a great representative body such as this.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BONE. Certainly.

Mr. SHIPSTEAD. Did the Senator state who was the author of that document?

Mr. BONE. This document was issued by the War Department under date of November 30, 1928. It was prepared under the direction of the Chief of Staff, and if he had called in Sammie Insull, and Mr. Doherty of Cities Service, and the Electric Bond & Share officials and the National City Bank, they could not have written a more complete and more subtle defense of the Power Trust and the American plunderbund than is here presented as "educational matter." What about the right of the Government to compel a boy to absorb this sort of subversive Power Trust training and swallow this sort of so-called education?

No boy should be compelled to swallow this kind of doctrine from the United States Army or be fired from school. If a State wants to own a public plant how will you gentlemen justify yourselves? You Senators deliberately voted to build some of the great Government power plants, did you not? Yes, by a large majority this very Senate voted to bring into being Muscle Shoals, Boulder Dam, and other great public plants, and yet here is one of your creatures, the War Department, saying you are guilty of doing a thing that threatens the very foundation of the Republic. Is it a pleasant experience to have the War Department tell you that you are bona-fide Communists and that what you have done after mature deliberation will overthrow your Government? That is what the War Department did in this document. I wonder what you think of this sort of thing.

It is said that Government ownership of power plants will destroy the Republic. I ask Senators again to remember that one sentence. Government ownership of power is to be avoided because it will overthrow and destroy the Government. You gentlemen sit here calmly and hear me read this document and you do not rise to repudiate it. You are the Anarchists and the Communists who voted for these things, according to the War Department. Is not that entertaining. You should go home tonight and have a little fun contemplating your awful action in voting for Boulder Dam and Muscle Shoals and other power projects, because if this principle continues to live we will probably have no virtue left, and the foundation stones of the Republic will crumble and rot and the Republic itself pass away.

If the War Department wants to teach military tactics, let it teach military tactics and not issue documents which would rank high as Power Trust propaganda.

Mr. COPELAND. Mr. President, so far as the War Department appropriation bill is concerned, it is apparent we cannot complete its consideration this afternoon. Accordingly I ask that it may go over until tomorrow.

EMPLOYMENT OF COUNSEL BY SPECIAL COMMITTEE TO INVESTIGATE LOBBYING ACTIVITIES

Mr. BARKLEY. The senior Senator from Alabama [Mr. BLACK] had intended to introduce a joint resolution which he had prepared. I offer it in his name and ask that it go over until tomorrow. Tomorrow the Senator from Alabama will attempt to have it considered by unanimous consent.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and lie on the table.

The joint resolution (S. J. Res. 234) authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel, in connection with certain legal proceedings, and for other purposes, was read twice by its title and ordered to lie on the table.

SUSPENSION OF ASSESSMENT WORK ON MINING CLAIMS

Mr. BORAH. Mr. President, I desire to ask unanimous consent for the immediate consideration of Senate bill 3669. I have talked with the majority leader, Mr. ROBINSON, about it, and he said there would be no objection to having the bill considered this afternoon.

The bill is similar in form to one which passed during the last session and relates to the suspension of annual assessment work on mining claims. It has been reported by the Committee on Mines and Mining. It is exceedingly important, if it is to be passed, that it should be passed as speedily as possible.

I ask unanimous consent for the immediate consideration of Senate bill 3669. It is a bill to suspend assessments upon the mining claims during the coming year, except as to the payment of income taxes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Idaho?

There being no objection, the Senate proceeded to consider the bill (S. 3669) providing for the suspension of annual assessment work on mining claims held by location in the United States and Alaska, which had been reported from the Committee on Mines and Mining with an amendment to strike out all after the enacting clause and insert:

That the provision of section 2324 of the Revised Statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than \$100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States during the year beginning at 12 o'clock meridian July 1, 1935, and ending at 12 o'clock meridian July 1, 1936: *Provided*, That the provisions of this act shall not apply in the case of any claimant not entitled to exemption from the payment of a Federal income tax for the taxable year 1935: *Provided further*, That every claimant of any such mining claim, in order to obtain the benefits of this act, shall file, or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian July 1, 1936, a notice of his desire to hold said mining claim under this act, which notice shall state that the claimant, or claimants, were entitled to exemption from the payment of a Federal income tax for the taxable year 1935: *And provided further*, That such suspension of assessment work shall not apply to more than 6 lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation: *And provided further*, That such suspension of assessment work shall not apply to more than 6 placer-mining claims not to exceed 120 acres (in all) held by the same person, nor to more than 12 placer-mining claims not to exceed 240 acres (in all) held by the same partnership, association, or corporation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill providing for the suspension of annual assessment work on mining claims held by location in the United States."

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDENT pro tempore. If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask unanimous consent that nominations in the Army may be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc. That completes the calendar.

RECESS

Mr. BARKLEY. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 27 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 18, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 17 (legislative day of Feb. 24), 1936

APPOINTMENTS IN THE REGULAR ARMY

Gladden Robert Hamilton to be first lieutenant, Medical Corps.

Robert LaTourrette Cavanaugh to be first lieutenant, Medical Corps.

William Congdon Harrison to be first lieutenant, Medical Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. John Lester Scott to Finance Department.

First Lt. Edward Cassel Reber to Ordnance Department.

PROMOTIONS IN THE REGULAR ARMY

Edwin Colyer McNeil to be colonel, Judge Advocate General's Department.

Augustine Warner Robins to be colonel, Air Corps.

Emil Pehr Pierson to be colonel, Cavalry.

Clark Porter Chandler to be colonel, Cavalry.

John Walton Lang to be colonel, Infantry.

Henry Harley Arnold to be colonel, Air Corps.

Floyd Hatfield to be lieutenant colonel, Infantry.

Charles Lewis Clifford to be lieutenant colonel, Cavalry.

Oscar Otto Kuentz to be lieutenant colonel, Corps of Engineers.

Earl Landreth to be lieutenant colonel, Infantry.

William Edward Raab Coveil to be lieutenant colonel, Corps of Engineers.

Joseph Dogan Arthur, Jr., to be lieutenant colonel, Corps of Engineers.

Edwin Rudolph Petzing to be major, Signal Corps.

Richard Carvel Mallonee to be major, Field Artillery.

Douglas Johnston to be major, Air Corps.

Lawrence Pradere Hickey to be major, Air Corps.

Severn Teackle Wallis, Jr., to be major, Field Artillery.

William May to be major, Infantry.

Samuel Tankersley Williams to be major, Infantry.

Howland Allan Gibson to be major, Medical Corps.

POSTMASTERS

CALIFORNIA

Clark Wallace, Compton.

INDIANA

Thomas L. Hart, Dunkirk.

William W. Workman, Kokomo.

John N. Bonifas, Portland.

Ruth B. Flinn, Roann.

NEW HAMPSHIRE

John W. Prescott, Raymond.

PENNSYLVANIA

Frank L. Allen, Allenwood.
James L. Schmonsky, Clarendon.
John H. Shields, New Alexandria.
Lina E. Williams, Reno.
Harold G. Freeman, Sinking Spring.
Wave Ledrew Blakeslee, Spartansburg.

TEXAS

Clyde T. Martin, Hubbard.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 17, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our light and our salvation, whose days are without beginning and without end, grant that by Thy holy inspiration we, the servants of our Republic who are joined together in this undertaking, may know what we ought to do, and that by Thy grace we may be enabled to perform the same. Grant us, we humbly beseech Thee, such prosperity as Thou seest to be good for us, and make us to abound in such works as may be pleasing unto Thee. With clear vision and earnestness of purpose may we stand looking into the day expectantly, ready for its duties and responsibilities. Believing in Thee and in our homeland, O Lord God, let us have a heart for any service. Unto Thy name be eternal praises, through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that immediately after the disposition of the special orders for today—the gentleman from Ohio [Mr. CROSSER], 30 minutes, and the gentleman from New York [Mr. CELLER], 10 minutes—that the gentleman from Massachusetts [Mr. TREADWAY] may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, does the gentleman mean today?

Mr. SNELL. That is my request, after these gentlemen have concluded their remarks.

Mr. BANKHEAD. The gentleman knows we have the Private Calendar today and a great many Members are deeply interested. I have had serious complaints about not being able to have the omnibus bills considered. I wonder if the gentleman could not postpone his request.

Mr. SNELL. There are certain reasons why we desire to have the opportunity today, and considering the fact that Members on the gentleman's side of the aisle have been granted 40 minutes I do not think it is unreasonable that we should ask for 20 minutes.

Mr. BANKHEAD. No; I do not think it is unreasonable. I regret that we cannot go along right now with the Private Calendar. I am just suggesting the difficulties to the gentleman from New York. I do not want to be unfair, and it would appear to be unfair, of course, to refuse the gentleman from Massachusetts 20 minutes.

Mr. SNELL. Yes; it would be unfair inasmuch as the gentleman's side has 40 minutes.

Mr. BANKHEAD. I shall not object to the gentleman's request, under all the circumstances, but I am very anxious to go ahead with the calendar.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, reserving the right to object, does the gentleman expect to bring the bill up tomorrow?

Mr. WOODRUM. If it comes from the Senate. The Senate has to act on it first. I understand they will take action today. It is the intention to call it up the first thing tomorrow.

Mr. RICH. Mr. Speaker, reserving the right to object, is there going to be a reduction in this bill from what it was last year?

Mr. WOODRUM. I will give the gentleman full information tomorrow. If the gentleman will stick around tomorrow, I will tell him.

Mr. RICH. We would like to see the bill brought in with some reduction.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

TREASURY AND POST OFFICE APPROPRIATION BILL, 1937

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10919), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes, together with Senate amendments thereto, disagree to the Senate amendments, request a conference with the Senate, and ask that the Chair appoint managers on the part of the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. TABER. Mr. Speaker, reserving the right to object, I understand this bill comes back here with practically all of the cuts that our committee made, and which this House approved, restored to the bill. I am in hopes the conferees will stand by the position of the House to the limit and try to save some money for the Treasury. [Applause.]

Mr. FIESINGER. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. FIESINGER. Is the gentleman speaking about the War Department bill?

Mr. TABER. No; the Treasury-Post Office bill.

Mr. LUDLOW. Mr. Speaker, may I submit the observation, in connection with what the gentleman from New York has said, that, speaking as one conferee, I am in hearty agreement with his position at least as to the main items in the bill. As a Member of Congress interested in economy, I am positively opposed to the way the other body has loaded this bill with amendments that drain the Federal Treasury.

Mr. TABER. I appreciate that.

Mr. BLAND. Mr. Speaker, reserving the right to object, I call the attention of the gentleman and the conferees to the elimination of the provision made in the House bill for the ocean-mail contracts. A most serious situation will develop if this cut is made. There is a little under \$85,000,000 due from persons who have borrowed from the construction-loan fund. In addition, there is grave danger that the business of these lines will be materially interfered with. The situation is most serious. I know it was stated in the Senate that this could be restored in the deficiency bill. This is possible if a subsidy bill is not passed; but, in the meantime, with the chaotic condition that will exist, with the fear on the shippers that the lines are to be put out of business or thrown into bankruptcy, there will be a tendency of business to go to the foreign lines, and it will be an aid and comfort to the foreign lines. It will be destructive of the American merchant marine.

I feel that this House was right in providing this appropriation. It was justified in obeying the existing law and

carrying out contracts that have been made. The President has the power to cancel these contracts if he sees fit to do so. In my opinion, he has exercised wise judgment so far in not exercising that power.

I believe to cut out this provision at this time would imperil the existence of the merchant marine, encourage foreign commerce, turn shippers to foreign flags, and send many of these lines into bankruptcy.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. LUDLOW. I assure the gentleman, who is one of the very ablest champions of an adequate merchant marine, that all of the facts and circumstances he mentions will be given very careful consideration.

Mr. BLAND. I am sure they will be by the gentleman. I am simply reminding the conferees about the gravity of the situation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. LUDLOW, BOYLAN, GRANFIELD, O'NEAL, TABER, and McLEOD.

CONSTRUCTION OF A 300-TON AIRSHIP FOR MILITARY SERVICE

Mr. O'CONNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. O'CONNELL. Mr. Speaker, the bill H. R. 10186, which I filed January 14, entitled "Construction of a 300-ton airship for military service", has attracted tremendous interest, as expressed by Members of Congress and by the personnel of several Government departments. It was also widely reported in the press of America.

This bill should attract attention, for with the demonstration of this airship there may be constructed, for commercial service, a great fleet of such airships that can be designed to be converted to military use for the protection of our country. With 50 of these airships we may have the best defense of any nation in the world. With 50 of these airships we would have 50 well-armed "airports" high up in the skies, and these "airports", with their squadrons of military planes, could be moved at 100 miles per hour to be concentrated whenever danger threatens.

With 50 of these airships we may protect our cities, our munitions factories, and our vital transportation lines from bombing attack, or with them we could send a group of a thousand military airplanes to any part of the world, a concentrated force no other nation may withstand, and in doing this we would endanger the lives of only 5,000 men.

We may risk the sum of \$6,000,000 to prove the value of the first airship, and we may have to accept the judgment of our American engineers that this airship structure is safer, stronger, and more adaptable for airship service than is the German Zeppelin frame, upon which the Akron and Macon were constructed. We may have to recognize that the American engineers who have designed and constructed our great suspension bridges know the type of structures that will best stand aerodynamic stresses, and we may have to risk \$6,000,000 on their judgment. It is worth it.

Because we have accepted the advice of Zeppelin engineers and have lost two airships, shall we continue to follow their advice and ignore our American engineers? Are we not warranted in at least showing our faith in American construction methods by giving our engineers a trial in airship construction?

The chief difference between the Respass airship and the Zeppelin airship is that Respass employs a suspension-bridge type frame and the Zeppelin employs an arch-bridge type frame. The suspension bridge is 40 percent lighter in weight than the arch bridge, and in a structure for an airship, where great strength and light weight is most important, the suspension bridge should be the superior type.

An airship requires a frame which must be strong and dependable, but must be of light weight. Upon this frame a cover is attached, and gas bags, as balloons, are installed

to lift the airship; engines are positioned to propel the airship, and control means are provided to direct its course.

The *Graf Zeppelin* has demonstrated the commercial value of the airship, and the operations of the *Akron* and *Macon* have indicated that the airship might be constructed to be valuable in military service. But the Zeppelin construction may not be the last word in engineering improvement, for the same type of construction has been followed in the Zeppelin airship for 30 years. Are we not warranted in believing American ingenuity and engineering skill can make such improvement?

There have been some comments expressed as to the possibility of constructing so large an airship to be safe, to provide the speed of 120 miles per hour, to carry 20 military airplanes, with sufficient armament for its protection, a crew of 100, with military supplies and fuel for long flights.

In America we construct suspension bridges that are several thousand feet long, and engineers who designed many of these bridges have stated they would accept a commission to design and supervise the construction of a suspension-bridge type airship frame of any size that may be desired. These engineers, having full knowledge, so far as aerodynamics is now known, of the stresses this structure must withstand, would design and build accordingly.

The total lift of an airship depends chiefly upon the volume of lifting gas in its interior balloons. Ten million cubic feet of helium gas would lift 300 tons. In a Respass airship of 10,000,000 cubic feet helium gas capacity approximately 250,000 pounds may be the fixed weight of the structure, cover, gas bags, equipment, and so forth, leaving approximately 350,000 pounds of what is termed useful weight.

This useful weight may be apportioned to provide engines, fuel, ballast, crews' quarters, and supplies, with quarters for passengers, mail, and freight when in commercial service, or for carrying airplanes, armament, military equipment, and supplies when employed in military service.

The speed of an airship is controlled chiefly by the total of its engine horsepower in proportion to the displacement of the airship. A sufficient part of the 175 tons useful load can be allotted to engines to provide a speed of 120 miles per hour, and the suspension bridge frame structure will provide the strength to withstand such speed.

To transport and service 20 military airplanes is also possible through an allotment of a part of the useful load. The *Akron* and *Macon* each demonstrated the practicability of transporting several airplanes, which were released and taken back into the airship hundreds of times. The airplanes contemplated in the bill H. R. 10186 would be the most improved type of military planes that may be redesigned without ground-landing gear, and saving approximately 33 percent of the weight, thus such airplanes may be faster and a better military unit than the planes that are required to land on the ground.

The armament of this airship may be rapid-fire guns of larger caliber and much longer range than guns carried by airplanes. These guns may be placed to fully cover all angles of approach to the airship and with the airship operating at 20,000 feet altitude its guns may reach an airplane at 30,000 feet altitude. The Respass suspension bridge structure of elastic steel cable is capable of withstanding the shock of larger guns if required.

There should be no experiment in building the Respass suspension-bridge-frame airship, for it is actually a most highly perfected "self-anchored" suspension bridge. The Brooklyn Bridge, at New York, which has given nearly 70 years' service, is a worthy demonstration of the suspension-bridge structure, and engineers of national and international reputation, who have designed and constructed our great bridges, both the arch-frame and the suspension types, have endorsed the use of the suspension-bridge structure for airships.

Whatever has been proven practical and of value, as demonstrated by the Zeppelin airships, is equally practical with the Respass airship. They both have gas cells that lift, engines that propel, and controls for guidance. The substi-

tution of a different type of frame will not change these necessary features. Thus the Respass airship is no more an experiment than the Zeppelin airship or the suspension bridge. As compared with the Zeppelin, however, the Respass airship has the following advantages:

- First. Greater strength and safety.
- Second. Greater inherent strength.
- Third. Increased length of life.
- Fourth. Decreased maintenance costs.
- Fifth. More efficient use of material.
- Sixth. Reduction in cost of construction.
- Seventh. Reduction in time of construction.
- Eighth. Ease of construction.
- Ninth. Simplicity, accuracy, and definiteness of calculation.
- Tenth. The stresses in this airship never reverse, thereby removing all fear of failure in the hull through fatigue and crystallization.

Eleventh. The net pay load will be unusually high, facilitating economical commercial operation.

These advantages were enumerated in an analysis and report by Messrs. Robinson and Steinman, consulting engineers, 117 Liberty Street, New York City, upon their examination of the plans for a Respass airship, 147 feet in diameter by 785 feet long, that was designed in accordance with specifications prepared by the Bureau of Aeronautics of the Navy Department for the construction of the *Akron* and *Macon*. Messrs. Robinson and Steinman are internationally recognized as authorities on arch frame and suspension-bridge structure, and the accuracy of their analysis has been subsequently endorsed by many of the world's leading structural and aerodynamic engineers.

There are several airship bills now presented for action by Congress. Congress may be also asked to experiment further with Zeppelin type airships constructed in the United States. It also may be suggested we should order Zeppelin airships from Germany. One bill in Congress provides limited airship construction and experimentation over a period of several years before any new type of American airships be constructed. This bill indicates another airship of the *Akron* and *Macon* type may be constructed.

I feel we should have American-designed airships as soon as they may be constructed. If we do any further "experimenting", we should do it now with large airships that may demonstrate their value for extending our overseas commerce and for military service if the need should arise for such use. These airships should be fully insured for our protection.

I think the Zeppelin design airships can be improved by our American engineers. Such improvement may result from the acceptance by Congress of the bill H. R. 2744 for commercial airship construction and operation, and the bill H. R. 10186 for the construction of a 300-ton military airship.

The inventor of the suspension bridge airship is Mr. Roland B. Respass, who is a southerner now residing in my district in Rhode Island. An inventor by profession, Mr. Respass has been successful to the extent he has been able to personally expend a very large sum, received from other inventions, in the design of the suspension-bridge airship, the construction and test of models to establish the definiteness of this structure, in employing American engineers of international repute to study this type of airship design and in an effort to secure governmental support.

He has followed the unusual procedure of determining the value of his invention before announcing it publicly. If Congress had given Mr. Respass a hearing 12 months ago I feel Congress may have then approved the bill H. R. 2744, and we might now have two American airships as large as the new Zeppelin *L. Z. 129* either completed or nearing completion. When the new Zeppelin visits our country this summer we should remember this.

Shall we continue to ignore the present opportunity to establish a major form of rapid transportation, with which we may extend our overseas trade, and may establish a military defense with which only 5,000 trained men may become an unbeatable force in the defense of our Nation.

I urge my colleagues in Congress to study and to actively support the bills H. R. 2744 and H. R. 10186. Thus we may

begin airship construction without further delay. We need new industries to supply work for our surplus labor and this may be part of the answer.

If further information as to the commercial value of large airships is desired, I recommend a study of the data supplied by the Honorable ERNEST LUNDEEN in the House of Representatives February 11, 1936, as published in the CONGRESSIONAL RECORD of that date.

CAN WE AFFORD ROOSEVELT'S NEW DEAL?

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address which I delivered last Friday afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD I insert the following radio address by me March 13, 1936:

Friends of the radio world, it is a pleasure to speak to you at this hour under the auspices of the National Broadcasting Co. This feature program entitled "Congress Speaks" was initiated a little more than a year ago. It was my privilege to be the first to address the radio world when this program was inaugurated. I come to you today, a little more than 3 years after the present administration assumed power, to ask you the simple question, Can we afford Roosevelt's New Deal? This, I believe, is pertinent at this time in view of the outspoken opposition of our enemies, who would have us believe that the accomplishments of the present administration are not commensurate with expenditures involved.

One of the questions heard most often on the floor of the House today is, Where are you going to get the money? This is a simple question and can be answered simply. In the end the people must pay for benefits received. Obviously some will have to pay more than others, but this is as it should be, for, after all, the wealth of this great Nation belongs to all the people, and all the people should share it. Just and equitable taxes can be levied requiring those who have an undue amount of worldly goods to share their part of the burden of caring for the less fortunate.

Answering the inquiry: Where are you going to get the money?—by saying that the people will pay for the benefits the people have received and are now receiving, there remains but one proposition to consider when we ask: Can we afford Roosevelt's New Deal? And that is: Do the accomplishments of the present administration balance the expenditures? I come to you today as a humble champion of the great man in the White House, Franklin D. Roosevelt, and I say, without any hesitancy and without fear of contradiction, that when we carefully and honestly survey the benefits that have come to us through the efforts of the present administration we must admit that we can afford Roosevelt's New Deal.

We must conclude that every part of the great revitalizing process so ably prosecuted by President Roosevelt has been in an effort to restore this Nation, to rout poverty, to stabilize agricultural products, to stimulate the wheels of industry, to solve the monetary problems, to provide social security, and to accomplish many other purposes definitely antidepression.

Ladies and gentlemen, when the present administration assumed control of our Government we were in the midst of the most terrible depression the American people had ever known. Our domestic trade was stagnant, our foreign commerce was paralyzed, our factories were closed, our mines were shut down, and 12,000,000 idle men and women, who were willing, able, and anxious to work, were out of employment. This condition existed with our land teeming with abundance, with more corn, more wheat, more cotton, more manufactured articles—more of almost everything necessary to sustain human life and contribute to human comforts than was ever known before in all the history of mankind—yet bread lines were stretching down the streets of our cities, men and women and children from the best families of our country were forced to eat the bread of charity or beg from door to door, people who will not get the chill of humiliation out of their blood for two or three generations. Our farmers—forced to sell their crops below the cost of production, corn for less than one-fourth its normal value, cotton for less than one-third, and wheat for the lowest figures it had reached in 500 years—saw their lands and stocks swept away for debts, and their homes sold for taxes that were levied when their crops were bringing normal value, and which they had a moral right to pay with the same price dollars used at the time these obligations were incurred.

Ladies and gentlemen, behind every cloud there is a silver lining.

The history of the world commits itself to a distinct, self-evident tradition that in times of great national emergency there has invariably arisen a forthright leader able to command the loyal obedience of his countrymen by the sheer genius of his personality and the profoundness of his program. Since the birth of our Nation, tracing our progress by the landmarks of critical emergencies overcome, we can pause and reflect in the security that America has, without fail, been equal to the exigency of every occasion. Whether it has been righteous reform or crucial revolution, there has always emerged some American who, by masterful precision, patriotic compassion, and keenness of intel-

lect, has wrested calm out of chaos and order out of confusion. Whether it has been "taxation without representation", "imperialistic infringement" of other nations, "secession from the Union", "autocracy or democracy", or war against economic bondage, as now engages our attention, America has steadfastly been able to produce on every occasion "the man of the hour." Today that man is Franklin D. Roosevelt.

Realizing that the accomplishments to date have been made under the direct leadership and by the forethought of President Roosevelt, it is well to consider here our progress under his banner since March 4, 1933. We have emerged from the depths of the most terrible depression the American people have ever known.

Our domestic trade has been awakened, our foreign commerce has considerably improved, smoke replaces cobwebs in our principal factories, the glow from the miner's headlamp is once more apparent, and our unemployment has actually decreased through governmental and private enterprise. Recently President Roosevelt flung far and wide the challenge to the American people to take stock of themselves. Our great President requested us all, individually, to ask ourselves the question, "Am I better off than I was in March 1933?" This bold fearless challenge was pointed to by Republicans and other antiadministrationists as a positive boomerang to the New Deal. Like many other cherished hopes of the opposition, this predicted boomerang failed to materialize. The die-hards and soreheads have failed utterly to reckon with the Roosevelt policy, the Roosevelt popularity, the Roosevelt frankness, and above all, the Roosevelt strategy. Apparently the great masses of the American people have accepted the challenge of the President, for the anti-Roosevelt forces have quit talking about the matter.

When President Roosevelt was inaugurated a little more than 3 years ago, he repeated before the Chief Justice of the United States his oath that he would, to the best of his ability, faithfully execute the office of the President, preserve, protect, and defend the Constitution. This was a higher promise than any made in either party platform or in any campaign speech by Franklin D. Roosevelt. The promise he made when he took his oath of office bound him to preserve the Government at any cost. Ladies and gentlemen, President Roosevelt has preserved our Government. The cost has been great, but it has been a big job. Instead of bankrupting the Nation as the opposition predicted, President Roosevelt has, in preserving democratic government, rescued us from bankruptcy and is now heading us on the road to recovery. While the President has been preserving our Government he has been called a Socialist, a Communist, a Fascist, and a dictator; but the fact is that the present administration has probably saved our country from socialism, communism, fascism, dictatorship, and even incipient revolution.

Ladies and gentlemen, even if the cost had been five times what it has, the accomplishment of the present administration would have justified the expenditures. Even though we take no account of the fact that a Government has been preserved and that our people have been saved from starvation, misery, and want, the rise in the national income alone during the last 3 years justifies the cost of the New Deal. We will remember that while the previous administration was piling up a deficit of approximately \$5,000,000,000, our national annual income fell from almost ninety billion to about forty billion dollars. Add to this the unemployment created, the misery and the suffering of a great people, and the destruction of their morale and we have the cost entailed by the previous administration.

Ladies and gentlemen, even though the opposition may contend that we cannot afford Roosevelt's New Deal, we submit the accomplishments of the present administration in support of the proposition that we can afford Roosevelt's New Deal. Agriculture has been aided. In 1933, the farmers' cash income was two and one-half billions greater than in 1932. Foreclosures have been stopped by F. C. A. loans. Profitable prices have replaced bankruptcy prices. In spite of a serious Court set-back, a national program of soil conservation and planned production is again being administered. The H. O. L. C. has saved a million city families from eviction, and many private lending insurance companies have been made solid. The H. O. L. C. on its mortgages and the R. F. C. on its loans to finance industry have established a record of collections on the billions loaned. Utility rates have been widely reduced. Schools have been kept open by the program of Federal aid for education. Labor has received recognition never recorded in any previous administration. It has gained the right to bargain collectively, and has secured means of enforcing that right. Relief has been extended to millions of our fellow citizens. Employment has been provided for those who previously walked the streets, seeking in vain for work that could not be found. The C. C. C., P. W. A., and the W. P. A. have helped to relieve the unemployment problem, besides adding many improvements of a useful and permanent nature.

These programs have made it possible for our people to secure work and at the same time retain their morale, which is so necessary under a democratic form of government. Government work has been made necessary because private industry has been unable to cope with the ravaging effects of the depression, but now business is better because of the accomplishments of the present administration. The business index has advanced from 60 to 95 percent of an estimated normal. Our banking system, which was prostrate when President Roosevelt assumed his office, has been repaired until the confidence of depositors has been raised from the lowest to possibly the highest ebb known in the history of our country. When the President was inaugurated, banks were closing their doors by the thousands, but today bank failures seem a thing

of the past. A measure of social security has been established by unemployment insurance and pensions for our aged people. The effects of this program, as soon as same can be realized, will go a long way toward averting future depressions.

The Nation 3 years ago was caught in a maelstrom of devitalizing confusion and prejudice, with the forces of construction vesting their welfare in the sympathetic and responsive personality of Roosevelt. The President has launched forth in a manner comparable to George Washington to check and overthrow a political imperialism and a capitalistic oligarchy. Like Washington, he has promulgated ideas and changes that are revolutionary. The spirit of each was conceived in an ever-watchful and an ever-responsive attitude to safeguard American welfare.

America, with Franklin D. Roosevelt in the White House, entered upon a new path of national destiny. From the proclamation ordering the bank holiday to the personal message by the President to the heads of 54 nations, Roosevelt advanced from a vigorous and compelling national leader to a wise and humane world leadership. Behind this phenomenon lies a series of facts—issues, events, personalities—upon which the fate of a man and the destiny of a nation rest. The circumstance of Mr. Roosevelt's nomination and election is too profoundly a part of America's present survival and future progress to be left loosely spread over the incoherent reportings of the daily press and ephemeral reflections of periodical comment. Even today we cannot see clearly whither events are leading nor how far we may be carried before equilibrium is reached and this sliding civilization of ours shall once more come to rest. Of one thing we are sure, that the great man in the White House today is bending his every effort for the betterment of his country, and we know we are safe in his hands.

Oh, I know we are not yet "out of the woods"; but admitting all blunders and minimizing the many accomplishments of the present administration no one can deny that President Roosevelt has saved us from chaos, freed us from despair, and restored our faith and confidence.

Ladies and gentlemen, we can afford Roosevelt's New Deal, and we must continue to support his program in the hope that recovery from the depression will continue and that conditions will soon return to normalcy.

Paraphrasing the words of that great orator, Patrick Henry, I know it is natural for men to indulge in the illusions of hope. I know we are apt to shut our eyes to a painful truth and listen to the song of that siren until she transforms us into beasts. And I know that this is not the part of wise men engaged in a great and arduous struggle for life, property, and the pursuit of happiness. And I hope we will not be of that number who, having eyes see not, and having ears hear not the things that so vitally affect our very existence. God forbid that we fail to do our duty in this the greatest crisis in the history of our country. I trust that we may all work and hope and pray that America march forward and onward, supporting the New Deal with President Roosevelt in the interest of all the people and not a favored hereditary few. If we do this the specter of unemployment, poverty, and greed will be supplanted by the Golden Rule rather than the rule of gold which has so dismally engulfed us.

EXEMPTION FROM TAXATION OF CERTAIN ASSETS OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 451

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3978, an act "Relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity." That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SNELL. Mr. Speaker, is this a rule to take up a bill that was defeated in the House last week sometime?

Mr. SABATH. I do not know whether it was defeated. I think it was before the House for consideration.

Mr. SNELL. Was it not defeated?

Mr. SABATH. I was not here that day.

Mr. BLANTON. It was defeated under the two-thirds rule.

Mr. SNELL. May I ask the Majority Leader the question?

Mr. BANKHEAD. It is not the same bill. It is a similar bill. This is the Senate bill.

Mr. MARTIN of Massachusetts. It is the same bill with an amendment which the House rejected.

Mr. BANKHEAD. I do not know.

Mr. SNELL. It seems to me that somebody on that side ought to know something about a bill which is going to be brought up here for consideration. This is a bill that was rejected last week.

Mr. SABATH. This has been requested by the Banking and Currency Committee. There is a unanimous report, and a unanimous request for the rule.

Mr. SNELL. I think they ought to know what the bill is all about.

Mr. SABATH. This is an open rule.

Mr. BANKHEAD. Has the gentleman received the information he desires?

Mr. SNELL. I did not get any information except that the gentleman did not know anything about the bill they are going to bring up.

Mr. SABATH. It is a similar bill, I may say, but there is an amendment.

Mr. SNELL. Is it the amendment that was rejected by the House last week?

Mr. SABATH. I am informed not.

Mr. BLANTON. Will the gentleman from Illinois yield?

The SPEAKER. The Chair may say that all this conversation is out of order.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to ask the gentleman from Illinois one question.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. I want to ask the gentleman from Illinois if it is not a fact that a bill called up under suspension which requires a two-thirds vote, and it lacks the two-thirds vote, is not defeated.

Mr. SNELL. I would like to answer the gentleman's question.

Mr. SABATH. The gentleman from New York is familiar with what happened.

Mr. SNELL. Yes; I am familiar with what happened. It was defeated under a regular vote, not under suspension at all.

SHALL CONGRESS PREVENT LOCAL COMMUNITIES AND THE DIFFERENT STATES FROM PROPERLY TAXING LOCAL PROPERTY USED FOR PRIVATE GAINS?

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an excerpt from existing laws.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Reconstruction Finance Corporation has authorized the purchase of \$100,000,000 in preferred stock of national banks. The money has not as yet been paid and will not be paid until the bill to exempt the stock from taxation is finally passed upon by Congress. This bill is to be before the House the second time this session tomorrow, March 18, 1936. If the bill passes as proposed by the Banking and Currency Committee, local communities, including States, counties, and political subdivisions, will be compelled to strike from their tax rolls a hundred million dollars' worth of taxable property. The banks receiving this money will be charged 3½-percent interest. My information is that the banks would not object to paying the local taxes in addition to the 3½-percent interest, as they would then be getting a good bargain, but the law, if this bill passes, will prevent them from paying the taxes unless they want to make a direct contribution, and I doubt that the directors would feel authorized to do that.

ON ONE DISBURSEMENT, NOT YET MADE, BANKS WILL BE SAVED
\$2,000,000 A YEAR

It is my impression that the Reconstruction Finance Corporation would not object to writing into their contracts with these banks a provision that they will take care of all local taxes as heretofore, but the Reconstruction Finance Corporation cannot require this unless the Banking and Currency Committee's recommendations are changed. In other words, the Banking and Currency Committee is asking us to vote for a bill that will withdraw from taxation a hundred

million dollars in taxable property that is now upon the tax books of the different States and local governments, and the committee refuses to recommend an amendment that will permit these banks to pay the local taxes or permit the R. F. C. to require the taxes to be paid. This means a difference of about \$2,000,000 a year on this \$100,000,000 purchase. I presume that the members of this committee have reasons sufficient in their own minds to justify this action, but I fail to see upon what theory such a course is taken.

HOW BILL SHOULD BE CHANGED

This bill should be changed so that the Reconstruction Finance Corporation may require the payment of local taxes in all new contracts, and the banks receiving the money will be permitted to pay the taxes as heretofore. A new section should be inserted immediately after section 302, title 3, of the act approved March 9, 1933, as amended, and designated as section 302 (a), reading as follows:

Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency, pursuant to action taken by its board of directors, issue to the Reconstruction Finance Corporation its capital notes or debentures in such amounts and with such maturities as the Comptroller of the Currency may approve. The holders of such capital notes or debentures shall be entitled to receive such interest, at a rate not exceeding 6 percent per annum of the principal amount thereof, and shall have such conversion rights, priorities, control of management, and other rights, and such capital notes or debentures shall be subject to retirement or redemption in such manner and upon such conditions as may be provided therein with the approval of the Comptroller of the Currency.

Section 303 of said act approved March 9, 1933, as amended, should also be further amended by inserting after the words "preferred stock", appearing in the last sentence of said section, a comma and the words "or capital notes or debentures."

Section 304 of title 3 of said act approved March 9, 1933, as amended, should be further amended, as follows:

Strike out the words "preferred stock" appearing in the first sentence of said section and insert in lieu thereof the words "or purchase preferred stock, capital notes, or debentures" and strike out the third sentence of said section.

DEFEAT IT IF AMENDMENTS NOT ACCEPTED

Unless these amendments are inserted, the bill should be defeated.

These amendments will not take care of past transactions but will make it possible to prevent future transactions that will remove local property from local taxation.

SERIOUS INJUSTICE TO CERTAIN STATES

If this bill passes, it will upset the tax laws in a great majority of the States that have passed laws in conformity with an act of Congress.

THREE METHODS STATES MAY USE TO TAX NATIONAL BANKS

Section 5219 of the Revised Statutes Act of June 3, 1864, provides as follows:

548. State taxation: The legislature of each State may determine and direct, subject to the provisions of this section, the manner and place of taxing all the shares of national banking associations located within its limits. The several States may tax said shares, or include dividends derived therefrom in the taxable income of an owner or holder thereof, or tax the income of such associations, provided the following conditions are complied with:

1. (a) The imposition by said State of any one of the above three forms of taxation shall be in lieu of the others.

(b) In the case of a tax on said shares the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: *Provided*, That bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

(c) In case of a tax on the net income of an association, the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon the net income of mercantile, manufacturing, and business corporations doing business within its limits.

(d) In case the dividends derived from the said shares are taxed, the tax shall not be a greater rate than is assessed upon the net income from other moneyed capital.

2. The shares or the net income as above provided of any national banking association owned by nonresidents of any State, or

the dividends on such shares owned by such nonresidents, shall be taxed in the taxing district where the association is located and not elsewhere; and such associations shall make return of such income and pay the tax thereon as agent of such nonresident shareholders.

3. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof, to the same extent, according to its value, as other real property is taxed.

4. The provisions of section 5219 of the Revised Statutes of the United States as in force prior to March 4, 1923, shall not prevent the legalizing, ratifying, or confirming by the States of any tax heretofore paid, levied, or assessed upon the shares of national banks, or the collecting thereof, to the extent that such tax would be valid under said section. (R. S., sec. 5219; Mar. 4, 1923, c. 267, 42 Stat. 1499.)

Thirty-one States in the United States have elected by their respective laws to tax national banks upon their shares of stock. These States are as follows: Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, and West Virginia.

Seventeen States and the District of Columbia have elected to tax national banks according to earnings on their shares of stock, or according to the income of the corporation, but do not tax directly the shares of stock. According to the Federal law, if a State elects to tax according to one of the three methods, it cannot levy taxes by any of the other two methods. These 17 States are as follows: Louisiana, Maine, Mississippi, New Hampshire, New Jersey, Utah, Vermont, Washington, Wisconsin, Alabama, California, Connecticut, Massachusetts, New York, Oklahoma, Oregon, and Wyoming.

R. F. C. CREATED IN 1932, AND COULD NOT PURCHASE PREFERRED STOCK OF NATIONAL BANKS

On January 22, 1932, the Reconstruction Finance Corporation was created. Section 10 of the act provided:

The Corporation, including its franchise, its capital reserves and surplus, and its income, shall be exempt from all taxation.

March 9, 1933, the Reconstruction Finance Corporation was authorized to purchase preferred stock from national banks and capital notes and debentures of State banks and trust companies. No specific tax exemption was enacted at that time. Up until that time national banks did not have the right to issue preferred shares of stock.

CONGRESS INTENDED STOCK TO BE TAXED

It should be remembered that at the time of the creation of the Reconstruction Finance Corporation in 1932 and at the time that the corporation was authorized to purchase shares of stock of national banking associations, it was the law that all shares of national banks, no matter by whom owned, shall be subject to taxation. This is very plain and I cannot possibly construe it any other way except that the Congress in authorizing preferred shares of stock issued by national banks to be sold to the R. F. C. expected these shares of stock to be taxable, otherwise a specific exemption would have been written into the law, since the law was plain and unmistakable that all shares in national banks no matter by whom owned shall be subject to taxation.

UNANIMOUS DECISION OF SUPREME COURT HOLDS STOCK TAXABLE

The R. F. C. purchased a million dollars of stock in the Baltimore National Bank, Baltimore, Md. Although this bank had theretofore paid the State of Maryland and all local taxing units taxes based upon this valuation, after the R. F. C. purchased the stock this bank pleaded that it was tax-exempt. The State tax commission upheld a tax upon the shares, overruling the protest of the bank, which made a claim of immunity. The case went to the circuit court of appeals and then to the United States Supreme Court. The facts and the law were so plain and unmistakable that the Supreme Court by a unanimous decision held that the State of Maryland and all the taxing subdivisions in that State still had the same right to tax these shares that it did before the R. F. C. purchased the stock.

SPECIFIC EXEMPTION OF SHARES OF STOCK

A bill, H. R. 11047, was introduced in the House by Congressman T. ALAN GOLDSBOROUGH, of Maryland, which pro-

vided for a specific exemption of shares of stock in national banks from all taxation by the States and political subdivisions thereof when such stock is held by the R. F. C. A similar bill, S. 3978, was introduced by Senator DUNCAN U. FLETCHER, of Florida, in the United States Senate. The Senate, February 24, 1936, passed the bill by a vote of 38 for to 28 against.

SO-CALLED CLARIFYING OR PERFECTING AMENDMENT

In the discussion in the Senate, many of the questions I have raised were not discussed at all and none of them discussed thoroughly. I think the Members of that body looked upon the bill as a clarifying amendment, as it was called, or a so-called perfecting amendment to existing law. These terms, so often used, lull many of us to sleep while bad legislation goes through.

HANDICAPPED BY LIMITED TIME FOR DEBATE

This problem probably had not reached the House when the House bill was taken up February 25. A rule was adopted in the House on February 25, 1936, which permitted consideration of this bill and allowed 2½ hours for general debate. There was but 1 hour's debate on the rule. In other words, there were 210 minutes allowed to debate this bill. I had appeared before the Rules Committee and protested the granting of the rule to consider this legislation. The rule, however, was granted, but I thought an understanding existed between the Rules Committee and those having charge at the time that I and others who were opposed to the bill would be allowed a fair division of the time, but, instead of us getting 105 minutes, one-half the time, we received only 48 minutes in opposition to the bill. I received only 5 minutes one time on the rule and 15 minutes on the bill. Notwithstanding this handicap by reason of lack of time, we succeeded in convincing the House that the bill was a bad bill and should be defeated, and, on a roll-call vote, shown on page 2794 of the daily CONGRESSIONAL RECORD, 137 Members of the House voted against the bill and 165 for it.

I immediately moved to reconsider the vote and to lay that vote on the table, which was carried. This prevents the House bill from again being called up during this session of Congress.

NOW SENATE BILL

However, in the meantime the Senate bill had been sent over. I have never before heard of the proponents of any bill getting full consideration in the House on two different occasions on two different bills during the same session of Congress. Yet the Committee on Banking and Currency of the House held another hearing on the same bill that was defeated by the House with the expectation of again getting consideration of the measure.

I want to tell you what this bill will mean to the different States, counties, cities, road districts, and school districts, and how it will affect other people who are holders of the same kind of shares, and how it will affect other national banks that have not sold shares of stock to the Reconstruction Finance Corporation, and how it will affect the State banks in the different States:

First. If a bank's capital stock is a million dollars, one-half of it, \$500,000, is preferred stock; and if \$250,000 of this preferred stock is held by the R. F. C., it will be tax-exempt; and although it has been on the tax rolls in that locality for years before, it will be taken off by orders of the United States Congress, whereas the other \$250,000 of preferred shares held locally will be taxable, and the bank will pay taxes on it as heretofore.

Second. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction under this bill, while the national bank across the street that has not sold any of its shares to the R. F. C. will not obtain any tax reduction. It will pay taxes as heretofore.

Third. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction, but the State bank across the street will be compelled to pay taxes as heretofore.

Fourth. It will set a precedent which, if carried to its logical end, will cause Congress to pass the necessary law that will give all other national banks the same amount of

tax exemption in the respective States and local communities where they are located.

Fifth. It will be a precedent for Congress to pass the necessary law to reduce taxation 50 percent on all banks in the 17 States and the District of Columbia where another method other than taxing shares of stock is in force. I refer specifically to the 17 States listed above.

If Congress can pass the bill under consideration and it is constitutional, it can certainly pass a law that will grant tax relief to the same extent and to the same proportionate amount to all national banks in the 17 States and District of Columbia using other tax methods, and it can pass a valid law that will grant all national banks, although no stock in them are held by the R. F. C. from taxation in excess of 50 percent or any amount of their shares of capital stock.

BAD PRECEDENT

In other words, no precedent could be worse than Members of Congress to assume the jurisdiction of taking from the tax rolls of States, counties, and cities taxable property that has been and should now be legally upon those rolls. At this time when the various States are seeking fair methods of taxation for the purpose of meeting their shares of the burden by reason of the passage of the social security law passed by Congress, it is proposed that we now take this source of taxable wealth away from them.

AMOUNT OF TAXES 31 STATES WILL LOSE

If this bill becomes a law, the banks in the following States will be granted immunity from taxation to the amount stated in column 1 opposite the name of the State, which will cost these different governments to lose in actual tax money that would ordinarily be paid by these banks the amount stated in column 2:

	Immunity	Loss to governments
Arizona	\$1,340,000.00	\$68,608.00
Arkansas	1,275,000.00	33,369.75
Colorado	4,101,000.00	201,564.15
Delaware	137,300.00	274.64
Florida	1,177,500.00	1,177.50
Georgia	1,507,500.00	46,732.50
Idaho	565,000.00	23,557.17
Illinois	72,797,614.17	2,495,138.23
Indiana	6,857,980.00	17,144.95
Iowa	6,323,400.00	18,970.20
Kansas	2,190,500.00	91,913.38
Kentucky	3,182,350.00	41,370.55
Maryland	2,607,540.00	31,811.98
Michigan	17,680,610.00	565,249.10
Minnesota	11,211,000.00	403,596.00
Missouri	4,217,125.00	81,095.31
Montana	1,061,000.00	22,281.00
Nebraska	4,842,450.00	48,424.50
Nevada	175,000.00	7,199.50
New Mexico	401,000.00	17,283.40
North Carolina	1,317,500.00	24,360.57
North Dakota	1,897,000.00	61,870.65
Ohio	22,828,073.00	45,656.15
Pennsylvania	19,394,886.50	77,579.54
Rhode Island	648,500.00	2,594.00
South Carolina	1,505,000.00	135,570.40
South Dakota	2,748,000.00	10,992.00
Tennessee	7,790,000.00	179,014.20
Texas	21,969,625.00	714,685.18
Virginia	3,043,900.00	30,439.00
West Virginia	2,416,066.66	13,215.88
Total	229,209,420.33	5,512,736.38

Representatives from other States are asked to vote for this bill because it is claimed that it will not affect them and their congressional districts. A bad precedent always affects a Member of Congress if he votes for it regardless of who happens to be directly affected at the time. If this bill should become a law and we must presume that the banks in other States will pursue logically and reasonably this same course and direction, the banks in the 17 States and District of Columbia listed below will also ask for a 50-cent tax reduction; and if they are successful, the amount set opposite the names of the State will be taken from the State, county, city, and all tax rolls:

Louisiana	\$4,340,000.00
Maine	2,455,600.00
Mississippi	2,629,000.00
New Hampshire	501,635.00
New Jersey	28,648,575.82

Utah	\$1,250,000.00
Vermont	497,500.00
Washington	2,062,500.00
Wisconsin	14,573,850.00
Wyoming	565,000.00
Alabama	6,612,400.00
California	16,716,925.00
Connecticut	3,698,426.00
District of Columbia	1,100,000.00
Massachusetts	9,190,800.00
New York	126,249,715.83
Oklahoma	8,902,500.00
Oregon	702,500.00

WILL SET PRECEDENT FOR WHOLESALE EXEMPTIONS

Let us see how far this bad precedent might lead. It is said that the stock held by the Reconstruction Finance Corporation in a national bank should not be taxed because the R. F. C. is a governmental agency. It is also true that a national bank is a governmental agency. If this so-called reasoning is carried to its logical end, the next move will be to exempt from taxation all shares of a national bank stock that are held by another national bank. Under existing law in Texas a national bank pays taxes upon its capital stock, surplus, and undivided profits less, however, the value of the real estate. These banks do not have to pay a gross-receipts tax as many other public-service corporations have to pay in Texas. Neither does it have to pay upon its commercial notes and accounts as citizens and other corporations are legally bound to pay in Texas. They are exempt from these different methods of taxation because the shares of stock are taxed; the State having elected that method of taxation. If a national bank in Texas owns shares of stock of another national bank, these shares of stock are taxed, notwithstanding the law in Texas that only the capital, surplus, and undivided profits less the amount of real estate rendered shall be taxable. If the R. F. C. is right in its interpretation and you use the same logic and reasoning, no national bank should pay taxes upon shares of stock held in other national banks. If this policy is enacted, it will lead to wholesale exemptions from taxation.

Remember that the taxes are not levied or laid upon the Reconstruction Finance Corporation. They are levied upon the assets of another corporation which the Supreme Court has held must pay the taxes in the first place.

PERMISSION TO ADDRESS THE HOUSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to proceed for 2½ minutes.

The SPEAKER. The Chair may say to the gentleman there are three special orders today. The Chair does not desire to recognize anyone to make a speech until disposition of these special orders. If the gentleman from Ohio [Mr. CROSSER] yields to the gentleman from Montana [Mr. MONAGHAN], the Chair will be glad to put the request.

Mr. CROSSER of Ohio. I yield to the gentleman from Montana.

The SPEAKER. The gentleman from Montana asks unanimous consent to address the House for 2½ minutes. Is there objection?

Mr. FULLER. Mr. Speaker, reserving the right to object, on what subject does the gentleman desire to address the House?

Mr. MONAGHAN. I would like to explain why I think the pending radio bill ought to be enacted into law.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, at the last session I introduced a bill providing for Government ownership and control of the radio facilities of this country. There is not a more powerful argument that I could present to this body for the enactment of such a law than the experience which I am having in my own State with the Power Trust, which controls the large radio station in Butte, namely, KGIR.

Since I had an idea that such tactics would be employed, on January 5 I had Mr. Albert Haskell, an undisclosed agent, apply for time on KGIR station for me the evening before the next election, July 20. The Anaconda Corporation, which I have always fought—most strenuously in connection with the

strike which occurred in the summer of 1934—realizing how beneficial time on the radio the night before election is, has not only refused to give a positive contract to my undisclosed agent but in a subtle manner refused to give me any definite contract for time, stating that they had "scheduled seven now, and will only move for some outstanding national program", in which event I would be moved to "next nearest available time." As I stated in my wire to them, this made the time so contingent that it might be midnight, at which time I would be prohibited by law from making the speech. They made no effort to disguise their discrimination.

By so doing they violated section 202 (a) of the Federal Communications Act, which makes unlawful such discrimination, and I have called upon Mr. John Tansil, United States attorney for Montana, to institute proper proceedings in the Federal court for issuance of a writ of mandamus to compel KGIR to give me a definite contract for this time.

In order that the full facts be called to the attention of the House I ask, Mr. Speaker, that this telegram be printed at this point in the RECORD.

Mr. RICH. Mr. Speaker, I shall object to the telegram until I know whom it is from.

Mr. MONAGHAN. It is a telegram I sent to the United States district attorney.

The SPEAKER. Is there objection to the request of the gentleman from Montana to print the telegram referred to?

There was no objection.

The telegram referred to follows:

MARCH 16, 1936.

Hon. JOHN TANSIL,

United States District Attorney, Butte, Mont.:

On January 5, Mr. Albert Haskell, acting as my undisclosed agent, wired KGIR radio station for time, evening July 20, night before election. The station refused to sell definite time. On January 14, I wrote to the station, disclosing my identity as principal, asking for any time available, preferably hour previously stated. Manager of KGIR, in letter to me, stated he would see me in Washington, and talk about the situation. In my office, he gave me no assurance of time. March 11, I wired setting forth the facts previously referred to and said, "I now ask an immediate response with respect to the possibility of obtaining time. Your response or failure to respond within 24 hours will be regarded as acceptance or rejection." To which I received following response: "Thought matter of time straightened out to your satisfaction when I was in your office recently and said I would reserve time as near 7 as possible for your talk July 20. Have it scheduled 7 now, and will only move for some outstanding national program in which case you would move next nearest available time. What's the matter, isn't my word good? Signed, Ed Craney." Note language "scheduled 7 now, and will only move for some outstanding national program." This time I sent the following response: "Reply regarding time July 20, so contingent it could be moved midnight when I would be prohibited by law from making speech. See no reason why given definite contract 1934 primary, months in advance, and refused this time. Refusal make time definite tantamount no assurance time, therefore, in effect, refusal. I respect your word, Ed, but have never found radio station yet willing take mine; always had sign contracts even with your station, therefore insist upon having definite contract for my own protection." To this wire I have not as yet received response. I now call upon you as United States district attorney to institute proceedings in the United States District Court of the State of Montana, to issue a writ of mandamus to compel KGIR to sell me the time which I have requested, refusal of which constitutes a violation of section 202 of the Federal Communications Act of 1934, which states: "It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for, or in connection with, like communication service directly or indirectly by any means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage. Section (b) charges or services whenever referred to in this act include charges for or services in connection with the use of wires in chain broadcasting or incidental to radio communication of any kind. Section (c), any carrier who knowingly violates the provisions of this section shall forfeit to the United States the sum of \$500 for each such offense, and \$25 for each and every day of the continuance of such offense." For your information, I have positive proof that failure to give me time is a trick by which opposing interests hope to defeat me, it having been positively asserted by a radio announcer of KGIR that I would never win the Senate race. Asked why, he said he had some inside dope. Please advise me at the earliest possible moment with respect to this matter.

JOSEPH P. MONAGHAN,

Member of Congress, First District, Montana.

Mr. MONAGHAN. I bring this to the attention of the House to urge the enactment of my bill (H. R. 8475) to provide whole-

some radio programs, free from monopolistic domination and control on the part of vested interests, and to make available to all our people adequate radio service. Thus taking this great avenue of public education and enlightenment away from the Power Trust monopoly and other corporations, and putting it back into the hands and the control of the people where it properly belongs.

[Here the gavel fell.]

LABOR AND FARM POLICIES OF NEW DEAL

Mr. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address recently delivered by myself.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDRESEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered yesterday over a Nation-wide hook-up of the Columbia Broadcasting System.

During the past 3 years nearly \$25,000,000,000 of the people's money has been spent by the administration for governmental purposes and for priming the pump so as to put the unemployed back to work in private industry. Yet, despite all of this spending the American Federation of Labor has just announced "that unemployment increased more in January of 1936 than during any January in the last 5 years." This organization reports the unemployment figures for January to be 12,626,000, an increase of 1,229,000 over December of 1935. Relief officials estimate more than 20,000,000 persons on public relief.

INCREASING NATIONAL DEBT, EXPENDITURES AND UNEMPLOYMENT

It is high time for the American people to take inventory of assets and liabilities. Who will pay the \$34,000,000,000 national debt which is estimated will be on our hands by the end of the year? Why, the taxpayers, of course; and the taxpayers are not one class of the people. They are all of the people—rich and poor alike. More than 60 percent of the taxes will be in the form of indirect taxes, which are concealed, and paid by all consumers in increased costs of goods and merchandise purchased. It is estimated that the average American family pays an annual indirect tax of \$300. This tax will increase so long as the administration continues to spend \$2 for every dollar of income.

I sincerely believe that public expenditures should be made to take care of those in need and distress during a great national emergency, but I cannot concur in many of the wasteful and political policies practiced by the administration in the present crisis.

With twenty millions on relief and more than twelve millions unemployed, we have a right to question the administration's relief and work programs. Billions are being spent in thousands of work projects in all parts of the country. In accordance with Presidential order, these projects only provide work for people on the relief rolls. Millions of our citizens, who have used up their savings and have lost their homes, are being forced to go on relief, believing that they will secure work on some public project, only to find a Presidential order which prohibits their employment unless on relief prior to November 1 of last year.

Is such a policy fair to these unfortunate people? I have repeatedly requested the President and Mr. Hopkins to change this order so that worthy men and women may secure work when work is available. Thus far these officials have refused to recognize the appeal. Instead they have brusquely crushed the hopes of millions who are anxious to get work so as to provide for themselves and their families.

RELIEF FUNDS USED FOR POLITICAL PURPOSES

If the Federal Government is to continue the relief program, then wasteful practices and political pressure should be eliminated. Dollar value should be received for every dollar spent. The top-heavy and expensive political organization now used in the name of relief largely to build a Nation-wide political machine, should be cast into discard. Proper administration of relief would eliminate the criticism now being offered by leading Democratic Senators and House Members. But how can this evil be cured?

Federal relief funds could be distributed on a per-capita basis to county and city authorities. Up to 3 years ago these authorities had charge of local relief. They are familiar with local conditions, and, if such funds would be turned over to them, they would employ twice as many worthy individuals on necessary local projects as are now employed under the present political system. Eight billion five hundred and seventy million dollars have been appropriated for relief during the past 3 years. This sum divided on a per-capita basis would yield approximately \$65 for every individual in the country. A county or city with a population of 300,000 would have received nearly \$20,000,000. Such a distribution of the taxpayers' money would be on a fair and equitable basis and the funds would be more than adequate to take care of local relief problems. Local machinery is at hand, but I assume that the acceptance of this proposal would interfere with the administration's political plan.

What has happened to the relief money? Why are the unemployment and relief rolls constantly growing? Why doesn't the President change his relief policy so that worthy unemployed may

secure work before being forced to go on relief rolls? Is it because they must first become a part of a great political machine before they can secure work on public projects, or what is it? The American people, and particularly the unemployed, have a right to hear the answer.

AMERICAN MARKETS FOR LABOR AND FARMER

Millions of unemployed could be put back to work today in industry and agriculture if the administration would permit our farmers and laboring men to enjoy the full benefits of the American market. This country is the best market in the world. The unemployed and the millions of farmers who are barely able to eke out a living, are the best potential customers for automobiles and other manufactured and farm products produced in this country. Unemployment will continue to increase and agricultural distress become more aggravated so long as the New Dealers pursue the policy of giving our American markets to foreign farmers and cheap foreign labor.

I do not suppose there is any point in repeating to the New Dealers that this country cannot compete with other countries in production, for the reason that labor costs, taxes, and standards of living are lower in other countries than they are here.

AGRICULTURAL IMPORTS INCREASED FOR 1935

We have listened to the purr of the New Deal about the increase of hundreds of millions of dollars in exports, but what are the facts and figures for 1935? The Department of Commerce supplies the answer. Its report shows that in 1935 our exports were 7 percent greater than in 1934, and the increase for total imports for the year was 24 percent. A large percentage of the increase in imports consisted of competitive farm products now produced in sufficient quantity in this country to take care of domestic consumption.

Under the theory that we were producing a surplus of farm products, the farmers of this country were induced to take around 30,000,000 acres of farm land out of usual production so as to produce less. They complied with the idea of scarcity only to find that after 3 years of experimentation, they were providing an abundant American market for cheaply produced foreign farm products of the same kind as they took out of production.

For the benefit of the farmers, I will give some of the farm imports for the year 1935 and the percentage increase over 1934: 202,000,000 pounds of wool, an increase of 85 percent—this represents wool from 25,000,000 foreign sheep; 17,500,000 bushels of flax, an increase of 24 percent—this represents flax from 1,750,000 acres of foreign land; 27,400,000 bushels of wheat, an increase of 255 percent—at 15 bushels to the acre this wheat represents 1,830,000 acres of foreign land; 43,200,000 bushels of corn, an increase of 1,361 percent—at 40 bushels to the acre, foreign corn farmers were given a market in this country for more than 1,000,000 acres of corn land; 9,600,000 bushels of rye, an increase of 27 percent—at 15 bushels to the acre, this item represents 640,000 acres of foreign land; 364,623 head of cattle, an increase of 532 percent; 320,000,000 pounds of malt made from barley, an increase of 66 percent. In addition, 4,839,000 bushels of barley were imported. This barley and malt provided a market for more than 700,000 acres of foreign farm land.

I hope some of the cotton farmers will hear the next item of imports. One hundred and sixty-six million pounds of cottonseed oil—an increase of 1,720 percent over 1934.

Then, to cap the climax, and for the particular benefit of the dairy industry, the New Dealers have put their stamp of approval on the importation of 22,674,000 pounds of butter, which is an increase of 1,948 percent over 1934. The total dairy imports for 1935, in terms of milk, amounted to 1,118,000,000 pounds. At 4,000 pounds of milk per year for the average milk cow, the dairy farmers of this country gave way to 279,000 head of foreign milk cows. These cattle consumed feed and pasture from several hundred thousand acres of land. Surely a governmental program in which our domestic market is given to foreign farmers can be of no benefit to American agriculture.

RECIPROCAL-TRADE AGREEMENTS

Apparently the administration was not satisfied with the damage already done to agriculture, so last year the President and the Secretary of State proceeded to negotiate reciprocal-trade agreements with many foreign countries which permit an additional importation of competitive farm products under greatly reduced tariff rates.

It cannot be out of place for me to call your attention to a promise made by the President in Baltimore on October 26, 1932. I quote from his speech: "I know of no excessive high duty on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program."

Did the President keep this pledge to the farmers? He did not, for on January 1 of this year he put into effect the crowning achievement of his administration in the form of a reciprocal-trade agreement with Canada. Dairy, livestock, and poultry farmers were required to bear the major sacrifices of this agreement. Protests were lodged with the administration by farm organizations and farm leaders against any reduction of agricultural duties, but they were brushed aside in the merry scramble to give away the domestic market to foreign farmers.

While we do not have official figures to show the results of the trade agreements, Department of Commerce reports disclose a large increase in farm imports for the month of January this year as compared with January of 1935. Cattle imports increased from 5,828 head to 21,410 head; butter increased from 539,124 pounds to 859,644 pounds; beef, pork, veal, poultry, and mutton increased from 6,491,296 pounds to 11,722,320 pounds.

The farmers of Canada are jubilant over the fact that the President of the United States has provided them with a good market in this country. On the other hand, we hear grumbings of protest from American farmers that their home market is being taken away from them. Why shouldn't they protest? Before the shades of November are drawn, these farmers will register their protest in understandable language.

INCONSISTENCIES OF FARM PROGRAM AND PROPOSALS

It is not my purpose to criticize the policies and expenditures for agriculture during a time of emergency. I know that the millions of checks sent to the farmers helped increase the income of those who received them. In my opinion, the farmers of the country must have their income and purchasing power restored before we can have complete recovery for all branches of our complicated economic structure.

The farm problem is not a political proposition, nor can it be cured by one stroke of the pen in a single piece of legislation. The time has come for the adoption of a permanent program, and, therefore, I feel that we have a right to criticize the evils and inconsistencies of the New Deal plan now in effect, so as to bring about the enactment of beneficial and constitutional laws which will be of lasting value to American agriculture and the country as a whole.

I have pointed out some parts of the farm program which I believe are inconsistent, and in the long run, will work to the disadvantage of domestic agriculture. If our farmers are to curtail production, then they should have the full benefit of the domestic market as the first principle in any sound program. The reciprocal-trade arrangements should be canceled, and the law passed in the Seventy-third Congress granting absolute authority to the President to negotiate trade agreements should be repealed.

I feel that the farmer and home owner should have the lowest possible rate of interest upon their indebtedness. The adoption of a soil-conservation program of equal benefit to all branches of agriculture will be for the general welfare of the entire country. Our foreign markets can be reestablished by the payment of export bounties on surplus products, and subsidies should be paid on that part of the production which goes into domestic consumption so that all farmers may have the benefit of the tariff.

Time will not permit a complete discussion of the suggestions which I have made. Upon one issue at least all right-thinking people should agree, and that is, if we are to have recovery in this country, then the American laboring man and the American farmer should have the complete benefit of the domestic market without foreign interference. After this has been accomplished we can begin building upon a sound foundation for permanent prosperity for the entire country. It is time to take an inventory in order to chart our course along American lines for a better day for all of our people.

Mr. WITHROW. Mr. Speaker, inasmuch as the gentleman from Ohio [Mr. CROSSER] will soon be recognized to speak on a very important question, I feel that in fairness to the House I should make a point of order that there is not a quorum present.

The SPEAKER. Will the gentleman withhold that a moment until the Chair recognizes some Members who have unanimous-consent requests to submit?

Mr. WITHROW. I shall hold it in abeyance, Mr. Speaker.

THE LATE GEORGE EDMUND FOSS

Mr. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes in order to announce the death of a former Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Speaker, it has come to my attention that Hon. George Edmund Foss, former Member of Congress from the Tenth Illinois District, which I am now privileged to represent, passed away Sunday afternoon at Ravenswood Hospital, Chicago.

He was elected to the Fifty-fourth Congress and served for 20 years as a Member of this body. Some of you here today were colleagues with him during his term of service. Having had the privilege to work with him in intimate association, I know that this announcement of his death will come as a message of sorrow. He was loved and respected as a man and a statesman.

While a Republican in politics and loyal to his party, he recognized always the higher loyalty to God and his country. For such loyalty and devotion to duty, he leaves with us a lasting memory of a truly great man. I only hope that I as a successor of his in office can serve as well.

Congressman Foss was born of a New England family in Vermont on July 2, 1863, graduated from Harvard Uni-

versity in 1885, attended the Columbia Law School and the School of Political Science in New York City, and was graduated from the Union College of Law at Chicago in 1889. He was admitted to the bar and commenced the practice of law in Chicago in the same year that he graduated from law school.

At the same time that Congressman George Edmund Foss was in the service of his country here as a member of the Republican Party, his brother Congressman Eugene Noble Foss, and later governor, was also in the service of his country here as a Democratic Member of this body from Massachusetts. To my knowledge it is the only family that has the distinction of two brothers being Members of Congress at the same time from different States and each of a different political faith.

Mr. Speaker, as a personal friend of our deceased colleague, out of reverence for his memory and the noble service he rendered to God and his country, and in respect to his family, I convey this message to the House.

ST. PATRICK'S DAY AND THE UNKNOWN SOLDIER

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on the Unknown Soldier.

The SPEAKER. Does the gentleman from Ohio [Mr. CROSSER] yield for that purpose?

Mr. CROSSER of Ohio. Yes, Mr. Speaker.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 3 minutes on the Unknown Soldier. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker, ladies and gentlemen of the House, this is St. Patrick's Day. The day when the red blood that courses through our Irish veins races a little faster; the day when the Irish mind turns, in loving contemplation, to the deeds and accomplishments of those who gave it being; when the Irish heart lifts a song of hope for better days and better times for the homeland, the Isle of Saints and the land of song; the day when all the world joins in honoring the memory of him, who, 15 centuries and more ago, carried the story of the tragedy of Calvary from the uttermost bounds of Ireland to the confines of the Black Sea; the day when the people of our country in particular, by a seemingly unanimous consent, offer their homage to the patron saint of Ireland, and by so doing pay tribute to an unconquered and unconquerable race. And it is not without reason that our people do this. It is not without a deep sense of justice and appreciation that the liberty-loving American Nation accords this tribute to St. Patrick and the Irish people who, though downtrodden in their native land, carried to the four corners of the world and to our country in particular in the days of its infancy and pressing need, that spirit of independence and love of liberty which has ever been enshrined within the Irish heart, and which is the very well-spring of our national life. Not only did the sturdy sons of the Gael bring with them to our shores a love for liberty; not only did they accept and embrace the idealistic doctrine of freedom and independence which they found rising like a flood tide in colonial days, but they gave to it concrete expression by their deeds of valor on land and sea and sealed their compact with liberty by laying down their lives that it might live.

To call the roll of the Irish who played leading parts in the making of our Nation or to attempt to rehearse the story of their loyalty, their sacrifices, their sufferings, and their indomitable courage and perseverance, or even to recount those particular incidents where their heroism reflected glory on our arms, would be a recital far too long for the short time at my disposal. But I cannot let pass this occasion without at least a reference to the incomparable Jack Barry, half Yankee and half Irishman, as he denominated himself, father of the American Navy, at whose monument I engaged this morning in patriotic exercises to commemorate his memory. To Barry belongs the honor of being the first American naval officer to engage, under the Stars and Stripes, a naval enemy, and the first to bring victory to our flag upon the high seas.

Perhaps I could not do better, in the nature of a summation of the contribution of Ireland to the cause of American liberty—to the making and salvation of the Nation—than to quote the words of the poet:

Can you doubt our Irish fealty—
Call your muster of the dead.
Find a field in all your history
Where no Irish heroes bled.
Where their valor shed no lustre
On the flag that ne'er can fade,
From the days of Wayne and Moylan
Down to Meagher's Green Brigade.

In addition to my participation in the exercises at the Barry monument I also had the exceptional honor, this morning, of participating in the commemorative services at the Tomb of the Unknown Soldier, under the auspices of the Irish War Veterans, U. S. A. The services were conducted by Walter Ferry, national commander; John Connolly, senior vice commander; Elmer McGinnis, junior vice commander; Joseph B. O'Rourke, chaplain; Chris C. Nugent, junior adjutant; Edward Durning, quartermaster; James Caffery, officer of the day; Philip Fitzpatrick, sergeant major; John Hennessey, sergeant at arms; Arthur Cokeley, service officer; George A. Henderson, judge advocate; and John J. McLaughlin, chief of staff, the national officers of this association, who gathered from all sections of the country to collaborate with the local committee, composed of Edward J. J. McGrory, commander; Patrick J. Taft, senior vice commander; John W. Barrett, junior vice commander; George A. E. Prendergast, adjutant; Edward F. Tierney, quartermaster; W. R. McLister, chaplain; Robert G. Smith, judge advocate; and Michael J. Sullivan, sergeant at arms; all officers of District of Columbia Post, No. 17, Irish War Veterans, U. S. A.

Perhaps one of the most impressive monuments to the heroic dead of any land or nation is the sarcophagus at Arlington, and no man, much less a soldier and a veteran, can stand beside this monument without feelings of deep emotion. It is not possible to contemplate this magnificent testimonial of a free people to its honored dead without experiencing a consuming sadness for those of our people whose loved ones answered the call when the alarm of war sounded through the land and were, by fate, denied even the right to claim their ashes.

I know of no way on March 17 by which we Americans of Irish lineage or birth could better demonstrate our undying love to our country, our fealty to its laws, our duty and love to its heroic love for its defenders, our respect to Ireland itself and to Saint Patrick, than by appropriate exercises at that hallowed tomb.

We, therefore, devotedly and humbly, but nevertheless proudly, assembled there today, the anniversary of the feast of Ireland's patron saint, to place thereon a simple emerald wreath in testimony of our respect and honor for the Nation's dead. We could not help but feel that the good saint himself, together with the spirits of those thousands of Irishmen who had given their all in defense of these United States, smiled a benediction upon our actions. The Unknown Soldier to the American people is symbolic of everything that their national history holds chivalrous, valorous, holy, and dear. It is possible that he was an Irishman by right of birth, for thousands of such wore our national uniform in the World War. It is possible also that, though American born, a heritage of warm, red Irish blood pulsed through his veins. No matter what the lineage may have been, significant only is the fact that he was an average everyday American, enjoying his every breath of life, loved and respected within his own particular social circle when the Nation called him in 1917. In unison with those Irish veterans who today did him honor, cheerfully responded in order that these United States might continue to the fulfillment of its noble destiny. From him the United States could expect no more, from us, nothing less.

Ireland is deeply indebted to the hospitality of our great Nation, but it is fitting that it be proclaimed that the indebtedness is of dual nature. We know that this grateful land has never failed to acknowledge the fact that Erin's contribution, Catholic and Protestant, to national growth,

played a major role in the founding and developing of America; her sons and daughters have contributed to every period in our history, and their influence has been felt in widely varied walks of life.

The Unknown Soldier belongs to all of our people, and his memory is immortal. Nothing that I or anybody else might say could possibly add to or take from his glory. As American war veterans of Irish lineage or birth, we gather today, simply, and humbly, but proudly, to lay a wreath of remembrance upon that marble tomb where reposes his clay, and to pray for the repose of his eternal soul.

The Unknown Soldier, we hope, has not died in vain. We Irish, either by birth or descent, hope that the principles for which we both fought will forever live. [Applause.]

(Mr. STACK asked and was given permission to extend his remarks in the RECORD.)

THE GOVERNMENT'S REPUDIATION OF INDIAN CLAIMS, AND HOW IT IS DONE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made on yesterday.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, under leave to extend my remarks made on the floor of the House on Tuesday, March 17, on the subject of the Turtle Mountain Band of Chippewa Indians, I desire to say that this Congress is no different from the many Congresses that have convened and adjourned since this Nation began in respect to the Indian question.

This much is certain: That when our forefathers landed on the shores of this continent they found it inhabited by Indians. How long they had occupied and used the country no one definitely knows. It may have been a thousand years; it may have been 6,000. The fact that we are concerned with is that they were here in possession of the country in the year 1000, when the first white man stepped on our shores.

We became the principal occupants of this entire continent. The area occupied by Indians was gradually made smaller through the years, by Indian wars, by Indian treaties, and finally by acts of Congress without the consent of the Indians. Today the 340,000 Indians occupy less than 47,000,000 acres of land, or less than the area of North Dakota. The Indian population has gradually become less and less as the years have passed.

When the Government was formed there were 1,000,000 Indians in this country.

We gained the principal part of the territory from the Indians by means of treaties, solemnly entered into between the Indians and the Government.

This Government recognized treaties up until the year 1870, when, by acts of Congress, treaties were abolished. All former treaties were, however, recognized, and the Supreme Court of the United States has decided, in many cases, that rights accruing to Indians under treaties made prior to 1870 shall be protected and recognized in all things. It is a comparatively easy matter, therefore, to trace an Indian claim against the Government for damages for the violation of treaty rights.

In connection with the treatment of Indians under acts of Congress since treaty days it must be remembered that the Indian status has changed. At one time Indian tribes were recognized as sovereign nations. Since that time our contact with them has been under the relationship of guardian and ward. This Government assumed a guardianship over the Indian and his property without the consent of the Indian, and that status still remains. We have made him a semicitizen, but we have never lost our control over his property and have molded his future in any pattern we saw fit to prescribe. In dealing with the Indian, therefore, under this guardianship relation, it is vastly different from treating with the Indian under full freedom as an American citizen. At every step we are, by law, acting in a fiduciary capacity—one that demands of us the utmost good faith and fair dealing. A higher degree of good faith, integrity,

and fair dealing must always be exercised in transaction between guardian and ward than that required between persons not handicapped by an inferior status.

The Indian lands, defined and circumscribed in treaties, solemnly made, have been gradually but surely taken away from them. This has been accomplished by violations of recognized treaties and acts of Congress. The Indians have been advised, encouraged, cajoled, and bluffed into accepting acts of Congress by the very Government agencies created to protect the Indian. Through this course of Congress through the years there has been accumulating a long list of damage suits against the Government. From quite definite information, I am safe in stating that today the Indians of the United States have just claims against this Government that will total \$4,000,000,000. In every Congress there are a great many bills asking Congress to pass a jurisdiction bill authorizing the Indians to present their claims against the Government to the Court of Claims for adjudication. It should also be remembered that the Government cannot be sued without its permission, and before the Indians can present a claim for damages they must secure from Congress the right to prosecute such a claim.

There should not be any objection on the part of the Government to permitting Indians to prove their claim. There ought not to be any objection to a jurisdictional bill if the Government had no fear of past bad faith. These jurisdictional bills are always fought on the floor of Congress and the reason given is that we owe the Indians so much that it would bankrupt the Government to pay them. In this way the evil day has been delayed and delayed until damages for more than 100 years have accumulated.

The attitude of the Government now is and has always been a complete repudiation of debts due Indians. The Government, through its officers and leaders, prates of the sacredness of Government credit, Government honor, and the mere suggestion of repudiation of ordinary Government obligations is met by a storm of scathing denunciation. But I charge here now, and stand ready to prove it by the Government's own record, that this sacred honor of the Government in the protection of its credit has been so shamefully repudiated by the Government in respect to debts due Indians that there is no such parallel in any government that ever existed on earth of such base, intentional, and preconceived repudiation.

I have not the time to cite many cases, but any one I do call attention to is similar to thousands of others. Here is one:

THE TURTLE MOUNTAIN BAND

At one time the Chippewa Indians inhabited, occupied, and used a tract of land in Dakota beginning at a point on the Canadian line 30 miles west of the Red River of the North and extending westward along the Canadian line 63 miles, thence south 15 miles, thence due east to a point 30 miles west of the Red River. In this area were 945,000 square miles. This tract was ceded to these Indians by treaty stipulations. By various treaties afterward made and through methods that would not stand up in a court of equity, this great territory was reduced to 10,000,000 acres of land. By Executive order in 1882 all of this land was opened up for homestead purposes and 1,000,000 acres retained as a reservation. Nothing was paid the Indians for this land, and the whole transaction was carried on without the Indians' consent.

In 1904, or 22 years later, Congress ratified an agreement with the Indians to pay them \$1,000,000 for these lands so taken. Congress made certain conditions and reservations which necessitated the act going back to the Indians for their approval of the changes made in the agreement. The changes were never ratified by many bands and never ratified by the same Indian representatives who made the original agreement.

These Indians now claim that they are entitled to reasonable compensation for these 9,000,000 acres. Just recall that the Indians received a trifle over 10 cents per acre for this land, and had to wait 22 years for it. The Government now boldly asserts that it paid the Indian for this land and therefore will not pass a jurisdictional bill permitting the Indians to show fraud, failure of consideration, or bad faith exercised by a guardian over a ward.

In this case the open, uncontradicted facts condemn the Government. The very price of 10 cents an acre, when the minimum price of land per acre on which claims of Indians have been repeatedly settled, was \$1.25 per acre, is, of itself, proof of fraud on the part of the guardian. When the Government gave the Northern Pacific Railroad every alternate section of land through Dakota, extending 50 miles north and 50 miles south of the proposed line, the minimum price was fixed at \$2.50 per acre, and in the grant the railroad was forbidden to sell the land for less per acre. On the face of this settlement, therefore, it shows a failure of consideration.

In addition to this, the Indians, during all of the negotiations, were presumed to be incompetent. They were wards of the Government. The Government was charged with the fiduciary duty and obligation of protecting the interests of its ward, who was incapable, in law, from protecting itself. This situation demands the utmost good faith and good conscience. Applying this rule to the payment by the Government of \$1,000,000 to these wards for 9,000,000 acres of land convicts the Government of bad faith and outright dishonesty.

All these Indians now ask is that they be permitted to present their claim against the Government to the Court of Claims. But this Congress says "no." "No, sir; we paid you once, now get out of here. We will not let you prove that we were dishonest with you."

Those who are not Members of Congress cannot, of course, understand how this attitude of Congress is sustained. Why cannot the Indians get action? I will answer that question now. The Indians in this case have not a chance on earth to have their case heard unless there is an accident in Congress—unless some Member falls dead just before the bill comes up. There are always some Members in Congress who say, "To hell with the Indians." They watch these bills and when the bills come up they do their stuff. Here is how it is done:

A bill comes before Congress in one of four ways:

First. It may go on the Consent Calendar. If the bill is on this calendar, one Congressman out of 435 can get up in his seat and say, "I object to the consideration of this bill." That settles it—one objection stops the bill. This is what happened to the bill of the Turtle Mountain Band of Chippewa Indians. The bill was on the Consent Calendar, and one Congressman made an objection, and that ends the bill. If objected to a second time, it goes back on the Union Calendar.

Second. Union Calendar bills on this calendar come up on Calendar Wednesdays and the committees come up in order, unless by a suspension of the rules, requiring a two-thirds vote of the House. For instance, the District of Columbia has Calendar Wednesday. At this session there will be no Calendar Wednesday for Indians because we had Calendar Wednesday for Indians during the closing days of the first session. Before we can reach that position again Congress will have adjourned.

Third. By rule: Bills come before the House on a rule adopted by the Rules Committee, but in theory only those bills advocated by the administration or of great prominence in the public eye, ever come on the floor by a rule. This excludes Indian bills, especially those which merely provide jurisdiction.

Fourth. By petition: If an Indian bill could get the signatures of 218 Members it could be brought on the floor of the House without a rule, but on the average Indian bill I predict that 50 signatures could not be obtained in the whole House.

Thus it is that Indian legislation is defeated year after year. Year after year the Indian claims for damages pile up, and year after year the Indian is denied the chance to prove his damages.

Should the Indians be successful in obtaining a jurisdictional bill, then the case is presented to the Court of Claims. On an average it takes 7 years to get a decision in the Court of Claims. Many Indian claims have been pending for over 15 years and end is not yet.

LXXX—246

This Government did not complain about its sacred credit when it loaned \$10,000,000,000 to the Allies. The Government has never said that our Nation will be bankrupt because the Allies will not pay us. They have not paid us, they do not intend to pay us, and this Government knows it.

All this Government will do about these foreign debts is to charge that those Governments, especially France and Italy, repudiated their just obligations. The Government is not in a position to talk repudiation to anyone, since it has repudiated the just claims of the first Americans against it. With less than half of the money squandered in loans to foreign countries we could have paid every last Indian claim, abolished the guardianship over the American Indian and turned him loose as a free citizen.

That would have ended the Indian question, and it will not end until these claims are paid and the shackles taken off the wrists of the Indians.

This Congress is and has been for years pretty well committed to the policy of committee control of legislation, and ordinarily the pronouncements of the committee members have great weight with the House. That is true of all committees except one—the Committee on Indian Affairs. I was put on this committee by the Republicans, but when a bill comes out approved by all the Republicans on the Committee of Indian Affairs that makes no difference to the other Republican Members. The recommendations of the Republican members is totally ignored by the Republicans. The unanimous recommendation of all Democratic members on the committee makes no difference to the Democratic Congress, and when an Indian bill comes up with the support of the Democratic members of the committee, the Democrats in the House rise up thicker than cornstalks and object to the legislation.

How different it is with other committees. When the Committee on Agriculture reports a bill, that is the bill that will be passed and no other bill. One who takes issue with the committee may have the satisfaction of following the dictates of his own conscience, but his influence is stopped before he begins because—because what? Because he is not in accord with the committee.

This question cannot be smothered; this question will haunt this Government until it is settled and settled right. So far as I am concerned, I shall never agree with the policy this Government has pursued and is pursuing in regard to this Indian question. It is wrong and cannot be defended.

I could give other examples, many of them, hundreds of them, a thousand of them, but in all you will find that same spirit of injustice and broken faith which is so glaringly present in the Turtle Mountain case.

The SPEAKER. Under the special order of the House, the gentleman from Ohio [Mr. CROSSER] is recognized for 30 minutes.

THE CAUSE AND CURE OF UNEMPLOYMENT

Mr. CROSSER of Ohio. Mr. Speaker, in a speech in Congress on July 1, 1930, discussing the subject of unemployment, I stated that the wealth in the country at present is 650 times as much as was in the country at the time the Government was established. I further stated that, of the total wealth in the United States today, each person owns only one-fiftieth of the percentage which on the average constituted the share of each person in the wealth of the United States at the beginning of our Government. As year after year more of the wealth produced in our country has gone into the hands of fewer and fewer people, unemployment has increased more and more. These facts show great injustice in the distribution of wealth, with the result that the people have suffered untold hardship. All kinds of plans have been urged to cure the evil. The remedies which we hear most frequently suggested are unemployment insurance, old-age pensions, and measures of that kind.

AUTHOR OF FIRST LABOR PENSION LAW

I introduced and worked successfully for the first pension measure ever passed by Congress, providing for the retirement of aged workers employed by private interests. For the benefit of old people in general, I favor also the most

liberal old-age pensions that can be provided by sound legislation. Let us consider every plan, proposal, or suggestion and do everything possible to provide a truly liberal and satisfactory old-age-pension law.

MEASURES WHICH MAKE MORE BEARABLE BUT DO NOT REMEDY
INJUSTICE

It is important to note, however, that just as morphine quiets the pain of the body without curing the disease, so measures such as those to which I have referred, merely make more bearable the unjust distribution of wealth, but do not cure the evil by removing the cause of the injustice. Regardless of how much we improve such laws, we do not remedy the injustice resulting from the unjust distribution of wealth. With a sound economic system we should have no unemployment against which to insure and people would earn enough to provide handsomely for old age.

Certainly we should assist in a practical way those who are unemployed and make every possible provision for those who have reached old age without sufficient means to enable them to live comfortably. While, however, we should help rescue from drowning people being carried violently down a river, it is even more important for us to go up the stream to remove the cause which is forcing them into the river. We must find the cause of unavoidable unemployment and poverty.

In the time which has been allowed me I shall point out what I consider to be the cause of unemployment and poverty and the remedy for the evils.

MONEY SYSTEM AND ITS RELATION TO UNJUST DISTRIBUTION OF
WEALTH

Mr. Speaker, many people have the notion that a change in the laws relating to money would correct the great injustice in the distribution of wealth. I have not time to fully discuss the money question, but will say a few words as to its relation to conditions of labor and business. Many persons are sure that inflation—that is, the increase of the amount of money in the country—would remove all our troubles in the way of poor business and unemployment. The purpose of inflation is to lessen the value of the dollar—that is, of money. The value of money is measured by the value of goods. The lower the value of money, therefore, the less goods or services it will buy. On the other hand, deflation is wrong. The purpose of deflation—that is, of decreasing the amount of money in the country—is to increase the value of money. The higher the value of money the more goods it will buy.

It is very important and necessary that the value of our money be unchanging so that it will buy as much goods, in general, at one time as at another. In other words, we should have a stable standard of value. To restore the value of money by reducing its value to what it was 10 years ago when most of the present debts were incurred would not be unreasonable, but merely a reduction of the value of money to what it was when the money was borrowed.

MUCH CONFUSION IN REGARD TO MONEY QUESTION

There is no question about which there is so much confusion in thought as there is about the money question. It is argued by some that since the Federal Reserve banks issue money on the basis of a gold reserve, the Government in like manner should print money according to the value of the gold in its vaults. The theory upon which Federal Reserve banks issue money is, in my opinion, not correct, and the Government's doing the same thing would not make it right. Moreover, the mere printing of billions of dollars of money would not get it into the hands of the people.

From a scientific standpoint, money is not in itself wealth. Goods and commodities are wealth. Money issued, in accordance with scientific principles, may be regarded practically as an order upon the public for property or services equal to the value stated on the face of the money. Money, therefore, should be issued for the purpose of making easy the sale and purchase of goods or property. If it does not represent the value of property or services, then it constantly tends to uncertainty in value. I traveled through Germany in 1923 and stopped first at the city of Cologne. As you know, the usual, or standard value of a mark is a little more

than 23 cents, but I bought 1,000,000 marks for a dollar on my first day at Cologne, and in less than a week later I bought 4,000,000 marks for a dollar at Munich, Germany. In other words, at Cologne for \$1 I got what ordinarily would have cost \$230,000, and at Munich for \$1 I bought marks which usually would have cost \$920,000. The people of Germany were in terrible circumstances, and I saw many pinched and haggard faces.

To function properly money must be unchanging in value or, in other words, stable. If a commodity, such as one of the precious metals, be made the standard of value, then it is sure to be a changing standard of value. Then the greater the demands of trade for the use of such money, the higher becomes the price of the metal, for example, gold, which may be used as money. The rise in the price of gold would mean that the gold, or money based on gold, would buy more goods, and that would mean that the prices of commodities and the wages of labor would become less. It should be clear, then, that nothing of intrinsic value—that is, nothing with value in itself—should be made the standard of value, nor by law be constituted money.

SOUND PRINCIPLES OF A CORRECT MONEY SYSTEM

A sound, stable money could be provided by establishing as the standard of value the average value of the almost 800 commodities in which the people of the United States deal. The old system made it possible for one commodity—gold—to determine the value of everything else. When the supply of gold was limited, either by the money changers or because of insufficient output from natural resources, the value of gold increased and so a certain amount of gold, such as the quantity of gold in a dollar, bought more of all other things than it would buy before. The farmer received less in money for his grain, and the workman received less in money for his labor. If, on the other hand, gold, and therefore the money based on gold, should decrease in value, the money would buy less of commodities or household goods and a little money saved by anyone would not buy as much as when he got it.

A change either up or down in the value of money always does great injustice to someone. Money, based on one commodity, whether gold or something else, is constantly changing in value and, therefore, is always causing injustice to some of the people. If, however, the standard of value, that is, the value of money, were the average value of all commodities in which the American people deal, then each commodity would have an equal influence in determining the value of money. This would assure us of an unchanging standard of value; a sound money.

PROPER METHOD FOR CIRCULATION OF MONEY NECESSARY

Even the much-desired establishment of an unchanging and sound standard of value will not in itself however give us a satisfactory money system. There must be provided also a scientific method for getting the money into the hands of those desiring to deal in real wealth; that is, in commodities and other things which satisfy human needs. Money is practically a certificate by government that the holder of such certificate, called money, has given goods or services equal to the value stated on such certificate; that is, money. Those engaged in trade and industry must be enabled to conveniently procure money for their goods and services. I have not time to fully discuss proper provisions of law to enable people to secure, when desired, money for their goods. Let me say, however, that no private person or company should be allowed to issue money or to fix its value. Only the Government, through a proper central agency, should have authority to do that.

In a general way, it might be stated also that there should be established branch agencies of such central Government monetary agency. A person should have the right to apply to such agency for money on the security of goods owned by him. The agency should have authority then to deliver, in money, to the applicant, the largest percentage of the value of the goods that could be advanced without danger of loss to the Government. If the Government agency were to give the applicant money, amounting to half the value of his goods, the owner would still have in the goods a half interest

for which he would not have received money. He would, therefore, need to find a customer so as to get money for his remaining interest in the goods. The money received from the Government agency on the security of goods would make it possible for the owner to take time to find a buyer who would pay a fair price for the goods and so enable the owner to avoid being forced to sell his goods at a loss. On the other hand, the danger of losing his uncashed rights in his goods, because of a less-than-cost price, caused by oversupply, would compel the owner to consider carefully what amount of goods he could produce and be reasonably sure to sell at a fair profit.

The application of the principle just outlined would make possible on the one hand the issuance of any amount of money required by actual trade and industry, and, on the other hand, would cause the return of the money to the Government when it had served its purpose. In short, it would provide what is called an elastic currency.

THEORY OF ACCELERATION OF CIRCULATION OF MONEY OR FORCED SPENDING

It is important to note, however, that neither one kind of money nor another can be eaten as food or put on as clothes. Money may be regarded in the nature of an order on the general public for what the person with the money may desire. In that sense it is proper assistance in the production of real wealth, the things we eat, wear, or otherwise use.

A correct system of commerce should enable everyone to produce and exchange goods on fair terms. The possession of money should indicate that the person having it has given for it something equal to the value shown on the face of the money. Unless, however, an increase of money represents an increase in the amount of commodities, of real wealth, then it is not reliable money.

It is a mistake, to believe that we can improve business and commerce by giving some of the people, at stated times, a certain amount of money and forcing them to expend it within a certain time. The so-called demand for goods resulting from such a practice would be altogether artificial and for a short time would force the production of goods beyond the ordinary requirements of the public, and then the forced buying or demand for goods, like all increased demands, would raise the price of goods. With the rise in price the demand would lessen or, in other words, sales would fall off. If, to keep such a plan going, we were to increase the volume of currency in the country, without at the same time increasing the production of real wealth, we should be simply cheapening the value of all money by putting into circulation money not representing true wealth. On the other hand, if we were not to increase the total volume of currency by a new issuance of money, but instead were, by taxation, to compel one part of the population to give part of its money to another part of the population, then we merely would be increasing the means of buying for one part of the population by taking the means of buying to the same extent from the other part of the population. The operation of such a plan might give momentarily the appearance of increased activity in business, but in a very short time it would be found that the volume of business would lessen.

EVEN A CORRECT MONEY SYSTEM NOT SUFFICIENT REMEDY FOR UNEMPLOYMENT

Mr. Speaker, I am not one of those who believe that the establishment of even an unchanging and perfect standard of value will prevent injustice in the distribution of the wealth of the country. It would, of course, prevent the specific injustice resulting from a change in the purchasing power of our money. A greater injustice, however—yes; the greatest of all injustices of an economic nature—is due to a total disregard of the true laws of distribution of wealth produced by the cooperation of labor, capital, and natural resources.

FACTORS ENGAGED IN ALL PRODUCTION

According to all of the classic writers on the subject of political economy, three factors are engaged in the production of all goods and commodities. The earlier writers named the three factors land, labor, and capital. Later writers use the terms natural resources, labor, and capital.

The use of different terms, however, is of no real importance. Whether we use the term "land" or "natural resources", what is meant is the earth in some form or other. No material thing, no goods or commodities, can be produced except from the earth. Labor and capital applied to the earth, or what is taken from the earth, supply the commodities and goods which people use.

I have referred already to the constant decrease in the percentage owned on the average by each person in the total wealth of the country. We saw that the percentage of the total wealth owned on the average by each person today is only one-fiftieth of the percentage of the total wealth owned on the average by each person when the United States Government was established.

CAUSE OF THE UNJUST DISTRIBUTION OF WEALTH

The explanation of this manifest injustice is, I think, perfectly clear.

Of the goods or commodities of any kind that may be produced by labor, capital, and natural resources working together, the share of labor is wages, the share of capital is interest, and the owner of the natural resources, which may be used with these two, receives all the rest.

The price, that is, the wages paid for labor, like the price of anything else, depends on how much labor is needed and how many workmen desire to sell their labor. When our country was new, in order to produce a certain amount of commodities, many times the number of workmen were needed than are now employed to produce the same amount of goods. That caused a greater demand for workmen. Among employers there was more competition for men's services. Workmen, therefore, could and did demand a larger share of what was produced; or, in other words, asked better wages. In late years, however, because they were better trained, more skillful and used better tools and machinery, workmen produced commodities in much less time than was at first needed to make them. It is true also that the increase in the general intelligence of the people has made common the better methods of doing practically everything and so has helped to produce more goods in the same or even less time.

Those who have controlled the natural resources, the agencies of production and have employed men, have just claimed for themselves the value of all the time saved as a result of workmen's increased skill and intelligence, and the use of machinery. They cannot morally justify such a claim.

The reason why those in control of the agencies of production can take for themselves the benefits, the value of all the time saved as a result of the education of the workers and the use of machinery, is that they have a practical monopoly of the natural resources. Because, in a certain time, by the labor of fewer and fewer men, the same amount of commodities can be produced, those who control the land and resources upon which men must labor to produce goods can and do discharge more and more men. Suppose that a dozen men owned the whole North American Continent. They could then order workers to work as long each day as they might desire to have them work and give them as little pay as they might see fit, provided such wages would keep them well enough to work. If the men were to refuse to work upon such terms, the owners could order them off the continent, and all they could do then would be to go into the ocean. Because, therefore, men must work on the earth for a living they can be forced to surrender to the owners all the benefit and value resulting from labor's increased producing power. The more goods men can produce in a day the more men can be discharged and turned into the army of the unemployed. This army of unemployed is then the means, the weapon, used to force men, remaining employed, to work as long as or longer than they worked when producing less goods. In short, the unemployed are used to lower constantly the condition of labor and the standard of living.

The philosopher Schopenhauer stated the matter forcibly when he said:

Whether I own the peasant, or the land from which he must obtain his nourishment, the bird or its food, . . . is practically a matter of small importance.

Thomas Paine said:

Landed monopoly has dispossessed more than half the inhabitants of every nation of their natural inheritance.

In Ecclesiastes it is said:

The profit of the earth is for all.

Henry George, author of the greatest book on political economy ever published in the United States, wrote as follows:

Place 100 men on an island from which there is no escape, and whether you make one of these men the absolute owner of the other ninety-nine, or the absolute owner of the . . . island will make no difference either to him or them.

To remedy the evil thus illustrated by George, he urged that the annual value of the earth itself be collected, as revenue, for public use.

This is the remedy which, without any doubt, will finally be applied. What I propose in the meantime is to take the power from the monopoly which has grown and oppressed mankind, as George predicted.

Mr. Speaker, let me emphasize again the fact that while monopoly prevails, better skill, training, and the use of machinery merely make possible greater injustice in the distribution of wealth.

If, for example, 5 years ago an industry, by the labor of 100,000 men working 8 hours per day, was producing all of the shoes needed each year by the people of America, and now, by the labor of 75,000 men working the same number of hours per day, using improved machinery, can produce the same number of shoes, many employers have just taken it for granted that the value of the 25,000 men's time saved rightfully belongs to them. That is not, however, either morally or logically right. The employer should have, of course, the amount of interest paid on the cost of the machinery; and if he shall have become more industrious, enterprising, and efficient, he should have an increase in the wages of management, but such amounts could be paid without greatly reducing the amount of money representing the 25,000 men's working time saved.

REMEDY FOR UNEMPLOYMENT AND UNJUST DISTRIBUTION OF WEALTH

Now, the 25,000 men's time is, of course, one-fourth of the time worked in the first place by the 100,000 men, and that means that if 100,000 men were to work 6 hours per day, or, in other words, three-fourths of the time which they originally worked, they would produce as many shoes as the same 100,000 men produced in the beginning when working 8 hours per day. Since then, in only 6 hours, a man could produce the same number of shoes which before he required 8 hours to produce, his hours of labor should be reduced substantially from 8 to 6 hours per day without reducing his pay. If all of the 100,000 men's working time were likewise reduced to 6 hours per day, then all would continue to be employed making the same number of shoes as they at first produced in 8 hours per day.

The principle of reducing working hours would be the same, of course, whether at the beginning the men worked 7 hours, 6 hours, or any other number of hours per day, and then later produced the same amount of goods in time less by one-fourth, one-fifth, or other amount than was used to do the work at first. If, for example, a man originally did the work in 6 hours and later did the same work in three-fourths of that time, then his working day should be reduced practically one-quarter, or, in other words, should then be $4\frac{1}{2}$ hours instead of 6 hours. It is very important to remember also that because they are producing the same results, the same number of shoes in the shorter working day, the pay of the workers should not be reduced.

If in every industry the working hours were continually reduced in proportion to the reduction in time necessary to do the work, everyone so desiring would continue at work. In short, the proper application of this principle would abolish unemployment.

It is clear, of course, that, with justice, only the National Government could order the reduction of the hours of labor in general. If the States were trusted to do it, we should

find one State reducing the hours of labor as justice requires and other States refusing to do so. Then the manufacturer employing labor in the State where hours might have been reduced could not sell his goods in competition with manufacturers employing workers at less cost in States where the hours of labor might not have been reduced.

I have long urged that Congress be given authority to pass laws reducing the hours of labor. I proposed an amendment to the United States Constitution in the following language:

To promote the general welfare, the Congress shall have the power to reduce the number of hours of service per day and days per week for which contracts of employment may be lawfully made.

Let me respectfully and earnestly urge the Judiciary Committee to report favorably in regard to this proposed amendment to the Constitution.

Under the authority proposed in the language which I have quoted, Congress could establish what might be called the Federal Industrial Court. Then, because in fewer hours per day than was before needed, workmen were producing the same amount of goods, proper application could be made to such Industrial Court for a reduction in the hours of labor. If in a certain industry, for example, the court should find labor to be producing commodities in one-fifth less time than was before required, it would order a reduction of substantially one-fifth in the hours of labor. Similar action in regard to the hours of labor in every industry would soon put an end to unavoidable unemployment.

APPLICATION OF PROPOSED REMEDY FOR UNEMPLOYMENT WOULD MAKE WAGE LAW UNNECESSARY

In recent years we have heard a great deal about a minimum-wage law, but with unemployment abolished and everyone able to find a job when desired there would be no wage question, for no one would work or need to work for less than fair wages. With unemployment abolished and employers looking for workmen, if one employer would not pay him fair wages, the worker could go to another employer who would do so.

MONOPOLY IS CAUSE OF UNJUST DISTRIBUTION OF WEALTH

As already stated, the fundamental cause of the unjust distribution of wealth and of unemployment is the permitting of those controlling the agencies of production to take for their own use the benefits and values resulting from the increase in the producing power of workmen. If a few men are allowed to control the source of all wealth—that is, the earth or the parts of the earth necessary for use by our people—then it will be possible for them to compel everyone living in our country to work as long and for as little pay as may be offered. More men will be thrown into the army of unemployed as fewer men can be forced to do the same work. This enables the few to take for themselves the bounties of nature which rightfully belong to all.

If the law were to require, in all industries, the reduction of the hours of labor in proportion to the lessening of time needed to produce goods, then everybody would be employed and there could be no industrial depression. If everyone were employed or could be employed if so desired, then no one could be forced to work for less than fair wages. The fact that a man could go elsewhere and procure fair compensation for his services would compel his employer to pay him fairly. This would put an end to the dreaded evil, unemployment. With everyone employed and able to buy, the demand for goods would soon equal the supply. Not only would the employee class get justice but employers would benefit immeasurably from an assured market for their goods. Poverty would vanish and men would be freed from an economic slavery which is even more cruel and oppressive than was chattel slavery. [Applause.]

Will the principle, I have urged, become law? My hope is unbounded, but for answer let me again quote from George as follows:

The truth that I have tried to make clear will not find easy acceptance. If that could be it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it; suffer for it; if need be, die for it. This is the power of truth.

But he says also, however, that—

For those who recognize justice and would stand for her, success is not the only thing. Success! Why, falsehood has often that to give; and injustice has often that to give. Must not truth and justice have something to give that is their own by proper right—theirs in essence and not by accident? That they have, and that here and now, everyone who has felt their exaltation knows.

Let me hint my own feeling in the matter by repeating a few lines written by me when a young fellow of 23 just out of school. These are the lines:

Poetic lore has often told
Of Nature's blessings, manifold;
And humbler prose, perhaps in mirth,
Proclaims men equal on this earth.

If this be true, why do we see
The wretches men oft seem to be;
Why see the poor forsaken wail
Searching in vain for shelter safe?

One child, of God, first sees the light,
Surrounded by gold and linen white;
Another, Nature's canopy sees,
The Earth his cradle, e'en that not his.

With dirge and funeral rites they lay
The miser in his downy grave;
But yonder poor old tott'ring serf
Can hardly reach kind Nature's berth.

How can we, suffer'g then, behold
God's blessings ruled by weight of gold,
His word construed by greedy wealth,
His off'rings filched with sneaking stealth?

Courage, then, ye men, yet strong,
Gird up your loins, go join the throng,
Battle for Freedom, long sung by the Muse,
Leave not a foeman, heed no flag of truce.

And when the din of battle's o'er,
And selfish Greed shall reign no more,
We'll hasten forth, proclaiming then,
Peace on Earth, good will toward men.

[Applause.]

Yes; often seems the Prince of Light overwhelmed by the Powers of Darkness. So it seems, but finally we shall know that it only seems. To noble minds and hearts of courage Duty's call is loud and clear. Doubt not at all Right's final triumph. The cause of justice will prevail. Tyranny must vanish to the limbo of forgotten things. No longer will hardship plague mankind when we shall take courage and strike from men the chains of injustice.

Released, then, from the power of the oppressor, no more the victim of fear and free from want and the dread of want, men will joyously obey their noblest and best impulses. In their spirit of freedom and with gladness men will embrace the inspiring principles of justice and eagerly devote their hearts and minds to expressing the harmony of life. Then from the earth will vanish the meanness, the envy, the jealousy, and hatred which now blight our harassed civilization.

Along the highway of life, with songs of joy pealing from their hearts and the spirit of justice shining from their eyes, will march the sons of men in the glorious cause of brotherhood. Men will be free men and the grandeur of creation will be manifest throughout the land. [Applause.]

The SPEAKER pro tempore (Mr. O'MALLEY). Under the special order of the House, the gentleman from New York [Mr. CELLER] is recognized for 10 minutes.

Mr. CELLER. Mr. Speaker, I am going to speak briefly this morning on the subject of the Federal Register. You have received in the last few days two copies of the Federal Register. I take it and I say it is regrettable that many Members do not know what the Federal Register is. I shall undertake to explain it to give the reasons why we have been anxious to publish it.

The Federal Register is a daily compilation of all the administrative laws—a daily record of all Executive orders and all rules and regulations issued by the President and all departmental and bureau chiefs. There is also provision for the codification of all past Executive orders and rules and regulations. The daily Register will appear upon your desks five times a week. It will be published Saturdays, Tuesdays, Wednesdays, Thursdays, and Fridays. No rule or regulation can be legally effective unless published therein. As you read

the Federal Register you will be apprised, and the whole Nation will be apprised, of what the various bureaus and departments are doing with reference to the issuance of the rules and regulations, all of which have the force and effect of law.

We pass daily in this Chamber statute after statute. They are classified and compiled as statutes, and you can find them readily in the Clerk's office, in all law libraries, in most law offices, in all public offices.

But try and find the rules and regulations that have been issued, which still have the force and effect of law, for the last 50 years. Unfortunately you cannot find them. The Federal Register is supposed to and will remedy that defect.

When you take into consideration that the heads of bureaus have the right to issue these regulations, provide therein dire penalties, including fine and imprisonment—and you further take into account the fact that the rules and regulations cannot often be found, I say the situation is barbarous, and it is for the purpose of removing this barbarous defect that the Judiciary Committee reported out my Federal Register bill, which has passed the House and the Senate and been signed by the President.

Numerous organizations—the American Bar Association, the American Medical Association, and scores of associations equally important—have been in favor of this Federal Register. Now, there are some, particularly the distinguished gentleman from Missouri [Mr. COCHRAN] and the gentleman from Indiana [Mr. LUDLOW], who think it is too expensive and ought not to be issued.

I cannot conceive that these gentlemen would want to punish citizens for violation of rules they are ignorant of and cannot, even by due diligence, discover. Bentham said:

We hear of tyrants, and those cruel ones; but whatever we may have felt, we have never heard of any tyrant in such sort cruel as to punish men for disobedience to laws or orders which he had kept them from the knowledge of.

When you perceive that, for example, in the National Recovery Administration, which has gone to limbo, there were 2,998 administrative orders issued, scattered among 5,991 press releases, involving 10,000 pages, and when you further contemplate that you often did not know where they were or what they were, involving the rights, properties, and liberties of the people of the Nation, indeed it was time to call a halt. The gentleman from Missouri [Mr. COCHRAN] said that the N. R. A. has passed. There is more than the N. R. A. There are a thousand and one bureaus doing the self-same thing that the N. R. A. had been doing. There are, for example, the Executive orders of the President. Try to find the Executive orders by President Coolidge or President Harding or President Hoover, even. They were frequently issued in single sheets of paper, in single pamphlets, sometimes they appear as telegrams, and they are supposed to be filed in the State Department, but try to find them. There is no compilation, no index, a hopeless jumble.

I herewith give you the number of Executive orders and proclamations issued by the various Presidents from Lincoln down to Roosevelt:

Executive orders issued by the various Presidents

	Executive orders	Proclamations
Franklin D. Roosevelt.....	1,469	121
Hoover.....	1,004	168
Coolidge.....	1,248	201
Harding.....	484	80
Wilson.....	1,770	361
Taft.....	699	365
Theodore Roosevelt.....	111	407
McKinley.....	50	60
Cleveland.....	168	53
Harrison.....	3	66
Cleveland.....	15	22
Arthur.....	3	17
Garfield.....	None	None
Hayes.....	None	15
Grant.....	13	55
Johnson.....	5	51
Lincoln.....	2	40

¹ Second administration.

² First administration.

You will note Lincoln issued two Executive orders, and Roosevelt during the time he has been in office issued already over 1,469 orders. Garfield issued no Executive orders; Hoover issued 1,004; Grant issued 13; Coolidge 1,248.

We are told by a committee of the American Bar Association:

The practice of filing Executive orders with the Department of State is not uniformly or regularly followed, and the totals are really greater than above indicated. Some orders are retained or buried in the files of the Government departments, some are confidential and are not published, and the practice as to printing and publication of orders is not uniform. Some orders are made known and available rather promptly after their approval; the publication of others may be delayed a month or more, with consequent confusion in numbering. The comparatively large number of recent orders which incorporate provisions purporting to impose criminal penalties by way of fine and imprisonment for violation is without numerical precedent in the history of the Government.

The association then recommended regular publication of these orders.

I commend to the House the very thoughtful letter which I have received from our colleague from Virginia [Mr. WOODRUM] under date of February 20, 1936.

MY DEAR MR. CELLER: I am advised that you will have a hearing on tomorrow, Friday, on the bill introduced by our colleague [Mr. COCHRAN] to repeal the Federal Register Act. I regret very much that my absence from the city will prevent my personal attendance at your hearing.

Without going into a lot of detail, I will say that the Appropriations Committee of the House (both the deficiency subcommittee and the Committee on Independent Offices, each of which I am a member), has gone into the matter most carefully with reference to the establishment of the Federal Register. In my judgment, there is a very definite and positive need for this publication and for the compilation for which the act provides.

It seems to me that the set-up is modest and as economical as possible under the circumstances. The cost of printing will, of course, be by far the major item. In my judgment as a Member of the House, it would be a very serious mistake to interfere with the organization which has been set up and which is now busily engaged in carrying out the mandate of Congress.

With best wishes, I am,

Yours very truly,

CLIFTON A. WOODRUM.

We have made an appropriation thus far for the publishing of the Federal Register, for a period of 4 months, of \$100,000. There is involved an employment of but 15 persons. I am in receipt of a very interesting letter from Mr. B. R. Kennedy, Director of the Division of the Federal Register, which I herewith set forth:

THE NATIONAL ARCHIVES,
Washington, D. C., March 12, 1936.

HON. EMANUEL CELLER,

House Office Building, Washington, D. C.

MY DEAR MR. CELLER: Replying to your letter of March 11 enclosing the comments of Mr. SNYDER of Pennsylvania, on the appropriation for printing the Federal Register, it seems to me that Mr. SNYDER's statement that \$75,000 was cut out of the appropriation for the present fiscal year in order to eliminate the publication of the past accumulations of regulations is erroneous. My understanding, when I appeared before the Appropriations Committee, was that the only reason for cutting the amount asked for from \$295,000 to \$100,000 was that the time involved was only 4 months, and on an estimate of \$300,000 a year for printing the Register, \$100,000 seemed the proper amount for the 4-month period. Moreover, the Federal Register Act did not contemplate the printing of the supplemental edition during this fiscal year. It has first to be authorized by the President.

As to the comment that some of the committee feel that this publication may not be as valuable as its sponsors thought it would be, there is nothing I can say which will add to the statements made by Judge Stevens, Mr. Dickinson, Professor Griswold, Congressman Shanley, Congressman Driscoll, Judge Townsend, and members of your subcommittee in the hearings before your subcommittee of the Judiciary Committee. The necessity and value of the Federal Register were so thoroughly explained by them and the duty of the Government to publish such a paper so carefully outlined that it would be impossible to enlarge upon them.

If there is any further information at my disposal which you would like, please let me know.

With kindest personal regards, I am,

Sincerely yours,

B. R. KENNEDY, Director.

I often made search for certain rules, and frequently was told, "They are out of print." At other times they were lost.

We had an anomalous situation with reference to the oil code. A man was indicted and convicted in the lower courts.

The case came to the Supreme Court of the United States, when, lo and behold, it was discovered before the argument in that august body that the particular provision of which the defendant was accused of violating never existed, and the Government was put in the awkward and embarrassing position before the Supreme Court of being compelled to ask for the dismissal or withdrawal of the suit, because the alleged offense was not an offense at all. Apparently neither the N. R. A. officials nor the Department of Justice knew of the exact wording of that code. The Register would have saved the Government expense and embarrassment and the citizen his trouble and chagrin at being classed as a criminal. At the time this very significant remark was made by Chief Justice Hughes, "Why is there not a repository of the Executive orders and the rules and regulations issued by the various departments?" The Federal Register, I say to the gentleman from Missouri, answers the query put by Chief Justice Hughes.

In an argument before the Supreme Court last week on the Securities and Exchange Commission Act the claim was made by the defendant contesting the act's validity and constitutionality that the rules and regulations of the Securities and Exchange Commission under the basic statute must be published, and that there was no publication of the rules and regulations of the Securities and Exchange Commission, because they were simply issued by a clerk or the secretary of the Commission and then given to the newspapers. Very properly they said that was not publication, and I think the Supreme Court will have something to say as to whether or not that is publication; but the minute such rules are filed in the Federal Register, where he who runs may read, that will be publication beyond question. Brother COCHRAN would run the risk of having the law declared invalid for want of publication.

Away back in 1890 the same situation confronted England. There was an avalanche of administrative law, which, as here, has the same effect as statute law. Back in those dark days Englishmen argued as we are arguing, but they saw the light—long before we did—and England started to publish its Gazette, which is exactly what we are publishing as a Federal Register. Every Latin country has wrestled with this problem, and each country has its gazette or register. All of the colonies of England have it.

Canada has had one for years, and I should say that the opposition is almost verging on false economy, as far as the gentleman from Missouri [Mr. COCHRAN] is concerned, and particularly those who will in the future try to strike at the Federal Register by cutting off appropriations. We have appropriated \$100,000 for a 4-month period. I am willing to try the thing out. We are trying it out. If it does not work, I shall be the first to come here and ask the withdrawal of the publication of the Register, but I do not think that will be the situation at all. For the interest of the gentleman from Missouri—and only for his benefit and no other, and I say this very respectfully—we of the Judiciary Committee conducted a second hearing, something rather unusual. We had the chief justice of the Court of Appeals of the District of Columbia, Judge Harold M. Stephens, before our committee. He is an expert, probably the most skilled one on the subject of administrative law. Almost all rules and regulations of all departments sooner or later come for adjudication in his court in the District of Columbia. He said:

It is idle to attempt to know what the law is today without knowing what the regulations are or the Executive orders, and I, as a lawyer and a judge, say that we have no dependable source except the Federal Register for obtaining those laws and those rules and regulations at the present time.

Judge Stephens had previously been the Assistant Attorney General prosecuting the alleged oil-code violations. Among other things, he said:

Now, my friend, Congressman COCHRAN, says that all I would have had to do in the Supreme Court, when the Chief Justice and the other Justices asked me why I had not found this order, was to go and ask a question and go and get it. We had tried for weeks to get it. That is a spectacular illustration, nevertheless, of the underlying principle that I am here to speak about, and that is, that no such situation should be permitted by law to exist.

Furthermore, the present Assistant Attorney General, John Dickinson, formerly the Assistant Secretary of Commerce, appeared before our committee and listened to the arguments of the gentleman from Missouri, who also appeared. The latter stated that the Register was unnecessary because the constituent could get the information desired from his Congressman or from the trade associations that have representatives in Washington. In reply Assistant Attorney General Dickinson said, as follows:

Now, it is perfectly true that, by belonging to some of the associations to which Mr. COCHRAN referred, one could get a good deal of the information that he has in mind. However, there are a good many business people in this country that do not belong to those associations. There are a great many business people that are not large enough to maintain the contacts in their own organizations that is necessary to supply them with this essential information as to the law. I do not feel that an individual who is not in position to maintain those contacts ought to be any the less able to find the law applicable to him, than the individual who does belong to organizations of that kind.

I am thinking about the lawyer out through the country, the lawyer in the small country town who has a case that involves tracing down of the law frequently through those rules and regulations. I think they ought to be available in the country court-houses throughout this country, compiled and currently issued, these rules and regulations of the Federal Government, in the same way that there are available sets of United States Statutes at Large, and sets of the Supreme Court and Federal Reporters.

I am thinking about the man who only occasionally comes into contact with these rules and regulations, the lawyer who only occasionally comes into contact with them, but to whom they are very vital when he does need them.

Mr. COCHRAN referred to the compilations that are issued by the different bureaus themselves. That is simply another instance of the feeling that there is a responsibility upon the Government to make this material available to the people who are bound by it. It seems to me that that is an argument in favor of the Register rather than an argument against it, because the publication now is necessary, as is illustrated by the compilations that are issued by the various bureaus and departments.

There also appeared before our committee Prof. Edwin N. Griswold, of Harvard University. He had been 5 years with our Department of Justice. He had written a very illuminating article for the Harvard Law Review, entitled "Government in Ignorance of the Law", on the need for the publication of all rules and regulations. It was that article that inspired me to introduce the bill. Professor Griswold testified as follows:

As a matter of fact, as I recall it, I think it went back to a day in 1930, when I was assigned to prepare a draft of an opinion of the Attorney General in response to an inquiry from the Secretary of the Treasury about two poor school teachers out in Illinois, who had endorsed some Liberty bonds in blank to send them in for redemption, and after they had been endorsed in blank they were stolen; and the question was whether they were entitled to have them replaced or whether their endorsement in blank deprived them of their property after they were stolen.

So I found that the law said that the Secretary may restore stolen bonds, under regulations to be prescribed by him, and, naturally, I looked for the regulations. I hunted high and low through the Department of Justice. There simply was not a trace of any such regulations. I called up the Treasury Department and got hold of the Bond Division, and they said, "Why, yes; there is such a regulation, but it has been out of print for years. If you will come over here, we will be glad to let you see it." I went over and saw that copy of it, the relevant part, and I said, "Is this the latest thing?" And they said, "No; there have been three or four amendments. We have them in the drawer here." They never had been printed and that was the thing that controlled the question whether the ladies out in Illinois were entitled to \$2,000, which were their life savings.

Professor Griswold continued:

The difficulty with the situation, or with the remedy which Mr. COCHRAN suggests, seems to me is the fact that for some of the regulations it is not so hard to find them as it is awfully hard to be sure you have got the latest thing. The dangers are from the regulations you do not know about, and as the situation now stands it is almost hopeless to find out whether that is the regulation on any certain particular matter.

Since we do have the Federal Register, we can look at one place, the index, and find out if that is the regulation on this point.

I think this is a situation where it is very easy, in the name of economy, to do something that will turn out to be very expensive, and I think particularly about just one case, which could be one case out of many, in which I had charge of preparing the Government's brief before the Supreme Court of the United States. The question involved some insurance in favor of an enlisted man in the Navy. He had enlisted at one place and had

been discharged, and reenlisted again within 3 months after that, and the law provides that if you reenlist within 3 months, your term is continuous, because it gives a man a sort of chance to get a vacation between enlistments. When he reenlisted, he did not instruct the pay clerk to deduct the amounts necessary to pay the premiums on his insurance, and those amounts had not been deducted, and he had always taken full pay thereafter, and knew that he got full pay. He died, and then his heirs claimed the insurance.

Now, it looked very bad, because his enlistment wasn't continuous. It looked bad. I defended the case, and the statute said something about a continuous enlistment and the instructions to withhold the pay should continue, "except as otherwise provided by regulation."

Well, that case had been tried through the lower courts without anybody ever finding any regulation which otherwise provided, and had gotten before the Supreme Court, and I took 2 days of the Government's time and went through a great mass of regulations, and finally, much to my surprise, found the specific regulation that said that if you reenlist in a different place, that you must make a new declaration, must take out your insurance premiums. That regulation saved the Government of the United States \$10,000. When you multiply that by a few, you have covered all the expenses of printing the Federal Register, and very likely a great deal more.

I have great respect and regard for the gentleman from Missouri. I commend his zeal for decreased expenditures. But in this matter his zeal is misplaced.

I will say that we on the Judiciary Committee are trying also to keep the expense down. I shall report to the House shortly a bill to codify instead of compile all past rules and regulations. The codification would be a smaller and more economical publication than compilation, because it would eliminate a great deal of dead material.

The gentleman from Missouri said that there was no demand for the Register. That is answered by the testimony of Mr. Kennedy, which, in part, is as follows:

In order to indicate the interest shown by the general public in the Federal Register and the necessity for such a publication, it is only necessary to consider several outstanding facts: First, the long-felt need for this publication was emphatically shown by the attitude of the Chief Justice, when he inquired in the "hot oil" cases whether there was some one place in the Government where the public could find all Executive orders, proclamations, codes, rules, and regulations of general applicability and legal effect, particularly those embodying a penalty, which had never been promulgated and of which the public was unaware. This led to the establishment of a committee representing most of the Government agencies, which eventually drew up an outline for the Federal Register Act.

The number of copies of the daily issue of the Register which have been requested by the various Government agencies as necessary for their use approximates 2,200. There have been about 500 requests from depository libraries for copies of the Register and as many more are expected. There will be needed for the use of the Senate and the House of Representatives and other officials at the Capitol about 1,200 copies. There have been about 200 telephone inquiries at the office of the Division of the Federal Register as to date of issue, cost, and so forth. More than 50 individuals and corporations, some of national prominence, have made inquiry or asked to be placed on the mailing list of this publication. One hundred and twenty-five copies go to the Library of Congress for exchange with foreign countries.

The State Department, for many years, has had from 600 to 1,000 copies of each Executive order printed, and in a large number of cases this entire supply has been exhausted in a short time. The Government Printing Office has received constant requests for Executive orders, rules, and regulations from various departments, many of which it has been unable to furnish because they were never printed.

There are various commercial services, such as Commerce Clearing House, Prentice-Hall, the United States News, and others, which have an aggregate subscription list of more than 300,000 and which furnish their subscribers, among other things, with information as to Executive orders, rules, regulations, codes, and so forth. None of them, however, furnishes a complete publication such as the Federal Register will do.

The normal procedure for requesting copies of regulations, etc., is to address the agency issuing them, and every such agency receives numerous requests for these regulations, which they fill if possible. The fact that many of them do not print or publish their regulations is one of the reasons for the existence of the Federal Register. The office of the Superintendent of Documents, Government Printing Office, continually has numerous calls for Government regulations of all kinds.

Mr. COCHRAN. Mr. Speaker, the gentleman from New York has mentioned my name on several occasions during his address, and in fairness I ask unanimous consent that I may have 5 minutes to reply to the gentleman from New York.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. CELLER. Reserving the right to object, I should like to have 5 minutes to reply to the gentleman from Missouri.

The SPEAKER. The gentleman from Massachusetts [Mr. TREADWAY] has 20 minutes under the order of the House.

Mr. TREADWAY. Mr. Speaker, I should be glad to accommodate the gentleman from Missouri by delaying my remarks for 5 minutes.

Mr. CELLER. Mr. Speaker, I reserve the right to object unless I have 5 minutes to reply to the gentleman from Missouri. Will the gentleman let me have 3 minutes?

Mr. COCHRAN. No.

The SPEAKER. The gentleman from Missouri asks unanimous consent to proceed for 5 minutes. Is there objection?

Mr. CELLER. I reserve the right to object unless I have 2 minutes to reply.

The SPEAKER. The question is, Does the gentleman object? No conditions can attach to the request.

Mr. CELLER. Will the gentleman yield to me for 2 minutes?

Mr. COCHRAN. No; I will not.

Mr. CELLER. Then, Mr. Speaker, I object.

The SPEAKER. The gentleman from Massachusetts [Mr. TREADWAY], under the special order of the House, is recognized for 20 minutes.

FEDERAL COMMUNICATIONS COMMISSION

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a brief table prepared from information furnished through the Department of Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, as I have two important subjects to discuss, I request that I be not interrupted.

Mr. Speaker, great indignation has been expressed throughout the country at the procedure of a certain committee which, without authority of law, has secured access to millions of private wire messages. Practically the entire blame for this situation has been laid at the door of a certain committee. I think the shoe is on the wrong foot. If such a committee desires to exploit itself to gratify its curiosity, I am not so much concerned about it as I am at the failure of officials to respect their oaths of office.

The Federal Communications Commission came into being by act of Congress approved June 19, 1934, now known as Public, No. 416, Seventy-third Congress. As was to be expected, the Commission has set up a long list of employees, various divisions, always to aggrandize their own jobs, and to provide patronage positions for deserving Democrats. It happens that this organization has a peculiar feature about it, that no end of employees can be given positions outside the civil service, but in addition to that they can secure employees through the civil service. So they can pad the payroll account of this Commission either way, through the civil service or through Democratic patronage. I do not know whether that provision applies to other commissions, but it does apply to the one to which I am referring.

The first duty of the Commission itself should have been to acquaint itself with its own authority and to know the contents of the law under which it is functioning. The ignorance which its members have shown is culpable and deserves the severest condemnation, even to the extent of removal from office. I advocate the latter procedure. I doubt if it will be taken, but I advocate removal from office of the members of this Commission.

Here we have another example of the Government meddling in business. I do not hesitate to say that there is absolutely no authority in law for compelling telegraph companies to break confidence with their customers and provide any committee with their entire file of messages. The Federal Communications Commission should have known

the contents of section 220 of the act, which permits investigation and examination only for the purpose of checking accounts. I have the act before me, and for the information of the House I want to call attention, on page 16, to the authority for inspection which is granted to the Commission. Paragraph (c) of section 220 reads as follows:

(c) The Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers, and the provisions of this section respecting the preservation and destruction of books, papers, and documents shall apply thereto. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry and the Commission may suspend a charge or credit pending submission of proof by such person. Any provision of law prohibiting the disclosure of the contents of messages or communications shall not be deemed to prohibit the disclosure of any matter in accordance with the provisions of this section.

This entire paragraph applies purely to the authority for inspection for accounting purposes and nothing else.

I also find that paragraph (f) reads as follows:

(f) No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

Now, that ties in every member of the Commission. Authority to inspect these telegrams and turn them over to a certain committee could not have been given by anybody but the entire Commission unless they violated section (f) of the statute to which I am referring. Bear that in mind.

Except insofar as he may be directed by the Commission or by a court.

Certainly, it is a long stretch of imagination to consider a committee as a court.

I want now to refer also to another paragraph of the law, section 605, which reads as follows:

UNAUTHORIZED PUBLICATION OF COMMUNICATIONS

SEC. 605. No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: *Provided*, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress.

What could be more positive than the denial of authority to divulge the contents of any telegram? Even if shown to be "on demand of lawful authority", such permission could only be construed as for lawful purposes.

I may say further that this is not the first time this question has come up. The Securities and Exchange Commission nearly a year ago—I think they have been in existence about a year—asked for the contents of certain telegrams and the then General Counsel of the Federal Communications Commission, Mr. Spearman, denied it. It is a matter of record that the request for those telegrams was denied.

Further than that, Mr. J. Edgar Hoover, in his official position in the Department of Justice, later on also asked to be given copies of certain telegrams, and his request was likewise denied. More recently this permission to which I have referred was given; and not only did the entire Commission go on record in favor of showing those telegrams, but the telegrams were sorted out by the officials of the Commission into two piles, one of which they thought would be of interest to a certain committee, and the other they thought would not be of any use to them, and they cast those to one side. In other words, a certain committee was being waited upon by the Commission or some agent of theirs—a patronage appointee, I suppose—looking around for this information. I think the culpability of the Commission is so gross, and they have gone so far beyond their authority under the law, that they should be summarily removed from office. [Applause.] I demand such action on the part of the administration, but I do not think the demand will be recognized by the parties in charge. I do feel, however, that the business interests of this country have some rights, even under this administration, to protection in their legitimate business; and certainly no man, no Member of this House, or of any other body, would say that the entire file of telegrams sent by the business concerns of this country should be open to any committee whatsoever.

I think that is the story of the present situation, and it is one that ought to be corrected and regulated. If this sort of thing is to be continued, and no man or business concern is to have any protection from the inquisitiveness of certain people, what will happen? It does not appear to me to be a very satisfactory situation. I leave that subject there.

RECIPROCAL-TRADE TREATIES

I want now to congratulate the State Department on having received the resignation of Professor Grady, who has been more responsible, I think, for the phraseology of the trade agreements than any other one man, although, of course, his superior is the great internationalist, Dr. Sayre, and Dr. Sayre's superior officer is our old colleague and intimate friend, Cordell Hull.

I was interested, and quite amused as well, Sunday morning, to read in the press the resignation of Dr. Grady, the internationalist from California; but the principal feature of his resignation that struck me as so extremely interesting was the fact that it will not take effect until July 1, in order that he may remain in the East rather than return to Berkeley, Calif., during the period that Mrs. Grady is a delegate at large from California to the national Democratic convention to be held in Philadelphia. Dr. Grady, it will be represented, has acted in the most nonpartisan, patriotic manner in trying to ruin the domestic trade of this country and bring in goods from foreign lands—entirely impartial and nonpartisan, I assume. It did look quite queer to me, however, that he was anxious to stay here until he was sure that his chief, Mr. Roosevelt, had been renominated and that part of the effort to secure his nomination should come from Mrs. Grady.

What is the result of the trade agreements constantly being brought to the surface? Why, it is the tearing down of our industries. I was amused a few moments ago to see over in the old House Office Building lobby pictures showing new land that is going to be cultivated by the W. P. A., the P. W. A., or some other alphabetical agency, in order to put fertility in the soil and develop new land. What are you going to do with the new land when, through the reduction of tariff rates, you open the markets of this country to all foreign produce?

How can it be justly said that Dr. Grady knows better what is good for the agriculturalists of this country than they do themselves or the Members of this Congress? He has shown great conceit in his own opinion of himself, but it so happens that all of us do not agree with him.

The result of these reciprocal-trade treaties is shown in the accompanying table which I have been given permission to insert in the Record and which appears at this point.

Recorded exports and imports
[Source: Department of Commerce]

Year	Goods sold to the world, net exports	Silver bought from the world	Gold bought from the world	Total
1929.....	\$841,000,000	19,000,000	120,000,000	740,000,000
1930.....	782,000,000	11,000,000	278,000,000	515,000,000
1931.....	334,000,000	2,000,000	176,000,000	508,000,000
1932.....	289,000,000	6,000,000	11,000,000	272,000,000
1933.....	225,000,000	41,000,000	173,000,000	357,000,000
1934.....	478,000,000	86,000,000	1,217,000,000	1,825,000,000
1935.....	234,000,000	336,000,000	1,739,000,000	1,841,000,000

¹ Net imports.

We exported from this country in 1929 goods to the value of \$841,000,000 in excess of our imports. There has been a continuing decrease, except for one year, from then until 1935, at which time our net exports had fallen to \$234,000,000. The balance of trade was the other way by some \$19,000,000. Last year we bought \$336,000,000 worth of silver, and in the corresponding time last year we bought \$1,739,000,000 worth of gold, which is now stacked up in this country. There is no use for it, there is no purpose whatsoever in having it. This results in a total balance of trade against us last year of \$1,841,000,000. The way that was brought about is that we have reduced our own markets in connection with exports and we have opened our markets to imports from foreign countries. We have paid for the extra balance in imports of gold and silver, not in our own commodities but in stocks, bonds, and other securities. The foreigners have taken that money and put it into our securities and their own securities on the markets of Wall Street and elsewhere. That is the distinct, positive, and proved result of your reciprocal-trade agreements. The sooner that law is repealed the better for the interests of this country, whether they be agricultural or what they may be.

Mr. Speaker, there is no way whereby you can force foreign countries, getting our gold and silver in payment for their produce brought to this country, to buy our products in accordance with the manner the reciprocal treaties call for. Theoretically the scheme might be a good one, but it is like so many other will-o'-the-wisps, practically it is ruination to agricultural and mercantile pursuits of this country.

I received a telegram yesterday from a mill in my State stating that it was obliged to consolidate with a mill in another State because they have not business enough to keep them going. They have to move out of the State of Massachusetts because there is not enough to keep them going, owing to the tremendous amount of imports coming into this country. So we find that these reciprocal treaties bring about no benefit whatsoever to the manufacturers or orders for our goods.

We are getting ready to spend \$500,000,000 annually to curtail surplus crops. Yet these same surplus crops will be increased in direct proportion to lowered tariff rates on all forms of agricultural products. Think of it! You are increasing the surplus crops directly as you receive imports from foreign countries, particularly from Canada, of the products that they grow. It is a shame. We destroy our American industries by tariff reductions in giving foreigners increased purchasing power, and they do not use this increased purchasing power to buy our goods.

Mr. Speaker, there is the story. The statements I am making plainly prove two things: First, that further tariff reductions are detrimental to the United States; and, second, it is a false assumption to say that foreigners will buy our goods if we give them increased purchasing power, whether by tariff reductions or gold and silver purchases. The records show they do not buy our goods. The tables show that the foreigners do not use their increased receipts to purchase our goods, but rather to increase their own dividends. That is what they are doing. If they took the money that we are providing them with to balance accounts, it would not be long before their \$13,000,000,000 of indebtedness on account of the war could be paid off. That is not what they want to use this money for. I do not know why that would not be a fair

transaction. They have shipped their goods to this country, and all we get out of it is the opportunity to pay for the goods and they get the benefit of the exchange. I do not see why one account could not balance the other. I do not think there is any explanation why we should be paying out one and a half billion dollars a year—\$3,000,000,000 in 2 years—for foreign-made goods and gold and silver and not force them to credit the balance they owe us from the war.

[Here the gavel fell.]

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill.

Mr. COCHRAN. Mr. Speaker, it is not my purpose to filibuster against the omnibus bills this afternoon, which involve millions of dollars. There are many meritorious bills that should be passed. I do think the membership of the House should know that we are about to consider these bills. I therefore make the point of no quorum.

The SPEAKER. The Chair will count. [After counting.] Evidently not a sufficient number.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 36]

Adair	Dear	Kerr	Romjue
Andrews, N. Y.	Dempsey	Kleberg	Russell
Ayers	DeRouen	Larrabee	Sabath
Bacon	Ditter	Lee, Okla.	Sanders, La.
Berlin	Doutrich	Lewis, Md.	Schulte
Boland	Duncan	McGroarty	Scrugham
Bolton	Ellenbogen	McLean	Somers, N. Y.
Brennan	Evans	McLeod	Steagall
Brooks	Farley	McSwain	Sweeney
Buckbee	Gasque	Marshall	Taylor, Tenn.
Buckley, N. Y.	Goldsbrough	Montague	Terry
Bulwinkle	Gray, Pa.	Montet	Thomas
Carpenter	Green	Moritz	Underwood
Cary	Greenway	Norton	Wadsworth
Casey	Hamlin	Oliver	Wilson, La.
Chapman	Harlan	Perkins	Wilson, Pa.
Claborn	Higgins, Mass.	Peyser	Wood
Clark, Idaho	Hobbs	Ransley	Woodrum
Cooley	Hoeppel	Reece	Zioncheck
Corning	Jenckes, Ind.	Reilly	
Crowther	Kee	Rich	
Culkin	Kelly	Robison, Ky.	

The SPEAKER. Three hundred and forty-five Members have answered to their names, a quorum.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 10919) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. STEIWER, and Mr. NORBECK to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3071) entitled "An act providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. FLETCHER, and Mr. McNARY to be the conferees on the part of the Senate.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first omnibus bill on the Private Calendar.

The Clerk called the first omnibus bill on the Private Calendar, H. R. 8236, for the relief of sundry claimants, and for other purposes.

STANLEY A. JERMAN, RECEIVER FOR A. J. PETERS CO., INC.

The Clerk read as follows:

Title I—(H. R. 1366. For the relief of Stanley A. Jerman, receiver for A. J. Peters Co., Inc.)

That the claim of Stanley A. Jerman, receiver for A. J. Peters Co., Inc., for forage delivered by the said A. J. Peters Co. to the Quartermaster Corps, War Department, during the late World War, and the years 1917 to 1919, inclusive, and used by the War Department, for which no payment whatever has ever been made under the following contracts and orders: P. O. 20847, P. O. 21212 to P. O. 21217, both inclusive, P. O. 21219, P. O. 21319, P. O. 21320, P. O. 21469, P. O. 21494, 51, contract dated March 31, 1917, P. O. 2350 to P. O. 2352, both inclusive, P. O. 20260, P. O. 20836 to P. O. 20838, both inclusive, be, and the same is hereby, referred to the United States Court of Claims with jurisdiction to hear and determine the same to judgment, notwithstanding the statute of limitations: *Provided*, That the petition is filed within 6 months from the date of this act.

Mr. COCHRAN. Mr. Speaker, I move to strike out title I.

The SPEAKER. The gentleman from Missouri offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 1, line 3, strike out all of title I.

Mr. COCHRAN. Mr. Speaker, numerous omnibus bills are on the calendar today. The membership should understand that the first two bills are war claims bills. The war ended in 1918, seventeen years ago, but there are claims here that go back to the Civil War.

This first claim has been considered by the War Department, by the Department of Justice, and by the Comptroller General, and they allowed a net balance on the claim of \$2,428, which was paid and closed the case.

The claimants were indicted, but this did not preclude their right to go into the Court of Claims if they had desired to do so. They slept on their rights. Three Government agencies have considered this case, and now we are asked to send it to a fourth Government agency, and the claimants want \$31,000.

This is all I have to say on this bill, Mr. Speaker, except I would like to call the attention of the House to the fact that in Friday's RECORD, which you will find in the rack, at page 3607, I briefed these claims, and the information that I furnished the Members is not my own entirely but comes from the various departments to my committee. I also have received reports from the Comptroller General in each case that I mention, and he is in possession of whatever records still exist in each of these cases.

I am perfectly willing for the House to consider the claims and expedite them, but I think you should know the facts in reference to each one of them.

There are dozens of meritorious claims in some of the omnibus bills that should be passed today, but sandwiched in between them are bills that amount to large sums; and in this one bill we have up now the total amount involved is \$1,288,000, comprised in five different measures. I leave it to the House as to whether it wants to pass the first measure and let a fourth agency of the Government audit a claim when three different agencies have audited the claim and have allowed and paid \$2,400.

Mr. THOMASON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I am in sympathy with the good purpose of my friend from Missouri when he says that we ought to stop any of these illegal or fraudulent war claims, but that does not apply to this bill.

I do not know Mr. Stanley A. Jerman, receiver for A. J. Peters Co., Inc., and neither do I know A. J. Peters Co. I never heard of any of them, do not know where they live or know anything about their business, but I do know Heid Bros., of El Paso, Tex., who furnished to A. J. Peters Co. some of this hay that the Army received and whose animals ate this hay, which has never been paid for.

May I say further that if you will look at the report on this bill you will see that this bill unanimously passed the Claims Committee of the House of Representatives in the Seventy-first Congress; it unanimously passed the Claims Committee of this House in the Seventy-second Congress; it

unanimously passed the Claims Committee of this House in the Seventy-third Congress; and now it is here again with a unanimous report.

The only thing in the world that this bill does is to give these parties an opportunity to go to the Court of Claims and have this matter fairly and finally settled. My friend from Missouri said it had been investigated by the War Department and turned down; likewise by the Attorney General; but I hope you will be fair enough, before you vote against this bill, to read the report signed by the Acting Secretary of War himself, the Honorable F. H. Payne. I do not have time to read all the report, but let me read you this much of it:

The vendor upon being notified as to the grade of hay received and advised as to the price at which same would be accepted, usually acceded to the terms offered, and the commodity was purchased by the Government at the price agreed upon as being proper for the quality of this forage.

Let me say in this connection that the only trouble that ever arose about this matter was this: Heid Bros., of El Paso, sold some of this hay to this Peters crowd, and they shipped the hay to Arizona, where there was a big cantonment or a big lot of troops. This hay was sold subject to grades and weight at destination, and those grades and weights were passed upon exclusively by War Department officers, and their statements were accepted absolutely, and these people, whom I know and vouch for in my city, did not have anything more to do with that than one of you.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. PITTENGER. Is this a case of the Government getting hay and then not paying for it?

Mr. THOMASON. The Government got this hay and that part of it still in controversy has not been paid for. I mean they have not paid for the part now in question. It is probably true they paid this \$2,000 my friend from Missouri refers to. I know they did if the gentleman from Missouri and the Comptroller General say so, but there is still a large or substantial amount due on this claim.

Let me say this. The Secretary of War says that after suspicion was aroused the records of the Department show that a great quantity of hay was furnished the Government by Peters & Co., and somebody was indicted, and everybody in connection with the matter was acquitted. Here is what the War Department says:

As a result of the investigation conducted, criminal proceedings were brought against the members of this firm for fraud and conspiracy in restraint of trade. At the request of the Attorney General payment of the amount appearing to be due the company was withheld by the War Department, and subsequently a claim against the Government was filed by the said company for the sum of \$31,915.70 for the value of the hay alleged to have been furnished.

Now, listen to this before you vote on this proposition:

Upon failure of the United States attorney to get a conviction in any of the cases tried, the criminal action against members of the firm was dismissed on recommendation of the Attorney General, and an investigation was then made to determine the advisability of bringing civil action against the company. The contemplated civil action was abandoned when it was learned that an audit of the accounts indicated there was no amount due the United States.

Now, listen to the excuse that is made on the part of the Government:

Due to the long period which has elapsed since the transaction involved took place, and the fact that many records pertaining to the matter cannot now be located, the Government would be at a great disadvantage were it required to defend itself in a suit at this time.

If the Government is at a disadvantage, how about the people who furnished this hay and never received a cent for it, hay that the Government fed to its horses and mules?

Let us be fair about this matter.

All parties charged with fraud or misrepresentation were promptly acquitted. All this bill does is to give them the right to go before the Court of Claims, where justice can be done. Not one cent of money is appropriated. The Treasury is not out a single cent.

I am sure you will not do an injustice to these citizens and taxpayers since the hay was delivered to the Government and fed to Army horses and mules. Are they not the ones at a disadvantage? Let us give them their day in court. That is all these people ask for. They furnished large quantities of hay, and it is an outrage not to give them their day in court. I repeat I do not know Jerman or A. J. Peters Co., but I do know Heid Bros. They are my friends and constituents. They are honorable men, and I vouch for them. They are entitled to pay for their hay.

Mr. SHORT. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. SHORT. According to my colleague, many of these claims are deserving. I happened to be a member of the War Claims Committee in the Seventy-first Congress, which considered this bill, and it was reported favorably by unanimous vote. It is a meritorious claim.

Mr. THOMASON. I thank the gentleman. I have never been a member of the War Claims Committee, but I think that these people should have their day in court. The War Department itself says they were acquitted of any wrongdoing. The War Department said they had an audit and found these people innocent. The only excuse the Secretary of War can offer is that they have misplaced some of their papers, and the Government would be at a great advantage. That is not the fault of these good citizens. I plead for justice and fair, square dealing between a great Government and its citizens. All I ask for is a square deal, which these people have not received. Nobody will be hurt by an open, fair hearing before a competent and impartial court.

The SPEAKER. The question is on the motion of the gentleman from Missouri.

Mr. BEITER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BEITER. The amendment offered by the gentleman from Missouri, if the Members desire to sustain the committee—

The SPEAKER. That is not a parliamentary inquiry. The question is on the motion of the gentleman from Missouri.

The question was taken, and the amendment was rejected.

The SPEAKER. The Clerk will read the next title.

CLAIMS OF CERTAIN EMPLOYEES

The Clerk read as follows:

Title II—(H. R. 4147. To provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Holst & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.)

That the Secretary of War is authorized and directed to pay and discharge the claims of certain employees (or their legal representatives of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Holst & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn., for additional compensation for work performed as employees of such companies in the execution of contracts made by such companies and the United States and for the manufacture of war materials for the use of the War Department or the military forces of the United States. Such payment shall be based upon the principles laid down in the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, and shall be in accordance with the interpretations and the classifications and adjustments made under the direction of the Board in pursuance of such award. In the case of any employees with respect to whom classifications and adjustments have not been made in pursuance of such award and interpretations thereof the Secretary of War shall make the classifications and adjustments necessary for the payment and discharge of claims under this act.

Sec. 2. That no payment under this act shall be made after the expiration of 2 years from its passage unless prior to the expiration of such time a claim therefor is presented to the Secretary of War in such manner as he shall by regulations prescribe.

Sec. 3. That the provisions of the act shall not apply to any employees of such companies with respect to whom the award of the National War Labor Board was carried out, nor shall this act be construed to prejudice any claims which the employers receiving the benefits thereof may have in respect to contracts

made by the companies and the United States for the manufacture of materials for the use of any department or service of the Government other than the War Department or the military forces of the United States.

SEC. 4. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sum not in excess of \$1,200,000, as may be necessary to carry out the provisions of section 1 of the act.

SEC. 5. That no claim under the provisions of this act shall be settled, adjusted, or reviewed under section 236 of the Revised Statutes, as amended, nor shall jurisdiction of any such claim be had except as provided in this act.

Mr. COCHRAN. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. COCHRAN: Mr. COCHRAN moves to strike out title II.

Mr. COCHRAN. Mr. Speaker, this is not a bill to go to the Court of Claims. This is a bill to pay \$1,200,000 out of the Treasury—taxpayers' money. It is an old war claim. What I read is not my report, but this is a report of the Comptroller General of the United States, who, under the Budget Act, is a representative of the Congress of the United States and not a representative of the executive branch of the Government:

This bill proposes to pay additional compensation to employees of certain private concerns for work performed in the manufacture of war materials furnished the War Department under contracts during the late World War.

The bill does not cover employees engaged upon work under Navy Department contracts. Does the Congress wish to discriminate between employees engaged upon work under contracts with different departments of the Government?

The War Department did not request and, in fact, was not consulted in connection with the award made by the National War Labor Board in these cases—as was done in the Bethlehem Steel Co. matter; act of March 4, 1925 (43 Stat. 1603), as amended—and what legal or other obligation rests upon the Congress now to authorize expenditures approximating \$1,200,000 as gratuities to these employees of private concerns? Would not this be establishing a precedent which will induce the advancement of other similar claims?

The Comptroller also calls attention to the fact that under the provisions of the bill section 5 proposes to establish a dangerous precedent, whereby the paying agency would pass upon the propriety and legality of its own disbursements with no check or review by any other agency of the Government.

Mr. Speaker, I leave the matter to the House whether it wants to take \$1,200,000 out of the Treasury at the expense of the taxpayers. I might also add many of the claimants are dead.

Mr. CHRISTIANSON. Mr. Speaker, I rise in opposition to the amendment. In the first place, I call attention to the fact that this is not a bill to reimburse corporations, but one to reimburse their employees. This is a proposal to help the "little fellow." This body has had many opportunities to vote money out of the Public Treasury to pay the claims of rich corporations that were engaged in furnishing the Government with supplies during the war, but I dare say this is the first opportunity it has had to accord to workingmen the concessions that have been granted frequently heretofore to their employers. The corporations whose employees would be benefited by this bill are the Minneapolis Steel & Machinery Co., of Minneapolis; the American Hoist & Derrick Co., of St. Paul; and the Twin City Forge & Foundry Co., of Stillwater, Minn. These companies were all acting as contractors or subcontractors in furnishing the Government at its request with shells, gun-carriage parts, and other materials needed during the late war.

Comment has been made upon the fact that many years have elapsed since these claims accrued, and the inference is drawn that therefore they should not be paid. It is not the fault of the men who are to be the beneficiaries of this legislation that this debt is long overdue, for time and again they have come before Congress with bills for reimbursement. In every instance those bills were favorably reported by the committees to which they were referred, but because of the rules under which the House operated, it was impossible to get them to a vote. This is the first opportunity there has been to present the case to the House as such.

During the war there were numerous wage disputes, and the President created a National War Labor Board, headed by William Howard Taft, to adjust differences between war contractors and their employees.

The employees of the companies mentioned in the bill threatened to quit work, whereupon representatives of the Board went before them and assured them that, if they would stay on the job, the Government would pay them the wages paid in the same locality for similar work.

The men continued to work, the Board made its award, and the Secretary of War, Newton D. Baker, recommended that it be carried out. But before the Government's auditors had completed checking the claims there was a change of administration, a new Secretary of War took office, who overruled Secretary Baker on technical grounds.

Our contention is that the National War Labor Board was an agency of the Government, that it acted within the scope of its authority in entering into the said agreement, and that the Government therefore is legally and morally bound thereby.

In that connection, I want to say that Mr. Taft, after he became Chief Justice, voluntarily appeared before a House committee as a witness and declared that in his opinion the claim constituted an obligation of the Government which ought to be paid.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. CHRISTIANSON. Yes.

Mr. PITTENGER. Is it not a fact that the employees in other steel mills in other parts of the country were paid and these were left out?

Mr. CHRISTIANSON. It is a fact, among them being the employees of the great Bethlehem Steel Co. I submit that if the employees of the Bethlehem Steel Co. were entitled to reimbursement, those of these three small Minnesota companies should be given equal consideration.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. CHRISTIANSON. Yes.

Mr. ANDRESEN. I might say to my colleague that this appropriation simply carries out an award of the War Labor Board, an agency set up by the Commander in Chief, the President, to settle disputes of this character. The Board, headed by the late Chief Justice Taft, made an award in this case similar to the award in the Bethlehem Steel case, and the men who received the award have since 1920 made every effort to collect by legislation, but have been unable to do so. The award was approved by the Secretary of War, Mr. Newton D. Baker, at the time it was up for original consideration. He said the men were entitled to it and the award should have been paid, but it was not paid because of complications which arose in the change in Secretaries.

The bill has been before Congress on several occasions. The War Claims Committee heard it, passed on the evidence submitted by the witness, and that committee unanimously reported the bill as meritorious and recommended that the claim should be paid by the United States Government. These laboring men were patriotic employees who were working in the defense of their country. They were promised the same scale of wages as other workers were paid. The bill should be approved so that the obligation of the Government may be discharged.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. On the previous section of this bill the Chair put a unanimous-consent request for an extension of time. The attention of the Chair has since been called to a ruling by the author of the present Private Calendar rule, who was presiding at the last session on this calendar. This rule was proposed for the purpose of expediting business. Upon reflection, the Chair does not think he should recognize Members for the purpose of requesting an extension of time.

The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

ST. LUDGERS CATHOLIC CHURCH OF GERMANTOWN, MO.

The Clerk read as follows:

Title III—(H. R. 3797. For the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to St. Ludgers Catholic Church at Germantown, county of Henry, and State of Missouri, the sum of \$3,000 in full compensation for the use and occupation of and incidental damage to St. Ludgers Catholic Church at Germantown by the United States Army during the Civil War.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Mr. COCHRAN moves to strike out title III.

Mr. COCHRAN. Mr. Speaker, I am simply trying to be fair in this matter. This bill was introduced by my close personal friend and colleague from Missouri, Mr. WOOD. This bill has been before Congress for many, many years. It so happens that one night some 7 or 8 years ago when our distinguished colleague, Judge Dickinson, was unable to be present, I personally made a speech in behalf of this bill. The bill passed the House, but it failed to pass the Senate. I thought it was a meritorious bill then and I think so now. But, Mr. Speaker, this bill has passed the House and has passed the Senate and has been placed upon the desk of the President of the United States, Mr. Roosevelt, and he vetoed the bill. Why should we put it back in his lap?

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. SHORT. I should like to ask my colleague from Missouri or some member of the War Claims Committee just what the policy of that committee is on different claims arising out of the Civil War. In the Seventy-first Congress that committee established the rule that they would no longer report out any bill for a claim growing out of the Civil War; that is, we would not go back prior to the Spanish-American War.

Mr. BEITER. The committee has the same rule. However, with respect to this particular bill that has been vetoed by the President, it is my understanding that the President was not apprised of all the facts in the case, and if the bill were again presented to him he would sign the bill.

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. HANCOCK of New York) there were ayes 56 and noes 43. So the amendment was agreed to.

VELIE MOTORS CORPORATION

The Clerk read as follows:

Title IV—(H. R. 2706. To confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velie Motors Corporation)

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment, notwithstanding the lapse of time, or any statute of limitations, or any limitation upon the jurisdiction of such court with respect to claims upon any contract implied in law, upon the claim of the Velie Motors Corporation for reimbursement for net losses sustained by such corporation on account of the additional requirements imposed by the Government with respect to the crating of gun carts manufactured pursuant to a certain war contract (no. CMG-74, dated Oct. 25, 1917) with the Ordnance Department, United States Army, which requirements were not contemplated by such contract.

Sec. 2. Such claim shall be instituted by or on behalf of the Velie Motors Corporation within 1 year after the date of the enactment of this act. Proceedings in any suit before the Court of Claims under this act, and review thereof, and payment of any judgment therein, shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Mr. COCHRAN moves to strike out title IV.

Mr. COCHRAN. Mr. Speaker, this is a bill to send a case to the Court of Claims. It is a case growing out of the war. It is just one of the many cases that have been reported. There are involved \$37,000. The company had

the right to go into court. It did not avail itself of the opportunity. Now, 17 years afterward, some lawyer comes here and wants us to pass a bill to go to the Court of Claims, waiving the statute of limitations. The question is, Are you going to waive the statute of limitations that Congress has provided? They have had a fair opportunity and did not accept it. It is not an ignorant organization. It is a great motor carrying company. Decide for yourselves whether you are going to ask your Government to protect itself in a suit 18 years after the alleged loss.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. COSTELLO. Is it not a fact that the contract with the Velie Motor Co. required that they should crate these gun carts for shipment, and that the crates in which the gun carts were placed were not sufficient to warrant their being shipped across the ocean, and, as a result, the War Department demanded that they should build stronger crates, and that this bill would provide \$4.23 per gun cart to pay for that additional cost of a stronger crate? As a matter of fact, it was required by their contract that they should be adequately crated for export shipment. Therefore there is not any merit to this claim of the Velie Motor Corporation.

Mr. COCHRAN. There is absolutely no merit to the claim. Their contract provided that they should be shipped in proper crates. The War Department held them to their contract. I repeat there is absolutely no merit to the claim.

Mr. THOMPSON. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this bill has passed the Senate of the United States twice and has been reported by various House Committees on War Claims, on four different occasions. The provisions of the bill require that this corporation be given its day in court before the Court of Claims. If the House should pass this bill this afternoon, the Velie Motors Corporation is not going to get its money tomorrow or the next day. It must make out and prove its case before the Court of Claims.

Replying to the gentleman from California with reference to the crating of these gun carts, of which there were approximately 9,000, the contract with the Velie Motors Corporation provided that these carts would be shipped to points within the United States. A gun cart is on the order of an ordinary wagon. We know that ordinary wagons are not crated for shipment within the United States; they are put in box cars and blocked the same as automobiles are shipped. In the Velie case the Ordnance Department later found that these gun carts were needed overseas and directed the contractor to crate them for overseas shipment; and the claim is based upon this company's being reimbursed the actual cost of the extra crating for overseas shipment.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. PITTENGER. All this bill does is to give this company its day in court. Is that correct?

Mr. THOMPSON. Absolutely.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. HOPE. It not only gives the company its day in court but it compels the United States Government to waive certain defenses which it otherwise would have to the claim, does it not?

Mr. THOMPSON. Not as I understand it.

Mr. HOPE. The bill not only asks the United States Government to waive the statute of limitations but it requires the Government to waive any defense it might have as to the jurisdiction of the court to consider the case of an implied contract, practically the basis of the claim in this case.

Mr. PITTENGER. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. Yes.

Mr. PITTENGER. This involves the additional expense of crating those gun carts for overseas shipment under the direction of the Secretary of War.

Mr. THOMPSON. Under the direction of the Ordnance Department as represented by the ordnance inspectors.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?
Mr. THOMPSON. Yes.

Mr. McCORMACK. And it is the customary thing where the statute of limitations has intervened that it should be waived in order for such a bill to accomplish its objective.

Mr. THOMPSON. That is the only object in passing the bill.

Replying to the gentleman from Missouri [Mr. COCHRAN], who stated that this company had its day in court, unfortunately the head of this corporation became involved in financial difficulties about the time it was getting ready to present this claim to the United States Court of Claims and those who were in control of this company for a period of 5 or 6 years allowed the statute of limitations to run against the claim and neglected to follow the matter through. After Mr. Velie again became active in the management of his company the statute of limitations had run against the claim; thus, this relief is sought.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield.

Mr. COCHRAN. If the case were against the gentleman, would he waive the statute of limitations and permit them to sue him?

Mr. THOMPSON. I believe I would if it were a just claim. [Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 44, noes 30.

So the amendment was agreed to.

A. C. MESSLER CO.

The Clerk read as follows:

Title V—(H. R. 3101. To confer jurisdiction on the Court of Claims to hear and determine the claim of A. C. Messler Co.)

That the Court of Claims of the United States be, and hereby is, given jurisdiction to hear and determine the claim of the A. C. Messler Co., of Providence, R. I., notwithstanding lapse of time or any statute of limitations, and to award said company compensation for additional material furnished the Government under contract dated April 17, 1918, for the manufacture and delivery of cartridge clips.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Mr. COCHRAN moves to strike out title V.

Mr. COCHRAN. Mr. Speaker, as the gentleman from Minnesota [Mr. PITTEMBERG] says, and to save him the trouble of repeating it, all this bill does is to send the case to the Court of Claims.

However, Mr. Speaker, this company had its day in court with the Board set up by this Congress under the Dent Act. Mr. Dent, if you please, was chairman of the Military Affairs Committee of this House, and the Congress passed a bill known as the Dent Act, under which every person and corporation who had a claim against this Government growing out of the World War had an opportunity to be heard. This company, just like the other companies, had its day in court and was denied recognition by the Department.

The fact that the Department paid hundreds of millions of dollars to contractors and was criticized for it is evidence in itself that the Board was fair.

It is unjust to ask the Government 18 years after the contract to defend itself in court when we do not know whether the witnesses can be found or whether the evidence is available.

I have nothing further to say about the bill.

Mr. CAVICCHIA. Mr. Speaker, I wish to be heard in opposition to the amendment.

Mr. Speaker, I was a member of the subcommittee which considered the bill in the Seventy-second, the Seventy-third, and the Seventy-fourth Congresses. The gentleman from Missouri is wrong when he says that the Dent Board turned down this bill. As a matter of fact the Dent Board was unanimous for the payment of this bill to the amount of \$16,000, but the Comptroller General refused to pay the warrant because he said it was an illegal payment. In the meantime the statute of limitations ran against the claim.

Subsequently the Senate passed a bill ordering that the Messlers be paid \$12,000. The House of Representatives, through its committee, compromised and recommended the payment of \$10,000.

For years Mr. Messler, an old gentleman from Providence, R. I., has haunted the galleries of this House hoping that in his old age he might be able to collect from Uncle Sam what he considers is a just claim.

Mr. Speaker, this bill does not call for the payment of any money but simply gives Messler the right to go to the Court of Claims to establish his claim. I would hate to have to do business with the United States Government and have my claim passed upon the way some of these bills are being passed upon by the Members of this House. Members of subcommittees spend days and days listening to testimony. The full committee listens to the reports of witnesses and members of the subcommittee. They unanimously agree to recommend that a bill pass, so that someone might be put in a position to justify his claim before the Court of Claims. Then a Member gets up here and says "no", and the claimant is thrown out. If that is the way to legislate, I disagree with you gentlemen who will answer "yes" to the question.

Mr. Speaker, this claim was originally handled by Mr. Condon, formerly a Member of this House from Rhode Island, who resigned to become a member of the supreme court of his State. This is a meritorious claim. The Government supplied material which only enabled the manufacture of 1,000 clips out of every 19 pounds of material, whereas the United States officers thought that Mr. Messler could and should have obtained 1,000 clips out of every 17 pounds of material. The metal was heavier than the Government representatives thought it was, and when the material ran out this man Messler had to go out in the open market and buy enough to make up the necessary number of clips to supply the number called for by his contract, because the contract contained a penalty clause. If Messler had not supplied so many thousand clips by a certain day he would have been subject to a fine. The Army representatives supervising the work in his factory told him to go out and buy the material.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 32, noes 48.

So the amendment was rejected.

Mr. TAYLOR of South Carolina. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will count.

Mr. TAYLOR of South Carolina. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER. The question is on the engrossment and third reading of the bill H. R. 8236.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken.

Mr. COCHRAN. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 137, noes 168, not voting 125, as follows:

[Roll No. 37]
YEAS—137

Amle	Biermann	Burdick	Cross, Tex.
Andresen	Binderup	Cavichia	Crowe
Andrew, Mass.	Bland	Chandler	Cullen
Arends	Bloom	Chapman	Curley
Bacharach	Boehne	Christianson	Daly
Bankhead	Bolleau	Coffee	Darden
Barry	Brown, Ga.	Connery	Deen
Beiter	Brown, Mich.	Cravens	Delaney
Bell	Buckler, Minn.	Creal	Driver

Duffy, N. Y.	Houston	Martin, Mass.	Schneider, Wis.
Dunn, Pa.	Hull	Mason	Seger
Eagle	Jacobsen	Maverick	Shannon
Eaton	Jenckes, Ind.	May	Sullivan
Fenerty	Johnson, Tex.	Mead	Summers, Tex.
Focht	Kahn	Merritt, N. Y.	Tarver
Frey	Kennedy, Md.	Monaghan	Thom
Fulmer	Kennedy, N. Y.	Nichols	Thomason
Gambrill	Kenney	O'Connell	Thompson
Gasque	Knutson	O'Day	Tolan
Gassaway	Kopplemann	O'Leary	Turpin
Gehrmann	Kramer	Parks	Utterback
Gifford	Kvale	Patton	Wadsworth
Gildea	Lanham	Pfeifer	Walter
Gillette	Lea, Calif.	Pittenger	Weaver
Gingery	Lemke	Powers	Welch
Goldsborough	Lord	Ramspeck	West
Greenwood	Lundeen	Randolph	Whichel
Guyer	McClellan	Reed, N. Y.	Willcox
Gwynne	McCormack	Reilly	Williams
Halleck	McMillan	Risk	Wilson, La.
Hart	McReynolds	Robinson, Utah	Withrow
Harter	McSwain	Rogers, N. H.	Wolverton
Higgins, Conn.	Maas	Ryan	
Hildebrandt	Mansfield	Sanders, Tex.	
Hook	Marcantonio	Sauthoff	

NAYS—163

Allen	Dunn, Miss.	Lesinski	Robertson
Ashbrook	Eckert	Lewis, Colo.	Rogers, Mass.
Bacon	Edmiston	Lucas	Rogers, Okla.
Beam	Elcher	Luckey	Russell
Blackney	Engel	Ludlow	Schuetz
Blanton	Englebright	McAndrews	Scott
Brewster	Ferguson	McFarlane	Scrugham
Caldwell	Fiesinger	McGehee	Sears
Cannon, Mo.	Fish	McGrath	Secrest
Carlson	Flannagan	McGroarty	Shanley
Carmichael	Fletcher	McKeough	Smith, Va.
Carpenter	Ford, Calif.	McLaughlin	Smith, Wash.
Carter	Ford, Miss.	Mahon	Smith, W. Va.
Cartwright	Gavagan	Main	Snell
Castellow	Gearhart	Mapes	Snyder, Pa.
Celler	Gilchrist	Massingale	South
Church	Goodwin	Michener	Spence
Citron	Granfield	Millard	Stack
Cochran	Gray, Pa.	Miller	Starnes
Colden	Greever	Mitchell, Ill.	Stefan
Cole, Md.	Grissold	Mitchell, Tenn.	Stubbs
Cole, N. Y.	Hamlin	Moran	Sutphin
Collins	Hancock, N. Y.	Mott	Taber
Colmer	Healey	Nelson	Taylor, Colo.
Cooper, Tenn.	Hess	O'Brien	Taylor, S. C.
Costello	Hoffman	O'Malley	Thurston
Cox	Hollister	Palmisano	Tinkham
Crawford	Holmes	Parsons	Tobey
Crosby	Hope	Patman	Treadway
Crosser, Ohio	Huddleston	Patterson	Umstead
Crowther	Imhoff	Peterson, Ga.	Vinson, Ga.
Darrow	Johnson, Okla.	Pierce	Wallgren
Dickstein	Johnson, W. Va.	Polk	Wearin
Dies	Jones	Quinn	Werner
Dietrich	Keller	Rabaut	Whittington
Dockweiler	Kinzer	Ramsay	Wigglesworth
Dondero	Kloeb	Rankin	Wolcott
Dorsey	Kniffin	Rayburn	Wolfenden
Doughton	Kocialkowski	Reed, Ill.	Woodruff
Doxey	Lambertson	Rich	Woodrum
Drewry	Lambeth	Richards	Young
Driscoll	Lamneck	Richardson	Zimmerman

NOT VOTING—125

Adair	Dingell	Kee	Robison, Ky.
Andrews, N. Y.	Dirksen	Kelly	Romjue
Ayers	Disney	Kerr	Rudd
Barden	Ditter	Kleberg	Sabath
Berlin	Dobbins	Larrabee	Sadowski
Boland	Doutrich	Lee, Okla.	Sanders, La.
Bolton	Duffey, Ohio	Lehibach	Sandlin
Boykin	Duncan	Lewis, Md.	Schaefer
Boylan	Ekwall	McLean	Schulte
Brennan	Ellenbogen	McLeod	Short
Brooks	Evans	Maloney	Sirovich
Buchanan	Faddis	Marshall	Sisson
Buck	Farley	Martin, Colo.	Smith, Conn.
Buckbee	Fernandez	Meeks	Somers, N. Y.
Buckley, N. Y.	Fitzpatrick	Merritt, Conn.	Steagall
Bulwinkle	Fuller	Montague	Stewart
Burch	Gray, Ind.	Montet	Sweeney
Burnham	Green	Moritz	Taylor, Tenn.
Cannon, Wis.	Greenway	Murdock	Terry
Cary	Gregory	Norton	Thomas
Casey	Haines	O'Connor	Tonry
Clalborne	Hancock, N. C.	Oliver	Turner
Clark, Idaho	Harlan	O'Neal	Underwood
Clark, N. C.	Hartley	Owen	Vinson, Ky.
Cooley	Hennings	Pearson	Warren
Cooper, Ohio	Higgins, Mass.	Perkins	White
Corning	Hill, Ala.	Peterson, Fla.	Wilson, Pa.
Culkin	Hill, Knute	Pettengill	Wood
Cummings	Hill, Samuel B.	Peyser	Zloncheck
Dear	Hobbs	Plumley	
Dempsey	Hoeppel	Ransley	
DeRouen	Jenkins, Ohio	Reece	

So the bill was rejected.

The Clerk announced the following pairs:
On this vote:

Mr. Harlan (for) with Mr. Jenkins of Ohio (against).

General pairs:

Mr. Boland with Mr. Robsion of Kentucky.
Mr. O'Connor with Mr. Wilson of Pennsylvania.
Mr. Burch with Mr. Lehibach.
Mr. Hancock of North Carolina with Mr. Bolton.
Mr. Steagall with Mr. Hartley.
Mr. Corning with Mr. McLean.
Mr. Warren with Mr. Short.
Mr. Montague with Mr. Marshall.
Mr. Kerr with Mr. Ditter.
Mr. Clark of North Carolina with Mr. Andrews of New York.
Mr. Samuel B. Hill with Mr. Ekwall.
Mr. Fuller with Mr. Cooper of Ohio.
Mr. Bulwinkle with Mr. Plumley.
Mr. Boylan with Mr. Taylor of Tennessee.
Mr. Dingell with Mr. McLeod.
Mr. Fernandez with Mr. Culkin.
Mr. Buchanan with Mr. Doutrich.
Mr. Fitzpatrick with Mr. Merritt of Connecticut.
Mr. Maloney with Mr. Buckbee.
Mr. Cary with Mr. Perkins.
Mr. Vinson of Kentucky with Mr. Ransley.
Mr. Dear with Mr. Burnham.
Mr. Schulte with Mr. Dirksen.
Mr. Sabath with Mr. Reece.
Mr. Cooley with Mr. Stewart.
Mr. Oliver with Mr. Thomas.
Mr. Montet with Mr. Tonry.
Mr. Somers of New York with Mr. Duncan.
Mr. Kee with Mr. Buckley of New York.
Mr. Buck with Mr. Adair.
Mr. Pearson with Mr. Owen.
Mr. Hennings with Mr. Sandlin.
Mr. Dempsey with Mr. Larrabee.
Mr. Cummings with Mr. Sisson.
Mr. Rudd with Mr. Clalborne.
Mr. Brooks with Mr. O'Neil.
Mr. Gregory with Mr. Terry.
Mr. DeRouen with Mr. Sadowski.
Mr. Green with Mr. Brennan.
Mr. Sweeney with Mr. Dobbins.
Mrs. Norton with Mr. White.
Mr. Faddis with Mr. Meeks.
Mr. Lewis of Maryland with Mr. Schaeffer.
Mr. Pettengill with Mr. Ayres.
Mr. Peterson of Florida with Mr. Gray of Indiana.
Mr. Smith of Connecticut with Mr. Barden.
Mr. Kelly with Mr. Disney.
Mr. Murdock with Mr. Evans.
Mr. Wood with Mr. Sirovich.
Mr. Kleberg with Mr. Clark of Idaho.
Mr. Peyser with Mr. Berlin.
Mr. Casey with Mr. Hobbs.
Mr. Higgins of Massachusetts with Mr. Duffey of Ohio.
Mr. Ellenbogen with Mr. Turner.
Mr. Martin of Colorado with Mr. Farley.
Mr. Zloncheck with Mr. Lee of Oklahoma.
Mr. Hill of Alabama with Mr. Sanders of Louisiana.
Mr. Haines with Mrs. Greenway.
Mr. Romjue with Mr. Knute Hill.

Mr. CURLEY and Mr. CULLEN changed their vote from "nay" to "yea."

Mr. TINKHAM changed his vote from "yea" to "nay."

Mr. THOMASON. Mr. Speaker, I wish to announce that the gentleman from Alabama, Mr. HILL; the gentleman from Illinois, Mr. SCHAEFER; the gentleman from Vermont, Mr. PLUMLEY; the gentleman from Missouri, Mr. SHORT; and the gentleman from California, Mr. BUCK, are attending a meeting of a Subcommittee on Military Affairs and for this reason are not here to answer to their names.

The doors were opened.

The result of the vote was announced as above recorded.

On motion of Mr. COCHRAN, a motion to reconsider was laid on the table.

The SPEAKER. The Clerk will call the next omnibus bill on the Private Calendar.

The Clerk called the next bill, H. R. 8524, for the relief of sundry claimants, and for other purposes.

WILLIAM J. COCKE

The Clerk read as follows:

Be it enacted, etc.—

Title I—(S. 941. An act for the relief of William J. Cocke)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William J. Cocke, of North Carolina, the sum of \$9,116.88 in full settlement of all claims against the Government, for losses growing out of contracts with the War Department, one dated July 1, 1918, for the purchase of garbage from Camp Green, situate at or near the city of Charlotte, N. C.; and the other dated September 3, 1918, for Camp Wadsworth,

situate at or near the city of Spartanburg, S. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. COCHRAN. Mr. Speaker, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Strike out title I.

Mr. COCHRAN. Mr. Speaker, this is another omnibus bill from the War Claims Committee. Therefore all bills contained in this omnibus measure are old war claims, but this is the outstanding one of them all.

A man made a contract with the Government to take the garbage from a cantonment in North Carolina, and he bought himself a lot of little pigs to feed the garbage to. He claims some of this garbage was diverted and stolen. [Laughter.] Of course, it was diverted. It was diverted to the inner man of the soldiers. They did not believe in leaving anything on their plates to feed to pigs. So after the war was over he comes along and wants the Government to pay him \$33,000 because he did not get enough garbage to feed the pigs he had purchased. [Laughter.]

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Not now.

The War Department heard the case. This man had the right to go to the Court of Claims, if he desired. The Dent Act was in effect, which enabled him to be heard by that board.

In conclusion, I may say the board held that the War Department never promised the contractor to give him enough garbage to feed all the little pigs he might buy. So now he comes to the Congress, and the gentlemen on the War Claims Committee are very generous, but they are not generous enough to give him \$33,000, and say, "All we are going to give you is \$9,000." So they report the bill favorably, not to send the matter to the Court of Claims, not to have it reviewed by the Comptroller General, but to go into the Treasury of the United States and take out \$9,000, at a time when we are trying to find money to pay some of the bills we have already passed. There is no Court of Claims involved in this measure. This is a direct payment out of the Treasury.

Mr. HANCOCK of New York. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. HANCOCK of New York. I simply want to call the gentleman's attention to the fact that this case did go to the Court of Claims and the Court of Claims dismissed it.

Mr. COCHRAN. I thank the gentleman for his contribution. The claim did go to the Court of Claims, according to the gentleman from New York, who is seldom wrong, and I know he is right now, because he has the papers before him, and therefore you are asked to appropriate \$9,000 out of the Treasury.

Mr. RICH and Mr. BLANTON rose.

Mr. COCHRAN. I yield to the gentleman from Pennsylvania [Mr. RICH], who was on his feet first.

Mr. RICH. Would it not have been a good thing if we had had a Secretary of Agriculture at that time like the one we have now to kill the little pigs?

Mr. COCHRAN. I yield to the gentleman from Texas.

Mr. BLANTON. At one time the committee reported this bill for the full amount of \$33,000. The gentleman, I am sure, will recall that.

Mr. BEITER rose.

Mr. COCHRAN. I will let the gentleman from the committee make his statement in his own time and I yield back the balance of my time, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, I move to strike out the enacting clause.

Mr. BIERMANN. Mr. Speaker, I make a point of order against that. I do not believe that motion is allowed under the rule.

Mr. BLANTON. There is no change in the rules of the House in that respect.

Mr. BEITER. Under the rules only two amendments are allowed to be offered.

The SPEAKER. The motion to strike out the enacting clause is not an amendment in the sense contemplated by the rule. The Chair is of the opinion that the motion is in order and the gentleman from Texas is recognized for 5 minutes.

Mr. BLANTON. Mr. Speaker, unless we do like Joe Walsh once said and unhang the Treasury door from its hinges, and let everybody put their long, hairy arms into the Treasury and take out whatever they want, you are going to have to repeal this O'Connor rule that allows bills to come in here in omnibus fashion.

When the new rule was brought up here I called your attention to what it would do, and that under it, it would be impossible to defeat bad bills. I called your attention to the fact it would not work. I called your attention to the fact that the gentleman from New York [Mr. O'CONNOR], himself, then had a bill here involving \$990,000 that could come in under an omnibus act, and if passed would set a precedent that could cost the Government at least \$1,000,000,000.

Well, the rule was passed. The O'Connor bill that had been stopped time and again here in the House was brought up in an omnibus bill and passed. It went to the Senate, which passed it, and was sent to the White House and the President had to veto it.

Mr. PITTENGER. Mr. Speaker, I make the point of order the gentleman is not addressing his remarks to the bill before the House. The gentleman is talking about other matters of ancient history and is not proceeding in order.

The SPEAKER. The gentleman from Texas will proceed in order.

Mr. BLANTON. Certainly, I am proceeding in order. I am talking about this omnibus bill that ought to have its enacting clause stricken out. This is just one of them. There are several of them involved, and this measure is just as pernicious as was the O'Connor bill. Why, this bill has been defeated on this floor time and time again. This garbage bill ought not to pass. It is an unjust claim. The Court of Claims has passed upon it and has turned it down.

I have seen bills come up here involving \$1,000,000 that lawyers would fight over in a Federal court for 3 weeks, introducing evidence under the rules of the court and in accordance with law and fighting across the table to see whether or not the claim ought to be paid.

We bring it here in an omnibus bill with 5 minutes' debate on each side—bills taking the people's tax money out of the Treasury, some of it without legal process of law.

We ought to stop that. We ought to be sensible about it. I represent almost 300,000 people, and so do you—every one of you. These people are depending on us; they put their business in our hands and depend on us to represent them. We are not doing right by them when we bring in these matters in an omnibus bill. We should bring them in in separate bills and consider them on their merits. If they have merit, we should pass them. Let every bill stand on its own bottom.

I remember under the old method we passed bill after bill and did not scramble them all up together. Let us unscramble these bills and repeal this rule.

Let me tell you one thing, and that is that if I come back here next year, and before you pass the rules of this House, I am going to make a fight on the floor of this House to keep this omnibus rule from ever going into the rules again.

I leave it to the old Members if it was not a sensible way to pass these bills under the old rule.

I have seen the time when in one night session we passed 75 good bills right along, one after another, because they were good bills.

Mr. BIERMANN. Mr. Speaker, a parliamentary inquiry. Under the rule we are working under I find these words:

Omnibus bills shall be read for amendment by paragraph, and no amendment shall be in order except to strike out or to reduce amounts of money or to provide limitation.

My inquiry is whether or not it is going to be in order for me to move to strike out the last word?

The SPEAKER. It will not.

Mr. BIERMANN. Is the gentleman from Texas out of order?

The SPEAKER. He is not. The gentleman from Texas moved to strike out the enacting clause. He did not offer an amendment.

Mr. BIERMANN. Mr. Speaker, I rise in opposition to the motion. I appreciate the fact that it is difficult to have rules under which we can consider these private bills efficiently, but I do not believe that the rules under which we are operating now deserve the kind of criticism they have been having from the gentleman from Texas [Mr. BLANTON]. I call attention to the fact that in considering one of these omnibus bills the Clerk reads a title, which is a private bill that has been ruled out by objection. The House then passes upon that title, which is the private bill referred to. The House votes it up or down. It has had its day in court; it has had its trial; and if it be agreed to in this House, the House then in effect passes that private bill for the time being. But after some titles or bills have survived the gamut of debate, they are bunched in a group—the last bill had only three left after debate—and the bills then are voted either up or down as a group. I do not think there is any style of bill which comes before this House which is so adequately tried as these private bills resolved into omnibus bills.

It amazes me to have the gentleman from Texas again and again assert his devotion to economy in the Government. He voted for \$2,237,000,000 additional for a soldiers' bonus that is not due. About 2 or 3 weeks ago he voted for a \$545,000,000 Army appropriation, and next week, I have no doubt, he will vote for a \$550,000,000 Navy appropriation bill. That makes a total of pretty close to \$3,300,000,000 saddled upon the backs of the American taxpayers with his help the past 2½ months. I venture to say that when we try to get a roll call on the Navy appropriation bill the gentleman from Texas will not ask for that roll call.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BIERMANN. I will not yield. I will follow the practice of the gentleman from Texas.

Mr. BLANTON. If the gentleman will yield, I never straddled a vote.

Mr. BIERMANN. And while I am on my feet I call attention of the House to the fact that there is no one else who brags so much about his knowledge of the rules of the House and who violates the rules so persistently as does the distinguished gentleman from Texas.

Mr. BLANTON. Mr. Speaker, I rise to a point of order.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. It is against the rules of the House for a Member in speaking to refer to another Member in a personal way and then not yield to him. It has always been customary in the House for the gentleman who refers to another to yield, and when I mention a gentleman's name I always yield to him.

The SPEAKER. Under the rules a gentleman is not permitted to indulge in personality. So far as one Member yielding to another, that is, of course, within the province of the Member who has the floor.

In further answer to the gentleman from Iowa [Mr. BIERMANN], with reference to the motion to strike out the enacting clause, the Chair reads to the House a portion of paragraph 7 of rule XXIII:

A motion to strike out the enacting words of a bill shall have precedence of a motion to amend, and, if carried, shall be considered equivalent to its rejection.

The Chair thinks it clearly in order on these bills to move to strike out the enacting clause.

Mr. SUMNERS of Texas. Mr. Speaker, I rise to submit a question to the Chair as to whether or not all time on this motion has been exhausted.

The SPEAKER. All time has been exhausted on the motion. The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken, and the Chair announced himself in doubt.

The House divided; and there were—ayes 64, noes 63.

Mr. BIERMANN. Mr. Speaker, I object to the vote on the ground that there is no quorum present and make the point of order that there is no quorum.

The SPEAKER. The gentleman from Iowa makes the point of order that there is no quorum present and objects to the vote upon that ground. The Chair will count. [After counting.] One hundred and sixty-nine Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion of the gentleman from Texas to strike out the enacting clause.

The question was taken; and there were—ayes 116, noes 181, not voting 133, as follows:

[Roll No. 38]

YEAS—116

Allen	Doxey	Kopplemann	Peterson, Ga.
Andrew, Mass.	Dunn, Miss.	Lamneck	Pettengill
Arends	Eckert	Lewis, Colo.	Pierce
Ashbrook	Edmiston	Luckey	Polk
Bacon	Engel	Ludlow	Randolph
Beam	Fenerty	McAndrews	Rankin
Bell	Fiesinger	McClellan	Rich
Blackney	Fletcher	McFarlane	Rogers, N. H.
Blanton	Ford, Miss.	McKeough	Rogers, Okla.
Buchanan	Fuller	McLaughlin	Sanders, Tex.
Cannon, Mo.	Gilchrist	Maas	Schuetz
Carlson	Gingery	Main	Secrest
Carpenter	Goodwin	Mapes	Shanley
Carter	Griswold	Martin, Mass.	Smith, W. Va.
Castellow	Hancock, N. Y.	Mason	South
Citron	Hartley	Massingale	Starnes
Cochran	Hess	May	Sutphin
Colden	Higgins, Conn.	Michener	Taber
Collins	Hollister	Millard	Taylor, Colo.
Colmer	Holmes	Miller	Taylor, S. C.
Cooper, Tenn.	Hope	Mitchell, Ill.	Terry
Costello	Huddleston	Mitchell, Tenn.	Thurston
Crawford	Johnson, Okla.	Murdock	Tinkham
Crowther	Johnson, Tex.	Nelson	Tobey
Darrow	Johnson, W. Va.	O'Brien	Treadway
Dietrich	Kinzer	O'Connell	Turner
Dirksen	Kloeb	O'Malley	Wallgren
Dondero	Kniffin	Patman	Whittington
Dorsey	Kocialkowski	Patterson	Wolfenden

NAYS—181

Amlie	Deen	Hill, Knute	Palmisano
Andresen	Delaney	Hill, Samuel B.	Parks
Bacharach	Dies	Hoffman	Parsons
Bankhead	Disney	Hook	Patton
Barry	Drewry	Houston	Peterson, Fla.
Beiter	Driscoll	Hull	Pfeifer
Biermann	Driver	Imhoff	Pittenger
Binderup	Duffy, N. Y.	Jacobsen	Powers
Bland	Dunn, Pa.	Kahn	Rabaut
Bloom	Eagle	Kennedy, Md.	Ramsay
Boehne	Eaton	Kenney	Ramspeck
Bolleau	Eicher	Knutson	Rayburn
Brewster	Ekwall	Kramer	Reed, Ill.
Brown, Ga.	Englebright	Kvale	Reed, N. Y.
Brown, Mich.	Ferguson	Lambertson	Richardson
Buck	Fitzpatrick	Lambeth	Robertson
Buckler, Minn.	Flannagan	Lanham	Robinson, Utah
Burdick	Focht	Lea, Calif.	Rogers, Mass.
Burnham	Frey	Lemke	Russell
Cavicchia	Fulmer	Lesinski	Ryan
Celler	Gasque	Lord	Sabath
Chandler	Gavagan	Lucas	Sauthoff
Chapman	Gearhart	Lundeen	Schaefer
Christianson	Gehrmann	McCormack	Sears
Church	Gifford	McGehee	Seger
Clark, N. C.	Glidea	McGrath	Shannon
Coffee	Goldsborough	McMillan	Smith, Conn.
Cole, Md.	Granfield	McReynolds	Smith, Va.
Cole, N. Y.	Gray, Pa.	Mahon	Smith, Wash.
Connery	Greenway	Marcantonio	Spence
Cooper, Ohio	Greenwood	Maverick	Stack
Cox	Greever	Mead	Stefan
Cravens	Guyer	Merritt, N. Y.	Stewart
Creal	Gwynne	Monaghan	Stubbs
Crosby	Haines	Moran	Summers, Tex.
Crosser, Ohio	Halleck	Mott	Tarver
Crowe	Hart	O'Day	Thom
Cullen	Harter	O'Leary	Thomason
Curley	Healey	O'Neal	Thompson
Daly	Hildebrandt	Owen	Tolan

Turpin	Weaver	Wigglesworth	Woodrum
Umstead	Welch	Williams	Young
Utterback	Werner	Wilson, La.	Zimmerman
Wadsworth	West	Wolcott	
Walter	Whelchel	Wolverton	
Wearin	White	Woodruff	

NOT VOTING—133

Adair	Ditter	Kennedy, N. Y.	Robison, Ky.
Andrews, N. Y.	Dobbins	Kerr	Romjue
Ayers	Dockweiler	Kleberg	Rudd
Barden	Doughton	Larrabee	Sadowski
Berlin	Doutrich	Lee, Okla.	Sanders, La.
Boland	Duffey, Ohio	Lehlbach	Sandlin
Bolton	Duncan	Lewis, Md.	Schneider, Wis.
Boykin	Ellenbogen	McGroarty	Schulte
Boylan	Evans	McLean	Scott
Brennan	Faddis	McLeod	Scrugham
Brooks	Farley	McSwain	Short
Buckbee	Fernandez	Maloney	Sirovich
Buckley, N. Y.	Fish	Mansfield	Sisson
Bulwinkle	Ford, Calif.	Marshall	Snell
Burch	Gambrill	Martin, Colo.	Snyder, Pa.
Caldwell	Gassaway	Meeks	Somers, N. Y.
Cannon, Wis.	Gillette	Merritt, Conn.	Steagall
Carmichael	Gray, Ind.	Montague	Sullivan
Cartwright	Green	Montet	Sweeney
Cary	Gregory	Moritz	Taylor, Tenn.
Casey	Hamlin	Nichols	Thomas
Claborn	Hancock, N. C.	Norton	Tonry
Clark, Idaho	Harlin	O'Connor	Underwood
Cooley	Hennings	Oliver	Vinson, Ga.
Corning	Higgins, Mass.	Pearson	Vinson, Ky.
Cross, Tex.	Hill, Ala.	Perkins	Warren
Culkin	Hobbs	Peyser	Wilcox
Cummings	Hoeppel	Plumley	Wilson, Pa.
Darden	Jenckes, Ind.	Quinn	Withrow
Dear	Jenkins, Ohio.	Ransley	Wood
Dempsey	Jones	Reece	Zioncheck
DeRoven	Kee	Reilly	
Dickstein	Keller	Richards	
Dingell	Kelly	Risk	

So the motion was rejected.

The Clerk announced the following pair:

Mr. Jenkins of Ohio (for) with Mr. Harlan (against).)

Additional general pairs:

Mr. Doughton with Mr. Snell.
 Mr. Mansfield with Mr. Merritt of Connecticut.
 Mr. Jones with Mr. Risk.
 Mr. McSwain with Mr. Andrews of New York.
 Mr. Steagall with Mr. Reece.
 Mr. Kelly with Mr. Fish.
 Mr. Vinson of Georgia with Mr. Doutrich.
 Mr. Cartwright with Mr. Schneider of Wisconsin.
 Mr. Sullivan with Mr. Withrow.
 Mr. Schulte with Mr. Cross of Texas.
 Mr. Ayers with Mr. Lewis of Maryland.
 Mr. Wilcox with Mr. Evans.
 Mr. Scott with Mr. Gillette.
 Mr. Snyder of Pennsylvania with Mr. Cooley.
 Mr. Kennedy of New York with Mr. Brooks.
 Mr. Dickstein with Mr. Pearson.
 Mr. Richards with Mr. Gregory.
 Mr. Caldwell with Mr. Ford of California.
 Mr. Reilly with Mr. Nichols.
 Mr. Scrugham with Mr. Romjue.
 Mr. Quinn with Mr. Adair.
 Mrs. Norton with Mr. Darden.
 Mr. Gambrill with Mr. Hamlin.
 Mr. Keller with Mr. Gray of Indiana.
 Mr. Carmichael with Mr. Gassaway.
 Mrs. Jenckes of Indiana with Mr. Ellenbogen.
 Mr. Dockweiler with Mr. Dear.
 Mr. Barden with Mr. McGroarty.

Mr. PIERCE changed his vote from "no" to "aye."

Mr. BURDICK changed his vote from "aye" to "no."

Mr. YOUNG changed his vote from "aye" to "no."

Mr. THOMASON. Mr. Speaker, I wish to announce that the gentleman from Alabama, Mr. HILL; the gentleman from Vermont, Mr. PLUMLEY; the gentleman from Hawaii, Mr. KING; the gentleman from Missouri, Mr. SHORT, and the gentleman from Pennsylvania, Mr. FADDIS, are in attendance upon a subcommittee of the Committee on Military Affairs, and for that reason are not able to be present to answer to this roll call.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. COCHRAN. Mr. Speaker, the question now recurs to my motion to strike out title I, does it not?

The SPEAKER. Yes. The Chair was about to announce that.

Mr. WEAVER. Mr. Speaker, I rise in opposition to the motion.

Mr. GIFFORD. Mr. Speaker, I rise in opposition to the Cochran amendment.

The SPEAKER. The gentleman from North Carolina [Mr. WEAVER] is recognized in opposition to the amendment.

Mr. WEAVER. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, it is with some trepidation that I undertake this afternoon to say a word in defense of this bill which has been so characterized by my friend from Missouri [Mr. COCHRAN] and my friend from Texas [Mr. BLANTON]. Certainly, if it has the characteristics ascribed to it by them, it has no place upon the floor of this House. Yet I find that this bill has twice passed the Senate of the United States. I find that it has been favorably passed upon by five or six different claims committees of the House.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. WEAVER. I yield.

Mr. BEITER. In addition to that, the judge of the court of claims admitted the claimant has been mistreated and should be given some damages?

Mr. WEAVER. Yes. I wish to call that to the attention of this House.

Mr. Speaker, I think these bills should be dealt with on a fair basis. I realize that many of them are troublesome. This may be an old war claim, but it has been here for years because Members of this House had a right to object, and one or two men to absolutely control the situation.

Now, let us see what this claim is. If this bill is not right, I do not ask you to pass it. Not for one moment would I walk into this House before my colleagues and ask them to do something that I thought was unrighteous. During the war they had these various training camps over the United States. There was one at Spartanburg, S. C., and one at Charlotte, N. C. One of the problems was to remove the garbage from those camps, in a sanitary way, so as to do the utmost good. The War Department itself advertised for people to enter into these contracts. Upon the strength of those advertisements and the specifications contained in them, this claimant came in and entered into a contract to remove the garbage from those two camps. In the contract made with the War Department it was understood that this garbage was to be used to be fed to pigs or swine, and the garbage was to be loaded upon certain platforms provided by the commanders of the camps themselves. He entered into these contracts, and they required him to give a bond of \$11,000 in each case to see that he did remove it daily from these loading platforms. He put his pigs in there. He went to the expense of buying them. He went to the expense of buying trucks. He hired men and provided equipment, all of which was satisfactory to the commanding officer.

The gentleman from Missouri [Mr. COCHRAN] put in the CONGRESSIONAL RECORD, under date of February 17, a statement in regard to this bill, which is as unfair as the statements made upon the floor of the House today. I wish, therefore, in defense of the Senate of the United States, in defense of the one-half dozen reports made by different Claims Committee of the House, and in defense of myself, as an advocate of this bill, to state some facts that the House may know the basis upon which this appropriation is asked.

The gentleman from Missouri apparently did not read the opinion of the Court of Claims. He apparently did not know it had been before the Court of Claims. As a matter of fact, it has been, and I wish to confine myself to the facts as well as the law found by the Court of Claims itself.

In the decision rendered by this court, they found as a fact that this claimant entered into these contracts, for the removal of garbage at these two camps; that during the period covered by these contracts the average number of men at one of these camps was 11,000, and I think it is safe to assume that there was an equal number at the other camp. This would make 22,000 men, or a city of considerable size from which the claimant was to receive garbage of certain specifications.

He was required to give his bond in each case for \$11,000, conditioned that he should daily remove this garbage from

the loading platforms provided by the Government. It is well for the House to keep this in mind. He was never relieved from this obligation nor from the terms of these bonds. He purchased the necessary hogs. He provided the necessary equipment. He had a right to expect his Government to comply with its contract. As to whether these contracts were complied with was determined by the Court of Claims itself. In an opinion rendered in the case, among other things it finds as follows:

The complaint of the plaintiff centers exclusively around the fact that under the contracts he was to receive all the garbage of the specified classifications, to be delivered to him by the Government at certain transfer points fixed by the commanding officer of the camp, and this is precisely what the contract provided. Insofar as a nonobservance of this covenant is involved, the case is free from difficulty. It was not carried out. Large quantities of garbage which the plaintiff should have had were diverted, some of it stolen, and much of it sold to other parties. The plaintiff had established at approved points outside the camps, extensive pigsties, purchased a number of hogs, and was fully equipped to fatten the same upon the garbage he expected to receive. As a result of his inability to get the full quantity of garbage from the camp, the undertaking proved financially disastrous. Repeated complaints were made to the responsible officials, but all to no avail.

The War Department had held that because of the fact that the contract itself provided that the Government did not guarantee any specific number of pounds of garbage that, therefore, it was not obligated to deliver any. This position is so unreasonable that I believe it would not be necessary for me to argue this to any lawyer or to any layman of this House. The Government contracted to give him all of its garbage of certain classes, and the Court of Claims found it violated its contract.

Is it possible that American citizens cannot rely upon the covenants entered into with them by their Government, without resort to technical and ridiculous interpretations of contracts like this?

The court finds as a fact that these camps averaged around 11,000 soldiers each during the period of these contracts. According to the formula which the Government held out to persons to induce them to enter into these contracts, each soldier would produce a certain amount of garbage. This claimant had a right to expect the Government to live up to its agreement. The Court of Claims finds it did not live up to its agreement and that it resulted in financial disaster to this claimant.

Is Congress unwilling to accord to one of its citizens fair compensation for a violation of contracts of the Government? And yet this is what the gentleman from Texas and the gentleman from Missouri ask this House to do.

The case in the Court of Claims to which I have referred was brought for the purpose of recovering profits which the claimant might have received if the Government had complied with its contract. The decision of the Court of Claims in regard to profits was largely correct, as profits are always conjectural, and yet there are elements of damage which could have been easily ascertained. The opinion of the court states that the claimant was under no obligations to continue the performance of such contract and thus prolong and increase his loss, but it is only necessary to point out that at each camp he was held under a bond of \$11,000 to remove this garbage daily whenever placed upon the loading platform.

The Senate committee and the House committee have both found that due to this failure of the Federal Government to deliver this garbage which, as stated in the opinion of the Court of Claims, was diverted and sold to other parties, financial disaster resulted to the claimant. It was necessary to provide other methods of feeding the hogs which he had purchased to be fattened on the garbage contracted to be furnished by the Government. He had to keep up his necessary equipment, employ the necessary number of men, and to keep in readiness to perform his contract with the Government under the penalties of these bonds. Not having received the necessary garbage he had to go into the open market and purchase corn at exorbitant prices. The Senate committee and the House committee have had the whole

transcript of the case before them and have found that the amount of corn which it was necessary to purchase with which to feed these hogs, after deducting the contract price of the garbage which would have been necessary for the same purpose, was such that the claimant is entitled to the amount set out in this bill.

Notwithstanding the statement of the gentleman from Texas, no committee of the House or Senate has found damages more than this. The question here is, after the findings of the facts by the Court of Claims, whether or not this Congress will remedy a judicially ascertained breach of the Government's contract with this claimant.

The SPEAKER. The time of the gentleman from North Carolina [Mr. WEAVER] has expired. All time has expired.

The question is on the motion of the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. COCHRAN) there were ayes 79 and noes 51.

So the amendment was agreed to.

SOUTHERN PRODUCTS CO.

The Clerk read as follows:

Title II—(S. 929. An act for the relief of the Southern Products Co.)

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Southern Products Co., Dallas, Tex., the sum of \$13,051.19 in full settlement of all claims against the Government, for the cost of removal and of the cost of reconditioning 9,097 bales of good, merchantable cotton, from its place of storage in the Bush Terminal Co. warehouse, Brooklyn, N. Y., the damage being caused to the cotton by climatic and other causes during its enforced removal and while it was exposed to the weather after removal from the Bush Terminal Warehouse, Brooklyn, N. Y., as result of the commandeering the entire storage warehouse on January 3, 1918, by the Secretary of War: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Strike out title II.

Mr. COCHRAN. Mr. Speaker, I am going along very fast. This case was heard by the Court of Claims and a decision rendered on March 8, 1926, in which the claim of the Southern Products Co. was denied. This bill provides for appropriating money, paying it out of the Treasury of the United States, regardless of the unfavorable decision of the Court of Claims. Why should we not follow the findings of the Court of Claims in this case?

Mr. SUMNERS of Texas. Mr. Speaker, I rise in opposition to the amendment.

The statement of the gentleman from Missouri is, not intentionally so, of course, but is somewhat misleading. This cotton company had about 10,000 bales of cotton stored in a warehouse in New York. There is no dispute about these facts. The space was commandeered by the Government during the war and this cotton was thrown out. This claim has been examined by two agencies of the Government. Each of those agencies ascertained that the damage was in the amount incorporated in this bill. In order that we may know what we are talking about, may I read the findings of fact by the Court of Claims, and also similar findings of fact by another agency of the Government, into the Record?

The Court of Claims said:

During the removal of the cotton, and while it was on the dock to which it was removed, the cotton was exposed to the weather and some of it was so damaged that it was unmarketable and useless unless it was reconditioned. The cotton was reconditioned by the plaintiff * * *

And the court found that the damage was \$15,744.15. This is also the amount found by another Government

agency as the damage resulting from the act of the Government in commandeering this space.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. For a brief question; yes.

Mr. COCHRAN. I would kindly ask the gentleman to read the conclusion of law of the Court of Claims. I could have read it but I cut my statement short. Read where they made the plaintiff pay the costs.

Mr. SUMNERS of Texas. All right, I will read the conclusion of law. The conclusion of law is that this was not a taking of private property for a public use, so that the Government could be held for taking private property for a public use. They held, too, that it was not a settlement under the Dent Act, because the Government did not have a contract with these cotton people. The Government used the might of the great sovereign against a private citizen, from which two Government agencies found that the citizen suffered damages in the amount carried in this bill and no payment. Do I make myself clear?

Mr. COCHRAN. And the Court required the plaintiff to pay the costs.

Mr. SUMNERS of Texas. Mr. Speaker, I cannot yield further. The gentleman will not question my statement; I am going to repeat it: The Court of Claims found solemnly that the damage was the amount incorporated in this bill. The Court of Claims and all the agencies found that this company could not recover because damage did not arise out of any agreement between the Government and these cotton people. They were not asked to agree, they were thrown out on the street by the Government.

The sole question is, and it is upon the conscience of the Members of Congress, whether or not this Government can do this to a private citizen and the Congress will let it go without redress when two agencies of the Government solemnly determined that, as a result of the Government's act, a private citizen has suffered every cent that is asked in this bill. Can the Government do this and not pay for it? That is all there is to it.

[Here the gavel fell.]

The SPEAKER. The question is on the motion of the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. SUMNERS of Texas) there were—ayes 52, noes 64.

So the amendment was rejected.

UNION SHIPPING & TRADING CO., LTD.

The Clerk read as follows:

Title III—(H. R. 402. A bill for the relief of the Union Shipping & Trading Co., Ltd.)

That the claim of the Union Shipping & Trading Co., Ltd., against the United States of America for damages alleged to have been caused by a collision on April 25, 1918, near Pauillac, in the Gironde River, France, between the Spanish steamship *Consuelo* (at the time of the collision the British steamship *Reims*) and the American steamship *Berwind*, then in the transport service of the United States War Department, may be sued for by the said Union Shipping & Trading Co., Ltd., in the District Court of the United States for the Southern District of New York, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit (in accordance with the principles of libels in rem and/or in personam), and to enter a judgment or decree for the amount of such damages (including interest) and costs, if any, as shall be found to be due against the United States in favor of the said Union Shipping & Trading Co., Ltd., or against the said Union Shipping & Trading Co., Ltd., in favor of the United States upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal: *Provided*, That at the trial of said suit the written report or reports concerning said collision made by the pilot, master, any officer or member of the crew of the steamship *Berwind*, who is not available to testify because he is dead or cannot be found, may be admitted in evidence: *Provided further*, That such notice of the said suit shall be given to the Attorney General of the United States as may be provided by order of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within 4 months of the date of the passage of this act.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Strike out all of title III.

Mr. COCHRAN. Mr. Speaker, this bill is for an \$85,000 claim of the owners of a ship that was being used as a transport in 1918 and which was in collision with a foreign vessel.

I read the last paragraph of a report by the Secretary of War at that time, Dwight Davis:

While I believe that the formal written reports of the master and members of the crew of the *Berwind* lack the value of the oral testimony of witnesses in court and that the Government may, to that extent, be handicapped in its defense, I am of the opinion that the trial of the issue is now warranted and therefore recommend favorable action on the bill.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I was fair; I read the last paragraph of the summary.

Mr. BEITER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I hope the gentleman will let me proceed. This shows how fair I am to the gentleman. I read the favorable words of the Secretary of War on this \$85,000 claim. What more can you ask for?

This collision occurred in 1918; \$85,000 is involved. It should have been settled years ago and your Government is going to be handicapped to be asked to defend this suit at this time.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. COSTELLO. Does the gentleman think we should authorize the Court of Claims to accept as evidence the written reports and statements of members of the crews of these ships where they are now dead or not available?

Mr. COCHRAN. I do not think so.

Mr. COSTELLO. In other words the Government would find itself in court without the opportunity of cross-examining or questioning various witnesses who have died subsequent to the time these statements were made?

Mr. COCHRAN. I think this House would be handicapping the Government by sending this case to the courts. The bill should be defeated.

Mr. BLAND. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, all I desire to do is to present the facts. The House may then pass on the measure. The crucial point involved is that raised by the gentleman from California. There was a collision between a British ship and an American ship. The British ship had anchored in a fog. The American ship came up and collided with it. This happened during the war. A notice was at once given that the British ship would assert a claim.

About 5 months after the accident the American ship, which was the offender, was torpedoed and lost, with all parties on board. It was then understood by the British ship that damages were recognized and negligence admitted. But subsequently negligence was denied by the United States.

A bill was first introduced about 1924 for permission to bring suit against the Government on this claim. There was objection to that bill because the witnesses for the United States Government were not available. They had been lost when the ship was torpedoed. Then this bill was introduced, which gave to the United States the right to introduce on its behalf all statements made by the master, the pilot, or any of the crew, those statements to be considered as testimony just as though taken in court.

Mr. Speaker, the question therefore is whether under those circumstances this Congress will permit the suit. This bill does not send the matter to the Court of Claims to be tried but to an admiralty court, which may weigh the evidence and determine the very fact that the gentleman from California raises. That court may determine whether these statements have the force and effect that should be accorded to oral testimony and weigh the Government's handicap. All of those facts may be considered. The sole question is whether you are willing that this matter shall be passed on by a court of our own country with this evidence before it, the Government's case being presented in the shape of written statements of the master, officers, and crew.

Mr. BUCK. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from California.

Mr. BUCK. Who is the claimant in this case?

Mr. BLAND. The Union Shipping & Trading Co., Ltd.
 Mr. BUCK. Is that a domestic corporation?
 Mr. BLAND. No; it is a British corporation.
 Mr. BUCK. They were the owners of the ship that was damaged?

Mr. BLAND. They were the owners of the ship that was damaged in the collision.

Mr. Speaker, with this statement I am perfectly willing to leave the matter entirely to the decision of the Members of the House.

[Here the gavel fell.]

The SPEAKER. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and the Chair, being in doubt, the House divided, and there were—ayes 51, noes 38.

So the amendment was agreed to.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, it is rather late in the afternoon. We have a rather small membership present. There is a great deal of interest involved in these various claims. It is very apparent we cannot finish this bill this evening, which, of course, will preserve its status until the calendar is called again. Under the circumstances I think we might as well adjourn.

Mr. COCHRAN. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Missouri.

Mr. COCHRAN. I may say to the gentleman that we can finish this bill in 10 minutes. We can go through it very quickly. I can assure the gentleman I will not take more than a minute on each item.

Mr. BANKHEAD. I am anxious to get these bills disposed of.

Mr. COCHRAN. Why not get rid of this bill? There are bills coming on that should pass, and there are dozens of them.

Mr. BANKHEAD. I will withdraw the suggestion for the moment.

DAVID A. WRIGHT

The Clerk read as follows:

Title IV—(H. R. 2713. A bill granting jurisdiction to the Court of Claims to hear the case of David A. Wright.)

That the Court of Claims be, and hereby is, given jurisdiction to reinstate, reopen, and rehear the case of David A. Wright, of Winona, Mo., against the United States, no. 261-A in said court, and upon the pleadings, evidence, and other proceedings in that cause, and such other proceedings, if any, as the court may deem necessary or proper, to readjudicate the same and determine the amount of costs or expenditures, if any, which the said David A. Wright may have expended or incurred in 1918 in the rehabilitation of a manufacturing plant (commonly called the Allis-Chalmers plant), at 1150 Washtenaw Avenue, Chicago, Ill., and in the beginning of production of heavy-duty lathes, to meet the needs, or the then anticipated needs, of the Ordnance Department for any gun-relining or gun-manufacturing project initiated and under way in the Ordnance Department of the United States Army, in reliance in good faith upon any promise or assurance given him by Maj. Charles D. Westcott, Ordnance Department, United States Army, or Howard Abbott, an engineer in the plant section of the production division of the Ordnance Department, that the said David A. Wright would receive a contract, or contracts, for the manufacture of heavy-duty lathes that would absorb such costs or expenditures, notwithstanding such Ordnance Department projects may have been contingent upon the continuation of the war and may have been abandoned because of the signing of the armistice of November 11, 1918, and notwithstanding section 3744 of the Revised Statutes: *Provided*, That the Court of Claims shall be of opinion that the said David A. Wright made or incurred such expenditures in reliance in good faith upon the belief that Major Westcott or Mr. Abbott possessed the authority to make such promise or assurance on behalf of the Ordnance Department and that he was justified in doing so under the circumstances.

Mr. COCHRAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Strike out title IV.

Mr. COCHRAN. Mr. Speaker, this claimant lives in my own State, and, as a matter of fact, his nephew was in to see me Monday. I have gone into this matter very thoroughly. If you will read the bill, you will see this is the readjudication of the claim. It has already had its day in

court under the Dent Act. The claim was denied by the Court of Claims. Why send the case back to the Court of Claims for a hearing when it has already been denied? There must be an end somewhere. If the court or Department had not considered the case, then there might be some grounds for favorable action, but the court has already said the Government is not obligated.

Mr. WILLIAMS. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, it is just a question in this bill whether or not we are going to permit a mere technicality to defeat a just and righteous claim. This claim has never been heard on its merits.

The claimant in this case in 1918 was engaged in the manufacture of machine tools in Chicago. He was invited to Washington by a representative of the War Department and was introduced to Major Westcott, and a Mr. Abbott, of the Ordnance Department, who appealed to him to use his force and his manufacturing concern for the purpose of manufacturing heavy-duty lathes that were at that time needed in the prosecution of the war. He told them he was not prepared for that kind of work. They even appealed to his patriotism and told him it was his duty to go ahead. He finally consented and went back to Chicago, where he purchased an old building and rehabilitated it. He started to equip this building to manufacture these tools that were so much needed by the War Department on the representation and on the condition made by these officers of the Ordnance Department that they would give him a contract to manufacture these instruments—the heavy-duty lathes—that were needed at that time for the purpose of relining the cannon that were in actual use in the war.

In accordance with this agreement and understanding, he finally equipped this building; and just as he had it ready to begin the manufacture of the lathes, the Armistice came; and, of course, the Government had no further use for the lathes and the contract was canceled. As a result of this agreement, Mr. Wright, the claimant in this case, had gone back and put into the building and the equipment of it all the money he had, all he could borrow; and when his contract was canceled he then, of course, could not meet his obligations and was sold out and today is living down in the Ozarks of Missouri on a little piece of land, penniless and destitute because this Government did not carry out its contract with him.

All this bill asks is that he be given an opportunity to go into the Court of Claims and present his claim there on fair, equitable, and just grounds and establish his rights.

He is not one of these men or corporations that have made something out of a war contract. On the other hand, he did not receive a single dollar, but lost every dollar he had in the world on account of this agreement with the agents of the Ordnance Department. He was led into it and was persuaded and was induced by the representatives of the Government to enter into this contract, and now the only reason they have for not paying him is that under a technical construction of the Dent Act the men with whom he was dealing did not have the right to make a contract in writing with him. It is not denied that they had a right to go out and offer these inducements and make these contracts to procure this material that was needed by the Government at that time, but there is simply the one proposition that they did not have the technical right, in writing, to make a contract. All he asks is to permit his claim to be permitted to be heard in equity and in justice, and I beg you to vote against this amendment.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 33, noes 54.

So the amendment was rejected.

FLORENCE BYVANK

The Clerk read as follows:

Title V—(H. R. 3694. A bill for the relief of Florence Byvank.)

That the Administrator of Veterans' Affairs be, and he is hereby, authorized and directed to pay the amount of the insurance under the Government life-insurance policy (no. K720604) of Clarence A. Byvank to Florence Byvank, his widow and designated beneficiary, in accordance with the terms of such policy, beginning with the first calendar month following the month during which this act is

enacted, notwithstanding the lapse of such policy in December 1931. The insured, Clarence A. Byvank, applied for reinstatement of such policy in February 1932 and transmitted payment for back premiums thereon at the time of application, but died suddenly from monoxide-gas poisoning on March 30, 1932, before a report of his medical examination had been filed with the Veterans' Administration.

Mr. COCHRAN. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Strike out title V.

Mr. COCHRAN. Mr. Speaker, I cannot understand why this bill was sent to the War Claims Committee. It is a bill requiring the Veterans' Bureau to pay an insurance policy on a veteran. The bill should have gone to the Committee on Veterans' Legislation. This is paving the way by private bills to reopening cases of veterans of the World War with respect to insurance claims denied by the Veterans' Administration. This is all that I have against it.

Mr. BIERMANN. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. BIERMANN. This bill was first referred to the World War Veterans' Committee, and that committee said it had no jurisdiction, and it came back here and was re-referred to the Committee on War Claims.

Mr. COCHRAN. Does the gentleman think the War Claims Committee has jurisdiction over veterans' cases?

Mr. BIERMANN. No; I thought the World War Veterans' Committee had jurisdiction, and it is not my fault it was referred to the War Claims Committee.

Mr. COCHRAN. The only point I make, I will say to the gentleman from Iowa, is the one I have just stated, as to the precedent you are setting. I do not say that the bill is not meritorious, but it is paving the way to the bringing in of thousands of claims growing out of insurance policies denied by the Veterans' Administration. Do you want to do that?

Mr. BIERMANN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I think the Members will agree that the fact this bill was first referred to the World War Veterans' Committee and afterward re-referred to the War Claims Committee, ought to have no bearing on the vote this House is going to take now.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. COCHRAN. I fully agree with the gentleman. It should absolutely have no effect whatever, but I could not imagine how the bill got to the War Claims Committee. I fully agree with the gentleman that the only question is the principle involved.

Mr. BIERMANN. I agree with the gentleman from Missouri.

This bill involves a very simple proposition. A man named Clarence A. Byvank served during the war in this country and served overseas. He became hard up in the latter part of 1931, and, after having paid his insurance premiums for 14 years, he let them lapse because he did not have the money. The rules of the Veterans' Administration provide that within 3 months a veteran may reinstate his policy without physical examination.

Those 3 months were up on March 1, 1932. In February 1932 he sought reinstatement. That is brought out in the report. But he did not send his money to the Veterans' Administration at Des Moines. Why he did not send it I do not know. Whether he thought the letter reinstated him or not, no one knows, as the man is now dead.

He did not get the money in until March 10, 1932, 10 days after the time had elapsed.

The Veterans' Administration kept the premium and notified him that they had kept it and sent him a form for a health statement.

If a private insurance company had done that they would be estopped from denying the claim.

But before the veteran got back the health statement he was in his garage fixing his car. The doors blew shut, monoxide gas filled the garage, and the veteran died on the 30th day of March 1932.

The letter the Veterans' Administration had written him when they kept the premium lulled the veteran into a sense of security.

Mr. TABER. Will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. TABER. What could he have done if he did not send them the money?

Mr. BIERMANN. He could have sent in his health statement.

Mr. TABER. He was behind time and it would not have made any difference.

Mr. BIERMANN. If the health statement had been filled out and he was in proper health he would have been reinstated.

Mr. TABER. Not unless he paid the money.

Mr. BIERMANN. He would have been reinstated, for he had paid the money.

Mr. TABER. Did they make a finding ultimately that he was in a proper state of health?

Mr. BIERMANN. The finding was that he was overweight. The man weighed 325 pounds when he got out of the Army. He weighed the same when he died. When he went into the Army he was far overweight, and no private insurance company would have found him an insurable risk. But the Army took him, and the Government insured him, overweight and all.

The SPEAKER pro tempore (Mr. TAYLOR of Colorado). The time of the gentleman has expired. All time has expired.

The question is on the motion of the gentleman from Missouri to strike out the title.

The question was taken; and on a division (demanded by Mr. TABER) there were 15 ayes and 55 noes.

So the motion was lost.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1453. An act to create a board of shorthand reporting, and for other purposes;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho with a view to the control of their floods;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; and

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting Lief Eiriksson Discovers America.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 443. Joint resolution to amend Public Resolution No. 31 of the Seventy-fourth Congress, first session, approved June 17, 1935, so as to extend its provisions to cover the National Boy Scout Jamboree now scheduled to be held in 1937.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. EVANS, indefinitely, on account of business.

To Mr. HOBBS, on account of important official business.

To Mr. STEAGALL, indefinitely, on account of illness.
 To Mr. TONRY, indefinitely, on account of illness.
 To Mr. ZIONCHECK, for 10 days, on account of important business.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that there is no quorum present.

ADJOURNMENT

Mr. COSTELLO. Mr. Speaker, I move that the House do now adjourn.

Mr. BIERMANN. Pending that, what will be the status of this omnibus bill?

The SPEAKER pro tempore. This bill will be the unfinished business the next time this calendar is called.

Mr. BIERMANN. And that will be a month from today?

The SPEAKER pro tempore. Whenever the date is.

The question is on the motion of the gentleman from California that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 18, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, old House Office Building, Wednesday, March 18, 1936, at 10:30 a. m., on H. R. 11172.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

719. A letter from the Secretary of War, transmitting a draft of a bill to promote the efficiency of the Air Corps Reserve, which the War Department presents for the consideration of Congress with a view to its enactment into law; to the Committee on Military Affairs.

720. A letter from the chairman of the Reconstruction Finance Corporation, transmitting its report covering its operation for the fourth quarter of 1935, and for the period from the organization of the corporation on February 2, 1932, to December 31, 1935, inclusive (H. Doc. No. 426); to the Committee on Banking and Currency and ordered to be printed.

721. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 12, 1936, submitting a report, together with accompanying papers on a preliminary examination of Bayou Rigaud, La., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

722. A letter from the Archivist, transmitting a report submitted by the National Historical Publications Commission; to the Committee on the Library.

723. A letter from the Secretary of the Treasury, transmitting a draft of a bill to amend the act entitled "An act to provide for the construction of certain public buildings and for other purposes" approved May 25, 1926 (44 Stat. 630), as amended January 13, 1928, and March 31, 1930; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 451. Resolution providing for the consideration of S. 3978; without amendment (Rept. No. 2201). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on the Public Lands. House Resolution 10922. A bill to provide for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; without amendment (Rept. No. 2202). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GOLDSBOROUGH: A bill (H. R. 11844) to extend to July 1, 1938, the power of the Federal Deposit Insurance Corporation to make loans, purchases of assets or guaranties to reduce or avert threatened insurance losses; to the Committee on Banking and Currency.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 11845) to provide for the adjustment and settlement of certain claims for damages resulting from the operation of vessels of the Coast Guard and Public Health Service; to the Committee on Claims.

By Mr. PERKINS: A bill (H. R. 11846) to validate certain certificates of naturalization; to the Committee on Immigration and Naturalization.

By Mr. ANDREWS of New York: A bill (H. R. 11847) providing for the payment by the United States of a share of the cost of operation and maintenance of the Erie and Oswego Canals; to the Committee on Rivers and Harbors.

By Mr. KELLER: A bill (H. R. 11848) to authorize retirement annuities for persons who serve as Librarian of Congress for 35 years; to the Committee on the Library.

Also, a bill (H. R. 11849) to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925; to the Committee on the Library.

By Mr. O'LEARY: A bill (H. R. 11850) providing for a preliminary examination of New Creek, Staten Island, N. Y., with a view to control of its floods; to the Committee on Flood Control.

Also, a bill (H. R. 11851) prohibiting the abandonment of vessels on the banks of navigable streams, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. QUINN: A bill (H. R. 11852) to regulate barbers in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 11853) to regulate the practice of professional engineering, creating a Registration Board for Professional Engineers of the District of Columbia, defining its powers and duties, providing penalties, and for other purposes; to the Committee on the District of Columbia.

By Mr. CURLEY: A bill (H. R. 11854) to provide for the erection of a monument to the memory of Gouverneur Morris; to the Committee on the Library.

By Mr. RISK: Resolution (H. Res. 452) authorizing and directing an investigation of all activities and projects of the Federal Emergency Administration of Public Works within and for the State of Rhode Island; to the Committee on Rules.

By Mr. BLOOM: Joint resolution (H. J. Res. 525) to enable the United States Constitution Sesquicentennial Commission to carry out and give effect to certain approved plans, and for other purposes; to the Committee on the Library.

By Mr. KELLER: Joint resolution (H. J. Res. 526) to authorize the Librarian of Congress to accept the property devised and bequeathed to the United States of America by the last will and testament of Joseph Pennell, deceased; to the Committee on the Library.

By Mr. O'LEARY: Joint resolution (H. J. Res. 527) to make the facilities of the United States Marine Hospital at Stapleton, N. Y., available for World War veterans in Richmond County, N. Y.; to the Committee on Merchant Marine and Fisheries.

By Mr. MARCANTONIO: Joint resolution (H. J. Res. 528) proposing an amendment to the Constitution of the United States prohibiting war; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GAVAGAN (by request): A bill (H. R. 11855) for the relief of Jona Sheftel Bloch; to the Committee on Immigration and Naturalization.

By Mr. GREENWOOD: A bill (H. R. 11856) granting a pension to Gertrude Gardner; to the Committee on Invalid Pensions.

By Mr. KNUTE HILL: A bill (H. R. 11857) granting a pension to Emma Zetta Bowden; to the Committee on Invalid Pensions.

By Mr. HULL: A bill (H. R. 11858) granting an increase of pension to Wren Torgerson; to the Committee on Pensions.

Also, a bill (H. R. 11859) for the relief of Lavina Karns; to the Committee on Claims.

By Mr. KENNEDY of Maryland (by request): A bill (H. R. 11860) to provide an additional sum for the reimbursement of certain officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931; to the Committee on Claims.

Also, a bill (H. R. 11861) for the relief of Cleveland L. Short; to the Committee on Claims.

Also (by request), a bill (H. R. 11862) for the relief of Homer Brett, American consul at Rotterdam, Netherlands; to the Committee on Claims.

Also (by request), a bill (H. R. 11863) for the relief of Clark F. Potts and Charles H. Barker; to the Committee on Claims.

Also (by request), a bill (H. R. 11864) for the relief of Dexter P. Cooper; to the Committee on Claims.

Also (by request), a bill (H. R. 11865) for the relief of the Alaska Commercial Co.; to the Committee on Claims.

Also (by request), a bill (H. R. 11866) for the relief of Harry L. Parker; to the Committee on Claims.

Also (by request), a bill (H. R. 11867) for the relief of Michael E. Sullivan; to the Committee on Claims.

Also (by request), a bill (H. R. 11868) for the relief of Brook House, Ltd., of Sidney, Australia; to the Committee on Claims.

Also (by request), a bill (H. R. 11869) for the relief of William L. Jenkins; to the Committee on Claims.

Also (by request), a bill (H. R. 11870) for the relief of the Texas Pacific-Missouri Pacific Terminal Railroad of New Orleans, La.; to the Committee on Claims.

By Mr. KNUTSON (by request): A bill (H. R. 11871) to confer jurisdiction on the Court of Claims to hear and determine certain suits against the United States for damages sustained by the owners of certain sailing vessels; to the Committee on War Claims.

By Mr. LARRABEE: A bill (H. R. 11872) granting a pension to John G. Heck; to the Committee on Pensions.

Also, a bill (H. R. 11873) granting an increase of pension to Nora A. Kitchen; to the Committee on Invalid Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 11874) granting an increase of pension to Elizabeth A. Richenberg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11875) granting an increase of pension to Sarah M. Flowers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11876) granting an increase of pension to Mary A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11877) granting an increase of pension to Margaret A. Hannon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11878) granting an increase of pension to Tracy Huffman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11879) granting an increase of pension to Anna R. Mongan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11880) granting a pension to Elizabeth Jane Barnhart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11881) granting an increase of pension to Barbara Wiley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11882) granting a pension to Mazie Layman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11883) granting a pension to Georgana Layman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11884) granting a pension to Walter Clice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11885) granting a pension to Sarah E. Stephens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11886) granting an increase of pension to Annie E. Santman; to the Committee on Invalid Pensions.

By Mr. LEWIS of Colorado: A bill (H. R. 11887) granting a pension to Elizabeth L. Lloyd; to the Committee on Invalid Pensions.

By Mr. McCORMACK: A bill (H. R. 11888) for the relief of Albert Ginsburg; to the Committee on Naval Affairs.

Also, a bill (H. R. 11889) for the relief of Daniel R. Brown; to the Committee on Naval Affairs.

By Mr. MEAD: A bill (H. R. 11890) for the relief of Walter J. Dunn; to the Committee on Naval Affairs.

By Mr. PALMISANO: A bill (H. R. 11891) for the relief of John Logan Hilliard; to the Committee on Naval Affairs.

By Mr. RABAUT: A bill (H. R. 11892) for the relief of Ida M. Santini; to the Committee on Claims.

By Mr. UMSTEAD: A bill (H. R. 11893) for the relief of James W. Grist; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10546. By Mr. JOHNSON of Texas: Petition of M. H. Edmondson, vice president, Highway 34 Association of Greenville, Tex., favoring the Hayden-Cartwright proposal for expenditure of additional Federal funds for highways; to the Committee on Roads.

10547. Also, petition of Col. J. K. Hughes, president, J. K. Hughes Oil Co., and E. L. Smith, president, E. L. Smith Oil Co., both of Mexia, Tex., favoring the Disney import bill; to the Committee on Ways and Means.

10548. By Mr. KEE: Petition signed by 21 patrons of star route 16623, from Lindsie to Greenville, W. Va., urging the enactment of legislation at this session which will extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10549. By Mr. MAVERICK: Several petitions containing approximately 300 names of the citizens of San Antonio, or Twentieth District of Texas, favoring the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

10550. By Mr. PFEIFER: Petition of the New York Board of Trade, Inc., New York City, concerning postal rates charged within the greater city of New York; to the Committee on the Post Office and Post Roads.

10551. Also, petition of the New York State Motor Truck Association, Inc., New York, concerning the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

10552. By Mr. RISK: Resolution of Glad Hand Class of Haven Church of the town of East Providence, R. I., requesting the House of Representatives of the United States of America to provide early hearings on motion-picture bills now in Congress and to provide adequate legal regulation for this industry and favoring the adoption of House bill 2999; to the Committee on Interstate and Foreign Commerce.

10553. Also, resolution of the Philathea Society of the Second Baptist Church of the town of East Providence, R. I., requesting the House of Representatives of the United States of America to provide early hearings on motion-picture bills now in Congress and to provide adequate legal regulation for this industry and favoring the adoption of House bill 2999; to the Committee on Interstate and Foreign Commerce.

10554. By Mr. TAYLOR of Colorado: Petitions from parents' and teachers' associations of Mesa County, Colo., urging legislation to establish freedom in the choice of films by abolishing block booking and blind selling of motion pictures; to the Committee on Interstate and Foreign Commerce.

10555. By Mr. THOMAS: Petition of various citizens of Glens Falls, asking passage of Guyer bill (H. R. 8739); to the Committee on the District of Columbia.

SENATE

WEDNESDAY, MARCH 18, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 17, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barbour	Dickinson	Loneragan	Russell
Barkley	Donahay	Long	Schwellenbach
Benson	Duffy	McAdoo	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkley	Glass	Minton	Truman
Bulow	Guffey	Moore	Vandenberg
Burke	Hale	Murphy	Van Nuys
Byrd	Harrison	Murray	Wagner
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norbeck	Wheeler
Caraway	Holt	Norris	White
Carey	Johnson	Overton	

Mr. VANDENBERG. I announce the necessary absence of my colleague the senior Senator from Michigan [Mr. COUZENS], who is detained at his home by illness. I ask that the announcement stand for the day.

Mr. LEWIS. I regret to have again to announce the absence of the Senator from Alabama [Mr. BANKHEAD] because of illness. I announce further that the Senator from Nevada [Mr. McCARRAN], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from New Mexico [Mr. CHAVEZ], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Maryland [Mr. TYDINGS], the Senator from Wyoming [Mr. O'MAHONEY], the senior Senator from Oklahoma [Mr. THOMAS], and the junior Senator from Oklahoma [Mr. GORE] are unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

Mr. FLETCHER. I announce that my colleague the junior Senator from Florida [Mr. TRAMMELL] is detained on account of illness. I ask that the announcement stand for the day.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

GULF-ATLANTIC SHIP CANAL ACROSS FLORIDA

Mr. FLETCHER. Mr. President, I ask leave to insert in the RECORD a letter which I have just received which is pertinent to the discussion respecting the Atlantic-Gulf Ship Canal across Florida. The letter is addressed to me by a distinguished United States district engineer, retired, Col. Gilbert A. Youngberg.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JACKSONVILLE, FLA., March 17, 1936.

Subject: Gulf-Atlantic Ship Canal across Florida.

Hon. DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.

MY DEAR SENATOR: From a friend in Washington I have received a copy of a circular letter, dated March 12, carrying the signature, by rubber stamp, of Col. Frank B. Shutts, publisher of the Herald in Miami, Fla. I am informed that this circular letter is being mailed to every Member of the United States Senate. If my information is correct, then you will have received a copy thereof.

The outstanding paragraph in the letter of Colonel Shutts is quoted, as follows:

"In my judgment, if the Florida cross-State canal is completed, within 10 years, probably within your time and mine, the greater part of south Florida may be another great American desert, open only to the winds—a magnificent territory as it now exists; then lost to the world."

This judgment, as expressed, would be astonishing coming from anyone, but it is particularly astounding coming from Colonel Shutts, in view of his standing as an attorney and his undoubted ability to receive and weigh evidence. It might be inferred that he is hedging by using the word "may" to signify a remote contingent possibility rather than as a frequently accepted synonym of the verb "will." If, on the contrary, it is Colonel Shutts' real judgment as to the effects of this project, then it is clear that he has not familiarized himself with the evidence.

A special board of most competent engineers and geologists has recently rendered a report published as Senate Document No. 147, Seventy-fourth Congress, second session. With reference to the colonel's fears that south Florida may be another great American desert, the report states that:

"The pursuit of agriculture and the growth of vegetation, even in the area contiguous to the right-of-way where the ground water table will be lowered by the canal cut, will not be affected."

It states further that:

"The domestic water supplies of such cities as Jacksonville, Tampa, Palm Beach, or Miami will be entirely unaffected . . . by digging a sea-level canal."

Again, the report states that salt-water encroachment inward from the two ends of the canal, or by upward movement from the bottom of the fresh-water reservoir, cannot cause salted water to enter and thereby contaminate the main body of the readjusted ground-water reservoir against the fresh-water discharge into the canal.

Much reliance has been placed by the Miami Herald and other newspapers on statements alleged to have been made by Dr. Herman Gunter, State geologist, and by Mr. Harry Slattery, secretary of Mr. Harold Ickes, Public Works Administrator. Dr. Gunter has been misquoted and/or misinterpreted. His opinion, as expressed in letters to me, does not differ from that of the special boards of engineers and geologists.

Furthermore, Dr. Gunter states that his opinions were based on his knowledge of underground conditions accumulated over a period of years from observations made by him and casual records of the borings of artesian wells. The report of the special board of engineers and geologists is, however, based on many months of study and special investigations made at very considerable expense by employees of the United States with special reference to the ship canal.

I would add that the professional ability and the personal and professional integrity of the members of these numerous special boards of engineers and geologists are not one whit less than that of Colonel Shutts or other eminent practitioners of law.

In short, if Colonel Shutts will take the time and trouble to study the evidence accumulated on this cross-State canal project in the course of the last 30 years, he will find that the magnificent territory of south Florida as it now exists will not be lost to the world but, on the contrary, will be greatly benefited and will become even more magnificent than it now is.

In the first and last paragraphs of his letter, Colonel Shutts denies that he is actuated by ulterior motives. Of that I am, of course, not in a position to judge; but it is an interesting coincidence that the railroads were the first to advance the idea that the canal would intercept the water supplies of south Florida and that Colonel Shutts' law firm is counsel for one or more of these railroads.

It may be observed that many of the editorials appearing in Miami papers and much of the comment of special columnists embody more or less scurrilous personalities directed against your sincerity as a United States Senator and your ability to form judgments, and include as well attacks upon the professional and personal probity of eminent engineers who have had occasion, as employees of the United States, to study the question and to render to their client, the United States, their honest opinions. I doubt that Colonel Shutts is himself the author of these editorials or that his paid employees have any knowledge or appreciation of the ethics of the engineering profession. For their benefit, I would quote the distinguished engineer, Daniel W. Mead, who, when accused by a certain politician of having prepared a paper as the paid creature of the Power Trust, replied: "My services are for sale. My opinions, never!"

It is no more becoming for the employees of Colonel Shutts to attack the probity of the engineers employed by the United States to pass upon the cross-State canal project than it would be for the said engineers or their subordinates to attack the professional probity of Colonel Shutts as an attorney. There is such a thing as honor between professional men, and I respectfully submit that Colonel Shutts might well inculcate some recognition of this fact on the part of his journalists.

Very truly yours,

G. A. YOUNGBERG.

SITES FOR FEDERAL BUILDINGS IN THE DISTRICT

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the act entitled "An act providing for the construction of certain public buildings,

and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended, for the purpose of extending the area within the District of Columbia within which sites may be selected for the construction of suitable accommodations for the executive departments and independent establishments of the Federal Government, including suitable grounds, parking, and approaches, which, with the accompanying paper, was referred to the Committee on Public Buildings and Grounds.

REPORT OF MIGRATORY BIRD CONSERVATION COMMISSION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, chairman of the Migratory Bird Conservation Commission, submitting, pursuant to law, the report of the Commission for the fiscal year ended June 30, 1935, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the chairman and secretary of the Reconstruction Finance Corporation, reporting, pursuant to law, on the operations of the Corporation for the fourth quarter of 1935, and for the period from the organization of the Corporation on February 2, 1932, to December 31, 1935, inclusive, which, with the accompanying papers, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Florence Acres Community Club, of Monroe, Wash., favoring the removal of Administrator Tewksbury, of the Works Progress Administration for the third district, which was referred to the Committee on Education and Labor.

He also laid before the Senate a paper from the Florence Acres Community Club, of Monroe, Wash., endorsing a resolution adopted by the Tri-County Project Workers Union conference, protesting against alleged discrimination against union members of the Works Progress Administration, and favoring the reinstatement of discharged workers, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Hamilton County (Tenn.) T. V. A. Cooperative Committee, favoring the enactment of the bill (S. 3483) to provide for rural electrification, and for other purposes, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by Igloo No. 1, Pioneers of Alaska, Nome, Alaska, favoring the enactment of legislation for the construction of a Government-built and operated hospital for the care of the insane of Alaska, which was referred to the Committee on Territories and Insular Affairs.

Mr. CAPPER presented resolutions adopted by Hawkeye Grange, No. 1050, of Canton; Wheat Belt Grange, No. 1735, of Lewis; Progressive Grange, No. 1902, Seward County, of Liberal; and Pleasant View Grange, No. 1596, Franklin County, of Pomona, all of the Patrons of Husbandry; and the Rural Community Club of Emporia, all in the State of Kansas, protesting against the enactment of Senate bill 1632, providing for the regulation of commerce by water carriers, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 3516) for the relief of Alice D. Hollis, reported it without amendment and submitted a report (No. 1704) thereon.

Mr. WHEELER, from the Committee on Interstate Commerce, to which was referred the bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, reported it with an amendment and submitted a report (No. 1705) thereon.

Mr. HATCH, from the Committee on the Judiciary, to which was referred the bill (S. 3477) relating to the jurisdiction of the judge for the northern and middle districts of Alabama, reported it without amendment and submitted a report (No. 1706) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6645. A bill to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (Rept. No. 1708); and

H. R. 8559. A bill to convey certain land to the city of Enfield, Conn. (Rept. No. 1707).

ADDITIONAL COPIES OF "THE LIFE AND MORALS OF JESUS"

Mr. HAYDEN, from the Committee on Printing, to which was referred Senate Concurrent Resolution 31 (submitted by Mr. FLETCHER on Feb. 20, 1936), reported it without amendment; and the resolution was considered by unanimous consent and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound, with illustrations, by the photolithographic process, in such style and manner as may be directed by the Joint Committee on Printing, 4,600 additional copies of the House Document No. 755, Fifty-eighth Congress, second session, entitled "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson, as the same appears in the National Museum; of which 1,500 copies shall be for the use of the Senate and 3,100 copies for the use of the House of Representatives.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 17, 1936, that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 37. An act authorizing the Comptroller General of the United States to settle and adjust the claims of subcontractors and materialmen for material and labor furnished in the construction of a post-office and courthouse building at Rutland, Vt.;

S. 1307. An act to establish the Homestead National Monument of America in Gage County, Nebr.;

S. 1453. An act to create a board of shorthand reporting, and for other purposes;

S. 1470. An act to provide a preliminary examination of Spokane River and its tributaries in the State of Idaho, with a view to the control of their floods;

S. 3281. An act to amend the act of February 16, 1929, entitled "An act to amend the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service', approved June 10, 1922, as amended";

S. 3453. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to certain counsel; and

S. J. Res. 165. Joint resolution directing the Architect of the Capitol to accept a copy of the painting, Lief Eiriksson Discovers America.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 4299) granting a pension to Augusta S. Skelly; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 4300) authorizing the appointment of Fred J. Stevens, Jr., as a second lieutenant, Army Air Corps; to the Committee on Military Affairs.

By Mr. CAPPER:

A bill (S. 4301) to provide for the termination of the additional liability imposed upon shareholders of national farm-loan associations; to the Committee on Banking and Currency.

By Mr. METCALF:

A bill (S. 4302) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. SCHWELLENBACH:

A bill (S. 4303) for the relief of the Lake Chelan Reclamation District; to the Committee on Claims.

By Mr. TRUMAN:

A bill (S. 4304) for the relief of Carl E. Padgett; to the Committee on Claims.

By Mr. KING:

A bill (S. 4305) to provide for a preliminary examination and survey to determine the feasibility and cost of diverting the surplus waters of the Green River, Wyo., to the Bear River, for the purpose of irrigating the lands in the Bear River basin; to the Committee on Irrigation and Reclamation.

By Mr. TOWNSEND (for Mr. HASTINGS):

A bill (S. 4306) granting a pension to Anna Haley (with accompanying papers); to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4307) for the relief of Sol J. Hyman; to the Committee on Claims.

A bill (S. 4308) for the relief of Chester G. Dixon; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4309) to increase the efficiency of the Air Corps Reserve; to the Committee on Military Affairs.

By Mr. BLACK:

A bill (S. 4310) to authorize the erection of a United States Veterans' Administration hospital in the State of Alabama; to the Committee on Finance.

By Mr. COPELAND (by request):

A joint resolution (S. J. Res. 235) authorizing the Secretary of Agriculture to expend funds of the Agricultural Adjustment Administration for participation by the United States in the 1936 Sixth World's Poultry Congress; to the Committee on Agriculture and Forestry.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate, by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On March 7, 1936:

S. 2188. An act for the relief of the estate of Frank B. Niles;

S. 2469. An act for the relief of E. L. Hice and Lucy Hice;

S. 2961. An act for the relief of Peter Cymboluk;

S. 2980. An act for the relief of Ruby Rardon; and

S. 3399. An act for the relief of Rosalie Piar Sprecher (nee Rosa Piar).

On March 10, 1936:

S. 1111. An act for the relief of Alfred L. Hudson and Walter K. Jeffers;

S. 2590. An act for the relief of James E. McDonald;

S. 2618. An act for the relief of James M. Montgomery; and

S. 3683. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department.

On March 11, 1936:

S. 2875. An act for the relief of J. A. Jones; and

S. 3274. An act for the relief of Mary Hobart.

On March 12, 1936:

S. 3001. An act for the relief of Walter F. Brittan; and

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931.

On March 14, 1936:

S. 2219. An act for the relief of D. A. Neuman; and

S. 1124. An act for the relief of Anna Carroll Taussig.

On March 16, 1936:

S. 1991. An act for the relief of Wilson G. Bingham.

NEW YORK STATE HOUSING ACT—DECISION OF STATE COURT OF APPEALS

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the text of the decision rendered by the Court of Appeals of the State of New York upholding the constitutionality of the State Housing Authority Act, the decision being written by Judge Leonard C. Crouch. It involves the right of the State to condemn property for the purpose of slum clearance. It is a very

important decision, the first of its kind rendered by the Court of Appeals of the State of New York.

There being no objection, the text of the decision was ordered to be printed in the RECORD, as follows:

[From the New York Times of Mar. 18, 1936]

TEXT OF DECISION UPHOLDING THE STATE HOUSING LAW

The petitioner, a public corporation organized under the municipal housing authorities law (Laws of 1934, ch. 4, comprising secs. 60-78, inclusive, of the State housing law, being Laws of 1926, ch. 823), seeks to condemn certain premises in the city of New York owned by the defendant, Andrew Muller, the public use for which the premises are required is stated in the petition to be:

"The clearance, replanning, and reconstruction of part of an area of the city of New York, State of New York, wherein there exist, and the petitioner has found to exist, insanitary and substandard housing conditions."

As part of its project the petitioner has acquired by purchase properties contiguous on both sides of the premises in question. Acquisition of the defendant's property is therefore necessary for the carrying out of the project. The premises consist of two old-law tenement houses. The owner resists condemnation upon the ground that the municipal housing authorities law violates article 1, section 6, of the State constitution and the fourteenth amendment of the Federal Constitution, because it grants to petitioner the power of eminent domain for a use which is not a public use.

Briefly and broadly stated, the statute provides that a city may set up an authority with power to investigate and study living and housing conditions in the city, and to plan and carry out projects for the clearing, replanning, and reconstruction of slum areas and the providing of housing accommodations for persons of low income as a monthly rental, the maximum of which shall be \$12.50 per room.

BOND ISSUES COVERED

It is empowered, under certain limitations, to issue and sell bonds which, however, shall not be a debt of the State nor of the city; and it may not in any manner pledge the credit of the State or city or imposed upon either any obligation. It is granted the power of eminent domain, to be exercised as provided, and it is exempted from the payment of certain taxes and fees.

In enacting the statute, the legislature, after thorough investigation, made certain findings of fact, upon the basis of which it determined and declared the necessity in the public interest of the provisions enacted, and that the objects thereof were "public uses and purposes for which public moneys may be spent and private property acquired" (sec. 61).

The facts found were that "in certain areas of cities in the State there exist insanitary and substandard living conditions owing to overcrowding and concentration of population, improper planning, excessive land coverage, lack of proper light, air, and space, insanitary design and arrangement, or lack of proper sanitary facilities; that there is not an adequate supply of decent, safe, and sanitary dwelling accommodations for persons of low income, and these conditions cause an increase and spread of disease and crime and constitute a menace to the health, safety, morals, welfare, and comfort of the citizens of the State, and impair economic values; that these conditions cannot be remedied by the ordinary operation of private enterprise."

It is true that the legislative findings and the determination of public use are not conclusive on the courts (*Pocantico Water Works v. Bird*, 130 N. Y. 249). But they are entitled at least to great respect, since they relate to public conditions concerning which the legislature, both by necessity and duty, must have known (*Block v. Hirsch*, 256 U. S. 135; *People v. Charles Schweinler*, 214 N. Y. 395).

The existence of all the conditions adverted to by the legislature was alleged in the petition and proved with reference to the area included in the project, of which the premises in question are a part.

The public evils, social and economic, of such conditions are unquestioned and unquestionable. Slum areas are the breeding places of disease, which take toll not only from denizens but by spread from the inhabitants of the entire city and State.

Juvenile delinquency, crime, and immorality are there born, find protection, and flourish.

Enormous economic loss results directly from the necessary expenditure of public funds to maintain health and hospital services for afflicted slum dwellers and to war against crime and immorality.

Indirectly, there is an equally heavy capital loss and a diminishing return in taxes because of the areas blighted by the existence of the slums.

HELD MATTERS OF STATE CONCERN

Concededly, these are matters of State concern (*Alder v. Deegan*, 251 N. Y. 467, 77), since they vitally affect the health, safety, and welfare of the public.

Time and again, in familiar cases needing no citation, the use by the legislature of the power of taxation and of the police power in dealing with the evils of the slums has been upheld by the courts.

Now, in continuation of a battle, which, if not entirely lost, is far from won, the legislature has restored to the last of the trinity of sovereign powers by giving to a city agency the power of eminent domain. We are called upon to say whether under the facts of this case, including the circumstances of time and place, the

use of the power is a use for the public benefit—a public use—within the law.

There is no case in this jurisdiction or elsewhere directly in point. Governmental housing projects constitute a comparatively new means of remedying an ancient evil. Phases of the general subject were before the courts in *Green v. Frazier* (44 N. Dak. 395; affd. 253 U. S. 233), and in *Willmon v. Powell* (91 Calif. App. 1), where the power to spend public funds for such projects was upheld. (See also *Simon v. O'Toole*, 108 N. J. L. 32; affd., 108 N. J. L. 549.)

In *United States of America v. Certain Lands in Louisville et al.* (78 Fed. (2d), 684), it was held that, while such a project might be within the scope of a State's activities, it was not one which the Federal Government had power to undertake.

DRAINAGE CASES ARE CITED

The cases in this State which, perhaps, afford the closest analogy are the drainage cases, where land was permitted to be taken by eminent domain in the interest of public health, even where there was incidental benefit to private interests. (See e. g., *Matter of Ryers* (72 N. Y. 1); *Board of Black River Regulating District v. Ogsbury* (203 A. D. 43; affd., 235 N. Y. 600).)

"To take," said the court, "for the maintenance and promotion of the public health is a public purpose" (*Matter of Ryers*, supra, P. G. 7). Over many years and in a multitude of cases the courts have vainly attempted to define comprehensively the concept of a public use and to formulate a universal test. They have found here, as elsewhere, that to formulate anything ultimate, even though it were possible, would, in an inevitably changing world, be unwise, if not futile.

Lacking a controlling precedent, we deal with the question as it presents itself on the facts at the present point of time.

"The law of each age is ultimately what that age thinks should be the law" (*People ex rel. Durham R. Corp. v. La Fetra* (230 N. Y. 429, 450)).

The fundamental purpose of government is to protect the health, safety, and general welfare of the public. All its complicated activities have that simple end in view. Its power plant for the purpose consists of the power of taxation, the police power, and the power of eminent domain.

Whenever there arises in the State a condition of affairs holding a substantial menace to the public health, safety, or general welfare, it becomes the duty of the Government to apply to it whatever power is necessary and appropriate to check the menace.

SLUM MENACE LONG RECOGNIZED

There are differences in the nature and characteristics of the powers, though distinction between them is often fine (*People ex rel. Durham R. Corp. v. La Fetra*, supra, P. G. 444). But if the menace is serious enough to the public to warrant public action, and the power applied is reasonably and fairly calculated to check it and bears a reasonable relation to the evil, it seems to be constitutionally immaterial whether one or another of the sovereign powers is employed.

The menace of the slums in New York City has been long recognized as serious enough to warrant public action. The session laws for nearly 70 years past are sprinkled with acts applying the taxing power and the police power in attempts to cure or check it.

The slums still stand. The menace still exists. What objections, then, can be urged to the application of the third power, least drastic, but as here embodied probably the most effective of all?

It is said that private enterprise, curbed by restrictive legislation under the police power, is adequate and alone appropriate. There is some authority to that effect in other States.

A sufficient answer should be the page of legislative history in this State and its result referred to above. Legislation merely restrictive in its nature has failed because the evil inheres not so much in this or that individual structure as in the character of a whole neighborhood of dilapidated and unsanitary structures.

PUBLIC CONTROL CALLED SOLUTION

To eliminate the inherent evil and to provide housing facilities at low cost—the two things necessarily go together—require large-scale operations which can be carried out only where there is power to deal in invitum with the occasional greedy individual owner seeking excessive profit by holding out.

The cure is to be wrought not through the regulated ownership of the individual, but through the ownership and operation by or under the direct control of the public itself.

Nor is there anything novel in that. The modern city functions in the public interest as proprietor and operator of many activities formerly, and in some instances still, carried on by private enterprise.

It is also said that since the taking is to provide apartments to be rented to a class designated as "persons of low income", or to be leased or sold to limited dividend corporations, the use is private and not public.

This objection disregards the primary purpose of the legislation. Use of a proposed structure, facility, or service by everybody and anybody is one of the abandoned universal tests of a public use (*Mount Vernon-Woodbury Cotton Duck Co. v. Alabama Interstate Power Co.*, 240 U. S. 30, 32; *Strickley v. Highland Boy Gold Mining Co.*, 200 U. S. 527; *Rindge Co. v. County of Los Angeles*, 282 U. S. 700; *Fallbrook Irrigation District v. Bradley*, 164 U. S. 112, 161-162).

LAW HELD TO PROTECT ALL

The designated class to whom incidental benefits will come are persons with an income under \$2,500 a year, and it consists of two-thirds of the city's population. But the essential purpose of

the legislation is not to benefit that class or any class; it is to protect and safeguard the entire public from the menace of the slums.

The so-called limited-dividend corporations referred to were provided for in the State housing law (Laws of 1926, ch. 823), and embody another and different attempt to solve the problems. The constitutionality of the scheme was unsuccessfully attacked in the courts (*Mars Realty Corporation v. Sexton*, 141 Misc. 622; *Roche v. Sexton*, 268 N. Y. 594; *Cf. Matter of Mount Hope Development Corporation v. James*, 258 N. Y. 510).

After 10 years of experiment its use, for economic reasons, has proved inadequate as a solution.

Nothing is better settled than that the property of one individual cannot, without his consent, be devoted to the private use of another, even when there is an incidental or colorable benefit to the public.

The facts here present no such case. In a matter of far-reaching public concern the public is seeking to take the defendant's property and to administer it as part of a project conceived and to be carried out in its own interest and for its own benefit. That is a public benefit and therefore, at least as far as this case is concerned, a public use.

The order and judgment should be affirmed.

WILD WATERFOWL PROBLEMS—PAPER BY JOHN C. HUNTINGTON

Mr. McNARY. Mr. President, at the recent North American Wildlife Conference there was presented by John C. Huntington, vice president, More Game Birds in America, Inc., a paper which is both interesting and illuminating, and gives pertinent conclusions with respect to our wild waterfowl problems. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE WILD DUCK FACTORY NEEDS REPAIRS

Ever since a serious shortage of wild ducks has made itself felt on the North American Continent, numerous efforts have been made to halt the downward trend in our duck supply. Most such efforts have taken the form of restrictions on the shooting of ducks.

Sound administration of our waterfowl resources requires that the annual losses from all causes, including shooting, be kept well within the annual production so that we may have a continuing increase in the number of ducks which go north to breed each spring.

We must recognize, however, that all the regulations in the world cannot restore duck breeding grounds. It is on the restoration of the former nesting areas which have been ruined that the future duck supply depends.

An overwhelming percentage of the annual continental duck crop has probably always been produced in the vast prairie region, which includes the Dakotas and parts of the bordering States, a portion of Manitoba, most of Saskatchewan, and Alberta, and extends in the northwest territories to Great Slave Lake. This area of about 630,000 square miles is the main source of supply of ducks for practically all parts of the United States. Four hundred and fifty thousand square miles, or slightly over 70 percent of this continental duck factory, lies in Canada.

That portion of the former breeding range of ducks which lies in the United States has virtually lost its importance as a duck-producing area due chiefly to agricultural development and drought. Under the program recommended by the President's Committee on Wildlife Restoration, the Biological Survey has acquired a number of areas, principally in the Dakotas, and is restoring these areas as duck-breeding grounds. Completion of these projects and possibly others in the same locality and their proper management will materially increase the annual output of ducks. But it seems doubtful whether maximum production of all the breeding grounds in the United States will ever again supply a sizable percentage of the continental duck crop.

While the program for the restoration of duck-breeding grounds in the Dakotas, and elsewhere in the United States, should be prosecuted as rapidly as time and funds will permit, it is the breeding grounds of Canada that hold the key to the future of ducks.

What is the situation on the Canadian breeding grounds today? Why are parts of this area producing only a small fraction of the number of ducks they yielded only a generation ago?

During the work on the 1935 international wild-duck census members of the staff of More Game Birds had an excellent opportunity to view the duck situation in Alberta, Saskatchewan, Manitoba, and the Northwest Territories from the Canadian border to Great Slave Lake. In the course of our work we traveled approximately 30,000 miles by automobile and over 14,000 miles by airplane. The airplane offers a bird's-eye view of such vast dimensions that hundreds of square miles can be minutely examined in hours as against weeks and months of travel by any other means.

The northern half of this Canadian area, which lies roughly north of the fifty-third parallel and contains about 240,000 square miles, is still largely untouched by civilization. For the most part the country is wooded and has an abundance of water. This northern half of the Canadian waterfowl breeding grounds had a population of approximately thirty-one and one-half million ducks during August 1935, or slightly more than three-fourths of the total duck population of the Canadian prairie breeding region. On some of the large, compact breeding grounds in this

part of the territory, ducks were so numerous and so concentrated as to raise the question, "Where do they find a sufficient supply of food?"

Prior to the influx of settlers, the southern portion of the Canadian prairie area was literally studded with lakes, ponds, and marshes as well as countless sloughs and potholes which, together, constituted an ideal duck factory. During each breeding season it produced an apparently inexhaustible supply of many species of prairie nesting ducks.

Settlement and utilization of the land (principally for agriculture) have brought about changes in this part of the producing plant which have been truly disastrous to the ducks. In the wake of the plow approximately 80 percent of all duck-breeding places have dried up. Of those that remain, many have become so unattractive to the ducks that they are no longer used by them.

During the summer of 1935 the southern half of the Canadian prairie area, containing approximately 210,000 square miles, had a population of approximately five and one-half million ducks, less than one-seventh of the total population of the whole area. Those figures—thirty-one and one-half million ducks in 240,000 square miles, and five and one-half million ducks in 210,000 square miles—prove that our western nesting ducks, the bulk of the present international supply, are literally being driven to the wall by the inroads of civilization on their ancestral breeding grounds. Year after year they have been forced farther and farther north up against two impassable ecological barriers—the Rocky Mountains on the west and that great rock formation, the Canadian shield, on the east. These natural barriers converge toward Great Slave Lake which forms the apex of the last remaining unspoiled natural breeding ground of the entire prairie nesting region. Here the prairie nesting ducks are making their last stand.

With those figures before us, we do not have to be expert mathematicians to understand, first, that we have all too few eggs, and, second, that entirely too many of them are in the same comparatively small basket. If some natural calamity, such as an epidemic disease, should occur on this northern portion of the territory during the breeding season, the curtain would be rung down on ducks for many years, if not forever.

Viewing the Canadian prairie duck region as a whole, and using business terms, we may truthfully say that the producing plant is still there but half of it is virtually in ruins. Until the unspoiled northern half is made safe against the fate which befell the southern half, and the damage at least partially repaired in the southern portion, we simply cannot expect any great increase in our continental duck supply, irrespective of what takes place in the less important duck-producing areas.

All too long we have collectively played the role of Micawber, hoping that something would turn up which would again restore our ducks to their former abundance. It is high time that we realized that unless and until some competent agency does a businesslike job of restoration on Canadian duck-breeding grounds, no substantial and permanent increase in the continental duck supply can be expected. Man has progressively ruined the most productive portion of the natural duck-breeding territory on the continent until Nature is powerless to restore it unaided. A cycle of abundant rainfall would improve duck conditions temporarily by filling dried-up potholes and ponds but, at best, the results would be meager and temporary.

Those sincerely interested in waterfowl restoration are faced with two questions: First, what can be done? And, second, Who shall do it? On the answer to these two questions depends not only the future of wildfowling as a sport in the United States but the very existence of some of our most valuable species of wild ducks.

I have been asked to give our answer to these two questions, based on our rather comprehensive study of the subject during the past 3 years:

First. What can be done?

Obviously, the preservation of the more important duck-breeding grounds in the northern area is of vital importance. All the duck-shooting restrictions the United States could ever make will not halt the destruction of wild-duck habitats by the advance of civilization. We might stop all shooting, and still witness the disappearance of our ducks. These northern areas should be protected against the fate which befell the former preferred duck-breeding grounds farther south. Competent management of these areas would insure a continuance of their present high rate of productivity. Practically all of the land in the northern area is Government-owned, and Canadian officials concerned are willing to cooperate by setting such areas aside as permanent sanctuaries, providing the necessary cooperation on the balance of the program is forthcoming from the United States.

In the southern half of the Canadian prairie breeding territory, lying generally south of the fifty-third parallel, there are many areas which formerly produced excellent crops of ducks, but which are now devoted to other purposes. Many of these areas are not particularly valuable for their present use, and these should be acquired and restored as duck-breeding grounds. An ample and permanent supply of water is of vital importance, and this would necessitate the building of dams, dikes, ditches, storage reservoirs, and other water-control work which will insure the usefulness of the restored areas even during periods of severe drought. Each one of these producing areas should be placed under competent management. Unless such areas are properly supervised, protected, and developed by trained men, they cannot be expected to produce satisfactory duck crops.

In addition to water, wild ducks need an abundant food supply and nesting cover on their breeding grounds. Under proper management these necessities could be built up and maintained.

Nesting wild ducks are particularly vulnerable to natural enemies. Predators such as crows, snapping turtles, and coyotes destroy tremendous numbers of the eggs and young of wild ducks which otherwise would reach maturity. Adequate protection against natural enemies on the restored breeding grounds is an important part of the work involved.

In restoring former duck breeding grounds and placing them under efficient management other losses which now seriously reduce the annual crop will be eliminated or at least substantially reduced. I refer to such things as the trampling of eggs by grazing cattle and horses, the destruction of nests and breeding birds by fire, and the loss of a tremendous number of birds by disease on contaminated areas.

If the work which I have just briefly outlined is done promptly and well the southern portion of the Canadian prairie region will again become the most important duck-producing area on the continent. Its present annual production of about 5,000,000 ducks can be tripled, quadrupled—in fact, increased almost without limit—if funds are made available for the work.

A preliminary study indicates that with a fund of \$500,000 annually much of the necessary work could be accomplished within a period of 5 years.

This brings us to the second question: Who can do this work?

Certainly the United States Government cannot do it for the good and sufficient reason that Federal funds are not available for expenditure in Canada or any other foreign country for such a purpose. The Canadian Government has fulfilled its obligations under the migratory-bird treaty in very fine shape. They could, of course, and probably would be willing to do the work, but the necessary money is not available and there is no earthly reason why Canada should provide it.

That, it seems to me, puts the problem squarely up to those who reap the benefits from the wild-duck crop produced in Canada—sportsmen in the United States and those industries which profit from the sport of duck shooting in this country. To them the restoration of Canadian duck-breeding grounds is of truly vital importance. On the proper development and management of this area depends the continuance and improvement of the sport of wildfowling, which in turn directly affects the numerous business enterprises patronized by duck shooters which furnish them with equipment, transportation, and other needs.

There is every evidence that a duck-restoration project such as I have briefly outlined would receive the whole-hearted cooperation of the people of Canada, including high Government officials.

It is squarely up to the duck shooters of the United States and the industries profiting from the continuance and expansion of the sport of wildfowling to take the initiative and to decide promptly whether or not this necessary job should be thoroughly done now before it is too late.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. COPELAND obtained the floor.

Mr. SHIPSTEAD. Mr. President, I should like to ask the Senator from New York a question.

Mr. COPELAND. I yield.

Mr. SHIPSTEAD. Taking the committee's report on the pending bill, I find on pages 5, 6, 7, and 8 the proposed allocations under the bill for river and harbor projects. I note that above the column of figures are the words "Proposed tentative allocation." I should like to ask the Senator just what that means.

Mr. COPELAND. Mr. President, we had a long discussion in the committee with the Army engineers as to what, in view of the fact that no money had been appropriated for flood control, should be done for rivers and harbors. By request of the committee, the Army engineers furnished the list which is printed on the pages of the committee's report indicated by the Senator from Minnesota. I think it is unfortunate that the particular language, to which reference

has been made by the Senator, appears at the head of the column of figures showing the allocation to each project, but I may assure him that this is the list of projects which the Army engineers stated could be and would be carried out during the present year.

Mr. SHIPSTEAD. If this bill becomes a law, the proposed allocations will be the sums allocated by the Congress; they will not be allocated after the law is passed at the will of anyone else?

Mr. COPELAND. The Senator is correct. All these projects were proposed, submitted to the appropriate committees, referred to the Army engineers, approved, brought back to the Congress, and acted upon by the Congress. These are all approved projects, and if this bill becomes a law these projects will be carried out as included in the list.

Mr. SHIPSTEAD. The Congress makes the allocations by passing a bill?

Mr. COPELAND. That is correct.

Mr. SHIPSTEAD. I thank the Senator.

Mr. COPELAND. Mr. President, yesterday the Senator from Washington [Mr. BONE] made a very interesting statement concerning a publication authorized by the War Department, to which I referred as one of ancient vintage, and stated that I did not feel that I could express what I really thought I knew about it. This morning I took up with the Secretary of War the question of the pamphlet on citizenship which was referred to yesterday by the Senator from Washington and from which he read excerpts, some of which, I am sure, were quite startling to us.

The Secretary of War called attention to the fact that the Senator from Washington did not go quite far enough in his reading and did not read the final conclusion of the Department regarding the matters stated in the pamphlet on citizenship. But we do not need to consider that further, I am sure, because I have this memorandum from the War Department regarding the pamphlet from which the Senator from Washington quoted. I read:

A citizenship manual for use by instructors in the C. M. T. camps was prepared under direction of the War Department and issued for trial use in June 1927. The actual preparation of the manual was done by Chaplain C. F. Fuchter, in collaboration with the American Citizenship Foundation.

In 1928 this manual was revised by Chaplain Fuchter under the supervision of the War Department, and was distributed for use in the 1929 camps.

This is the article on citizenship referred to yesterday by the Senator from Washington:

Following its distribution, some commendatory letters were received from citizens, but there were a very large number of letters criticizing the pamphlet, which continued during the next year or two. Most of the criticism was directed toward the paragraph on democracy, which failed to be read in conjunction with the succeeding definition of a republic.

It was that matter relating to democracy upon which the Senator from Washington enlarged last night. Here is the meat of the War Department letter:

The War Department, realizing that an instructional pamphlet of such a controversial nature should not be continued in use, on September 2, 1932, directed that the manual be withdrawn from circulation and its further use as a military textbook should be discontinued. A copy of the General Staff memorandum directing such action is attached.

I ask that the General Staff memorandum may be included in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Memorandum for The Adjutant General.
Subject: Training Manual 2000-25, November 30, 1928.

SEPTEMBER 2, 1932.

The Secretary of War directs:

I. That corps area and department commanders be informed by letter as follows:

Training Manual 2000-25, November 30, 1928, is withdrawn from circulation and its further use as a military textbook will be discontinued.

II. That TR 2000-25 will not be listed in TR 1-10 when the latter is next revised.

EDGAR T. COLLINS,
Major General,
Assistant Chief of Staff.

By ERLE M. WILSON,
Lieutenant Colonel, General Staff,
Executive.

Mr. COPELAND. Therefore the most effective point used in the argument by the Senator from Washington is now disposed of by the fact that the document to which he referred is not official and has not been in use for 4 years in the Army or the camps of the sort under consideration.

As for the amendment itself, I sincerely hope it will not be adopted.

Mr. FRAZIER obtained the floor.

Mr. BONE. Mr. President, will the Senator from North Dakota yield while I ask the Senator from New York a question?

The VICE PRESIDENT. Does the Senator from North Dakota yield for that purpose?

Mr. FRAZIER. I do.

Mr. BONE. I have in my hand the letter written by the General Staff of the Army, to which the Senator from New York referred a moment ago, which indicates the pamphlet to which I referred yesterday was withdrawn from the use of the camps and which indicates that the manual was prepared by Chaplain Fuchter "under the supervision of the War Department" and distributed for use in the 1929 camps. I should like to ask the Senator what is the American Citizenship Foundation, if he knows? What is that outfit?

Mr. COPELAND. I do not know.

Mr. BONE. It must be a concern which has very little use for democracy or for public ownership. I am wondering if the Senator from New York or the War Department can apprise us why they call on some outfit like that for the preparation of such a pamphlet, in view of the opinions which it entertains?

Mr. COPELAND. Does it say the chaplain referred to them?

Mr. BONE. It says the chaplain prepared the manual in collaboration with the American Citizenship Foundation. I am curious to know what the foundation is.

Mr. COPELAND. I am not a member. I do not know who the members are. I am not in sympathy with what they suggested. In general I approve much of what the Senator from Washington said yesterday.

The only point in discussion this morning is to make clear that this pamphlet, offensive to the Senator from Washington, was withdrawn from official use in 1932, and is not now in use in any camp or organization under control of the United States Army.

Mr. BONE. I want the Senator from New York to understand it is not because it was offensive to me that I criticized it, but in my judgment it was an assault upon the very things for which men have bled and died in this country. I cannot imagine the War Department assuming responsibility for putting out a pamphlet of that kind. What right has the War Department to attack public ownership under the guise of teaching young men how to use rifles? It is that sort of thing that makes me suspicious of military training which is made compulsory in schools.

I thank the Senator from North Dakota for yielding to me.

Mr. FRAZIER. Mr. President, in view of what the Senator from New York [Mr. COPELAND] has just said about the pamphlet referred to by the Senator from Washington [Mr. BONE] last night in regard to citizenship, the pamphlet having been issued by the War Department, may I say that a few moments ago I was handed a copy of a letter written by a boy in one of the universities of the South which has compulsory military training? He said:

Exactly 28 minutes ago I walked from a classroom (military science) in which the instructor denounced all workers for peace as joining up with the Communists in an effort to reduce arms—

And so forth. Then the writer of the letter refers to the instructor by saying "that he must either be a fool or a monumental liar." Further on in his letter he expresses surprise at the churches taking a stand for peace and against military preparedness. In closing he said:

This theory of international brotherly love is fine in theory, but I as sure as — do not love everybody I meet.

That was supposed to have been stated in the class on military tactics by the major sent from the War Department to that school to teach military tactics. This teaching is up to

date at the present time so far as military science is concerned.

Mr. President, yesterday, in the course of the debate, there was some discussion about the number of colleges which have military training. This morning I got in touch with The Adjutant General's office and asked for some information. General Conley, Adjutant General of the War Department, called me back on the telephone in a few moments and gave me the following information:

He said there is a grand total of 51 land-grant colleges in the United States, all of which offer a course in military tactics; that in 49 of those land-grant colleges military tactics is a required subject.

In other words, there are only two land-grant colleges in the United States in which military science is not a required subject. Those two land-grant colleges are located in Wisconsin and Minnesota. Unfortunately, I have not a list of the land-grant colleges in the various States, but I understand there is at least one in each State.

Mr. BENSON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. I yield.

Mr. BENSON. Is it not a fact that until the time Minnesota and Wisconsin abolished compulsory military drill in their land-grant colleges and made it optional, for all practical purposes the people in those States believed that military drill was compulsory in all the land-grant colleges, and that the Federal Government was requiring that it be made compulsory?

Mr. FRAZIER. Yes; I think that was the general understanding. I myself thought so until I got into a discussion a few years ago on the floor of the Senate, and during the course of the debate a letter was read from the then Attorney General and also from the then Secretary of War, from which I shall quote a little later, in which they explained that the compulsory feature was not on the part of the United States Government or the War Department.

I desire to continue with the information which I received from The Adjutant General of the United States. General Conley also reports that there are 139 junior military training units, of which 43 are in private institutions and 96 are in public high schools. In some cities there are several such junior units. In other cities, such as Chicago, where there are 20 or more schools which teach military tactics, all are included in one unit. There are 38 units known as the 55-C class, and the schools of the city of Washington come in that class, where the War Department does not furnish officers, but does furnish a small amount of material, such as guns and some ammunition for military training. The requirement of the War Department is that a school must have at least 100 students taking military science or tactics before an officer and material for military tactics may be furnished by the War Department. General Conley also states that of the 96 high-school units, 55 schools have an elective course in military tactics, and in 41 high schools the course is required.

In all fairness to The Adjutant General I will say that he objected to the term "compulsory military training." He said that it was a required subject, just the same as English might be, or mathematics, or some other subject of that kind; and, of course, that is perfectly true. But to all intents and purposes military training is required; and I was greatly surprised to know that 41 high schools of this Nation require students to take military training in order to graduate from them.

In Bangor, Maine, a boy 14 years old objected to military training because his father was a minister, and I suppose the boy had been brought up to believe that military training and preparation for war were not right; and he objected to it, and did not want to take military training. The school authorities threatened to expel him from school. The matter was taken up with his father; and finally, as I understand, the boy was expelled. His father went to the school board and said, "The State law of Maine requires that I send this boy to a public school. Where am I going to send

him?" It was a case of either setting aside his religious scruples and taking military training or violating the State law and not going to school at all.

The purpose of the amendment, it seems to me, is to assure that the money of the Government of the United States shall be spent as logically as possible, and not be wasted. The question was raised yesterday by a Senator as to the cost of military training per individual in schools and colleges. I find that in the CONGRESSIONAL RECORD of February 14, when this measure was under discussion in the House of Representatives, Representative MARCANTONIO, of New York, put in a table, which is found on page 2092 of the RECORD of February 14, from which I wish to quote:

The greater efficiency of elective R. O. T. C. units, as against compulsory units, both with respect to number of potential Reserve officers produced and cost of their production, is shown by the following tables:

1. Compulsory R. O. T. C. units.

The table does not give all of them, but it gives a number of them. I wish to read just a few.

At the University of Maine, 517 students are enrolled in the basic course—that means, as I understand, the first 2 years—and 39 in the advanced course. That is, 39 out of the 517 decided to go through with the R. O. T. C. I presume they liked military drill and wanted to go through with it, and took the rest of the course.

The personnel pay at the University of Maine was \$21,958.80. That means that that amount of money was divided up among those boys to pay for their uniforms and belts and one thing and another, and to encourage them to take military training.

The maintenance cost at the University of Maine was \$15,691.24.

The total expense of the Government at that one school was \$37,650.04.

The average cost per potential Reserve officer—and of course that means each of the 39 who went through with the last 2 years of R. O. T. C. work—was \$965 per capita.

Those are the figures for the University of Maine.

Next is Rutgers University. The average cost per potential Reserve officer there is \$636.

At Penn State College, 1,694 students were enrolled in what are termed the basic R. O. T. C. classes. Out of that number, 107 took the advanced course. The cost in that school for those who finished the R. O. T. C. course was \$1,000 per capita.

At the Oklahoma Agricultural and Mechanical College there were 74 students who completed the course, and the average cost for those who completed the course was \$1,023 per student.

The total expense to the Government at Penn State College was \$107,028.86.

At the Oklahoma Agricultural and Mechanical College the total cost to the Government was only \$75,722.99.

Now I wish to give the statistics of some of the universities where military training is elective and not compulsory, to show the difference in the cost.

At the University of Pennsylvania, where the course is elective, the number who completed the course was 152, and the average cost per capita was \$338, as compared with \$1,000 at Penn State College.

At the University of Michigan, where the course is elective, the average cost per capita was \$292.

At the University of Wisconsin, which is a land-grant college, where for some years the course has been elective, there were 117 who finished the course, and the average cost was \$408.

Where the course was compulsory, and the Government had to pay the expenses during the first 2 years of those who did not wish to take this course, or many of them who did not wish to take it but were compelled to do so, and only a few went through the last 2 years, the expense, as stated here, ranged from a little over \$1,000 per capita down to a little over \$600 per capita. Where the course was not compulsory, the cost ranged from \$408 to a little over \$300.

So, Mr. President, if this money that we are appropriating is to be used for the purpose of educating these boys as Reserve officers, it should be remembered that only those who take the 4-year course, the last 2 years of which are elective, are the ones who go on the Reserve officers' list; and the cost, as shown by this table, is much greater where the military course is compulsory than where it is elective. Of course that is quite naturally true.

Mr. President, yesterday I referred to some editorials written by college boys and entered in a prize contest sponsored by this young men's organization against compulsory military training. I read yesterday from one of them, and today I desire to quote two or three passages that some of these boys wrote. They are boys who are taking military training. I wish to give the Members of the Senate a chance to understand just what their opinion is.

Here is an editorial written by Roger E. Chase, of Columbia University, New York. I shall read only a paragraph or two:

It is not at all alarming to the superpatriots that "citizenship", as promoted in the R. O. T. C., has meant the negation of science and democracy, that the training corps have been as culpable as any other group in the revival of American college vigilantism.

What that "citizenship" implies was once illustrated in an official R. O. T. C. manual (withdrawn from circulation, thanks to student protests, 10 years ago).

This is right along the line of the remarks of the Senator from Washington [Mr. BONE] on yesterday, and I should like to have the Senator from New York, in charge of the bill, listen to this paragraph from an editorial written by one of the students for which he was given first prize by the organization which promoted the contest. In speaking about citizenship he said:

What that citizenship implies was once illustrated in an official R. O. T. C. manual (withdrawn from circulation, thanks to student protests, 10 years ago).

Of course, the Senator from New York may say this is ancient history, but it was in the manual when I went to the university and took this training.

One passage read:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

Talk about good citizenship and the R. O. T. C.! Let me read this again. This is from the pamphlet:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

I read another quotation:

To finish an opponent who hangs on or attempts to pull you to the ground, always try to break his hold by driving the knee or foot to his crotch and gouging his eyes with your thumbs.

Talk about citizenship! The Senator from New York says he is on the side of the angels because he is for good citizenship, promoted by an organization which only 10 years ago instructed the boys as follows:

This inherent desire to fight and kill must be carefully watched and encouraged by the student.

I wish to read from two or three others of the editorials written by these students. Here is one written by a student who was awarded second prize, Elmer J. Lewis, Riverside Junior College, Riverside, Calif.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. COPELAND. I have known many doctors who, too, have written essays. [Laughter.]

Mr. FRAZIER. I wish to quote from this young man who wrote from Riverside, Calif.:

The argument that military drill is superior to physical education for furthering physical development has been so completely repudiated by authorities in physical-education work that we seldom hear it mentioned today. Lt. Col. Herman J. Kochler, founder of the West Point system of physical training, has this to say:

"The use of the musket as a means of physical development of anyone, be he man or boy, is worse than worthless. It is, in my opinion, positively injurious. Permit me to suggest that if a change is contemplated you should endeavor to have a thorough course of gymnastic training substituted."

When I attended the university and took military training we had shiny bayonets on the ends of our old muskets, and we were taught to "fix bayonets", to "right parry thrust" and "left parry thrust", to execute all the commands in the use of the bayonet, how to stab it into an opponent, and so on.

When I was Governor of North Dakota, during the World War, I went to the military training camp at St. Paul, having been invited to visit the camp, and a captain from my own State furnished me a special guide for the day. They were putting on an exhibition to show us how the men were being trained to be officers in the World War, and they staged a bayonet charge on dummies, gunny sacks stuffed with hay, or something of the sort, hanging on ropes. The soldiers charged and jabbed their bayonets through the sacks, and pulled the trigger and shot a charge. I said to the officer who was with me, "Do you mean to say that the boys are instructed to shoot when they jab their bayonets into their enemies?" He replied, "Oh, yes; we might just as well finish the job and not give them any chance."

That is what they taught in the way of military training when I went to the university, a number of years ago, but because there was so much criticism of the bayonet practice, the bayonets have been taken off the old muskets furnished to the students in high schools and universities during the last few years.

I wish to read a few more paragraphs, which are very interesting, coming from young men who know what they are talking about. Here is an editorial which won third prize for Gilbert Harrison, University of California, Los Angeles, Calif. He says:

Education for a democracy is education of men to think for themselves.

I believe every thinking democratic Senator will agree with that statement.

It is not education by command. It is not education by dictation. It is not education by propaganda. It is not education which preaches any brand of doctrine, nor is it education for the popularization of any school of opinion. Education for a democracy teaches men to consider opinions wisely.

Compulsory military training is not concerned with the wise consideration of the problems of war and peace. It is not concerned with inquiring into the causes of war or into the ways for realizing peace. It is not interested in investigation of the value of war or that of peace. It is concerned with the technique of killing. It has for its business the selling of that technique to its students. Its aim is the development of military-minded youth.

There is no denial of that statement. I do not think even the Senator from New York will deny it.

Those schools which conscript students into the military course violate the soundest principle of democratic education.

That is worth reading again:

Those schools which conscript students into the military course violate the soundest principle of democratic education.

"Conscript students into military training." That is what it means. It is a violation of the Constitution of the United States itself.

Now I shall read from another editorial, written by a boy who was not one of the three highest on the list, but who got honorable mention. His name is Mark Clutter, and he wrote as a student at the University of Wichita, Wichita, Kans. He makes some very good statements, and I wish to read a few of them. He says:

I. Is compulsory military training in our schools practical as an auxiliary to the national defense?

Then he answers:

Granting for argument's sake that in the present madhouse of nations a strong Army and Navy are necessary to our welfare, it does not follow that peacetime conscription among college youths can have anything but an evil effect. The R. O. T. C. has as its primary purpose the training of students toward becoming Reserve officers in the Army. The requirements of a good officer include discipline, an interest in the work, and a broad knowledge of things military. It is obvious that students bent only on gaining the required credit in a distasteful course will never acquire these traits.

II. Can the United States afford to betray its ideals of individual freedom for the doubtful gain of a few poorly trained college soldiers?

That is his question, and I wish to read a part of his answer:

It is believed in this Republic and in all liberal countries that religious freedom is an inalienable right. To the American mind, religious intolerance backed by the sanctions of the State seem as outmoded as cannibalism. Yet in many of our tax-supported schools this ugly monster from the past has dared to show itself again. Quakers and others are required to violate their ideals if they are to attend schools which may be best fitted to their needs in other respects.

He also says:

The conscientious objector may be wrong in his views. That remains for the future to decide. But, right or wrong, he has a right to his views.

I believe the Senator from New York, who has charge of the bill, will agree with that:

But, right or wrong, he has a right to his views.

That is the democratic teaching of Washington and Jefferson and all the others of our forefathers to whom we are supposed to look.

Mr. COPELAND. Mr. President, I am in full accord with the statement made by the Senator.

Mr. FRAZIER. I am glad to hear the Senator make that statement. This young man goes on:

He is a member of an intellectual minority such as in times past have brought forth most of the world's progress. He lives in a country founded by dissenting minorities, and founded on the principle that all such minorities should have the freedom and protection granted to the majority. Unless we wish to depart altogether from our traditional ideals, we must grant the trouble-making pacifist his rights. Those superpatriots who demand a return to the principles of Washington and Jefferson and at the same time wish to force compulsory military training upon our schools stand self-condemned of hypocrisy.

I believe that needs another reading. The Senator from Tennessee [Mr. McKELLAR] has just come into the Chamber, and I shall be very glad to have him hear it. I wish to say to the Senator from Tennessee that The Adjutant General of the Army, General Conley, informed me this morning that out of a total of 51 land-grant colleges, 49 of them—all but 2—have a required course in military training. So if the State of Tennessee, from which my friend hails and so ably represents, has a land-grant college, which I assume it has, then there is compulsory military training in that college. The General did not say "compulsory." He used the expression "required military training."

Mr. McKELLAR. In the land-grant college?

Mr. FRAZIER. In the land-grant college.

Mr. McKELLAR. What did the General say about the R. O. T. C.?

Mr. FRAZIER. I did not ask him.

Mr. McKELLAR. Most of the students who are trained in the R. O. T. C. are in the public schools, in smaller institutions. I do not believe in compulsory military training. There is no Federal law which provides for it. If it is given, it is given under a local rule, and not by reason of a Federal law.

Mr. FRAZIER. I understand from The Adjutant General that there are 41 high schools in which military training is required.

Mr. McKELLAR. I am surprised to know that. It ought not to exist. There is no Federal law providing for compulsory military training.

Mr. FRAZIER. I understand that, of course. I desire to reread the sentence I just read from the editorial written by a youth in a college in Wichita, Kans., the State from which the able Senator [Mr. CAPPER] sitting to my left comes. This youth says:

Those superpatriots who demand a return to the principles of Washington and Jefferson and at the same time wish to force compulsory military training upon our schools stand self-condemned of hypocrisy.

I believe the young man is right.

Mr. RUSSELL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Georgia?

Mr. FRAZIER. I yield.

Mr. RUSSELL. I desire to ask the Senator from North Dakota if the high schools he refers to as having compulsory military training are high schools which are military schools in their nature. Are they in the nature of boarding schools of various kinds?

Mr. FRAZIER. No. According to The Adjutant General, 41 high schools require military training in their courses.

Mr. President, I desire to read another paragraph or two from this young man's statement. I think he knows what he is talking about. The State of Kansas is a progressive State, and the people in that State do a great deal of thinking for themselves. He asks another question:

3. Would not such a betrayal set a dangerous precedent which might lead to further destruction of liberty?

He answers it:

The existence of compulsory military training in our schools has the bad effect of conditioning the public mind to the idea of peacetime conscription. A small but clamorous group favors extension of the system. If they should have their way, it is not inconceivable that more and more compulsory military training would ultimately lead to universal conscription after the European pattern.

Of course, there is a certain class of people that advocates compulsory military training of all citizens within certain ages in the country.

The young man goes on:

Militarization of a people is an unqualified evil. Political tyranny and intellectual sterility is the inevitable result. A nation schooled in unquestioning obedience loses its courage for criticizing the existing government and for demanding reform. "Yes, sir," becomes the motto of the majority instead of "I think" and "I will." Any wrong, when dressed in the uniform of proper authority, can exist unhampered.

I read that last sentence again:

Any wrong, when dressed in the uniform of proper authority, can exist unhampered.

Has the soldier any right to complain about conditions, or about an order which he receives, or about anything else he is required to do? Oh, no! He must simply obey orders. This young man makes a few more observations, which I read:

Let us be reasonable about this matter of compulsory military training. We have little to gain by continuing the system, and much to lose if, as it seems, it has a tendency to stifle intellectual and personal freedom.

Compulsory R. O. T. C. is in itself relatively unimportant, but, as a tendency in the wrong direction, it is tremendously important. Whether college boys of today have to drill 2 hours a week is a small matter, but whether the youth of tomorrow will be free and intellectually courageous, or merely unquestioning cogs in a war machine ruled by whatever dictator may be in power, is a very serious matter.

I think the young man is very logical in that argument again. He further states:

The move against compulsory military training is not fostered by organized pacifism but by organized common sense * * *.

Here is a wrong that needs to be righted. Here is an injustice against the youth of America and a travesty on the purpose of the American educational system.

Compulsory military training is un-American.

I think he is correct in that statement also. I can imagine nothing more un-American than to tell an American youth who wants to go to high school or to a college or to a university that in order to graduate he must take at least 2 years of military training. That is what the proposed amendment seeks to prevent.

Mr. President, all the amendment does is to provide that the money available under this particular appropriation shall not be used in colleges or schools not strictly military in which the course in military science is compulsory. In other words, in order to get a share of the money appropriated such schools will be required to make their course in military tactics elective and not compulsory. The land-grant colleges will continue to have military training, of course, because that is required under the Morrill law; but it is not required to be taught every student. At least that is what a former Attorney General of the United States has said, and also a former Secretary of War.

I have that statement among my papers. I intended to read it, but I neglected to do so. I am sure I can find it if anyone is interested in it. I remember putting those articles in the RECORD some years ago.

Mr. NORRIS. Mr. President, I should like to have the Senator, if he can do so without any inconvenience, read the letter of the former Attorney General.

Mr. FRAZIER. I do not have the full letter, but I have a quotation from it here some place. I will look that up. I do not have the full letter.

Mr. NORRIS. Can the Senator state its substance?

Mr. FRAZIER. It was to the effect that the Morrill Law did not provide that military training must be taught to every student, but that, of course, such training must be offered. The Adjutant General said in his communication, received this morning, that the position of the Department was that, of course, military training in these colleges must be offered, but that it was the local boards of education, or the bodies in control of such schools, which made it compulsory.

Mr. NORRIS. As I understand—and that is why I was anxious to have the former Attorney General's letter read—the Federal law provides that in order to share in this money the land-grant college must offer a course in military training.

Mr. FRAZIER. That is correct.

Mr. NORRIS. But such training does not have to be compulsory.

Mr. FRAZIER. That is correct.

Mr. NORRIS. Under the State law the colleges can do as they please about military training. No one attending the school can be required to take a military training course. It is entirely voluntary with the student whether he takes it or not. Is that correct?

Mr. FRAZIER. That is correct so far as the Government is concerned.

Mr. NORRIS. That is what I mean.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. LA FOLLETTE. I believe it was understood prior to the action of Wisconsin and Minnesota making military instruction elective that land-grant colleges had to require military training in order to obtain funds under the Morrill Act. If my memory serves me correctly, when the Wisconsin act was pending in the legislature those who opposed it predicted that its enactment would result in the States losing the support coming from the Government under the Morrill Act. As a matter of fact, when the State finally took action it did not result in the aid being withdrawn.

Even now there are many people who think the Morrill Act does require that military training shall be compulsory.

Mr. FRAZIER. The Senator from Wisconsin is correct in his statement.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. NORRIS. The purpose of my question was really to make plain the actual condition. I thought I understood it before, but as to the general idea which I think prevails in many of the States that the military-training course must be compulsory, I wanted the knowledge diffused so that those holding that opinion would understand that that is not necessary. Whatever may be the fate of this amendment, of which I am heartily in favor, if this discussion brings to the States and the legislatures of the States the information that a compulsory course in military training is not necessary in order to get this money, it will have accomplished great good, regardless of whether we put the amendment in the law or not.

Mr. FRAZIER. Mr. President, as I remember, it was about 10 years ago when the opinion was handed down by the Attorney General, and also by the Secretary of War at that time, stating that the Government did not require military training to be compulsory; but there have been, I am reliably informed, in many instances threats made, or at least insinuations made—I think insinuations would be the better

term—by Army officers unless the course in military training was compulsory that their favors would be withdrawn at least to a large extent.

In North Dakota the State board of administration, consisting of five members, who have charge of all the State educational institutions, as well as some other institutions of a charitable and penal character, brought this question to a vote a year or two ago and lacked but one vote of making the military-training course in the university and in the agricultural college elective instead of compulsory. The vote was 3 to 2 to sustain the compulsory feature of military training. I understand that the same thing has occurred in some of the other States. I was informed that in the State of Oregon the board lacked but one vote of changing the compulsory feature of military training in their land-grant colleges.

I have just received a list of the land-grant colleges in the United States. I did not previously have that list. As I have stated, there are 49 land-grant colleges that require military training out of a total of 51. I was looking for Tennessee. The Senator from Tennessee [Mr. McKellar] yesterday was quite sure there was no compulsory military training in Tennessee educational institutions, but I find the University of Tennessee at Knoxville, Tenn., which is the land-grant college of that State, requires military training. The Senator from Tennessee is not at the moment on the floor, but I will call it to his attention when he returns to the Chamber.

The only two land-grant colleges in this list which do not have the compulsory feature in connection with military training out of the 51 are those in Wisconsin and Minnesota.

I have shown that the expense of the Government in training college students to be Reserve officers is much less where the course is an elective course than where it is compulsory. That is perfectly natural, because, under a compulsory course, the great majority of the young men taking it fall out of the course at the end of the 2 years; they do not complete it; they do not go through with the last 2 years, which fits them for commissions as Reserve officers. It costs about three times more to prepare college students for Reserve officers in the institutions where military training is compulsory than it does in those where military training is not compulsory.

Then, as to the high schools, I cannot understand for the life of me how any Senator can vote to appropriate money for military purposes for expenditure in any high school where the high school provides for a compulsory military training course.

The Senator from New York infers that anybody who is against compulsory military training does not belong to the angel class. I cannot quite agree with the Senator from New York in some things, and this is one of them. He says he prefers to belong to the angel class. I am glad he has that very good opinion of himself. I know other Senators have a very high opinion of the Senator from New York, but some of us object to being put in the other class just because we are against compulsory military training in 41 high schools and 49 colleges of the Nation, which are land-grant colleges, supported by the Government of the United States.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. COPELAND. I do not think that the RECORD will show that I said I wanted to be an angel or expected to be an angel.

Mr. FRAZIER. But the Senator wanted to be on the side of the angels.

Mr. COPELAND. I said I wanted to be on the side of the angels.

Mr. NORRIS. We will all be angels pretty soon. [Laughter.]

Mr. FRAZIER. At some time; yes.

Mr. President, I know it is useless to speak longer on this subject, because there are only a few Senators on the floor. The Senator from Missouri [Mr. Clark] this morning said to me that if we could keep Senators on the floor of the Senate to hear the discussion there would be no question

about the amendment being adopted; but, with only a handful of Senators on the floor, other Senators come in and vote with the committee, and that is perfectly natural, of course.

I am very much interested in this matter; I feel very deeply about it. I have read from the expressions of boys who have written from the colleges themselves. They know what they are writing about. There has been vote after vote and poll after poll taken in the universities and high schools, and a majority have, so far as I know, in every instance voted against compulsory military training. Polls have also been taken by churches throughout the various States, and the majority has been against compulsory military training.

Mr. SHIPSTEAD. Mr. President, will the Senator yield for a quorum call?

Mr. FRAZIER. I have concluded.

FUNDS FOR UNEMPLOYMENT RELIEF—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

Mr. McNARY. Mr. President, there should be a quorum on this occasion, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Keyes	Pittman
Ashurst	Connally	King	Pope
Austin	Copeland	La Follette	Radcliffe
Bachman	Costigan	Lewis	Reynolds
Bailey	Davis	Logan	Robinson
Barbour	Dickinson	Loneragan	Russell
Barkley	Donahey	Long	Schwellenbach
Benson	Duffy	McAdoo	Sheppard
Bilbo	Fletcher	McGill	Shipstead
Black	Frazier	McKellar	Smith
Bone	George	McNary	Steiwer
Borah	Gerry	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkeley	Glass	Minton	Truman
Bulow	Guffey	Moore	Vandenberg
Burke	Hale	Murphy	Van Nuys
Byrd	Harrison	Murray	Wagner
Byrnes	Hatch	Neely	Walsh
Capper	Hayden	Norbeck	Wheeler
Caraway	Holt	Norris	White
Carey	Johnson	Overton	

Mr. LEWIS. I reannounce the absences of certain Senators and the reason therefor as given by me upon a previous roll call.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present. The President's message will be read.

The Chief Clerk read the message, as follows:

To the Congress of the United States:

In my Budget message of January 3, 1936, I reserved making a recommendation for an appropriation for the relief of unemployment, stating that an estimate and recommendation could be better made at a later date. I am now prepared to submit such a recommendation, and this message should be regarded as supplemental to the Budget message.

In asking the Congress for an appropriation to meet the needs of the destitute unemployed during the coming fiscal year, certain facts should be clearly set forth:

First. Since the spring of 1933 there has been a gain in re-employment in each successive year. At least 5,000,000 more people were at work in December 1935 than in March 1933.

Second. In spite of these great gains, there are at present approximately 5,300,000 families and unattached persons who are in need of some form of public assistance—3,800,000 families and unattached persons on the works program and 1,500,000 on local and State relief rolls. Every thinking person knows that this problem of unemployment is the most difficult one before the country.

Third. These figures, large as they are, do not, of course, include all those who seek work in the United States. In none of these figures is included the many unemployed who are not on relief but who are experiencing great difficulties in maintaining independent support. Neither are there included many others not on the relief rolls who are content with occasional employment; nor some who are so consti-

tuted that they do not desire to work; nor many young people who cannot get work and are obliged to share the livelihood earned by their parents. Because of the impossibility of an exact definition of what constitutes unemployment, no figures which purport to estimate the total unemployed in the Nation can be even approximately accurate.

Fourth. Nearly all the 1,500,000 unemployable families or unemployable unattached persons are being cared for almost wholly from State or local funds. A very small number of these families or individuals have begun to receive a comparatively small amount of Federal aid under the provisions of the Social Security Act.

The foregoing figures indicate the problem before us. It is a problem to be faced not merely by the Congress and the Executive, not merely by the representatives of government in the States and localities, but by all of the American people. It is not exclusively the problem of the poor and the unfortunate themselves. It is more particularly the problem of those who have been more fortunate under our system of government and our economy.

It will not do to say that these needy unemployed must or should shift for themselves. It will not be good for any of us to take that attitude. Neither will it do to say that it is a problem for the States and the localities. If we concede that it is primarily the duty of each locality to care for its destitute unemployed, and that if its resources are inadequate, it must then turn to the State for help, we must still face the fact that the credit and the resources of local governments and States have been freely drawn upon in the last few years and they have not been sufficient.

It has been said by persons ignorant or careless of the truth that Federal relief measures have encouraged States, counties, and municipalities to shirk their duty and shift their financial responsibilities to the Federal Government. The fact is that during 1935 State and local governments spent \$466,000,000 for emergency relief, which was 13 percent more than these governmental bodies spent in 1934, 49 percent more than they spent in 1933, and 58 percent more than they spent in 1932. Let it also be noted that the great majority of State and local governments are today taking care not only of the 1,500,000 unemployables, but are also contributing large amounts to the Federal works program.

To expect that States and municipalities should at the present time bear a vastly increased proportion of the cost of relief is to ignore the fact that there are State constitutional limitations, and the fact that most of our counties and municipalities are only now emerging from tax delinquency difficulties. Let us further remember that by far the largest part of local taxes is levied on real estate. To increase this form of tax burden on the small property owners of the Nation would be unjustified. It is true that some States, fortunately few, have taken an undue advantage of Federal appropriations, but most States have cooperated wholeheartedly in raising relief funds, even to the extent of amending State constitutions. It is not desired in the next fiscal year to encourage any States to continue to shirk. The Federal Government cannot maintain relief for unemployables in any State.

The Federal Government, then, faces the responsibility of continuing to provide work for the needy unemployed who cannot be taken care of by State and local funds.

During the current fiscal year the cost of relief actually paid out of the Treasury will amount to approximately \$3,500,000,000.

During the next fiscal year, 1937, more than \$1,000,000,000 will be spent out of the Treasury from prior year appropriations. Practically all of these expenditures will be from allocations made to large projects which could not possibly be completed within this fiscal year. In addition to this amount, the Budget contains estimated expenditures aggregating \$600,000,000 from appropriations recommended for the Civilian Conservation Corps and various public works.

If to this total of \$1,600,000,000 there were added \$2,000,000,000 to be expended for relief in the fiscal year 1937,

the total for this purpose would just about equal the amount that is being now expended in the fiscal year 1936. An appropriation in this amount would be within the limit set by the Budget message and would in effect provide for the third successive year a reduction in the deficit.

This statement as to the Budget program, of course, depends upon the action of the Congress with respect to the substitute taxes, the reimbursement taxes, and the new taxes which I have recommended to replace the lost revenues and to supply the new revenue made necessary by the decision of the Supreme Court invalidating the Agricultural Adjustment Act and by the action of the Congress in appropriating for the immediate payment at the 1945 value of the veterans' adjusted-service certificates. This latter action, as you will recall, requires additional revenue in the amount of \$120,000,000 annually for 9 years. The agricultural program requires annual substitute taxes of \$500,000,000, and there must be raised within the next 3 years \$517,000,000 of revenue to reimburse the Treasury for processing taxes lost in this fiscal year by reason of the Supreme Court's decision.

I am, however, not asking this Congress to appropriate \$2,000,000,000.

I am asking only for an appropriation of \$1,500,000,000 to the Works Progress Administration. It will be their responsibility to provide work for the destitute unemployed. This request, together with those previously submitted to the Congress to provide for the Civilian Conservation Corps and certain public works, will, if acted upon favorably by the Congress, give security during the next fiscal year to those most in need, on condition, however, that private employers hire many of those now on relief rolls.

The trend of reemployment is upward. But this trend, at its present rate of progress, is inadequate. I propose, therefore, that we ask private business to extend its operations so as to absorb an increasing number of the unemployed.

Frankly, there is little evidence that large and small employers by individual and uncoordinated action can absorb large numbers of new employees. A vigorous effort on a national scale is necessary by voluntary, concerted action of private industry.

Under the National Recovery Administration, the Nation learned the value of shorter hours in their application to a whole industry. In almost every case the shorter hours were approved by the great majority of individual operators within the industry. To the Federal Government was given the task of policing against the minority, who came to be known as "chiselers." It was clear that "chiseling" by a few would undermine and eventually destroy the large, honest majority. But the public authority to require the shorter hours agreed upon has been seriously curtailed by limitations recently imposed by the Supreme Court upon Federal as well as State powers.

Nevertheless, while the provisions of the antitrust laws, intended to prohibit restraint of trade, must and shall be fully and vigorously enforced, there is nothing in these or any other laws which would prohibit managers of private business from working together to increase production and employment. Such efforts would, indeed, be the direct opposite of a conspiracy in restraint of trade. Many private employers believe that if left to themselves they can accomplish the objectives we all seek.

We have learned the difficulties of attempting to reduce hours of work in all trades and industries to a common level or to increase all wage payments at a uniform rate. But in any single industry we have found that it is possible by united action to shorten hours, increase employment, and, at the same time, maintain weekly, monthly, or yearly earnings of the individual. It is my belief that if the leaders in each industry will organize a common effort to increase employment within that industry, employment will increase substantially.

Insofar as their efforts are successful, the cost to the Federal Government of caring for the destitute unemployed will be lessened, and, if the employment gains are substantial enough, no additional appropriation by the next Congress for the fiscal year 1937 will be necessary.

The ultimate cost of the Federal works program will thus be determined by private enterprise. Federal assistance, which arose as a result of industrial disemployment, can be terminated if industry itself removes the underlying conditions. Should industry cooperatively achieve the goal of reemployment, the appropriation of \$1,500,000,000, together with the unexpended balances of previous appropriations, will suffice to carry the Federal works program through the fiscal year 1937. Only if industry fails to reduce substantially the number of those now out of work will another appropriation and further plans and policies be necessary.

It is the task of industry to make further efforts toward increased output and employment; and I urge industry to accept this responsibility. I present this problem and this opportunity definitely to the managers of private business; and I offer in aid of its solution the cooperation of all the appropriate departments and agencies of the Federal Government.

My appeal is to the thinking men who are assured of their daily bread. However we may divide along the lines of economic or political faith, all right-minded Americans have a common stake in extending production, in increasing employment, and in getting away from the burdens of relief.

Those who believe that Government may be compelled to assume greater responsibilities in the operation of our industrial system can make no valid objection to a renewed effort on the part of private enterprise to insure a livelihood to all willing workers. Those, on the other hand, who believe in complete freedom of private control without any Government participation should earnestly undertake to demonstrate their effectiveness by increasing employment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 18, 1936.

The PRESIDENT pro tempore. The message will be printed and referred to the Committee on Appropriations.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. THOMAS of Utah. Mr. President, I offer an amendment in the nature of a substitute for the pending amendment, and ask that it be stated.

The PRESIDENT pro tempore. The amendment, in the nature of a substitute, will be stated.

The Chief Clerk read as follows:

That the courses for which funds are hereby appropriated shall be elective unless required by the administrative officers responsible for the government of the institution where the Reserve Officers' Training Corps is established.

Mr. RUSSELL. Mr. President, I think the amendment offered by the Senator from Utah [Mr. THOMAS] is infinitely preferable to the original amendment offered by the Senator from North Dakota [Mr. FRAZIER].

I do not know any subject pending before the Congress of the United States at the present time about which there has been more misunderstanding, and I may say more misinformation, than has been disseminated in the attacks which are made on the R. O. T. C. units in the various colleges and schools of this Nation.

A carefully studied effort apparently has been made to create in the minds of the American people the impression that there is some act of Congress or some requirement of the War Department or some action on the part of the Federal Government making this course of training compulsory upon the young manhood of this country in the high schools and in the colleges.

There is absolutely no line of any Federal statute making military training compulsory in any educational institution of this country. There is no limitation or condition on the appropriation or allocation of any Federal grant to any school that is contingent upon compulsory military training in any of the institutions which receive these Federal funds.

The issue here, as I see it, as presented by the amendment offered by the Senator from North Dakota [Mr. FRAZIER] is very simple.

Under the Morrill Act it is necessary that the so-called land-grant colleges shall maintain a course in military science. There is absolutely no provision that this course of military science shall be compulsory, or that any institution shall require all the students to take the course. That is a matter which is wholly within the hands of the local governing body of each institution, whether it be a land-grant college or whether it be a high school, such as those to which the Senator from North Dakota has referred.

I have no objection to any Senator or any other individual going before the various boards of trustees or boards of regents that control educational institutions in the United States and urging that military training in those institutions be elective. I do object to the Congress of the United States invading the campuses of this country and telling the various boards of trustees and boards of regents what they can or cannot prescribe as courses of study and instruction in those institutions.

The University of Georgia, located in my State, the oldest chartered State university in the United States, has for a great number of years had a cadet corps and has required that every student in the University of Georgia, taking certain courses, shall be a member of the corps of cadets. Why should we here, by legislative enactment, say to the regents of the university system of Georgia, "We take from your control the rules and regulations that shall govern that institution", merely because someone has raised some false scare here in regard to compulsory military training and conscription of the youth of this country?

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. I yield to the Senator from North Dakota.

Mr. FRAZIER. I understand that the high school at Athens, Ga., also requires military training as a part of its curriculum.

Mr. RUSSELL. I should not be at all surprised. I am glad I come from a section of the United States where the uniform of the soldier of this Republic is not looked on with disdain, and where the men and women who control the schools and colleges of that section hold to the conviction that some slight training in the military arts is no disgrace to any young man. The people of my State still have a spirit of reverence for the flag and our institutions.

Mr. BENSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. RUSSELL. I yield to the Senator.

Mr. BENSON. Equally I desire to say that I am very proud to be here in the United States Senate, coming from a State where we do not feel that compulsory military training is a prerequisite to an American education, and where young men are not required to take 2 years of military training in order to attend a State university where they may obtain free education in a free country.

Mr. RUSSELL. I have absolutely no quarrel with the Senator from Minnesota on that score. I should not undertake to secure any action by Congress, nor should I vote for any measure, that would require the authorities of the University of Minnesota to take any action in regard to this matter they did not deem meet and proper. I merely ask that the Senator from Minnesota be as liberal as I am and not undertake to dictate to the boards of regents of my State as to what shall or shall not be required in the educational institutions of my State.

Mr. BENSON. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield to the Senator from Minnesota.

Mr. BENSON. I wish to say that for all practical purposes since 1862 the people in all the States of this country have been laboring under the impression that military training was compulsory in land-grant colleges, because high-ranking officers of the United States Army have paraded over the country and have made the people believe that

military training was compulsory in these schools; otherwise, they would not have it. The Senator may be very sure of that.

Mr. RUSSELL. I hope and trust that the Senator from Minnesota will not attempt to place on my shoulders responsibility for all of the ignorance and all of the misunderstanding of the people of the United States in regard to the laws of the United States. The laws appear in the statutes of the United States and are available to anyone who desires to read them. It is amazing that people could have been kept in ignorance of the truth from 1862 to the present time in regard to the Morrill Act.

Mr. FRAZIER. One of the purposes of the amendment is to make military training optional. I want to make it optional.

Mr. RUSSELL. Mr. President, the purpose of the amendment is to wipe out the autonomy that is vested in the board of trustees of every institution of education in this country at the present time. It can have no other object nor can it have any other effect.

We have gone a long way here in wiping out State lines under the stress of a great emergency. Some of the legislation having that tendency I have supported, but I say that it is going altogether too far when there is an attempt to have the Congress of the United States prescribe what shall or shall not be taught in any educational institution in this country.

Talk to me about conscription, talk about regimentation and "goose-stepping!" What is being prescribed here, if we adopt this amendment, but regimenting and conscripting all of the institutions of this country by a Federal power attempting to tell them what they shall or shall not do?

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I think the Senator from Georgia is laboring under a misapprehension. All my amendment requires is that none of the money shall be used in a school or college where there is compulsory military training.

Mr. RUSSELL. I understand the amendment of the Senator from North Dakota.

Mr. FRAZIER. If a school or college wanted the money from the War Department, it could not continue compulsory military training.

Mr. RUSSELL. The Senator from North Dakota can do as he chooses in his State in regard to compulsory military training and still secure the Federal funds provided under the Morrill Act, but, not content with that, he wishes to have Congress go to all the States and say to them, "We will take these funds away from you unless you follow the edicts of the Congress in regard to matters which should be peculiarly sacred to the campuses of the various educational institutions."

Mr. FRAZIER. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield?

Mr. FRAZIER. I have no quarrel with the Senator from Georgia. If he believes in "Prussianizing" our public schools, high schools, and colleges, compelling military training, all well and good; but I cannot agree with him.

Mr. RUSSELL. The Senator from North Dakota always falls back to statements about "Prussianizing." What I am seeking to do is to avoid "Prussianizing" and regimenting the schools. Leave this matter where it belongs, in the hands of the various boards of trustees of the educational institutions of this country, and do not seek to "Prussianize" and regiment from Washington by telling the trustees of every institution what may or may not be taught in the institution.

The Senator from North Dakota has read some statements which he says were made by individual students in regard to joining these R. O. T. C. units, and he says that one after another indicates that everyone is opposed to these R. O. T. C. units and any compulsion.

Mr. President, at the present time there are pending in the War Department of the United States, 51 applications from these "poor, oppressed" high schools and colleges to

which the Senator makes such touching reference, asking that the Government of the United States reach out and give them the benefits of the R. O. T. C.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I should like to ask the Senator why these poor high schools are asking for R. O. T. C. units.

Mr. RUSSELL. Because they believe that they are very beneficial to the students of their institutions.

Mr. FRAZIER. Oh, no. Will the Senator yield further?

Mr. RUSSELL. I will yield, but I should like to proceed with my statement.

Mr. FRAZIER. There are many high schools and colleges at the present time which are having a very hard time getting money with which to continue, and they are asking for R. O. T. C. money in order to help them maintain their schools.

Mr. RUSSELL. That is the conclusion reached by the Senator from North Dakota. I might say that the high school units do not receive any funds from the Federal Government. They get their equipment, but the students are not paid a dime. That applies only to the senior units in the colleges.

Mr. FRAZIER. General Conley, the Acting Adjutant General of the Army, told me this morning over the telephone that 41 high schools are considered as junior units, and require military training, and officers are assigned to them just as is done at the universities.

Mr. RUSSELL. I am speaking of the difference in what the students receive. The high-school student receives nothing from the Government.

Mr. FRAZIER. The school receives it.

Mr. RUSSELL. It receives nothing on earth except instruction in military training, the equipment used in drill, and the uniforms of the students in school.

Mr. FRAZIER. That part of it is correct.

Mr. RUSSELL. The Senator from North Dakota will concede that there is no compulsion anywhere on any board of trustees of a high school to come in and ask for the benefits of these R. O. T. C. units.

Mr. FRAZIER. Of course, no compulsion, but if the Government furnishes an instructor in military tactics, he takes the place of an instructor in a gymnasium, or some other physical training.

Mr. RUSSELL. If the Senator from North Dakota will think of the fallacy of his last statement after he takes his seat, I am sure he will withdraw it, because the school does not ask for any instructor to take the place of another in military training. The training and the benefits from the course of instruction provided by the War Department is what these 51 institutions are seeking. No compulsion forces them to Washington to petition for these units in their respective schools.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PITTMAN. I should like to know whether the Senator from Georgia or any other Senator knows whether or not the legislatures of any of the States have prescribed compulsory military training in their agricultural colleges.

Mr. RUSSELL. Mr. President, I am not advised on that point; but if the legislature of any State has prescribed compulsory military training in any one of these agricultural schools, the proper method of correcting that is to go back to the legislature of the State and have the law repealed.

Mr. PITTMAN. What I desired to suggest to the Senator was that the State has jurisdiction over the subject, and if the State, by an appropriation act or otherwise, has made military training compulsory, then the law could not be changed until the legislature met; and the adoption of the pending amendment would prevent the use of the money.

Mr. FRAZIER and Mr. BENSON addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from North Dakota.

Mr. FRAZIER. In reply to the question of the Senator from Nevada, let me say that, so far as I know there is no

State legislature which makes a course in military tactics in the land-grant colleges compulsory. The State Legislature of the State of Wisconsin, however, passed a law providing that there should be no compulsory military training in the schools of that State.

Mr. PITTMAN. I have not had occasion to look into the matter, but if the legislature of my State has passed a law requiring universal military training, I should dislike very much to have the schools of the State deprived of the money they might receive under this appropriation pending the time the legislature may meet and change the law. I am very much in favor of the elective system.

Mr. BENSON. Mr. President, will the Senator from Georgia yield to me now?

Mr. RUSSELL. I yield.

Mr. BENSON. I may answer the Senator from Nevada in this way: In Minnesota for many years we did have compulsory military training. In attempting to change to an elective system we met with tremendous opposition from the United States Government, through high-ranking officers of the United States Army. They paraded all over the State and made public speeches, and arranged that information should be printed in our daily newspapers which carried the inference, at least, that should Minnesota decide not to have compulsory military training in its university it would no longer receive this Federal aid. For that reason, if for no other, it seems to me the pending amendment should be enacted into law, in order to make it very definite that military training shall be elective.

Mr. RUSSELL. I presume the Senator has not heard read by the clerk the amendment offered by the Senator from Utah [Mr. THOMAS].

Mr. BENSON. No; I have not.

Mr. PITTMAN. Mr. President, I think it would be very much better to have Congress pass a resolution stating that the military training course is elective, and not compulsory.

Mr. RUSSELL. That would place us in the very anomalous position of passing a resolution declaring again what the law of the land already provides.

Mr. BENSON. Mr. President, will the Senator yield further?

Mr. RUSSELL. I yield.

Mr. BENSON. If the Senator from Nevada will take into consideration the fact that since 1862 Army officers have been parading over the country, and that other Federal officials have been doing likewise, and sending out information in an effort to convince the people that military training is compulsory, he will appreciate what a difficult position he will find himself in if he tries to change that situation today.

Mr. PITTMAN. Mr. President, if the Senator from Georgia will pardon me, I have no doubt that that is the general impression with regard to the law, and I have no doubt that a great many have been actuated, in requiring compulsory military education in the colleges, by that belief; but I am satisfied that if they are convinced that that is not necessary, the people themselves, having a majority in the State, will influence the trustees of the university, or, if not, the legislature, to change the system. I fear we may find States which, through their legislatures, have acted on this matter, believing that they had to have compulsory military training, and, of course, it would require a legislative act to change the law. I entertain the hope that they will not be deprived of some share of the appropriation by reason of that condition.

Mr. RUSSELL. Mr. President, in this country the officers of the Army or the officials of the War Department do not make the laws, and any statement of an officer of the Army as to what the law might be does not have any force whatever. The Congress of the United States and the legislatures of the various States still make the laws, and certainly because some officer of the Army has made some misleading statement somewhere as to what an act provided should not be urged as an argument for this drastic, far-reaching invasion of every campus in the United States where there is an R. O. T. C. unit. Under no circumstances can such an argument be justified.

The Morrill Act has been on the statute books of the United States since 1862, and I venture to say that there is no city

or town or community in the United States where there is not some book which contains that statute, and certainly the States which desire to retain this feature in their educational system should not be penalized or punished because of some irresponsible officer of the Army who has gone around making statements which were at variance with the law as enacted by the Congress.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CONNALLY. Is it not true that under this amendment North Dakota would get the money for aid under an elective system, but my State, which has a military college in which every student is supposed to take military training, would not get a cent?

Mr. RUSSELL. The Senator from Texas is eminently correct.

Mr. CONNALLY. What business is it of the Senate to dictate to these colleges? Why not let each State have aid, if it has a military school in which military training is compulsory? It is the State's business and not ours. Furthermore, in a boys' school, where the students live in barracks, it would be impractical to have half of them under military discipline and the other half walking around as untrained rookies.

Mr. FRAZIER. I do not take exception to such training in strictly military schools.

Mr. CONNALLY. If the Senator is sincere, why not prescribe military training in all the schools? Why provide that the university does not have to have it, when the military school which may be across the street is obliged to have such training. Why make fish of one and fowl of the other?

Mr. FRAZIER. A private military school, of course, is obliged to have such training.

Mr. CONNALLY. Or a State institution.

Mr. FRAZIER. Or a State institution. I have no objection if the boy wants to take military training.

Mr. CONNALLY. Students do not have to go to a school providing military training if they do not want to do so.

Mr. FRAZIER. Of course, they can stay at home and not go to school at all.

Mr. CONNALLY. They can go to schools in North Dakota.

Mr. FRAZIER. In North Dakota we have two State institutions, both of which give a college course, both are land-grant colleges, and both require military training.

Mr. CONNALLY. That is fine.

Mr. FRAZIER. The boys cannot go to other States. They do not have the money to attend schools in other States.

Mr. CONNALLY. I do not think my university has military training at all.

Mr. FRAZIER. Is the Senator's university a land-grant college?

Mr. CONNALLY. No. We pay for it ourselves.

Mr. FRAZIER. There is a land-grant college in Texas?

Mr. CONNALLY. Yes. The Agricultural and Mechanical College is strictly military. Everyone who goes there ought to take military training. Why spend money on military training at all if we are not going to train the students to fight if necessary? There is not a Senator on the floor more devoted to peace than is the Senator from Texas, but I do not think it is a crime to train young Americans to bear arms, because in the present disturbed state of the world we never know when we are going to have to fight. I am not in favor of saying it is a crime to train a young man to be a soldier if he has to be one, because if he is trained he will be a good one, and it is to his own advantage and benefit that he be trained.

Mr. BENSON. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BENSON. I think the Senator from Texas has answered the question. If we want to train soldiers, let us train them in military schools and not force military training upon them in our State universities and land-grant colleges.

Mr. CONNALLY. We are not forcing it upon them. We are letting each State institution decide for itself. The Sen-

ator from Minnesota wants to say whether or not colleges in my State shall have military training.

Mr. BENSON. No; because in Texas you have a military college, and the proposed amendment does not affect such colleges.

Mr. CONNALLY. Yes; but we also have other colleges.

Mr. BENSON. The Senator does not answer the question.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. DUFFY. The Senator from Georgia touched on a point a few minutes ago as to which I should like to have a little further information. I recall last year when this amendment was offered, and was defeated, that the Senator from North Dakota [Mr. FRAZIER] made the same argument that I heard him make this morning, which is that in the high schools that have military training they have it not because they want military training but because there is some financial advantage if a training unit is installed. If I understood what the Senator from Georgia said a little while ago, there is absolutely no financial advantage which goes to high schools by having such units installed. Merely equipment and an instructor are furnished, but that does not help them financially in any way. Am I correct in that statement?

Mr. RUSSELL. The only financial advantage that a high-school student or that the school itself could possibly secure from one of these R. O. T. C. units is the uniform which is furnished to the student. The school does not receive 1 dime in cash. There is absolutely no penalty on earth that could be inflicted on any school for not having any compulsory training in the high school. It has the training merely because the board of trustees of that institution wishes to have that form of training.

As I pointed out, Mr. President, there are now 51 additional institutions which are down at the War Department today asking to be allowed to secure the great benefits of having one of these institutions to build up young men physically and spiritually and morally through the course of training that is prescribed by these R. O. T. C. units. There can be no element of compulsion in any high-school unit unless it is prescribed by the local board of trustees, because the Government only grants them an officer to train the youth, the uniforms that the boys wear, and the equipment necessary for the cadet corps.

Mr. BENSON. Mr. President, I presume the spiritual training to which the Senator refers comes from the bayonet practice the boys get at the schools.

Mr. RUSSELL. There have been times in the history of this Republic when knowledge of military science, of how to use a bayonet in the hands of the American soldier, was very, very important to the preservation of this Nation and to its welfare. Every citizen enjoys as his most sacred possession rights and liberties which were won at the point of the bayonet. I pray we may never have another war, but the time may come when knowing how to use a bayonet will be most important.

Mr. President, I do not seek to militarize the youth of this Nation. I would not for one second tolerate the support of any such system of compulsory military training as is in vogue and effect in the nations of Europe today. I do say that we are going too far in the Congress if we seek to tell individual governing bodies of the schools of this country what they may or may not do on their respective campuses, and that is the issue which is involved in this amendment. There is no question of militarization, there is no question of compulsion, except that prescribed locally by those having jurisdiction.

Let those Senators interested in this subject go back to their respective States or to their respective boards of trustees and have these compulsory restrictions changed. I do not object to that. I do object to their coming into my State and telling my board of regents what they can prescribe as a course of study in the University of Georgia, or coming to the fine little city in which I live, a town of 3,500 people, and telling my board of trustees what they can or cannot do with the course of study of the high-school students of that city. That is the thing I object to.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from North Dakota. He has been very generous in yielding to me.

Mr. FRAZIER. The Congress, of course, is responsible for the money it appropriates, and the money that goes to these schools because of R. O. T. C. units is supposed to be for the purpose of training Reserve officers for the Army.

Mr. RUSSELL. That is not true of the high-school units, because the students are not commissioned out of the high schools. They merely afford a form of healthful exercise and education to the youth of the high school.

Mr. FRAZIER. It is along that same line, however. It is called the R. O. T. C., Jr. It costs more, according to the figures I have given—and I think the statement can be borne out by any figures Senators may find—to train boys for the Reserve officers in the schools where the training is compulsory than it does in the schools where it is elective. It is naturally so, because there are some boys who would not take the course if it were not required. The Government has to pay for that. We are responsible for these appropriations, and it seems to me we ought to be interested in cutting down the appropriation as much as possible.

Mr. RUSSELL. Mr. President, I regret that I cannot accept at full value all of the statements and figures offered by the Senator from North Dakota in regard to this specific subject. The Senator from North Dakota has spoken about the fact that there was a great wave of sentiment that has swept this country, condemning the R. O. T. C. courses in the high schools, and quoted from letters from young men who pointed out horrible instances of "conscription of youth." That, of course, is ridiculous on its face, because there is nothing to compel the young men to go to such schools.

I desire to give Senators some figures which have been gathered from those who have had R. O. T. C. training in this country. These are not figures which emanate from the War Department that is referred to here today as some horrible overshadowing power that is forcing a military system on the people of the United States. These were figures gathered by the Office of Education in the United States Department of the Interior. This Bureau sent out 16,000 inquiries to young men who had graduated between the years of 1920 and 1930, from institutions that had these R. O. T. C. units. They received a phenomenally large number of replies to a voluntary communication. Out of 16,000 letters they received 10,136 replies from men who had graduated from these colleges. Here are some of the questions that were asked:

1. In your opinion, has the R. O. T. C. military course of study a definite educational value of its own?

In response to that question addressed to 10,000 men who had graduated from these institutions, 97.1 percent answered "yes", that the course had a definite educational value, and 2.9 percent answered "no."

Mr. FRAZIER. Mr. President, will the Senator yield again?

Mr. RUSSELL. I yield.

Mr. FRAZIER. I desire to call attention to the fact that the letters were sent out to those who had graduated; not to the boys who were in the schools at the present time. Quite a difference will be found between those two classes.

Mr. RUSSELL. I stated that the letter was sent out to those who had graduated. I made that statement.

Mr. FRAZIER. Yes. There is quite a difference between the two classes.

Mr. RUSSELL. The second question was:

2. Did the R. O. T. C. contribute anything important or unique to your education?

In response to that question 94.9 percent of these young men answered "yes" and 5.1 percent answered "no."

The fourth question was as follows:

From your own experience was the time you spent on the training justified by the results obtained?

Of the young men who had had military training 94.9 percent answered "yes" and 5.1 percent answered "no."

Here is a question that was addressed to men who had had this training, and who should have been able to answer it better than those who merely had a great many preconceived opinions on the subject—

7. In your opinion, does the R. O. T. C. course of instruction tend to produce a militaristic attitude inimical to world peace?

The answer to that question in the affirmative was confined to 6.4 percent, whereas 93.6 percent of those who had had the training answered no. I think that this is the most authentic poll that has ever been made on that subject.

Mr. President, I did not arise to address myself to the question as to whether or not the R. O. T. C. course in the schools and colleges was beneficial or helpful to the youth of the land. I think it is one of the finest and most praiseworthy things sponsored by the Federal Government. The question may be debatable. Many pacifists say that it is positively injurious; many of those who have studied the schools in actual operations say it is very helpful; but the poll of those who have graduated after having taken the prescribed course of study shows that by a great majority they answered that military training had contributed a great deal to their college education after having experienced it first hand.

I wish merely to point out further one additional fact, namely, that while taking military training in land-grant schools and colleges the students receive 25 cents a day subsistence and receive a new uniform every 2 years. In many of the wealthier States perhaps \$71.25 a year may appear very insignificant to those who know something of expensive college education, but there are sections of the country, Mr. President, where \$71.25 means the difference between a young man's being able to attend college and his inability to equip himself for the battles of life. This is a real item to be considered in our examination of this subject, because the funds thus made available are very helpful in keeping in college many poor boys who could not afford an education without the benefit of this small amount.

I do not desire to attempt to dictate as to what is to be done in any other State, though I believe, heart and soul, in the benefits to be derived from R. O. T. C. training. I would not here support any bill that would write into the Federal law the slightest element of compulsion on any campus anywhere. I do, however, object as strenuously as I can, with every power of my being, to the Senate of the United States writing into this bill a provision that will invade the precincts of the campuses in my State and wipe out the autonomy of the governing bodies of the University of Georgia and other institutions that desire to have military training. There may be States which have legislative enactments requiring a course in military training to be compulsory in the State schools. It is my view that those who are interested should go back to such States, to their State legislatures, and have the State law repealed if they object to it; but, without regard to that, a State that should find itself in that situation, with a statute requiring military training in their land-grant college, would find, if we adopted the amendment of the Senator from North Dakota, that the Federal appropriation was cut off under the Morrill Act unless the Governor were to call an extra session to repeal the law.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. RUSSELL. Yes; I yield to the Senator.

Mr. FRAZIER. Under the Morrill Act, as I understand, land-grant colleges are put on the list to receive this aid from the War Department.

Mr. RUSSELL. Of course.

Mr. FRAZIER. As I understand, they would not be cut off even if the amendment were adopted. All the amendment would do would be to require that the course in military training shall not be compulsory.

Mr. RUSSELL. If the Senator from North Dakota will think for a minute, he will appreciate that his amendment provides that if the military-training course in a college is compulsory such college will not receive a dime of the funds under the Morrill Act. Is not that correct? If there is an

act of the legislature in some State making military training a compulsory course in the college, by the adoption of the pending amendment the State would be automatically cut off from participation in the funds appropriated under the Morrill Act, when the question of the course of education is a matter with which we here have nothing to do. I am in favor of the Federal Government's supporting education in this country, but I do not think the Congress should attempt to legislate for the conduct of every high school and college in the land. If we go this far in this movement, there may be raised a real specter of intolerance. We hear much about the insidious forces that are at work. If we go this far, and strike down the autonomy of all local school districts and of all local boards of regents and boards of trustees that are charged with the first responsibility for the administration of these institutions, we can go further and write into the law that this or that or the other subject shall be taught or not taught or the school will be deprived of their Federal funds.

Mr. ADAMS and Mr. FRAZIER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I yield first to the Senator from Colorado.

Mr. ADAMS. Would not the effect of this amendment, if adopted, be to offer a premium to those schools which do not give military training?

Mr. RUSSELL. In one way it would have that effect, in my opinion.

Mr. ADAMS. Would the college which gave no military instruction share in the fund?

Mr. RUSSELL. No; it would not.

Mr. ADAMS. If a school or college makes military training compulsory—and it is information I am seeking—it will not, if this amendment shall be adopted, share in the funds provided?

Mr. RUSSELL. The Senator from Colorado is correct.

Mr. ADAMS. Therefore the effect of the amendment is, by offering a reward, to strike down military training in all schools where it is compulsory?

Mr. RUSSELL. I might say to the Senator from Colorado that I think the amendment is unquestionably a step in that direction.

As I have said, Mr. President, I merely plead with the Senate to leave control of these matters where it properly belongs, in the local governing bodies of the educational institutions. We are doing a dangerous thing when we undertake by congressional action to dictate what shall be the course of study prescribed anywhere. Merely because we are dealing with a military matter today is no assurance that we will be confined to a military matter in the future.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Missouri?

Mr. RUSSELL. I yield.

Mr. FRAZIER. The Senator from Georgia has raised a hypothetical case, if the State legislature has passed legislation in regard to compulsory military training. So far as I know—and I think I am very safe in saying—no legislature has passed any such act.

Mr. RUSSELL. Does the Senator from North Dakota make that statement on his responsibility as a Senator—that no State has such a statute?

Mr. FRAZIER. So far as I know—and I have been in this fight for a number of years—the question was never raised until the Wisconsin State Legislature passed the act providing that compulsory military training would not be allowed in the State institutions.

Mr. RUSSELL. If the individual State so desires, no one could properly have objection to any State passing such an act. Neither would objection to any board of regents or any board of trustees anywhere prescribing that any course in an educational institution shall be optional instead of compulsory be tenable. I do, however, think that the Congress would go entirely too far were it to attempt to legislate on this subject and tell local governing bodies what they might or might not do.

Mr. AUSTIN obtained the floor.

Mr. NORRIS. Mr. President—

Mr. AUSTIN. I will yield to the Senator from Nebraska if he desires me to do so.

Mr. NORRIS. I have no desire to proceed now. I will wait until the Senator shall have concluded.

Mr. AUSTIN. Mr. President, it is my impression that the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS] is inconsistent with the Morrill Act, the act of 1862, the act of 1920, and the act of 1926.

Mr. NORRIS. Mr. President, will the Senator yield there?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Nebraska?

Mr. AUSTIN. Yes.

Mr. NORRIS. I was not aware of a pending substitute. Has it been printed?

Mr. AUSTIN. I understand that the amendment in the nature of a substitute has just been presented and is on the table.

The PRESIDING OFFICER. The pending question is the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS].

Mr. FRAZIER. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. FRAZIER. Mr. President, if I may do so at this time, I desire to raise a point of order against the amendment offered by the Senator from Utah as being new legislation offered to the pending appropriation bill. The amendment, as I see it, if adopted, would do no good anyway, because it would simply leave the situation in status quo. If my amendment should not be adopted, of course the situation would be just the same as it would be if the proposed substitute were adopted.

The PRESIDING OFFICER. Does the Senator from Vermont yield for the purpose of enabling the Senator from North Dakota to make the point of order?

Mr. AUSTIN. I yield for that purpose.

Mr. FRAZIER. I make the point of order on the ground stated.

The PRESIDING OFFICER. The Chair sustains the point of order. The amendment offered by the Senator from North Dakota [Mr. FRAZIER] is in the nature of a limitation on the expenditure of funds, while the amendment in the nature of a substitute offered by the Senator from Utah [Mr. THOMAS] is clearly legislation and prohibited by rule XVI of the Senate Rules. The Chair, therefore, sustains the point of order.

Mr. AUSTIN. Mr. President, at this juncture I wish to call attention to a brief legislative history of the Morrill Act as bearing upon the question whether there is a condition attached to the grant that would be violated by the adoption of the pending amendment. I will try to be brief.

Mr. Morrill commenced his efforts to secure this legislation in 1857, introducing in the other House the land-grant college bill. That bill was adversely reported in 1858. It made no mention of military training. In December 1861, persisting in his efforts, Mr. Morrill introduced a second bill of the same character and to the same effect, except that, after specifying the leading objects of the bill, these words were added:

Without excluding military training.

In May 1862, Senator Benjamin F. Wade, of Ohio, introduced a similar bill in the Senate, which made the language concerning military training mandatory in form, reading—

And including military training.

That phrase remained in the bill as it was finally enacted and approved. I read from section 4 of the Morrill Act:

That all moneys derived from the sale of the lands aforesaid by the States to which lands are apportioned, and from the sales of land scrip hereinbefore provided for, shall be invested in stocks of the United States or of the States, or some other safe stocks; or the same may be invested by the States having no State stocks in any other manner after the legislatures of such States shall have assented thereto, and engaged that such funds shall yield not less than 5 percent upon the amount so invested and that the principal thereof shall forever remain unimpaired: *Provided*, That

the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 5 of this act), and the interest of which shall be inviolably appropriated, by each State which may take and claim the benefit of this act, to the enjoyment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life.

Sec. 5. And be it further enacted, That the grant of land and land scrip hereby authorized shall be made on the following conditions, to which, as well as to the conditions hereinbefore contained, the previous assent of the several States shall be signified by legislative acts.

There is more in section 5 which I omit, but I come directly to the paragraph marked "Third" in that section and read as follows:

Third. Any State which may take and claim the benefits of the provisions of this act shall provide, within 5 years, at least not less than one college, as described in the fourth section of this act, or the grant to such State shall cease; and said State shall be bound to pay the United States the amount received of any lands previously sold, and that the title to purchasers under the State shall be valid.

Thus we see what appears on its face to be a grant clogged with a condition and a forfeiture in the event of breach of the condition. That condition is that there shall be maintained at least one institution in the State in which a course is taught whose principal object is the teaching of agriculture, the mechanic arts, and military tactics.

That act had legislative construction by the shifting of phrasing in 1916. The Congress, dealing with the subject of the military institution in contemplation of the Great War, enacted the following section relative to the Reserve Officers' Training Corps. I read a section which was enacted June 3, 1916, and reenacted June 4, 1920, with some slight changes in it. It is found in Thirty-ninth Statutes, page 191; Forty-first Statutes, page 776. The edition from which I am reading, however, is the United States Code, title 10, section 381. This section represents both of those enactments of 1916 and 1920, and reads as follows:

Establishment of training corps: The President is authorized to establish and maintain in civil educational institutions a Reserve Officers' Training Corps, one or more units in number, which shall consist of a senior division organized at universities and colleges granting degrees, including State universities and those State institutions that are required to provide instruction in military tactics under the act of Congress donating lands for the establishment of colleges where the leading objects shall be practical instruction in agriculture and the mechanic arts, including military tactics.

I discontinue reading from the section because the remainder of it would rather confuse than bring out in bold relief the point for which I have read this part of the section, which is that the words "including military tactics" occupy a different position in this section than they do in the original Morrill Act. Senators may have observed the peculiar relationship of those words to the rest of the section which might possibly justify a confusion. I read them as they appear there:

Where the leading object shall be, without excluding other scientific and classical studies and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts.

The claim which I make is that those two acts of Congress, passed long years after 1862, one of them during the period of the World War, the other after the World War was over, and when we were considering the establishment of military education with reference to a peacetime situation, are legislative construction of the Morrill Act showing that the condition of the grant of these funds to the several States was for the maintenance of colleges where the leading object should be practical instruction in agriculture and the mechanic arts, including military tactics.

That is not the end of the legislative story. There is another act of Congress dealing with and repeating the same words which occurred in section 4 of the Morrill Act as originally enacted. I turn now to United States Code, title 7, section 304, relating to agriculture, and read only that part of the section which relates to this condition.

The remainder of the section appears to me to be identical with the original act save only with respect to the rate of interest which was required to be guaranteed by the States on the advances, the rate in the original act being 5 percent and the rate established by the act of 1926 being a fair and reasonable rate of return instead of 5 percent. In all other respects Congress reenacted section 4 of the Morrill Act in *haec verba*, which signifies the understanding of Congress that the grant was made upon a condition that the States must follow inviolably.

So when we approach an amendment of the law, especially when we approach an amendment of an appropriation act such as the one now pending, it seems to me we are not dealing with the subject as we ought to do if our purpose is to change the relationship between the Federal Government and the several States in respect to these contracts.

I read from section 304 of title 7, United States Code:

Provided, That the moneys so invested or loaned shall constitute a perpetual fund, the capital of which shall remain forever undiminished (except so far as may be provided in section 305 of this chapter), and the interest of which shall be inviolably appropriated, by each State which may take and claim the benefit of sections 301 to 308, inclusive, of this chapter to the endowment, support, and maintenance of at least one college where the leading object shall be without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts.

Now, Mr. President, I conclude. I do not intend to repeat what I said yesterday, my purpose being only to get in the RECORD, while we are still discussing the matter, this fragment of the history of this legislation, because I think it is pertinent to the question of the policy to be adopted by Congress at this time.

If we have the objective of changing the relationship between the Federal Government and the several States, if our purpose is to remove the condition of the grants, if we are to assume that we are the sole persons interested in the conditions prescribed and that we have the right at any time to change those conditions, cancel them, waive them, do what we please with them, the point I make is that we should not do it upon an amendment to an appropriation bill, brought to the floor of the Senate without any consideration by a standing committee, without any study, without any record back of it. It is a subject of sufficiently great importance to be entitled to careful thought before we undertake to make such a complete change in our policy.

Therefore, I am opposed to the adoption of the amendment.

Mr. NORRIS. Mr. President, I wish briefly to discuss this amendment from a somewhat different viewpoint than has been taken by most, if not all, of the Senators who have discussed it. Before doing so, however, I wish to refer to what the Senator from Vermont [Mr. AUSTIN] has just said in giving his idea of the Federal law which exists, and which governs these schools.

As I understand, the Senator from Vermont takes the position, that, taking all these statutes together, we must draw the conclusion that it was not the intention of Congress in any of these acts to give any of this money to land-grant colleges unless they did provide for a compulsory military-training course.

Mr. AUSTIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. NORRIS. I yield.

Mr. AUSTIN. I fear there might be a misunderstanding if that statement should stand just exactly as made by the Senator.

Mr. NORRIS. I shall be glad to have the Senator correct me if that is not correct.

Mr. AUSTIN. The word "compulsory", as used by the Senator from Nebraska, I believe refers to the obligation which the university places upon all its male students to take this subject.

Mr. NORRIS. Oh, no; I do not mean that. I mean that the student, taking the course prescribed, would have to take military training as one of the subjects in order to receive the degree that would come to him upon graduation. I do not

mean that everybody attending the school would have to take military training.

Mr. AUSTIN. Will the Senator yield further for a clarification of my position on that point?

Mr. NORRIS. Yes.

Mr. AUSTIN. My theory is that in order to be able to carry out the terms of that condition, a university must maintain at least one course which contains in it military tactics.

Mr. NORRIS. That far I do not disagree with the Senator at all; but I do disagree if we must draw the conclusion that that particular course is compulsory. This amendment, as I understand it, concedes that the school receiving these benefits must have a course that includes military training, but that no obligation rests upon the State to make this particular course compulsory.

Mr. AUSTIN. Mr. President, if the Senator will yield further—

Mr. NORRIS. I yield.

Mr. AUSTIN. My theory is that it is to a certain extent compulsory, namely, to the extent that any student who seeks to get a systematic education in that course, who matriculates in the agricultural course, for example, where these studies are made prescribed studies, must submit himself to the discipline of the institution which prescribes military tactics as a part of the course in agriculture and mechanic arts; and if he starts in and fails to attend the prescribed classes, of course, he is subject to discipline, and to that extent he is under compulsion. He is under discipline.

Mr. NORRIS. I think there is really no disagreement, after all, between the position I take and the one taken by the Senator from Vermont, as I understand it; but, whatever may be the position taken by myself or by any other Senator, I think it must be conceded that the course in military training does not necessarily have to be compulsory, because two States—Wisconsin and Minnesota—where the course is not compulsory, are already receiving the benefits of this Federal fund. I assume, however, that in each one of the colleges in Wisconsin and Minnesota they have military training in the course. The student may take it or not, just as he sees fit. In other words, it is not compulsory. In all the other States which are getting this benefit from the Federal Government the course is compulsory.

One word, now, about the amendment. It may not be the right way to legislate. It is, however, a common way in Congress, sometimes the only way; and this is probably an instance in which the question can be reached by an amendment such as this is. It is not legislation. This amendment does not attempt to legislate. It is a limitation on an appropriation bill. If it undertook to legislate, it would be subject to a point of order, and would undoubtedly go out. It is a provision of law which applies only to the appropriation in this bill. It goes no further. It will not be the law at the expiration of the life of this appropriation bill, which will be 1 year from next July. It is not permanent law, and is only a limitation on an appropriation bill which Congress has the power to place upon any appropriation, whether or not it is conceded to begin with that the appropriation is perfectly legal in every respect. Congress has the right to deny the appropriation of money for any purpose it may see fit.

Now let me take up the question, as I said, from a different viewpoint than that from which most other Senators have discussed it.

As I see the matter, fundamentally we are not concerned, so far as this amendment goes, with whether military training is a good thing or a bad thing. Much time has been taken up on that phase of the matter, and I have my ideas about it just as all of us have; but, as I see the matter, whether I believe in military training or whether I do not is immaterial so far as my vote on this amendment is concerned. The effect of this amendment will be, as I see it, to extend the democratic idea to a State university and permit the students there to do as they please. Under existing law in all the States but two the students do not have the choice; they must take military training.

If we wish to be fair, it seems to me we must concede that the American people are divided upon this question of military training in the public schools. I do not know how nearly equally they are divided. I do not know which side has a majority of the people on it; but a large number of conscientious, honest citizens are on each side of that question. I think no one will dispute that fact. Those who believe in military training ought, therefore, to respect the ideas of those who do not; and the reverse should be true. Those who do not believe in military training ought to concede that those who do should have the right to be trained in these institutions according to their own ideas on the subject.

But if we want to respect the opinions of these two great masses of people for the next year, the only thing to do is to put this amendment on the bill, because as it stands now the millions of people sending their boys to these colleges and who want them trained in military tactics, and the millions of other people who are sending their boys to these public institutions who do not want their boys trained in military tactics, do not share equally. In other words, those who do not believe in military training are compelled, if they send their boys to these institutions, to have them trained in military tactics, just the opposite of what they want. We should not deny them the right to have their boys go to a State university, let us say, and either take military training or not, just as they see fit.

This amendment will enable them to take their choice in the matter. They can send their boy to a land-grant college and have him trained in military tactics or not, but if we do not adopt this amendment and they want to send their boy to the State institution, that boy must be trained in a military class and study military tactics.

To my mind, we are not now called upon to decide whether military training is advantageous or not. If we were a State legislature, passing on a question relating to our State universities, then that would be the question and the subject we would have to decide. I believe this to be true, that in practically all the States of the Union the legislatures, if they were deciding the question on its merits, would leave to the student himself as to whether he should take military training or not. As it is now, all the hundreds and thousands of students who desire to attend these institutions must either stay out of the institutions entirely or they must take military training.

I submit that is not fair; that is not democracy; that is contrary to the fundamental principle underlying all our institutions. I am not now saying anything against military training; I am not now claiming that it is not a good thing; but I am claiming that the parents of the boys who go to these schools, who have different ideas on the subject, ought to be able to say, "We want our boys trained in military tactics" or "We do not want our boys trained in military tactics. We do not want them to be driven out of the land-grant colleges, and the high schools, in some instances, simply because we have conscientious scruples against military training."

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Does the Senator from Nebraska yield to the Senator from New York?

Mr. NORRIS. I yield.

Mr. COPELAND. Is it not an unusual remedy, however, for the Federal Government to go into a State or into a municipality and say, "Unless you change your law in the State, or unless your school board adopts a different rule, you will not get any of this money"?

Mr. NORRIS. The Senator has a right to make that claim, but I do not think it is a fair claim to make. We say by this amendment that the people who go to the schools have a right to decide whether they will take the military training or not. That is the effect of the amendment, as I see it, and I think that is a fair thing to put up to them.

Suppose we just reversed the situation, and said, "We will not give you any money unless you discard military train-

ing." I should not favor that kind of an amendment. If the people controlling the universities want to teach military tactics, I think they ought to be allowed to do so, but I think, for the same reason, that the other side, constituting perhaps one-half of the people, possibly more, possibly less, ought to have the right to refuse to take military training. I do not know how the people are divided on this question, but we all know that a very large percentage of our people are opposed to making military training compulsory in our schools.

Personally, I feel deeply on the subject. If we were passing on that question in the legislature of a State, I should be in favor of refusing to make the training compulsory. I do not mean to say that I would abolish the military training, but I would not compel a large number of people to take military training if they did not want to do so. It appears to me that is the question we are called upon to decide.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. COPELAND. The thing which appeals to me strongly about this matter, as we have argued it, is that I would not favor compulsory military training in a high school, in a local school, where the pupil had no choice, where that was the only place where he could go. There might be large groups of families in the community which did not want their children to have military training.

Mr. NORRIS. Exactly.

Mr. COPELAND. I can see that in such a case we would be party to an imposition upon the families entertaining such beliefs. But when it comes to college, that is an entirely different thing. There are so many colleges in this country that if, for any reason, a student or his family may be against military training there are plenty of other colleges where he can go.

Mr. LA FOLLETTE rose.

Mr. NORRIS. Let me answer the Senator from New York first, and then I will yield to the Senator from Wisconsin.

What the Senator has said is true; if one does not want to go to the universities, he may go somewhere else. That is practically what we say to these people, "If you do not like the university which compels the students to take a course in military training, you can go to some school which does not have military training." But that is a cruel thing to do, as I see it.

I have a great pride, for instance, in my own State university. I think practically every citizen of the State in which I live has a similar pride in our university. But I would not want the law to go so far as to provide that one-half of the people of the State in which I live should not go to that school unless they would agree to take military training, and that is what we are going to do if we defeat the amendment. That will be the effect, as I see it. It is true that such a rule applied to the high schools would mean that we would say to the pupils, "If you do not like this military training, do not go to school; go somewhere else; get along without an education." I do not think we want to pass legislation of that sort.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I should like to make one further observation, in view of the suggestion made by the Senator from New York to the effect that if a student did not desire to take military training he could go to some other college where it was not compulsory. The fact is that most of the State universities admit a resident student under a very low or nominal tuition; but if he enters as a nonresident, or goes to some privately maintained institution, he has to pay a very high tuition, and to many boys it would mean the difference between their being able to get a college education and having to forego it if they were to be compelled to choose between their State university and some other institution.

Mr. NORRIS. Mr. President, what the Senator says is true, but that is not the only objection. A State university,

existing under the laws of any State of the Union, gets its main sinews of life from taxation. To say to the taxpayers, "You cannot send your boys to the State university unless they study military tactics and take military training" is unfair. It is not just, as I see it, to the taxpayers.

As I have said before, the parents and the boys of a State have a pride in their State university. If parents want their boy to get a degree, or to be educated in the State university, if that is their choice, why should they not have that privilege, it being a school supported by taxation, by public money and public funds, and why should we say, "You cannot take advantage of your own school, built out of your own money, unless you will agree to have the boy undergo military training"?

Mr. COPELAND. Mr. President, will the Senator yield again?

Mr. NORRIS. I yield.

Mr. COPELAND. Once more I suggest it would seem to me that we are making use of unusual power when we attempt to have the Federal Government correct an evil which the people of the State can correct. If they do not want compulsory military education in my State, or in the Senator's State, the people have the remedy; they can correct it. They can say, "We do not want compulsory military training."

Mr. NORRIS. I admit that to be true, but—and I think it is almost useless to repeat this—the truth is that a large portion of the American people, a large number of the legislatures, believe, and have believed in the years that are past, that in order to get this Federal money they must make the military training course compulsory. That is the reason I said a while ago for the RECORD while the Senator from North Dakota was speaking, that the present discussion will do a great deal of good even though the amendment shall be defeated. But if the amendment is adopted, it will show to the States that the Federal Government is not insisting upon compulsory training; that the Government is going to require of the States that they make military training elective instead of compulsory. I believe that is not an unreasonable thing to do.

CONSTITUTIONAL GUARANTIES AGAINST SEARCH AND SEIZURE

Mr. ASHURST. Mr. President, in our Constitution there is probably no feature around which clusters more romance or the memorials of which give us more fascinating glimpses of bygone days than the fourth and fifth amendments. In all our jurisprudence there is no other principle that has been more definitely put into position or more joyously accepted by Americans than the principle of the fourth and fifth amendments. They are intimately related; each lends strength to the other and, notwithstanding their apparent nonchalance, they sustain and protect the very essence of constitutional liberty and security. They guarantee repose and the privacies of life.

These noble amendments are as follows:

ARTICLE IV

The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the persons or things to be seized.

ARTICLE V

No person shall be held to answer for a capital or otherwise infamous crime unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

A gentleman calling upon me once asked, "Did you ever read Lord Coke's famous maxim in Semayne's case?" to wit, "The house of everyone is to him as his castle and fortress, as well for his defense against injury and violence as for his repose." I said, "I am familiar with Coke, but that was law 1,000 years before my Lord Coke adorned the bench."

Before the English conquest of Britain the English people lived in a country now called Schleswig, a district in the

heart of the peninsula that separates the Baltic from the northern seas.

The dwellers in this particular locality were an outlying fragment of what was called the Engle or English folk, the bulk of whom probably dwelt in what was later called Lower Hanover and Eastphalia and Westphalia. These Engles in the heart of this peninsula set up their forms of government; they met in the forests, and with their loud and guttural yeas and nays, and sometimes by clashing their spears against their shields as a substitute for a viva voce vote, they adopted their laws.

One of the principles they set into positive law and adopted before Hengist and Horsa, two of their warrior leaders, landed in Britain in A. D. 449 was the provision that a man's house was his castle, and that therein he was and ought to be secure and free from unreasonable searches and seizures. So we perceive that when the Engles migrated to Britain they took with them those English fundamentals of the liberty of the citizen or subject, and they planted them deep and strong in the island of Britain.

English history may, therefore, with some degree of accuracy be said to have begun with the landing of this war band, led by Hengist and Horsa; at least this event marks the close of Roman influence in the island of Britain and the commencement of that of the Saxons, and from the very inception of Saxon or Angle influence the domicile was secured against searches and seizures.

The years glided into the centuries, and this civil polity guaranteeing personal freedom from the encroachments of tyranny was observed by most English monarchs until King John so outraged and violated the laws of his country that there occurred his quarrel with his barons. This quarrel led to one of the most famous of all conferences in the annals of English liberty, but it was really a diplomatic face saving for King John, a mere cloak to cover John's unconditional submission.

An island in the Thames River between Staines and Windsor was selected as the place of conference. The King camped on one bank whilst the barons occupied a marsh or meadow on the opposite bank called Running Mede or "Runnymede", which at various times theretofore had been a place for national assemblies. Their respective delegates met on this island, and on June 15, 1215, the Great Charter (Magna Carta) was written, adopted, engrossed, and signed.

The Great Charter in and of itself did not establish many new constitutional principles, but did distinctly mark the transition from the epoch of traditional rights, observed in the nation's memory, to the age of muniments of liberty, of written legislation, of parliaments, and statutes which were soon to come. The great reforms of past reigns were thus recognized; for example, the court of common pleas was no longer to follow the King in his meanderings over the realm, but was to sit in a fixed place.

But, say the pundits, Magna Carta says nothing about freedom from unreasonable searches and seizures. Let us examine this statement and see how much thereof is accurate.

The original and individual articles of Magna Carta, as they were prepared and offered seriatim, were written in Latin; but when the entire Carta was adopted and engrossed and was ready for the King's signature, it was written in Norman-French, and we must read it in the light of what its words meant 721 years ago.

I read paragraph 24 of Magna Carta:

No sheriff, constable, coroner, or other our bailiffs shall hold pleas of the Crown.

We must view that language in the light of what it then meant. At that time sheriffs, coroners, constables, bailiffs, and King's minions, in the guise of holding court, had been in the habit of going to the thatched cottage of the peasant and to the castle of the baron as well, to invade that cottage or castle; and these officers and minions would command that the householder open the strong box, the larder, or the pantry; they would pry open the chest in which he kept his relics, his heirlooms, his private papers, and his title deeds and muniments showing his right to occupy the premises, the penalties which these officers,

sheriffs, bailiffs, and King's minions inflicted were degrading and painful and were contrary to law.

By section 24 of Magna Carta sheriffs, constables, coroners, and other bailiffs were not allowed to hold court.

Some years after the granting of the Great Charter a doubt arose as to the precise meaning of some of its sections although it was pointed out by the lawyers of that day that the guaranties in Magna Carta were sufficient to secure the liberty of freemen; nevertheless, in the reign of Edward I, in 1297, the Confirmatio Chartarum was promulgated.

The Great Charter signed in 1215 and the Confirmatio Chartarum which was signed in 1297 must be read together; the one dealt particularly with the citizen's personal liberty and the other dealt especially with his property rights. No man since that time has succeeded in the English-speaking world, or wherever it has been pretended there was a government of law instead of a government of men, in questioning the rights of freemen as set out in these two documents.

The leading English case on searches and seizures is that of *Entick against Carrington and Three Other King's Messengers*, reported at length in Howell's State Trials. In this case officers of the law had broken in and seized books and papers belonging to the plaintiff under color of a warrant issued by the Secretary of State. Action was brought for trespass against the officers making the seizure. The defendants attempted to justify under the warrant. It was conceded that such warrants had been issued for many years and executed without question. The case was argued before a full bench, and Lord Camden, at the Michaelmas term in 1765, delivered the decision holding that such a seizure could not be justified except by a warrant issued by a court upon proper proof, and that even on a warrant issued by the secretary of state it was utterly in violation of the English common law.

This was, therefore, the law of England when our Federal convention met in 1787 to form the Constitution of the United States.

It was understood by all the Colonies to be the law.

The makers of our Federal Constitution and the framers of the first 10 amendments were never tired of quoting the immortal words of the elder Pitt, used in his speech on The Excise:

The poorest man may in his cottage bid defiance to all the force of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storms may enter; the rain may enter—but the King of England cannot enter. All his forces dare not cross the threshold of the ruined tenement.

When the ratification of the Federal Constitution was pending before the Virginia convention, called to pass upon that momentous question, Virginia was a pivotal State—a diamond pivot—on which mighty events turned. Patrick Henry, who Lord Byron said was "the forest-born Demosthenes who shook the Phillip of the seas", was a delegate to the Virginia convention; and although the proposed Federal Constitution had come forth with the sanction of the revered name of General Washington and therefore justly carried with it the vast prestige which the name of Washington could not fail to attach to any proposition, Patrick Henry did not approve the Constitution and, to use his own expression, he was "most awfully alarmed", as he considered the document to be threatening to the liberties of his country—amongst other reasons because it lacked a bill of rights—and Mr. Henry challenged the view of Mr. James Madison, he of the superb intellect; Mr. Henry challenged the Wythes, the Pendletons, and the Innesses, and that splendid galaxy of scholars and statesmen who enriched the annals not only of Virginia but all America; and he demanded to know why a Bill of Rights, guaranteeing the privileges and immunities of the citizen, had been omitted from the Federal Constitution. The Virginia State convention, after a prolonged debate, was able to ratify the Federal Constitution by a majority of only 10 votes, so ably did Patrick Henry argue against it because it did not contain the Bill of Rights which English liberty had affirmed for centuries.

James Madison pledged his word that at the earliest opportunity he would use his energy toward placing into the Federal Constitution the requisite amendments guaranteeing the citizens' rights, privileges, and immunities, and as soon as the

Virginia convention had finished the work of ratification it adopted resolutions expressing its desire for the Bill of Rights, demanded by Patrick Henry. These resolutions were forwarded to the governors of the various States, and as far as men could be bound in faith and honor, as far as men could be bound in statesmanship and in politics, the amendments guaranteeing the citizen's individual rights and his liberties were by common consent agreed to, and it was generally understood that these amendments would be proposed to the States by the First Congress.

The first bill to be considered by the First Congress under the Constitution was quite naturally a bill to raise revenue to pay the expenses of the Government; but on July 21, 1789, James Madison, who was a Member of the House, arose and asked the House to indulge him in further consideration of amendments to the Constitution, and he pointed out that the faith and honor of Congress were pledged; that the faith and honor of public men everywhere were pledged to amendments securing to the citizens such guaranties as were comprehended within the first 10 amendments.

The Bill of Rights amendments were then proposed to the States, including of course the fourth and fifth, and were ratified within 2 years and 15 days. Thereafter, as far as Americans are concerned, and as far as the Constitution itself is concerned, they were and are a part and parcel of the original Constitution, as much so as if they were signed on the 17th of September, 1787, when the main instrument itself was signed.

In the case of *Boyd v. The United States* (116 U. S. 616), the opinion by Mr. Justice Bradley reviewed Lord Camden's opinion and gave a history of the fourth and fifth amendments.

I read from the syllabus:

It does not require actual entry upon premises and search for and seizure of papers to constitute an unreasonable search and seizure within the meaning of the fourth amendment; a compulsory production of a party's private books and papers to be used later against himself or his property in a criminal or penal proceeding or for forfeiture is within the spirit and meaning of the amendment.

It is equivalent to a compulsory production of papers to make nonproduction of them a confession of the allegations which it is pretended they will prove.

I call attention to the case of *Gouled v. United States* (255 U. S. 298-307). In that case a man was suspected of acts which concerned his loyalty. In such circumstances the temptation to obtain evidence by any means was great. Likewise the temptation to a court to sustain the legality of the seizure was great. Officers of the United States Army succeeded in placing a man in the defendant's establishment who purloined certain of his papers.

The Court states:

It was objected on the trial, and is here insisted upon, that it was error to admit these papers in evidence, because possession of them was obtained by violating the rights secured to the defendant by the fourth and fifth amendments to the Constitution of the United States. The fourth amendment reads:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue but upon probable cause supported by oath or affirmation, and particularly describing the place to be searched and persons or things to be seized."

The part of the fifth amendment here involved reads:

"No person . . . shall be compelled in any criminal case to be a witness against himself."

The court comments:

It would not be possible to add to the emphasis with which the framers of our Constitution and this court in *Boyd v. United States* (116 U. S.), *The Silver Thorn Lumber Co. v. United States* (251 U. S.), *Weeks v. United States* (and various other cases cited), have declared the importance to political liberty and to the welfare of our country of the due observance of the rights guaranteed under the Constitution by these two amendments.

The effect of the decision cited is: That such rights are declared to be indispensable to the "full enjoyment of personal security, personal liberty, and private property"; that they are to be regarded as of the very essence of constitutional liberty; and that the guaranty of them is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen—the right to trial by jury, to the writ of habeas corpus, and to due process of law. It has been repeatedly decided that these amendments should receive a liberal construction so as to prevent stealthy encroachments upon or "gradual depreciation" of the rights secured by them, by imperceptible practice of courts, or by well-intentioned but mistakenly overzealous executive officers.

I conclude this address by remarking that one of the choicest fruits of our American civilization is its unlimited valuation of individual liberty and its respect for the natural immunities that accompany free men.

The plan, purpose, and object of the fourth and fifth amendments (indeed, of the first 10 amendments comprising our bill of rights) is that they preserve the liberty of the citizen against the assaults of opportunism, and the expediences to which men resort in an hour of impatience.

Sheltered and defended by the radiant standards of the fourth and fifth amendments, American liberty becomes visible and vocal, audible and actual.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 8, 10, 11, and 12 to the bill, and concurred therein, and that the House had receded from its disagreement to the amendment of the Senate numbered 9 to the bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. HOLT. Mr. President, the President of the United States sent a message to the Congress today requesting an appropriation of \$1,500,000,000 for relief. I have discussed the relief situation for a number of days. I did so as outlined in the speech delivered on the 28th day of April 1935, by the President of the United States, in which he said:

The most effective means of preventing such evils in this work-relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen. It is time to provide a smashing answer for those cynics who say that a democracy cannot be honest and efficient. If you will help, this can be done.

I am offering my help now, and I have tried to offer it for some time.

The President continues:

I therefore hope you will watch the work in every corner of this Nation. Feel free to criticize. Tell me of instances where work can be done better or where improper practices prevail.

Then the President said:

Neither you nor I want criticism conceived in a purely fault-finding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his or her Government examples of how the public money can be more effectively spent for the benefit of the American people.

I tried to do that, and I asked for an investigation of the Works Progress Administration in the State of West Virginia. Mr. Hopkins, through one of his agents, conducted an investigation. I told the Senate what I thought of it. I told about the whitewash bucket he used. Frankly, he used the whitewash brush so much that he wore it clear down to the handle, and he used a whole bucket of whitewash that he had intended to use for a number of years. If Mr. Hopkins is honest, if Mr. Hopkins has any respect for the integrity of Government itself, he cannot in any way oppose a thorough, searching Federal investigation of his own department. I am not afraid of anyone searching me for stolen goods. If I had stolen something, if I had committed a crime, I would immediately run away from an investigation. Why do those defending the Works Progress Administration feel free to say that there is no need for an investigation? The best way to disprove charges, if they are not true, is to have an investigation and prove them false. Therefore there is a necessity on the part of all of us who believe in honest administration of Government to vote for a senatorial investigation of the entire relief program.

Oh, they charge me with many things. They say that I am mad because I cannot get the patronage and that I have done these things in West Virginia.

If that is so, my critics can silence me and my critics can defeat me by calling these witnesses before a senatorial committee and proving that is the case. They dare not do it, because they cannot defend the Works Administration in its entirety.

I thought the W. P. A. was not as bad as it has been pictured in the other 47 States. I knew it was rotten, I knew it was corrupt, I knew it was extravagant in West Virginia, but I did not believe that was the responsibility of the National Government. However, when I found Mr. Harry Hopkins, the chief of the whole staff, defending it in West Virginia, I became very doubtful of the condition in the other 47 States, because if West Virginia is lily white and pure I feel sorry for the other 47 States which are not so lily white and so pure in their entirety. If those things are untrue, as Mr. Hopkins says they are all untrue, then let him get behind the senatorial investigation and prove the untruthfulness of my remarks.

Harry Hopkins may sit and wisecrack, Harry Hopkins may try to laugh it off; but if he is put under oath, he cannot deny these facts, and neither can his agents. He sent down to West Virginia a man by the name of Johnstone to investigate relief conditions. Here is a letter I received from one of the most prominent South Carolinians where Mr. Johnstone formerly resided. Let me quote from this letter:

I have also been told that there has been a pretty thorough investigation made of Richland County and conditions have been found possibly worse than those but kept in the background.

Listen to this. Here is the man who went down to make an investigation in West Virginia:

I understand that Alan Johnstone is the big boss of those counties and that his brother, T. K. Johnstone, is particularly in charge of Richland County. The padding of pay rolls seems to be one of the chief issues there.

This is the man who went down to investigate the things I charged. This letter comes from a man whose name, if I should mention it—but I shall not because he asked me to hold it confidential—is known to many Senators. Many Senators know him by his first name.

Mr. Hopkins says there is no politics in West Virginia. Let us have an investigation to prove that. He said they only found 379 official endorsements in the State. That is only six per county. I went to one place and easily found 21 endorsements from my colleague from the records in one office, not counting the other six offices in the State, and many I did not or could not see. If Mr. Johnstone and his staff could not find politics and could not find these letters, could not find these memoranda in the files of the Works Progress Administration offices in the State of West Virginia, I would advise the public utilities to employ these fellows to tell them how to get rid of their records, because the records were there and they could be found, although it has been charged that Mr. McCullough went to Huntington and took out of the records a particular letter where my colleague had requested that a man be fired because he would not go along. That has been told to me.

There is no need to repeat what I have told Members of the Senate before. Thursday I charged there was a letter written as follows, and I want to read it again:

DEAR MR. OLDHAM: I hand you herewith a list of doctors in Ohio County. Kindly separate the Democrats from the Republicans and list them in order of priority so we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury.

That is signed by the Administration assistant. Here is the original letter itself saying they are going to send injured men to the Democratic doctors and directing that the doctors be listed in order of priority.

To make it more thorough, I got the original list of doctors and have it. It reads:

List of county doctors. Instructions. Democratic doctors are listed on the left-hand side and Republicans on the right.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Texas?

Mr. HOLT. I am glad to yield to the Senator from Texas.

Mr. CONNALLY. I did not have an opportunity to hear the Senator's speech some days ago. What is the trouble with this letter? What is the complaint about the letter referring to doctors?

Mr. HOLT. It is claimed there is no party politics at all, but here in this letter—

Mr. CONNALLY. If there is any patronage in West Virginia, does the Senator advocate turning it over to the Republican National Committee?

Mr. HOLT. No; I do not.

Mr. CONNALLY. What is the Senator's complaint, then, about having Democratic doctors? If the people down there want to get well, they ought to have Democratic doctors.

Mr. HOLT. My complaint is that the relief program, as President Roosevelt said, should be kept out of politics, and there should not be any danger, if a man is hurt, that he would not be able to get the doctor he wants to get.

Mr. CONNALLY. The Senator recommended, as I understand, a great many people to this administrator for appointment. Were they Democrats or Republicans?

Mr. HOLT. Who is that?

Mr. CONNALLY. The junior Senator from West Virginia.

Mr. HOLT. I named some Democrats, and I named some Republicans, because I never thought a man should be allowed to starve to death because he believes in a political doctrine different from mine.

Mr. CONNALLY. I am not talking about works jobs. I am talking about political appointments. Does the Senator from West Virginia mean to say that he split his recommendations, half Democrats and half Republicans?

Mr. HOLT. No; I did not say half Democrats. I said a number of Republicans, and I am not ashamed of it.

Mr. CONNALLY. Did the Senator get any appointees on the W. P. A. works?

Mr. HOLT. The few I did get have been discharged since I made my talk on the floor of the Senate. [Laughter.] I should like to demonstrate that from the Parkersburg Sentinel, a Democratic paper, where the headline reads:

Fire all Holt men from W. P. A.

That was March 12, 1936.

Mr. CONNALLY. I am not interested in West Virginia at all.

Mr. HOLT. I understand that.

Mr. CONNALLY. I am interested in the attitude of the junior Senator from West Virginia when he was talking about the Works Progress Administration and about the appointment of doctors.

Mr. HOLT. I say it has come to a pretty plight when politics should be taken into consideration in the treatment of a man who is injured.

Mr. CONNALLY. I did not understand that the politics of a man injured was under consideration.

Mr. HOLT. The politics of the man who treats him was under consideration. Why should there be any politics in the question of choosing a doctor?

Mr. CONNALLY. If I had two doctors and both of them were good doctors, and one was a Democrat, and I had a Democratic job to fill, I would be pretty sure to give the job to a Democrat. I thought that was the attitude of the Senator from West Virginia.

Mr. HOLT. I am glad the Senator admits there is politics in West Virginia.

Mr. CONNALLY. It is not politics so far as I am concerned. I was talking about the appointments which the Senator from West Virginia may have gotten—some appointments on the W. P. A.

Mr. HOLT. I am ashamed I had anything to do with it.

Mr. CONNALLY. The Senator from Texas has not endorsed anybody and has not had anybody put on the W. P. A. payroll. The Senator from West Virginia seems to take the attitude that it ought to be political, and I understand

he recommended a lot of people, and then when they lost their jobs he thought it ought not to be political any longer. [Laughter.]

Mr. HOLT. The Senator from Texas hit the nail on the head when he said Democratic doctors should be employed; that Democratic people should be employed; and that a man with a broken leg should be permitted to starve to death if he could not get a Democratic doctor; that if he broke his leg he should have to wait until a Democratic doctor could come and set it.

Mr. CONNALLY. I hope the Senator from West Virginia wants to be fair.

Mr. HOLT. I have been very fair with the Senator from Texas.

Mr. CONNALLY. Does the Senator mean what he said?

Mr. HOLT. I do mean just what I said.

Mr. CONNALLY. Does the Senator mean to say if a man were seriously injured the Senator from Texas would rather let him die than have a Republican doctor?

Mr. HOLT. From the past record of the Senator from Texas, I believe he would. [Laughter.]

Mr. CONNALLY. Of course, the Senator from West Virginia knows all about the past record of the Senator from Texas?

Mr. HOLT. No; it would take me too long to study it.

Mr. CONNALLY. I thought the Senator knew all about it. I was not trying to embarrass or heckle the Senator from West Virginia. I did not have an opportunity to be present when his other speeches were made, and I was anxious to know his attitude with regard to that matter.

Does the Senator think it is quite fair to attack the administration—for this is the administration? This is the President's responsibility. The legislation we enacted turned this matter over to President Roosevelt. He detailed certain people to carry it into effect. Why does not the Senator take it up with the President? Why should he go to the men responsible for the W. P. A. in West Virginia? What good does it do to take it up with people in West Virginia? Why does he not take it up with the President? Has the Senator ever talked with the President about it?

Mr. HOLT. I have not talked with the President about it. I have talked to Mr. Harry Hopkins, who has defended his administration. I will say that if Mr. Harry Hopkins were to swear to the things he put in his report about West Virginia he could be found guilty of perjury.

Of course, there is no politics about it at all when the president pro tempore of the State senate was put in as financial director of the Progress Administration in the Parkersburg district. His salary was cut to \$2,400 when every other finance director in the State of West Virginia drew \$2,900, because my colleague distinctly told him in the reception room out here that he would not tolerate him getting more than \$200 a month because he did not vote for a certain one as president pro tempore of the State senate, and I challenge him and I can produce an affidavit.

The PRESIDING OFFICER. Senators will please be in order.

Mr. HOLT. I have been trying to get order in the W. P. A. for a long while.

Now, let me go ahead and say this:

There has developed in West Virginia a reign of terror, in this way: If John Jones or Bill Smith makes any complaint in any way, of any political nature whatever, he is dismissed from his job. He is demoted from his duty. He is forced out of the organization. They went so far in the Parkersburg district, which is my home district, as to go down and fire a colored messenger, who drew around \$60 a month, because he had come from my home city and had been a friend of mine. Why is it that these men who were appointed in that district have been thrown out since I made these charges public? If these men were inefficient before, the responsibility lies upon the State administration that they should have been dismissed before the attack was made. If these men are efficient, why should they be discharged because of any speech I might make?

Let me repeat that: If the men were inefficient, they should have been discharged a long time ago. If they were efficient, why should they be made to suffer because of any attack I might make?

I can name the instances of quite a number of men who are absolutely the sole support of their families who have lost their jobs because of personal friendship to me in this particular fight.

I will tell you how far the W. P. A. goes. You know, the utilities could learn from the W. P. A. organization in West Virginia, because when the W. P. A. was set up they went down to Fairmont, to the managing editor of the Fairmont Times, Sutton Sharp, who was on the pay roll of the Fairmont Times, who the directory of Fairmont will show was the managing editor of the Fairmont Times, and they put him on the W. P. A. pay roll at \$2,100 a year, I think. I think that is the figure. He is getting that salary at the same time that he is editor of the paper. He does his duty as editor of the paper, and draws \$2,100 as liaison officer in that particular thing. Oh, no; they did not want to control the press at all.

They go down to Morgantown and get the editor of the Morgantown Dominion News—and they are the only two daily papers in the whole State of West Virginia, Democratic or Republican, that I have seen, that have defended the W. P. A. This is the way they defend it: They go down and get Bill Hart, who is editor of the Morgantown Dominion News, and allow him, with a committee of two others, to pass on applicants for Monongalia County. If you will look at last Thursday's Record, you will see his name. He says it is terrible that I should have attacked the W. P. A. It is terrible because I pulled the curtain, and behind it he was helping to manipulate the scenes.

They are the two papers that are defending the W. P. A. The editor of one is in charge of the committee, and the managing editor of the other is on the pay roll; and not only did they seek to control the press, but they went and got George Gow, a radio announcer who works for station WMMN, and put him on the pay roll at a figure approximately around \$3,000 a year, I understand, and every night he gives a news report. He is known as Robert's News Reporter, and in the past 3 weeks he has been telling about the attack I am making on the W. P. A. No wonder; he is drawing part of his salary from the W. P. A., and \$3,000 is not a bad salary.

Not only have they done that in West Virginia but they learned from Mr. Harry Hopkins. You know I referred to him the other day as "Cockey Harry, the wisecracker of the administration." Here is what he has done: We find that he has set up an organization there to give out press statements. Do you know how many men he has employed down there just to tell how big a man Harry Hopkins is? The New York Times said last Sunday that between 250 and 300 men were employed down there in the W. P. A. to give out news releases about Harry Hopkins and the W. P. A. Now, think of that—from 250 to 300 men to tell these boys up in the press gallery what they ought to write about the W. P. A., and give them "canned" statements! Oh, of course, they would not want to control the press at all. No; they are doing that, you know, "as a means of public relation", so that you can find out anything about the W. P. A. If I would go down there, I could not find out the number of a project, because they said I should get the information otherwise.

All right. Now, let us go a little bit further.

When I hold this up, this is no boondoggling thing at all. This is not a boondoggling scheme of Harry Hopkins. This is just a group of editorials from the Nation's leading papers about the famous whitewash that Harry Hopkins had in regard to the death of the veterans down on the Keys in Florida. You know what the veterans' convention said about this. Hopkins sent his own men down there, and they came back and said, no; there was nothing wrong. This is just a group of editorials that I intend to speak on a little later; not this afternoon but a little later in the course of the session.

Not only that but Harry Hopkins has asserted that my charge about the wire was ridiculous; the charge that this famous piece of wire, that I am going to show you, cost \$38.75 a foot, was ridiculous.

Mr. President, I frankly admit that Harry Hopkins told the truth. It is ridiculous, it is more than ridiculous, that we should pay \$38.75 a foot for that wire. Here is a piece of wire of which it would cost approximately \$93,000 to put three strands around an acre lot. If anyone wants to see it, I have brought along with me a photostatic copy of the actual purchase order. Anyone can see where they bought it, and who signed for it. I admit that Mr. Hopkins' statement is correct. It is more than ridiculous. Of course, he can put plenty of baled-hay wire around this, but he cannot cover up the affair.

All right. Now, let us go a little bit further into the charges and see if they are not true.

Mr. Hopkins said that the district attorneys have nothing to do with the naming of political patronage. May I refer to a letter of March 4, from the district attorney of southern West Virginia? Here is what he writes to me. You know, they charged him with naming all the patronage; and here is what he said:

I think I can safely say that fully one-half, and I think much more than one-half, of the appointments made in the Huntington office have been made without my recommendation.

He did not name all of them; he just named half of them for the whole district of West Virginia. Here is an actual, original letter he sent to me.

Here is a letter from the district attorney of northern West Virginia, where a man was an applicant for a job. He was told to come in and see the district attorney, and he would see if he could place the man or not. I read from a letter of October 23, as follows:

I understand that the airport project in Harrison County, just east of Bridgeport, will get under way in the course of the next week or 10 days, and will probably last about a year.

If you think that the work would not be too far away for you, I would like to know if you would be interested in a position as timekeeper at the project, so that I can recommend you for that post.

Sincerely yours,

HOWARD L. ROBINSON.

And the man had no connection with him; he never went to Howard Robinson. How did Howard Robinson get his name? He says there is no politics!

Let me quote now from the personnel director of the Fairmont district:

The time to correct mistakes is before they are made, if possible. Consequently, we do not want anyone on these jobs who is not right. The hundreds of applications going in should be taken around to the designated leaders in each county and sorted.

I do not know what they mean by "sorted", but you can imagine.

Then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year.

What do they mean by "the next year"? Well, you can understand.

Here is what he says, further:

Since the requisitions for labor so far have been made up in this office, we have, since this happening in Brooke County, religiously placed as foremen and timekeepers on the projects the names of men suggested by our advisers.

And then he tells about putting certain ones on and kicking certain ones off.

Now, I want to go further and tell you about another charge I have made.

I charged that the administration of the Works Progress Administration in the State of West Virginia is extravagant and reckless with the people's money. They have built a huge system. On top of this system is a State machine. Under the State machine is a district machine. Under the district machine is an area machine. Under the area machine is a county machine. Under the county machine is a project machine. All those boys have to be paid before the man with the pick and shovel gets a penny; and when

there is any shortage of funds, or any running out of money, you do not see those men losing their jobs. They put out John Jones and Bill Smith, at the bottom.

Look at the number of projects closed down in West Virginia, and you will see that the first men who lost their jobs are the men down in the pick-and-shovel class, for whom the relief act was meant. They are the ones who lost their jobs, not the fellows up at the top. It was the man down at the bottom who had to pay the cost. Here are people begging, asking for the right to live, and farmers with large farms, merchants, and professional men are put on as timekeepers and foremen, at pitiful sums of \$100 and up. This keeps some poor fellow down the line from getting employment in the State of West Virginia.

I told you a few days ago, and I am going to repeat it now, that in one \$90,000 project in Cabell County there were 64 bosses. I have the names of the bosses here with me to show anyone who cares to challenge that statement. There are two pages of it—64 bosses on a project of \$90,000!

I named a number of others of those projects. I showed where a man who promised to do right by the political set-up was put on. Now, something must be done about that; and if these charges are not true, why not have a Senate investigation and prove them untrue? Why not bring them out in the open and prove that I am not telling the truth? That is the way to dispute my argument. I defy them to bring out the facts as they were.

Here is an order that I will read. Those who are "on the draw" in West Virginia are told to believe the W. P. A. is all right. Here is an order from the State administrator, through his deputy, to the district director and to the people at work:

Information has reached this office that on Saturday afternoon, March 14, from 2:30 to 3 p. m., Mr. Harry L. Hopkins will broadcast over the Columbia network on the subject "Discussing the W. P. A. Program."

It is suggested that you publicize this information throughout your entire administrative and field forces. I am sure we will all hear something which will be of considerable value and benefit to us in our work.

In other words, these people had to quit their work and listen to Harry Hopkins for 30 minutes. He has wasted millions of dollars of the taxpayers' money; now he is wasting the time of the employees of the W. P. A. and has them listening to what a great man Harry Hopkins is. Read his speech in New York, and it will be found that he said that Harry Hopkins did this and Harry Hopkins did that and Harry Hopkins did something else. It is time that someone else in that organization was doing something. There is too much on his shoulders, if he has done all the things his publicity crowd have said he has done. The people want something to eat. They do not want Harry Hopkins' wisecracks in my State, and they are going to prove that when election time comes.

Being connected with the W. P. A. in West Virginia is like having leprosy. Everyone stays away from it. Of course, the W. P. A. leprosy is a disease that is getting under cover and is being spread only because of contact with those affected. Running for Governor. There is a man to run for the United States Senate, and it is even going deeper than that. There is a foreman and timekeeper running for constable, someone running for assessor, or running for county court, or running for the legislature, telling the men, "We all work for the W. P. A. You know we have to keep this organization together." Then there are officers running for the State legislature. I can name the men if I am called before a senatorial committee, and I will tell just what they have done.

Oh, of course, they are rewarding the men properly. Senators will remember my colleague reading a telegram, when he spoke on the floor of the Senate a number of days ago, from Robert Roth, of Fairmont, in which Roth said there was no politics and praised the W. P. A. administration.

Mr. Roth has been paid well. Since he sent that telegram he was put on the pay roll again under the W. P. A., as district director of the Parkersburg district, at \$3,200 a year.

That telegram was certainly a valuable one for Mr. Roth. Of course, there was no politics behind it at all.

Those who brought in information have been given increases, and those who told have been decreased. They just found out they needed decreases in the Parkersburg office, and they found they needed increases elsewhere.

They have started so many projects that one man in West Virginia said he is getting tired of going up the street and barking his shins on the uncompleted projects of the W. P. A. They have dug holes that are not finished. They start projects and do not complete them. They start work on streets and sidewalks, and there is no money left because the "brass hats" up at the top get it.

Mr. President, is it not time we were getting to some permanent policy of spending? We spend hundreds of millions and billions of dollars and where are we? Are we any better off in solving the relief program in 1936 than we were in 1933?

We find that in 1934, 12,420,000 people were out of employment. We find that in January 1936, 12,626,000 were out of employment. Two hundred and six thousand more people were out of employment in January of this year than were out of employment in March 1934.

Is it not time, when we are spending billions of dollars, to adopt some permanent policy of relief and some permanent policy of spending the taxpayers' money? Is not the way to do that to have an investigation of the R. F. C., the C. W. A., the F. E. R. A., the W. P. A., and all the other alphabetic agencies affecting relief, so that we can in the future, when we appropriate money, get the benefit of an investigation?

The only investigation that has been made of the W. P. A. or any other relief agency in West Virginia, or in any other State, has been made by Harry Hopkins or one of his appointees. It is high time that the Senate of the United States, spending billions of dollars, has a right to see where this money goes and a right to see what they are doing with the money.

Let us wipe out this red tape they are following. Let me tell the Senate of one of their famous rules. If a man was not on relief on the 1st day of May 1935, he can starve to death in March 1936, but if a man was on relief in May 1935, and was put on the W. P. A. pay rolls, and inherits a lot of money, he can be kept on the W. P. A. rolls. Let us make our relief policy apply to the United States as it is affected in March 1936, and the future, and not at any other time. Relief should be determined by the relief needs today, not by the relief needs in 1935.

Let me give an example taken from one community in my State. There was a factory in that community which employed a number of men. These men worked, and they went to work day after day. The plant burned down, and because those men were not on relief in May 1935 they cannot get any W. P. A. work in 1936. What are they to do? Such a policy is destroying the initiative of people to go into private employment, because they realize that if they quit the W. P. A. they cannot get back on the W. P. A. pay roll. Is it not time we were opening their eyes? Is it not time to get to some permanent policy of relief, with 12,500,000 people unemployed, instead of turning over billions and billions of dollars to "Wisecracker Harry" to spend, to give out in allotments as he desires?

Many are fearful of Harry Hopkins' wrath and fearful of his striking down projects within their States. In other words, if any Senators say anything, Harry Hopkins has the power to stop a project in the Senator's State, and the State suffers. I know they do it in our State. I know that projects which have been started have been stopped. Sometimes it was political redress against certain people.

The fact that so many people are unemployed, the failure to complete our projects, the fact that we need some permanent policy for the future mean that we need a senatorial investigation, not by Harry Hopkins' men, not by Alan Johnstone, not by those who always put the blame on someone else.

Harry Hopkins has two famous excuses if there is anything wrong. One is that it is the result of an act of God;

the second is that it is the fault of some dumb politician. I do not know how wide a latitude he wants, but those are the two famous expressions of Harry Hopkins. It is either some dumb politician or an act of divine Providence.

I have made charges, and I expect to repeat them and to continue to repeat them until they are cleaned up, and if they are not exposed it is a sign that someone is trying to cover up something. There is no danger in looking at the sunlight. The sunlight destroys disease, and the W. P. A. is suffering from a political disease. The expenditure of billions of dollars by "Wisecracker Harry", or "Cocky Harry", will not satisfy starving American people, and it is our duty to look into the real problem of unemployment and into the policy of spending the taxpayers' money.

PAYMENT OF CERTAIN CLAIMS FOR DAMAGE

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2603) to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case, which were to strike out all after the enacting clause and insert:

That the Attorney General of the United States may consider, adjust, and determine any claim accruing after January 1, 1934, on account of damages to any person or damages to or loss of privately owned property, caused by the Director, any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment, and such amount as may be found due to any claimant, not exceeding \$500 in any one case, shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That this authorization shall not be construed to apply to cases of persons in the employ or service of the United States while acting within the scope of such employ or service: *Provided further*, That no claim shall be considered under this act unless presented to the Attorney General within 1 year from the date of the accrual of said claim; except that any claim accruing between January 1, 1934, and the date of the approval of this act may be presented within 3 months after the date of such approval: *And provided further*, That acceptance by any claimant of the amount determined to be due him under the provisions of this act shall be deemed to be in full and final settlement of such claim against the Government of the United States.

And to amend the title so as to read: "An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation."

Mr. KING. I move that the Senate concur in the amendments of the House.

Mr. ROBINSON. Mr. President, what is the amendment?

Mr. KING. Mr. President, as the Senate passed it, Senate bill 2603 gave the Attorney General power not only to ascertain, but to pay certain claims which came under his cognizance up to \$500. The House amended the bill so as to provide that he could ascertain the amount of any claim, and then certify the same to the Congress for payment. We believe that is the wiser course to pursue.

Mr. ROBINSON. So that the Congress will have the opportunity of passing upon the matter finally?

Mr. KING. The language is that it "shall be certified to Congress as a legal claim."

Mr. ROBINSON. What classes of claims are embraced in the bill?

Mr. KING. Claims "on account of damages to any person or damages to or loss of privately owned property, caused by the Director, any Assistant Director, Inspector, or special agent of the Federal Bureau of Investigation of the Department of Justice acting within the scope of his employment." Many of the Federal agencies and departments are authorized to pay claims up to \$500.

Mr. ROBINSON. I was just about to say that I recall that the War Department is authorized not only to adjust but to pay claims up to that amount. What is the ground for the distinction made in this instance?

Mr. KING. The House committee went into the matter very carefully and amended the Senate bill, and the Attorney General has approved it.

Mr. ROBINSON. The Senator himself is satisfied that it is a proper amendment?

Mr. KING. Yes.

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah, which is that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

INDEPENDENT OFFICES APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives on certain amendments of the Senate to House bill 9863, the independent offices appropriation bill, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,

March 18, 1936.

Resolved, That the House recede from its disagreement to the amendments of the Senate nos. 7, 8, 10, 11, and 12 to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes, and concur therein; and

That the House recede from its disagreement to the amendment of the Senate no. 9 to said bill and concur therein with the following amendment:

In lieu of the matter inserted by said amendment insert:

"Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Cong.), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of lawbooks, books of reference, periodicals and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head 'Payments for Agricultural Adjustment' in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Cong.); to be immediately available and to remain available until June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item."

Mr. McKELLAR. I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 9.

Mr. ROBINSON. Mr. President, I think the Senator should explain the amendment in which concurrence is asked.

Mr. McKELLAR. I shall be glad to do so. I think it would be well for the clerk first to read the amendment of the House to the amendment of the Senate numbered 9, and then such questions as may be asked will be answered.

The PRESIDING OFFICER. The clerk will read the amendment of the House to the Senate amendment.

The LEGISLATIVE CLERK. In lieu of the matter inserted by Senate amendment numbered 9, it is proposed to insert the following:

Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Cong.), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of lawbooks, books of reference, periodicals and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head "Payments for agricultural adjustment" in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Cong.); to be immediately available and to remain available until June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item.

Mr. McKELLAR. Mr. President, I will explain the principal changes. After the words "To enable the Secretary of Agriculture to carry into effect the provisions of", the words "sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act" were added by the House. It is now proposed that the Senate agree to that change. The lan-

guage was inserted to make the provision specific. It was largely a question of verbiage.

In the first proviso the date was changed to "June 30, 1938", instead of June 30, 1937." The language now is:

June 30, 1938, for compliances under said act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937.

Mr. KING. Mr. President, I shall be glad to have further explanation in regard to this matter. I should like to know whether the amendment authorizes increased expenditures; whether it extends the period within which payments may be made. In other words, what are the distinctions?

Mr. McKELLAR. The principal difference is that the House amendment extends the period to 1938 instead of 1937.

Mr. KING. Why?

Mr. McKELLAR. Because it was thought to be absolutely necessary in order to carry out the purposes of the act referred to in the amendment. I will say to the Senator that there is no more money provided by the amendment. There have been no changes in those provisions of the bill. I have stated the principal differences between the provision as adopted by the Senate and what is now proposed by the House.

Mr. KING. Mr. President, does the Senator object to having the conference report go over until tomorrow to give us a chance to examine it?

Mr. McKELLAR. Mr. President, ordinarily I would not; but, as everyone knows, the President is going out of town tomorrow. The matter should, therefore, be acted upon today, in order that the bill may be placed in his hands tomorrow. It is a very important measure. In order to be really effective the bill will have to go into effect immediately. I hope the Senator will not ask that the amendment go over. If we do not take action upon it this afternoon, the President will either be delayed in making his trip or the bill cannot become effective immediately.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. ROBINSON. I concur in the suggestion of the Senator from Tennessee that final action on the bill should be disposed of today. I hope the Senator from Utah will not object.

Mr. KING. I want to ask the Senator again to explain—and perhaps I find it necessary because of my unfamiliarity with all the details of the bill and its many ramifications—just what the effect is of the extension of the period?

Mr. McKELLAR. It gives another year in which to carry out the purposes of the act which has been passed.

Mr. KING. In the meantime, what becomes of the act?

Mr. McKELLAR. The act is in full force and effect, of course. It just adds to the time during which it can be carried out.

Mr. KING. The act, as I understand it, is a continuing act.

Mr. McKELLAR. Yes; but there is not a continuing appropriation. The amendment makes the language dealing with the appropriation conform absolutely to the act as passed by the Congress.

Mr. ROBINSON. It does not increase the amount of the appropriation, but merely gives more time for the application of the fund.

Mr. McKELLAR. Yes; and it makes the appropriation here granted conform with the terms of the act of Congress which has already been passed.

Mr. KING. I think with that explanation I shall not ask for delay. I am opposed to the measure, and I shall, of course, vote against the motion.

The PRESIDING OFFICER. The question is on concurring in the amendment of the House to the amendment of the Senate no. 9.

The amendment of the House to the amendment of the Senate no. 9 was concurred in.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and nonmili-

tary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

Mr. COPELAND. Mr. President, I do not want Senators to get the idea that we are near the close of the afternoon session. We are going to have a roll call in a moment and have many Senators here.

I yield to the Senator from Utah.

Mr. KING. I shall submit but a few sentences in regard to the amendment offered by the Senator from North Dakota. I shall vote for the same, although it is not quite in the form that I desired. In supporting the amendment I do not mean to indicate that I am opposed to all military training; indeed, there are some advantages to be derived by young men from proper and reasonable military training. My position in part is reflected by the course which I pursued with respect to my son who, 2 years ago, attended the public schools here in Washington. A few hours each week were devoted to military drill. It was his desire to take part in the class drill and to receive such instructions as were imparted. I approved of his view and believe that he was benefited from the instructions received. I am opposed, however, to compulsory military training, though I concede that there are some advantages from a physical standpoint, if not from a moral and health standpoint, in receiving reasonable military discipline and training. It is the compulsion that I object to.

I doubt the power of the Government to compel military training in private or public schools. Certainly, it ought not to attempt to exercise such power in peacetimes, and particularly when there are no imminent threats of war. In case of war an individual may be required to give not only property but life in the defense of his country and flag. Even then certain exceptions may be made in behalf of individuals or groups. The views of the fathers and mothers, as well as those who enter schools, should be respected in the matter of military training and military discipline; and, as I have stated, no compulsory system should be inaugurated or maintained.

I do not think the confused conditions existing in Europe, or the military activities in the Orient, should influence us in abandoning a policy under which our Nation has grown and become a liberal and democratic force in the world. This Republic stands for peace and world order; for a spirit of brotherhood and good will. It should not be frightened from a sane and wise course by the cries of militarists or by the eloquent or violent appeals of those who contend that world conditions demand unprecedented expenditures and the adoption of military plans of such magnitude as may or will engender fear or apprehension upon the part of other nations.

Mr. President, I make no criticism of the work of the R. O. T. C. in the schools. From all that I can learn, benefits have been derived by many young men, but I can only repeat that, in voting for the amendment, I am merely registering my opposition to a policy of compulsory military training.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. FRAZIER].

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a list of higher educational institutions having courses in military training. The list was prepared by the War Department April 20, 1935. I notice that the institutions designated with a star have elective courses, and those without that designation have what are termed the compulsory feature.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list is as follows:

HIGHER EDUCATIONAL INSTITUTIONS HAVING COURSES IN MILITARY TRAINING

(WAR DEPARTMENT LIST, APR. 20, 1935)

(Insofar as information is obtainable as of August 1935 all institutions where courses are elective are starred)

Akron, University of.
Alabama Polytechnic Institute.
Alabama, University of.
Albany Medical College.

Arkansas, University of.
Arizona, University of.
* Boston University.
* Buffalo, University of.
California, University of Berkeley.
California, University of, at Los Angeles.
* Carnegie Institute of Technology.
* Chicago, University of.
* Cincinnati, University of.
Citadel, The.
Clemson Agricultural College.
Coe College.
* College of City of New York.
Colorado State College of Agriculture and Mechanic Arts.
Colorado School of Mines.
Connecticut State College.
Cornell University.
Creighton University, The.
* Davidson College.
Dayton, University of.
Delaware, University of.
Drexel Institute.
Florida, University of.
* Fordham University.
* Georgetown University.
* George Washington University Medical School.
Georgia School of Technology.
Georgia, University of.
* Gettysburg College.
* Harvard University.
Hawaii, University of.
Howard University.
Idaho, University of.
Illinois, University of.
Indiana University.
Iowa State College of Agriculture and Mechanic Arts.
Iowa, State University of.
* Johns Hopkins University.
Kansas State College of Agriculture and Applied Science.
* Kansas, University of.
Kentucky, University of.
* Knox College.
* Lafayette College.
Lehigh University.
Louisiana State University.
Maine, University of.
Maryland, University of.
Massachusetts State College.
Massachusetts Institute of Technology.
* Michigan College of Mining and Technology.
* Michigan State College of Agriculture and Applied Science.
* Michigan, University of.
* Minnesota, University of.
Mississippi State College.
Missouri School of Mines.
Missouri, University of.
Montana State College of Agriculture and Mechanic Arts.
Montana, University of.
Nebraska, University of.
Nevada, University of.
New Hampshire, University of.
New Mexico College of Agriculture and Mechanic Arts.
New York University.
North Carolina State College of Agriculture and Engineering.
North Dakota Agricultural College.
North Dakota, University of.
North Georgia College.
North Pacific College of Oregon, School of Dentistry.
* Northwestern University Dental School.
Norwich University.
Ohio State University.
Oklahoma Agricultural and Mechanical College.
Oklahoma, University of.
Oregon State College.
Oregon, University of.
Ouachita College.
Pennsylvania Military College.
Pennsylvania State College.
* Pennsylvania, University of.
* Pittsburgh, University of.
* Pomona College.
Presbyterian College.
* Princeton University.
Puerto Rico, University of.
Purdue University.
Rhode Island State College.
Ripon College.
* Rose Polytechnic Institute.
Rutgers University.
St. Louis University School of Medicine.
South Dakota State College of Agriculture and Mechanic Arts.
South Dakota, University of.
* Stanford University.
* Syracuse University.
Tennessee, University of.
Texas College of Agriculture and Mechanic Arts.
Utah State Agricultural College.
* Utah, University of.
Vermont, University of, and State Agricultural College.

Virginia Agricultural and Mechanical College and Polytechnic Institute.

- * Virginia, Medical College of.
- Virginia Military Institute.
- Washington State College.
- Washington, University of.
- * Western Kentucky State Teachers' College.
- Western Maryland College.
- West Virginia University.
- * Wichita, Municipal University of.
- Wilberforce University.
- * Wisconsin, University of.
- * Wofford College.
- Wyoming, University of.
- * Yale University.

NOTE.—The War Department list includes Cornell University Medical College, Harvard Medical School (1932), Jefferson Medical College, Vanderbilt University School of Medicine, and Western Reserve University, but the military training courses have been dropped by these institutions in 1935.

Mr. FRAZIER. Mr. President, when I was talking a short time ago, I neglected to quote a paragraph which I had intended to quote from one of the college students who had written an editorial with regard to compulsory military training. It is from Elmer J. Lewis, who received second prize. He is a student at Riverside Junior College, Riverside, Calif. He makes the statement:

In a bulletin published by Scabbard and Blade, the national R. O. T. C. honorary fraternity, the following is said of the late and much-beloved Jane Addams:

"For the past 20 years her efforts have been directed to international and subversive channels until today she stands out as the most dangerous woman in America."

That, it seems to me, shows the attitude of the military group that favors compulsory military training.

This young man says further:

Compulsory military drill is especially unfair to those members of an ever-increasing number of churches that have renounced the entire war system and preparation for it. Let us have an America that is tolerant of the religious views of others.

Mr. President, I hope we may have a record vote on this amendment. It is to some of us very important, and there is a great deal of interest being taken in regard to it. If the Senate is ready to vote, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BENSON. Mr. President, before the vote is taken I should like very briefly to answer a statement made by the Senator from Georgia [Mr. RUSSELL] a few moments ago, when he said that he was not quoting from any record of the War Department regarding a poll which had been had concerning the attitude of young men who had taken military training in various schools of the country. It is very true he was not quoting from any record made by the War Department or from any poll taken by the War Department regarding that matter; but he might have said that the poll was taken by Major Bishop and that the necessary money was furnished by an organization interested in military training. He might also have said that the poll was not taken of students taking courses or having taken courses in military training at land-grant colleges, where such courses are maintained, but that it was taken of the graduates of the R. O. T. C.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. BENSON. Yes; I yield.

Mr. RUSSELL. I may say to the Senator from Minnesota that I stated distinctly that the poll was taken of graduates of schools which had R. O. T. C. units. I made that statement, and the RECORD will bear me out.

Mr. BENSON. That is entirely different from the subject we have under discussion. We have under discussion whether or not we are going to permit the land-grant colleges to insist upon military training of all male students attending such colleges, and not whether or not they are going to join R. O. T. C. units for the purpose of receiving commissions in the Reserve Corps. That is an entirely different question and an entirely different subject, and should not be brought in here. I wanted to make that clear.

Furthermore, Mr. President, it seems to me that the present administration, which at this time is stressing very decidedly

the need for economy, might very well show a little economy in regard to the money expended in the training of men in preparation for military service; and in doing that they might establish, we will say, one additional school similar to West Point and train officers there who will come out prepared actually to be in service to the country in case of attack by a foreign foe, rather than impose such military training upon those who are unwilling to accept it at the various land-grant colleges and State universities throughout the United States.

Mr. COPELAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pope
Ashurst	Copeland	La Follette	Radcliffe
Austin	Costigan	Lewis	Reynolds
Bachman	Davis	Logan	Robinson
Bailey	Dickinson	Loneragan	Russell
Barbour	Donahay	Long	Schwellenbach
Barkley	Duffy	McAdoo	Sheppard
Benson	Fletcher	McGill	Shipstead
Bilbo	Frazier	McKellar	Steiger
Bone	George	McNary	Thomas, Utah
Brown	Gerry	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Guffey	Minton	Vandenberg
Burke	Hale	Moore	Van Nuys
Byrd	Harrison	Murphy	Wagner
Byrnes	Hatch	Neely	Wheeler
Capper	Hayden	Norris	White
Caraway	Holt	O'Mahoney	
Carey	Johnson	Overton	
Clark	Keyes	Pittman	

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present.

The question is on the amendment offered by the Senator from North Dakota [Mr. FRAZIER]. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I understand if he were present he would vote as I intend to vote. Therefore I feel at liberty to vote. I vote "nay."

Mr. FRAZIER (when Mr. NYE's name was called). On this question my colleague the junior Senator from North Dakota [Mr. NYE] is paired with the junior Senator from Florida [Mr. TRAMMELL]. Both these Senators are unavoidably absent. I understand, if present, the junior Senator from Florida [Mr. TRAMMELL] would vote "nay." If my colleague were present, he would vote "yea."

The roll call was concluded.

Mr. LEWIS. I announce that my colleague the junior Senator from Illinois [Mr. DIETERICH], if present, would vote "nay."

I also announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. TRAMMELL] are detained on account of illness; and that the Senator from Alabama [Mr. BLACK], the Senator from Virginia [Mr. GLASS], the Senator from Montana [Mr. MURRAY], the Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

The Senator from Massachusetts [Mr. COOLIDGE] the Senator from Oklahoma [Mr. THOMAS], the Senator from Oklahoma [Mr. GORE], the Senator from Nevada [Mr. McCARRAN], the Senator from Maryland [Mr. TYDINGS], and my colleague the junior Senator from Illinois [Mr. DIETERICH] are unavoidably detained.

Mr. HATCH. I announce that my colleague the junior Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

Mr. SHIPSTEAD (after having voted in the affirmative). The senior Senator from South Dakota [Mr. NORBECK] is necessarily absent. I am informed that if present he would vote as I have voted. I transfer my pair with the senior Senator from Virginia [Mr. GLASS] to the senior Senator from South Dakota [Mr. NORBECK], and allow my vote to stand.

The result was announced—yeas 18, nays 59, as follows:

YEAS—18

Benson	Costigan	McGill	Shipstead
Bone	Frazier	Murphy	Thomas, Utah
Bulow	Holt	Neely	Wheeler
Capper	King	Norris	
Clark	La Follette	Pope	

NAYS—59

Adams	Connally	Johnson	Pittman
Ashurst	Copeland	Keyes	Radcliffe
Austin	Davis	Lewis	Reynolds
Bachman	Dickinson	Logan	Robinson
Bailey	Donahey	Loneragan	Russell
Barbour	Duffy	Long	Schwellenbach
Barkley	Fletcher	McAdoo	Sheppard
Bilbo	George	McKellar	Steiwer
Brown	Gerry	McNary	Townsend
Bulkley	Gibson	Maloney	Truman
Burke	Guffey	Metcalf	Vandenberg
Byrd	Hale	Minton	Van Nuys
Byrnes	Harrison	Moore	Wagner
Caraway	Hatch	O'Mahoney	White
Carey	Hayden	Overton	

NOT VOTING—19

Bankhead	Couzens	McCarran	Thomas, Okla.
Black	Dieterich	Murray	Trammell
Borah	Glass	Norbeck	Tydings
Chavez	Gore	Nye	Walsh
Coolidge	Hastings	Smith	

So Mr. FRAZIER's amendment was rejected.

Mr. COPELAND. Mr. President, I ask the attention of Senators to the amendment on page 71, lines 17 and 18, relative to the Soldiers' Home, where the words "the accounts for which to be audited and settled as the Secretary of War shall direct" were inserted. I find this language is really legislative. It should have been so stated to the Senate at the time the amendment was considered. On further investigation, it seems desirable to omit the language from the bill. Therefore I ask unanimous consent that the vote by which the amendment was adopted may be reconsidered with a view to moving that the amendment be rejected.

The PRESIDING OFFICER. Is there objection to the reconsideration of the vote, as requested by the Senator from New York?

Mr. JOHNSON. Mr. President, I desire to know simply as a matter of information what it is the Senator from New York is asking to reconsider.

Mr. COPELAND. Is has to do with the auditing of the accounts of the United States Soldiers' Home. It has been found that the amendment is legislation and doubtless should not be included in the bill. Therefore I have asked to reconsider the vote by which the amendment was adopted.

The PRESIDING OFFICER. Without objection, the vote by which the amendment was agreed to will be reconsidered.

Mr. COPELAND. I now ask that the amendment be rejected.

Mr. POPE. Mr. President, may I ask what the amendment is?

Mr. COPELAND. It has to do with the auditing of the accounts of the Soldiers' Home.

Mr. McKELLAR. On what page is it?

Mr. COPELAND. On page 71.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. COPELAND. I ask unanimous consent that the clerks be authorized to correct the totals and section numbers.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRAZIER. Mr. President, I ask unanimous consent to reconsider the vote by which the committee amendment on page 76, striking out the last paragraph of the bill, section 4, was agreed to on day before yesterday. I ask that because I have received what seems to me quite definite information which rather contradicts the argument which was made by some of those favoring the committee amendment striking out the provision limiting to 10 percent profits on airplane contracts over \$10,000.

Mr. COPELAND. Mr. President, I very much dislike to object to the request of the Senator. If it is in order, I can explain the reasons why the Senate committee rejected the provision, and why the House committee rejected it.

The provision is one which was added on the floor of the House; and yet I do not like to be in the position of objecting to the Senator's discussion of the matter.

Mr. FLETCHER. He may discuss it on a motion to reconsider.

Mr. FRAZIER. If there is an objection, of course I shall have to make a motion. I desire to make a brief statement with regard to the situation.

Mr. COPELAND. Why not let the Senator move to reconsider?

Mr. FRAZIER. Mr. President, I move to reconsider the vote by which section 4, on page 76 of the bill, was stricken out.

The PRESIDING OFFICER (Mr. McGILL in the chair). The question is on the motion of the Senator from North Dakota to reconsider the committee amendment on page 76, striking out section 4 of the bill.

Mr. COPELAND. Mr. President, that motion is debatable, is it not?

The PRESIDING OFFICER. The motion is debatable.

Mr. FRAZIER. Mr. President, in discussing this particular provision the other day I was not aware of the situation in the House in regard to the adoption of the provision. I find by the RECORD, and also from talking with the author of the provision which was inserted on the floor of the House, Representative McFARLANE, of Texas, that the amendment incorporating the provision was offered there and adopted without objection. It was accepted by the committee, as I understand. It is along the line of the limitation that was placed in the Navy appropriation bill a couple of years ago; and it seems to me it is perfectly logical that there should be a limitation in this instance.

When we were discussing the matter day before yesterday the argument was made that the airplane companies spent a great deal of money in experimental work, and so forth. I find, however, that the Government pays for such experimental work, to a large extent, at least. I have a letter addressed to Mr. McFARLANE, of the House, signed by a captain of the United States Navy, by direction of the chief of bureau, giving the amounts that were expended and obligated on account of experiments and developments under the appropriation "Aviation, Navy."

Beginning with 1926 and going to 1936, inclusive, there was spent by the Government \$20,447,652 for experiments in the Navy. I have here a copy of the Baker report of the War Department special committee on the air forces, especially. In the table on page 81 of this report the expenditures for experiments and research by the Army in the airplane service are given, beginning with 1920 and going up to 1927.

In 1920 there was spent, \$4,522,000 and a little over.

In 1921 a little over \$5,000,000 was expended for experimental and research purposes.

In 1922, \$4,000,000 was spent.

In 1923, \$3,000,000 and a little over was spent.

In 1924 over \$3,000,000 was spent.

In 1925 over \$3,000,000 was spent.

In 1926, \$2,646,000 was spent.

In 1927, \$2,183,000 was spent.

Then I have the figures for the fiscal years 1935 and 1936. In the fiscal year 1935, \$4,541,799 was spent for these experimental purposes.

In the fiscal year 1936, \$4,865,295 was spent for these purposes.

I understand that in the pending bill an appropriation is made for these experimental purposes, as is the custom in the Army appropriation bills. I cannot understand what all the appropriations are for, to be frank about the matter. I am not on the committee, and it is almost impossible for anybody who is not on the committee to find out what the various appropriations are for; but I am told that there is an appropriation of that kind in the bill.

Mr. President, it seems to me that with the experimental work taken care of we should have a provision in the bill to limit the profit to 10 percent.

It was stated in the hearings before the Senate committee by Assistant Secretary Woodring and some others that no

excess profits were made on these planes by the airplane companies, and that he thought a limit of 10 percent would be unfair, and so forth. I have shown that money is paid by the Government for the experimental work. Here is a copy of a letter written by the Comptroller General, J. R. McCarl, to the Secretary of War under date of February 19, 1936, in regard to a contract which was let by the War Department for the purchase of planes during 1935. I desire to read the letter, though it is quite lengthy. It gives a copy of a letter written by one of the airplane companies and the reply by Secretary Woodring, and then there are comments by Mr. McCarl on the letting of the contract.

Mr. McCarl says:

There was no competition with respect to the price, as hereinbefore stated. There was a difference of approximately \$20,000 per plane, or approximately \$400,000 on the 20 planes contracted for.

In other words, 20 planes were contracted for. The bid by the Douglas Aircraft Co. for delivery of 20 airplanes was \$49,500 each. The bid by the Curtiss-Wright Airplane Co. was \$29,500 each. That is just \$20,000 a plane difference. The bid by the Fairchild Aircraft Corporation was \$29,150 each. That is a little more than \$20,000 less than the high bid; yet the contract was let to the high bidder, paying a little over \$400,000 more than the low bid.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. Yes.

Mr. KING. What reason is assigned for the conduct of the Department in awarding the contract to a firm whose bid was nearly double that submitted by another contractor?

Mr. FRAZIER. Mr. McCarl says that the low bid was well above the specifications of the Department in the qualifications required in regard to speed, and all that sort of thing; and he says there was no competition in regard to price.

I will read from the 1935 edition of the Army Air Service Laws a portion of the law approved July 2, 1926, which sets forth the regulations in regard to letting contracts. Subsection (t) provides:

Hereafter whenever the Secretary of War, or the Secretary of the Navy, shall enter into a contract for or on behalf of the United States, for aircraft, aircraft parts, or aeronautical accessories, said Secretary is hereby authorized to award such contract to the bidder that said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform the work or the service required to the best advantage of the Government; and the decision of the Secretary of the department concerned, as to the award of such contract, the interpretation of the provisions of the contract, and the application and administration of the contract shall not be reviewable, otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts.

Apparently, therefore, it was decided, on that basis, that the Secretary felt that the bid accepted was the lowest responsible bid, although Comptroller General McCarl said it was over \$20,000 more than the low bid.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. PITTMAN. I do not see how this amendment reaches the question the Senator has in mind. There is no doubt that there was a competitive bid, and that two bids were \$20,000 lower per plane than the bid accepted. I think there is something wrong there.

Mr. FRAZIER. The amendment would limit the profit to 10 percent where the contract is in excess of \$10,000.

Mr. PITTMAN. Who is to determine the profit?

Mr. FRAZIER. A provision is made in the law that certain officials of the Department may go over the books and make inquiries, and all that sort of thing.

Mr. PITTMAN. Does this mean that the Government is to determine the profit?

Mr. FRAZIER. Yes; as I understand it.

Mr. PITTMAN. The Government cannot determine the profit until after the plane is built, can it?

Mr. FRAZIER. I presume not.

Mr. PITTMAN. We would be asking the contractor to bid on a plane, to build it, I take it, and then have the Govern-

ment, after it is built, determine what the cost was, and allow the manufacturer 10 percent profit.

Mr. FRAZIER. I do not so understand. The contracts would be let just the same, and when a contract was made, and when the work was performed, there would be an investigation in order to determine what the cost was. In the case before us it does not seem to me that it is possible it could cost one company \$20,000 more to build a plane than it would cost another company to build the same kind of plane.

Mr. PITTMAN. Let us consider this question. Suppose the amendment were restored and the Secretary accepted the bid of the Douglas Co., which was \$20,000 lower than the one he did accept, and that company had proceeded to build the planes under the bid. After they had completed the planes and the Government investigated and found that the planes cost the manufacturer only \$10,000 to build, it would give the manufacturer \$10,000 plus 10-percent profit. Is that correct?

Mr. FRAZIER. I think that is correct.

Mr. PITTMAN. And the Government would have the right to determine the cost?

Mr. FRAZIER. I think that is correct.

Mr. PITTMAN. I do not believe it would ever get a bid under any such provision as that.

Mr. FRAZIER. I should like to ask the Senator from Nevada whether he does not think that 10 percent is enough profit on a contract of \$10,000 or over.

Mr. PITTMAN. The question is, Who is to determine it? Does the Senator think a businessman would proceed to build a lot of expensive planes which would cost him, taking everything into consideration, \$20,000 each when he would be bound under a contract under which the Secretary might find it cost him only \$15,000 to build the planes? No adjudication or determination is provided for.

Mr. FRAZIER. The Secretary of War, of course, would determine the cost from an examination of the figures of the company which built the plane, so I cannot see that there would be any difficulty in that respect.

Mr. PITTMAN. Cannot the Senator conceive that there are different methods of ascertaining costs?

Mr. FRAZIER. As I understand, the men who are to investigate the books would take the cost figures of the manufacturer. The amendment we adopted in the case of the Navy appropriation bill a few years ago was a little different from the amendment we are now discussing, and was a much better amendment. I have a copy of the amendment, or practically the same amendment, which was adopted as to the Navy a few years ago.

Mr. PITTMAN. Mr. President, I assume that the War Department, if that is the Department which is buying the planes, should have a very accurate knowledge as to what the planes ought to cost, and I should not think they would enter into a contract for an amount very much above that figure. If they did so, then this section is not the one which reaches the matter, in my opinion.

I feel this way about the matter: There is competitive bidding, we will assume, and one man bids \$20,000 a plane less than his competitor. His price is quite low, or the other is very high, I do not know which. Nevertheless, one bids \$20,000 less than the other. He does not know until after he has expended his money in building the plane what he is to get, because the determination of cost is left to the War Department, since they have the money.

The manufacturer might go into court, under this provision, and sue. I do not know whether he could or not, but I suppose he could. He might be able to sue and establish his costs. But until he took the initiative and established his costs the War Department could arbitrarily say that his costs were much less than he claimed they were.

Mr. FRAZIER. I have never heard of the War Department taking that attitude. I do not think there would be any such danger.

Mr. PITTMAN. I think they should take the attitude of estimating the costs of these things very closely.

Mr. FRAZIER. In his letter Comptroller General McCarl says that in the matter of this particular contract there was

no consideration of costs in letting the contract, because it was let to the Douglas Co., whose bid was \$20,000 higher than that of the Curtis-Wright people and a little more than \$20,000 above the bid of the other company.

Mr. PITTMAN. I have an idea that the law provides that the Department may refuse any bids; if they considered a bid exorbitant, they would have a right to reject it. It seems to me that the law is sufficient if it is executed. If there is anything else to be added to the law, I do not know of it, but if a businessman has to put his money into building planes without knowing what he is to get notwithstanding his bid, I think there would be some difficulty in getting bids.

Mr. FRAZIER. The Navy has had no trouble in getting bids under the provision put into the law a couple of years ago, as I understand, and it is operating very well. The information I have received is to the effect that the Navy Department has kept down expenses considerably below those of the War Department in the purchase of planes.

Mr. PITTMAN. I have never seen the provision to which the Senator refers, and do not know what it is.

Mr. FRAZIER. Mr. President, it seems to me the amendment ought to be reconsidered and the House provision left in the bill. If this is a fair sample of the way contracts are let by the Army in the buying of planes, it seems to me there should be a limit of not to exceed 10 percent at least.

Mr. COPELAND. Mr. President, I desire to make an honest-to-goodness reply to the Senator from North Dakota. It is perfectly natural to think that there should be a limitation upon profit. I think, ordinarily speaking, that is right. But this is an entirely different situation, in spite of everything the distinguished Senator from North Dakota has said.

I desire to refer to the testimony given by The Assistant Secretary of War in the hearings on the measure before us. He was backed up in this by a number of witnesses from the War Department, and I was much impressed by what the Senator from Michigan [Mr. COUZENS] said in connection with the argument when the question previously arose.

I find on page 26 of the hearings that Assistant Secretary Woodring speaks about airplanes and the need for airplanes. I am sure all of us believe that American aviation ought to make very much more rapid progress than it has heretofore made. There have been a number of investigations in connection with military aviation. I have in mind particularly the investigation of the Baker Board. It has been made apparent from the reports, based upon these investigations, that it is necessary to increase the number of our planes.

Mr. Woodring, in his testimony, found on page 26 of the hearings, speaking of the policy of the War Establishment, said:

This policy is based upon competitive bidding, and in order to properly protect the interests of the Government in the procurement of such a highly technical piece of equipment requires the bidder to submit with his bid a completed airplane for test.

Keep in mind, please, that with every bid that comes in there must come a completed airplane.

Mr. FRAZIER. Mr. President, I pointed out that the War Department was spending about four and a half million dollars a year for experimental purposes.

Mr. COPELAND. Very well; I am going also to refer to that. I heard the Senator refer to it, and I am going to speak about it myself. There, at least, we are on common ground. So let us bear in mind that, according to the testimony, with each bid there must come a completed airplane.

There happened to be in my State a company which is now defunct because of this very imposition upon it in the submission of bids. The company had to present a completed airplane along with its bid. They are pretty hard-boiled in the War Department. The plane did not have quite the requisite possibilities of flight. It could not go quite high enough; it could not land in quite the right time, and so forth. Anyway, the concern I have in mind invested hundreds of thousands of dollars—and I mean literally hundreds of thousands of dollars—in attempting to compete, and finally was destroyed by reason of the conditions which prevailed in connection with the acceptance of bids.

The bidder is required to submit with his bid, as I said, a completed airplane. I am quoting once more from the testimony:

The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

That is the first burden that is imposed on the manufacturer—that along with his bid, if he is patriotic enough to bid, he must submit an airplane.

There is no lack of supervision on the part of the War Department as to the cost of the planes.

I continue to quote from The Assistant Secretary of War:

To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer after we make an award.

So, as I have pointed out, there is not any lack of effort on the part of the War Department to find out what the actual costs are.

Continuing the quotation:

This policy is resulting in a constant striving on the part of the manufacturers to offer better and better performing aircraft. It places squarely on the shoulders of industry, where it logically belongs, the necessary research and development work and gives the Government the active use and benefit of all the brains of the industry.

Mr. President, we have in existence at the moment a special committee investigating the airplane disaster wherein our late colleague, Senator Cutting, lost his life. And we have come to realize—all those who served on that committee—how necessary it is not alone that this industry develop along the line of military aviation but also along the line of civil aviation. So when I heard The Assistant Secretary of War say this it struck a responsive chord in my heart, because unless the manufacturers of airplanes can be encouraged to develop safe airplanes we will have to depend wholly upon the experimental establishments in the Government—to do what? To develop military airplanes.

If we are passing a bill in the public interest, it would seem to me we ought to provide so far as we can for the development of an industry which will serve not only the Army and the Navy but which will develop safe airplanes for passenger use for the civil population.

I quote further from The Assistant Secretary of War:

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers. Certainly under that kind of a system the companies are going—with their engineering and designing and researching departments—are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

Mr. FRAZIER. Mr. President, will it bother the Senator if I ask him a question there?

Mr. COPELAND. Not at all. Nothing that the Senator does bothers me. It is always a joy to yield to him.

Mr. FRAZIER. I appreciate that statement.

I wish to read section 10 (a) of the Army Air Service Laws approved July 2, 1926:

That in order to encourage development of aviation and improve the efficiency of the Army and Navy aeronautical matériel the Secretary of War or the Secretary of the Navy, prior to the procurement of new designs of aircraft or aircraft parts or aeronautical accessories, shall, by advertisement for a period of 30 days in at least three of the leading aeronautical journals and in such other manner as he may deem advisable, invite the submission in competition, by sealed communications, of such designs of aircraft, aircraft parts, and aeronautical accessories, together with a statement of the price for which such designs in whole or in part will be sold to the Government.

That provision for competition and 30 days' advertisement was approved July 2, 1926. Referring to the provision Assistant Secretary Woodring said:

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably three different concerns scattered well over the United States to bid on bombers.

The law provides that bids shall be advertised for at least 30 days. That is the kind of competition the War Department is requiring, according to Assistant Secretary Wood-

ring, in buying the bombers and, I suppose, other planes. He said, further:

Certainly under that kind of a system, the companies are going, with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

It seems to me that is no competition at all. I cannot understand the proposition. The law provides for competition, and yet The Assistant Secretary of War says they send invitations. Is that calling for competitive bids? Is that advertising in the aeronautical papers? If so, then I do not understand the proposal.

Mr. COPELAND. The Senator may have invitations to bid confused with invitations to the White House, or something of that kind.

Mr. FRAZIER. If the law requires an advertisement in aeronautical papers for 30 days, why not advertise instead of sending out invitations?

Mr. COPELAND. Let us discuss this matter on the merits.

Mr. FRAZIER. I thought that was related to the merits.

Mr. COPELAND. The Senator does not believe for a moment that the officers of the War Department are trying to rob the Department or do something improper, does he? When the Senator reads from the rules of 1926 and talks about aviation in 1926, that is like talking about the flood when it comes to the geological and animal development of the world. The whole progress of modern aviation has taken place since the war. Let us not talk about that. That is like oxtail soup—it is from a long way back. [Laughter.]

Mr. FRAZIER. 1926 was since the World War. That was only 10 years ago.

Mr. COPELAND. I know. Has the Senator concluded what he wants to say?

Mr. FRAZIER. Yes; for the present.

Mr. COPELAND. Very well; then I shall endeavor to conclude.

We come to the point of the 10-percent limitation, and I quote from The Assistant Secretary:

The 10-percent limitation of profits on contracts will prevent the possibility of manufacturers recouping any of these experimental and development costs and ultimately result in the practical cessation of such research and development on the part of industry. This will mean that the Government will have to carry on its own research and development and that the only brains being applied to the advancement of our aircraft will be such brains as the Government may be able to assemble at Wright Field, which is our technical and procurement branch of the Air Corps.

I do not need to tell you that such a situation will materially retard progress in the development of military aircraft in this country and will result in our Air Corps being equipped with airplanes inferior in performance to those of other countries.

That is the only conclusion that can be reached. We now have a number of airplane manufacturing establishments throughout the country.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Texas?

Mr. COPELAND. I yield.

Mr. CONNALLY. Is it not true that this amendment was inserted in the bill in the House by a member of a special subcommittee of the Committee on Military Affairs which thoroughly investigated the aircraft situation? Was it not developed that the aircraft section of the Army had disregarded competitive bids altogether and had let contracts which brought enormous profits to the manufacturers? Does not the Senator think it would be in the interest of time to reconsider the amendment and let the Senate vote on it?

Mr. COPELAND. The point the Senator has in mind would not be reached if we should reconsider the vote. It is not a question of the 10-percent profit. It is the whole problem of bidding and that sort of thing that the gentleman in the House must have had in mind. I do not know who offered the language.

Mr. TRUMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. No, Mr. President, I prefer not to yield at this time. I am tired and anxious to conclude.

The PRESIDING OFFICER. The Senator from New York declines to yield.

Mr. COPELAND. If there are any abuses about the method of getting bids, that is one thing; but that has nothing to do with the matter now before us. The question involved here is how much profit the airplane contractors may have upon their product when it is finished? Let us assume that the bids were honestly called for or invited by the Department. Let us assume the invitations were sent out in the proper manner and competition was sought. Every one of the bidders has to bring a completed plane up to the line when he submits his bid. We are asked to say to him, "When we accept your bid, the profit you can make is limited to 10 percent", and it may also be said, "We are not satisfied with your plane as it is. You will have to make modifications." In that case, when he gets through, instead of having any profit he will be "in the red."

Mr. CONNALLY. What would happen to the bidders who did not get the contract? They would have manufactured planes also at no profit.

Mr. COPELAND. The only hope they have, may I say, is that the next time invitations for bids are sent out they may get a contract and have a chance, perhaps, to recoup the losses which they made the first time.

Let me continue reading from the hearings. The Senator from Florida [Mr. FLETCHER] asked:

You would not favor any limitation of profits?

Assistant Secretary WOODRING. We do favor a reasonable profit, yes; but at this stage I do not favor any limitation of profits in the contracts, and I will explain why, because I believe we have that limitation in our audit today.

Senator HAYDEN. That is a point that I wanted to question you about.

From your contact with those who have been manufacturing airplanes for the Army, are you of the opinion that they have made inordinate or extortionate profits, considering their expenditures for research?

The Assistant Secretary replied:

I can say definitely that I think they have not.

Senator McADOO. Considering also the superior types which have been evolved out of this method, which you must take into consideration?

Mr. TRUMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I wish the Senator would let me proceed in connection with this matter until I have completed it.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COPELAND. There is ample time. I hope I am not detaining the Senator. I have been detained here for 3 days, and I have not seen the Senator here much lately. Perhaps it will do him good to get a little of the same medicine that the rest of us have had. I am sorry I feel that way about it, but I really wish the Senator would wait a little bit, if he will.

Mr. TRUMAN. I shall wait until the Senator concludes.

Mr. COPELAND. The Assistant Secretary replied to the question I have read:

Gentlemen, you must remember there is an enormous expenditure in connection with the development of a bomber under this system, which I think is the best we can evolve. The man who does that has his tooling up and everything that he is required to spend which amounts to probably all of the way from \$200,000 to \$600,000 on that initial development of the plane and it may be worthless to him tomorrow—

Did the Senator from North Dakota notice that? The manufacturer may spend from two hundred to six hundred thousand dollars on a plane which is worthless to him the next day—

because some other plant tomorrow, or next year, may win the competition for the bombers, and it may be that a plane will be developed that is more superior to this; and in order to keep that going, in the interest of national defense, that man certainly ought to be paid for that experimental and development work.

Further, on the next page, page 28, I quote:

Since the Government is practically the sole beneficiary of the progress of military aviation, it is proper that the Government, as I say, should bear these costs. In this connection I wish to point out that the cost of building an experimental airplane runs from

\$100,000 to \$600,000, and that manufacturers cannot continue to build and offer these airplanes to the Government under a statute which precludes any possibility of reimbursement therefor.

And further, on page 29:

And, I think, to put on a 10-percent limitation would be to go back to the cost-plus contract.

It was that evil that the Senator from Michigan discussed—the cost-plus contract.

What you would have practically would be a cost-plus contract, if we forced this 10-percent limitation on them, and if a manufacturer on the Pacific coast got a contract he could come back here to the east coast and say, "Come on over to my factory and I will pay you 50 percent more per day, or double what wages you are getting now. What difference does it make to me? That will be added to my cost. I get 10 percent on the costs, and the more that I increase my costs the larger my 10 percent is." I think that is possible.

If the Senator from North Dakota wants that system, God bless him! He may take it; but I do not want it.

Mr. President, so far as I am concerned, I have no desire to continue the discussion. It is very apparent that we shall not be able to reach a vote tonight, and I am perfectly willing that the matter shall go over.

Mr. TRUMAN. Mr. President, I desire to enter a motion to reconsider the vote of the Senate on yesterday rejecting the amendment offered by the Senator from Florida [Mr. FLETCHER], inserting, on page 69, line 4, after the word "navigation", certain words and striking out, on page 69, line 23, the figures "\$138,677,899" and inserting in lieu thereof "\$208,677,899."

The PRESIDING OFFICER. The motion will be received and entered.

AUTHORITY TO SIGN ENROLLED BILL DURING RECESS

Mr. McKELLAR. Mr. President, at the request of the Senator from Virginia [Mr. GLASS], chairman of the Appropriations Committee, I ask unanimous consent that the Vice President be authorized to sign the enrolled bill H. R. 9863, the independent offices appropriation bill, after the recess of the Senate today, if the bill does not reach the Senate prior thereto.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Tennessee? The Chair hears no objection, and the order is made.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, and it was signed by the Vice President.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. McGILL in the chair) laid before the Senate a message from the President of the United States nominating Richard D. O'Connell, of Connecticut, to be State director, National Emergency Council, for Connecticut, which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Charles S. Reed, 2d, of Ohio, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service.

Mr. KING, from the Committee on the Judiciary, reported favorably the following nominations:

Edward M. Curran, of the District of Columbia, to be judge of the police court for the District of Columbia, vice Gus A. Schuldt, term expired;

Martin Travieso, of Puerto Rico, to be an associate justice of the Supreme Court of Puerto Rico, vice Pedro de Aldrey, resigned.

Mr. McADOO, from the Committee on Patents, reported favorably the nomination of Charles H. Shaffer, of Maryland, to be examiner in chief, United States Patent Office.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there are no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 7 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 19, 1936, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate March 18 (legislative day of Feb. 24), 1936

NATIONAL EMERGENCY COUNCIL

Richard D. O'Connell, of Connecticut, to be State director, National Emergency Council, for Connecticut.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 18, (legislative day of Feb. 24), 1936

POSTMASTERS

ARKANSAS

Monroe R. Hughes, Nettleton.

Frank N. Johnston, Ozark.

James W. Byrd, Smackover.

KENTUCKY

Sam J. Spalding, Lebanon.

Mayme D. Cogar, Midway.

Gemmell Baker Senff, Mount Sterling.

MICHIGAN

Sebastiano Camilli, Bessemer.

Walter W. Derby, Covert.

Lura B. Schreiber, Douglas.

Harry E. Penninger, Lake Linden.

Jarvis C. Chamberlin, St. Clair.

Morris R. Ehle, Wayland.

Charles J. McCauley, Wells.

William H. Stickel, White Pigeon.

MISSISSIPPI

Willie M. Windham, Lena.

Ella C. Covington, Lyon.

MONTANA

Leslie L. Like, Drummond.

Mary B. Bacon, Ismay.

Thomas Butler, Miles City.

Ralph Drew, Somers.

Albert Hole, Wheeler.

TENNESSEE

Douglas B. Hill, Collierville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 18, 1936

The House met at 12 o'clock noon.

Rev. Thomas G. Thomas, pastor, Caldwell Baptist Church, Caldwell, N. J., offered the following prayer:

Almighty God, our Heavenly Father, father of those who are Thy children by faith in Jesus Christ, we come into Thy presence this morning thanking Thee for all the blessings of life and for the special blessings of redemption through Jesus Christ, our Savior.

We come as a nation, our Father, thanking Thee this day for all Thy goodness to us, and the way in which Thou hast led us in the past. Today as these men gather here to deliberate upon the enactment of further legislation for the well-being and advancement of this Nation, we pray that Thy blessing shall be given to them and Thy divine wisdom and guidance rest upon them, for Thou hast said if we lack wisdom let us ask God, who giveth to all men liberally and upbraideth none, and it shall be given to them.

Further we pray that Thou particularly shall bless our Nation, and the poor, the friendless, and the homeless, especially those today who are in the devastated areas of our country because of floods. We ask, our God, that our Nation may continue as the leader among the nations of the earth, holding aloft the light of liberty, justice, freedom, and truth, that we may, as a beacon light, guide other nations, that they may learn justice, and that they may show mercy and walk humbly before Thee, our God. We ask it humbly in Jesus' name and for His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

SOCIAL PROBLEMS IN A CHANGING WORLD

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address made by myself, and include therein an address made by Hon. Harold Ickes, Secretary of the Interior.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include an address by the Secretary of the Interior, Hon. Harold L. Ickes, before the convention of the United Synagogue of America at the Willard Hotel, Washington, D. C., March 16, 1936, as follows:

Mr. KOPPLEMANN. Ladies and gentlemen, the torch of progress has been kept aflame not alone by the achievements of science and industry and culture but as much by the sympathy, the tolerance, and the cooperation of those who are eager to give new ideas a chance to prove their value. Such understanding, tolerance, and cooperation can be found only among those who are free from bigotry and whose desire for the betterment of humankind embraces all. These are the people to whom we of the United Synagogue of America and civilization generally are indebted.

One of them is with us this evening.

It is my privilege to present him, the Honorable Harold L. Ickes, Secretary of the Interior.

Mr. ICKES. I bring you the personal greetings of the President of the United States. The President instructed me to express his hope for a highly successful gathering.

In about 3 weeks Jews in all parts of the world will observe the Feast of the Passover. This feast commemorates the liberation of the Israelites from their bondage in Egypt and their wanderings through the desert for 40 years. As I understand it, that migration was necessary for the purpose of permitting a new generation of free men to be born and to achieve adulthood, so that when the Jews entered the Promised Land they would have overcome the habits and inhibitions of servitude and would have put on the spiritual habiliments of liberty.

Today we of America are also wandering in the desert, even though it is a social and not a physical desert. Like those forefathers of yours, to whose will to win through freedom in the Promised Land you will give just honor at the Feast of the Passover, we are today struggling to throw off the restraints which have prevented us from achieving a better and a more worthwhile social order. May we have the courage and endurance, such as was possessed by your ancestors, to keep up the struggle for 40 years, if need be, but let us hope that in a much shorter period we may find ourselves in the promised land toward which we have been striving.

It required the economic crisis that blighted us in the fall of 1929 to make us realize how far our feet had strayed from the path that had been laid out for us by those heroic ancestors of ours who suffered at Valley Forge in order that we might enjoy the blessings of political freedom. The concept of the founding fathers of America was that of a happy and contented people sustaining themselves from the rich and abundant land that seemed to stretch further west the deeper the restless pioneers penetrated inland from the Atlantic seacoast. Land there seemed to be in plenty for all who cared to possess it; and to support himself and his family from the land was the ambition of the average American.

Of course, it was anticipated that there would be merchants and bankers and manufacturers on a moderate scale to serve the economic needs of the landowners, but even these entrepreneurs, important as they might be in the economic life of the country, would be subordinate to and dependent upon ownership of land and its cultivation. There was no situation in any part of the world from which it could reasonably be surmised that great manufacturing, commercial, and banking organizations later would grow up. Since neither past nor contemporaneous history contained a single reference to such an economic and social system as exists today, it is only fair to assume that the founding fathers never envisaged the America of the present.

Moderate wealth they could understand and they expected the valuable and apparently boundless resources of America to yield riches to those who, by their industry or acumen, might be able to earn more than average rewards. Doubtless they also expected, on the basis of their experience, that there would be a class existing at or below the margin of actual want. But between these two strata, the one moderately rich and the other not too poor, both of which groups would be relatively small in size, they saw the average American family living on land that it owned and wresting from that land, without undue hardship or devastating toll, food, clothing, and shelter sufficient for the needs of the family, with a comfortable margin over to provide moderate luxuries and security against illness and old age.

However, the economic character of the country changed radically and almost completely following the Civil War. The industrial era had dawned, not only here but in other parts of the civilized world. With our vast natural resources it was inevitable that we would enter the keen competition of the new economic order with a decided advantage. The energy, resourcefulness, and general intelligence of our people, plus our inventive genius, were additional boons to us in this race for supremacy. An eagerly adventurous people, it is not to be doubted that we entered this new economic phase eagerly and with high hopes. We not only felt that we would survive in the struggle with our competitors but that we would soon have them at a disadvantage. Probably if anyone gave even a thought to the social consequences that would result from such a radical deviation from the course that we had charted for ourselves it was only in passing. It is fair to say that no one actually knew where we were headed; it may even be affirmed with confidence that no one could have foretold our destination.

But if we saw only the brilliantly hued rainbow when we started on our new course, looking backward now, we can discern with clear, if not altogether satisfied, vision whither the path actually led that we so trustingly sought with eager feet. No one can now boast of an America that even approximately fulfills the dreams of those who gave us a land which they not only hoped but believed, as they expressed it in the Declaration of Independence, would be one where it would be recognized that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these rights are life, liberty, and the pursuit of happiness.

The concept was of an America that in a few generations would be occupied by happy and contented landowners, but instead of such a desirable state of society, one of the major problems of government for many years has been to prevent our fine and free and still semi-independent agricultural class from being pushed back into that state of peasantry which hundreds of thousands of immigrants from every nook and corner of Europe in years past have sought to escape by coming to these shores. And while there are heard in every part of the land the despairing cries of our

farmers who are struggling gallantly to keep from being totally submerged in the economic quicksands to withstand which they are exerting every ounce of their strength, we find conditions in our mines, in our factories, and in our great commercial centers that are even less encouraging. Instead of a citizenry contented with modest but adequate fortunes, with a disparity between the rich and the poor which while, apparent, is not unreasonable, we find an America containing a small but very rich class and a disproportionately large but very poor class with a group in between possessing fortunes that are comfortable as compared with the very poor, but insignificant as measured against the very rich.

A dispassionate appraisal of our existing social and economic order would lead to the conclusion that we Americans, instead of keeping our eyes fixed on the promised land, until recently had actually turned our backs on it and were counter-marching in the direction of Egypt and its Pharaohs.

Instead of a population in large measure supporting itself by its own labor applied to land or other means of production, the ownership of which is in the hands of the producers, we find an industrial system which takes deadly toll of those who are helplessly bound to its service. Little children are worked for long hours at tasks beyond their strength at pitifully small wages. Women, still at a disadvantage in our machine era, are similarly exploited. They, too, are held to grinding labor, in what in effect are tests of physical endurance, for wages that barely keep soul and body together. Thousands of the strongest and most virile of our manhood are regimented in factories under a pace-setting system which racks the body and undermines the nerves. The insistent demand is for younger and stronger men, who in their turn are ruthlessly and as speedily as possible drained of their physical energies, only to be cast aside for ever-younger substitutes at an age when under normal conditions they would just be entering the full maturity of their manhood. And as compensation for this draining of nervous force and this erosion of body the workman all too often is paid a wage upon which he finds it impossible to support his family properly, to say nothing of being able to lay something aside for periods of involuntary unemployment, for times of sickness, and for inevitable old age. In other words, a great army of American workmen find it impossible, under our economic system, to maintain their families according to our theoretical American standard of living.

I sometimes wonder whether we Americans are not the most romantic people in the world. We started out with the hope that our standard of living would not only be the highest in the world but that it would be so high that practically every American would be able to live comfortably above the margin of existence. Perhaps this was true in the earlier days, and perhaps it would be true even now if we had not wandered so far from the course laid down for us by the founding fathers. Then, having made up our minds that the American standard of living would conform to our ideal, or in fact had already done so, we built up an unshakable belief that the American standard of living was not only the highest in the world but that it was as high as any reasonable human being should expect it to be.

Unfortunately, this is not the fact. As wealth more and more has been concentrated in the hands of the few, the number of Americans living at or below the margin of existence has steadily increased. According to the findings of the nonpartisan Brookings Institution, as published in America's Capacity to Consume, "at 1929 prices a family income of \$2,000 may be regarded as sufficient to supply only basic necessities. However accurate this generalization may be, it is significant to note that more than 16,000,000 families, or practically 60 percent of the total number, were below this standard of expenditures."

Here is a drab picture indeed of that Garden of Eden from which we were turned out in 1929 and back to which the Liberty Leaguers so ardently hope to entice us. Almost two-thirds of the total number of American families at the height of our so-called prosperity did not earn enough to supply themselves with the basic necessities of life. And at that same period it is estimated that from two to two and one-half million Americans, able to work and willing to work, could find no work to which to set their hands. They were left to console themselves with the reflection that they constituted the great and growing army of the technologically unemployed—living, if hungry, examples of the productivity of the inventive genius of America, the tender-heartedness of her rugged individualists, and the humane resourcefulness of her then controlling social and political institutions.

It would not be so bad if we frankly faced the facts, because then we might hope that in time we would devise a remedy. To make matters worse, we continue to assure ourselves, notwithstanding that the majority of our people, even in so-called prosperous times, are below the margin of a decent existence, that our standard of living is the highest that the world has ever known. The inference that we want to be drawn from this legend is that our standard is also as high as anyone could reasonably ask; that America has fulfilled her destiny as a land of contented, happy, and prosperous human beings, rejoicing in the possession of both political and economic freedom. This is dosing with political soothing sirup to dull the sensibilities.

It is time that we were quit of mooning with our heads in the clouds, boasting about the American standard of living. It is time that we faced realities—that we took an honest inventory of our social and economic conditions with a view to applying remedies where remedies are needed. "Standard of living" is a relative term. Even if it be true that the American standard of living is the highest on record, that is not the question that confronts us today. What we are facing is the proposition whether the American stand-

ard of living is such as to assure the minimum requirements of all of our people as to comfort, health, and general well-being. If our standard of living is not that high, then it is not high enough, whatever the standard of living may have been in other ages and may be now in other countries.

Sixty percent of the people of the richest country in the world living at or below the margin of existence in the prosperity year of 1929. And since 1929 we have been going through the worst economic crisis in our history.

The implications in the cold and objective statement that 60 percent or more of the people in the United States are living at or below the margin of existence do not have to be spelled out to such an audience as this. You know that it means malnutrition in the child and undernourishment in the adult. It means insufficient clothing and shelter. It means a lack of medical care. It means that people must forego those normal recreations which keep the body healthy, the mind clear, and the spirit uplifted. It means a curtailment of educational and cultural opportunities.

The life that is being led today by a majority of our fellow citizens is properly analyzed in *Land of the Free*, a recent book by Herbert Agar, who says: "It is not, in plain fact, the sort of life which gives a man a fair chance to save his soul. The poor man in a decent society . . . may possibly deserve the Biblical appellation of 'blessed'; the poor city dweller in an industrial plutocracy is clearly cursed. He not only lacks comfort and security and hope but his surroundings tend steadily to debauch him. Who but a saint can keep kindness or dignity or moral strength if he lives like an animal?"

As a single example of the unspeakable conditions under which millions of Americans actually live who are supposed today to be enjoying the highest standard of living in the history of the world, I will quote from a study made by Mr. M. A. Hallgren of 15 families living in one of the worst slums in Philadelphia:

"In a period of 3 years there had been reported in the 15 families 13 cases of illegitimacy and attacks on girls and women, 11 cases of desertion, 3 of imbecility, 18 of communicable diseases, 7 of absolute poverty, 5 of cruelty and incorrigibility, and 5 of chronic drunkenness." The district in which these families lived is described as follows: "The . . . tenements were almost all narrow three-story affairs, one room to a floor. They were without modern heating and plumbing, the majority of them having to depend on outdoor toilets. They were dirty, dingy, and dark, facing upon narrow lanes and courts, some of which were no more than 5 feet across. Approximately 140,000 people lived in the district."

Examples such as the foregoing could be multiplied by citing incontrovertible facts from every large city in the United States and from practically every town and village because even the countryside has its slums. Nor do the slums alone pose an accusing question as to what we are going to do about such of our social institutions as need overhauling. To our shame be it said that many other striking examples of social and economic maladjustment could be cited. I call to the attention of those who are suffering from political astigmatism the following facts presented by Dr. Goodwin Watson in a recent paper prepared for the American Council on Education:

"Less than one-fourth of the child population receive such minimum health service as annual physical examinations, vaccination, and diphtheria immunization.

"At least 3,000,000 children of school age are not in school at all, due to handicaps, and in some cases to the fact that no school is provided near them.

"The special education needed by 90,000 crippled children, 45,000 visually handicapped children, and 3,000,000 with impaired hearing is still not provided.

"In the United States we have more than 4,000,000 persons over 10 years of age who have never learned to read and write."

In other words, on the scientific frontier we have made tremendous strides. In invention, in the discovery of manufacturing processes and in research we are magnificent. On the industrial frontier we have been using seven-league boots, but on the social front we are just barely crawling.

Now, just what are we going to do about it all? Is our vision so limited and so uninspired that we can see nothing for the future except a return to those conditions that we called prosperous prior to 1929; those times when what was gaudy and cheap and flamboyant in our social system was flaunted in the front parlor while we swept under the back stairs our slums, our unemployment, and our submarginal living for a majority of our people? Or shall we, chastened in spirit by our narrow escape from a social and economic cataclysm that seemed about to engulf all of us in a common disaster, really set to work to build on this continent such a nation as the humane and socially minded of our founding fathers saw in their dreams—a nation consisting not of a numerically small class holding most of the wealth of the country, with 60 percent or more lacking adequate food and clothing shelter, but a nation which, except for that mere handful of misfits and derelicts that are constantly being sloughed off of every social group, shall be composed of citizens who are economically free because they possess the means of supplying themselves with those things that make life worth while and who are, therefore, truly politically free?

Aspirations to make this country what our forefathers intended it to be—a land of equal opportunity for all, regardless of race or color or creed; a land where every man may aspire to at least a modest ownership of private property and a chance at that work for which he is best adapted in order to earn a comfortable living for himself and his family—a living that will make it possible for

him adequately to educate his children, to lay up something for his old age, and to have a little left over for legitimate luxuries—such aspirations have in some quarters come to be referred to sneeringly as "the more abundant life." The inference intended is that to undertake to provide in fact such a standard of living, as mistakenly, we have been boasting already exists, is something naive and childishly amusing. Yet, despite the barbed shafts of ridicule, the labored witticisms and the sneering quips of a certain type of cynical critic, I, for one, do not hesitate to declare that there should be a more abundant life for those millions upon millions of American men, women, and children who are living below the margin of a decent existence.

Since when did the desire to improve economic and social conditions indicate such naïveté as to make him who avows his hope that here in America we may in fact build up the finest social order that the world has ever seen, a legitimate target for satirical gibes? After all, it was to establish political and economic freedom on this continent, to build up a social order within which even the humblest citizen would at least have sufficient food and clothing and shelter and his just share of God's free air and sunshine that our fathers endured the hardships and privations of the Revolutionary War. It was to maintain the social order forged by our ancestors in the blast furnace of that struggle that Abraham Lincoln gave up his life. And in this generation no man need hang his head in shame because he believes that the ideal of those who founded and preserved the Union, the ideal of the more abundant life, is still worth striving for.

Implicit in the New Deal are the desire and the purpose to improve living conditions in America. Frankly recognizing the inequalities, the injustices—yes, the cruelties—of the social order that it inherited from its predecessors, this administration has sought to redress the most glaring abuses and to lead back the people, even if only a little way, toward the path from which unheedingly we strayed in pursuit of a gilt-edged rainbow that always was just around the corner.

This administration is urging the adoption of the pending child-labor amendment to the Constitution that would put an end to the cruel exploitation of millions upon millions of American men, women, and children who are living below the margin of a decent existence.

Since when did the desire to improve economic and social conditions indicate such naïveté as to make him who avows his hope that here in America we may in fact build up the finest social order that the world has ever seen, a legitimate target for satirical gibes? After all, it was to establish political and economic freedom on this continent, to build up a social order within which even the humblest citizen would at least have sufficient food and clothing and shelter and his just share of God's free air and sunshine, that our fathers endured the hardships and privations of the Revolutionary War. It was to maintain the social order forged by our ancestors in the blast furnace of that struggle that Abraham Lincoln gave up his life. And in this generation no man need hang his head in shame because he believes that the ideal of those who founded and preserved the Union, the ideal of the more abundant life, is still worth striving for.

Implicit in the New Deal are the desire and the purpose to improve living conditions in America. Frankly recognizing the inequalities, the injustices, yes, the cruelties of the social order that it inherited from its predecessors, this administration has sought to redress the most glaring abuses and to lead back the people, even if only a little way, toward the path from which unheedingly we strayed in pursuit of a gilt-edged rainbow that always was just around the corner.

This administration is urging the adoption of the pending child-labor amendment to the Constitution that would put an end to the cruel exploitation of underprivileged children. It has sent hundreds of thousands of young men from the slums of our cities into C. C. C. camps, where they can do useful conservation and reforestation work while upbuilding their own bodies and invigorating their own souls. We stand for old-age pensions and unemployment insurance to lift the dread of an uncertain future from those who live in economic insecurity. We have tried to make it possible for labor to bargain on some basis approaching equality with its employers. As enduring evidence of what this administration has already done that is of definite and permanent benefit to the country, I will refer, merely in passing, to some of the accomplishments of the Public Works Administration, whose purpose it has been, not only to give work to the involuntarily idle, but to make this Nation a better place in which to live. We have built many thousands of schools in which to educate the youth of the land; more thousands of sewers and waterworks to protect the health of our citizens; still other thousands of hospitals, sanitariums, public buildings, bridges, and power plants, as well as other physical improvements to add to the ease and comfort of American citizens.

In numerous other ways we have made sincere efforts to mitigate and correct the destructive and ruinous forces that had secured control of the Government. And while this administration has thus been striving for the economic and social welfare of the people, it has provided relief to the unemployed so that no one has lacked essential food or clothing or shelter. In building for the future we have not lost sight of the fact that, in the past, money prosperity and social bankruptcy have gone hand in hand. We venture to hope for a future in which we will have both material and social prosperity.

Opposing the social regeneration of the Nation stand the exploiting classes, composed of those men who already are too rich and powerful for the good of the people but who, nevertheless, are

greedy for more riches and more power. These would turn back the hands of the clock. They have always bitterly opposed every social advance. They are against slum clearance, against low-rent housing, against cheap electric power; they are for low wages and long hours for those who carry the heaviest burdens of life, for child labor and the economic exploitation of women; they are for *laissez faire*, for the status quo ante; they care not, nor have they ever cared, how the great mass of the American people live. Little they reck whether 60 percent of our citizens are living at or below the margin of existence. Let it go to 70 or even 80 percent, provided there is no interference with their own baneful economic habits. To be sure, people must be fed and clothed and sheltered, but expend on them no more than is barely enough to keep them alive in order that they may continue by their toil to add to the wealth and the power of those who have built themselves up on the exploitation of their fellow men and by means of special privileges which have been granted to them by a complacent Government.

Is the America that we shall pass on to our children to be an economic feudalism with the powerful liege lords of finance in control of our resources; with a small but very rich group at one end of the scale and an ever larger and poorer class of dependent vassals at the other? Or is it to be an America of contented and happy citizens supporting themselves in comfort by their own efforts? Are the property and the means of production of America to become more and more concentrated in the hands of a privileged class, or is there to be a wider diffusion of them among the mass of the people, as those who founded this country intended there should be? Is it to be the function of our Government further to foster, protect, and encourage a concentration of wealth that has already reached a point where it threatens the very life of the Nation as it has already put its soul in jeopardy, or is the ideal to be that of serving the best interests of the greatest number of our citizens?

Here are fundamental social and political issues upon which the future of America depends, and the solution of which cannot longer be postponed. In the decision that must be made such a group as I have the privilege of addressing tonight will be profoundly influential. The situation can only properly be called a crisis. In this crisis in our national life you and I have grave responsibilities that we cannot evade without forfeiting our birthright. May all patriotic and right-minded citizens join hands to bring our America into the promised land.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. At this time?

Mr. NICHOLS. At this time, Mr. Speaker.

The SPEAKER. The Chair hopes the gentleman will withhold that until later.

Mr. NICHOLS. I will withhold it if the Chair will recognize me later.

Mr. BINDERUP. Mr. Speaker, I ask unanimous consent that on Thursday, immediately after the reading of the Journal and disposition of other matters on the Speaker's desk, I may be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

FEDERAL REGISTER

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COCHRAN. Mr. Speaker, the first issue of the Federal Register came from the printers Saturday. Members of the House know I have taken the position that the compiling and printing of Executive orders and regulations through the medium of the Federal Register is a waste of public funds and I introduced a bill providing for the repeal of the act before it even went into effect.

Mr. CELLER, of New York, is the author of the bill and chairman of the subcommittee of the Judiciary Committee that considered the legislation. When the distinguished chairman of the Judiciary Committee [Mr. SUMNERS of Texas] asked me what subcommittee I should like to have the bill referred to, I told him to send it to Mr. CELLER's committee, the author of the bill, as I was willing to face the lion in his own den. The hearing was held. I was the only one who appeared in favor of repealing the act, while Mr. CELLER made it his business to have plenty of heavy artillery present to sustain his contention that the Federal Register was a necessity. I pointed out that no Member of Congress ordinarily receives more than one request a month for a Federal regulation, and not more than one request in 6 months

for an Executive order, and I offered at that hearing, if anyone present would write down the name of an Executive order or regulation, I would get it for him immediately. No one responded.

The Federal Register Act grows out of a request of a justice of the Supreme Court, during the consideration of the "hot oil" case, asking as to where the Court might secure a copy of the regulation that was referred to. Had there been a secretary or a clerk of any Congressman or Senator present who would have had the nerve to address the Court, he or she could have told the Court where the regulation could have been found. Naturally, there was considerable newspaper notoriety because no one could tell the Supreme Court where to secure a Government regulation. The law providing for the printing of Executive orders and regulations having legal effect in the Federal Register followed.

In the language of the street I was of the opinion that there was going to be plenty of "bull" in the Federal Register and my view is confirmed by the first issue of the Register. History will record that the first Executive order published in column one of the first issue of the Federal Register has to do with Bulls Island, which is 3 miles off the South Carolina mainland, and the President provided by that Executive order that the island is to be reserved for the Department of Agriculture pursuant to the Migratory Bird Conservation Act. I doubt if anybody within the vicinity of Bulls Island will ever see a copy of the Federal Register unless it would be the Congressman or Senator. It took two pages of the Register to print the Executive order in regard to Bulls Island.

We also find in the first issue a regulation of the Income Tax Division of the Treasury Department. The author of the bill [Mr. CELLER] is a lawyer and is a member of a law firm, and if that firm handles any income-tax cases, he knows just as well as I know that the private corporations that have been supplying all lawyers, accountants, and business houses with copies of income-tax regulations in loose-leaf form will have this regulation in his office before the week is out. A number of private corporations print these regulations and supply those interested with them.

Yesterday the gentleman from New York was granted 10 minutes by unanimous consent to make a speech in regard to the Federal Register. At the time he asked for this consent he evaded the question as to the subject he proposed to discuss, but it so happened that the gentleman from New York had told me it was his purpose to discuss the Federal Register, that he would mention my name, and suggested that I be present. I did not object. I was present and did not interrupt the gentleman at any time, but at the conclusion of his 10 minutes I felt that it was only fair, in view of the fact that he had mentioned my name on several occasions, that I should have an opportunity to reply. Every other Member of the House of Representatives, even the gentleman from Massachusetts [Mr. TREADWAY], who had 20 minutes to speak, was willing that I have this opportunity except Mr. CELLER himself, who had mentioned my name. The gentleman from New York insisted that if I were to have 5 minutes, then he wanted 5 minutes additional; and when the Speaker told the gentleman his request could not be coupled with mine, then the gentleman requested that I yield 2 minutes of my 5 minutes to him, although the gentleman from New York had just addressed the House for 10 minutes. Of course, I declined to yield 2 minutes of the 5 minutes to the gentleman from New York; and thereupon Mr. CELLER showed very poor sportsmanship by objecting to my request, and I was denied the opportunity to reply.

There is plenty I could say in reference to the administration of the Archives Act and the Federal Register Act, which is part of the Archives, but I am going to be kind and not do so, other than to remark I do deplore the fact that there are going to be over 250 employees paid out of the appropriations for that purpose during the next fiscal year and not one of them is subject to civil-service laws and regulations. Most of the appointments have been made, and I am not going to say who might have been successful in getting the jobs, but one thing I will say is: That in no way enters into

my views upon this question. In fact, I do not think I gave anyone a recommendation for a position in that office, nor did I ever talk jobs to the Archivist, Mr. Connor, or the gentleman in charge of the issuing of the Federal Register, Mr. Kennedy. I might have given someone a recommendation for a position as a stenographer or clerk, but if so, I do not recall it at this time; so, as I say, the question of jobs did not enter my mind when I took the position that the Federal Register was not necessary and the cost to the taxpayers was not justified.

The gentleman from New York [Mr. CELLER] told the House yesterday that \$100,000 had been appropriated for the purpose of carrying on for 4 months. I cannot understand why the gentleman did not be fair and tell all of the facts to the Members of the House when he discussed that part of the subject. He knows and I know there was one appropriation for \$100,000, another for \$150,000, and a third appropriation included in the general Archives appropriation of \$39,760 for the Federal Register, and each and every one of these appropriations has been passed since we convened the present session of Congress the first of the year.

Aside from this, however, let me call your attention to the fact that they did not get all the money that they requested and had the Appropriations Committee given them all the money that they desired, it would have been several hundred thousand dollars more, so you have an idea of just exactly what this Federal Register is going to cost the taxpayers of the country.

I am a good loser. I have made my fight for the time being, and I have not been successful.

The gentleman from Pennsylvania [Mr. SNYDER] stated to the House when one of the appropriations was under consideration in the legislative bill that it was on trial—that they did not give them all the money they desired, and if at the expiration of 8 months it was found that the Federal Register was not necessary, steps would be taken to have the law repealed. The gentleman from Indiana [Mr. LUDLOW], also a member of the Appropriations Committee, sustained my contention in his speech that it was unnecessary and an unwarranted charge upon the taxpayers of the country.

The gentleman from Indiana [Mr. LUDLOW], as you know, is an old newspaperman and followed his profession for over 20 years in Washington. He knows the value of publications, and I am sure he would not reach his conclusion until he had given the matter a great deal of thought.

Now, what has happened in reference to the first issue of the Federal Register? The cost is \$1 per month or \$10 a year. Fifteen thousand copies of the Register are now being printed of each issue, at least four times a week, and up to the close of business last night I was advised by the Superintendent of Documents of the Government Printing Office, who handles subscriptions to all such publications, that they had on their list 69 paid subscribers, despite the fact that the Federal Register has been advertised extensively in the metropolitan press of the country as well as every trade publication in the country for the last 8 months, and the great press associations carried an item which was sent to all the papers in the United States advising them that the Federal Register was being printed, the cost, and so forth.

As I say, I am going to be a good loser. I want to express the hope, however, that those of us who are fortunate enough to be returned to the next Congress will give special attention to this item; and if it is found that the Federal Register is unnecessary, then repeal the act. If it develops the Federal Register is a necessity, I will be the first one to admit I was in error and I will support the appropriations that will be necessary to carry out the provisions of the law.

I regret that the gentleman from New York [Mr. CELLER] was not sportsman enough to permit me to reply to his argument at the time he addressed the House for 10 minutes so that the readers of the CONGRESSIONAL RECORD would have had both sides at that time. My only purpose in making this statement is that the readers of the CONGRESSIONAL RECORD, not having the entire picture before them, will not conclude that the views of the gentleman from New York are supported by the entire membership of this body.

INDIVIDUALISM

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a radio address I made last night.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD I include the following address which I made over a National Broadcasting Co. network March 17, during the program Congress Speaks:

Friends and neighbors, from the days of its earliest settlers New Englanders have asserted their individualism and independence. To their descendants have been transmitted many of their outstanding characteristics. Of the hardy pioneers it has been well said that: "Encompassed by enemies they were never conquered; beset by evils they were always undaunted; forsaken by friends they forsook not themselves."

Those States whose independence they secured are the monuments of their labors, and the children to whom they left them rise up and call them blessed.

Sound common sense; a keen perception of right; promptness of action; calm, steady courage; tenacity of purpose; thrift; and unaltering perseverance and a strong conviction that God helps them who help themselves are the characteristics of those New Englanders who are rightly known as rugged individualists. They still believe in the Constitution of the United States, in the Declaration of Independence, in the Bill of Rights, and in the constitutions of the several States, and if that makes them old-fashioned, rugged individualists, they should thank God for it.

The value of individualism is found in its stimulation to initiative, to the development of personality and intellect, of thought and spirituality, added to which is the firm and fixed ideal of equality of opportunity.

Despite all the arguments to the contrary, in the last analysis it is true that not nations, not armies have advanced the race, but here and there in the course of the ages some individual has stood up who has cast his shadow over the entire world. As we read history we know that the worth of a state in the long run has been and is measured in terms of the character of the individuals who compose it. It is demonstrably true that the success of any and all adventures in political economy and government depend fundamentally upon the individual and his associates. There is no initiative in the mass. All theories to the contrary notwithstanding, leadership incident to, and for which individualism is responsible, is found in the individual, and in him alone. To this conclusion the facts of the case irresistibly drive the impartial and honest and patriotic citizen, who is not shocked off his mental balance by the ballyhoo of the socialistic propagandist.

No one can deny or refute the premise that the American system of government is the greatest success from the experimental standpoint in the history of the world, thanks to the rugged individuals who laid its foundation. A weak nation has mastered a continent and achieved a greater degree of progress in 160 years than had been accomplished in the 2,000 years that have gone before. The American people have enjoyed a greater and more progressive diffusion of wealth, comfort, security, educational opportunities, and a higher standard of living than ever has been enjoyed by average men and women at any time or anywhere.

All the theories of all the theorists to the contrary notwithstanding, what has been accomplished is directly to be credited to the virtues, the character, the initiative, the energies of the individuals who have lived under a system of government they themselves established, which brought unlimited opportunity to them all.

"Patriotism", said George W. Curtis, "in an American is simply fidelity to the American idea." Whatever in its government or policy tends to limit and destroy freedom and equality is anti-American and unpatriotic, for, in America, liberty and equality of opportunity are inseparable ideas.

"In this country of ours", said Calvin Coolidge, "sovereignty rests in the individual, and his rights must be protected and respected." So I say to you that the word "individualism" is one of which we of New England may well be proud and conjure with. It is only when we take time to stop and think—which we seldom do—that we appreciate the significance of it and all that it means to us and to these United States from a material standpoint.

When I hear people speaking disdainfully of rugged individualism, I wonder what this country would have become had it not been for the courage, initiative, and inventive genius of those whom some would now attempt to ridicule.

What would New England have amounted to had it not been for hundreds of men and women who, as individuals, made her progress possible? Time does not permit me to discuss them at length, but—lest we forget.

There was Philip Kertland, who commenced the manufacture of shoes in Lynn in 1640. Then came the shoemaking shops; then a splitting machine and the great inventions of Gordon McKay and Blake, and the development of an industry producing \$500,000 worth of goods annually; more than half of all the shoes made in the country, one of the Nation's most important industrial assets.

Then John Simmons, of Boston, manufactured the first ready-made clothes; came the perfection of the sewing machine; incidentally Simmons College was endowed, and Andrew Carney, another pioneer, founded the Carney Hospital.

Only 8 years after the settlement of Boston, or in 1638, the first fulling mill was established in Rowley, Mass. In 1794 the first

power woolen mill was established in Byfield and the first carding machine in this country was here put into operation, most of the machinery having been built in Newburyport. There was a day when New England woolens were valued at \$218,000,000 out of a total product for the whole country of \$380,000,000.

John Hall, the famous pine-tree-shilling mintmaster, established his silversmith trade in the Massachusetts Bay Colony as early as 1642. Paul Revere, who later was succeeded by his son Paul, established himself as a silver and gold smith in Boston about 1725.

As early as 1786 cotton machinery was being built at Bridgewater, and at cotton mill was erected at Beverly in 1787, which was a year at least before the Carolinas and Georgias first cultivated the cotton plant on American soil. It was not until 1793 that Eli Whitney invented his famous cotton gin, which made it possible for the South to supply the world.

In 1794 Nehemiah Dodge, of Providence, plated gold on sheet copper, and the making of inexpensive jewelry began. In 1807 Obed Robinson, of Attleboro, built the first shop ever erected for the express purpose of manufacturing jewelry.

Thirteen years before the Pilgrims landed in Plymouth Popham and Gilbert established a fishing colony in Maine, and in 1614 John Smith founded a similar colony at Pemaquid. The first settlers of Gloucester were shipbuilders and carpenters, and Marblehead contended with Gloucester for two centuries as a fishing port. Francis Ingalls set up the first tannery in the Colonies on Humphreys Brook in Swampscott, Mass., and shortly afterward Experience Mitchell established a tannery in Plymouth in 1623.

Elias Howe, aided by George Fisher, built the first complete sewing machine in May 1845. This invention was improved by Isaac Singer.

The process for solidifying rubber was the invention of Nelson Goodyear, which step in a series of inventions made possible the development and the manufacture of the countless articles which are now made.

It was an individual who had the idea of making a business conveying parcels and established the first express business on the Boston & Providence Railroad between Boston and New York.

The growth and development of the paper-making industry and the credit for the initiative shown must be given to Stephen Crane and Abijah Burbank, who began their paper-making industry at Sutton sometime after 1760. Around 1750 Gowen Brown made one of the earliest clocks, which is still preserved. Benjamin Willard, with his shop in Roxbury, started business around 1773 and Eli Terry around 1793.

John Harris, Robert Cowan, Samuel Blythe made harpsichords and spinnets in 1769 and John Hawkins patented an upright piano in 1800. You know that the first nails made by machinery in this country, probably the first in the world, were made by Samuel Rogers at East Bridgewater in 1794.

In these days when man makes electricity his servant, we seldom think of that pioneer, Thomas Davenport, of Williamstown and Brandon, Vt., who invented the electric motor. Nor do we pay the respect due to the memory of Samuel Morey, of Orford, N. H., who, as early as 1795, was the inventor and patentee of the steam engine and steam pump and later of the first internal-combustion engine.

Samuel F. B. Morse invented the telegraph in 1837. He was a native of Charlestown, Mass.; and so I might go on through all the different fields of industry, invention, education, religion, and progress and tell about the banks, finance, agriculture, quarries, mines, and different businesses and enterprises which have made New England and helped to make the world a decent place in which to live. After all is said and done, it cannot be controverted successfully that the idea and ideas of New England individuals have dominated and still continue to dominate the world.

I have spoken of these individuals and of the industries which they established illustratively, since we are so prone to take so much for granted and to be so unappreciative of our blessings. And, moreover, to call your attention to the fact that individual initiative, then as now, lays the foundation on which is erected the superstructure of all progress—intellectual, spiritual, moral, and material—which makes for prosperity and contentment and advancement, such as we have a right to seek to attain; but we must never forget that somewhere, sometime, some place, some individual—some man or some woman—pays the price.

It has been well said that, while the economic development of the past has lifted the general standard of comfort far beyond the dreams of our forefathers, the only road to further advancement in the standards of living is by the greater invention, greater elimination of waste, greater production, and better distribution of commodities and services.

Let me say to you, however, that progress such as we would have and ought to enjoy necessitates and requires strict guardianship of those vital principles of individualism, with its safeguard of true equality of opportunity. To preserve the former, as someone has said, we must regulate that type of autocratic activity that would dominate. To preserve the latter the Government must keep out of production and distribution of commodities and services. This is the dead line between our system of government and socialism, and there is no neutral area.

Regulation to prevent domination and unfair practices, yet preserving rightful initiative.

So surely as the sun rises and sets, nationalization of industry and business spells the end of your governmental system, and do not forget it.

Whether we like it or not, and whether we agree with it or not, and I most certainly believe it to be true, individualism has been the primary force of American civilization for three centuries.

It is our American sort of individualism that has supplied the motivation of our political, economic, and spiritual institutions throughout all these years. It has met every crisis. It has proved its ability to improve its institutions with every changing scene.

Those who would strangle individualism and establish a different order, insidiously or otherwise, know not whereof they speak, for our very form of government is the product of the individualism of our people, and grew out of a demand for an equal opportunity for, and a fair chance for, all.

Do not be misled. Compared with the opportunities for advancement in all lines of human activity which the next century offers those who will work out its salvation, the accomplishments of the last hundred years will sink into utter insignificance. No man dare prophesy or predict what some other man may not be able to accomplish. The possibilities are beyond our ability to comprehend, the opportunities as countless as the sands on the shores of the sea. That man is ungrateful who does not appreciate what a privilege it is to live in so wonderful an age.

The American pioneer has been called "The epic expression of individualism", and the pioneer spirit is the response to the challenge of opportunity, to the challenge of nature, to the challenge of life itself, as well as to the call of the frontiers.

No, my friends, so long as the spirit of individualism exists we need have no fear as to the fate of this Republic. The spirit of individualism need never die for lack of something for it to achieve. There will always be frontiers to conquer and to hold so long as men as individuals think and plan and dare.

Democracy itself is merely the mechanism which individualism invented, as a device that would carry on the necessary political work of its social organization. Democracy arises out of and rests upon individualism, and prospers through it alone. To curb those forces which would destroy equality of opportunity and to maintain the emulative and creative faculties of our people are the objects we must attain.

Go tell the pessimist that we have a vast domain of 3,000,000 square miles—this Nation of ours—literally bursting with treasure still waiting the hand of the individual and the magic of capital and industry to be converted into the practical uses of mankind; that what natural resources we lack we have the brains to manufacture, synthetically; a country rich in soil and climate; in the unharnessed energy of its mighty rivers and in all the varied products of the field, the forest, the factory, and the farm.

We have the manpower, the womanpower, and the brains. And, as individuals, realizing the tremendous responsibility that confronts us and rests upon each and all and everyone of us, we are determined to go forward, to perpetuate blessings already received, and to make sure and secure the achievement of a greater America, yet to be.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the special order granted the gentleman from Nebraska [Mr. BINDERUP], I may be allowed to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BY THEIR WORKS YOU SHALL KNOW THEM

Mr. STACK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STACK. Mr. Speaker, as the Representative of the people of the Sixth Congressional District of Pennsylvania, comprising the thirty-fourth, fortieth, and forty-sixth wards in West Philadelphia, the majority of whom sent me down here by their vote to represent them, I am herewith rendering an account of my stewardship since January 3, 1935.

They and they alone should know what I have done in the Halls of Congress. They and they alone should know whether I had their interest at heart or the interests of the special privileged when I voted on the different measures that came before the House.

As our old friend Al Smith, the Happy Warrior of other days, used to say, "Let us look at the record."

I worked for and voted for the following administration measures:

First. The \$4,880,000,000 work-relief bill.

Second. Immediate cash payment of the adjusted-service certificates, commonly called the bonus, and, of course, voted to override the President's veto.

Third. Home-mortgage-relief bill.

Fourth. The social-security bill, or old-age-pension bill.

Fifth. To prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace.

Sixth. Signed petition no. 7 to have the Frazier-Lemke bill brought out on the floor of the House for a fair and free discussion.

Seventh. To extend the National Recovery Act.

Eighth. Wagner-Connery Labor Relations Board Act.

Ninth. National Youth Administration program.

Tenth. Wheeler-Rayburn public-utility bill.

Eleventh. Bill extending the Reconstruction Finance Corporation.

Twelfth. To extend the guaranty of bank deposits.

Thirteenth. The tax bill.

Fourteenth. To develop and promote a strong merchant marine.

Fifteenth. Guffey coal bill.

Sixteenth. To repeal the "Pink Slip" Act.

Seventeenth. For humane immigration laws.

As a veteran who fought and bled for his country and as a member of the powerful Pension Committee, I have diligently labored to secure justice wherever possible for the veterans of all wars, and was glad to be a member of that committee which reported and voted for H. R. 6995, restoring to the Spanish-American War veterans and their dependents rights taken away from them by the so-called Economy Act.

I was instrumental in having many World War veterans' compensation cases adjusted, in several cases getting a special hearing for the veterans here in Washington.

I have stood behind labor legislation 100 percent and fought for Federal employees in and out of season, particularly the substitute post-office employees, who became my special protégés in the first session of the Seventy-fourth Congress.

In the Good Book it is written, "By their works you shall know them."

My record as a Democrat and a Congressman is an open book, and I hope my record here in the Halls of Congress and in my district have met with the approval of the electors of the Sixth Congressional District.

COMMITTEE ON MILITARY AFFAIRS

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs may be permitted to sit during the session of the House today.

The SPEAKER. Is there objection?

There was no objection.

WHAT WAS LINCOLN'S POLITICS?

Mr. CREAL. Mr. Speaker, I ask unanimous consent to extend my own remarks on the use and abuse of the name of my fellow townsman Abraham Lincoln.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CREAL. Mr. Speaker, coming from the birthplace of Lincoln, I would have made some remarks on the birthday anniversary, but as there was a special order for an address on Lincoln in this House on that day by the gentleman from Illinois [Mr. REED], I did not intrude.

The big double log house on the Lincoln farm near the entrance was the home of my great-uncle, Richard Creal. It is kept standing as an ancient landmark. The custodian of the grounds, who has acted in that capacity since the erection of the memorial building, is a grandson of the same man, never having lived out of sight of his grandfather's place nor the sight of the Lincoln home.

The Lincolns went by the name of "Linkhorn" when there. After the birth of Lincoln the family later moved about 7 miles north of town, which then consisted of a mill and a few houses, to a farm on Knob Creek, where Abe lived until the age of 7. There he attended two winter schools and in later life mentions these two teachers and his impressions of them.

He was large for his age and, as was the custom, saw much outdoor life in the Knob Creek community. The Knob Creek Valley is a narrow, fertile valley studded on either side by high, well-wooded peaks, which makes the immediate vicinity where he saw the rising and setting sun the most beautiful drive on the Jackson Highway in Kentucky.

It was there his playmate, Austin Gallagher, rescued Abe from drowning when he fell in a hole in Knob Creek. Gal-

lagher lived to a ripe old age and delighted to recall the many events of his and Abe's escapades. Up and down Knob Creek they romped, waded in the crystal waters of Knob Creek, tried to catch minnows in their hats, threw rocks at songbirds, fished, climbed dead trees to hunt flying squirrels, and rambled the hills for nuts, berries, or pawpaws, enjoying the rural life only as such boys at that age can do.

If Lincoln could return today to that community, or the place of his birth nearby, he would find most all the people to be the grandchildren of his former playmates—many farms never having been out of the family. The burial place of Isham Enlow, with a small blackened marker in a cemetery no longer in use, can yet be seen. It was he who visited the Lincoln cabin that snowy evening and found Abe's mother along with Abe about to make his debut into the world.

While on the Knob Creek home, Abe's infant brother died and in the home-made coffin was carried on the shoulder of a brawny neighbor up a long hill, a mile away to the old Redman burying ground, now long in disuse. About 3 years ago a workman on the grounds of this neglected cemetery found what was, without doubt, the marker for the infant Lincoln. In those days the large limestone slabs, always cut diamond-shaped, and the full length of the grave, with initials on top, were laid flat on top of the grave. This was exhibited a while in the Lincoln National Bank at Hodgenville and then taken by the finder, who praises it highly.

It is a peculiar coincident that along the road in front of the Lincoln home place on Knob Creek rode Jeff Davis, riding a spotted pony all the way from Mississippi, at the age of 9, to enter school about 30 miles north of the Lincoln home. Thus both had their school days at first not far apart. We doubt if at that time there was anything in the outward appearance of either of these lads, both born in Kentucky, that would lead one to suppose that they would be President of the United States and of the Southern Confederacy.

Then came Tom Lincoln's time to move again, which he liked to do. He was through acting as road overseer or as constable in Cumberland County and Hardin County. They headed for Indiana. To me this is the most pathetic incident in Abe's life. He was old enough to love his playmates and the familiar landmarks and haunts of Knob Creek, where he had attended two schools. In those days friends were friends, and playmates in that community the same as brothers, quite different from town life and its social ties. His friend and playmate, Austin Gallagher, said he watched them load up, which was a small matter to do, and, as if to hold that tie of boyhood affection to the last minute before it was severed, he walked with Abe, as far as he could go. He waved at Abe and occasionally Abe waved at him, until he gradually passed from sight. He said the last wave he saw Abe's head slowly go behind the hill, and he knew he was long gone. With a lump in his throat, and doubtless one in Abe's also, he turned wearily to retrace his steps by the deserted home. They never met again, but Abe never forgot Austin, as mentioned by him in his mental trips back to Knob Creek.

The trek made by Abe to the Indiana home is known officially as the Lincoln Trail, which we hope some day to see made a national highway, as it extends on to Springfield, from the cradle to the grave, so to speak, and the route has been designated by officials. It is these landmarks and relics that we in LaRue County take pride in preserving. Little incidents in the life of the family have been handed down by the neighbors of Lincoln to the grandchildren and great-grandchildren and abound in that community. Neither Lincoln nor any of his children ever visited the place of his birth. Robert Lincoln, now deceased, attended the unveiling of the monument in the town square, but because of sudden illness did not go out to the birthplace, 3 miles away. The beautiful memorial building which now houses the cabin was erected by popular subscription and, with the farm, deeded to the Government.

The cornerstone was laid by Theodore Roosevelt, the building dedicated by William Howard Taft, and the acceptance on the part of the Nation was by Woodrow Wilson.

Lloyd George, Queen Marie, and American and foreign notables have paid a visit.

The clear, crystal waters of old Knob Creek, which ripple and gurgle over a pebble bottom as the moon shimmers its light and shadow therein, is just as Abe left it. The spring-time still decorates the high peaks standing on either side like sentinels guarding the historic ground. The dogwood and redbud blossoms make a picture that baffles the efforts of the landscape artist or painter to try to imitate. In this little pocket in the valley endowed with Nature's beauty supreme, on scenic Knob Creek, we invite you to visit. The same families, the same landmarks, everything except Abe, remain fixtures like the tin soldiers of Little Boy Blue. With this I close the chapter as far as Lincoln and LaRue County go.

In my county seat, the town of Hodgenville, an annual program on the anniversary of Lincoln is held, and it is the only Lincoln anniversary held in the United States as it should be held. It is historically reminiscent only and has not degenerated into an opportunity for Republican propaganda as all others have. They prefer to remember him as a poor country lad of our county who went away and made a name; and on behalf of Lincoln I want to register a protest against the use and abuse of his name with every questionable platform program or official act of modern-day controversies. I ask by what authority Republicans of 1936 use Lincoln's name as if he would second their motion if present? All over the country they use this anniversary as pretext for other things, serving in a beautiful dish a foul mess of food. It is the custom to mention a few words about Lincoln and then plunge into a tirade of present-day partisanship.

I listened over the radio to many Lincoln Day programs February 12, but none even gave the slightest inkling that there was anything in the life or official acts of Lincoln to justify the assumption that his faith was theirs of today. When men are dead they are painted, magnified, and made in imagination to be whatever the party in interest wants them to be. Historians are equally guilty, like a subsidized press reporter who is told what to see before he sees it and what not to see even though it strikes him with dazzling light across the eyes.

What right has a modern-day Republican to celebrate the anniversary of Lincoln in connection with Republican history of yesterday or today? I hope to show you that Lincoln never was a Republican as known either in history or today. On the contrary, he was the greatest Democrat since the days of Jefferson up to his time, and has only been surpassed by one since his time in hewing to Jeffersonian lines, and that was Bryan.

The two political parties of America were born in the effort to make our Constitution. There have been but two since that time of any consequence. There have been but two in all the days of modern or ancient history. In one country they may wear certain names or occasionally change their names, but by whatever name or under whatever clime they clash, the principles are the same. One party endeavors to protect the nobility, the aristocracy. The other is eternally trying to reduce favors granted to royalty and to distribute prosperity to the masses. Like litigants in court before a jury, parties represent classes of distinct interest. This is true in 1936. It is true today and yesterday the whole world over. So the two new parties which sprang up and clashed in our Constitutional Convention were not new parties—just the old, old parties of ages, assuming names and leaders in new America.

Let us look at the constitution offered by Hamilton, the father of the Republican Party in America. Here it is in brief:

Elect the President for life.

Elect United States Senators for life.

Elect Congressmen every 3 years.

The Governors of each State to be appointed by the Federal Government and serve for life.

The judicial officers to serve for life.

The President's veto was final—no overriding.

A State Governor's veto was final—no overriding.

The Senate would declare war instead of Congress.

Only those could vote who had a certain landed estate or who had exempt personal property to the value of 1,000 Spanish mill dollars.

In selecting a President the States would elect electors with limited qualifications for the voter. These electors would meet in their States and select another second group of electors. The second electors would come to Washington and after due deliberation in convention assembled name a President. Thus the first voter would not know who were candidates when he named the first elector. It would be so long ahead of time. This process would elect a President when one died in office, whether aged 90 or 101.

Hamilton emerged from the Convention with only the judiciary as life servers. And while on that point let me say that neither Hamilton or Jefferson ever dreamed of bestowing the power on the Supreme Court to nullify an act of Congress, for Hamilton was thinking only of the Supreme Court of England and it had no such power. With the President's veto final and a Senate serving for life he did not need a Supreme Court to kill a law if not desired. I pass no opinion on the assumed authority of the Court to so act without a constitutional provision, but leave that for your separate inclination and judgment. The Constitution was a compromise largely favoring Jefferson's views.

Quoting Hamilton, who said:

Society naturally divides itself into two political divisions, the few and the many, who have distinct interests. This separation must be permanent; representation will not do.

He further said when trying to defend a monarchy:

The advantage of a monarch is this: He is above corruption. Republics are liable to intrigue.

Listen to him again:

There ought to be a principle in Government capable of resisting the popular current.

And, again:

The aristocracy ought to be entirely separated; their power should be permanent. They should be so circumstanced that they have no interest in a change.

Really has the issue changed but little in these 150 years? It is the issue now in 1936 as well as in 1787.

If Abraham Lincoln's life, conduct, speeches, or actions coincided with these views, then he was a Republican, and Republican Lincoln Day orators are justified in so labeling him.

He was the greatest advocate and expounder of Jeffersonian democracy this Nation ever saw up until the advent of William Jennings Bryan. Lincoln was not only a great admirer of Jefferson and quoted Jefferson as his political bible on all occasions, but his own phrases and political thoughts are paraphrases of Jefferson. He never quoted Hamilton as authority.

You hear people talk today of the Federal Government. There is no Federal Government. That was the kind Hamilton attempted to install, but Jefferson defeated it. The name of this Government is the United States. It appears on every post-office sign.

Then, following the Convention the people divided into Federalists, led by Hamilton, and anti-Federalists, led by Jefferson; and the anti-Federalists were most generally victorious. Later, wanting to get the whole name of Federalists out, the anti-Federalists, or Jeffersonians, then called theirs Republican Party, which signified the name of the kind of government Jefferson established—a Republic.

Later on the name of the party Republican was changed to Democrat because they operated the republic form of government in a democratic manner, or the manner that gave greatest voice to the voters.

After many years of losing battle the Federalists—Hamiltonian party—seeing the Republic was here to stay, went back and picked up the discarded name of the Jeffersonians and called their party Republican. But before they did that they had tried Whig Party or any other place to get in and had petered out almost completely.

Then came one of those storms that had been brewing for years—the black cloud of slavery. Like all questions of supposed moral issue, it split party lines asunder and the one question overshadowed all others. The dominant Democratic Party itself divided and named two candidates, and the new Republican Party nominated Lincoln and went between the rift in the great Democratic ranks. Thus Lincoln is the only President who was twice elected and never received the majority of the whole vote either time. The second election the South was disfranchised and could not vote. LaRue County, the birth place of Lincoln, gave him 3 votes. Jefferson was then dead, but were he and Lincoln still together, even on this question?

Thomas Jefferson, the father of the Democrat Party, was the pioneer in American politics in opposition to slavery before Lincoln was born; and Lincoln, his long-distance disciple, used Jefferson's own legal language on slavery in writing his documents on that question.

In the Constitution, section 9, written by Jefferson—

The migration or importation of such persons as any of the States now existing shall think proper to admit shall not be prohibited by the Congress prior to 1808—

And so forth, was the best compromise that could be had on his desire to abolish slavery. On March 1, 1774, Jefferson was chairman of a committee to draw up a proposed government for the Northwest Territory, composed of what is now Ohio, Indiana, Illinois, Michigan, and Wisconsin; and in that report he wrote:

That after the year 1800 of the Christian era there shall be neither slavery nor involuntary servitude in any of the said States otherwise than in punishment for crime whereof the party shall have been duly convicted.

Lincoln, in his Emancipation Proclamation and in the thirteenth amendment, uses this language first written by Jefferson. In a letter to Dr. Price in 1775 Jefferson wrote:

In Maryland I do not find such a disposition to begin the redress of this enormity as in Virginia. This is the next State to which we may turn our eyes for the interesting spectacle of justice in conflict with avarice and oppression; a conflict wherein the sacred side is daily gaining recruits.

In his notes on Virginia in 1782 he wrote:

During the regal government we had at one time such a duty on the importation of slaves as amounted nearly to a prohibition when one inconsiderate assembly repealed the law.

In 1814, to Edward Cole, Jefferson wrote:

My sentiments on the subject of slavery have long been in possession of the public, and time has only served to give them stronger root. The love of justice and the love of country plead equally the cause of these people.

How about secession from the Union? We know Lincoln's views; let us see Jefferson's, but for lack of time I quote only one of his many letters expressing himself on that point. A friend of his, who was going to tour the country as a lecturer, asked Jefferson to suggest a subject, and he wrote him as follows:

MONTICELLO, August 4, 1811.

To Mr. OGILIVE:

Since writing the above an interesting subject occurs. What would you think of the discourse on the benefit of the Union and miseries which would follow a separation of the States, to be exemplified in the eternal wasting wars of Europe, in the pillage and profligacy to which these lead, and the abject oppression and degradation to which they reduce its inhabitants? Painted by your vivid pencil, what could make deeper impressions and what impressions could come more home to our concerns or kindle a livelier sense of our present blessings?

They thought the same way about the Supreme Court, and both spoke harsher criticisms about its decisions and entrenched power than has been uttered by any public official of Washington in 1936. Jefferson did not use those exact words later used by Lincoln, "A government of the people, by the people, for the people", but every fight he made and every letter he wrote was to that effect. Both used the words repeatedly, "All men are created free and equal"; "Equal rights to all, special privileges to none." Every public speech or writing of Lincoln rings the echo of Jefferson, often using his own language verbatim, and always the same central

thought in championing the cause of the masses or the forgotten man.

And with all the writings, speeches, personal letters, and their lives before us, their tracks across our domains show that it is the same species of animal you are tracking. Neither of them ever made one track that looked like the track of the G. O. P. elephant, unless a man was drunk or cockeyed and unable to tell one track from another. Lincoln's party left his teachings the day he was shot and attempted to install a reign of carpetbag rule over a people in direct and flagrant contradiction of the principles for which he had just conducted a costly and bloody war.

By a long series of legislative acts and military orders they sought to reenslave and pillage a proud and cultured white people just after a war freeing a black race. Lincoln never would have stood for that.

Because Andrew Johnson, the succeeding President, would not let them kick a man when down and add insults to injury, they sought to impeach him and came within an inch of doing so. From that day to this good hour they have never followed Lincoln's views, but reverted to the doctrine of Hamilton, and in each and every campaign up to 1936 have made themselves the champion of the cause of that class described by Hamilton "which should not be disturbed by changing conditions" and to protect that "few who have distinct interests" and to protect them from the "popular wave."

The assembly of the Liberty League is the same assembly which met to shape every campaign for them since Lincoln's untimely death. On Lincoln's anniversaries they should, like the prodigal son when sowing his wild oats, be conscience-stricken in remembering "today is father's birthday back in the old home and here I am way out here in this garb."

This Republican divorce from Lincoln's ideals, which was granted with U. S. Grant's ascendancy, and granted with U. S. Grant to the United States, has at all times since been in full force and effect, and not modified, set aside or appealed from by them. On the 12th of February annually they go to Lincoln's tomb and lug into Lincoln Day dinners Abe's ghost, and would have him to say that he was opposed to the T. V. A. to furnish cheaper power and light to add to the comforts of the home. They have him to say that he is opposed to the grandchildren of Austin Gallagher in the hills of Kentucky sharing the elevated prices produced by the A. A. A. program, that he opposed income tax to provide relief or a job for the hungry. There ought to be a Federal law for desecration of the grave. Because Abe never answers these questions from the tomb they assume silence gives consent. For that reason I want to register my voice in protest to blasphemy of the dead.

Imagine Abe, who frequently gave away his lunch to more hungry schoolmates, and went without himself, homespun, big-hearted, charitable Abe, uncouth but tender in sympathy, sitting in with the Liberty League, planning a campaign to protect the aristocrats when all his own class from which he sprang stood empty-handed. Does anyone doubt for a moment how he would vote if in Congress today when these questions arise. The gentleman from Massachusetts would have a scrap with him before night about the Supreme Court. Now I want to digress here to say that Robert E. Lee had freed his own slaves voluntarily before the war started and that thousands of Union soldiers and many Army officers in the Union Army held slaves while invading the South. Lincoln was forced into war by hotheads of his own party and not by choice of his own.

In his inaugural address Lincoln assured the Southern States in this language:

I have no purpose directly or indirectly to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so.

And yet the average Republican ward heeler has long told the Negro that Lincoln ran for President on the avowed platform for the purpose of freeing the Negro.

In Charleston, Ill., in 1858, Lincoln said in his speech:

I am not now nor ever have been in favor of bringing about in any way the social or political equality of the white and black

racess. There is a physical difference between the white and black races which will forever forbid the two races living together on social or political equality.

That inaugural address was a sad disappointment to the hotheads behind him. They expected him to invade and shoot down opposition and immediately liberate, Constitution or no Constitution; and Abe, completely surrounded by superior statesmen, and being wholly inexperienced in any executive capacity allowed himself to be shoved into hasty action and instantly called for 75,000 volunteers, and 300,000 readily responded. Responded for what? To patrol and police for awhile, until cool-headed judgment and negotiations might have a chance? No; responded craving the smell of gunpowder, blood, and carnage.

Your children's school histories tell you that when they got here that the cry, "On to Richmond!" was too irresistible to be checked. Have you ever noticed that while the controversy was among our own blood and fraught with legal and technical discussion, that history is silent about any conciliation committee, any terms of truce to talk it over, or any policy like Wilson's Mexican trouble of watchful waiting, any exchange for settlement negotiations, or any of the last-effort attempts always made by all people before bloodshed? The South was not invading the North; they just went away in a sulk and then without one single effort to meet and talk it over troops wildly rushed down and went to slaying on sight—just as Lee thought they would do. You may say that further talk would have done no good. If it had not, nothing whatever would have been lost by the effort. Who knows that it would not have brought new understanding?

Andrew Jackson put down one secession rebellion and shed no blood. Suppose the heavy dominant Democratic Party had not divided with two tickets and Lincoln, a child of accident rather than renown, had not been elected? Then would there have been any secession? Certainly not, for no reason for such would have existed. If no secession, no war. Then it could be said that Lincoln's political ambition and election was the cause of a war which might have been averted. Why, down at Fort Sumter there had been a few rounds of ammunition fired but no loss of life. They took over a few minor posts. Let us see how others do today. A few days ago there was a tremendous uprising in Japan and 80 government officials killed and numerous government strongholds seized. By negotiation, parley, diplomacy, and cool-headed statesmanship the revolutionists were induced to surrender without the loss of a single life.

Knowing the great statesman, Thomas Jefferson, as you do, from history, and that great pacificator, Henry Clay, would anyone believe that there would have been war at that hour with either of them as President? If you do not, then you must believe that Abe's inexperience as a diplomat, executive, and statesman was the cause of war that others would have averted.

But you say, Would the Negro have been freed without the war? Not as suddenly, to be sure, but not long afterward; for it was daily becoming more unpopular to be a slave owner. As heretofore mentioned, General Lee had freed his slaves, and large numbers of others were following him. The slave in the South would have been freed even if the rebellion had won. Listen to this from General Lee to Jeff Davis' Confederate Congress while the war was in progress. January 11, 1864, Lee in the field at the head of the southern army wrote President Davis, President of the Southern Confederacy, to transmit this suggestion to the Confederate Congress:

My own opinion is that we should employ them (the slaves) without delay. I believe with proper regulations they can be made efficient soldiers. We should give immediate freedom to all who enlisted and freedom at the end of the war to the families of those who discharge their duties faithfully. It would be well to accompany the measure with a well-digested plan of gradual and general emancipation.

Davis recommended the passage of this act, but it was not carried in the Congress. This is the evidence again that the sentiment was daily growing for emancipation before the war.

When we passed the eighteenth amendment the distilleries were paid for their liquor. If the Government had bought

all the slaves, the cost would have been less than 1 percent of what it did cost, besides the carnage and destruction of property.

George Washington and Jeff Davis were both classed as rebels. When rebels succeed in large strips of secession or small ones, they are world heroes. When they fail they call them traitors. Had Washington failed, the school children of our land, like the loyal children of Canada with a British flag flying on the house, would have had pointed out to them that bad man Washington who tried to break the royal domains of good King George.

Had the stationary view of the Hamiltonian Republicans prevailed no territorial expansion would have been made. They said the Louisiana Purchase was unconstitutional and that the Constitution would have to show its teeth to take it in. One old fellow, whose name I do not recall, said, "Damn her, let her show her teeth when there is that much meat in sight." They opposed the annexation of Texas and the deal where we added several other States ceded by Mexico. They opposed each and every effort to control the currency, such as the Federal Reserve Act, insurance of bank deposits, control of stock-market exchange, and countless others.

They likewise opposed income tax, election of United States Senators by popular vote, Presidential preferential primaries, and each and every law to give the people more power. They dispute Lincoln's theory of government by the people every time they have a chance to vote "no." The only thing they love about Lincoln is the block of Negro voters that were enfranchised. They would be helpless today without them.

It might be of interest to say that the Negro precinct of Hodgenville, which votes in sight of the Lincoln monument, has for nearly 20 years given one of the largest Democratic votes in the whole county. They vote on issues of today and not dead issues of 1865.

The second emancipation is rapidly progressing. They know that their welfare is with all the other poor people and not with the Liberty League. I am proud to be known in my community as a friend of the colored man, for our interest on the questions of the hour is the same. The colored man today has only one enemy, and that is that second-grade Republican politician who every 4 years tries to arouse a race prejudice where there is none in order to get a Federal job and forget the Negro the next day after election. The war is over. He must vote on the questions of the hour. There is no more reason today to say that all men whose skin is black should vote a certain way than there is that all red-headed men should be Baptists or that all bald-headed men should eat fish. Lincoln meant for him to be free and think what he was voting on. In places where he does vote there is no objection just because he is black, but his Republican enemy tells him he should vote all the time a certain way because he is a Negro. They want to keep him a political slave. Abe did not mean for that to happen.

Now, in conclusion, I want to register another protest, and that is the growing tendency to compare Lincoln and Jesus Christ in Lincoln Day orations. If I read aright, Christ had sort of a religious turn of mind, believed in worship and church organizations. Lincoln did not belong to any church at all and did nothing to keep them up. The orator in the House on February 12 went to great length on this comparison. He said the fathers of both were carpenters. Why, Mary's husband was not Christ's father. Unless this tendency is checked, I fear that eventually on Easter Day they will be trying to popularize Christ because he was so much like Abe.

In 1835 Lincoln wrote a book on infidelity with a view of publication. His friends burned it up because of the fear that it would injure him politically, so writes his law partner, W. H. Herndon. His first cousin, Dennis Hanks, said Abe would stand in front of the backwoods meeting houses in early days and make fun of the preacher. Quoting Dennis:

He frequently reproduced the sermon with a nasal twang, rolling his eyes, and all sorts of droll exaggerations, to the great delight of the wild fellows assembled; sometimes he broke out with stories passably humorous and invariably vulgar.

When he ran against Douglas it was charged that his language was vile and that he was foul-mouthed, and his friends apologized and said he told the jokes for the wit and not the smut that was in them. I think the comparison is sacrilegious. Besides, it takes away all the admiration of those who want to remember Abe as "one of the boys."

There is one thing heard over the radio, and occasionally elsewhere on Lincoln day, and that is when they say he was a God-sent man. Since the advent of the Prince of Peace I do not believe the Lord follows that plan of arraying man against man, and is not present directing murder when committed individually or collectively.

If so, then it is useless to prepare for defense. Did it ever occur to such unthinking users of this sacrilegious bunk that the Lord could change a man's mind and have him do His will just as easy as to send a man to shoot his brains out to correct his thinking machine? We read occasionally where some fellow said the Lord told him to go and kill a man, but they generally hang him or send him to the asylum for the act. I believe hatred, prejudice, revenge, and war is still the work of the devil and not divinely directed.

The gentleman [Mr. REED] quoted the passage, "Suffer little children to come unto Me." Sherman on his march through Georgia said the same, giving a different meaning to the word "suffer", and he said war was hell.

In summary, Lincoln and Jefferson were in accord on both the form of government and its practice, and Lincoln today would be a New Deal Democrat and not a reactionary Hamiltonian standpat Republican.

Napoleon said the Lord fights on the side of the strongest battalion. Whether he does or not, history records that side as most generally victorious. I present another view of divine intervention which is sometimes suggested. This came from a colored friend of mine. He said that he believed the ten or twelve million colored people now here in the light of civilization, and with the opportunity of embracing Christianity, were divinely directed to be brought over here, away from false gods and savage wilds, and that these 12,000,000 souls would never have known the light if not so brought—so there you are. One view says that those who brought them were divinely guided, another view saying that the man who directed the slaughter of those who brought them was divinely directed. All I know is that one is wrong, and perhaps both.

Every other civilized nation on earth that ever held slaves freed them without internal war, and for that reason I say it would have been done in America not long after it was done otherwise. In the light of conscience the change was coming fast.

Abe, while a Member of this House, was chided by colleagues for support of Zachary Taylor, accused of deserting principles, and he and his people attempting to ride into office on the military coattails of General Taylor. He replied by saying that the other side had long ridden in on the military coattails of General Jackson; and then told, as appears in the records of this House, one of his risqué stories of a man who advertised to sell a bottle of medicine that would make a young man out of an old one and have enough of the stuff left to make a little yellow dog. He said the opposition had done this and had enough of the stuff left to elect several small men to the Presidency. He said: "Like a horde of hungry ticks they still seek their substance from that coattail long after he is dead." How well does this apply to some of Abe's own following today when they, too, have deserted Abe's principles of government "by the people" and made it read "by the few", and yet they say today that both Abe and they are Republicans. They should say, in name only. Why, he would not have anyone else to run with him as Vice President the second time but an outstanding Democrat, Andrew Johnson.

Like Abe's words, "With charity toward all and malice toward none", let us neither deify Abe nor send to hell those typical Christian, princely gentlemen, Jefferson Davis and Robert E. Lee.

When all tendency to distort facts has ceased about this controversy, arising from legal and technical misunderstanding, the correct interpretation may be salvaged for history.

This misunderstanding, in the language of my friend, Judge O. M. Mather, of Hodgenville, will be looked upon as one over which the "angels well may weep."

The Republican Party today can successfully be charged with the following misdemeanors in the use of Abe's name: Desecration of the grave, slander of the dead, obtaining office and other goods of value under false pretense, improper labeling of propaganda and other political food, polluting the channels of public information, intimidating and alarming Negro voters by false information. And of all of Abe's supposed Republican friends they sit idly by and allow this misrepresentation to go on, so it remains for a Democrat to enter a protest in behalf of justice for Lincoln. As heretofore stated, there never was and never will be but two political parties—one representing the select few, the other attempting to exact more for the masses. Lincoln belonged to the one whose ideal was to help the common man.

For 12 years, 1920 to 1932, we had in office three of the best Republicans this country ever saw—that is, being 100-percent Hamiltonian Republicans and unswerving in their duty to Hamilton's chosen few—but, as usual, when you give them about that much time unmolested they hang themselves—and now the Republicans talk about socialism and communism. I have no time for either socialism or communism, or any such un-American doctrines, but I want to call attention to the fact that Hooverism and its practice produced the disease of communism and socialism.

This administration did not produce any of it; all that is here was inherited. I ask any thinking man how much communism he thinks we would have had if Hoover had been reelected? The Roosevelt administration has reduced and checked this tendency by restoring hope in the masses. This administration is different from the other and not subservient to special interests.

Under the 12 years of the three Republicans named, all running true to form, we were fast drifting to the same two classes that mark the old governments of Europe—protected aristocracy on the one hand and extreme radicalism on the other. Mark Hanna said in 1900 that there would be only two political parties in 1920, one the conservative and the other the Socialist. Of course, he could not foresee the 8 years of Woodrow Wilson from 1912 to 1920. Thus the Democratic Party at that time reversed the tendency toward radical ideas, just as it has done in the present administration. If you want one-half of the people of this Nation to be Socialists and Communists, the best way on earth to produce them is to give us two or three administrations of typical Republicans running true to historical form. The Republican Party's tenure in office has always been following a wave in which party lines were cut and the issue other than Hamiltonianism and Jeffersonianism. That is the way they came in during the Civil War.

They rode in again following the World War, under fear of foreign entanglements. Their one stock phrase and argument is pointing to growth of the country in the quarter century following the Civil War.

For a hundred years the Democratic Party had built such a firm foundation in almost continuous power that the country was robust enough that it could carry on its neck the handicap and weight of the Republican jockeys. They, according to the same analysis, are responsible for the rapid growth of Canada, Japan, and Australia at the same identical period of time. This was the age of invention and the growth of the world, and not because of the fact that a few insignificant Republican Presidents were in power in the United States following Lincoln. So the Republicans meet today and call on the tomb of Lincoln to send Abe's spirit to be present at their questionable undertakings, but Abe's spirit is present neither in person nor by proxy—their call is in vain, for the prayer of the wicked availeth nothing. If nobody else will do it, I, as a Democrat, wish to enter protest for the continued misrepresentation of one of LaRue County's native sons, who believed that all men are created free and equal and that the government of the people, by the people, for the people should never be entrusted to the Liberty League and their kind in any period of our history.

Fearing the temper of the destitute, bordering on desperation, they slunk away when choked off the neck of their victims.

They sullenly retired to count their money, devise crooked schemes to evade taxes, and invoice the loot from the 12-year raid.

The present administration made a hasty blood transfusion into the masses, cutting some red tape, for desperate remedies are justified by desperate cases.

Since this blood transfusion has brought back a degree of recovery and restored color to the cheeks of the laboring man and the farmer, the Republican Party's chosen few come out of hiding and now clamor for license to set up on the corner the old get-rich-quick skin games and want laws repealed which hamper their operations. This is the issue in 1936.

And they want to take good, old-fashioned, homespun, honest Abe and make him an accomplice in the conspiracy.

The ultra conservatives, the Hamiltonians, opposed the improvement of rivers and harbors when Lincoln was a Member of this House. They said there was no authority given in the Constitution. Lincoln's chief speech as a Member of this House was the one on internal improvements in which he scorned the argument that such was not intended to be done and took the view that each and every activity of life could not be anticipated, and authority for action could not be written in a short constitution.

In Hamilton's day, in Lincoln's day, in the present day, on the floor of this House, as shown by thousands of roll calls, every bill of every nature which seeks as its object to make the 3 percent give up something to the 97 percent, the Republican Party stands true to form and so does the Democratic Party. It is the same history in every State legislature of the Union. Of course, there is an occasional black sheep found in each party, some fellow who imagined that he was a Democrat or Republican until the acid test came and he found he was in the wrong boat.

And the poor colored man, tutored on prejudice and cultivated malice of ancient issues, have been corralled together to vote against agriculture and labor in past campaigns, as if he had anything in common in legislation that the Liberty League or multimillionaire club wanted. Such is a civic crime to so mislead these people.

If the colored people want to follow "Abe", they should find out what he stood for in the other things that we now vote on.

If the colored voter of today could receive a message from Lincoln, he would be told to stand up like other men—intelligent Americans—study each question in each election that came, and vote in a manner which showed that he wanted to do the best for agriculture, labor, and the poor man. It is an open insult to the intelligence of every thinking colored man to say to him that regardless of issues of wet or dry, labor or capital, farm or factory, East or West, higher or lower wages, that he should vote in a block blindfolded on issues dead and buried three-quarters of a century ago, often voting for his own starvation and nakedness and inflicting the same on the white laborers of same circumstances.

The Republican Party, which stands by the Power Trust in the Nation and in all States of the Union, is not for cheaper electricity in the home of the white or colored common man. This illustration could be multiplied a thousandfold. There are but two parties in all history, in all countries. One seeks to protect the high and mighty, the other seeks to protect the people from extortion and promote their general welfare. And this being the well-known line of demarcation, who would say that Lincoln was a Republican, if living in 1936? On behalf of his memory I solemnly protest.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937—CONFERENCE REPORT

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and agree to the same.

The committee of conference report in disagreement amendments numbered 7, 8, 9, 10, 11, and 12.

C. A. WOODRUM,
WILLIAM J. GRANFIELD,
JED JOHNSON,
EDWARD C. MORAN, Jr.,
JAMES M. FITZPATRICK,
R. B. WIGGLESWORTH,

Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
FREDERICK HALE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9863) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and embodied in the accompanying conference report, as to each of such amendments, namely:

On no. 1: Authorizes the American Battle Monuments Commission to use not to exceed \$1,200 of its appropriation for the purchase and repair of uniforms for caretakers of national cemeteries and monuments in Europe.

On no. 2: Corrects a typographical error.

On nos. 3 and 4: Appropriates \$1,407,000 for salaries and expenses of the Federal Trade Commission, as proposed by the Senate, instead of \$1,399,000 together with an unexpended balance of \$8,000, as proposed by the House.

On no. 5: Authorizes \$190,000 of the appropriation of \$847,000 for regulating accounts, Interstate Commerce Commission, for personal services in the District of Columbia, as proposed by the Senate, instead of \$170,000, as proposed by the House.

On no. 6: Authorizes \$90,000 of the appropriation of \$500,000 for safety of employees, Interstate Commerce Commission, for personal services in the District of Columbia, as proposed by the Senate, instead of \$87,900, as proposed by the House.

Amendments in disagreement

The committee of conference report in disagreement, amendments numbered 7 to 12, inclusive:

On nos. 7 and 8: Striking out the House provision appropriating \$160,000,000 for the adjusted-service certificate fund, under the Veterans' Administration, and inserting a provision appropriating \$1,730,000,000 for adjusted-compensation payments, with incidental provisions, and correcting a total.

On no. 9: Making an appropriation of \$440,000,000, together with an unexpended balance of \$30,000,000, for carrying out the purposes of sections 7 and 8 of the Soil Conservation and Domestic Allotment Act.

On nos. 10, 11, and 12: Correcting section numbers.

C. A. WOODRUM,
WILLIAM J. GRANFIELD,
JED JOHNSON,
EDWARD C. MORAN, Jr.,
JAMES M. FITZPATRICK,
R. B. WIGGLESWORTH,

Managers on the part of the House.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

Mr. WOODRUM. Mr. Speaker, amendments 7 and 8 relate to the same matter, and I ask unanimous consent that they may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

Amendment no. 7: On page 40, beginning in line 9, strike out down to and including line 19 and insert:

"Adjusted-compensation payments: To carry out the provisions of the World War Adjusted Compensation Act, 1924 (Public, No. 120, 68th Cong.), enacted May 19, 1924, as amended, and the Adjusted Compensation Payment Act, 1936 (Public, No. 425, 74th Cong.), enacted January 27, 1936, except section 5 thereof, \$1,730,000,000 to the adjusted-service certificate fund, to be immediately available and to remain available until expended, and such amount as represents the face value of the bonds required to be paid to the United States Government life-insurance fund pursuant to section 5 of said act is hereby directed to be charged to any moneys in the Treasury not otherwise appropriated for transfer and deposit as a public-debt receipt."

Amendment no. 8: Page 41, line 17, strike out "\$753,727,000" and insert in lieu thereof "\$2,323,727,000."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendments nos. 7 and 8 and concur in the same.

The motion was agreed to.

POINT OF NO QUORUM

Mr. CRAWFORD. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is not a quorum present.

Mr. WOODRUM. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 39]

Adair	Englebright	Kerr	Richardson
Andrews, N. Y.	Evans	Knutson	Robison, Ky.
Barden	Farley	Larrabee	Rogers, N. H.
Berlin	Fish	Lee, Okla.	Romjue
Bolton	Flannagan	Lewis, Md.	Schaefer
Brennan	Gasque	Lord	Schulte
Brewster	Gifford	Lundeen	Secrest
Brooks	Gingery	McGroarty	Short
Buckbee	Gray, Pa.	McLean	Snyder, Pa.
Bulwinkle	Green	McLeod	Steagall
Cartwright	Gwynne	Marshall	Sweeney
Casey	Harlan	Montague	Taylor, Tenn.
Clalborne	Hennings	Montet	Thomas
Clark, Idaho	Higgins, Mass.	Moritz	Tonry
Corning	Hobbs	Norton	Turner
Dear	Hoeppel	Oliver	Underwood
Dempsey	Johnson, W. Va.	Pettengill	Wood
DeRoven	Kee	Rayburn	Zioncheck
Doutrich	Keller	Reece	
Drewry	Kelly	Reilly	
Eckert	Kennedy, Md.	Richards	

The SPEAKER. Three hundred and forty-nine Members are present, a quorum.

On motion of Mr. WOODRUM, further proceedings under the call were dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On March 3, 1936:

H. R. 2157. An act for the relief of Howard Donovan;

H. R. 8966. An act for the relief of World War soldiers who were discharged from the Army because of minority or misrepresentation of age; and

H. R. 9062. An act authorizing a preliminary examination of the Esopus Creek and its tributaries of Birch, Bushnellville, Woodland, Warner Bushkill, and Beaverkill Creeks; Sawkill, Rondout, and Neversink Creeks, Ulster County; Schoharie and Catskill Creeks, Greene County; Neversink, Beaverkill, East Branch of Delaware, Willowemoc, and Lackawack Rivers, Sullivan County; Schoharie Creek and its tributaries, Schoharie County, all located in the State of New York, with a view to the controlling of floods.

On March 4, 1936:

H. R. 5181. An act for the relief of the Progressive Commercial Co. of Philadelphia, Pa.

On March 6, 1936:

H. R. 7147. An act authorizing a preliminary examination of the San Gabriel and Los Angeles Rivers and their tributaries, to include both drainage basins and their outlets, in

Los Angeles County, Los Angeles, Calif., with a view to the controlling of floods.

On March 14, 1936:

H. R. 8458. An act to provide for vacations to Government employees, and for other purposes;

H. R. 8459. An act to standardize sick leave and extend it to all civilian employees; and

H. J. Res. 514. Joint resolution authorizing the completion of certain records and operations resulting from the administration of the Kerr Tobacco Act, the Bankhead Cotton Act of 1934, and the Potato Act of 1935 (repealed), and making funds available for those and other purposes.

RELIEF OF UNEMPLOYMENT (H. DOC. NO. 427)

The SPEAKER laid before the House the following message from the President of the United States, which was referred to the Committee on Appropriations and ordered printed:

To the Congress of the United States:

In my Budget message of January 3, 1936, I reserved making a recommendation for an appropriation for the relief of unemployment, stating that an estimate and recommendation could be better made at a later date. I am now prepared to submit such a recommendation, and this message should be regarded as supplemental to the Budget message.

In asking the Congress for an appropriation to meet the needs of the destitute unemployed during the coming fiscal year, certain facts should be clearly set forth.

First. Since the spring of 1933, there has been a gain in reemployment in each successive year. At least 5,000,000 more people were at work in December 1935 than in March 1933.

Second. In spite of these great gains, there are at present approximately 5,300,000 families and unattached persons who are in need of some form of public assistance—3,800,000 families and unattached persons on the works program and 1,500,000 on local and State relief rolls. Every thinking person knows that this problem of unemployment is the most difficult one before the country.

Third. These figures, large as they are, do not, of course, include all those who seek work in the United States. In none of these figures is included the many unemployed who are not on relief but who are experiencing great difficulties in maintaining independent support. Neither are there included many others not on the relief rolls who are content with occasional employment; nor some who are so constituted that they do not desire to work; nor many young people who cannot get work and are obliged to share the livelihood earned by their parents. Because of the impossibility of an exact definition of what constitutes unemployment, no figures which purport to estimate the total unemployed in the Nation can be even approximately accurate.

Fourth. Nearly all the 1,500,000 unemployable families or unemployable unattached persons are being cared for almost wholly from State or local funds. A very small number of these families or individuals have begun to receive a comparatively small amount of Federal aid under the provisions of the Social Security Act.

The foregoing figures indicate the problem before us. It is a problem to be faced not merely by the Congress and the Executive, not merely by the representatives of government in the States and localities, but by all of the American people. It is not exclusively the problem of the poor and the unfortunate themselves. It is more particularly the problem of those who have been more fortunate under our system of government and our economy.

It will not do to say that these needy unemployed must or should shift for themselves. It will not be good for any of us to take that attitude. Neither will it do to say that it is a problem for the States and the localities. If we concede that it is primarily the duty of each locality to care for its destitute unemployed, and that if its resources are inadequate, it must then turn to the State for help, we must still face the fact that the credit and the resources of local governments and States have been freely drawn upon in the last few years, and they have not been sufficient.

It has been said by persons ignorant or careless of the truth that Federal relief measures have encouraged States, counties, and municipalities to shirk their duty and shift their financial responsibilities to the Federal Government. The fact is that during 1935 State and local governments spent \$466,000,000 for emergency relief, which was 13 percent more than these governmental bodies spent in 1934, 49 percent more than they spent in 1933, and 58 percent more than they spent in 1932. Let it also be noted that the great majority of State and local governments are today taking care not only of the 1,500,000 unemployables, but are also contributing large amounts to the Federal works program.

To expect that States and municipalities should at the present time bear a vastly increased proportion of the cost of relief is to ignore the fact that there are State constitutional limitations, and the fact that most of our counties and municipalities are only now emerging from tax delinquency difficulties. Let us further remember that by far the largest part of local taxes is levied on real estate. To increase this form of tax burden on the small property owners of the Nation would be unjustified. It is true that some States, fortunately few, have taken an undue advantage of Federal appropriations, but most States have cooperated wholeheartedly in raising relief funds, even to the extent of amending State constitutions. It is not desired in the next fiscal year to encourage any State to continue to shirk. The Federal Government cannot maintain relief for unemployables in any State.

The Federal Government, then, faces the responsibility of continuing to provide work for the needy unemployed who cannot be taken care of by State and local funds.

During the current fiscal year the cost of relief actually paid out of the Treasury will amount to approximately \$3,500,000,000.

During the next fiscal year, 1937, more than \$1,000,000,000 will be spent out of the Treasury from prior-year appropriations. Practically all of these expenditures will be from allocations made to large projects which could not possibly be completed within this fiscal year. In addition to this amount, the Budget contains estimated expenditures aggregating \$600,000,000 from appropriations recommended for the Civilian Conservation Corps and various public works.

If to this total of \$1,600,000,000 there were added \$2,000,000,000 to be expended for relief in the fiscal year 1937, the total for this purpose would just about equal the amount that is being now expended in the fiscal year 1936. An appropriation in this amount would be within the limit set by the Budget message, and would in effect provide for the third successive year a reduction in the deficit.

This statement as to the Budget program, of course, depends upon the action of the Congress with respect to the substitute taxes, the reimbursement taxes, and the new taxes which I have recommended to replace the lost revenues and to supply the new revenue made necessary by the decision of the Supreme Court invalidating the Agricultural Adjustment Act and by the action of the Congress in appropriating for the immediate payment at the 1945 value of the veterans' adjusted-service certificates. This latter action, as you will recall, required additional revenue in the amount of \$120,000,000 annually for 9 years. The agricultural program requires annual substitute taxes of \$500,000,000, and there must be raised within the next 3 years \$517,000,000 of revenue to reimburse the Treasury for processing taxes lost in this fiscal year by reason of the Supreme Court's decision.

I am, however, not asking this Congress to appropriate \$2,000,000,000.

I am asking only for an appropriation of \$1,500,000,000 to the Works Progress Administration. It will be their responsibility to provide work for the destitute unemployed. This request, together with those previously submitted to the Congress to provide for the Civilian Conservation Corps and certain public works, will, if acted upon favorably by the Congress, give security during the next fiscal year to those most in need, on condition, however, that private employers hire many of those now on relief rolls.

The trend of reemployment is upward. But this trend, at its present rate of progress, is inadequate. I propose, therefore, that we ask private business to extend its operations so as to absorb an increasing number of the unemployed.

Frankly, there is little evidence that large and small employers by individual and uncoordinated action can absorb large numbers of new employees. A vigorous effort on a national scale is necessary by voluntary, concerted action of private industry.

Under the National Recovery Administration the Nation learned the value of shorter hours in their application to a whole industry. In almost every case the shorter hours were approved by the great majority of individual operators within the industry. To the Federal Government was given the task of policing against the minority who came to be known as "chiselers." It was clear that "chiseling" by a few would undermine and eventually destroy the large, honest majority. But the public authority to require the shorter hours agreed upon has been seriously curtailed by limitations recently imposed by the Supreme Court upon Federal as well as State powers.

Nevertheless, while the provisions of the antitrust laws, intended to prohibit restraint of trade, must and shall be fully and vigorously enforced, there is nothing in these or any other laws which would prohibit managers of private business from working together to increase production and employment. Such efforts would indeed be the direct opposite of a conspiracy in restraint of trade. Many private employers believe that if left to themselves they can accomplish the objectives we all seek.

We have learned the difficulties of attempting to reduce hours of work in all trades and industries to a common level or to increase all wage payments at a uniform rate. But in any single industry we have found that it is possible by united action to shorten hours, increase employment, and at the same time maintain weekly, monthly, or yearly earnings of the individual. It is my belief that if the leaders in each industry will organize a common effort to increase employment within that industry employment will increase substantially.

Insofar as their efforts are successful, the cost to the Federal Government of caring for the destitute unemployed will be lessened; and, if the employment gains are substantial enough, no additional appropriation by the next Congress for the fiscal year 1937 will be necessary.

The ultimate cost of the Federal works program will thus be determined by private enterprise. Federal assistance which arose as a result of industrial disemployment can be terminated if industry itself removes the underlying conditions. Should industry cooperatively achieve the goal of reemployment, the appropriation of \$1,500,000,000, together with the unexpended balances of previous appropriations, will suffice to carry the Federal works program through the fiscal year 1937. Only if industry fails to reduce substantially the number of those now out of work will another appropriation and further plans and policies be necessary.

It is the task of industry to make further efforts toward increased output and employment, and I urge industry to accept this responsibility. I present this problem and this opportunity definitely to the managers of private business, and I offer in aid of its solution the cooperation of all the appropriate departments and agencies of the Federal Government.

My appeal is to the thinking men who are assured of their daily bread. However we may divide along the lines of economic or political faith, all right-minded Americans have a common stake in extending production, in increasing employment, and in getting away from the burdens of relief.

Those who believe that Government may be compelled to assume greater responsibilities in the operation of our industrial system can make no valid objection to a renewed effort on the part of private enterprise to insure a livelihood to all willing workers. Those, on the other hand, who believe in complete freedom of private control without any Government

participation should earnestly undertake to demonstrate their effectiveness by increasing employment.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 18, 1936.

PERSONAL PRIVILEGE

Mr. McSWAIN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from South Carolina will state his question of personal privilege.

Mr. McSWAIN. Mr. Speaker, just before the Clerk began the reading of the message from the President of the United States, I was served with a copy of a letter issued by the chairman of the Senate committee investigating lobbies, known generally as the "Black committee." I was served by a representative of that committee who advised me that they are giving this letter to the press, and that it was officially sent to me. I desire the Chair to hear the following communication. This is addressed to the Western Union Telegraph Co. by the Black committee, dated today.

MARCH 18, 1936.

THE WESTERN UNION TELEGRAPH CO. AND MR. T. B. KINGSBURY:

Since the telegram subpoenaed by this committee was immediately followed by editorials in the Hearst publications attacking Hon. JOHN J. McSWAIN, a Member of the House of Representatives and the chairman of its Committee on Military Affairs, the committee finds an added reason to believe that the interests of the Western Union Telegraph Co. would be still more strongly cemented to those of its patron, William Randolph Hearst. The Western Union Telegraph Co. would naturally not desire to bring out the fact that an effort had been made by its patron to intimidate and coerce in the performance of its legislative duty a Member of Congress, whose reputation for loyalty and patriotic service is above criticism and has never been questioned throughout many years of devoted public service until this secret effort of William Randolph Hearst to assassinate his character.

In view of the fact that the matters hereinabove set forth refer to Hon. JOHN J. McSWAIN, a Member of the House of Representatives, it is hereby directed by the committee that a copy of this communication be sent to him.

Very truly yours,

HUGO L. BLACK, Chairman.

Mr. Speaker, the telegram that William Randolph Hearst sent to James T. Williams, Jr., editorial writer for the Hearst papers at Washington and throughout the country, dated April 5, 1935, addressed to him at room 403, no. 261 Constitution Avenue, Washington, D. C., reads as follows:

[Confidential]

LOS ANGELES, CALIF.

Why not make several editorials calling for impeachment of Mr. McSWAIN? He is the enemy within the gates of Congress, the Nation's citadel. He is a Communist in spirit and a traitor in effect. He would leave United States naked to its foreign and domestic enemies. Please make these editorials for morning papers. Also make editorials extolling administration for its preparedness policies, which are its main achievement. Suggest advocating duplicating West Point in Middle West, and Annapolis on Pacific coast.

W. R. HEARST.

Mr. Speaker, for several years prior to that time many editorials had appeared in the Hearst paper known as the Washington Times under the signature of James T. Williams, Jr., attacking me personally and questioning my loyalty to the cause of national defense. I had attributed it, Mr. Speaker, to a purely personal animosity and hostility.

James T. Williams, Jr., was raised in Greenville, S. C., which is my home. I think we are not far from the same age, but I am older. It is true we did not go to school together, because I was not raised in the city. I am just a plain country boy. But James T. Williams, Jr., was raised in the city. After I became, by reason of seniority only, chairman of the Committee on Military Affairs, facts came to my attention that convinced me that certain officers in the Army ought to be investigated, and by authority of this House I proceeded to investigate them. One of the officers who was investigated was Gen. Alexander E. Williams, of North Carolina. I happen to know, from reputation at least, that James T. Williams, Jr.'s father—a lifetime Democrat and honored citizen of the city of Greenville, formerly its mayor, an honored Confederate veteran now over 90 years

old—was also raised in North Carolina. I do not know whether he and General Williams are any kin or not, but they are both named "Williams" and both come from the same State.

Those things were repeated so many times in these papers that I have been terribly annoyed, sometimes not being able to sleep because of these unjust attacks, and oftentimes going to the front piazza and seizing the afternoon paper and never letting it reach the eyes of my wife and daughters, because the hurt to them was what hurt me, in having my integrity, my honesty, my patriotism, and my loyalty to this Nation questioned by this little penpusher, Williams. [Applause.]

I offered my life as proof of my loyalty to this Nation. [Applause.] I volunteered also for the Spanish-American War [applause], but I was never enlisted, because the trustees of the school I was then teaching persuaded me that it was my duty to stay with that school from April, when the first South Carolina volunteer regiment was being formed, until June, at which time school closed. They told me that by that time I could enter some subsequent regiment that would be organized. Immediately when school was out I went to the capital of the State, where the second regiment was being enlisted, and as I got off the train, there in the same station the train that was taking the second regiment out was moving away from the station to go to Florida. No third regiment was ever organized, because the war was brought to a close by the protocol after the destruction of Cervera's fleet down here in the Caribbean Sea.

James T. Williams, Jr., is old enough to have volunteered in two wars, but I never heard of him baring his breast in either one. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield for a brief question.

Mr. BLANTON. I think every Member of the House will assert that there is not a braver and more loyal or patriotic Member of the House than our friend from South Carolina [Mr. McSWAIN]. [Applause.]

Mr. McSWAIN. Mr. Speaker, this is no pleasant task to me. I sought to avoid it. Assuming these attacks by James T. Williams were purely personal and did not have the endorsement or approval of William Randolph Hearst, and hoping that my wife and daughters might be able in peace to read the afternoon papers, on March 6, 1934, I wrote to William Randolph Hearst. But let us go back a little bit. I just snatched these few papers together after I got this notice a few minutes ago from the Senate committee.

I wired Mr. Hearst on March 5, 1934, care Hearst Ranch, San Simeon, Calif.:

Committee on Military Affairs unanimous for increase in strength and efficiency of Air Corps of the Army. However, effort for investigation of Army activities not prompted by partisanship but merely by desire to get value received for money spent for defense purposes. I have been a strong advocate for increased air power for 15 years. I have several bills now pending in Congress to strengthen the air force. We have counted on you and Arthur Brisbane as our strongest allies. If you wish I will send you copies of my bills with brief explanation. Respectfully ask you to suspend judgment on any representations to the contrary until you get all the facts which I am offering to send you. With these facts you can quickly form judgment.

J. J. McSWAIN,
Member of Congress.

I received the following telegram from W. R. Hearst the same day addressed to me:

Thanks. I shall be delighted to read the bills and do what I can to increase the strength and efficiency of the Air Corps of Army.

(Signed) W. R. HEARST.

Having received this wire from him in response to mine, I wrote to Hearst on March 6 as follows:

MY DEAR MR. HEARST: Complying with my offer to send you full information concerning my personal activities and the attitude of the Committee on Military Affairs concerning national defense generally and the Air Corps of the Army specifically, I am submitting this brief statement of the case to accompany the bills to which I will refer. My telegram of yesterday was prompted by what I judged to be the implications contained in an editorial contribution which appeared in the Washington Times on March 5, 1934.

That was one of these many attacks by James T. Williams, Jr., on me. I have not that editorial before me, but I happen to have in my pocket an editorial signed by James T. Williams, Jr., dated December 6, 1935, which appeared in the Washington Times; and, among other things, this editorial made the following statement. By the way, the editorial is headed "A Critical Session With Regard to National Defense":

Unfortunately the House Committee on Appropriations has as its chairman a Representative in Congress, Mr. BUCHANAN, of Texas, who has been all too ready in the past to play politics with the common defense. Unfortunately the House Committee on Military Affairs is afflicted with a chairman whom the President of the United States was forced to rebuke publicly for giving world-wide publicity to some of the most vital secrets involving the common defense. This chairman, Mr. McSWAIN, has done his best since he became chairman of this committee to discredit the Military Establishment, destroy public confidence in the United States Military Academy, and incite public suspicion of the commissioned strength of the Regular Army.

Why this talk about suspicion of the commissioned strength of the Regular Army? Did he refer to the court martial and discharge from the Army of Brigadier General Williams? General MacArthur, when he phoned me and notified me of the verdict of the court martial, declared, speaking of Williams:

He is as guilty as hell.

The same thing may be said of the court martial of Colonel McMullen. You gentlemen know how this committee, working for the country and under authority of the Congress, has unearthed conditions that will, when corrected, result in a saving to this Government in the distant future of, not tens of millions of dollars, but perhaps hundreds of millions of dollars in maintaining our Military Establishment.

Now I continue reading my letter to W. R. Hearst, dated March 6, 1934:

My telegram of yesterday was prompted by what I judged to be the implications contained in an editorial contribution which appeared in the Washington Times on March 5, 1934. That implication, to my mind, is a clear effort to charge that the Democratic leadership in the House of Representatives is playing politics with the national defense, and especially as it relates to the Army Air Corps. "House leadership" in this case cannot refer to anybody except myself and the members of the Committee on Military Affairs. Neither the Speaker nor the floor leader, or any other leader in the House of Representatives, has taken any action or assumed any responsibility whatsoever in connection with the matters hereinafter referred to, and especially with reference to the investigation of War Department expenditures, which is evidently referred to in said editorial comment. I am sure that when you know the facts you will be convinced that no more loyal friend of the Air Corps is to be found anywhere than I am, though I do admit I am a disciple often of yourself and of Arthur Brisbane in this respect.

A personal word first. At the age of 42, married and with a child, I volunteered, entered the first training camp, was later commissioned as captain of Infantry, and served as such until discharge on March 8, 1919. I served about 6 months in France. But my interest in aviation as a powerful weapon in war began at that time. Frail and slow as our machines then were, I could visualize the progress that American invention and the scientific studies of other nations would be sure to bring in the way of increasing the speed and lifting power of aircraft. I have ceaselessly studied the subject ever since and took a very active part in the framing of the Air Corps bill which became law on July 2, 1926. In fact, the provisions of section 10 of that act, relating to the procurement of aircraft, and especially the provisions as to design competitions and competitions in performance and safety, are the product of my own thinking.

And if Mr. FRED VINSON is on the floor I am sure he will confirm this.

Continuing to read:

Furthermore, from the time I entered Congress in March, 1921, I fought hard for the enactment of law of some kind to prevent profiteering during war in war munitions, and also to regulate profits made by munitions makers during peace. I was the author of several resolutions seeking to set up a commission of citizens and Members of Congress to study this huge question. Finally, these efforts resulted in the passage of a joint resolution which created the War Policies Commission, and I was appointed by Speaker Longworth as a member of that Commission, and the records of that Commission will show the active interest and the hard work I did as a member thereof.

On March 20, 1933, I introduced House Concurrent Resolution 6, seeking to carry out the pledge in the Democratic platform to make a survey of all facts affecting the existing national

defense establishments, and I enclose a copy thereof. Being unable to get action thereon, and being advised that a House committee would be preferable, on January 11, 1934, I introduced House Resolution 219, copy of which is herewith submitted. After making a vigorous effort for more than 30 days to get favorable action on this resolution, and being finally advised that it would be better that the investigation should be made by the Committee on Military Affairs, on February 20, 1934, I offered House Resolution 275. This proposal was unanimously approved by the 25 members of the Committee on Military Affairs, and when we went before the Committee on Rules, it was unanimously approved by that committee. When the resolution came up for consideration in the House, and when the vote was taken upon the passage of the resolution, there was not a dissenting vote. The committee has been working hard for more than 30 days to investigate these very facts, but has found that it cannot pursue the many ramifications without the help of additional examiners, auditors, and technical experts. That is why we are asking for only \$10,000 as expense money, and this has been reported unanimously by the Committee on Accounts.

Now as to the matter of increasing the power and efficiency of the Air Corps. When the Vinson bill was under consideration by the House, and it was manifest that it would pass with an amendment authorizing the increase of the number of planes in the Navy by nearly 1,200, the Chief of Staff of the United States Army sent General Foulis to me asking me to introduce an amendment to that bill authorizing the increase in the number of planes for the Army in the proportion that 1,000 bears to 1,800. The acts of Congress of 1926 authorized 1,000 planes for the Navy and 1,800 for the Army, and this suggestion by the Chief of Staff would increase the authorized strength of the Army Air Corps from 1,800 planes to 3,932 planes. I declined to offer the amendment, because Army legislation had no place upon a Navy bill, but expressed my intention of offering independent legislation to be considered by the Committee on Military Affairs. I expressed myself heartily in favor of the increase, and more, and announced hearings to be had by the committee to which the Chief of Staff, the Deputy Chief of Staff, and other General Staff officers were invited and did attend and testify. The Chief of Staff submitted to me the draft of a bill which I introduced without any change whatsoever on February 1, 1934, copy of which I enclose as H. R. 7553. On the next day, February 2, 1934, I introduced as my own bill H. R. 7601, copy of which is enclosed, and this bill does set up the framework of a real effective fighting air force.

And, Mr. Speaker, to the same effect, through page 4, page 5, page 6, and page 7, I cite Mr. Hearst to bills, resolutions, and instances of my personal zeal and energy for better national defense, and especially by increased air power, and then, after concluding the letter, I added this postscript:

Since Mr. Williams has quoted an extract from a statement by Representative Martin of Oregon, who is a retired major general in the United States Army, I thought it might be interesting to send you page 33 of the hearings held in the Seventy-second Congress before the Committee on Expenditures in the Executive Departments upon a bill introduced by Representative BYRNS, of Tennessee, now Democratic floor leader, to set up a single Department of National Defense, with three subdivisions for land warfare, sea warfare, and air warfare. On January 23, 1932, Representative and former General Martin made a long statement of about 20 pages, and as indicating his attitude toward the Air Corps and toward the editorials by Mr. Brisbane. I am also sending you this extract.

In other words, I sent him my testimony supporting the bill that the then floor leader, now the Speaker of this House, had introduced, and which was then under consideration, and then I say:

In all charity, Mr. Martin has not caught up with the trend of thought upon military problems affecting the future war. He is still thinking in terms of the Spanish-American War, which happened 11 years after he graduated at the Military Academy. While at the Academy he was taught in terms of Gettysburg.

Now, Mr. Speaker, this was on March 6, 1934. It was sent by registered mail, special delivery, air mail. No answer to this communication from that day to this has ever come to me, but the next year, 13 months lacking 1 day after my letter to W. R. Hearst, with this knowledge in his mind, the citations coming from me taken from the records, the records of the War Department, the records of this House, the records of the committee, on the bills I have fought for on this floor, he sends this telegram to Mr. Williams. I had been charitably thinking that Mr. Williams was pursuing a little petty, personal spite of some sort that I need not recite here, other than the fact that I was getting on the trail of Brigadier General Williams, from North Carolina, and I thought that when I notified Mr. Hearst of the facts, that he would see the wrong and harm done me of allowing his editorial writer to vent his personal spleen, not based on facts. I know a public man must face the facts. I think I know a

little about what the law is and what the rights of newspapers are, and as long as they tell the facts on me I know I have got to take it. I wanted to give them the facts, and I gave them the facts, and I had a right to assume that false, malevolent, unfounded, wicked, malicious, personal abuse would cease; but it did not. It started up, under a full head of steam, 13 months thereafter, because William Randolph Hearst told James T. Williams to turn on the spigot of venom and of spite and of falsehood and of assassination of character, and charged that I was a Communist. [Laughter.] God save the mark! It seems to be his tactics to charge just anything against a man, irrespective of the truth.

Is not my record plain? Are not the speeches I have made on this floor, the speeches I have made over the radio and in different parts of the country some evidence of the fact that I am not a Communist? Do I not believe in national defense? Are there no witnesses here facing me today who know that I believe in national defense? But I, as responsible to the people and as your responsible agent, insist that it is the duty of the members of our committee to do our own thinking.

I think one trouble with this little James T. Williams, Jr., was that I did not take orders from the War Department, and as long as I am here I shall never take orders. I will do my own thinking. When I agree with them then it is all right and fine; and when I think they are wrong, on my responsibility and on my judgment as a constitutional spokesman of this Government and as your agent, I will dare to say so. [Applause.]

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. I yield very briefly, please.

Mr. HILL of Alabama. Mr. Speaker, I have served for 12 years on the Committee on Military Affairs with the gentleman from South Carolina [Mr. McSWAIN]. I can testify from my own personal knowledge that the facts he has given this House as to his own record of service are absolutely true and correct, and I want to say that during my service on the committee I have never known any member to carry out his duties more indefatigably, more conscientiously, or more assiduously than the gentleman from South Carolina [applause]; in fact, the gentleman has been so eager and so intense and has labored so hard and so tirelessly that at times I have remonstrated with him, telling him that he was breaking himself down working in the cause of national defense. No man on the committee during the 12 years I have been there has contributed more to the cause of national defense or served it better or more unselfishly or more valiantly than the gentleman from South Carolina, and, frankly, I had just as soon rise on this floor and question the loyalty, the devotion, and the patriotism of John J. Pershing as to question the loyalty, the devotion, or the patriotism of the gentleman from South Carolina, JOHN J. McSWAIN. [Applause.]

Mr. SHORT. Will the gentleman yield?

Mr. McSWAIN. For a brief question. I have one or two other matters I wish to refer to.

Mr. SHORT. Mr. Speaker, as a humble minority member of the Committee on Military Affairs, I think you all know that there is no more ardent and true-blue Republican in the House than myself. I second everything that has been said by the gentleman from Alabama [Mr. HILL]. Because of my close association and intimate knowledge of the gentleman from South Carolina [Mr. McSWAIN], our distinguished chairman, I want to say that there is no Member of this House who is more loyal to his friends and more devoted to the performance of his duty, more capable and courageous in carrying out the mandates of his own conscience than this distinguished and able Member of the House from South Carolina. I hope he will remain here as long as Uncle Joe Cannon when he left this honorable body. [Applause.]

Mr. McSWAIN. Mr. Speaker, I thank my colleagues on the committee. I am under obligations to the Senate for giving me this information before this matter could go out to the press, as it will in the afternoon papers.

I am thankful for what has been said by these friends of mine, and that what I have said has received your approval, as manifested by your applause.

I want to call attention to the fact that General Pershing the other day wrote me a letter, that has been put in the RECORD, in which he commended the work of the Committee on Military Affairs and me personally.

One of the finest things I ever received is right here, from General Bullard, who had read in some paper that I wanted to recommend the awarding of a posthumous medal to "Billy" Mitchell.

General Bullard lies now in a Government hospital in New York City. He cut that statement out of the paper, not with scissors but with a knife, as you see, and he pins it to a little scrap of paper, and he writes, not with a pen but with a pencil:

Very, very right, dear Mr. McSWAIN. The Army owes poor "Billy" much and you much.

Yours,

(Gen.) R. L. BULLARD.

Let little James T. Williams, Jr., state what he may and what he in his malice wishes to say about me and my patriotism and my contribution to the cause of national defense. I call these volunteer witnesses, who never knew this question now being discussed would ever arise—Gen. John J. Pershing and Gen. Robert Lee Bullard—who come here now to tell you that what I have done as chairman of that committee has not been destructive, has not been against the cause of national defense, but has been for sane, sound, reasonable, progressive, honest national defense, so that we would get the maximum of defense for the millions of dollars that we contribute. I want their testimony to neutralize and wipe forever from the minds of the people of this Nation whatever vile suggestions have been made by this paid puny penpusher, this hired minion of Hearst, this mercenary mud slinger, who takes his orders, not from his own conscience and his own brains but from this hellish fiend of San Simeon. He writes his given telegraphic orders; he repeats his master's word; he speaks, not his own conscience, if he has one, but whatever his master orders him to spew out in filth and mud. Mr. Speaker, that is not a free press; that is a hired, a subsidized, and a purchased editorial. That is not free expression; that is not his own thought. That is the thought that was prompted by the inception of this arch enemy of free thought, of free speech, of free government. [Applause.]

Mr. MONAGHAN. Mr. Speaker, will the gentleman yield?

Mr. McSWAIN. Very briefly.

Mr. MONAGHAN. Can the gentleman tell me whether Mr. Hearst ever volunteered or was ever in any army?

Mr. McSWAIN. I never heard of it, and I imagine we would have heard of it if he had. We have heard of everything that he could imagine that is in his favor, and I am informed that there is a good deal against him that never yet has come out. But there are two Members of this Congress whom that gentleman would better not tackle with falsehood and slander. One is that hard-headed, determined, resolute patriot from Texas, TOM BLANTON, and the other, the man who faces you now. [Prolonged applause.]

Mr. Speaker, these editorials composed by James T. Williams, Jr., were not only published in the Washington Times, but in many, if not all, of the various Hearst papers throughout the United States, thus carrying to the whole country the charge that I am not a sincere patriot; that I do not work constructively for the cause of national defense; that I am a Communist; and that, in effect, I am a traitor. This outrageous libel upon my honor, integrity, and patriotism has caused me many hours of suffering and many sleepless nights, to the detriment of my health and my ability properly to work. I have endured it in silence because, being a public servant, I realize that our motives are often misunderstood and our conduct often misrepresented. I knew that my colleagues in the House of Representatives know me and know my work well enough not to be misled by such outrageous and infamous libel. I knew that my friends and constituents in the Fourth Congressional District would hardly be misled by these falsities and vile slanders, and I felt that the rest of the country would, in time, come to realize the sincerity of my

patriotic efforts for the great cause of safe and sane and sound national defense. The confidence of the Reserve Officers' Association has been a solace and comfort to me. The fact that many patriotic organizations, such as the Daughters of the American Revolution, the American Legion, the Veterans of Foreign Wars, the Military Order of the World War, and others, have invited me to be their guest speaker upon formal public occasions, some of them of national importance and representation, have all been plain blank denials of the outrageous, unscrupulous, unconscionable allegations of Mr. Williams as the paid tool and hired voice of William Randolph Hearst.

WILLIAMS THE MEDDLER IN WAR DEPARTMENT

This man Williams is a sycophant of a most pronounced sort. Reared a Democrat, with strong Democratic traditions, his honored father, long past 90 years old, a lifelong Democrat; yet this Hearst-hired James T. Williams, Jr., turns his back on all family and sectional traditions and joins the Republican Party because he wanted to pose as a power close to the Republican throne; and then, when the Hearst shekels rattled louder and rolled up higher than the Republican papers were paying him, he turns his back upon the Republicans as well as Democrats and becomes a political nondescript—a malicious, mercenary mugwump enjoying the cowardly privilege of shooting at his personal enemies from behind the breastworks of Hearst millions, and sniping at honest public officials through the columns of these yellow sheets belonging to the most selfish, unscrupulous, arrogant, and conscienceless newspaper proprietor that ever soiled the newsracks of America and that ever from time to time befouled and besmirched, at least temporarily, the minds of millions of misguided readers.

AN EXAMPLE OF MEDDLING BY WILLIAMS

Maj. Clinton W. Howard was on duty at Wright Field with the Army Air Corps, and evidently he was requiring the manufacturers of aircraft to come up strictly to specifications. At any rate, he incurs somebody's displeasure. Somebody evidently goes, writes, or telephones to James T. Williams, Jr. What interest James T. Williams, Jr., has in aircraft manufacturers or in the Air Corps' business we would like to know. Why he concerns himself about their business and takes his time and undertakes to exert his personal influence with the Chief of Staff and the Secretary of War to have Major Howard moved I do not know. It is a pertinent inquiry, and if our committee has time we may pursue that inquiry and see what the records show and what the living witnesses will testify, wherever they may be, whether they be in America or on the other side of the Pacific, in the Philippine Islands, or elsewhere. Doubtless Mr. Williams will read these remarks by me, and he will understand better than the ordinary reader why I make these allusions. I am obliged to Senator BLACK, of Alabama, for having furnished me with a copy of a letter written to Senator BLACK by the Secretary of War on March 1, 1934.

The latter part of the letter is a manifest camouflage by the officer who prepared the letter for the Secretary of War to sign. When he speaks of the fact that Major Howard had already remained longer than the customary tour of duty, and that it was time for him to be transferred, and that his professional career and advancement was being impeded by his too long stay at Wright Field, it is almost humorous to those who know how things go in the War Department. Anybody can see the humor in the situation that it took James T. Williams, Jr., to remind the War Department that Major Howard had been at Wright Field too long, and ought to be transferred for the sake of his own professional career. It is simply ludicrous camouflage, for which Williams is undoubtedly greatly indebted to the War Department, and he has tried to pay this debt and other debts to the War Department by making his unfounded, malicious, libelous charges against me. Evidently Williams concluded that it would enhance his influence with the War Department for him to attack and assault me. Evidently he thought there was some personal hostility between General MacArthur and myself, and perhaps between Secretary Dern and myself. I never had the slightest feel-

ing toward either of them. I differed from them in opinion as to certain principles and propositions relating to national defense. The Secretary of War, doubtless following the advice of General MacArthur, and signing a letter manifestly prepared by General MacArthur, bitterly denounced my zeal for an increased and enlarged air force. Instead of being opposed to adequate defense, I found the Secretary of War charged me with advocating such a large air force as to raise doubt as to the peaceful intentions of America. Since that time and since that letter, which the Secretary of War burned in my presence, but of which I have photostatic copies, the War Department and the whole country has moved up to the position I then took, to wit, that this country ought to have approximately 4,000 effective, serviceable fighting planes in order to insure adequate defense. I think this is a good place to insert the letter written by the Secretary of War to Senator BLACK describing the conduct of James T. Williams, Jr., which I characterized as "meddling."

MARCH 1, 1934.

HON. HUGO L. BLACK,
United States Senate.

DEAR SENATOR BLACK: Your letter of February 28 relative to the recent change of station of Maj. Clinton W. Howard, Air Corps, has been received.

This change of station was in no way brought about or even suggested by airplane manufacturers or other companies dealing in Army equipment and supplies.

No newspaper operators, owners, or employees of newspapers requested the relief or transfer of Major Howard. However, some 8 months ago and once subsequently, Mr. James T. Williams, Jr., stating that he was acting in the capacity of a private citizen, and not in any way representing the press, reported to the Department that, according to confidential information received by him from highly authentic sources, Major Howard was not in sympathy with important experimental work being carried on at Wright Field. This experimental work, however, was not connected in any way, either directly or indirectly, with the production of or sale of airplane equipment or supplies to the Government by civil aviation manufacturers or other similar companies. He also stated that Major Howard's personality was unfortunately harsh and antagonistic and had offended those with whom he was required to come in contact officially and otherwise. This report, as to his personality, was officially confirmed.

It was decided, after due conference, that Major Howard had probably been kept for too long a period at this specialized work at Wright Field, and that not only his own professional development might be jeopardized but that it would be advisable for the Government's interest to change his assignment. He was accordingly transferred to Washington to the office of the Chief of Air Corps, where his services were especially desired.

The transfer of Major Howard from Wright Field to duty in the office of the Chief of Air Corps in Washington was a routine departmental matter, Maj. Howard having been on duty at Wright Field since February 24, 1928, approximately 6 years. Normally the stations of officers of the Army are changed every 4 years, but, because of Major Howard's special talent in Air Corps engineering and other related activities, he had been retained at Wright Field beyond the normal time.

I wish to reiterate that no outside pressure of the nature indicated in your letter influenced the Department in this matter, and that this officer's transfer after approximately 6 years of service at Wright Field was dictated entirely by the needs and necessities of the military service.

Sincerely yours,

GEO. H. DERN, Secretary of War.

LIBELS OF WILLIAMS NATION-WIDE

The San Antonio Light, under date of March 23, 1934, carried on its editorial page an article which was a reproduction from the pen of James T. Williams, Jr. Somebody in San Antonio thought I would be intimidated by reading this article and sent the same to me through the mail, with a penciled statement on the margin, as follows:

Not such good advertisement for you. There is need of action—not political play.

Williams evidently fooled that one reader and the reader thought that I would be intimidated, would close my mouth, and follow the dictates of the War Department.

[Editorial page, San Antonio Light, San Antonio, Tex., Mar. 23, 1934]

NATIONAL DEFENSE SUFFERS SET-BACK

"There are more people under arms in the underworld today than in the Army and Navy of the United States."

When Attorney General Cummings made this statement before the Senate Committee on the Judiciary, he drew a grave indictment against the Congress of the United States.

Under the Federal Constitution Congress is charged with the obligation to provide for the common defense. It is given the exclusive power "to raise and support armies" and to provide and maintain a navy.

Because the Congress has failed in recent years to exercise this power and to discharge this duty, the Army has sunk to seventeenth place and the Navy to third place among the armies and navies of the world.

By authorizing the building up of the Navy to equality with the strongest, the present Congress has taken the first step toward making appropriations for that purpose, but appropriations must follow if this authorization is to prove more than an empty gesture.

But the present Congress has thus far done nothing effective to build up the Army toward the strength authorized by the National Defense Act.

This neglect is chiefly due to the Democratic chairman of the House Committee on Military Affairs, Congressman McSWAIN, of South Carolina.

More than a month ago, Secretary Dern submitted to Chairman McSWAIN's committee a defense measure of the most urgent importance.

This measure provides the necessary authorization for Congress to appropriate whatever amount may be required to increase the effectiveness and efficiency of the Army Air Corps.

Enactment of this bill at this session would clear the way for the War Department to equip, organize, and maintain what the Air Corps has long needed and what the General Staff urgently recommends, a general headquarters air force of five wings.

Such a force would increase the strength of the Air Corps to 3,800 planes, with the necessary personnel to man them as soon as Congress votes the appropriations and American manufacturers can carry out the contracts for this construction.

Instead of reporting this measure to the House, Chairman McSWAIN persisted in squandering the time of his committee in various and sundry investigations for political purposes.

Instead of reporting this measure to the House and pressing for its passage, Chairman McSWAIN solicits personal publicity by introducing a miscellaneous assortment of measures that have neither the endorsement of the Secretary of War and the General Staff nor the support of intelligently patriotic Members of the Senate or the House.

The Baltimore News and Post of February 13, 1935, carried an editorial by James T. Williams, Jr., containing the following outrageous charges:

The House Committee on Military Affairs has repeatedly ignored sound military recommendations and has attempted to trespass upon the constitutional premises of the Executive. Its members, for the most part, have refused to interest themselves in sound theories of national defense except insofar as the execution of these theories could be compelled to distribute political pork among the constituents they represented.

No constructive legislation has come from the House Committee on Military Affairs in nearly 10 years. The work which ought to have been initiated by this committee in the House has largely devolved upon the Senate Committee on Military Affairs. The Senate committee has refused to play politics with the national defense.

Its members, with few exceptions, have rendered patriotic service in the consideration of national-defense measures and have disposed of them without any partisan consideration.

At the moment the House Committee on Military Affairs appears to have suddenly discovered that the defense of Hawaii is the defense of the United States in the Pacific and that the defense of Hawaii is far from being what it ought to be. But, instead of supporting legislation to equip the Army and to strengthen the defenses of Hawaii, the House committee continues to waste time holding hearings at which facts are reiterated that have been available to every Congress for the past 10 years.

Here is their libel of hearing in Washington Times of December 6, 1935:

Unfortunately, the House Committee on Appropriations has as its chairman a Representative in Congress—Mr. BUCHANAN, of Texas—who has been all too ready in the past to play politics with the common defense.

Unfortunately, the House Committee on Military Affairs is afflicted with a chairman whom the President of the United States was forced to rebuke publicly for giving world-wide publicity to some of the most vital secrets involving the common defense.

This chairman, Mr. McSWAIN, has done his best since he became chairman of this committee to discredit the Military Establishment, destroy public confidence in the United States Military Academy, and incite public suspicion of the commissioned strength of the Regular Army.

PARTISAN POLITICS

Unfortunately, there are too many members of the House Committee on Military Affairs who are ignorant of sound principles of defense, indifferent to sound recommendations, and ready to play partisan politics with defense problems, if, by so doing, they can get votes for themselves in their own districts or publicity for themselves there or elsewhere.

But the session of Congress which convenes next January will be a most critical time for this country because the sapping expedition against the common defense is well organized, well

subsidized, and the sappers will attempt to divert public attention from their diabolical purpose by shouting "economy."

And here is another libel appearing in the Washington Times of February 11, 1935:

SPURNS ADVICE

The House Committee on Military Affairs has repeatedly ignored sound military recommendations and has attempted to trespass upon the constitutional premises of the Executive. Its members, for the most part, have refused to interest themselves in sound theories of national defense except insofar as the execution of these theories could be compelled to distribute political pork among the constituents they represent.

What could have been the motives of James T. Williams, Jr., and of William Randolph Hearst? Surely it could not have been an honest conviction on their part that I was disloyal to the country and to the cause of national defense. My whole record gives the lie to any such charge or inference. Surely they could not hope for any man to be more zealous for adequate defense. Could it have been that they hoped to stay and paralyze my hand as chairman of the committee investigating War Department conditions? Had anyone promised James T. Williams, Jr., that his "meddling" would be powerful and effective if he could terrorize me and stop me from my efforts and investigation? Did the aircraft manufacturers who wanted private negotiations for the sale of aircraft to the Government inspire James T. Williams, Jr., and William Randolph Hearst to try to destroy me and to neutralize my influence, and to frighten me from my duty? Did James T. Williams, Jr., take out a personal spite upon me because I knew he was a political turncoat? Why did not William Randolph Hearst answer my letter consisting of nearly eight closely typewritten pages, which letter I wrote him on March 6, 1934, giving him the absolute facts as shown by the record itself? Why did not William Randolph Hearst instruct James T. Williams, Jr., to stick to the truth about me, and stop making false charges through his many editorial utterances which were reproduced in a large number of newspapers throughout the country? Why did William Randolph Hearst, after knowing the facts as shown by my letter of March 6, 1934, telegraph James T. Williams, Jr., on April 5, 1935, instructing him to carry in the columns of the morning papers, in addition to the afternoon papers, this malicious, unjustified, and libelous denunciation of me? These are questions that the people want to know the answer to, and these are questions that Mr. Hearst and Mr. Williams, if they have any manhood left, if they are willing to trust the truth to the people, should answer before the whole people.

INDEPENDENT OFFICES APPROPRIATION BILL, 1937—CONFERENCE REPORT

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment no. 9:

"Sec. 2. To enable the Secretary of Agriculture to carry out the purposes of sections 7 and 8 of the Soil Conservation Act, as amended, \$440,000,000, to be immediately available and remain available until expended, together with the unexpended balance, not exceeding \$30,000,000, of the funds made available for rental and benefit payments by the Secretary of Agriculture under the provisions of the Supplemental Appropriations Act, fiscal year 1936, approved February 11, 1936."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment no. 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 2. To enable the Secretary of Agriculture to carry into effect the provisions of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936 (Public, No. 461, 74th Congress), including the employment of personal services and rent in the District of Columbia and elsewhere, printing and binding, purchase of law books, books of reference, periodicals, and newspapers, and other necessary expenses, \$440,000,000, together with not to exceed \$30,000,000 of the funds made available under the head "Payments for Agricultural Adjustment" in the Supplemental Appropriation Act, fiscal year 1936, approved February 11, 1936 (Public, No. 440, 74th Congress); to be imme-

diately available and to remain available until June 30, 1938, for compliances under said Act in the calendar year 1936: *Provided*, That no part of such amount shall be available after June 30, 1937, for salaries and other administrative expenses except for payment of obligations therefor incurred prior to July 1, 1937: *Provided further*, That the Secretary of Agriculture may, in his discretion, from time to time transfer to the General Accounting Office such sums as may be necessary to pay administrative expenses of the General Accounting Office in auditing payments under this item."

Mr. TABER. Mr. Speaker, will the gentleman yield to me at this time to offer an amendment?

Mr. WOODRUM. Mr. Speaker, I shall yield to the gentleman to make some remarks, but I cannot yield to the gentleman to offer an amendment. Several gentlemen on the minority side have indicated a desire to speak on this amendment. I shall be very glad to yield to them at this time. I now yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this amendment provides \$470,000,000 to permit the Secretary of Agriculture to operate under the Soil Conservation Act, which was passed 3 or 4 weeks ago. I had it in mind to offer an amendment to the amendment which would limit the payments to any one person or firm or corporation to \$2,000, and also to provide that none of the funds appropriated should be used to pay benefits on land brought into cultivation hereafter as a result of irrigation and reclamation projects. I appreciate that the parliamentary situation is such that I shall not be allowed to offer these amendments, which I believe should be adopted, to any such provision as this. I shall be obliged to content myself with just plain opposition to this appropriation.

I believe that the operation which is contemplated, namely, the payment of benefits at the rate \$10 per acre upon approximately 35,000,000 acres of land will result in greater distress, especially among the dairy farmers, than anything that has ever come before. I believe that the operation of the proposition is going to result in creating more crops on the market than we had before. I do not believe it will reduce production.

I do not believe it is the proper thing for the Government of the United States to pay that amount of money to individuals. In addition to that, they have come in here with no real justification for the money. There is no definite program as to how they are to spend it. It is simply a blanket request, with the statement that the thing is being worked out as to how they are to spend it. It is perfectly apparent that this Congress ought to get the right information as to how that money is to be spent before we give them the money. I do not believe we should adopt this amendment at all. We should reject it and turn it back and let those people come here, and if they have a legitimate reason for spending the money and a legitimate program for spending it, show us what it is.

In the meantime I hope this House will reject this amendment and throw the thing out.

Mr. Speaker, I yield back the balance of my time.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. Mr. Speaker, during the consideration of this amendment before the committee, Mr. Davis, Administrator for the Agricultural Adjustment Administration, appeared before the committee. I interrogated the Administrator as to the policy that would be adopted in relation to paying benefits to land which had not been in cultivation at the time of the passage of the recently enacted soil-erosion plan. Of course, the Administrator was obliged to report that there were no restrictions in that law, and that land subsequently brought into cultivation through Government aid in irrigation and reclamation projects would be allowed the benefits. It seemed that the position was so contradictory that it should be called to the attention of the House.

Mr. Speaker, rather than go into detail and report the conversation had before the subcommittee, I ask unanimous consent to revise and extend my remarks by placing in the RECORD a page and a half of the hearings wherein this information was developed through the aid of the official who

will have charge of this program. Pages 52 and 53, supplemental hearing independent offices appropriation bill for 1937.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The matter referred to is as follows:

POLICY OF RECLAMATION OF ARID AND SEMIARID LAND

Mr. THURSTON. Mr. Davis, I want to ask you a question about a matter which ultimately will be very important and will affect the total amount you will expend.

Of course, you are aware that the Government in the last 2 or 3 years has allocated probably three-quarters of a billion dollars to the promotion of irrigation and reclamation projects, which, of course, will bring into cultivation large tracts of land which, I take it, you have not considered in your phase of the plan you have now in mind. You see new lands coming into use, and they have the advantage largely of Government funds for 10 years without interest. Will they not be accorded the same consideration as the land that has been in cultivation, and if so, will we not be in the inconsistent position of bringing new land into cultivation, with no interest payments to make for 10 years?

Mr. DAVIS. There is no line of distinction drawn at the present time between reclamation and irrigation lands and any other type.

Mr. THURSTON. So, as these tremendous new tracts come into cultivation, you will be obliged to give them the same consideration that you give land which is now being put into cultivation, or which recently has been in cultivation?

Mr. DAVIS. Yes; if this program is a continuing program, operating at the time these new lands that you refer are in use, I would say that is true.

Mr. THURSTON. So, while the object of this really is to hold down production of grain, we will be in the inconsistent position of reducing production in one section and greatly accelerating it in another.

Mr. DAVIS. I think one of the results will be holding down acreage in the main. I do not want to permit it to go without noting my exception, the statement that the object is to hold down the acreage of grain. The Supreme Court says that you cannot do that. If the Government is going to follow its past policies of reclaiming land by irrigation, should it not balance that by requiring the distribution of whatever funds are available, on the principle that areas of land of equal productivity should be taken back into Federal hands and removed from the field of production?

Mr. THURSTON. Of course, while the act may contain certain recitals, I think that many farm districts have been led to believe that the program will reduce the amount of grain that has been heretofore produced.

Mr. DAVIS. I think that will be one of the results.

Mr. THURSTON. We are then faced with this inconsistent situation that is bound to develop and greatly embarrass you and your associates in being required to pay for the nonuse of new lands brought into cultivation, unless there is some exception or some restriction imposed.

Mr. WOODRUM. Is it not entirely reasonable to suppose that as this program develops and such situations arise there will be changes of policy and amendments to the law? I do not suppose anyone expected that this law would be perfect.

Mr. DAVIS. Experience will be my teacher.

Mr. THURSTON. If payments are made to the new lands, it will require much more money than if we were dealing with a problem we were familiar with; that is, the amount of land heretofore in cultivation.

Mr. DAVIS. If the Congress wishes to modify that language and provide that no payment under this should apply to new land brought into production under federally financed reclamation projects, that would seem to me to be perfectly within your right to do, and I would not interpose any objection.

On the other point, however, that if the Government continues to extend—I came from the Western State of Montana, and I know the factors and forces back of reclamation that you do not have in the East. I know what that situation is. But is it not reasonable to consider, supposing \$100 is made available for reclamation—would it not be a good idea to say that \$50 shall be used to take production and put it back in the Federal domain land in the aggregate, having equal productive capacity, so you balance the reclamation of land. It is probably a good land use to do that, and supply the money you have to do it, so that when you take dry land out, that is where you put wet land in?

Mr. THURSTON. It seems to me that your object of reducing farm production will be defeated when new land is brought into cultivation.

Mr. DAVIS. It has been a paradox, on the face of it, at least, for some time. From the days of the old marketing act we have been attempting to bring production into balance with the policy of reclamation.

Mr. THURSTON. Of course, in the last 3 years I suppose many times more has been allocated than in any like period.

Mr. DAVIS. For reclamation?

Mr. THURSTON. Yes.

Mr. DAVIS. I do not know the figures. But looking at it from the long-time agricultural standpoint, farmers are better off where the water supply is under their own control than otherwise. But unless reclamation projects are intended by the program to take arid lands out of production, I think the program is out of balance.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. CULKIN. Did Mr. Davis state that he could not, in fact, control the lands being brought into cultivation by irrigation?

Mr. THURSTON. He said that inasmuch as there was no restriction in the act that was passed he would be obliged to pay benefits to new irrigation projects that were begun after the passage of the law.

Mr. CULKIN. But the inference was that the Department of Agriculture had no power over irrigation, but that that was within the Department of the Interior.

Mr. THURSTON. Yes.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. THURSTON. I yield.

Mr. WHITE. Does the gentleman know it is the policy of the administration to withdraw from production the same amount of acreage for all acreage that is put in by reclamation?

Mr. THURSTON. I will say that the greater number of acres that will be withdrawn in the soil-erosion program is secondary land or submarginal land that has not yielded in abundance and has been only light in production, whereas the new land that will come in, that will constantly receive water, will undoubtedly produce much greater crops than the same number of acres taken out of submarginal lands.

Mr. WHITE. As a matter of fact, we know it will take more acres of the submarginal land for the reclamation land put in; but that is the policy of the administration, to keep a balance of production by taking out as much land as they put in by reclamation projects.

Mr. THURSTON. I submit that if that matter had been developed on the floor during the consideration of the original bill, very likely restrictive provisions would have been placed therein which would have prohibited newly developed land from receiving those benefits.

Mr. Speaker, I yield back the balance of my time.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I simply want to point out to the House and to the country that this large item of appropriation comes here as an amendment to this bill as the result of an amendment drafted at the other end of the Capitol, without any hearings whatsoever, insofar as I am advised. It was adopted at the other end of the Capitol without a word of debate on the floor, and it came to this end of the Capitol before the House had even taken up for consideration the legislation authorizing the appropriation.

Of course, an authorization now exists, but it seems to me that when it comes to spending \$500,000,000 of the people's money, the House and the country are entitled to a comprehensive explanation from those in authority as to how that money is to be spent. From my point of view, I can only say that that explanation is still lacking.

It is true that the House conferees endeavored to obtain some light on the picture. Hearings were held, and for 2 days the conferees sat across the table from Mr. Davis, Administrator of the Agricultural Adjustment Administration, and his coworkers and questioned them. I commend those hearings to the attention of the Members of the House. I submit that the only facts demonstrated conclusively are, first, the fact that no one in authority today is in a position to give any detailed picture of how this tremendous sum is to be expended; and, secondly, the fact that it is the aim of those who are to spend the money to put into effect as closely as possible, by indirection, the same policy which the Supreme Court declared to be unconstitutional, when applied directly, under the provisions of the Agricultural Adjustment Act.

Take, for example, the administrative set-up. No breakdown was furnished of the personnel contemplated to spend this great sum of money. Every activity normally supplies such a breakdown. The Administrator, however, was unable to comply. Under the Triple A, we still have about 5,000 permanent employees and several hundred temporary workers, not to mention the State and county representa-

tives, which at times have run as high as 100,000. In addition, under the Soil Conservation Act passed a year ago, there are between five and six thousand permanent employees and several thousand temporary workers. The stated purposes of that act are very similar to those of the new bill. Yet, despite these facts, in the new set-up it is said that as many as 4,000 of the permanent employees of the A. A. A. will be needed in addition to the temporary workers and the representatives in the States and in the counties. The only yardstick used was the very rough estimate of 7 percent for administrative expenditure out of such total as Congress might make available.

If we consider the conditional payments that are to be made, the testimony is equally vague and equally inconclusive. If I had the time, I could call your attention to statement after statement in the hearings showing that details are not available yet as to how these payments are to be computed or applied; that comprehensive plans are impossible pending reports of regional conferences, decisions by the Secretary of Agriculture, and other steps necessary in order to determine the program as a whole.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. In a general way, all that the witnesses could tell us was that under the A. A. A. about 30,000,000 acres had been taken out of former production, and that to take this 30,000,000 acres out of production had cost about \$500,000,000 a year. They said, in substance, therefore, "Although we are not in a position to talk in terms of the new legislation, we think if you will allow us to take 30,000,000 acres from the production of soil-depleting products and turn them into the production of non-soil-depleting products, and if you will give us about what you gave us under the A. A. A., we should be able to get along pretty well." This is about the sum and substance of the testimony.

It is fair, I think, to add that testimony as to the past was also unavailable. It seems impossible to believe, for example, that the Administrator is not in a position to furnish information as to payments made under the A. A. A. It is difficult to escape the conclusion that the lack of response in this connection indicates an unwillingness to have the facts known.

Yesterday I read a quotation from George Peek, formerly a leading figure in the present administration. The quotation characterized those provisions of the new farm bill designed to regulate the flow of farm products as "merely a cloak for continuation of a policy of crop restriction in a rather specious effort to evade the Supreme Court's decision." The hearings in connection with the legislation lead inevitably, in my judgment, to this conclusion. They indicate definitely the determination to continue with one hand the policy of scarcity to the extent of thirty to thirty-five million acres per year, while encouraging with the other hand tremendous irrigation projects and great importations of agricultural commodities said to have been estimated in 1935 as equivalent to the production of from forty to fifty millions of acres. I greatly regret that no opportunity is offered to support a sound and constructive program in aid of the farmers of the Nation.

It has been estimated, Mr. Speaker, that the increase in our public debt for the 3 years ending June next will be approximately equivalent to \$40 per minute from the date that Columbus discovered America until the present time.

The last 3 years have been characterized by tremendous appropriation, by tremendous expenditure, and by tremendous delegation of legislative power in respect to both.

The item under consideration calls for another great appropriation and a further great delegation of legislative power to the Secretary of Agriculture. The appropriation, if approved, is to be expended by him under terms and conditions which he himself would appear to be unable to define at this time. No payments, we are told, will be made under the act until September or October next. It is no doubt considered that payments to beneficiaries at that time will be particularly helpful.

The basis for haste, Mr. Speaker, is not apparent. I repeat the statement which I made in beginning these brief remarks. In my judgment, if the House is to appropriate half a billion dollars of the people's money, it owes it to itself and to the country to obtain from someone, somewhere, somehow, comprehensive information as to how this money is to be expended.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, I realize that any discussion of this appropriation to carry out the purposes of the soil-conservation bill is of necessity post mortem, but I wish to emphasize the point made by the gentleman from New York [Mr. TABER] when he said that this bill does in fact wreck the dairy farmer. The dairyman is the only real conservationist and he is thrown to the wolves by this legislation.

I want to emphasize, too, the utter fallacy that is created here by Mr. Davis, representing the Department of Agriculture, testifying that he has no jurisdiction over reclamation. With one hand we are spending for reclamation \$1,250,000,000, with the other hand we are spending \$500,000,000 annually to retire 35,000,000 acres from production. These policies are contrariwise. They are opposed to each other, and, in my opinion, if continued they spell disaster for this country and particularly for the American farmer.

When the Interior bill comes back to us you will find that it has added to it, in one lump sum, \$52,000,000 for irrigation. To complete the irrigation projects carried in that bill will cost this country \$1,250,000,000. If there was ever a civilization gone mad it is ours. This administration today is without course or compass.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, we are again confronted with an increase in an appropriation bill, this time the independent offices bill, in the sum of \$2,170,000,000. This may seem small to some of you men, but I cannot understand it; it is such a large amount—\$2,000,000,000 is such a sum that it is almost beyond comprehension to me.

The question now is, where are you going to get this money? The Ways and Means Committee are trying to do something now to raise money through additional taxation; but all you Members of Congress think about is adding to these appropriation bills—spending, spending, spending; appropriation, appropriation, appropriation—we do not seem to do anything else but spend, spend, spend.

I congratulated the majority leader yesterday on trying to keep down the legislative appropriation bill. Every other appropriation bill at this session of Congress came with an increase over previous years—enormous increases. You now bring this bill back from the Senate with over \$2,000,000,000 additional hooked onto it.

We should pass sensible appropriation bills, with respect to good, sound, common sense in spending, with due respect to all people—the saver, the farmer, the poor, the worker—not half-baked, radical, Russianized legislation such as prohibits the farmer from farming as he formerly did, without molestation by a lot of "brain trusters." Of course, that is a fine thing to get votes, but it is going to wreck our Nation.

Getting back to this soil-conservation proposition, I want to insert in the RECORD the amount of wheat we imported in 1934. I will insert here a table showing the farm products imported in 1935 as compared with 1934.

Commodity	Year 1934	Year 1935
Wheat.....60-pound bushel.....	7,736,532	27,438,870
Corn.....56-pound bushel.....	2,959,256	43,242,296
Oats.....32-pound bushel.....	5,580,407	10,106,903
Butter.....pound.....	1,107,020	22,674,642
Beef, fresh.....do.....	140,447	8,584,114
Pork, fresh.....do.....	127,746	3,922,609
Canned meat.....do.....	46,777,875	76,653,242
Animal oils and fats, edible.....do.....	1,723,261	18,895,241
Hides.....do.....	200,770,332	303,475,633
Tallow.....do.....	42,813,299	245,850,922
Carpet wool.....do.....	85,181,282	171,504,101

Note the increases of importation of farmers' produce, yet you want our farmers to let their ground lay idle, pay them for so doing, and import the things they raise in ever increasing amounts. Why do you do it? You tax the people to pay for permitting foreigners to raise our produce instead of our own farmers. You will wreck the country by this process, sure.

We might not be fools here, but we are certainly doing the things that fools would do.

I believe in taxes and I believe the more you make the more you should pay, but I feel that this Congress by passing such ridiculous laws will soon wreck the Nation. You cannot pay out eight billion a year and collect four billion a year and keep it up much longer. You will cause America to loose its form of government and this no one wants to see. We must stop these ruthless expenditures by the huge appropriations.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New Hampshire [Mr. TOBEY].

Mr. TOBEY. Mr. Speaker, the thing that concerns me this afternoon is the degree of apathy and indifference of the Members of the House toward this proposed amendment. A handful of Members sit here considering an amendment giving approximately a half billion dollars to one of the great bureaucracies which exist under the present administration.

Let me review the soil-erosion bill which this amendment makes appropriation for. It came before our Agricultural Committee, but no hearings were held. We could not secure hearings on request. However, Mr. Davis and Mr. Wallace appeared before the committee for about 15 minutes apiece. There was no stenographic record of their testimony available to the Members. This bill was just pushed through on orders from above. It passed the House and then went to the Senate, where they put on an authorization for a half billion dollars of the people's money. An appropriation therefor comes in here today attached to this independent offices bill as an amendment.

We are now asked to pass this amendment turning over this half billion dollars to the Secretary of Agriculture, to be paid by him to farmers, without our having had presented to us any plans, rules, or regulations under which this vast sum will be disbursed, nor have we any data on the amounts to be paid on various crops.

The bill gives the Secretary of Agriculture almost supreme power. He makes the terms and conditions under which the bill will be administered, and, as I stated in my speech on the bill some weeks ago, they even dared to write in the original draft of the bill a provision prohibiting any audit except by the Secretary of Agriculture on himself and his Department. Now, on top of all this, they propose to give them the money without knowledge of the terms and conditions under which he will spend it.

If we vote this money, the Agricultural Administration will pay this money out in grants to farmers for one or more of the several purposes of the bill. This money will be paid under certain terms and conditions yet to be divulged. So, when a farmer accepts this money, he does it in accordance with and subject to the terms and conditions to be set forth by the Department, and, in my opinion, this will constitute a contract and be in violation of the recent decision of the Court in the Hoosac case.

Mr. Speaker, you and I as Members of the House have a real responsibility in this matter, and should not, in my judgment, vote this great sum of the taxpayers' money without knowing what the plan is and what the terms and conditions will be which will govern the grants.

The bill, plus the amendment, constitutes the greatest grant of power to a bureaucracy ever made by an American Congress. It is an abdication of the powers of Congress.

The Agricultural Bureau has a good man at the head of it, as far as character and integrity is concerned but he has acquired the habit of coming before the Congress and asking for power and more power, and each time the Congress proceeds to give it to him. We should know from him what he is going to do with the money before we grant it. We

have no answer from him as to that, but all of us will have to answer to our constituents.

The Agricultural Department has been holding six regional hearings around the country, seeking to learn the attitude of the farmers on the new farm bill. Mr. Wallace had six stenographers taking down his testimony at the New York meeting, but no testimony was taken down by a stenographer of the testimony of the farm representatives. There is a great diversity of opinion among them in reference to the administration of this particular matter.

Mr. Speaker, I appeal to the membership to reject this amendment. Let us bring the matter up in the proper way before the Congress. I see my colleague the gentleman from South Carolina and other members of the Agricultural Committee here. I, for one, am through passing legislation giving to these bureaucracies the power to spend more money without getting some definite information as to how it is going to be spent and where. It is time to call a halt on such procedure, and I appeal to the Members of the House to turn down this amendment and maintain the prerogatives of the House.

Mr. CRAWFORD. Will the gentleman yield?

Mr. TOBEY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to ask the gentleman, who is a member of the Agricultural Committee, if it is not true that if these funds are used in the manner as has been indicated here today, inducing the farmers to comply by retiring acreage, that as the prices move up it would be perfectly natural for others who desire to profit by those increased prices to apply commercial fertilizer to submarginal land and bring back into production the same volume of food-stuffs, thereby defeating the entire program?

Mr. TOBEY. There is not any question about that. It happened under the A. A. A. in 1933 and 1934. In the South they narrowed up their rows from 36 inches to 27 inches. They applied heavier amounts of commercial fertilizer to their land and they obtained increased yields over what they had the year before. The gentleman is correct in connection with his interrogation.

Mr. WOODRUM. Mr. Speaker, it is easy to criticize, and in the observations made by these distinguished gentlemen who would withhold any appropriation for agriculture for next year, they criticize but do not offer any plan.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Certainly.

Mr. TABER. Does the other fellow offer any plan?

Mr. WOODRUM. Yes; he has offered a plan and it has worked.

Mr. TABER. Not in these hearings.

Mr. WOODRUM. That is the stone wall you gentlemen are butting your heads against now and will be butting your heads against in the days to come. We have offered a plan and the plan has worked.

Mr. TOBEY. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. TOBEY. I read with interest the gentleman's interrogation of the gentleman who came before the committee with Mr. Davis. Was the gentleman entirely satisfied with the answers he got to those questions?

Mr. WOODRUM. I will answer the gentleman the best I can.

Mr. Speaker, ever since I have been a Member of this body, which is 14 years, and which is not long in comparison with the service of some of the distinguished gentlemen here, I have been hearing about doing something for the farmer. I think I have almost a 100-percent record in voting for almost every sort of nostrum presented for doing something to help the farmer. I have hoped some of them would work. However, when the present administration came in it did do something that helped the farmer, and I anticipate that no gentleman now on the other side of the aisle who is so much concerned about preserving surpluses of corporations and individuals, will undertake to get up in his seat and say that actually the farmer has not been helped. He has been helped. A plan was presented and put into operation which was helping American agriculture. Now, it turned

out to be unconstitutional. We were doing the best we could to help agriculture. I voted for it, and I do not feel any humiliation or feel that I made a mistake in thinking it was constitutional when distinguished judges on the Supreme Court of the United States were themselves mistaken, or perhaps are mistaken, so a majority of the Court holds about it; but the fact remains it was unconstitutional.

What are you going to do now, you Budget balancers? What are you going to do with agriculture when the Supreme Court cut the Triple A out from under them? Are you going to leave them hanging in midair where they were before?

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield right there?

Mr. WOODRUM. Why, certainly. Will the gentleman tell me his plan for the relief of agriculture now?

Mr. CRAWFORD. My plan would be this: Instead of paying \$10 per acre this year, \$10 next year per acre, and \$10 the next year per acre, and so on and on and on, let the Government go out and buy outright the submarginal lands that are subject to agricultural uses, put them beyond the reach of any speculator who wants to apply fertilizer to such land, and thereby support the price structure from the standpoint of production control.

Mr. WOODRUM. How much money would it take to do that?

Mr. CRAWFORD. It is not a question of how much money, because—

Mr. WOODRUM. Oh, no!

Mr. CRAWFORD. How much money will it take to do it the other way and never accomplish anything?

Mr. WOODRUM. Five hundred million dollars for next year.

Mr. CRAWFORD. And in 10 years \$5,000,000,000.

Mr. WOODRUM. But the gentleman's colleagues demand definite information. How many acres are you going to take out, and how much money will it take, and what is the number of the gentleman's bill to read his plan into effect? I would like to get it and read it.

Mr. CRAWFORD. There is not any bill—

Mr. WOODRUM. Of course not.

Mr. CRAWFORD. And how much attention would the gentleman pay to it if I did put in such a bill?

Mr. WOODRUM. I would be pleased to read it and give it due consideration.

Mr. Speaker, this is the claptrap we are hearing here every day. There is not a gentleman on the other side who can get up and tell you what ought to be done. We have brought in a plan, and it has passed the Congress. Agriculture today is on the up-and-up, and we are asking for money to carry the plan into effect.

Now, Mr. Speaker, complaint is made because we have not given definite information about how this money is to be used. When this amendment came back from the Senate, providing \$470,000,000, the House conferees were not willing to come into the House of Representatives and bring the amendment in and ask for its adoption without finding out as much information as we could, and we summoned before our committee—and I had the entire subcommittee made conferees, consisting of the distinguished and able gentleman from Massachusetts [Mr. WIGGLESWORTH] and his colleague from Ohio [Mr. BOLTON]—the representatives of the Department of Agriculture, and they had full and wide-open opportunity, and you can read the hearings, and I think you will find an honest and frank disclosure. They said:

We hope by this program to take out of soil-depleting cultivation between 35,000,000 and 50,000,000 acres of land. We hope that this can be done for the 1936 crop.

Of course, it is going to depend to some extent on how the farmers cooperate with the program, but the best information we have, in view of the Triple-A program, is that 35,000,000 acres will be involved.

Mr. FULMER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. In just a moment.

If this is done, we believe the cost will be approximately \$11 an acre paid to the farmer, with an administrative cost of approximately 75 cents an acre.

I do not know how anybody could be more definite than this, unless they were mind readers or had some providential power to sweep aside the curtains of the future and see what is going to happen. They were endeavoring and we are endeavoring to carry out a program as near as possible to the Triple-A program, and that cost us approximately \$500,000,000 a year.

I now yield to the gentleman from South Carolina.

Mr. FULMER. Is it not a fact that because of the decision on the part of the United States Supreme Court stating that agriculture is a State problem, the Federal Government cannot, at this time, go out and make any definite plan, because they are now waiting on the States to submit their plan?

Mr. WOODRUM. The gentleman is correct.

Now, my good friend the gentleman from Pennsylvania got me to yield him some time so that he could ask me a question, and now he has left and cannot hear my answer to it. I am sorry the gentleman is not here, because were he present I would like, in a spirit of good humor, to discuss with him some facts, which I do not feel that I can do in his absence.

The difficulty with my friend from Pennsylvania is that the gentleman is interested in only one thing, and that is taxes, cutting down the tax bill. It never dawns on the gentleman, who is a distinguished educator and a great industrialist in the great State of Pennsylvania—it has never dawned on him to manifest an interest in the great mass of the American agriculturists, the working people of the country, and the long bread lines of unemployed. He thinks always in the terms of dollars and tax bills. He says the thing we are doing here is wrecking the country.

Now, I sympathize with you gentlemen on the minority; that wrecking song you are singing is getting weaker and weaker. [Laughter.] It is going round and round, and every time it comes out it is weaker. While you are hollering about it, every time we pick up a newspaper we find that business is improving. The only thing in depression now is red ink.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. GIFFORD. I want to substitute for the gentleman from Pennsylvania. I would like to have the gentleman from Virginia make that speech in my congressional district.

Mr. WOODRUM. I would be very glad to if I get an invitation.

Mr. GIFFORD. Did the gentleman from Virginia read the index report last Sunday?

Mr. WOODRUM. I have read it, and I hold right here the index report from Boston.

Mr. GIFFORD. I am referring to the index of the last 3 weeks. Did not the gentleman see that it was going down steadily?

Mr. WOODRUM. I have the index report here from Boston on March 17.

Mr. GIFFORD. That is the day that you see snakes. [Laughter.]

Mr. WOODRUM. This report says:

Boston, March 17.—Residential building is on with a good start this year. January contracts awarded were for 27 percent more homes than in January last year and with a 67-percent increase in value.

There is no greater barometer, no more dependable index than the building industry in the gentleman's State of Massachusetts, and he will find that it is on the up and up.

Mr. GIFFORD. I would like to have the gentleman come to my textile district and recreational district—

Mr. WOODRUM. I do not know about the recreational part of it, but business is getting better.

Mr. GIFFORD. I would like to ask the gentleman, Are there any more snakes in that report?

Mr. WOODRUM. Yes. I am afraid here are more snakes. [Laughter.]

Mr. CONNERY. Will the gentleman yield?

Mr. WOODRUM. Briefly.

Mr. CONNERY. I want to call attention to the fact that St. Patrick got rid of the snakes.

Mr. WOODRUM. Now, here is another:

NEW YORK, March 4.—Aggregate net income of 466 domestic corporations for 1935 was 33.9 percent above the previous year, a tabulation made today by the Associated Press shows. Three giant industrial units, United States Steel, General Motors, and American Telephone, contributed more than 20 percent to the total.

The gentleman's employees in the textile mills of Massachusetts are buying more goods from his merchants up there, and every merchant up there will tell the gentleman that conditions are better today than when we came into power.

Mr. GIFFORD. I am glad the gentleman tries to make me hopeful; but I rose to ask the gentleman this particular question. The gentleman forgets that the gentleman from Kansas [Mr. HOPE] presented a plan, but we will let it go by, and let us say that we have no plan. That does not help the gentleman's plan, because we have no plan. I want to ask him this question: Because the A. A. A. was successful, as he claims, does he think that under soil conservation God Almighty is going to help as He did the A. A. A.?

Mr. WOODRUM. Oh, I think God Almighty will always do His part; and I will wager the gentleman from Massachusetts that the gentleman from Kansas votes for this appropriation.

Mr. GIFFORD. That I will?

Mr. WOODRUM. I am talking about the gentleman from Kansas [Mr. HOPE], whose opinion on agricultural matters we honor and respect. I wager that he will vote for this appropriation.

Mr. GIFFORD. Oh, I shall probably vote with him.

Mr. WOODRUM. And I wonder if my friend has seen the morning paper, with the account of the huge income-tax payments, which are pouring in to such an extent that as the newspaper says, they have inspired rumors on Capitol Hill that it might not even be necessary to pass a tax bill. It may not be necessary to pass another tax bill because of the 46-percent increase in income-tax returns.

Mr. GIFFORD. Was the gentleman listening the other day when I told the House that we did not need to pass a tax bill, because the Eccles theory of borrowing money has brought about this prosperity?

Mr. WOODRUM. Oh, this is not borrowing money; these are income-tax returns.

Mr. GIFFORD. You do not need the income tax. Just borrow money, according to Mr. Eccles, and that creates credit, and that will surely account for all of the prosperity.

Mr. WOODRUM. Borrowing money?

Mr. GIFFORD. We do not need a tax bill.

Mr. WOODRUM. The gentleman says that the income-tax returns are the result of borrowing money. Income-tax returns are the result of citizens of the United States having more taxable income in the last fiscal year than they had before.

Mr. GIFFORD. I am not one of them.

Mr. WOODRUM. The money is pouring into the Treasury.

Mr. BOILEAU. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. BOILEAU. The gentleman refers to prosperity in January 1936, as compared with the conditions in 1935. In January 1935 we imported into this country from Canada 150,000 pounds of cheese, while in January 1936 we imported from Canada 750,000 pounds of cheese, and since the first of the year the price of cheese went down 3 cents a pound in this country. Does the gentleman think that is prosperity for the dairy industry?

Mr. WOODRUM. The gentleman has not heard me or any of my colleagues state that the millennium had come. I do not say that there are not still rocks in the path ahead, but the ship of state is moving forward under the gallant, courageous leadership of our pilot in the White House, and the people of the country know it.

Mr. BOILEAU. And I say to the gentleman that some of these rocks have been taken out of one path and put into the path of the dairy industry.

Mr. WOODRUM. Oh, I do not say that there are not certain groups in this country who have not recovered as quickly as we want them to.

Mr. BOILEAU. And this appropriation we are now considering is one of the rocks put in the path of the dairy industry.

Mr. WOODRUM. No; I do not think that. The gentleman will see from the hearings that Mr. Chester Davis, speaking in response to a question by the gentleman from Iowa about whether taking land out of production and putting it into grass would hurt the dairy industry. Mr. Davis said in his judgment it would not. He said their experience had been under the Triple A that although they had taken land out of production that went into grass, strange as it may seem, that fact of itself had not adversely affected the dairy industry, but that if it did, they had the power and the funds and the purpose under this bill to meet the emergency if it presented itself.

Mr. BOILEAU. Does the gentleman believe there is more feed for dairy cattle in grass than in tobacco?

Mr. WOODRUM. I am not thinking about the dairy industry or about tobacco. I am thinking about the farmers of the United States altogether. This bill is the administration's plan to help agriculture as a whole, and the gentleman well knows agriculture is better off today than it was when we came into power, and we are going to keep it better off, and the people of the country know that in the White House we have a man who will keep it in that condition if he can.

Mr. BOILEAU. I grant that conditions in agriculture are better off today than at that time, and conditions in all lines of industry have likewise improved, but I say to the gentleman that the dairy farmers have not received as much benefit as other groups of farmers, and have not received as much benefit as industry, and the bill for which this appropriation is made will further injure the dairy industry, and will do immeasurable damage to that industry, which is the largest of all agricultural industries.

Mr. WOODRUM. I appreciate the gentleman's apprehension about the industry he so ably represents. I do not believe the administration in charge of this farm bill is going to permit any one group to be adversely affected by it, and I believe if anything happens in its administration that does adversely affect the dairy industry, the situation will be met by the administration.

Mr. BOILEAU. It is very clear that this twenty-five or thirty million acres will practically all be put into grass and legumes, which can be used only as feed for livestock, and to that extent this twenty-five or thirty million acres of land will be put into direct competition with the dairy industry. Dairying cannot get any benefit out of the bill under such circumstances, and it must result in injury to the dairy industry. It cannot be anything else. You cannot spell it in any other way. There will be more lands being used for dairy purposes, and that is all.

Mr. HOOK. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. HOOK. I just want to call the attention of the gentleman from Wisconsin [Mr. BOILEAU] to the statement of Mr. Reed, head of the dairy industry, which says that this is good for the dairy industry.

Mr. BOILEAU. Who is this man Reed? I never heard of any great agriculturist by the name of Reed.

Mr. WOODRUM. Mr. Speaker, I do not yield further. I am sorry the gentleman from Pennsylvania [Mr. RICH] did not remain here. The gentleman is always talking about wrecking the country. I want to read a little letter that went into the CONGRESSIONAL RECORD. It was put in by the gentleman from Texas, but I am afraid we did not all hear it in the confusion. This is a letter written by the Woolrich Woolen Mills, of Woolrich, Pa. [Laughter.]

Mr. MILLARD. That is old stuff now.

Mr. WOODRUM. It may be old stuff, but it is still good stuff. [Laughter.]

DEAR CUSTOMER: Time marches on. 1935 has passed into history. Woolrich enjoyed one of the best years in its 105 years of existence.

What a wail that is! The tragedy of it is that today some of the loudest wails, the loudest squawks, that are coming against the administration and the man in the White House are from people like the gentleman from Pennsylvania [Mr. RICH], who has more largely and directly benefited by the wise leadership of this administration.

Mr. GIFFORD. May I take the place of the gentleman from Pennsylvania [Mr. RICH]?

Mr. WOODRUM. In just a moment. I want to say, Mr. Speaker, that, in my judgment, it is not a thing to brag about, for an industry in Massachusetts or Pennsylvania or Virginia, which has so greatly prospered in these past 2 or 3 years, when most of the people of this country were being ground into the dust by the awful economic conditions through which they passed. It would be interesting indeed to know, if we might know, how the Woolrich Co., of Woolrich, Pa., of which the gentleman from Pennsylvania [Mr. RICH] is one of the rich owners, managed and manipulated its affairs during these terrible and terrific years, when labor was starving and being underpaid, and when the bread lines were lengthening. We should like to know how it happened that they had one of the best years in their 105 years of existence. One of the beneficiaries of that condition stands in the Well of this House almost daily and criticizes the administration that has made it possible for his business to be resurrected during such a terrible time.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for just a moment?

Mr. WOODRUM. Yes; I yield to the distinguished gentleman from Alabama.

Mr. BANKHEAD. In connection with the business prosperity of the country, although the United States Chamber of Commerce has been very critical of this administration, only a few days ago its president, Harper Sibley, gave out this statement:

Despite the disturbing factors of government, business is at the highest level in the past 5 years.

Mr. WOODRUM. Everywhere you hear that.

Mr. BANKHEAD. Will the gentleman yield for another moment?

Mr. WOODRUM. Certainly.

Mr. BANKHEAD. The General Motors Corporation, which is very largely owned by some gentlemen who recently gave a dinner here in Washington [laughter], reports their net income for 1935 the sum of \$167,000,000.

Mr. WOODRUM. The difficulty is we are going to have a boom. That is what is worrying me. [Laughter.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman.

Mr. GIFFORD. I want to remind the gentleman, when he talks about "time marches on", that I have a patent on that. "Time marches on!" But I wish to say, substituting for the gentleman from Pennsylvania [Mr. RICH], you cannot blame a successful businessman who is running a successful business, employing a lot of people and paying his taxes, for thinking how terrible it is that billions should have to be borrowed, thereby holding up everybody else.

Mr. WOODRUM. No; I do not blame him; but I say when he is squawking about business conditions he is not thinking about the welfare of the country. He is thinking about the fact that after resurrecting this country he is going to have to disgorge one or two of those dollars of profits that he made in 1935.

Mr. GIFFORD. The gentleman from Pennsylvania feels like I do, that because you spend billions and billions and billions, according to the Eccles' theory, which is taught us in our committee, that has brought about your prosperity. We worry. RICH worries. I worry, and the gentleman worries, but he does not say anything about it. We are all worrying about the \$40,000,000,000 facing us. The gentleman's own Senator from Virginia suggested \$50,000,000,000.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the amendment. [Laughter.]

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 118, noes 33.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

Mr. WOODRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. Was that the vote on the motion to recede and concur with the amendment?

The SPEAKER. Yes. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 263, nays 83, not voting 84, as follows:

[Roll No. 40]

YEAS—263

Allen	Doughton	Kopplemann	Reilly
Andresen	Doxey	Kramer	Richards
Arends	Drewry	Lambertson	Robertson
Ashbrook	Driscoll	Lambeth	Robinson, Utah
Bankhead	Driver	Lanham	Rogers, N. H.
Barry	Duncan	Lea, Calif.	Rogers, Okla.
Beam	Dunn, Pa.	Lenke	Rudd
Belter	Eagle	Lewis, Colo.	Ryan
Bell	Edmiston	Lucas	Sabath
Biermann	Eicher	Luckey	Sadowski
Binderup	Faddis	Ludlow	Sanders, Tex.
Bland	Ferguson	Lundeen	Sandlin
Blanton	Fernandez	McAndrews	Schaefer
Bloom	Flesinger	McClellan	Schuetz
Boehne	Fitzpatrick	McCormack	Scott
Boland	Flannagan	McFarlane	Scruggam
Boykin	Fletcher	McGehee	Sears
Boylan	Ford, Calif.	McGrath	Secret
Brown, Ga.	Ford, Miss.	McKeough	Shannon
Brown, Mich.	Frey	McLaughlin	Sirovich
Buchanan	Fuller	McMillan	Sisson
Buck	Fulmer	McReynolds	Smith, Conn.
Buckler, Minn.	Gambrill	Mahon	Smith, Va.
Burch	Gasque	Maloney	Smith, Wash.
Burdick	Gassaway	Mansfield	Smith, W. Va.
Caldwell	Gavagan	Martin, Colo.	Snyder, Pa.
Cannon, Mo.	Gilchrist	Mason	Somers, N. Y.
Carlson	Gildea	Massingale	South
Carpenter	Gillette	Maverick	Spence
Cartwright	Goldsborough	May	Stack
Cary	Granfield	Mead	Starnes
Castellow	Gray, Ind.	Meeks	Stefan
Celler	Green	Merritt, N. Y.	Stubbs
Chandler	Greenway	Miller	Sullivan
Chapman	Greenwood	Mitchell, Ill.	Tarver
Christianson	Gregory	Mitchell, Tenn.	Taylor, Colo.
Clark, N. C.	Griswold	Moran	Taylor, S. C.
Cochran	Guyer	Murdoch	Terry
Coffee	Haines	Nelson	Thom
Colden	Halleck	Nichols	Thomason
Cole, Md.	Hamlin	O'Brien	Thompson
Colmer	Hancock, N. C.	O'Connell	Thurston
Cooley	Hart	O'Connor	Tolan
Cooper, Tenn.	Hildebrandt	O'Day	Turner
Costello	Hill, Ala.	O'Leary	Umstead
Cox	Hill, Knute	O'Neal	Utterback
Cravens	Hill, Samuel B.	Owen	Vinson, Ga.
Creal	Hook	Palmisano	Vinson, Ky.
Crosby	Hope	Parks	Wallgren
Cross, Tex.	Houston	Parsons	Walter
Crowe	Huddleston	Patman	Warren
Cullen	Imhoff	Patterson	Wearin
Cummings	Jacobsen	Patton	Weaver
Curley	Jenckes, Ind.	Pearson	Welch
Daly	Johnson, Okla.	Peterson, Fla.	Werner
Darden	Johnson, Tex.	Peterson, Ga.	West
Delaney	Johnson, W. Va.	Pfeifer	Whelchel
Dickstein	Jones	Pierce	White
Dies	Keller	Polk	Whittington
Dietrich	Kennedy, N. Y.	Quinn	Wilcox
Dingell	Kenney	Rabaut	Williams
Dirksen	Kinzer	Ramspeck	Wilson, La.
Disney	Kieberg	Randolph	Woodrum
Dobbins	Kloeb	Rankin	Young
Dockweiler	Kniffin	Rayburn	Zimmerman
Dorsey	Kocialkowski	Reed, Ill.	

NAYS—83

Amlie	Cavicchia	Crowther	Focht
Andrew, Mass.	Church	Culkin	Gearhart
Bacharach	Citron	Darrow	Gehrmann
Bacon	Cole, N. Y.	Ditter	Gifford
Blackney	Collins	Dondero	Goodwin
Bolleau	Connery	Ekwall	Gray, Pa.
Brewster	Cooper, Ohio	Ellenbogen	Hancock, N. Y.
Burnham	Crawford	Engel	Harter
Cannon, Wis.	Crosser, Ohio	Englebright	Higgins, Conn.

Hoffman	Marcantonio	Risk	Tinkham
Hollister	Martin, Mass.	Rogers, Mass.	Tobey
Holmes	Merritt, Conn.	Russell	Treadway
Hull	Millard	Sauthoff	Turpin
Kahn	Mott	Schneider, Wis.	Wadsworth
Kvale	O'Malley	Seger	Wigglesworth
Lamneck	Peyser	Shanley	Wilson, Pa.
Lehibach	Pittenger	Short	Withrow
McLean	Plumley	Snell	Wolcott
Maas	Powers	Stewart	Wolfenden
Main	Ransley	Sutphin	Woodruff
Mapes	Reed, N. Y.	Taber	

NOT VOTING—84

Adair	Doutrich	Jenkins, Ohio	Oliver
Andrews, N. Y.	Duffey, Ohio	Kee	Perkins
Ayers	Duffy, N. Y.	Kelly	Pettengill
Barden	Dunn, Miss.	Kennedy, Md.	Ramsay
Berlin	Eaton	Kerr	Reece
Bolton	Eckert	Knutson	Rich
Brennan	Evans	Larrabee	Richardson
Brooks	Farley	Lee, Okla.	Robison, Ky.
Buckbee	Fenerty	Lesinski	Romjue
Buckley, N. Y.	Fish	Lewis, Md.	Sanders, La.
Bulwinkle	Gingery	Lord	Schulte
Carmichael	Greever	McGroarty	Steagall
Carter	Gwynne	McLeod	Summers, Tex.
Casey	Harlan	McSwain	Sweeney
Claiborne	Hartley	Marshall	Taylor, Tenn.
Clark, Idaho	Healey	Michener	Thomas
Corning	Hennings	Monaghan	Tonry
Dear	Hess	Montague	Underwood
Deen	Higgins, Mass.	Montet	Wolverton
Dempsey	Hobbs	Moritz	Wood
DeRouen	Hoeppe	Norton	Zioncheck

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Richardson (for) with Mr. Robison of Kentucky (against).
 Mr. Kelly (for) with Mr. Hartley (against).
 Mr. Dear (for) with Mr. Bolton (against).
 Mr. Ayres (for) with Mr. Taylor of Tennessee (against).
 Mr. Schulte (for) with Mr. Thomas (against).
 Mr. Wood (for) with Mr. Reece (against).
 Mr. Claiborne (for) with Mr. Jenkins of Ohio (against).
 Mr. Lee of Oklahoma (for) with Mr. Andrews of New York (against).
 Mr. McSwain (for) with Mr. Marshall (against).
 Mr. Romjue (for) with Mr. Michener (against).
 Mr. Harlan (for) with Mr. Rich (against).
 Mr. Monaghan (for) with Mr. Perkins (against).
 Mr. Kerr (for) with Mr. Hess (against).
 Mrs. Norton (for) with Mr. Lord (against).
 Mr. Dunn of Mississippi (for) with Mr. Eaton (against).

Until further notice:

Mr. Oliver with Mr. McLeod.
 Mr. Steagall with Mr. Wolverton.
 Mr. Summers of Texas with Mr. Knutson.
 Mr. Bulwinkle with Mr. Gwynne.
 Mr. Carmichael with Mr. Fenerty.
 Mr. Corning with Mr. Buckbee.
 Mr. Montague with Mr. Fish.
 Mr. Pettengill with Mr. Doutrich.
 Mr. Lewis of Maryland with Mr. Carter.
 Mr. Farley with Mr. Hobbs.
 Mr. Sweeney with Mr. Clark of Idaho.
 Mr. Tonry with Mr. Sanders of Louisiana.
 Mr. Greever with Mr. Brennan.
 Mr. Adair with Mr. Hennings.
 Mr. Ramsay with Mr. Larrabee.
 Mr. Zioncheck with Mr. Deen.
 Mr. Lesinski with Mr. McGroarty.
 Mr. Duffey of Ohio with Mr. Montet.
 Mr. Kennedy of Maryland with Mr. Eckert.
 Mr. Duffy of New York with Mr. Gingery.
 Mr. Barden with Mr. Healey.
 Mr. Berlin with Mr. Higgins of Massachusetts.
 Mr. Dempsey with Mr. Evans.
 Mr. Brooks with Mr. Casey.
 Mr. DeRouen with Mr. Buckley of New York.
 Mr. Underwood.

Mr. CROSSER of Ohio. Mr. Speaker, I change my vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment in disagreement.

Mr. WOODRUM. Mr. Speaker, the next three amendments merely change section numbers. I ask unanimous consent that they may be considered together.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment no. 10: Page 42, line 5, strike out the figure "2" and insert the figure "3."

Amendment no. 11: Page 43, line 9, strike out the figure "3" and insert the figure "4."

Amendment no. 12: Page 43, line 14, strike out the figure "4" and insert the figure "5."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendments nos. 10, 11, and 12, and concur in the same; and on this motion I move the previous question.

The previous question was ordered.

The motion to recede and concur was agreed to.

CIVILIAN CONSERVATION CORPS CAMPS

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, ladies and gentlemen of the House, the Members, no doubt, all are familiar with the fact that an Executive order has been issued reducing the number of C. C. C. camps in the United States. Most of the Members also are familiar with the fact that a number of my petitions were circulated in the House asking that this Executive order be rescinded and that the number of enrollees in the C. C. C. camps be held to 500,000. These petitions were presented to the Chief Executive last Saturday, and the indications are that they will not be acted upon favorably.

Mr. Speaker, I ask unanimous consent to insert in the RECORD a copy of the petition, together with the names of the Members of the House of Representatives who signed the petition.

The SPEAKER pro tempore (Mr. WHITTINGTON). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The matter referred to is as follows:

TO THE PRESIDENT OF THE UNITED STATES:

We, the undersigned Members of the House of Representatives, being mindful of the great good that is flowing from the activities of the C. C. C. camps in the United States, not only as to the physical good that their labor is doing for the forests, the parks, the Biological Survey, the T. V. A., Bureau of Reclamation, Division of Grazing, and the Soil Conservation Service, and other constructive miscellaneous undertakings; and being mindful of the further healthy results that flow therefrom by reason of the fact that this program at its outset took some half million boys of this Nation off of the highways and streets, took many of them out of criminal environments and placed them in healthy, sanitary, well-regulated, character-building occupations from which they earn a sufficient amount of money to each month send their folks at home \$25; and feeling sure that the expense incurred by the Government in order to carry on this wonderful program is the one expenditure of governmental funds against which no one in the United States makes complaint; and feeling sure that the program and the results obtained therefrom are justified in every respect:

We therefore respectfully petition you to rescind the recent order reducing the personnel in C. C. C. camps, and urge you to maintain this personnel at 500,000, and pledge you our best efforts to maintain this agency through the appropriation of sufficient funds to carry on the program in this proportion.

MEMBERS WHO HAVE SIGNED PETITION

Alabama: Frank W. Boykin, First District; Joe Starnes, Fifth District; Sam Hobbs, Fourth District; Lister Hill, Second District.
 Arizona: Isabella Greenway, at large.

Arkansas: William J. Driver, First District; John E. Miller, Second District; Claude A. Fuller, Third District; Ben Cravens, Fourth District; David D. Terry, Fifth District; John L. McClellan, Sixth District; Tilman B. Parks, Seventh District.

California: Clarence L. Lea, First District; John F. Dockweiler, Sixteenth District; Charles Kramer, Thirteenth District; Harry L. Englebright, Second District; Byron N. Scott, Eighteenth District; John H. Tolan, Seventh District; Frank H. Buck, Third District; Charles J. Colden, Seventeenth District; John M. Costello, Fifteenth District; John H. Hoeppel, Twelfth District; Henry E. Stubbs, Tenth District.

Colorado: Fred Cummings, Second District; Edward T. Taylor, Fourth District; John A. Martin, Third District; Lawrence Lewis, First District.

Connecticut: James A. Shanley, Third District; William M. Citron, at large; Herman P. Kopplemann, First District.

Florida: J. Mark Wilcox, Fourth District; J. Hardin Peterson, First District; Robert A. Green, Second District; W. J. Sears, at large.

Georgia: Paul Brown, Tenth District; B. Frank Wheelchel, Ninth District.

Idaho: Compton I. White, First District.

Illinois: Donald C. Dobbins, Nineteenth District; Arthur W. Mitchell, First District; Chauncey W. Reed, Eleventh District; Harry H. Mason, Twenty-first District; Scott W. Lucas, Twentieth District; Edwin M. Schaefer, Twenty-second District; Leo Kocialkowski, Eighth District; Leonard W. Schuetz, Seventh District; Raymond S. McKeough, Eighth District; Chester Thompson, Fourteenth District; Kent E. Keller, Twenty-fifth District; Thomas J. O'Brien, Sixth District; James McAndrews, Ninth District; Everett M. Dirksen, Sixteenth District.

Indiana: Arthur H. Greenwood, Seventh District; John W. Boehne, Jr., Eighth District; Virginia E. Jenckes, Sixth District; Eugene B. Crowe, Ninth District; Glenn Griswold, Fifth District; William T. Schulte, First District.

Iowa: Hubert Utterback, Sixth District; Bernhard M. Jacobsen, Second District; Otha D. Wearin, Seventh District; Fred Biermann, Fourth District; Edward C. Elcher, First District; John W. Gwynne, Third District.

Kansas: Edward W. Patterson, Third District; Randolph Carpenter, Fourth District; John M. Houston, Fifth District; William P. Lambertson, First District; U. S. Guyer, Second District.

Kentucky: Andrew J. May, Seventh District; Glover H. Cary, Second District; William V. Gregory, First District; Edward W. Creal, Fourth District; Fred M. Vinson, Eighth District; Brent Spence, Fifth District.

Louisiana: Paul H. Maloney, Second District; Joachim O. Fernandez, First District; Numa F. Montet, Third District.

Maryland: Vincent L. Palmisano, Third District; David J. Lewis, Sixth District.

Massachusetts: William P. Connery, Seventh District; John W. McCormack, Twelfth District; William J. Granfield, Second District; John P. Higgins, Eleventh District; Joseph E. Casey, Third District; Richard M. Russell, Ninth District; Arthur D. Healey, Eighth District.

Michigan: Frank E. Hook, Twelfth District; George G. Sadowski, First District; Prentiss M. Brown, Eleventh District; Lewis C. Rabaut, Fourteenth District; John Lesinski, Sixteenth District.

Minnesota: Melvin J. Maas, Fourth District; W. A. Pittenger, Eighth District; Harold Knutson, Sixth District.

Mississippi: William M. Colmer, Sixth District; Aubert C. Dunn, Fifth District; Wall Doxey, Second District; A. L. Ford, Fourth District; Dan R. McGehee, Seventh District.

Missouri: Clyde Williams, Eighth District; C. Jasper Bell, Fourth District; John J. Cochran, Thirteenth District; Reuben T. Wood, Sixth District; W. J. Nelson, Second District; Orville Zimmerman, Tenth District; Thomas C. Hennings, Jr., Eleventh District; James R. Claiborne, Twelfth District; Richard M. Duncan, Third District.

Montana: Joseph P. Monaghan, First District.

Nebraska: Charles F. McLaughlin, Second District; Henry C. Luckey, First District; C. J. Binderup, Fourth District.

Nevada: James G. Scrugham.

New Jersey: Mary T. Norton, Thirteenth District; D. Lane Powers, Fourth District; William H. Sutphin, Third District; Edward A. Kenney, Ninth District.

New Mexico: John J. Dempsey.

New York: James M. Mead, Forty-second District; James P. B. Duffy, Thirty-eighth District; Fred J. Sisson, Thirty-third District; John J. O'Connor, Sixteenth District; Caroline O'Day, at large; Joseph A. Gavagan, Twenty-first District.

North Carolina: John H. Kerr, Second District; Frank Hancock, Fifth District; Zebulon Weaver, Eleventh District; Harold D. Cooley, Fourth District.

North Dakota: William Lemke, at large; Usher L. Burdick, at large.

Ohio: Lawrence E. Imhoff, Eighteenth District; Robert T. Secrest, Fifteenth District; Frank C. Kniffin, Fifth District; William L. Fiesinger, Thirteenth District; Martin L. Sweeney, Twentieth District; Warren J. Duffey, Ninth District; William A. Ashbrook, Seventeenth District.

Oklahoma: Wilburn Cartwright, Third District; Josh Lee, Fifth District; Sam Massingale, Seventh District; Jed Johnson, Sixth District; Jack Nichols, Second District; Phil Ferguson, Eighth District; W. E. Disney, First District; P. L. Gassaway, Fourth District; Will Rogers, at large.

Oregon: Walter M. Pierce, Second District; William A. Ekwall, Third District; James W. Mott, First District.

Pennsylvania: Frank J. G. Dorsey, Fifth District; Charles R. Eckert, Twenty-sixth District; D. J. Driscoll, Twentieth District; Charles I. Faddis, Twenty-fifth District; C. Elmer Dietrich, Fifteenth District; M. A. Dunn, Thirty-fourth District; Harry L. Haines, Twenty-second District; Francis E. Walter, Twenty-first District; William M. Berlin, Twenty-eighth District; Patrick J. Boland, Eleventh District; Henry Ellenbogen, Thirty-third District; Joseph Gray, Twenty-seventh District; J. Buell Snyder, Twenty-fourth District; Don Ginery, Twenty-third District; Charles N. Crosby, Twenty-ninth District; Oliver W. Frey, Ninth District.

Rhode Island: John M. O'Connell, Second District.

South Carolina: Hampton P. Fulmer, Second District; Thomas S. McMillan, First District; James P. Richards, Fifth District; Allard H. Gasque, Sixth District; John C. Taylor, Third District.

South Dakota: Theo. B. Werner, Second District; Fred H. Hildebrandt, First District.

Tennessee: Walter Chandler, Ninth District; S. D. McReynolds, Third District; John R. Mitchell, Fourth District; Clarence W. Turner, Sixth District.

Texas: Morgan G. Sanders, Third District; W. D. McFarlane, Thirteenth District; Maury Maverick, Twentieth District; Thomas L. Blanton, Seventeenth District; Nat Patton, Seventh District; Luther A. Johnson, Sixth District; Milton H. West, Fifteenth Dis-

trict; Joe H. Eagle, Eighth District; Wright Patman, First District; George H. Mahon, Nineteenth District; Martin Dies, Second District; Sam Rayburn, Fourth District.

Utah: J. W. Robinson, Second District.

Virginia: S. O. Bland, First District; Clifton A. Woodrum, Sixth District; John W. Flannagan, Jr., Ninth District.

Washington: Knute Hill, Fourth District; Monrad C. Wallgren, Second District; Martin F. Smith, Third District; Samuel B. Hill, Fifth District.

West Virginia: Andrew Edmiston, Third District; George W. Johnson, Fourth District; Jennings Randolph, Second District; Joe L. Smith, Sixth District; John Kee, Fifth District; Robert L. Ramsay, First District.

Wisconsin: Thomas O'Malley, Fifth District; Bernard J. Gehrman, Tenth District; Gardner R. Withrow, Third District; Harry Sauthoff, Second District; Michael K. Reilly, Sixth District; Gerald J. Boileau, Seventh District; George J. Schneider, Eighth District.

Wyoming: Paul R. Greever.

Alaska: Anthony J. Dimond.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. KENNEY. There are others who wanted to sign that petition, including myself, but it was sent to the President before I could add my name to it.

Mr. NICHOLS. I may say that I will hold this petition in my office, no 1004, New House Office Building, until this evening, and will also have a copy of the petition over here, so it will be available throughout the day for Members to add their signatures.

I may say to the gentleman that after the petitions went to the President a great many Members called me and complained that they had not had an opportunity to sign the petition. They said they had just heard from home that some of their camps were going to be closed and wanted to go on record against this.

Lots of other Members are going to hear from home in the next few days. The list of camps to be closed on April 1 has not yet been compiled. Nobody knows what camps will be closed. Even those Members who have not heard any protests may be hurt on that date. If you believe in the C. C. C. program, I advise you to get on record to this effect, even if you have not yet heard from home.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. BLANTON. There are numerous camps where \$11,000 has been spent to provide barracks, and so forth, where orders have been given to move on the 1st of the month, with the work on the camps about one-third complete.

Mr. NICHOLS. Yes. I shall comment upon that.

Mr. Speaker, I preface my further remarks by calling attention to a statement appearing in this morning's Washington Post, purporting to be a statement coming from the President. I quote from the article.

In the outset I want to read from the morning's Washington Post a statement purported to have come from the President relative to the reduction in C. C. C. camps:

The President also shattered the hopes of Members of Congress who have been attempting to prevent reduction in the personnel and number of C. C. C. camps. C. C. C., which is provided with a prospective appropriation of \$246,000,000 in the Budget, is expected to be reduced from an enrollment of 380,000 at present to 300,000.

The number of camps is expected to be reduced from 2,158 to 1,456. The schedule calls for a reduction of 455 April 1 and 247 July 1, a total of 702.

On the present basis of application, Mr. Roosevelt said, there will not be more than 300,000 men whose families are on relief available for enrollment in the camps. He said that the camps must be limited to prevent a break in the Budget and that a line must be drawn between persons on relief and those who are merely unemployed. He pointed out the danger of favoritism and scheming if the door is opened to young men not on relief.

It will be discovered from this that the President states there are at present approximately 380,000 enrollees in C. C. C. camps. I am advised by Mr. Fechner's office that this was the number of estimated enrollees on March 18.

The last figure which I was able to obtain before this time stated that there were 430,000 enrollees in C. C. C. camps.

Now, which of these figures is correct I am, of course, unable to say, but I would like to make a few deductions for the House, based upon information which I received this morning from Mr. Fechner's office.

It is agreed by everyone that at present there are 2,158 camps in the United States. I am advised by Mr. Fechner's office that it is the aim of the office to keep these camps at an enrollment of 206 men per camp. In order to use round numbers, if we were to assume that there were approximately 200 men in each of the 2,158 camps now in the United States, we would find that upon this basis there are at present 421,600 enrollees now in the camps in the United States.

This becomes important for the following reasons:

First. The above statement says that the number must be reduced to approximately 300,000, because there are no more boys than this available from relief families. Now I do not know who furnished the President with this information, but I am frank to say to you that I am skeptical of its correctness.

Be that as it may, however, if there are only 380,000 enrollees in the camps in the United States today, then the order will take 80,000 boys out of these camps, while, if the 421,600 figure is correct, the order will take out of the camps 121,600 boys.

Mr. Fechner's office also advises me that the Labor Department estimates that at present there are from 30,000 to 40,000 boys waiting to be enrolled in C. C. C. camps.

Even upon their own figures the next period could start with 340,000, if the enrollment was to be reduced on July 1 to 300,000.

When the order goes into effect carrying out the present plan, that is, reducing the number of camps from 2,158 to 1,456, this means that there will be taken out of the district of each Member of Congress, one and one-half camps, because the reduction calls for the knocking out of 702 camps, and there are but 435 congressional districts in the United States, including those States which not only have congressional districts but have one or more Members at large.

This means, then, if there are 200 enrollees in each camp, that 300 families in every congressional district in the United States, on an average, will be affected by this reduction.

And this is a serious effect, because at the time that these boys went into the various camps they could not get in unless their family was upon the relief rolls, and immediately upon their entrance into the camp that family was taken off the relief rolls.

Since that time rules have been promulgated which prevent anyone from getting on the relief rolls at this time, even though the family be in destitute circumstances.

Therefore you will have 300 families in every congressional district in the United States who are presumed to be destitute and need relief, whose only livelihood will be cut off by this order, and under the recent rules of Mr. Hopkins' office will be prevented from getting back on relief.

Besides this fact there is another fact to be considered. I presume that in every instance where a camp was established there was a good and sufficient reason for its establishment, in that there was a worth-while project for the camp to work on. If this is true, then under this order there will be literally hundreds of worth-while projects which will stop where they are. Some of them barely started; many of them only half completed; and many of them almost to the point of completion; and in many, many instances local communities have by bond issue and other means put up large sums of money to induce the Government to establish these camps, and at the time that the camps were established in my district the people of my district were assured that they would be established there upon a 5-year plan.

Therefore, assuming that the 2,158 camps now in existence are all worth-while camps, and that 206 enrollees are required to each camp to carry on its work, which is the figure given to me by Mr. Fechner's office, we should maintain an enrollment of 444,548 boys.

Mr. Fechner's office was not able to advise me as to exactly what the per-man-year cost was in keeping these boys in the camps, but I notice by the news story, above referred to, that there is \$246,000,000 in the Budget for the purpose of carrying on the work of these C. C. C. camps.

Incidentally, reference was made to the fact that the per-man per-year cost in the past had been \$1,140 for C. C. C. camps, but that it was only \$700 per man under W. P. A. In this connection permit me to point out to the Members that these figures were furnished by Harry Hopkins. It is only fair to say that figured in the \$1,140 per-man per-year cost in the C. C. C. camps is from \$16,000 to \$18,000 for the establishment of each camp, and figured in it also is all of the technical help and all of the equipment for the camps.

But in the case of \$700 per-man per-year cost for the W. P. A. only the wages paid and general overhead were figured, and this does not include material cost nor cost of buildings to house personnel.

It is my opinion that it will take approximately \$440,000,000 to maintain the enrollment at 440,000 enrollees. I am sure that it cannot take more than this, and I am of the opinion that this figure can be reduced materially. But, using that as a basis, if there are \$246,000,000 appropriated as provided in the Budget, it will require an additional \$154,000,000 to keep the enrollment to the figure that I have mentioned. And unless this can be done by some other method, I suggest to the House that when the relief bill comes before the House for consideration, or while it is before the Committee for consideration, that \$154,000,000 of these funds be earmarked to keep the enrollment in C. C. C. camps up to approximately 440,000.

And as for the above newspaper statement that there are only 300,000 boys available from the relief rolls for work in C. C. C. camps, while I cannot readily agree that there are no more than this number available, yet, for the sake of argument, I am willing to admit it.

[Here the gavel fell.]

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, still I say that the number should be maintained at approximately 440,000, and I cannot agree with the President that it is dangerous to go outside of the relief rolls in order to find these enrollees. As a matter of fact, I am one of those who believe that this program is of enough importance that it should be broadened so as to permit the taking into these camps of some boys who are not upon relief, and I am sure that with all the wisdom we have in our Government that it will be possible to provide an equitable yardstick by which to measure to qualifications of the boys who are to enter the camps, outside of those who are upon relief.

With the problems above referred to in mind, and with many others that will readily present themselves, and feeling the great necessity of protecting this program, I have obtained the caucus room in the Old House Office Building for 10:30 Friday morning, and I am earnestly hopeful that every Member of the House who is interested in this matter will be present at 10:30, where we can discuss plans of further procedure to protect the C. C. C. camps of this Nation.

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Permit me to say to my colleague from Oklahoma that I am deeply interested in this matter of keeping our present C. C. C. camps. I feel, also, that a grave emergency faces this Congress that requires immediate action. I may say that I am interested in the suggestion that the Congress earmark certain relief funds to take care of the C. C. C. camps. May I suggest to the gentleman, however, that the relief bill will probably not come to this House until after the 1st of April, at which date the damage will be done, as more than 400 additional camps will have been closed.

Mr. NICHOLS. Perhaps that is the best we can do, but at the time we earmark funds we can provide for opening up the camps which have been closed.

Mr. RANDOLPH. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Is it not a fact that the argument of the Federal relief authorities that it will increase the relief load if the C. C. C. camps are continued on the basis the gentleman desires is false in that now of the \$30 per month paid, \$25 goes back to protect the boys' families from relief, which will throw these families back on the relief rolls if the camps are closed? It will be a disaster to wreck the finest phase of the relief work program, and one that is universally popular.

Mr. NICHOLS. That is right.

Mr. HAMLIN. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Maine.

Mr. HAMLIN. May I ask the gentleman if he knows that on last Saturday night in Portland, Maine, at the largest Jackson dinner we ever had, when the matter of C. C. C. camps was spoken of, the whole audience rose and showed their desire to have those camps not only kept but increased in number?

Mr. NICHOLS. I may say to the gentleman that I do not think there is any portion of the recovery program that has been as universally popular.

Mr. FERGUSON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. To substantiate the claim of local cooperation, may I say that I have a city that put up a half million dollars to develop a camp, buy the land, and so forth, and the camp is to be abandoned in 6 months. There is another city in which the farm community has 72,000 acres under contract for soil conservation. All the contracts are to be thrown overboard by this arbitrary action.

Mr. NICHOLS. May I say to the gentleman that with a concerted effort on the part of the Members of this House, and if we all stand foursquare, this can be stopped if we will just do it.

Mr. REED of New York. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from New York.

Mr. REED of New York. I received a protest from some prominent people in my district in which some of these camps are located, stating they wanted the camps retained. I was curious to know why they had been eliminated. It might be interesting to the membership to say that when I traced the matter down through the Department here I found that the recommendation had come from the State parks board of my State. That information was passed along here so as to show that it is nothing for which we are responsible.

[Here the gavel fell.]

EXEMPTION FROM TAXATION OF CERTAIN ASSETS OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, I call up a privileged resolution, House Resolution 451, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 451

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3978, an act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity. That after general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. MARTIN of Massachusetts. Will the gentleman yield for a question?

Mr. SABATH. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Is it the gentleman's intention to try and finish this bill this evening?

Mr. SABATH. We are going to try to finish it if it is possible. We are going to ask unanimous consent to reduce the time for general debate from 4 hours to 2 or 1 hour, as the question is very well known to the membership. If it is at all possible, we will try to finish the bill this evening.

Mr. KENNEY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New Jersey.

Mr. KENNEY. Can the gentleman tell us how many States now exempt these securities?

Mr. CELLER. Seventeen.

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, the gentleman states 17, and I take his word for it. This resolution makes in order Senate bill 3978. It provides for 4 hours' debate, confined to the bill, after which it shall be read for amendment under the 5-minute rule. The rule is broad and liberal, and no question is being raised against it. Although I have allotted 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY], the ranking Republican member of the Rules Committee, he has told me that in order to save time he will not use all the time allotted to him. I will therefore be brief myself.

This bill is similar to one brought before the House a short time ago, which was defeated by the small margin of 6 votes. Since that bill was first considered section 2 thereof has been modified to an extent which will eliminate one of the objections raised when the bill was before the House.

Mr. Speaker, ladies, and gentlemen, this bill has the unanimous support of the entire 25 members of the Banking and Currency Committee, and when members of that committee appeared before the Rules Committee they told us that they have made satisfactory explanations to many of the Members who voted against the bill because of features which they did not clearly comprehend, and that these Members have expressed a readiness to vote for the bill at this time.

It has been charged on the floor—and many Members believed it to be a fact—that this bill would relieve banks from certain taxation. If this were true, I would be the last man to support it.

This bill will not deprive the States of any taxation to which they are entitled. The Government has lent tremendous sums of money to these banks through the R. F. C., and by this means or through the legislation passed by Congress has in many instances caused an increase in value from 50 percent to 300 percent in the common stock. The loans made by the R. F. C. to banks, as I have remarked before, not only saved the stockholders from double liability but saved millions of depositors from losing their savings.

Notwithstanding the aid rendered banks by the Government, they have failed to cooperate with our efforts to restore prosperity during these past few years. They have withheld credit to industries and in every other conceivable way made our task difficult. In view of this I repeat that I would be the last man to support any legislation exempting the banks from taxation. However, in exempting the preferred stock and debentures held by the R. F. C., the States are in no way deprived of any taxes, since the stocks and assets of banks have increased so tremendously because of R. F. C. advances and loans that the States are deriving far greater revenues than they did previously. Then, too, the tax is not levied upon the number of shares or upon the par value of shares, but upon the value of shares and the value of the assets of banks. I hope I make this clear to those who voted against the bill in the belief that it would deprive the States of certain tax revenues. I am including in my remarks today a statement I received from the R. F. C. as of January 31, 1936, which will enlighten the Members and refute the misstatements of certain people I have heard.

Activities of Government Lending Agencies to Jan. 31, 1936

RECONSTRUCTION FINANCE CORPORATION

Under President Hoover:

Disbursed, Feb. 2, 1932-Mar. 1, 1933.....	\$1,842,241,763.57
Repaid, Feb. 2, 1932-Mar. 1, 1933.....	368,372,884.83

Outstanding on Mar. 1, 1933.....	1,473,868,878.74
----------------------------------	------------------

Percent repaid, 20.

Activities of Government lending agencies to Jan. 31, 1936—Contd.

RECONSTRUCTION FINANCE CORPORATION—continued

Under President Roosevelt:

Disbursed, Mar. 1, 1933–Jan. 31, 1936.....	\$6,531,956,374.94
Repaid, Mar. 1, 1933–Jan. 31, 1936.....	2,965,621,228.34

Outstanding since March 1, 1933.....	3,566,335,146.60
--------------------------------------	------------------

Percent repaid, 45.3.

Total since creation of R. F. C.:

Disbursed, Feb. 2, 1932–Jan. 31, 1936.....	8,374,198,138.51
Repaid, Feb. 2, 1932–Jan. 31, 1936.....	3,333,994,113.17

Outstanding on Jan. 31, 1936.....	5,040,204,025.34
-----------------------------------	------------------

Percent repaid, 39.8.

COMMODITY CREDIT CORPORATION (AMOUNTS INCLUDED IN R. F. C. TOTALS)

Loans to farmers on—

Cotton:

Disbursed, October 1933–Jan. 31, 1936.....	\$451,433,547.62
Repaid, October 1933–Jan. 31, 1936.....	162,468,136.40

Outstanding on Jan. 31, 1936.....	288,965,411.22
-----------------------------------	----------------

Percent repaid, 35.8.

Corn:

Disbursed, October 1933–Jan. 31, 1936.....	127,176,565.72
Repaid, October 1933–Jan. 31, 1936.....	124,990,878.13

Outstanding on Jan. 31, 1936.....	2,185,687.59
-----------------------------------	--------------

Percent repaid, 98.2.

Turpentine:

Disbursed, October 1933–Jan. 31, 1936.....	6,925,985.18
Repaid, October 1933–Jan. 31, 1936.....	986,531.65

Outstanding on Jan. 31, 1936.....	5,939,453.51
-----------------------------------	--------------

Percent repaid, 14.2.

Others:

Disbursed, October 1933–Jan. 31, 1936.....	16,549,671.75
Repaid, October 1933–Jan. 31, 1936.....	8,582,422.57

Outstanding on Jan. 31, 1936.....	7,967,249.18
-----------------------------------	--------------

Percent repaid, 51.8.

Total:

Disbursed, October 1933–Jan. 31, 1936.....	602,085,770.25
Repaid, October 1933–Jan. 31, 1936.....	297,027,968.75

Outstanding on Jan. 31, 1936.....	305,057,801.50
-----------------------------------	----------------

Percent repaid, 49.3.

HOME OWNERS' LOAN CORPORATION

Amount due, Jan. 31, 1936 (principal and interest).....	\$315,244,011
---	---------------

Amount paid by Jan. 31, 1936 (principal and interest).....	232,401,915
--	-------------

Amount unpaid when due.....	82,842,096
-----------------------------	------------

Percent amount paid when due, 73.3.

Principal paid when due.....	81,478,484
------------------------------	------------

Principal unpaid when due.....	26,405,074
--------------------------------	------------

Percent amount paid when due, 75.5.

Interest paid when due.....	150,923,431
-----------------------------	-------------

Interest unpaid when due.....	56,437,022
-------------------------------	------------

Percent amount paid when due, 72.7.

FARM CREDIT ADMINISTRATION

Only sketchy data are available from this agency for comparative purposes between 1935 and 1932. This is due to two factors—first, a change in accounting methods occurred in 1933 which upsets the relationships of figures in 1932 and 1935; second, a billion dollars has been added to the amount outstanding in loans in the past 2 years which by law are not due in any part for 3 years. The following figures on delinquencies are interesting; however, they apply only to Federal land-bank loans:

1932 (end), 52.6 percent delinquent.

1935 (end), 19.3 percent delinquent.

PUBLIC WORKS ADMINISTRATION (REVOLVING FUND)

Disbursements to Feb. 24, 1936.....	\$487,000,000
Repayments to Feb. 24, 1936.....	352,000,000

Percent amount repaid to February 24, 1936, 58 percent.

This morning's papers also carried an item to the effect that income-tax collections have increased nearly 50 percent, a clear indication that business is improving and industries are making money, which enhances the value of all stocks and bonds and increases the value of taxable property in the different States.

In considering this bill it should be borne in mind that the exemption of taxation is only in force while these debentures and preferred stocks are owned by the R. F. C. When they no longer hold such debentures or stocks the exemption im-

mediately ceases. I do not feel that we should tax the Government for advances made on stocks and debentures. If we do so we permit the taxation by the States of preferred stock and debentures owned by the Government based on values made possible by the Government through the R. F. C.

In this connection I should like to call the Members' attention to evidence given this morning before the Federal Communications Commission, showing how the octopus American Telephone & Telegraph Co. has taken advantage of legislation enacted under President Roosevelt, and at the same time reduced the number of employees by 120,000 and reduced wages, while continuing to pay the regular \$9 dividend per share, even on millions of dollars' worth of watered stock. This is true not only with the A. T. & T. but with all the leading industries of the country, which have continued to pile up huge surpluses and continued to pay tremendous salaries to their officers of from \$100,000 to \$200,000 per year, and at the same time to cut wages and reduce the number of employees.

While I cannot agree to everything done by the R. F. C., as one advocating the creation of such an agency in 1931 I have been interested very deeply in its accomplishments; and, while I believe there have been many mistakes, at the same time I think it is rendering a great service to the Nation and has been instrumental in a great measure for improved business and conditions generally throughout the Nation.

Mr. Speaker, I do not wish to detain the House further, and, in view of the fact that the other side does not desire to take any time on the resolution, and since the question now appears to be thoroughly understood, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3978, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Chairman, for some reason or other, this bill has been considered in the light of some mysterious undertaking on the part of the Reconstruction Finance Corporation by which a decided advantage would be given to the national banks to the disadvantage of the State banks and the taxpayers.

Now, there is no mystery about this bill, as I see it, and the bill, as it is written, in my opinion, should be passed.

We saw fit to go along with this bill and vote for it when it was up here as a House bill, because we felt the Reconstruction Finance Corporation, or, as some people expressed it, the Federal Government, should not be penalized for coming into our localities and bailing out situations which would have resulted in the loss of billions of dollars to depositors in banks.

When we passed the original Reconstruction Finance Corporation Act, we exempted from local taxation their franchise, their own stock, their income, and everything except their holdings. I believe it was the intention of the Congress at that time to include the holdings of the Reconstruction Finance Corporation, and, as I view this bill, it is merely an attempt on our part to clarify what was very apparently our intention when the original Reconstruction Finance Act was passed.

Now, up to the present time the States have not assessed, levied, and collected any tax against the shares of stock held

in State or National banks by the Reconstruction Finance Corporation, for the reason that in some States the supreme courts have held that these shares were not taxable, on the theory that they were virtually holdings of the Federal Government and that the States could not tax the Federal Government. I presume they assume that the Reconstruction Finance Corporation in respect of its duties and powers is a fiscal agent of the Federal Government. The attorneys general of many of the States gave opinions that their States could not tax these holdings of the Reconstruction Finance Corporation, and many of them were of the deliberate opinion that we had intended to exempt the holdings when we passed the original act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WOLCOTT. I should prefer not to yield right now. I shall be pleased to yield a little later.

Now, there has been a great deal said about the losses to the States, and this is why I have made this statement, reviewing altogether too briefly, possibly, the history of this matter to show that up to the present time no State has collected any tax, and therefore their situations will not be changed if this bill is passed.

We went along on our side on the theory that the Reconstruction Finance Corporation and the taxpayers of the Nation should not be penalized for doing a mighty good job with respect to bailing out banks and depositors in these banks.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. Mr. Chairman, would it disturb the gentleman to yield for a very brief question?

Mr. WOLCOTT. No; I shall be pleased to yield to the gentleman.

Mr. BANKHEAD. Reference is made in the report, and the gentleman, in his argument, has referred to the fact, that it was evidently the purpose to incorporate this exemption in section 10 of the original act. Will the gentleman state, in substance, what that section 10 provides?

Mr. WOLCOTT. With respect to the exemption of holdings?

Mr. BANKHEAD. Yes.

Mr. WOLCOTT. Section 10 provides as follows, and, of course, this is existing law:

Any and all notes, debentures, bonds, or other such obligations issued by the Corporation shall be exempt, both as to principal and interest, from all taxation, except surtaxes, estate, inheritance, and gift taxes now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof or by any State, county, municipality, or local taxing authority. The Corporation, including its franchise, its capital, reserves, and surplus, and its income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority, except that any real property of the Corporation shall be subject to State, Territorial, county, municipal, or local taxation to the same extent, according to its value, as other real property is taxed.

Now, if you read that paragraph in the light of the opinion given by the attorney general and the State supreme courts, it is very apparent that because we did not specifically except the personal property of the Reconstruction Finance Corporation, but did expressly except the real-estate holdings, it was clearly the intention of Congress that the personal-property holdings, which would include the shares of bank stock purchased by the Reconstruction Finance Corporation, would be exempt from local taxation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. PATMAN. Is it not a fact that at the time the Reconstruction Finance Corporation Act was passed in 1932, and the time this provision was inserted in the law, the Reconstruction Finance Corporation could not purchase stock in the banks, but it was 14 months later. Therefore, Congress could not have contemplated taxing such stock, because at that time they could not purchase the stock.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Wisconsin.

Mr. REILLY. Is it not a fact that the power given the Reconstruction Finance Corporation to purchase the stock was another way of giving them power to acquire property that originally the law said should not be taxed?

Mr. WOLCOTT. In the original act we provided that the capital should be exempt from taxation. The preferred stock is a part of the capital and it was the intention of all of us to exempt from taxation the preferred stock of banks which might be held by the Reconstruction Finance Corporation.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOLLISTER. I yield the gentleman 5 minutes more.

Mr. WOLCOTT. It is my opinion that section 10 of the statute, wherein it exempts capital from taxation, has reference to the capital stock of the Reconstruction Finance Corporation and not to capital holdings of other institutions.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. BROWN of Michigan. I think the gentleman from Texas [Mr. PATMAN] ought to be answered a little further. He asserts that in 1932, when the Reconstruction Finance Corporation Act was enacted, there was no preferred stock in the national banks. In 1864, when the act he is relying upon was passed, there was no preferred stock in national banks.

Mr. WOLCOTT. Now, I am sure there will be ample opportunity to discuss that matter. These are the reasons why it was concluded that the bill should be passed. After all, every dollar that the Reconstruction Finance Corporation pays in taxes is \$1 less of profit that might be returned to the Federal Treasury when the Reconstruction Finance Corporation is liquidated, and \$1 more which the taxpayers, the people of the United States, will have to pay into the Federal Treasury.

But I am not going along with this bill, and I think that I speak for many others with whom I have talked since the intimation here on the floor that there has been some bargaining with the opponents of this bill, if there has been such bargaining. That bargaining was not in the committee; it was not with me; it was not with any member of the minority that I know of. Let us bring this matter out on the floor and fight it out upon its merits, and let the individual members of the committee speak for themselves, and not undertake to speak for the committee; and I say to the gentleman from Maryland [Mr. GOLDSBOROUGH] and to the rest of the Members of this House that if they adopt the amendment to strike out the word "hereafter" in line 3, on page 2, they will be guilty of gross discrimination; they will be creating a situation where one bank will be getting money for 3½ percent while another bank across the street may be forced to pay 5 or 6 percent. I am not going to vote, and I am not going to ask the membership of this House to vote for any bill, whether it saves the corporation a little money or not, which would pass that on to some bank back home, to the prejudice of its status in its community, and possibly be just the reason by which one bank may keep open and another bank be closed. We cannot tell what is in the future; we do not know what will happen to the banking situation from month to month and year to year. We do not know but that next year we may be called upon to raise the capital stock of the R. F. C. for the purpose of further bailing out these banks, and we would be in the incongruous position of setting up one standard for one set of banks and another standard for another set of banks.

I give warning, if it means anything to anybody besides myself, that if that amendment is adopted, I shall oppose the bill as vigorously as we wanted to favor the bill in its present form. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. GOLDSBOROUGH. I say to the gentleman, as I tried to explain when I had the floor—and it seems to me that I was frank in what I said—I do not think what I said was obscure—that there has been no deal of any kind or char-

acter made by anyone. I said that I understood an amendment would be offered.

Mr. WOLCOTT. I make no reflection whatever upon any statement the gentleman made, but if I remember the gentleman correctly, he did say that he and some of the majority members of the committee would not oppose it.

Mr. GOLDSBOROUGH. No.

Mr. WOLCOTT. My point is this. It is our duty as members of the committee to oppose any amendment which will destroy the effectiveness and integrity of this bill.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. I yield the gentleman 5 minutes more.

Mr. GOLDSBOROUGH. That is the gentleman's privilege, but I tried to explain when I was on my feet that I was not speaking for anybody on the committee other than myself.

Mr. WOLCOTT. I think the gentleman made that very plain, and I make this observation in that connection. If it is logical and right to exempt from taxation the holdings of the Reconstruction Finance Corporation of the capital stock of institutions which now have sold capital stock to it, it is just as logical to exempt those purchased in the future, and if it is not logical to exempt those purchased in the future, it is not logical to exempt those which they now own. We cannot set up two standards by which the righteousness of our actions may be judged.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. HANCOCK of North Carolina. Mr. Chairman, as a member of the committee, I say that our acting chairman has not undertaken to make any trade about any provision of the bill. He was speaking only for himself. I heartily concur with what the gentleman from Michigan has said and I shall oppose strenuously any offer to strike out the word "hereafter", which would result, as he has so ably stated, in gross discrimination in the way these banks are treated in an opportunity for the R. F. C. to rehabilitate them.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. CREAL. If I understood the gentleman, there are 17 States that have passed laws to forbid taxation.

Mr. WOLCOTT. I did not mention the number of States. I said there were several States whose attorneys general had given an opinion that their States could not tax the shares of capital stock owned by the Reconstruction Finance Corporation.

Mr. CREAL. This is the point I wish to make. If this amendment does not pass, those particular States that still insist on taxation will be in a difficult situation in trying to secure loans from the R. F. C. This being purely an optional matter and not on a State allotment plan, those States which furnish exemptions will be taken care of fully before those States that insist on taxing will be taken care of, if at all.

Mr. WOLCOTT. That would be a matter of policy for the board of directors of the R. F. C. They would have to decide that. I do not think the R. F. C. would adopt any different policy so far as the needs of one State are concerned from that adopted to apply to any other State. However there is some meat in the gentleman's suggestion that more consideration might be given to the needs of the banks of those States which exempt the shares from taxation.

Mr. MEEKS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. MEEKS. I should like to put this question: as to those States which may have levied a tax on these shares of stock, then the States which imposed the tax would be at a disadvantage in the future, would they not, over States that did not levy the tax?

Mr. WOLCOTT. I said that would depend upon the policy that the Board of Directors of the Reconstruction Finance Corporation adopted.

Mr. MEEKS. But ordinarily, naturally, and logically that would be true?

Mr. WOLCOTT. I would think that the Board of Directors of the Reconstruction Finance Corporation would not hesitate to consider that element. Of course, the rate of interest in those States would have to be high enough to overcome what the Reconstruction Finance Corporation would have to pay in taxes. There would be discrimination in that particular against the banks in those States which levied the tax in favor of those in States which did not levy the tax.

Mr. MEEKS. By failure to exempt these shares from taxation, are there any States that the gentleman knows of that would give State banks an advantage over national banks?

Mr. WOLCOTT. I cannot speak for any other State than Michigan, but I think the laws of that State and probably a majority of the States would not allow the taxing of an institution upon a different basis from that of any other one. In fact, it would be very much opposed to constitutional provisions to tax one institution upon a different basis than it taxed another.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MEEKS. Mr. Chairman, will the gentleman yield further?

Mr. WOLCOTT. I yield.

Mr. MEEKS. Would that not be true in Illinois as well as in Michigan?

Mr. WOLCOTT. I believe that the laws of most of the States compel the assessing officers to assess and levy the tax to be collected on an equal basis. In other words, they cannot discriminate in the levying of taxes. I do not think the constitution of any State allows the assessing officer to assess upon one basis for one property and upon a different basis for another property. The Constitution of the United States provides that no State shall deny to any person the equal protection of the laws, which I interpret as embracing the mandate that taxes shall be levied as equally as possible, and I think that some similar provision has been written into the constitutions of a majority of the States.

Mr. EDMISTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. EDMISTON. Unless this bill as it is presented is now passed, all the banks still operating under conservators would be eliminated from any chance of ever reopening under Reconstruction Finance Corporation debentures. Is that not correct?

Mr. WOLCOTT. I do not know as it would go quite that far, but it surely might postpone the date.

Mr. EDMISTON. It would make it more difficult for them, and if they change this rate of interest certainly they would have an unfair handicap on the banks that have already taken advantage of it.

Mr. WOLCOTT. Yes. It might postpone the date when they were able to meet the requirements.

Mr. CARPENTER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. CARPENTER. Going back to the question in regard to the opinions of the attorneys general or advisers of the various States, some of them have held that the States did not have authority to tax these shares. Was that not a matter for them to determine what was the intention of Congress when they arrived at that opinion?

Mr. WOLCOTT. I think that any attorney general, in giving an opinion to his State treasurer or to the local taxing authorities, would surely take into consideration the intent of Congress.

Mr. CARPENTER. Then if Congress refuses to pass this bill would that not indicate the intent of Congress, so that that would be determinative in rendering an opinion that the States should have a right to tax them, and therefore there would not be any discrimination between the various States?

Mr. WOLCOTT. I think the gentleman is right. The defeat of this bill would be a clear mandate to the States to tax.

At least, it would give the States some affirmative action upon which to base a presumption that they could tax the Reconstruction Finance Corporation. Of course, the Supreme Court has already said that. So they might have preceded us in that respect.

I just want to call your attention to page 39 of the hearings where Mr. Jones has picked out an occasional bank and given us some very worth-while information on what it would mean to the Reconstruction Finance Corporation, if its investment in the capital stock of banks was taxed. He sets forth in some instances the amount that the tax would be as opposed to the amount of interest which the Reconstruction Finance Corporation is receiving on those loans. In one instance it is \$8,400. In another, \$19,840. The loss to the Reconstruction Finance Corporation, including the cost of money at 2½ percent, is as high as \$305,000 in one case, and the amount of the tax quite generally either offsets the amount of interest which they receive, or is greatly in excess of the amount of interest they receive. It just turns upon the question of whether, for the purpose of distributing \$5,512,736.38 over all taxable—

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WOLCOTT. The amount of the tax which it is estimated they will have to pay is the figure I have just mentioned, which is rather infinitesimal when spread against the entire taxable personal property of the United States. It means a great deal to the Reconstruction Finance Corporation in whether it shall show a loss or a profit to the Federal Treasury upon its liquidation. [Applause].

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, will the gentleman from Ohio yield me a little time?

Mr. HOLLISTER. I might later.

Mr. GOLDSBOROUGH. I will yield the gentleman some more time.

Mr. PATMAN. We have 2 hours to a side. I would like to have 30 minutes to go into it fully and explain the side of those opposing the bill. The gentleman on each side having charge of the time are in favor of the bill, so there is a big difference.

Mr. HOLLISTER. Mr. Chairman, I may say to the gentleman from Texas that I will speak to the gentleman from Maryland, and if his time is completely taken so that he cannot yield any more, I will be glad to see what I can do.

Mr. PATMAN. Mr. Chairman, two mistakes have been made on this question we are now discussing. One mistake was made by Congress. The other mistake was made by the Reconstruction Finance Corporation.

In January 1932, when the Reconstruction Finance Corporation law was enacted, it is true a provision was placed in that law, section 10, that the capital, surplus, and other resources of the Corporation would be exempt from taxation; but at that time we could not have had in contemplation what we are now considering, because it was 14 months later that the R. F. C. was authorized by our law that we enacted to purchase this very stock. We could not, therefore, have had it in mind.

Where the Congress made a mistake was in not permitting the R. F. C. to purchase notes and debentures from national banks in exactly the same way they were allowed to purchase notes and debentures from State banks. Had this been done by Congress this question would not be before us today. Because the national banks are under the supervision and control of the Comptroller of the Currency and those here in Washington, it was not necessary to deal with anyone else. We could say, therefore, that we would take preferred stock from the national banks; we knew we could cause the national banks to issue preferred stock; but the R. F. C. did not know whether we could compel the States to pass laws to cause preferred stock to be issued by State banks, and up until that time no State had authorized the issuance of preferred stock

by State banks and the Federal Government did not permit preferred stock for national banks. As a matter of expediency, therefore, we permitted the R. F. C. to purchase notes and debentures from State banks but restricted the R. F. C. to the purchase of preferred stock only of national banks. We did not give consideration to what effect it would have in the local communities.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. GOLDSBOROUGH. Let us assume that the Reconstruction Finance Corporation had purchased debentures instead of preferred shares. No taxes would have accrued to the States at all. The situation would have been no different from what the situation would be if this bill is passed.

Mr. PATMAN. Let us see. There is a serious difference of opinion. The gentleman has asked a question that probably reaches the fundamental principle involved here.

Let us take this illustration: I have in my home town a bank that had \$500,000 of capital stock; \$250,000 of this capital stock was converted into preferred stock so the R. F. C. could purchase it.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I hope the gentleman will permit me to answer the gentleman from Maryland first. If I yield for questions I never will get started and I have got to show that my position is right. I believe I can do it if I am given the time, and I hope the gentleman will let me do it.

Continuing with my illustration, the Reconstruction Finance Corporation purchased \$250,000 of that stock. When the tax assessor comes around he is told by the bank: "No; we are not paying any more tax now, the R. F. C. owns half our stock. Heretofore we have always paid on \$250,000 of our stock and \$250,000 of our real estate which offsets that much stock. The R. F. C. stock is tax-exempt, therefore, we are not paying any more tax to either the county, to the State, to the road district, or to the school district."

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Let me finish. I want to answer the gentleman's question. I will yield if the gentleman insists, for he has charge of the time, and I want more time.

Mr. GOLDSBOROUGH. Will the gentleman explain what Congress has to do with the fact that a tax assessor in Texas does not know how to assess property?

Mr. PATMAN. We have not got into that, I may say to the gentleman from Maryland. I hope the gentleman will give me some more time.

Mr. FORD of California. Mr. Chairman, will the gentleman yield for a question?

Mr. PATMAN. Let me finish answering the chairman's question. He has the time, and I have got to have more time.

The CHAIRMAN. The gentleman declines to yield.

Mr. PATMAN. The situation is this: When we passed that law we created discrimination. The national bank had paid taxes on 50 percent of its capital stock theretofore, in the case of the national bank capitalized at \$500,000 it paid on \$250,000 of stock and \$250,000 of real estate. Now they pay only on their real estate and not one penny on their stock. This is an actual case, and it is duplicated all over this Nation in just exactly this way.

Mr. GOLDSBOROUGH. I want to say to the gentleman that he is mistaken in the way he figures that proposition. It has been explained to him a half dozen times. Mr. Jesse Jones explained it to him, and we thought the gentleman understood.

Mr. PATMAN. The gentleman can be very patient if he wants to. You see, I cannot reach but one thing at a time, and I am trying to develop that point. But let me do it in my own way.

Here are the discriminations we created. Across the street, we will say, there is a State bank with a capital of \$500,000, just like the national bank about which I have been talking.

The R. F. C. purchases \$250,000 in debentures from that State bank. Certainly, those debentures are not taxable and should not be taxable. They are held by the R. F. C. But when the tax assessor goes in there he gets exactly the same amount that he always obtained from that bank.

Mr. GOLDSBOROUGH. No; because the tax authorities of Texas had to reduce the capital stock in the case of debentures just as they did when the preferred stock was issued.

Mr. PATMAN. The gentleman is just mistaken. That is one discrimination that is created.

Mr. SPENCE. Will the gentleman tell us how the assessments are made in Texas?

Mr. PATMAN. Now, do not drag a herring across the trail. Mr. Chairman, I would like to yield, but I cannot yield further. I have the right side of this question, and I can show the Members I have the right side if I am permitted to have the time to do it. Of course, if I am not going to have the time, and if my attention is to be diverted, I cannot do it.

Mr. Chairman, I have shown one discrimination. Thirty-one States of the Union base their taxes upon capital stock. Seventeen States use a different method of taxation. It will upset the tax systems in those 31 States. Texas happens to be one of them. There are 30 other States in the Union that will be affected in exactly the same way as Texas. There is the first discrimination between the National bank and the State bank across the street.

The State bank continues to pay taxes on the same amount of capital stock as it has always paid. The National bank only pays half, because they claim instead of selling the debentures to the R. F. C. they sold half of their stock to the R. F. C.; therefore they claim an exemption and they thought they would get by with it, but the Supreme Court of the United States in a unanimous decision held that this stock should be taxed. There can be no doubt about the decision, because it is just as clear as a bell. Just read the decision. That is the first discrimination.

Now, let us take a National bank across the street from this one.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PATMAN. Mr. Chairman, there is a National bank across the street. That National bank did not sell any stock to the R. F. C. When the assessor goes in there to assess, they render him the same taxes as they have always rendered, giving one a 50-percent tax reduction and charging the other just as they have heretofore. If that is not a gross discrimination, I would like to know what you would call it. Of course, the Congress helped to cause this condition.

There is preferred stock issued by a bank to the amount of \$200,000. \$100,000 of it is sold to an individual in the community and \$100,000 sold to the R. F. C. We are asked to make a law that will cause the individual to pay taxes on his half but exempt the other half; in other words, let the bank out of it.

Mr. GOLDSBOROUGH. Why, of course not.

Mr. PATMAN. Well, the gentleman does not know anything about his own bill.

Mr. GOLDSBOROUGH. The Reconstruction Finance Corporation can pass this tax on to the banks and the gentleman knows it and the gentleman has admitted it.

Mr. PATMAN. The gentleman has not admitted anything that the gentleman said. I did not say I was not going to oppose this bill. Here is where there is a difference. Take the bank there at Texarkana. When half of the preferred stock is purchased, that makes the common stock a little more valuable, 50 percent under ordinary circumstances. In that event the city, county, and State would lose 25 percent of the taxable value instead of 50 percent. That is the only difference between us according to the hearings before the committee.

Mr. GOLDSBOROUGH. Does the gentleman know that this stock is taxed in accordance with its actual value?

Mr. PATMAN. That is true.

Mr. GOLDSBOROUGH. If you reduce the number of shares from 200,000 to 100,000 you have not reduced the value of the shares?

Mr. PATMAN. There would not be any necessity for this bill if there was not the necessity to exempt something. The reason for the bill is to exempt property that local communities would ordinarily tax. Why does not the gentleman admit it? Everybody knows it, because it is in the law. The Supreme Court held they could tax it.

Mr. Chairman, here is where another mistake was made and it was made by the R. F. C. Congress created these discriminations. The gentleman says that on preferred stock where the individuals hold the stock the bank pays the taxes, although it is preferred stock, but we are asked to vote for a bill that provides that if the R. F. C. holds half of the same stock nobody will pay taxes on it. Mr. Jones, Chairman of the Reconstruction Finance Corporation, told me that there is \$100,000,000 more to be disbursed on preferred stock. One disbursement has already been made and the R. F. C. required the bank to enter into a contract that it would take care of all local, county, and State taxes, as they have always done, before the R. F. C. would let them have the money. If we pass the bill in its present form, we are giving those banks that received the \$100,000,000 at least \$2,000,000 or \$3,000,000 a year that they are willing to pay in order to get this money.

Mr. McCORMACK and Mr. CELLER rose.

The CHAIRMAN. Does the gentleman from Texas yield; and if so, to whom?

Mr. PATMAN. No; I do not yield, Mr. Chairman. I have got to finish my statement.

The R. F. C. made a mistake, and in order to get this thing corrected I am willing to yield, with the gentleman from Maryland, who says he is willing to sacrifice something. I am willing to sacrifice something, too. The R. F. C. has made a contract it should not have made. It reduced its interest rate on preferred stock to 3½ percent, when it could have charged 6 percent under the law, and the R. F. C. put in that contract "and no more until 1940." In 1940 it will get 4 percent.

Now, I will admit that the R. F. C. was acting in the best of faith. They thought it was exempt, but they made a contract that they should not have made. They cannot take that money and pay the taxes with it.

Congress made a mistake, the R. F. C. made a mistake, and I am willing to condone past mistakes made by both the Congress and the R. F. C., but write the provision in here that hereafter we are not going in the direction of taking local property that is taxable off of the tax rolls by a congressional act. [Applause.]

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. No; let me finish my statement, please.

Mr. CELLER. I think the gentleman ought to yield.

Mr. PATMAN. I only have a few minutes. I am sorry, but I cannot yield to the gentleman.

Now, what will come up next if we make this exemption? When the R. F. C. takes over business corporations, when it takes over railroads, like the gentleman from Utah suggested, then the same argument will be made that we should exempt them from taxation.

I am willing to condone past mistakes. I am willing to say that we should just let them go; but, in looking to the future, let us not set a bad precedent. Let us not have the camel get his nose under the tent, which would cause the camel, hump and all, to get under, and everything that is owned by the R. F. C. to be exempt from taxation.

I am looking at this as a matter of principle and as a matter of precedent, and unless you create this precedent here today you will be acting by your vote to deny your local assessors and collectors from taxing property that they have always taxed. This is what you will be doing.

Yes; there will be a slight discrimination there between the \$100,000,000 that is to be disbursed and the \$229,000,000 that has already been disbursed, but is it not better to have a slight discrimination and a bad precedent removed and a sound principle established than to go ahead and have all these discriminations I have told you about in the present law?

Which are you going to choose? Are you going to say by your vote, sitting up here in Washington, that you are going to still the hand of the assessor who attempts to put this property upon the tax rolls of his community; that you are going to enjoin the local sheriff and the tax collector from collecting these taxes that he has always collected and would collect under present law, were it not for this bill?

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield for a brief question.

Mr. FORD of California. Will the gentleman answer this question? It seems to me the gentleman is putting himself and his State in this position. An old chap owned a small ranch through which a stream ran, and he had signs all over it, "No trespassing"; and one day he fell in, and a stranger went in and rescued him, and then he had the stranger arrested for trespassing.

Mr. PATMAN. I know the gentleman's philosophy—keep on helping the bankers and give them all kinds of bonuses, like you want to give them here. This bill is a bankers' bonus bill.

Mr. FORD of California. That is an unfair statement.

Mr. PATMAN. The gentleman would pin medals on the bankers because he has permitted them to save their banks and to save themselves. Now he wants to pin a medal on them and give them tax exemption. I am not in favor of that.

Now, in regard to this \$400,000,000 already in tax-exempt property, the gentleman used the phrase that he would rather get \$400,000,000 tax exempt. Why would he use the words "tax exempt" if he is not exempting it? He is exempting it, and he used the correct phrase in stating "getting it tax exempt", but he is mistaken as to the amount. Two hundred and twenty-nine million dollars of that amount is in the 31 States that have elected the method of arriving at property value according to capital stock.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. PATMAN. Now, in 17 States they have selected a new method. Therefore, my friends, if you pass this law like it is you are telling the 31 States, "We are going to give the banks 50-percent reduction"; you cannot get away from that.

Next session of Congress, the Members of the 17 States, if they pursue it in a logical way, will come in and say, "Why cannot our banks that have selected a different method of taxation be given a 50-percent reduction as applies to the banks of the other 31 States?"

Instead of removing the discrimination, you are creating more discriminations and one of the worst precedents you could possibly set up. I hope if the amendment is offered, which I expect to offer, that the Reconstruction Finance Corporation can purchase debentures instead of preferred stock; I hope that amendment will be accepted. I know it is subject to a point of order; I admit that; but I hope no one will make the point of order. If it is not made it will apply to all banks on a parity, and that is the way the law should have been written.

But if the point of order is made, I will offer an amendment to strike out the word "hereafter." In other words, you will condone the transaction because mistakes were made by Congress and the Reconstruction Finance Corporation, but you will say in the future, "We are not going to adopt that principle. It is a false principle, and we are not going in that direction."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McFARLANE. I want to ask the gentleman why should not his amendment be germane to the bill, and the further question is what attitude does Mr. Jones take with regard to his amendment?

Mr. PATMAN. Mr. Jones went before the Banking and Currency Committee and asked them to put it in.

Mr. Sisson. Oh, I absolutely deny that. Mr. Jones never made the statement or requested the committee either in language or substance to that effect.

Mr. PATMAN. I think the gentleman is mistaken; I am talking about the preferred-stock amendment. He got up a mimeograph statement and asked the committee to adopt it. Is not that right? If it is wrong, say so.

Mr. Sisson. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. Sisson. Mr. Jones suggested to the committee an amendment about the preferred stock which he thought would permit the Reconstruction Finance Corporation to hold. I understood the gentleman referred to the amendment striking out the word "hereafter."

Mr. PATMAN. The gentleman is confused. The point is that Mr. Jones and the R. F. C. realize that a mistake was made, and they want Congress to correct it, so that they can place all these banks on an equality, and the committee refused to do it, which means that you want this \$100,000,000 that will come out soon from the R. F. C. at 3½ percent, to purchase preferred stock—you want those local communities to be denied taxation on \$100,000,000. Mr. Jones wants that done for this reason, that in all cases where they have made disbursements since the Supreme Court rendered its decision, they have said to that bank, "You have to pay your local taxes just as you have always paid, but we are going to let you have the money at 3½ percent." That is what we want to do, and that is what this amendment will do.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GOLDSBOROUGH. I yield 2 minutes more to the gentleman.

Mr. PATMAN. If that amendment is held out of order, if the point of order is made against it, then I expect to propose an amendment to strike out the words "or hereafter", which means condoning past transactions, but denying that bad precedent to be used for the future. So why should not this House accept it if it is fair and the R. F. C. wants it and says it is fair? Why should we not accept this amendment and stop this bad precedent and remove some discriminations instead of creating additional discriminations? We want to go in the direction of preventing the issuance of more tax-exempt interest-bearing bonds, and we want to go in the direction of stopping Government bureaus from taking taxable property away from the local tax assessors and collectors. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. Cross].

Mr. CROSS of Texas. Mr. Chairman, this is a matter about which we should get a clear view. No one should try to mislead you. Everyone should talk about a matter of this nature in a logical, truthful way; and I say now, because I do not want to waste my time in wrangling, that I am not going to yield. Take what I say as you please. I want to get the facts before you as I see them, because as a member of the committee I am thoroughly familiar with all the testimony and I think every phase of this question and with the position of my good friend from Texas [Mr. Patman]. I say with respect to him that I think the reason he is here contending is that he went off at an angle in a wrong direction the other day. He had the idea that the stock of banks in Texas is taxed at par; and if that be true, then there would be some logic in his position. To show you that my friend has that idea I am going to repeat some of his testimony before the committee. I took it from this hearing, and I had it put on this piece of paper, so that it might be gotten to rapidly. I quote:

Mr. PATMAN. In Texas the assessor finds out the amount of capital stock. There this property is rendered at 75 cents on the dollar. So the capital stock is rendered that way.

Yes. It is the value of the stock that they assess for taxation at 100 cents less whatever property is rendered.

Mr. BROWN of Michigan. It had been assessed at the par value?

Mr. PATMAN. They assess it just like other property. They take the par value.

Mr. BROWN of Michigan. Isn't there a certain formula that they use?

Mr. PATMAN. No. They just take the par value. I have never known any of them taking less than the par value. * * * If they assess real estate at 75 cents on the dollar of its value they assess the bank stock at 75 cents on the dollar.

Then I asked this question:

Suppose that I have a bank in which the stock is worth 10 cents on the dollar. Do you mean to say that the assessor will come to me and make me pay on 100 percent?

Mr. PATMAN. No. I don't think so. I doubt that. It would not be justice if they did; but I just don't know. I am not informed. I am not going to say anything about the value of stock in Texas. I don't know.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. No; here is the testimony.

Mr. PATMAN. Well, the gentleman does not want to do me an injustice?

Mr. CROSS of Texas. Oh, no. Go ahead.

Mr. PATMAN. Did not I show the gentleman a telegram from the comptroller of Texas stating that that was the uniform rule?

Mr. CROSS of Texas. No; I did not see that. The gentleman did not show it to me. The gentleman may have had it there, but he did not show it to me. Then we got the law of Texas and read it to him, and he was there when it was read, and here is the law:

Every shareholder of said bank shall, in the city or town where said bank is located, render at their actual value to the tax assessor all shares owned by him in the bank. Each share in such class shall be taxed only for the difference between its actual cash value and the proportionate amount per share at which its real estate is assessed.

Now, he talks much about the bank in Texarkana. Let me tell you about that bank. It had a capital stock of \$500,000. What happened was, its capital became impaired to the extent of \$391,000. That is the testimony of Mr. Jones, and I am sure Mr. PATMAN will admit it. It was impaired \$391,000, and the State banking authorities made them reduce that stock down to \$250,000. In other words, the stock was worth less than 50 cents on the dollar.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. Now, wait a minute. I am talking facts.

Mr. PATMAN. But it is not a fact that the stock was reduced, and the record does not show it. The stock remains \$500,000 as before. The gentleman should read all the testimony and not just parts.

Mr. CROSS of Texas. Oh, yes; it was.

The CHAIRMAN. The gentleman declines to yield.

Mr. CROSS of Texas. It was impaired \$391,000. Other members of the committee will remember it. Now, they reduced that stock to \$250,000. The banking authorities made them do it. It does not matter what the assessor wanted. His duty was to assess that stock, whether it was on the books at \$500,000 or \$700,000, or what not, at its actual cash value. That is all the tax he ought to get out of that bank. If that stock was impaired to that extent, and the stock was worth only \$250,000, all the tax collector could do was to get taxes on \$250,000. When they reduced it to \$250,000 the Reconstruction Finance Corporation let them have \$250,000, and it made that stock worth 100 cents on the dollar, so that the amount of taxes was exactly the same for school, State, and county as it always was. In other words, the bank simply shifted its debt from there to the Reconstruction Finance Corporation.

Now, let me talk to you a little about the situation in connection with this thing. The Reconstruction Finance Corporation Act was passed in 1932 exempting capital stock, reserves, and surplus. The banks at that time were issuing preferred stock because they had been authorized to do it, but when that was done the law provided that State banks, many of which could not issue preferred stock, could, in place of that, issue debentures and capital notes. So the three performed exactly the same function. Where a State bank could not issue preferred stock, it could, of course, issue debentures or capital notes. The national banks were permitted to issue preferred stock. They were all treated just alike by the Reconstruction Finance Corporation. There is not a bit of difference between those three things, except in the preferred stock there is no specific date of payment. They are supposed to pay it back in 20 years, paying 5 percent if they make that much, each year; but there is no specific date of payment for the preferred stock. Of course, in the debentures

there is a specific date. To show how the Reconstruction Finance Corporation has always treated this stock merely as a debt, we amended the Revenue Act in August 1935, and provided that banks, in making up their income-tax returns, should have the right first to take off the interest and dividends that they paid to the Reconstruction Finance Corporation on this stock, to ascertain their net profits. In other words, just treat it as a debt. It is nothing more than a debt.

The Reconstruction Finance Corporation is the American people. The Treasury is the American people. It is the people's money. After it goes into the different communities and plays the part of the good Samaritan, then why come in and say, "Now, we are going to take advantage of you and skin you"? That is what it is. This bill, if enacted, does what unquestionably was intended to be done, and just what so many State courts have said was the law—that you could not tax them. That is just what so many attorneys general of States have said. It is true one man over in Maryland took the opposite view and agreed with Mr. WRIGHT PATMAN, and Mr. WRIGHT PATMAN and that fellow went up to the Supreme Court, and the Supreme Court agreed with them. That is what makes me know they are wrong. [Laughter.]

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Well, yes; for a short question.

Mr. PATMAN. I differ with the gentleman on the Texarkana bank. The gentleman is mistaken about the stock being reduced. It was not reduced. That stock remained the same.

Mr. CROSS of Texas. I am taking Mr. Jones' testimony. He so testified.

Mr. PATMAN. But the gentleman is mistaken about that. The record of the bank is the best evidence.

Mr. CROSS of Texas. Well, I do not know about that. Jesse Jones loaned the money; and, believe me, when he lets out a dollar he knows what he is doing.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Just a moment. Let me finish first. I want to read from the hearings:

Mr. WILLIAMS. Well, now, Mr. Jones, let us get back to this question of preferred and common stock. For instance, the case that has been used here so much—of the Texarkana bank—it is said that the original stock in it was \$500,000?

Mr. JONES. Yes; the common stock.

Mr. WILLIAMS. What is that common stock now?

Mr. JONES. \$250,000.

Mr. PATMAN. That is correct. They converted \$250,000.

Mr. CROSS of Texas (reading):

Mr. WILLIAMS. In what way was it adjusted; was the bank reorganized?

Mr. JONES. No; they amended their charter and reduced the common capital to \$250,000 and authorized preferred stock of \$250,000.

Mr. WILLIAMS. And, of course, that was necessary by reason of the fact that there had been some \$300,000 charged out, and that impaired their capital stock.

Mr. JONES. Yes; \$391,000.

So you see it was not their cash. They had paper there, they had figures there, but they did not have property; and under the tax laws of Texas the basis of assessment is the actual value of the property back of the figures, and not upon figures and paper.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CROSS of Texas. I yield.

Mr. PATMAN. Is it not a fact that the Texarkana Bank was in a similar position with many other banks? Its assets were very low at that time, but since that time they have come back. They should, therefore, pay taxes like everybody else.

Mr. CROSS of Texas. All right; I will take the gentleman at his own statement. Since then values have come back. Who put the values back? Who has made it so that the stock now is worth 2 for 1 what it was when they put it up

so that now you can tax it and get your revenues? It was the Reconstruction Finance Corporation. Does the gentleman want to wreck it and put it where the stock will be worthless again? Is this the gentleman's idea? Why, if there ever was an organization that has earned a crown, and a starry one at that, in this country it is the Reconstruction Finance Corporation; and I want to say for the Chairman of that Board—and every member of this committee will vouch for what I say—there never was a straighter shooter than Jesse Jones. The other day one of the boys said: "That money was loaned in Chicago under another administration." "Yes," Mr. Jones said, "it was, but I want to take my part of the responsibility. I am just as responsible for making that loan as anybody." Then somebody made the remark that the Chairman at the time that loan was made was an appointee of Mr. Hoover. "Yes," said Mr. Jones, "he was appointed by Mr. Hoover, but I was appointed by Mr. Hoover, too, and I want to stand here flat-footed and take all my responsibility."

I like a clean, clear-cut man. I like a man who will tell the truth under all circumstances whether it pleases him or not.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CROSS of Texas. Yes.

Mr. PATMAN. Since Mr. Jones is such a fair man, and I agree with what the gentleman said, and he knows this business from beginning to end and knows what this amendment is and has agreed to it, why does the gentleman not agree to it?

Mr. CROSS of Texas. I do not know that. I do not know anything about the gentleman's amendment. I know Jesse Jones had an amendment there that he thought maybe would satisfy, but I do not know whether it is the one the gentleman is talking about. He said there was nothing to it; it did not mean anything one way or the other, but probably would enable them to get out of the business quicker, because it would not increase the interest rates they would charge and it would be satisfactory. I do not know what the gentleman's amendment is. I am not really familiar with Mr. Jones' amendment, but the effect of it, it seems to me, was that the national bank could put up debentures and capital notes in place of preferred stock; and, of course, you gentlemen understand the difference. A debenture or a capital note is not returned for taxes by the bank. The bank, of course, returns their taxes on stock deductions from the gross earnings before it pays the dividends; but a debenture or promissory note—that is all it is—a capital note is held by individuals and, of course, they hide them out, do not render them for taxes. The bank does not have anything to do with it and they can escape taxation. Oh, the gentleman said awhile ago, just think about the man down there in Texarkana who buys \$100,000 of preferred stock.

Are you going to exempt him? You are going to exempt the Reconstruction Finance Corporation. The man down there when he puts up his \$100,000 has to be paid a rate of interest that will make the proposition attractive to him as a money-making matter.

Mr. PATMAN. Will the gentleman yield?

Mr. CROSS of Texas. I yield to the gentleman from Texas.

Mr. PATMAN. Is it not a fact that is exactly what I want done? In other words, the bank pays the tax just like taxes are paid by local individuals living there in that town. The bank pays the tax. The individual pays the tax. My amendment would provide just that.

Mr. CROSS of Texas. The gentleman's idea is to let the Reconstruction Finance Corporation charge a rate of interest that would justify it in taking on a dangerous loan and charging 10 or 15 percent. You would bust the banks if you did that. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity had come to no conclusion thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate no. 9 to the bill (H. R. 9863) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1937, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2603. An act to authorize the Attorney General to determine and pay certain claims against the Government for damage to person or property in sum not exceeding \$500 in any one case.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 31. Concurrent resolution to authorize the printing and binding of additional copies of House Document 755, Fifty-eighth Congress, second session, entitled, "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson.

REPORT OF THE UNITED STATES CONFERENCE OF MAYORS

Mr. WEST. Mr. Speaker, I ask unanimous consent to insert in the RECORD a portion of the report made by the conference of mayors to the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, was not that matter placed in the RECORD by the gentleman from Alabama?

Mr. BANKHEAD. No. This is a different matter entirely.

Mr. RICH. It is the same thing that the gentleman from Alabama placed in the RECORD?

Mr. WEST. No.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, will the gentleman answer the question whether it is the same thing that has already been placed in the RECORD?

Mr. WEST. No; it is not.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WEST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

A DETAILED REPORT PREPARED BY THE UNITED STATES CONFERENCE OF MAYORS AND SUBMITTED TO THE PRESIDENT OF THE UNITED STATES BY HON. F. H. LA GUARDIA, MAYOR OF NEW YORK CITY, PRESIDENT, UNITED STATES CONFERENCE OF MAYORS, ON MARCH 12, 1936

Section II—Part I

INTRODUCTION

In answer to the series of questions which have already been stated regarding the Federal work-relief program, the conference of mayors' survey covers over 100 metropolitan areas of the United States. Approximately 25,000,000 people live in the areas reported upon in this study. The results of this survey of the leading cities of the country answer three questions before the American people:

1. Do the unemployed want work or the dole?
2. Are we doing useful work under the W. P. A. program?
3. Is there useful work yet to be done under a continued W. P. A. program?

On these three issues the chief executives of over 100 of the major urban areas of the country give their reports. These reports contain for the first time factual data from those who are on the firing line in this whole relief business.

1. DO PEOPLE WANT WORK OR THE DOLE?

What group is more competent to interpret the attitudes of the people on relief than the city officials of the country? The unemployed, as the mayors of the country well know, are on the doorstep of every city hall in the land. Work versus the dole is but an academic question if the destitute unemployed themselves are to be provided for in what we consider to be the American way.

Indicative of the fact that we believe work relief is the American way of meeting the relief problem, we cite the following statements from the chief executives of the larger cities of the country. These are but typical of the reports filed by practically every municipality in the country:

CHICAGO

It is well you have some facts and viewpoints regarding Chicago. The advocate of direct relief fails to appreciate the fundamental training, habits, and desires of our citizens. In my opinion:

They do not want charity.

They do want employment.

They do want to earn the money they obtain.

They do want to spend their money as they see fit.

These form the basic foundation for W. P. A. From them it is impossible to form a similar solid structure for direct relief or the dole. Of course, I exclude those of our people in need who are unemployable. They must have proper and adequate care by some form of direct relief.

It is of inestimable value to the Nation that the unfortunates of our population retain their self-respect. That is not possible under the direct relief or dole system. There is no question in my mind whatsoever that the work relief is much to be preferred to the dole.

Mayor EDWARD J. KELLY.

DETROIT

The advantages of a system of work relief for employables over the dole are so obvious and have been recounted so many times that I shall not repeat them. We all know the great social benefits that a community derives by keeping the minds and bodies of the unemployed employed at some useful endeavor until they can once again return to work in private industry without degeneration of their moral and physical fiber.

Mayor FRANK COUZENS.

KNOXVILLE

It has been our experience that our people are better satisfied when they have something to do, especially when they are employed in their respective trades. It has been aptly said, "An idle brain is the devil's workshop." I know that we have gotten a better unit of work done under the W. P. A. than by its predecessors. The workers are better satisfied, they are receiving a standard wage for their work, and they are not bothered with budget allotments or deficiency.

GEORGE R. DEMPSTER,
City Manager.

MILWAUKEE

Before presenting you with the data and facts of what has been done so far by W. P. A. in this city, and the many useful projects that should be completed or that could be started, let me assure you that there is no question in my mind that as far as the city of Milwaukee is concerned the work-relief method of taking care of our needy is far superior to any system of direct relief or dole. Long before the C. W. A. was inaugurated our city resorted to work-relief programs in a smaller way, and with all the trials and tribulations that we have had with the different work programs, I am still of the opinion that the benefits received by the public, through added improvements, have been worth more than whatever additional cost they have been over that of taking care of the needy on direct relief or dole.

R. E. STOELTING,
Commissioner of Public Works.

BUFFALO

When W. P. A. began to function last November, Buffalo had a relief case load of approximately 34,000 families. This case load was shown by analysis to be approximately 90 percent employable. That is to say, in all except 10 percent of the families there was one wage earner able to work. In December and January about 24,000 were transferred from the relief rolls to W. P. A. projects pay rolls, and at the present time this number has diminished to about 20,000 workers, representing about 18,000 families.

Employment has been proved to be the healthier way to maintain these destitute people.

GEORGE J. ZIMMERMAN, Mayor.

HOUSTON

In considering the question of relieving the distressing unemployed situation in this country through a works program or a dole, in my opinion, there is no question but what the works program is far superior to the dole system.

Mayor OSCAR HOLCOMBE.

NEW ORLEANS

May I again reemphasize what has been stated so often, namely, that our people will never consent to the substitution of a system of direct relief for a system of work. The policy of the city of New Orleans, even before the Federal Government entered into the relief picture, was based upon a policy of providing work for the destitute people of our community. The only direct relief that was permissible under the ordinance creating the fund was for those who were physically incapacitated from doing the work. We believe that it is needless for us to argue any longer as to the merits of work relief versus the dole.

T. S. WALMSLEY, Mayor.

SPRINGFIELD, MASS.

I wish most emphatically to record Springfield, Mass., among those cities favoring work relief rather than direct relief or dole.

PHILIP V. ERARD, Acting Mayor.

TRENTON

It is my judgment, from the viewpoint of municipal management, that the work relief is by far the more preferable, assuming, of course, that the conditions which may be imposed by the Federal Government with respect to financing any new program will be no less advantageous to the cities than those imposed in the present program. That there are advantages and disadvantages is self-evident, but with both revealed to the light of public good and information and weighed in the balance, the odds are so substantially in favor of their merit—as far as Trenton is concerned—that to hold them in dispute as asinine.

RAYMOND F. RICHTER,
Executive Secretary to City Manager Morton.

NEW BRITAIN

It is impossible for New Britain or any other community in Connecticut to finance a work program, and it is very evident that our people do not wish to go on the dole. The Government must continue to aid us or I fear for the effect on the client who would be deprived of an opportunity to earn sufficient to care for his family.

Mayor DAVID L. DUNN.

READING

The administrative officials militantly endorse the principle of work as against the direct relief or dole in handling the relief requirements of our cities.

Mayor J. HENRY STUMP.

HUNTINGTON

Great as have been the material gains of W. P. A. projects of this community, I feel that they have been superseded by the moral gain of providing useful employment to the needy unemployed of this community.

Mayor M. V. CHAPMAN.

NEW BEDFORD

It has been very gratifying to me, as mayor of the city of New Bedford, to find that our people do not want direct relief. They have shown during the past 2 years that they will not accept direct relief when they can obtain work of any nature. We have had any number of cases who were obtaining soldier's relief in the city of New Bedford in 1934, who obtained \$10 to \$14 in money and merchandise as direct relief, who gladly gave that up to accept weekly wages of \$12 per week on the E. R. A. We have never been able at any time in New Bedford to pick up all of our workable relief cases on the Federal program.

Even today we are carrying people on our welfare rolls who are able to work and who are constantly pleading to be put on to the W. P. A. work relief, that they might live just a little better and earn their food and shelter. I wish to go on record as being strongly opposed to any program which will take away the self-respect of our people in forcing them to accept charity because employment is not available.

The people throughout our country who must temporarily be recipients of Government relief must be given the privilege of earning their living. We do not want to force the stigma of charity on our people when it is unnecessary.

Mayor CHARLES S. ASHLEY.

CAMDEN

As a member of the city commission, I would urge the Conference of Mayors to use all of its efforts to see that the W. P. A. program is carried on, because many of the unemployed, from my past experience, desire work and not dole or relief.

GEORGE E. BRUNNER,
Director of the Department of Parks and Public Property.

DECATUR

The matter of continuation of W. P. A. is, in my opinion, very serious, and if at all possible, additional money should be appropriated by the Federal Government for this purpose. It is a wonderful sight to see, on riding around the city, various gangs of men, numbering from 15 to 200, busily engaged in various occupations. It is of interest to watch and see that the majority of the men employed on W. P. A. are interested in their work and try to give value received.

Mayor HARRY E. BARBER.

ATLANTIC CITY

I am very much opposed to the dole method, and for that reason I have been very active in assisting our local W. P. A. office in every way possible to carry on the good work which they are now doing.

WILLIAM F. CASEY,
Commissioner of Public Works.

FLINT

We consider it highly desirable for W. P. A. to continue and believe that the continuation of same is much preferable to putting these men back on direct relief.

J. M. BARRINGER, City Manager.

OKLAHOMA CITY

We are emphatically opposed to the dole system, as our experience with the work program has shown that men worthy of support are anxious to work and do not want to be charity clients.

O. M. MOSIER, City Manager.

DURHAM

We are in complete harmony with a program of work relief.
H. A. YANCEY, *City Manager*.

NEW ORLEANS REGIONAL MEETING OF SOUTHERN AND SOUTHWESTERN CITIES

The consensus of opinion of this southern regional meeting of mayors is that work relief, as exemplified through the present Federal W. P. A. program, is the American way and method of meeting the needs of the destitute employable unemployed. Through the present program of providing work instead of the dole, not only are we maintaining the morale of those forced to depend on governmental assistance, but we are building valuable and worthwhile public projects in every city of the southern and southwestern area.

Cities represented: Houston, Dallas, San Antonio, Fort Worth, Austin, Amarillo, New Orleans, Oklahoma City, Fort Smith, Montgomery, Birmingham, Chattanooga, Knoxville, and Savannah.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of matters on the Speaker's table and following the special orders heretofore granted, I may be permitted to address the House for 15 minutes, tomorrow being the anniversary of the birth of William Jennings Bryan, the great Commoner.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, what special orders have been arranged for tomorrow?

The SPEAKER. The gentleman from Nebraska [Mr. BINDERUP] has 10 minutes, and the gentleman from Massachusetts [Mr. MARTIN] 5 minutes.

Is there objection to the request of the gentleman from Nebraska?

Mr. BANKHEAD. I shall not object to this request, of course, but we are behind our schedule. We have another matter that we expected to bring up tomorrow. I shall not object to this request.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOBBS (at the request of Mr. HILL of Alabama), indefinitely, on account of important official business.

To Mr. LEWIS of Maryland, for 2 days, on account of important business.

WHY WE SHOULD STOP TAX EXEMPTION OF BANK STOCK

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include certain excerpts and tables with reference to the R. F. C.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RICH. Mr. Speaker, reserving the right to object, what are the tables?

Mr. McFARLANE. Tables of the R. F. C. that will be discussed in connection with the pending bill tomorrow. I want to put them in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I desire to analyze S. 3978, now pending before us which provides—

Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period.

This is admittedly, as the above clear expressions indicate, a bill to exempt from taxation the preferred stock of na-

tional banks and the preferred stock, capital notes, and debentures of State banks and trust companies heretofore or hereafter sold to the Reconstruction Finance Corporation from the payment of any taxation by the Federal Government or by any State, county, municipality, or local taxing authorities.

HISTORY OF LEGISLATION

Let me briefly review the history back of why this legislation is now before us. In 1864 the Congress enacted section 5219 of the Revised Statutes, which provides that any State may tax national-bank stock within their limitation in any one of the three ways, as follows:

First. To tax said shares of stock.

Second. To include dividends derived therefrom in the taxable income of a holder or owner thereof; and

Third. To tax the income of such association.

In 1932 the Reconstruction Finance Corporation Act was passed, and section 10 exempts "the Corporation, including its franchise, its capital, reserves, and surplus, and its income" from all taxation, both State and Federal. But the act creating the Reconstruction Finance Corporation did not give it the right to subscribe for shares of preferred stock or for any others, nor was there any power on the part of national banks to issue preferred stock up until the emergency banking act was introduced and finally passed by the Congress on the first day of the called session in March 1933.

So we find that law existing since 1864 to date allowing such bank stock to be taxed by the local taxing authorities, that the Reconstruction Corporation by the act creating it in 1932 had no power to buy preferred stock or other such issues, and national banks had no power to issue such preferred stock until the Emergency Banking Act was passed and became a law March 24, 1933, which act for the first time gave national banks the right to issue preferred stock and the Reconstruction Finance Corporation the power to purchase same. While it may be argued that the Reconstruction Finance Corporation is a nonprofit governmental agency and as such should not be taxed, so is a national bank a governmental agency, and the laws above mentioned from 1864 clearly show as said by the Supreme Court in the case of the Baltimore National Bank against State Tax Commission of Maryland in their opinion rendered February 3, 1936:

For the tax now in controversy, whatever its indirect effect, is not laid directly upon the capital, reserves, or surplus of the corporation claiming the immunity or accorded the exemption. It is laid upon the shares in another corporation, a member of the banking system, which must pay it in the first place.

This decision closes with the statement:

All shares in national banks, no matter by whom owned, shall be subject to taxation.

Now, 31 States in the Union have elected under section 5219, to tax national banks upon their shares of stock. These States are as follows: Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, and West Virginia.

Seventeen States and the District of Columbia have elected to tax national banks according to earnings on their shares of stock, or according to the income of the corporation, but do not tax directly the shares of stock. According to the Federal law, if a State elects to tax according to one of the three methods, it cannot levy taxes by any of the other two methods. These 17 States are as follows: Louisiana, Maine, Mississippi, New Hampshire, New Jersey, Utah, Vermont, Washington, Wisconsin, Alabama, California, Connecticut, Massachusetts, New York, Oklahoma, Oregon, and Wyoming.

THIS SAME BILL KILLED FEBRUARY 25

The Senate on February 24 passed this measure by a vote of 38 to 28, after very little debate and very few of the questions raised in the House were raised in the Senate debate. On February 25 the House considered the same bill, H. R.

11047, introduced by Congressman T. ALAN GOLDSBOROUGH, and after 3½ hours of debate, only 48 minutes of which were given to those in opposition to the bill, the measure was defeated on a record vote of 165 to 173. The House Committee on Banking and Currency, it was learned, expected to report out the Senate bill, despite the defeat of the House bill on the same subject, and Congressman WRIGHT PATMAN asked to be heard on same, and after these hearings the Banking Committee unanimously again reported out the same bill, adding section 2, a similar amendment which was defeated in the other body.

SETS BAD PRECEDENT

Now, Congressman PATMAN has thoroughly analyzed this bill, both in his speech today and in his remarks in the RECORD of yesterday. I believe his analysis sound and constructive as to why this bill should not be enacted in its present form. I do not believe it can be successfully denied that this bill sets a precedent that will open wide the gates which will cause additional demand for legislation for the rights of other taxpayers similarly situated. I am unable to understand why the House Banking and Currency Committee failed and refused to accept the two amendments proposed by Congressman WRIGHT PATMAN, which were thoroughly discussed by him today on the floor, which amendments are as follows:

A new section to be inserted immediately after section 302, title 3, of the act approved March 9, 1933, as amended, and designated as section 302 (a), reading as follows:

Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency, pursuant to action taken by its board of directors, issue to the Reconstruction Finance Corporation its capital notes or debentures in such amounts and with such maturities as the Comptroller of the Currency may approve. The holders of such capital notes or debentures shall be entitled to receive such interest, at a rate not exceeding 6 percent per annum of the principal amount thereof, and shall have such conversion rights, priorities, control of management, and other rights, and such capital notes or debentures shall be subject to retirement or redemption in such manner and upon such conditions as may be provided therein with the approval of the Comptroller of the Currency.

Section 303 of said act approved March 9, 1933, as amended, should also be further amended by inserting after the words "preferred stock", appearing in the last sentence of said section, a comma and the words "or capital notes or debentures."

Section 304 of title 3 of said act approved March 9, 1933, as amended, should be further amended, as follows:

Strike out the words "preferred stock" appearing in the first sentence of said section and insert in lieu thereof the words "or purchase preferred stock, capital notes, or debentures" and strike out the third sentence of said section.

HOUSE COMMITTEE REFUSES TO FOLLOW HON. JESSE JONES' RECOMMENDATIONS

During the debate it was pointed out that Hon. Jesse Jones, Chairman of the Reconstruction Finance Corporation, had asked the House Banking and Currency Committee to approve both of these amendments in substance. Now, since the Supreme Court in a well-written opinion has held that such bank stock in the hands of the Reconstruction Finance Corporation is not tax exempt and has never been tax exempt but in keeping with the clear letter of the law as above quoted has always been subject to taxation by the State, county, city, and local taxing divisions, and since it further appears that the Reconstruction Finance Corporation has entered into written contracts with these different banks from which they have purchased about \$1,000,000,000 worth of stock, notes, and debentures, which contract is binding upon both parties at a 3½-percent interest rate until 1940, and it further appearing that unless proper legislation is worked out that will permit the Reconstruction Finance Corporation to exchange the preferred stock on hand for notes or debentures that the Reconstruction Finance Corporation will be required to pay to the local taxing authorities the amount of taxes justly due, and it further appearing that if the two amendments to be offered on March 19 by Congressman PATMAN are adopted, which amendments, as I understand it, have the endorsement of Mr. Jones, and will

permit him to satisfactorily adjust this matter so as to relieve the Reconstruction Finance Corporation from further tax payment and to leave this question of taxation in status quo among the respective States, then it seems to me that in all good faith and conscience that the Members of the House, regardless of what the House Banking and Currency Committee thinks about it, should go on record favoring these two amendments which will stop this further tax-exempt encroachment program and will permit the respective States to tax said banks and their stock as they have done since 1864. If these amendments are defeated, or points of order are sustained against either or both of them, then the bill should be defeated. The House Banking and Currency Committee has ample time in which to work out satisfactory legislation on this subject, and same may be easily enacted into law before the close of this session.

BILL FULL OF DISCRIMINATIONS

Let me refer briefly to some of the discriminations that will be brought about if this bill is enacted into law.

First. If a bank's capital stock is a million dollars, one-half of it, \$500,000, is preferred stock; and if \$250,000 of this preferred stock is held by the R. F. C., it will be tax-exempt; and although it has been on the tax rolls in that locality for years before, it will be taken off by orders of the United States Congress, whereas the other \$250,000 of preferred shares held locally will be taxable, and the bank will pay taxes on it as heretofore.

Second. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction under this bill, while the national bank across the street that has not sold any of its shares to the R. F. C. will not obtain any tax reduction. It will pay taxes as heretofore.

Third. A national bank that has sold half of its shares to the R. F. C. will obtain a 50-percent tax reduction, but the State bank across the street will be compelled to pay taxes as heretofore.

Fourth. It will set a precedent which, if carried to its logical end, will cause Congress to pass the necessary law that will give all other national banks the same amount of tax exemption in the respective States and local communities where they are located.

Fifth. It will be a precedent for Congress to pass the necessary law to reduce taxation 50 percent on all banks in the 17 States and the District of Columbia where another method other than taxing shares of stock is in force. I refer specifically to the 17 States listed above.

TAXES LOST TO STATES

It was brought out in debate on the floor that over \$100,000,000 of bank stock has already been sold to the Reconstruction Finance Corporation, and final consummation is waiting the outcome of this legislation. If this legislation is enacted and this stock is purchased it will mean that the State, county, city, and school will lose at least another two and one-half million dollars in taxes stricken from their tax rolls. If this measure is enacted into law, according to the information Mr. Jones has furnished the committee, the local taxing authorities will lose \$55,512,736.38, as shown by the following schedule:

Schedule of taxes on national-bank shares

States taxing national bank shares	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per \$1,000)	Approximate amount of tax per year, based on information available
		Percent		
Arizona.....	\$1,340,000.00	100	\$51.20	\$68,608.00
Arkansas.....	1,275,000.00	50	52.34	33,366.75
Colorado.....	4,101,000.00	100	49.15	201,564.15
Delaware.....	137,300.00	100	2.00	274.64
Florida.....	1,177,500.00	50	2.00	1,177.50
Georgia.....	1,507,500.00	100	31.00	46,732.50
Idaho.....	565,000.00	67	62.23	23,557.17
Illinois.....	72,797,614.17	50	68.55	2,495,138.23
Indiana.....	6,857,980.00	100	2.50	17,144.95
Iowa.....	6,323,400.00	60	5.00	18,970.20
Kansas.....	2,190,500.00	100	41.96	91,813.38
Kentucky.....	3,182,350.00	100	13.00	41,370.55

Schedule of taxes on national-bank shares—Continued

States taxing national bank shares	Investment of Reconstruction Finance Corporation in national banks and trust companies	Percent of actual value at which property is assessed for taxation	Approximate annual tax rate, based on information available (per \$1,000)	Approximate amount of tax per year, based on information available
		Percent		
Maryland.....	\$2,607,540.00	100	\$12.20	\$31,811.98
Michigan.....	17,690,610.00	100	31.97	565,249.10
Minnesota.....	11,211,000.00	33½	108.00	403,596.00
Missouri.....	4,217,125.00	100	32.05	81,095.31
Montana.....	1,061,000.00	30	70.00	22,281.00
Nebraska.....	4,842,450.00	100	10.00	48,424.50
Nevada.....	175,000.00	100	41.14	7,199.50
New Mexico.....	401,000.00	100	43.40	17,283.40
North Carolina.....	1,317,500.00	100	18.49	24,360.57
North Dakota.....	1,897,000.00	50	65.23	61,870.65
Ohio.....	22,828,073.00	100	2.00	45,656.15
Pennsylvania.....	19,394,886.50	100	4.00	77,579.54
Rhode Island.....	648,500.00	100	4.00	2,594.00
South Carolina.....	1,505,000.00	40	90.08	135,570.40
South Dakota.....	2,748,000.00	100	4.00	10,992.00
Tennessee.....	7,790,000.00	100	22.98	179,014.50
Texas.....	21,969,625.00	75	43.01	714,685.18
Virginia.....	3,043,900.00	100	10.00	30,439.00
West Virginia.....	2,416,066.66	100	5.47	13,215.88
Total.....	229,209,420.33			5,512,736.38

CAN PAY BIG SALARIES BUT CANNOT PAY TAXES

If the Congress is going to set up this discriminatory system of tax exemption for the favored groups on the plea that the poor banks are unable to pay the taxes, and that because the Government has purchased their stock, the Government should not be forced to pay their taxes, where will this policy and all of our tax exemptions end? If the banks of the Nation have been greatly benefited by the aid rendered by the Reconstruction Finance Corporation in the purchase of their stock, as we all know they have been tremendously benefited, and cannot pay their proportionate part of the tax burden, does it sound reasonable that they should be able to pay their bank officials salaries amounting from \$15,000 to \$50,000 per year?

In keeping with the condition of the country it seems that common justice should require these banks to pay their proportionate part of the local taxes, for it is well known that all the taxes so exempted must be paid for by increased renditions on the others in that community.

FURTHER DISCRIMINATIONS

If we are to exempt from taxation preferred stock of the bankers in the hands of the Reconstruction Finance Corporation, then why should not the farmer who owns a \$10,000 farm and gets a loan from the Government for \$5,000 to save his farm be entitled to the same exemption; for the same reason the home owner who secures a Government loan on his home, or the businessman who receives a Government loan on his business through the Reconstruction Finance Corporation, or the railroad who secures a loan from the Reconstruction Finance Corporation. Why should not all of these parties receiving help from the Government in the aid being rendered to save their property be entitled to the same fair consideration as is being given, under the provisions of this bill? If we are to exempt the bank stock from taxation we should exempt the farmers, the home owners, the merchants, the railroad men, and so forth, from the further payment of taxes up to the amount of the loan they have received from the Government and allow them to pay taxes on the equity they own in their property.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3669. An act providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9863. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards,

commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p. m.) the House adjourned until tomorrow, Thursday, March 19, 1936, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE PUBLIC LANDS

Meeting of the Committee on the Public Lands in room 328, House Office Building, Thursday, March 19, at 10:30 a. m., to consider various bills.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

Committee on Immigration and Naturalization will continue hearings on H. R. 11172, Thursday, March 19, 1936, at 10 o'clock a. m., in room 445, House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DOXEY: Committee on Agriculture. H. R. 9217. A bill to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.; without amendment (Rept. No. 2204). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H. R. 11894) to provide for Senate ratification of foreign-trade agreements; to the Committee on Ways and Means.

By Mr. McFARLANE: A bill (H. R. 11895) providing for taxes to meet expenditures; to the Committee on Ways and Means.

By Mr. YOUNG: A bill (H. R. 11896) to provide for the construction by the Secretary of the Navy of a Federal building for use as a Naval Reserve and Marine Corps Reserve Armory of the District of Columbia; to the Committee on Naval Affairs.

By Mr. GRANFIELD: A bill (H. R. 11897) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNHAM: A bill (H. R. 11898) to transfer certain national-forest lands to the Capitan Grande Mission Indian Reservation, Calif.; to the Committee on the Public Lands.

Also, a bill (H. R. 11899) to transfer certain national-forest lands to the Los Coyotes Mission Indian Reservation, Calif.; to the Committee on the Public Lands.

By Mr. MARCANTONIO: Resolution (H. Res. 453) directing the Secretary of State to transmit to the House of Representatives information concerning Victor A. Barron, American citizen, who met his death while in the custody of Brazilian police; to the Committee on Foreign Affairs.

By Mr. KNIFFIN: Joint resolution (H. J. Res. 529) directing the Federal Trade Commission to investigate and report to the Senate and to the House of Representatives the cause or causes for the high prices of agricultural implements and machinery; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEITER: A bill (H. R. 11900) for the relief of Joseph J. Neiser; to the Committee on Naval Affairs.

By Mr. CASEY: A bill (H. R. 11901) for the relief of Henry Werre; to the Committee on Claims.

By Mr. EICHER: A bill (H. R. 11902) granting a pension to Idora B. Stucker; to the Committee on Pensions.

By Mrs. GREENWAY: A bill (H. R. 11903) for the relief of Arthur Lee Dasher; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 11904) for the relief of Samuel Cripps; to the Committee on Claims.

Also, a bill (H. R. 11905) for the relief of Arthur Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 11906) for the relief of Jessie T. Zappa; to the Committee on Military Affairs.

By Mr. KNIFFIN: A bill (H. R. 11907) granting an increase of pension to Phebe L. Alspaugh; to the Committee on Invalid Pensions.

By Mr. McGROARTY: A bill (H. R. 11908) granting a pension to Mary A. McCullough; to the Committee on Invalid Pensions.

By Mr. O'NEAL: A bill (H. R. 11909) for the relief of Leo J. Moquin; to the Committee on Military Affairs.

Also, a bill (H. R. 11910) for the relief of Amelia K. Abel, administratrix of the estate of Louis Abel; to the Committee on Claims.

By Mr. SANDERS of Louisiana: A bill (H. R. 11911) for the relief of Sudie Kennon; to the Committee on Claims.

Also, a bill (H. R. 11912) for the relief of Geraldine Dyson; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 11913) for the relief of Charles Tabit; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 11914) for the relief of Joseph John Douglas; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10556. By Mr. CULKIN: Petition of 64 residents of Jefferson County, N. Y., urging that legislation be passed this session to extend indefinitely existing star routes and to increase the compensation thereon in proportion to other mail routes; to the Committee on the Post Office and Post Roads.

10557. By Mr. LAMBERTSON: Petition of Rural Hope Club of Jefferson County, Kans., urging a foolproof neutrality law; to the Committee on Foreign Affairs.

10558. By Mr. PFEIFER: Petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10559. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning the Lundeen bill (H. R. 10595); to the Committee on Interstate and Foreign Commerce.

10560. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., concerning House bill 9961; to the Committee on Interstate and Foreign Commerce.

10561. Also, petition of the Shippers' Conference of Greater New York, concerning the Pettengill bill (H. R. 3263); to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, MARCH 19, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess, the meeting being in executive session under the unanimous-consent agreement entered into March 12, instant.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into on March 12, instant, the Senate

automatically goes into executive session to consider the nomination of Edwin R. Holmes to be United States circuit judge, fifth circuit.

THE JOURNAL

As in legislative session,

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 18, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Lewis	Reynolds
Ashurst	Davis	Logan	Robinson
Austin	Dickinson	Loneragan	Russell
Bachman	Donahay	Long	Schwellenbach
Bailey	Duffy	McGill	Sheppard
Barbour	Fletcher	McKellar	Shipstead
Barkley	Frazier	McNary	Smith
Benson	George	Maloney	Stelwer
Blibo	Gibson	Metcalf	Thomas, Okla.
Black	Glass	Minton	Thomas, Utah
Brown	Gore	Moore	Townsend
Bulkley	Guffey	Murphy	Truman
Bulow	Hale	Murray	Vandenberg
Burke	Harrison	Neely	Van Nuys
Byrd	Hatch	Norbeck	Wagner
Byrnes	Hayden	Norris	Walsh
Capper	Holt	O'Mahoney	Wheeler
Caraway	Johnson	Overton	White
Clark	Keyes	Pittman	
Connally	King	Pope	
Copeland	La Follette	Radcliffe	

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. TRAMMELL] are absent because of illness; and that the Senator from Washington [Mr. BONE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. McCARRAN], the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McABOOL], and the Senator from Rhode Island [Mr. GERRY] are necessarily detained. I ask that this announcement stand of record for the day.

Mr. VANDENBERG. I announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is detained at home by illness. I ask that this announcement stand for the day.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

The VICE PRESIDENT. Eighty-one Senators have answered to names. A quorum is present.

RECOVERY FROM THE DEPRESSION

Mr. WAGNER. As in legislative session, I wish to make a very brief statement, and then I am going to request unanimous consent to have a speech printed in the RECORD.

The VICE PRESIDENT. Is there objection to the Senator from New York proceeding as in legislative session? The Chair hears none, and the Senator from New York is recognized.

Mr. WAGNER. Mr. President, every new development, such as the recent reports on income-tax returns, bears evidence of the phenomenal recovery of business during the past year. This improvement has now reached the stage where it cannot be denied by anyone. There is room only for explanation as to what has brought it about. One explanation, which we may call rational, is that progress has been stimulated by the Roosevelt policies, by applying an affirmative remedy to the troubles that beset the farmer, the home owner, the banker, the businessman, and the worker. The other explanation, which we may call irrational, is that the recovery, like the depression, just happened by accident. Some of those in this second school of thought go even further. They claim that the gains would have come even faster if we had done nothing, and that the New Deal is waving a red banner and trying to flag down the train of progress.

I should like to call to the special attention of these critics, who try so frantically to cut the thread of relationship between the New Deal policies and recovery, to a speech made just a year ago by one of the leading businessmen of the Nation. I refer to the Honorable Joseph P. Kennedy, of New York, recent Chairman of the Securities and Exchange Commission.

His speech was delivered before the American Arbitration Association, New York City, on March 19, 1935.

Mr. Kennedy spoke at a time when many businessmen felt blue. Although there were already unmistakable signs of better times, they were afraid of the new things that the Government was doing. They were particularly worried by the activities of the Securities and Exchange Commission. They thought they saw in this agency a further design to impose horrible shackles upon industry, and to convert our country from a democracy into a bureaucracy.

Mr. Kennedy, at this opportune moment, stressed two vital issues. In the first place, he traced brilliantly the history of the abuses that had produced the need for the Commission and for the other regulatory activities of the New Deal. But more important he predicted that within a year's time the beneficial effects of these new reforms would be hailed, not only by those connected with the marketing of securities but also by businessmen in general. He prophesied that the country would take tremendous strides forward during 1935.

Every one of Mr. Kennedy's words has come true. He had the courage to predict in advance what our policies would accomplish. Now that the execution of the policies has confirmed the prediction, there is no room to quibble about cause and effect. The record speaks for itself.

On the occasion of the first anniversary of Mr. Kennedy's speech, I want to commend him to the Senate, not only for the statesmanlike quality of his address, but also for the statesmanlike quality of his actions when participating in so important a phase of the New Deal. His example and his influence are still manifest in Washington and throughout the country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD Mr. Kennedy's speech to which I have referred.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. JOSEPH P. KENNEDY, CHAIRMAN OF SECURITIES AND EXCHANGE COMMISSION, BEFORE AMERICAN ARBITRATION ASSOCIATION, NEW YORK CITY, MARCH 19, 1935

It would be difficult to pretend indifference to the warmth of your greeting. I thank you for it and rejoice in the opportunity given me to talk to your association at just this time.

For, after all, this is New York, the barometer of the Nation's business. I have lived in New York, shared its prosperity in former years, and hope and expect to again. I therefore claim the privilege of speaking frankly to you about matters of common concern. And in all frankness I must say that this age of American cities is not giving a good account of its stewardship as the pace setter of business enterprise. Those whom I have been meeting recently in other sections of the country are unanimous in declaring that New York is the "bluest" spot in the country with respect to business morale. Indeed, one of your financial editors told you so in his column only a few days ago. And when New York is "blue", every other section of the country is confused and confounded.

Gentlemen, I am deeply concerned about the low state to which courage and confidence among businessmen have fallen. Moreover, because the rest of the country has a high estimate of the prophetic value of New York's opinion, you should be satisfied that your pessimistic frame of mind has a reasonable basis before you allow its influence to infect other communities. This industrial machine of ours is so delicate an instrument that opinion everywhere else is sensitive to its fluctuations here. And we must admit that, today at least, New York registers gloom and not sunshine; discouraging prophecies, not hopeful suggestions. As another clear-headed editorial observer stated the other day, "Cassandra has dethroned Pollyanna."

Let us see if this brooding is worthy of us; whether the "jitters" we talk about today isn't merely a manifestation of temporary ailments common to every generation in our history. Is there really any justification for the universal lament that things are worse today than ever before because today, in contrast to other periods, there is "too much Government in business"?

You may well question my right to drift so far beyond the pale of the technical subject matter of the Securities and Exchange Commission; but in the discharge of our specific functions we of the Commission have necessarily had to study attendant economic

and social factors. Some first-hand knowledge of conditions leads me to suspect that those who despair of the future because of governmental activities are too often substituting guesswork for fact and emotion for reason.

I happen to head one branch of the Government which has been pointed out as the arch example of Government interference. Because of this fact I ask you to bear with me while I attempt to develop three points which I believe will be of interest to you.

First, I would like to show you from the testimony of an unimpeachable source the logic of the expansion of Government activities in the affairs of our daily lives; secondly, I wish to show you how one branch of the Government—the Securities and Exchange Commission—actually operates in those activities of our daily lives which are its concern; and, third, I hope by this demonstration of our objectives and activities to persuade you that it is cowardly and unmanly and un-American for one to blame the Government for his own lack of courage and enterprise.

Both the Securities Act of 1933 and the Securities Exchange Act of 1934 are the products of a civilization which had attained the ultimate of complexity in the daily routine of its life. Indeed, almost 20 years ago the sagacious Elihu Root said:

"We are entering upon the creation of a body of administrative law quite different from the old methods of regulation by specific statutes enforced by courts. As any community passes from simple to complex conditions the only way in which Government can deal with the increased burdens thrown upon it is by the delegation of power to be exercised in detail by subordinate agents, subject to the control of general directions prescribed by superior authority."

That in essence is your own method of procedure. If I understand correctly the purpose of the American Arbitration Association, you seek to take disputed matters out of the delays of courts and into the expediency of arbitration and conference.

This, gentlemen, I submit is government by commission. I cite Mr. Root's prophecy of law administered by Government agencies as my text, because I seek to enlist your support of our efforts to stimulate financial enterprise. To quicken the flow of money into business and to relieve the apprehension and fears of businessmen and bankers, which seem to have paralyzed corporate financing, should be a common ambition. I am persuaded that if I can remind the businessmen of America that the regulation of the business of dealing in securities is not the petulant imposition of discipline born of hatred and rancor, cooperation and response would be certain. If I can convince you that securities regulation was the inevitable and logical result of the complexities of life so accurately forecast by Elihu Root, there will be less "quitting" and more "carrying on" and fewer baseless nightmares about governmental control.

If I can show you further a practical reason for accepting and adopting the interpretative rules and regulations promulgated by the Commission, I am sure that you, as practical businessmen, will follow Mr. Root's admonition.

"There can be no withdrawal", he said, "from these experiments. We shall go on; we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrongdoing, which under our social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts."

How well these words describe what Congress attempted when it said that the sale of securities was affected with a public interest. Surely the phrase "public interest" means "protection to rights and obstacles to wrongdoing."

That, gentlemen, is the objective of the Securities Commission. Make no mistake about the purpose of the legislation. Business must be financed. Those who do that financing—the investors—must be protected. Those who borrow that money—the businessmen—without whose initiative and courage there can be no country worthy of our history, must likewise be protected. If the tenor of the original 1933 act seemed to be largely or exclusively in the interest of the investor, let me say that the efforts of Congress and of the Commission since seem to have been in the interest of the borrower without impairing the rights of the investor.

In the complex setting in which we live and work and build, the necessity for a healthy regulation of the investment market must be apparent to all right-thinking people. We cannot turn back. It is idle to dream and wish for the return of a former day, with its unrestrained opportunity for unfair and dishonest practices. Our task is to face the future and with the aid of these regulatory laws to restrain the power of the strong over the weak. These laws are to be administered in the spirit of their enactment, protecting the investor and stimulating the free flow of capital into new enterprise. We have tried to encourage expansion by removing the obstacles of unnecessary procedural requirements and by minimizing the hardship of undue effort, the risk of liability, and the burden of expense. Our efforts, while they have received the approbation of even the most caustic critic, have brought little success in financing until some notable recent registrations. These, I am hopeful enough to believe, mark a turn in the road.

In my very first talk after taking office I said that the charge that pioneering and daring in business had been discouraged by the new securities legislation was insincere. Happily, some able businessmen have agreed. You cannot minimize the fact that the two major pieces of financing registered within the past fortnight have represented a true cross section of the country.

Forty million dollars in Chicago in the case of Swift & Co. Forty-five million dollars on the Pacific coast in the case of the Pacific Gas Electric Co.

Only a trickling little stream of private corporation finance as yet, where before there was a flood tide. But the stream is large enough and representative enough to justify the statement that there is no longer any excuse left to the corporation which has hitherto hesitated to go forward with confidence.

Can any reasonable man say that the control of those great corporations is in the hands of men recklessly imprudent about the management of their affairs? And if these men, after careful consideration of all the problems involved, have concluded that there is no unreasonable liability, burden, or responsibility imposed by the new securities law, who dares to assert any longer that the Government has made corporate financing legally impossible?

Let me reiterate to emphasize. Can these men, representing some of the best minds and hearts in American business, be entirely wrong, and the hesitant majority who carpingly criticize the existing law, without taking the trouble to become informed concerning it, be correct? We know better.

Let us accept today's promise on its face. I am rash enough to believe that these recent registrations are harbingers of a real upward trend. Do not be disappointed if new financing is not a daily occurrence and business does not boom immediately. There will be lapses of course. A snow storm in March cannot delay the advent of spring. It is enough if the turn has been reached.

You will find upon reflection that although the Pennsylvania Railroad financing in the early days of the 1908 depression unquestionably foreshadowed recovery, the stride of business activity was not manifest for some months. Also, that when the Northern Pacific financed during the 1920-21 reaction, that event was hailed as foreshadowing recovery, but it was some months before the recovery was recorded. The fact is that able businessmen, wisely advised, have flashed a green light signaling that the road ahead is clear of disaster; that the hurdles of legal complexities, expensive fees, and laborious detail have been practically eliminated; that now there can no longer be any excuse for further delay.

For months we of the Commission have been advising business lawyers everywhere that the risks imposed upon honest business by the new legislation had been so greatly reduced by amendment and administration that the requirements today do not exceed those of the common law. Lawyers were not receptive at first and created a barrier which businessmen could not easily follow. The legal profession, naturally slow to embrace new legislation, and the businessman, proverbially timid to enthuse over innovations, have finally seen the light.

We expect some sizable financing will follow. We expect a declaration of faith in the future of our country such as has characterized American business at the turning point in every previous crisis. I urge you (businessmen) to seize the torch of leadership in this necessary crusade. For months it has been trite to say that business lacked confidence. That statement is still true. Business is better than confidence, but business today has an underlying courage which sadly lacks aggressive leadership. New York, which has been holding back largely because of misapprehension and unwarranted fears, we hope will provide that timely leadership.

Government regulation under the Securities Act will safeguard your financial structure, not penalize your initiative. Government regulation affords you accessibility to legal counsel and corporation accountancy advice never before available to businessmen anywhere in the world. America's ablest business lawyers and accountants have cooperated with the Securities and Exchange staff in setting up the registration forms which leading corporations have accepted as their guideposts on the road to financial stability. The most powerful businessman and the richest investor could never have had access to such authentic advice as was cheerfully and freely placed at the disposal of the Government in the studies which led to the adoption of present registration forms.

So I say to you—and I now speak having in mind the example of seasoned practical leaders—that the road to new financing so necessary to recovery has been cleared for you. Money and credit, the lifeblood of profitable business enterprise, have glutted the market recently. The cheapest thing in the world today is money. Cheap money and lack of business confidence are synonymous. But courage is returning and money may not always be cheap. Stockholders and investors will be served if business is now fortified against the financial vicissitudes of the future. Accept the fine example of these business leaders and resist the small-minded critic who sees evil in every Government agency. Wherever you lead, the rest of the country will follow, and 60 days before anyone knows it the victory over doubt and despair will have been won.

It is true, unfortunately, that at present the Street has apparently very little basis for optimism if the present volume of trading be considered the sole index of the future. But all intelligent men know that the present figures are far below normal; they belong with gloomy predictions about the future of the business which I believe are premature and unsound.

But this much I do know and make bold to state. The confidence of the investor has been so completely shaken that, regardless of blame or justification, it required an agency such as our Commission to help regain this lost confidence; to restore the shattered prestige of the business. In the work of protecting the investor, particularly the small investor, against unfairness and dishonesty, we are the recipients of numerous complaints daily. As one might expect, fraudulent charges are made most frequently. Misleading and incomplete prospectuses, manipulations, and the circulation of deceptive information—in other words, charges arising out of the new legislation of 1934—are far less frequent. The old standard complaints of "bucket shop" and "sell and switch" swindles have not disappeared.

Even a cursory review of the recent history of security swindling amazes one. The shrewdness, cleverness, and daring of these trade pirates cannot be minimized. With a remarkable, almost psychic sense of what the public is likely to "fall for", these racketeers constantly shift their wares and their technique. In fashionableness and up-to-dateness they rival the Parisian modiste. Colonel Lindbergh flew the Atlantic, and before he returned the country was flooded with aviation stocks, capitalizing the Nation's latest thrill. A substitute for silk was advertised, and rayon stock swindlers pounced the doors of unfortunate victims. The Sunday magazines feature the electric eye, the photoelectric cell, and the glib man from the "boiler shop", aided by the tipster sheet, speaks caressingly of the golden dawn of tomorrow's wealth. The Government abolishes the domestic market for gold, and mines long since abandoned are glorified in the language of fantastic promises to catch the unwary sucker, the only requisite being a hole in the ground, a ladder, and a feverish imagination. How reminiscent of Mark Twain's definition of a mine. "A hole in the ground owned by a liar." Remonetization of silver is discussed, and a flurry of silver mines with romantic names occupy the interest of the security underworld. Beer comes back, and its return is heralded by fraudulent brewery and beer-barrel stocks. Comes repeal and with it the intoxicating supersalesmanship of the distillery promoter. All of these are compelling evidence of the astonishing energy of the crook and the appalling credulity of the public.

Let me assure you that I have no intention of creating in your mind an inference that all promotions of stock in the various enterprises I have enumerated are fraudulent—far from it. Many of them are sponsored by honest and energetic individuals, but whenever a reputable company capitalizes something new there are the racketeers at all times ready to pass off their worthless wares for the sound securities of the honest promoter.

Let me relate to you a recent one. You can't guess it: It's potash. As you know, potash is used chiefly as an ingredient of fertilizer and is a very earthy substance. In this case the promoter reminds one of "the man on the flying trapeze." For his balance sheet he modestly claims a value of \$3,000,000 for leases held by the company. Unfortunately, the company owned but one lease and the royalty charge was so high that even if it contained the richest deposit in the United States it could operate only at a loss. The contract rights were in fields where no commercial potash had ever been found, and even if the potash had been found, Federal regulations prohibited mining operations on this property. The prospectus is guaranteed to excite the envy of the Ananias Club. It lies about the value, earnings, geography, geology, metallurgy, economics, and history. A close examination convinced us that the only truth in the whole prospectus was the address to which you are invited to send your money. So much for potash.

So you see, gentleman, the magnitude of interstate frauds, the comparative helplessness of State officials limited by State boundaries, is a complete vindication of our intervention in this field.

In addition to its other work, the Commission, at the request of the Congress, is conducting a special study of reorganization and protective committees. This report is desired by Congress as a basis for intelligent legislation. It is hoped and believed that this study will constitute a significant contribution to the annals of American finance and will accomplish long-needed reforms in our reorganization system, a field where unfairness and overreaching has been the normal experience.

Students of the subject have long been aware of the need for thorough-going reform and revision of the reorganization system. That system has grown up unregulated and uncontrolled for the most part. During the current depression it has assumed gigantic proportions, with the result that there is hardly an investor in the land who is not somewhat affected by it, and hardly a court in the land which is not confronted by the problems which it raises.

The reorganization system in the past has proceeded largely on the basis of private initiative. The drive and incentive for consummating reorganizations has been in large part the desire for profit on the part of the reorganizers. This desire for profit has not always been compatible with the interests of the investors. Consequently there have resulted in many parts of this country vicious forms of racketeering by promoters of reorganizations. In many reorganizations we have found there exists a growing evil in the blackmailing tendency of certain individuals who by threats and suits and otherwise seek to embarrass the orderly administration of the enterprise in order to capitalize their nuisance value. For these reasons investors have had to pay a heavy toll. The designation "protective" committee has a misleading significance when the parties in control use their power to protect themselves at the expense of investors. Here we find the constant application of the materialistic philosophy that might is right.

It will never be possible for this Commission, any more than any other department of the Government, to transform into sound securities bonds, notes, and stock which never should have been issued. Nor will it be possible to design a reorganization system which will repair and restore losses which have been suffered. Substantial progress, however, can be made toward designing a reorganization system which will safeguard the interests of the investors and prevent their exploitation for or on behalf of promoters and foster the creation of sound successor companies. No new statutes or regulations can dispel the aura of disappointed hopes that surrounds every reorganization. Constructive measures can be taken to curb and control the fraudulent and unethical practices which have been so prevalent in that field of finance.

Time prevents my dealing in detail with the Commission's activities in promulgating forms and rules and regulations. It is suffi-

cient to state that they have been well received by the bar and business alike.

Closely related to nearly every other aspect of the Commission's activities is the problem of the over-the-counter markets. It is probably the most difficult and most complex single problem before the Commission. Constantly we are asked what our plans are for controlling this so-called over-the-counter market. Shortly we shall publish the first step in our program, and in conformity with our established system the regulations will have been promulgated only after a thorough discussion with representatives of the business affected. As in the case of our first steps in exchange regulation last fall, our assumption of control shall be gradual so that needless friction and annoyance may be avoided. In this field, as well as on the organized exchanges, the investigation by the Senate Committee on Banking and Currency disclosed numerous fraudulent, unfair, and other undesirable practices which have been eradicated in the interest of the investing public.

Congress would have seemed very naive if it intended this form of trading to go unrestrained. It is our plan, gentlemen, to carry out the definite will of the Congress in this respect so that, by the rules and regulations we shall prescribe, there will be insured to investors protection comparable to that provided in the case of national securities exchanges. The problems are being studied with the counsel and assistance of the country's security dealers.

This, gentlemen, is the story of Government supervision of the security business. Is there anything here that suggests persecution? Aren't we all too Government-conscious?

Things never are quite as hopeless as they are made to appear by fear, and never in the past 2 years has there been such fearing of fear itself as there is today. It is the cold hand of death on business initiative. Men see business sustained at a rate which would have been considered impossible 2 years ago, yet they continually cry out against the uncertainty of things.

Business is still not only better than confidence; it is better than we deserve to have it. We have not matched results with our courage. We have not been grateful enough for a 34-percent increase in general business, for the practical rehabilitation of the great motor industry, and for the sound revamping of other industries.

We have not used these experiences of genuine improvement as springboards to greater efforts. We talk about future uncertainties, ignoring present definite indications of progress. We seek assurance against the unforeseen, forgetting that risk and uncertainty have always been the ordinary incidents of business.

We continually ask, "Where are we headed?" I answer emphatically that we are still heading for the recovery and reform originally proclaimed by the administration in May 1933 as its goal. Why conjure up legislative monstrosities that will never see the statute books? Why not address our minds to business? In the midst of gloom last fall a voice sounded out of the wilderness—the voice of a single automobile manufacturer—to prepare for a record business in 1935, undertaking himself to produce and distribute 1,000,000 cars. The effect was immediate and dramatic. Competitors stopped their wishful thinking, went to work with confidence, and as a result automobile production so far this year is 47 percent larger than the output of the same period a year ago.

Frankly, I believe that many of the worries that impede business at the moment are unnecessary. I cannot forget an old adage oft quoted under similar conditions in the past: "Today is the tomorrow that you worried about yesterday, and it never happened." Most of the things we worry about today will never happen. As I said before, recently in Chicago, speaking of the relation of the Commission to business, "There is not the slightest thought of elimination or restricting proper profits, and I, for one, have no patience with the view that every man who has a dollar or wants to make one is a public enemy * * *." I have less patience, however, with that man who, blessed in a worldly way by the opportunities of living in America, smugly wraps the mantle of selfishness about him in a cowardly refusal to wager on our common future.

Do not let such a man tell you he is afraid of confiscation; afraid of socialization; afraid of government. Politics is the science of government. Politics is the living breath of representative democracy. Politics of a sort has been the lot of this Nation since Cornwallis' surrender. Politics troubled the last days of George Washington, harrowed the earned leisure of Lincoln, ruined the evening of Woodrow Wilson's life. Had the businessmen of those earlier days abandoned their jobs and committed industrial suicide because of politics, this Nation would never have advanced an inch. Let us stop talking politics to the exclusion of business. Every legislative step of importance since the Constitution was written was claimed by critics as foreshadowing doom. And after every attack of nerves, immeasurable progress resulted.

Let me illustrate with some examples of dire prophecies:

"On account of governmental and legislative attacks on corporate activities and on wealth and capital, enterprise has come to a halt and a blinding paralysis is spreading all over their industrial organization. There can be no enduring recovery until the causes responsible for this state of things shall have been removed."

When do you think this was written? It is a financial editorial of February 1908.

Here is another:

"The closed mill and empty dinner pail will be as conspicuous as in 1896: The future outlook is disastrous, and I hope it will not be enduring. The situation is appalling. It cannot be exaggerated."

When do you think that was written? It was the utterance of the chairman of the Senate Finance Committee in December 1920.

In the 10 years following the 1908 forecast the industrial output in this country increased 52 percent. In the 10 years following the 1920 outburst the industrial output increased 55 percent.

So you see the futility of taking counsel of present-day fears. You cannot chart politics. You cannot sit down and draw some crooked lines showing where the fluctuations of political sentiment are likely to lead. Then why watch politics exclusively?

Instead, let us stick to the one formula we all know—"business as usual." Never did this country need that slogan more than it does today. Box the compass of your own industry. Plan your future requirements. Cut your cloth according to your pattern, as the motor industry has done. Invest in America. Its people have purchasing power, cash reserves, bank balances, and savings accounts. Hoarding, mental hoarding, and spiritual hoarding keep these resources in hiding. The great American people, whose common sense solved every crisis in their history, have never failed to respond to sane, courageous business leadership.

So I appeal to you, "Be yourselves." Don't dodge the duties of citizenship by blaming Government interference for the lack of business initiative and enterprise. Government interference—politics, if you will—we have always had with us, yet our predecessors went ahead and developed this marvelous land which we enjoy today.

Let us imitate them. Talk and think and dream business progress today and tomorrow.

In closing I should like to leave with you the thoughts of one of your New York poets, Wallace Irwin. They dispose so effectively of those of us who magnify our troubles that I shall read them and then take leave of you.

I entitle them "A nautical diagnosis of a businessman, 1935 model":

"Suppose that this here vessel," says the skipper with a groan,

"Should lose 'er bearings, run away, and bump upon a stone,

"Suppose she'd shiver and go down, when save ourselves we couldn't."

The mate replies, "Oh, blow me eyes, suppose again, she shouldn't."

"I read in the statistics books," the nervous skipper cries,

"That every minute by the clock some fella ups and dies."

I wonder what disease they get that kills in such a hurry."

The mate, he winks, and sighs, "I think, they mostly dies of worry."

"Of certain things," the skipper sighs, "me conscience won't be rid,

"And all the wicked things I've done, I sure should not have did."

"The wrinkles on me inmost soul compel me oft' to shiver."

"Yer soul's first rate," observes the mate, "the trouble's with your liver."

During the executive session, by unanimous consent, the following legislative business was transacted:

PETITIONS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of New Jersey, memorializing the Federal Government to accept the immediate responsibility for relief and employment of transients, which was referred to the Committee on Appropriations.

(See concurrent resolution printed in full when presented today by Mr. BARBOUR.)

Mr. BARBOUR. Mr. President, I ask consent to have printed in full in the RECORD and appropriately referred a concurrent resolution adopted by the Legislature of the State of New Jersey requesting the National Government to accept the immediate responsibility for relief and employment of transients.

The concurrent resolution was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Concurrent resolution requesting the National Government to accept the immediate responsibility for relief and employment of transients

Whereas industrial, legal, and financial conditions created by the prolonged economic depression have dislodged thousands of men, women, and children from their normal occupations and places of legal settlement, have thrown them, in their extremity, into communities where they are alien and have no legal right to relief; and

Whereas the Federal Government in the last 2 years by its program of relief and work for transients has demonstrated that it is possible on a national scale to alleviate the condition; and

Whereas the experience of these 2 years has further demonstrated that transiency is an interstate problem and that it has its migratory labor and other situations that are beyond the control of the individual States; and

Whereas the abandonment by the Federal Government of the relief program for these persons is returning these unfortunate, unsettled people to chaos and hopelessness, since they and the communities in which they find themselves lack the means to solve their problems; and

Whereas most States cannot legally use State funds to relieve unsettled persons, and residual Federal funds in the hands of State agencies are now practically exhausted; and

Whereas the interstate conference on transient relief held on March 6 and 7, 1936, at Trenton, N. J., represented by 21 States east of the Mississippi, unanimously agreed to press the Federal authorities to take such action: Now, therefore, be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring), That the Legislature of the State of New Jersey by concurrent resolution hereby memorialize the Federal Works Progress Administration and the Congress of the United States to accept the immediate responsibility for relief and employment of transients, and we urge that this relief in employment be made effective through permanent departments of State government and coordinate local units of administration, and that funds be made available by the Federal Government on a grant-in-aid basis; be it further

Resolved, That copies of this resolution be transmitted by the secretary of the senate to the President of the United States, the Federal Works Progress Administrator, the Secretary of the Senate, the Clerk of the House of Representatives, and to each Member of Congress duly elected from the State of New Jersey.

REPORT OF A COMMITTEE

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 2553) for the relief of C. C. Young, reported it with amendments and submitted a report (No. 1709) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 18, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 2664. An act to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936; and

S. 3173. An act for the relief of certain formerly enlisted members of Battery D, One Hundred and Ninety-seventh Coast Artillery (Antiaircraft), New Hampshire National Guard.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RUSSELL:

A bill (S. 4311) for the relief of Cora Fulghum and Ben Peterson; to the Committee on Claims.

By Mr. ROBINSON (for Mr. TYDINGS):

A bill (S. 4312) to authorize the issuance of a special series of stamps commemorative of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on Post Offices and Post Roads.

By Mr. SHIPSTEAD:

A bill (S. 4313) granting an increase in retired pay to Frank E. Monville; to the Committee on Military Affairs.

By Mr. MCKELLAR:

A bill (S. 4314) to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended; to the Committee on Post Offices and Post Roads.

By Mr. COPELAND:

A bill (S. 4315) to provide for the controlling of floods on the rivers of the United States, and for other purposes; to the Committee on Commerce.

By Mr. SHEPPARD:

A bill (S. 4316) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 4317) to authorize the Secretary of War to grant to the city of Buffalo, N. Y., the right and privilege to occupy and use for sewage-disposal facilities part of the lands forming the pier and dikes of the Black Rock Harbor improvement at Buffalo, N. Y.; to the Committee on Commerce.

A joint resolution (S. J. Res. 236) to amend the joint resolution (Public Res. No. 67, 74th Cong.), approved August 31, 1935, relating to the neutrality of the United States; to the Committee on Foreign Relations.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to the deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place in the bill to insert the following:

"For the Federal Emergency Administration of Public Works, \$11,300,000, to be expended for carrying out the non-Federal flood-control projects in the State of New Hampshire described in Federal Emergency Administration of Public Works dockets nos. NH-1021, NH-1025, and NH-1041."

RELIEF OF PERSONS IN FLOOD-STRICKEN AREAS

Mr. DAVIS. Mr. President, during the last few days thousands of the citizens of this country have been driven from their homes because of raging floods. Conditions throughout the Johnstown-Pittsburgh area are unspeakably bad. I do not recall a time during the last 50 years of intimate association with that section of the country when such havoc has been wrought by uncontrolled and flooded rivers.

According to the latest press reports, this flood condition extends from New Hampshire and Vermont on the north to southern Virginia on the south, and from Pittsburgh on the west to the Atlantic coast on the east. Estimates indicate that 25,000 persons have already been rendered homeless. The greatest devastation has overwhelmed the Johnstown-Pittsburgh area. In Johnstown the dead are estimated at from 3 to 20, with estimates of homeless running from 2,000 to 10,000. The great dams above the city, the breaking of which resulted in the disastrous flood of 1889, when more than 2,000 persons were killed, were holding, according to the latest reports. However, the city has been coated with mud, and in some places the water has been 28 feet deep.

In Pittsburgh the section known as the Golden Triangle, which includes the city's skyscrapers, was under 10 feet of water. Thousands of persons have been marooned on the upper floors of office and business buildings. In the district which lies between the Monongahela and Allegheny Rivers, banks, theaters, department stores, and the stock exchange were closed. Newspaper offices were flooded and the power lines were broken. Adding to the horror was a series of fires in homes and industrial plants. Firemen were seriously handicapped by the high water. The damage to property amounting to millions upon millions of dollars, the loss of homes, the loss of life, and danger to health have been beyond possible calculation, and words cannot convey an adequate idea of the distressing condition.

Mr. President, while I speak of Pittsburgh, I am not unaware of the situation which threatens the lives and property of our people periodically throughout the East and Middle West. We have long been confronted with the problem of flood control on the Mississippi River. Substantial measures are now in progress to improve the situation there. But, as I now speak, flood waters are lapping at the doors of residents in eight States in the worst catastrophe of its kind in nearly half a century. By walking to the dome of the Capitol anyone of us may view the damage wrought by the flooded Potomac. Millions of dollars of property has been destroyed by the muddy wall of water now rolling down the Potomac Valley.

Mr. President, I am not unmindful of these conditions of disaster which present problems of flood control in many parts of the country, but I should like to state that western Pennsylvania is in special need of consideration owing to the fact that it is so largely a region where great rivers join together. The Tygart, the Buchannon, and the West Fork merge into the Monongahela, which in turn is joined at McKeesport by the Youghiogheny. The mighty Ohio, Allegheny, and Monongahela Rivers are now pouring their roaring floods into the Pittsburgh area. This exercises a tremendous flood effect on southwestern Pennsylvania, northern West Virginia, and northwestern Maryland.

As a result red canoes are paddling down Wood Street past Roberts' jewelry Store at Fifth and Diamond in Pittsburgh, and down on Penn Avenue motorboats are running around taking people out of the business buildings. A majority of people in Pittsburgh live up in the hills, but the

business section is down in the valleys where the flood waters are now destroying so much property.

Measures of a temporary nature have already been taken by State and Federal authorities to rescue the victims of the flood and to provide against the spread of sickness and epidemic. However, these are but temporary measures, and they cannot be expected to meet the present emergency unless they are supplemented by special appropriations from Federal funds. President Roosevelt has appointed an emergency flood relief committee and the Army has been instructed to extend full aid toward the prevention of further loss of life and destruction of property. The Red Cross has ordered its trained disaster workers to speed to the points of greatest need, and their efforts are being supported by several thousand volunteer chapter workers. Robert E. Bondy, national disaster relief director for the Red Cross has gone to Johnstown to superintend relief activities from that point. All honor to the noble Red Cross and its heroic workers. Voluntary contributions are now being raised to meet the needs of homeless citizens. But the emergency is so great that I advocate a special appropriation of Federal funds be made immediately to assist the victims of this flood disaster.

Measures of this kind are necessary at once. However, they do not insure protection against the repetition of this disaster, and this we should earnestly consider. Flood control is now being carried on at various places in the country and is desperately needed in the Johnstown-Pittsburgh area. Work for 50,000 or 60,000 men of great and permanent value to the Nation could be started at once if W. P. A. funds were now made available at prevailing wage rates for adequate flood-control projects. This would be an expenditure of lasting value to the country as a whole and would set a higher standard of work-relief projects. I advocate that Federal funds for this purpose be made available at once.

In April 1934 the President's Committee on Water Flow made its report. In that report the project proposed for the Allegheny River included:

First. The extension of the existing 9-foot navigation project, at a cost of about \$2,650,000, and completion of pending investigations of the desirability of making further extension of the navigable channel.

Second. The step-by-step development over a period of years of a system of flood-control reservoirs for the reduction of floods on the Allegheny and Ohio Rivers, eventually to include eight reservoirs, at a cost of about \$53,406,000.

The Water Flow Committee report also included a project for the Monongahela River calling for the completion of the Tygart Reservoir, at a cost, in addition to funds already provided, of about \$9,000,000.

I now quote from the committee report on page 219:

The Ohio River Valley is subject to destructive floods. Over 90 percent of the damage is sustained by the numerous towns, cities, industries, and railroads which line the banks of the stream. After a thorough study of the various means of flood control, it has been concluded that a system of flood-control reservoirs appears to be the most practical means of providing general flood relief for the Ohio River Valley. Approximately 90 possible reservoir sites throughout the basin have been studied. Thirty-nine sites were finally selected for a system of reservoirs believed to represent the best possible development, from an economic viewpoint, of a flood-control plan which would offer a fair general solution of the flood-control problem throughout the Ohio Basin. The proposed reservoirs are all situated on tributaries of the Ohio River above Cincinnati, and the system has a total capacity of about 7,418,000 acre-feet. The estimated total first cost is about \$210,000,000. The total annual cost, including finance cost at 4 percent and maintenance cost, is estimated at about \$9,071,000.

Mr. President, I am convinced that the time has come when we shall be guilty of criminal negligence if we do not take practical measures at once to protect the lives and property of the people whose destiny is so closely allied with proper flood-control projects.

Projects of these proportions which fit in with the proposals of departmental committees based on years of intensive investigation and practical experience afford an opportunity for work relief of a high order. Man power and money invested in work of this kind would bring permanent dividends to the Nation in giving work to the unemployed and protection of life and property in flood-endangered

areas. If we are to have work relief, I believe that so far as possible it should be used to serve practical ends. I am confident that no better expenditure of work-relief money could be made than to follow the suggestions of the President's Committee on Water Flow as I have stated them.

Work relief on practical projects of this kind should be given to qualified workers at prevailing wage rates, so that the work will be accomplished efficiently and so that those who do the work will have a decent standard of living for their families.

Mr. President, I ask that the resolution which I now submit to the Senate be read by the clerk and referred to the Appropriations Committee for appropriate action.

There being no objection, the resolution (S. Res. 259) was read and referred to the Committee on Appropriations, as follows:

Resolved, That the President is hereby requested to transfer immediately the sum of \$3,000,000 to the American Red Cross, out of relief funds already appropriated, to be used by it for the relief of persons in flood-stricken areas.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN THE FOREIGN TRADE

Mr. ROBINSON (for Mr. TYDINGS) submitted the following resolution (S. Res. 260), which was referred to the Committee on Commerce:

Resolved, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of the most important acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American shipowners; (4) whether it is the general practice of American shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American merchant marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of Great Britain, Germany, France, Italy, and Japan, on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American trans-Atlantic cargo carried by American-flag ships, and the percentage carried by foreign-flag ships; (8) the percentage of American trans-Pacific cargo carried by American-flag ships, and the percentage carried by foreign-flag ships; (9) the profit or loss of the six American lines operating the largest American-flag tonnage for the years 1926, 1928, 1930, 1932, 1934, and 1935; (10) the operating expenses of the same lines for the same years and their gross incomes for such years; (11) how many of such lines held mail contracts, either on a poundage or per-mile basis, and the aggregate amount of money paid to them under such contracts; and (12) what formula do you generally recommend as a matter of United States policy which would deal fairly with all shipping lines, large or small, for the carrying of the mail.

RELIEF OF FLOOD-STRICKEN AREAS IN PENNSYLVANIA

Mr. GUFFEY. Mr. President, the appalling conditions that are daily appearing in the press describing the ravages of floods in the State of Pennsylvania require the cooperation and assistance of the Federal Government and the American Red Cross. I submit a resolution requesting the President of the United States to transfer \$10,000,000 of Emergency Relief appropriations to the American Red Cross for use in relief to flood-stricken areas in my State, and I ask that it be referred to the Committee on Appropriations for prompt action.

There being no objection, the resolution (S. Res. 261) was referred to the Committee on Appropriations, as follows:

Resolved, That the President of the United States be, and he is hereby, requested to transfer from appropriations under the Emergency Relief Appropriation Act of 1935 the sum of \$10,000,000 to the American Red Cross for use in relief to flood-stricken areas in the State of Pennsylvania during the present emergency.

RELIEF OF FLOOD-STRICKEN AREAS IN WEST VIRGINIA

Mr. NEELY submitted the following resolution (S. Res. 262), which was referred to the Committee on Appropriations:

Resolved, That the President of the United States be, and he is hereby, requested to transfer from appropriations under the Emergency Relief Appropriation Act of 1935 the sum of \$5,000,000 to the American Red Cross for use in relief to the victims of the flood-stricken areas in the State of West Virginia during the present emergency.

ADDRESS BY SENATOR BYRNES TO SOUTH CAROLINA TEACHERS' ASSOCIATION

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and informative address delivered by the junior Senator from South Carolina [Mr. BYRNES] to the State Teachers' Association at Columbia, S. C., on March 13, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I esteem it a happy privilege to address an organization having among its purposes the increased efficiency of the teachers of South Carolina, the promotion of their welfare, and the development of our system of education. If you counsel wisely, plan courageously, and renew your courage and devotion by coming together in this way, I am satisfied you will continue to hold the line for education, for knowledge, and for tolerance against ignorance and intolerance.

We are proud of our country. For that pride we have just cause. But men are apt to forget that success and lasting future are not assured because of a brilliant and successful past. The extent to which we progress is going to depend upon the manner in which we meet our common problem of common education. The present generation must not forget its responsibility to the Nation, and the State must not forget its responsibility to education.

The education of the youth of America cannot be laid aside for a year or a period of years. For in them lie the life and the spirit by which alone America renews herself. And yet only a few years ago we found the terms of our public schools being shortened, with the inevitable effect upon the next generation.

In 1932 and 1933 the State superintendent of education, in his annual report, pictured a demoralizing condition. With the inability of the State, the counties, and cities to collect taxes, and the resulting impairment of the credit of these governments, our schools necessarily suffered. We will not soon forget the curtailment of school sessions, particularly in the rural districts. Nor will we soon forget the number of teachers who were thrown out of employment and the reduction in the compensation of those who were retained.

The support of schools is a State function. Notwithstanding this, the Federal Government in the emergency, rendered material assistance to the educational system of South Carolina. Ordinarily, when people speak of those who during the depression were unemployed, they speak only of the laborer. Little sympathy has ever been expressed for the thousands who were employed in the professions such as teaching, and who were suddenly thrown out of employment. I do not know what would have become of them but for the relief measures of the United States Government. Without interfering with the school system of a State, and without changing its policy that education is the function of the State, the United States Government contributed money for the employment of teachers, just as aid was given to all other people in need, and thereby made it possible to extend the terms of rural schools and promote adult education.

Since 1933 the United States Government has contributed \$2,642,000 to pay the salaries of teachers and aid students in the schools of South Carolina. During the same period \$1,950,620 was contributed for school projects and \$1,172,000 was loaned for educational buildings. The building program provided only for essential projects, urged by school officials, and which the State and its subdivisions were unable to construct. The program established no policy on the part of the United States Government to build schools for local governments. The Government does not seek to acquire jurisdiction over the schools constructed. The program, however, provided employment for persons on the relief rolls. Had this not been done, local governments would have been forced to construct these buildings, and this would have meant the collection of additional local taxes. We hear much about governmental waste, but I certainly do not consider as waste the money given to aid the schools and teachers of South Carolina.

President Madison is quoted as having said, "A people who mean to be their own governors must arm themselves with the power that knowledge gives." A people cannot thus arm themselves except by education. The fight for freedom is successful only to the extent that the fight for free schools is successful. And the success of our free schools is dependent upon the character and the ability of the teachers we place in charge of these schools.

Today, as never before, the people of this Nation are interested in the efforts to maintain government by the people. Through the press and over the radio conflicting views of government are daily presented. As teachers, as citizens, and as leaders of thought in your respective communities you are interested in these problems, because the correctness of their solution will affect you and those who look to you for guidance.

It is difficult for us to understand or appreciate the problems confronting us unless we have what is commonly called "the background." For 70 years, with the exception of a period of 16 years, the Republican Party was in control of the United States Government. Possibly because they were in control they believed in giving greater power to Federal Government. In any event, great power was conferred upon the Federal Government. Through the instrumentalities of tariffs, subsidies, and expenditures for public works the Federal Government developed certain sections of the country controlled by the dominant party, leaving other sections

at the mercy of the favored States. The acts of Government contributed to a further accumulation of great fortunes in the hands of a few, and these few used that accumulated wealth to continue control of the Government in order to enrich themselves and impoverish the masses of the people. The extent of that accumulation is demonstrated by the income-tax returns of 1933.

Returns are made for families, and of the 27,500,000 families in the United States less than 1,800,000 had incomes above \$2,500 on which Federal taxes had to be paid. Of this number, 325,000 reported incomes of more than \$5,000 per year. There were 46 who had incomes of \$1,000,000 or more per year. Now, think of that. Out of the 130,000,000 people in this country there were 46 who possessed such vast estates that their incomes in 1 year, after all deductions, amounted to \$1,000,000 or more. If you were 1 of those 46, would you want to change the rules of the game or the provisions of law which had so favored you? Well, you might be so magnanimous, but I do not think any 1 of the 46 was ever heard to be in favor of a new deal.

But let us consider the other side of the picture. Over 25,000,000 families paid no income taxes. In other words, their incomes ranged from a mere nothing to \$1,000, \$1,500, and \$2,500, with the great bulk below \$1,000. I am not one of those who believe the Government owes every man a living, but I do believe that Government should use its power to furnish to every man and woman who is willing to work, an opportunity to earn an income sufficient to provide the necessities of life. This became impossible under the system of greed and privilege which had developed in the United States prior to March 4, 1933.

To correct this situation has been the underlying objective of every New Deal measure. Every heartbeat of your President is for the average man; yes—the forgotten man prior to March 3, 1933. It is among these average men and women of the country that you will find support for the New Deal, and it is these people who, notwithstanding the howling of the die-hards, are going to reelect Franklin Roosevelt President of the United States.

During the period of 12 years preceding March 4, 1933, the captains of industry were in more complete control of this Government than ever before in our history. They dictated the policies of this Government, and many little fellows, who were content to receive the crumbs that fell from their tables, urged a continuance of their dictatorship. The failure they made of Government will never be forgotten. I know they do not like us to recall conditions, but you will remember them. Schools were closing, teachers were being thrown out of employment or their salaries being reduced. The railroads were threatened with bankruptcy, and the Government had to consider taking them over. The insurance companies, to whom we looked in case of death for the protection of loved ones, were seriously crippled. In the cities people were driven from their homes; in the country they lost their farms. In the West, as some judges signed foreclosure decrees they were mobbed by angry people. It was estimated that 16,000,000 men walked the streets out of employment.

In New York City one night in January 1933, in company with a group of Senators and Congressmen, I was at the home of Governor Roosevelt, discussing the legislative program to follow his inauguration. We heard a noise. I thought it sounded like the cry of a mob. Afterward we learned that several thousand persons had been stopped by policemen a block from the Governor's home. They wanted to gather before his door and present to him and to the group of legislators their requests for food to relieve their hunger. They were hungry men. Hungry men are dangerous men.

The former President of the United States, Mr. Hoover, may not recall the serious conditions then existing; but I recall that just before the adjournment of Congress in 1932 he sent word to a subcommittee, of which I was a member, that while he advocated a reduction in the compensation of all Government employees, that an exception should be made as to the enlisted personnel of the Army and Navy because he did not know what would happen in the next few months and he did not want to have to rely upon an Army that might be dissatisfied because of a reduction in compensation. It was under such conditions that this administration came into power.

At that time we didn't hear any talk about the Constitution. We didn't hear the former Governor of New York, Alfred E. Smith, talking about the platform adopted at Chicago 9 months prior to that time. All we heard was the cry from the bankers, manufacturers, and businessmen of America that the President do something, do anything, to save the country. Well, the President and the Congress did do something. They could not follow the beaten path because that had been followed by the previous administration and had resulted in chaos. They had to blaze new trails. They had to experiment. The banks were opened. We experimented with the insuring of deposits. The result is that since that time we have had no bank failures, with the exception of a few inconsequential institutions, and the depositors in these banks had their money within 24 hours after the closed notices were posted. What would that insurance of bank deposits have meant to our people when the banks in South Carolina closed their doors prior to March 4, 1933? The question answers itself. I am glad that the people can now go to sleep at night without the fear that in the morning they will learn that the savings of a lifetime have been swept away.

In 1933 we enacted an emergency banking law. It put an end to speculation with the money of depositors. In 1935 we made a permanent revision of the banking laws. At first the bankers complained of this proposal. Now they admit it has been beneficial to the banking institutions of the Nation. We regulated trading upon the stock exchange and the sale of securities to the people of the

Nation. We loaned money to the closed banks of the Nation in order that the banks might pay their depositors without waiting for the final liquidation of the banks. We refinanced the farm mortgages of the Nation, lending money at a new low rate of 3½-percent interest and for long periods of time so as to save the constant cost of refinancing mortgages. We performed the same service for the home owners of the cities.

Few people realize the assistance this gave to local governments. In South Carolina \$13,135,000 was loaned upon city homes. In making these loans provision had to be made for the payment of back taxes. Ten percent, or \$1,313,000, was in this manner paid to the State, counties, and cities of South Carolina for back taxes. In refinancing the farms of the State \$1,305,700 was paid to the State and the counties for back taxes. The payment of these taxes helped local governments to function. It made it possible for schools to run. It restored the credit of the State, its cities and counties, so that they in turn could borrow for their needs.

Through Government assistance the railroads were aided, so that today there is no danger of Government operation. The insurance companies were assisted and today our policies are safe. We can best understand the improvement in conditions by discussing the conditions of our own State.

In South Carolina the receipts from the sale of the principal farm products in 1932 amounted to \$46,219,000. In 1935 the receipts amounted to \$92,026,000, an increase of almost 100 percent.

In 1932 the contracts for residential construction awarded amounted to \$2,033,900. In 1935 the amount of contracts awarded amounted to \$5,075,300.

In 1932 the total construction of all kinds in South Carolina amounted to \$7,658,800. In 1935 it amounted to \$18,493,300.

In 1932 we had on deposit in the banks of South Carolina, National and State, \$74,522,000; in 1935 we had on deposit in the banks of South Carolina \$120,814,000.

When people file income-tax returns with the United States Government for tax purposes you can rest assured that they do not overstate their incomes. In 1933 the total income tax paid in South Carolina was \$1,108,624; in 1935 it was \$2,976,370, or an increase of 168 percent.

From 1933 to January 1, 1936, the United States Government paid to the farmers of South Carolina in rental and benefit payments \$21,823,284. Of this amount \$18,046,506 has been paid on account of cotton, \$3,221,464 to tobacco growers, and the balance on account of corn, hogs, and peanuts.

New Deal recovery is not restricted to South Carolina. It is being felt throughout the land, and all citizens, even those who now so severely denounce the Roosevelt administration, have been its beneficiaries. Let me give you a few percentages contrasting conditions under the New Deal and under the Old Deal. Between April 1, 1933, and December 1, 1935, unemployment declined 30 percent. Between March 1, 1933, and January 1, 1936, cotton advanced 92 percent; wheat, 111 percent; corn, 152 percent.

Between January 1, 1933, and January 1, 1936, industrial production advanced 51 percent, steel production advanced 257 percent, auto registrations advanced 326 percent. Between January 1, 1933, and December 1, 1935, the dollar value of exports advanced 33 percent and imports 37 percent.

Mark this: Listed stocks on our security exchanges advanced 134 percent from March 1, 1933, to January 1, 1936. Listed bonds during that period advanced 22 percent.

Finally, for the benefit of our utility friends, who are so worried about the final effect of Santee-Cooper and Buzzards Roost, let me say that from January 1, 1933, to January 1, 1936, power production increased 19 percent.

Now let me cite some of the old-deal declines and the picture is complete. During the last 3 years of the old deal, from 1930 to 1933, cotton declined 61 percent, wheat 59 percent, corn 72 percent, industrial production 44 percent, auto registrations 66 percent, exports 56 percent, imports 52 percent, listed stocks 75 percent, listed bonds 22 percent, and power production 9 percent.

During the last 3 years of the old deal the only advance was the advance of unemployment. On April 1, 1930, there were 3,188,000 unemployed, and on the same day in 1933, 16,000,000 of our people were without work.

To all of this the confirmed critic will say, "You have spent too much money. This is evidenced by the increased debt." We have increased the debt. But the people should know that of the increased debt four and one-half billion dollars have been loaned. Some of the loans are secured by the assets of the banks, and not one dollar of such loans will be lost. As a matter of fact, \$18,000,000 were loaned to closed banks in South Carolina, and \$16,000,000 have already been repaid. Money has been loaned to cities to build waterworks and sewerage systems. These loans are secured by the bonds of the cities and are certain to be repaid. Advances were made to save the homes in the cities and the farms of the Nation. These loans were based upon values fixed during the depression. The Government will recover its money unless real-estate values decrease below what they were in 1933. If that occurs, balancing a budget will be one of our minor problems. Money has been used in the construction of public buildings throughout the country. The lots upon which these buildings are constructed have been brought at depression values. The life of the average post-office building is 50 years. The lots are located in the business sections of the cities of the country. Fifty years from now practically every one of them will be worth 1,000 times as much as the cost of the lots today.

A prominent critic says that in making these expenditures the administration violated the platform promise to reduce expenditures. In March 1933, when they were crying for help, these peo-

ple didn't talk about the platform. In November 1934, after this Democratic program had been inaugurated, the people endorsed it by increasing the Democratic majority in the Senate and House.

In 1933 our critics had no suggestion as to what should be done. Now that we are emerging from the depression they denounce the people who saved them. Daily the representatives of big business cry, "Too much government in business." In 1933 they were crying for the Government to go into business—their business. They cry, "Back to the Constitution." What they mean is back to the conditions existing prior to 1933, under which they were able to concentrate the wealth of this country in the hands of the few and have that few dominate the Government of the United States.

But some of our critics say that, admitting that conditions have improved, you should now decrease expenditures. I agree. It is my theory that in times of depression we should engage in public works. If at such a time the Government throws people out of schoolrooms and out of Government offices, they simply increase the number of unemployed and make recovery more difficult. That is the time to begin public works. When we return to normal conditions we should stop public works so as not to compete with individuals for labor and materials; we should decrease expenditures and continue to levy taxes so as to make possible a reduction of the public debt just as we reduced the public debt by \$10,000,000,000 between 1920 and 1930.

When unable to sustain any other indictment the critic will invariably speak of expenditures for relief. There can be no doubt it was the most difficult problem of all. However, it should be remembered that originally Congress passed a law which provided that no assistance should be granted to a State unless the Governor of that State certified that neither the State nor its counties and cities nor its charitable organizations could care for their unfortunates. The money was turned over to the Governor of the State. It became State funds. The administrator was appointed upon the recommendation of the Governor. I am satisfied they did the best that human beings could do, but all men realize that you cannot dispense charity without waste. No church committee ever undertook it without having some waste. If you respond to the pleas for help at your own door you are certain to give to some undeserving people. As States, counties, and cities return to normal condition they must assume the burden of relief, because they can best administer it. But during the depression they could not do it; and even though mistakes did occur, I am glad the Government of the United States, with its vast resources and unimpaired credit, did not stand idly by and permit human beings to starve.

The willingness of some persons to disregard human suffering is not new. We are told that long, long ago, on the road to Jericho, there lay a man wounded and suffering. He was in need. That was relief case no. 1. I imagine that the clergyman who passed without heeding his appeals contented himself with the thought that it was a case for the community chest or Salvation Army. Doubtless the Levite who passed and ignored the cry for assistance feared that if he granted relief he would not be able to balance his budget. But, fortunately, there came a good Samaritan, who heeded the cries of the unfortunate man. He did not stop to consider budgets. He took him to an inn, paid for his keep, and then, because his credit was good, pledged that credit for whatever amount was necessary to relieve the suffering of a human being. There comes a time in the life of a government, as in the life of an individual, when the spirit of the Samaritan must influence our actions and we must place the relief of human beings above the necessity for balancing budgets.

The Government has entered another field—that of social security. I think it time that the Government should show an interest in this subject. We have a duty to perform. There is nothing more pathetic than the condition of an aged person without means. It will always be the desire of a son and daughter when it is humanly possible to take care of them, but often it isn't possible. They may have children of their own to support, and the old man or the old woman, realizing the burden they are, go to their graves unhappy. Forty-one States of the Union have provided for old-age assistance. It shows a recognition by the people of this Nation that something must be done to provide for the aged.

Even more pathetic is the condition of the blind. They cannot earn an income. If they have no loved ones able to take care of them, they must take their place at the corner of a street with a bell and try to awaken in the hearts of those who pass by a generous impulse that will result in some small contribution toward securing food. I recall a woman coming to see me last summer to ask whether or not she was entitled to a pension by reason of the service for a few weeks in the Spanish-American War of her husband, who had recently died. She was totally blind. The driver of the automobile was a young woman. I assumed she was a relative. When I asked her to forward me all the correspondence the blind woman had in connection with the matter so that I could see if it was possible to assist her, I learned that the young woman was no relative; that she came from another county, and, learning of the unfortunate condition of this blind woman, had volunteered to bring her to my home. Fortunately, in life there are some people with hearts who will help the unfortunate. But there is no reason why that burden should not be shared, through a system of taxation, by the man whose income makes it possible for him to be of assistance but who is too busy or too selfish to be of assistance.

Whenever we discuss these measures in which the Government has shown an interest in the welfare of the individual, the man who loves to boast that he is "practical" will usually declare that

such proposals emanate only from the "brain trust." That phrase has no terror for me. I have not much fear of a government influenced by brains. I am afraid of a government influenced by people without brains. By the "brain trust" these critics mean that too many men who have at some time in their lives taught school have been called into the service of the Government. They like to speak scornfully of a professor. Then they go home and take their children, whom they love as they love life itself, and send them to school to have their minds and characters molded and influenced by the hated professors and school teachers.

Ladies and gentlemen, you must realize that you can never be compensated in dollars and cents for the service you render. You must teach for the love of teaching. One of the greatest of modern teachers, Horace Mann, has said, "I love to teach as a painter loves to paint, as a musician loves to play, as a singer loves to sing, and as a strong man rejoices to run a race." Yours is the inspired undertaking and the heavy burden. The legion of youth must look to you for knowledge, for the formation of character, for the shaping of ideals, and for preparation for life. There is no nobler task. There can be no more satisfying service.

When I think of the experiences you must have had, of the discouragement, the seeming failure of pupils, your patience and devotion, there comes into my mind a story I heard long ago. The school had been dismissed. The tired teacher, just as you have done, perhaps, sat at her desk to rest a while, and looked out upon the empty seats. She bent her head over her desk. The noise and bustle of the day had gone, quiet reigned, and she fell into thought. Suddenly, the room was no longer empty. The chairs and desks were filled with her pupils. But they were not the boys and girls who had just left in the joy of school dismissed. They were pupils of other years; grandmothers, doctors, lawyers, teachers, farmers; successes and failures, gray-haired and with the marks of years upon their faces. As a distant bell sounded, they vanished, leaving behind them the admonition, "Remember, 'tis us you teach!" And you, my friends, must ever remember that it is the future citizen you are teaching.

Possibly the most important address delivered by the President of the United States within the last year was his message to the Congress when it convened in January. Those of you who heard the President over the radio will recall that in closing that address he stated that in what he had done and was trying to do for the welfare of the people of this Nation, he was influenced by thoughts expressed to him years ago by one of his teachers. As he quoted from that educator I could not but think, if that teacher were still alive and could hear the President, he would realize as never before the responsibility of a teacher. He would learn that his thoughts expressed to one of his pupils were influencing the actions of the man who guides the destinies of 130,000,000 people.

Immediately after this speech, newspapermen were inquiring as to the identity of that teacher who had thus impressed himself upon the mind of the President. To the Nation he was unknown. It caused me to think that it was a splendid sentiment which had prompted the people of one State in the Union to erect a memorial to the unknown teacher. I could think of no more worthy cause, of no cause to which I would more willingly contribute, than the erection in this Capital City of a memorial to the unknown teacher. I commend the suggestion to you, and in justification of it recall the poem of Henry van Dyke:

"I sing the praise of the Unknown Teacher. Great generals win campaigns, but it is the Unknown Soldier who wins the war. Famous educators plan new systems of pedagogy, but it is the Unknown Teacher who delivers and guides the young. He lives in obscurity and contends with hardship. For him no trumpets blare, no chariots wait, no golden decorations are decreed. He keeps the watch along the borders of darkness and makes the attack on the trenches of ignorance and folly. Patient in his duty, he strives to conquer the evil powers which are enemies of youth. He awakens sleeping spirits. He quickens the indolent, encourages the eager, and steadies the unstable. He communicates his own joy in learning, and shares with boys and girls the best treasures of his mind. He lights many candles, which in later years will shine back to cheer him. This is his reward. Knowledge may be gained from books; but the love of knowledge is transmitted only by personal contact. No one has deserved better of the Republic than the Unknown Teacher. No one is more worthy to be enrolled in a democratic aristocracy, 'king of himself and servant of mankind.'"

THE UNITED STATES OF AMERICA—ADDRESS BY SENATOR O'MAHONEY

Mr. WAGNER. Mr. President, on March 17 the distinguished Senator from Wyoming [Mr. O'MAHONEY] delivered a very able and interesting address before the Friendly Sons of St. Patrick of the City of New York, his subject being The United States of America, the Only Refuge of the Liberties of Mankind. I ask unanimous consent that this address may be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE UNITED STATES OF AMERICA, THE ONLY REFUGE OF THE LIBERTIES OF MANKIND

Speaking in the Irish Parliament at Dublin in October 1783, just a few months before the first of the long series of 152 dinners held by this society, Henry Grattan, the great Irish orator,

referred to America as the "only hope of Ireland and the only refuge of the liberties of mankind." In this eloquent and apt phrase he epitomized the feelings of all men of Irish blood toward the United States. His words constitute a fitting theme for this occasion, and, responding to the gracious invitation of your officers, I can think of nothing more appropriate than to adopt his language and give you the toast, "The United States of America, the hope of Ireland and the only refuge of the liberties of mankind."

That the hopes of Ireland have not been disappointed in America every person at this board can testify. The life of every member of this society has been evidence of the fact that here the aspirations of Irishmen, crushed and frustrated in their homeland, have flourished like flowers in the friendly sunlight. I am not concerned tonight, however, with the personal achievements in America of any Irishmen or of the descendant of any Irishman. No contribution that men of our race have been able to make to the military, political, or economic history of America can ever be more than a partial recognition of what the free air of America has done for us.

Our emigrant fathers reached these shores, refugees from oppression, with nothing to sustain them but their racial heritage and a deep conviction that they were casting their lot with a Nation in which arbitrary power in whatever guise it might manifest itself would never be permitted to restrain them in the pursuit of happiness. Let us, therefore, think of the past only to the extent to which it may point the path for the future.

IRISH AND AMERICAN IDEALS THE SAME

There is an ancient Gaelic tradition that the Milesians in their wanderings from eastern Europe through Africa and Spain to Ireland were inspired by a prophecy that they would eventually reach a land, a beautiful and glorious land beneath the setting sun, in which happiness and liberty would be forever theirs. Irish bards have envisioned Erin as this isle of dreams, but sometimes I like to think that the prophecy pointed not so much to Ireland as to the United States. For here, of all the places in the world, there seems to be now the only opportunity for the achievement of the ideal which sustained our Gaelic ancestors through all their wanderings and all their struggles against entrenched power.

There is an affinity, a deep and abiding affinity, between Ireland and America, for their ultimate ideals are the same. We are accustomed to hear our people referred to as the "fighting Irish", sometimes as though they fought solely for the pleasure of the row. I will gladly acknowledge that the Irishman enjoys physical contest, but you will search the records of mortal combat in vain for any instance in which a true Irishman was found enlisted in any cause except the cause of freedom. All their long story is the story of a fight for liberty.

It is a circumstance in which every man of Irish blood may well take pride that in Irish Ireland there never was a slave. Oh, there were wars and conquests; men and clans were driven from authority and temporarily subjugated; but there never was a time, from the earliest dawn of Irish history to the present day, when the humblest son of the sod might not attain the greatest dignity in the land.

ECONOMIC FREEDOM IN ANCIENT IRELAND

Sometimes I think we give too much attention to the seven centuries of Irish resistance to English conquest and not enough to the social and economic standards that distinguished the Irish people long before the coming of the Norman, long before even the coming of St. Patrick. For it is in those ancient habits and customs, handed down to us from a time that lies behind the veil of history, that we find the explanation of the Irish love of liberty, the explanation of the Irishman's love for America.

No man of Gaelic ancestry should fail to keep always in mind the unique fact that of all the peoples of western Europe only the Irish have a history, handed down in their own tongue, from a time antedating the Roman conquest of Gaul. That history teaches us that among the Gaelic people the right of use for the living rather than the right of inheritance was the primary rule of property. It was innate antagonism to the feudal system more than anything else that made it impossible for Irishmen to submit to English rule. The ancient Irishmen lived in full recognition of the principle that there can be no political liberty without economic freedom, and every inhabitant from the lowliest to the highest was always economically free. More than that, he always took the fullest advantage of the political liberty which was the inevitable product of his economic freedom.

Land in those days was practically the sole source of livelihood, and no man could hold land in greater amount nor for a longer period than he could use it profitably. No man could hold in unproductiveness and idleness the means of livelihood which another member of the clan needed or could use, and so in ancient Ireland there never was such a thing as want in the midst of plenty. The Irish race instinctively believes that the earth and the fullness thereof belong to the people who can use it rather than to the people who can hold it.

LEADERSHIP COULD ONLY BE WON

There was another custom in this almost-forgotten past which tends to explain the Irish character, its impatience with restraint, its determination to stand upon merit, its refusal to accept subordination. Leadership in Ireland was never purchased. Leadership in Ireland was never imposed upon the people. Irish leadership could only be won and held by ability and worth.

We say sometimes that every Irishman boasts that he is descended from a king. The boast has this foundation, that the head of no Irish clan could bequeath his leadership to his son.

No superior right was ever accorded to the first-born in ancient Ireland. There were families, to be sure, who were called king-worthy, and from among whose members the vacancy was usually filled, but no Irish clan would ever accept a leader in whom it did not repose complete confidence and who was not true to the free traditions of his race. For centuries almost without number, among your ancestors and mine, the individual, whatever may have been his birth, could look forward to the highest honor if only he proved himself worthy and kept the faith of his people.

Perhaps in this circumstance is to be found the Irish love of politics—not politics in the mean and narrow sense of intrigue for personal advantage, but in the broader sense of public service. The Irishman is essentially a politician because through 2,500 years he has been trained to aspire to serve the general welfare, because through 25 centuries he has been accustomed to think in terms of public service, not in terms of the cheap race for the rewards of office. The Irish have seen that sort of politics used to crush them. It was, for example, that sort of sordid politics that the English used to suppress the Irish Parliament. Our people have seen it fail whenever it has been used, and they have seen the men who made themselves its instruments sink into dishonored graves. When all is said, when the whole story has been told, an Irishman would rather have fame and freedom than fortune.

THE CRISIS OF CIVILIZATION

Who can wonder then that the Irish heart beats in unison with the principles of Americanism? Who can doubt where Irish sympathy will repose in any conflict between the ideals of life, liberty, and happiness and the ambitions of those who would subordinate these objectives to economic or political privilege in any form? And who can look upon the world about him without realizing that this generation is facing what is probably the greatest crisis in the history of civilization?

In the Old World the earth trembles beneath the tread of imperial armies that know not the meaning of the word "liberty." In the New World, in this very land, founded by men who believed that it would be, indeed, the "refuge of the liberties of mankind", millions of our fellow citizens, deprived of any active control over the very means of their economic existence, find themselves dependent upon the Government for their very subsistence, and know not how without the Government they may preserve themselves.

In the past, when such conditions arose, there was always an outlet, there was always a new land in the West to which the unfortunate and the dispossessed could go to begin life anew. From before the dawn of history the migrations of the Aryan peoples in search of liberty and happiness have led them across deserts and mountains, across rivers and seas, across continents and oceans, from the eastern shores of the Mediterranean to the Pacific coast. Every step of this long journey has been trodden by the ancestors of the Irish people.

Here in the United States that long western trail has reached its end. There is no spot upon the face of the planet toward which we may now turn our faces, for all the earth is populated. Migration is at an end. Looking backward down the path along which the white race has come, we see only despotism and tyranny in the ascendant. Here, under the Stars and Stripes, we find, indeed, the last "refuge of the liberties of mankind." Here, indeed, under the Stars and Stripes, if human liberty is finally to triumph anywhere beneath the shining sun, it must be perpetuated.

THE CHALLENGE TO THE GAEL

To the achievement of this great goal the sons of St. Patrick must dedicate themselves. In this generation and in this land our age-old principles of political liberty and economic freedom must meet the final challenge of arbitrary power. It seems altogether appropriate, therefore, Mr. Toastmaster, that on this occasion when we are considering the contribution which American Irishmen may make to the United States of America, we should remember, first of all, what our people have been before us. No man is greater than his race. The race is greater than any man. We who live in the twentieth century represent not ourselves but all of the men and women down through the centuries who have shaped our nature.

The American citizen of Irish ancestry will do himself, his people, and their age-old principles most justice when he puts himself most in harmony with the historic past and lets his race find expression in him. When he does that he may be excelled in ability, he may be excelled in strength, he may be excelled in all the qualities of mind and body that achieve power and accumulate wealth, but he will never be excelled in liberality, in virtue, or in loyalty, he will never be excelled in the qualities of soul that build character, the qualities that alone make and preserve freedom.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 2603) to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation, and it was signed by the President pro tempore.

EDWIN R. HOLMES

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Edwin R. Holmes, of Mississippi, to be United States circuit judge, fifth circuit?

Mr. BURKE. Mr. President, the Committee on the Judiciary has unanimously reported in favor of the confirmation of the nomination of Judge Edwin R. Holmes to be United States circuit judge, fifth circuit. The nomination is now before the Senate; and, if there is no objection to its confirmation, I am ready that confirmation be had.

Mr. BILBO. Mr. President, for almost 14 months I have had the honor and distinction of representing the sovereign State of Mississippi as one of its ambassadors in this great deliberative body.

Before coming to the Senate in January 1935 I had heard and read much about the splendid rules of courtesy and ethics that obtain in this great body as between the Members making up the personnel of the Senate; and since I have been here I have striven religiously in every detail to observe those rules and regulations in order that I might be the recipient of the good will, the respect, and the confidence of the Members of this body.

So anxious have I been to observe every rule that has existed for almost a century that I have silently kept my seat out of deference to those whose seniority I respected. I was anxious to enjoy the good will and fellowship that come to those who are decorous, and those who are respectful, and those who are obedient to laws and regulations not written, but which, because of their age and observance, are almost the mandates of this distinguished assemblage. I regret exceedingly that on this occasion it becomes necessary to speak, and possibly to take a position, in opposition to one of those settled rules of deference in differing with my distinguished colleague, the senior Senator from Mississippi [Mr. HARRISON].

Knowing that this matter would come before this distinguished body, on the 18th of March I prepared a letter which I mailed to all Senators. For fear some Member of the Senate failed to read the letter, I wish to impose upon the Senate long enough briefly to read it:

UNITED STATES SENATE,

COMMITTEE ON AGRICULTURE AND FORESTRY.

MY DEAR SENATOR: Before announcing the real purpose of this letter, I want to make a few personal observations for your consideration, even at the risk of being charged with transgression of some one of the long-established rules of senatorial ethics.

I have been informed that the older and more experienced Members of the Senate, sometimes irrespective of party lines, are quick to administer punishment to the transgressor of any one of these time-honored rules of conduct. These guardians and defenders of the common law of senatorial propriety, by virtue of their seniority, necessarily are gathered and grouped in frequent discussions for the appraisal and valuation of any newly admitted Members of the Senate. I feel that I have not escaped their scrutiny, their careful estimate of all the essential elements in the make-up of my character, and that such appraisal and valuation has been based upon the testimony of those from among their number thought to be best qualified to know.

From this circumstance it so happens that any new Member in this body is handicapped by the natural tendency to enter judgment upon any cause or measure he may champion, commensurate entirely upon the predetermined appraisal of the personal attributes of the newcomer himself and without due or proper regard to the merits of the cause or measure espoused.

A new Senator's advancement in the esteem and his placement in the confidence of the membership of this body are not infrequently fixed in the first year of his tenure of office by the opinions formed and adhered to by this closed and guarded circle of privileged seniority. Into this charmed circle the faintest whisper of suspicion about a new Member can go round and round and finally come out a roaring typhoon of defamation. Into this magic circle a single drop of poison about the life and character of a new Member may be dropped and it will spread and expand into an effervescent vapor, permeating every nook and cranny of the Senate Chambers until the minds of its constituted occupants become impregnated with this lethal gas.

Since I came to the Senate, a little over a year ago, as a time-tried and panic-tested Jeffersonian, Jacksonian, and Rooseveltian Democrat, hailing from a State that is 99 percent Democratic, and having previously heard and read of the regularly observed rules of senatorial ethics that should be adhered to by a freshman Senator if he desired enjoyment of those fine amenities abundantly abounding in this great law-making body, I have striven to observe religiously every such rule and have also preferred to keep the long-practiced custom of remaining deathly silent for the period of a whole year. I naturally indulge the hope that through my efforts to observe with rigid exactness the well-established precedents of this body with respect to the days of my apprenticeship I have earned justly the unreserved approval and commendations of each and every Member of this Senate so much so that in my opposition to the confirmation of Judge Holmes as a member of the Circuit Court of Appeals for the Fifth Circuit, and what I shall have to say in support of that opposition will be

received and weighed by the membership of this body solely upon the merits of my contention, the proper appraisal of all the testimony in the hearing, the reasonableness and convincing effect of the arguments I shall present, and the earnestness and truthfulness of the plea that I shall make.

If, perchance, there has been quietly noised around, within the inner circles to which I have just referred, whispering subtleties or softly pedaled rumors intended to prejudice the minds of distinguished gentlemen concerning the man Bilbo and thereby influence determinations upon the confirmation of Judge Holmes purely on the basis of the personal equation as applied to myself and my distinguished colleague, Senator HARRISON, who has been a Member of this body for 18 years, I most respectfully urge that you brush aside serious consideration of these extraneous matters and refuse to allow them to divert your minds from the real issue involved. A question of this character, involving the honor and integrity of the judiciary of our country, cannot be rightfully decided by a determination based upon an issue of personalities.

A studied effort has been made to leave the impression that there is nothing in my opposition to the nominee in this case except personal spite and personal hatred toward Judge Holmes, and that the real point at issue is that to defeat the confirmation of Judge Holmes would in some adverse way affect the political fortunes of some of the nominee's sponsors. Such considerations should not come within the scope of these discussions but since it has been freely and frequently referred to I wish to say that, insofar as I myself am concerned, I know that the great majority of the people of Mississippi are with me in this fight.

The serious charges against Judge Holmes that I have sought to substantiate and have been denied the opportunity to do, are lightly brushed aside with the statement that Judge Holmes must be a great judge because of a few recommendations filed by a few of the 1,400 lawyers in Mississippi. This nominee's perfidy, favoritism, partiality, ignorance, or prostitution of the duties of his office are such that you can't expect the lawyers who practice in his courts to come here and testify against him when they know him, when they know his temperament, and when they know that they will have to contend with him for life. I have had too much consideration for the members of the bar to ask them to jeopardize their law practice to come here and testify about things that they have told me in privacy. The fact that the bar association had an annual meeting since this confirmation has been before the Senate and Judge Holmes' friends dared not introduce a resolution of endorsement ought to be notice enough to any Senator that there is "something rotten in Denmark."

Now, coming to the real purpose of this message, I wish to say that I am addressing to you my last plea before I rise on the Senate floor next Thursday, March 19, at noon to oppose the confirmation of Judge Edwin R. Holmes, who has been nominated to succeed the late Judge Nathan P. Bryan as judge of the Circuit Court of Appeals for the Fifth Circuit.

I have heretofore sent you a copy of the printed hearings on his confirmation before the subcommittee of the Senate Judiciary Committee and also a copy of my plea following said hearings.

I now desire to give you briefly a few facts with respect to the incompleteness of the committee hearing that I feel confident will awaken in you a special and renewed interest in this matter and will stimulate the urge upon your part to join with me in a common effort to have the question of Judge Holmes' confirmation re-committed to the Judiciary Committee for further hearings and determinations by the taking of additional testimony.

The Subcommittee of the Judiciary, namely, Senators BURKE, PITTMAN, and AUSTIN, investigating the qualifications of Judge Holmes, met on the following days, to wit, January 24 and 25, inclusive, February 22, and March 5 and 6, making 5 days with sessions of from 1 to 3 hours for each day, an average of 2 hours.

In my honest and unalloyed efforts as a United States Senator, conscious of what my duty was to the people of my State and the district to be served by Judge Holmes, if granted the promotion he seeks, to prove, beyond any question of doubt, the unfitness, incompetency, and lack of fairness and impartiality of this nominee as a member of the circuit court of appeals, I have been permitted to have brought before the investigating committee only four witnesses—

I want my colleagues to note this:

I have been permitted to have brought before the investigating committee only four witnesses, while Judge Holmes and his able voluntary counsel, Hon. Gerald FitzGerald, have brought into this hearing 23 witnesses and affiants, with the result that fully 75 percent of the testimony submitted in this hearing was by the witnesses and affiants in behalf of Judge Holmes, and this, too, notwithstanding the fact that I have repeatedly, both by letter and by word of mouth, earnestly urged and pleaded in vain to be given the opportunity to produce witnesses that would offer testimony in substantiation of certain charges I had made against Judge Holmes affecting his worthiness, competency, and qualifications, and which charges the committee thought serious enough to permit Judge Holmes and his witnesses to attempt to answer at meetings specially called for that purpose and concerning which charges they made palpably feeble and entirely unsatisfactory explanations.

If the things I charge against Judge Holmes were so serious that Judge Holmes and his court clerk were brought to Washington, a thousand miles, to try to explain them, then most certainly they were serious enough to have the

Senate find out whether or not the charges I made were true. I take the position that it is not so much the province of three Senators to pass upon the materiality of these questions affecting the fitness and qualifications and worthiness of this man for promotion, but in all fairness to any Member of the Senate, whether it is Bilbo or not, he ought to be given opportunity to present the facts to the Senate and let Senators pass upon them.

The letter continues:

I have been compelled to make out my case against Judge Holmes largely from the testimony of his witnesses and affiants. I have been fortunate, however, in being able to take the testimony of his friends, as well as the judge himself, and confirm with decisive effect many of the charges I have brought against him, charges I have not been privileged to prove by witnesses of my own choosing.

I am prepared to show many acts of judicial misconduct in the nature of sentences imposed without authority of law, aside from the illegal sentence that he imposed upon me for an alleged contempt of his court, because of refusing to obey a subpoena that was issued contrary to law and therefore invalid and without potency. I am able to prove by the records of his court that he has sent hundreds of my constituents to the Federal penitentiary in open and manifest violation of the Federal statutes.

Mr. President, it is a rather serious charge that a judge on the Federal bench would do such a thing.

His record of judicial incompetency and abuse of the powers vested in him is unparalleled in the courts of this country, and in my judgment finds no equal except in the records made by Lord Chancellor Jeffreys in England and Lord Braxfield, his counterpart, "bloodthirsty wearers of the ermine", whose fieldish delight was in the imposition of extreme sentences and whose cruelty and political profligacy knew no bounds.

If these facts are permitted to be shown, as I am prepared to do, they will present a record of such judicial stupidity, of such crass ignorance of the law, or of such a willful and premeditated abuse of his powers as will astound and amaze the members of this great deliberative body, the Senate of the United States.

I cannot believe that any Senator wants to be a party to camouflaging such a record of judicial incompetency and unworthiness. A thorough and searching investigation of his official acts has convinced me beyond every reasonable doubt that my contention is correct with respect to the unfitness of this judge who, through a political accident and false representation to the President and the Attorney General of my concurrence in his nomination, is now unfortunately placed in line to be promoted to a higher status in the judiciary of this country.

I am enclosing herewith a letter in printed form that I addressed to the chairman of the Judiciary Committee on March 9, 1936, and I hope you will do me the kindness to read it.

I am asking in this, my final plea to you before appearing upon the floor of the Senate to oppose the confirmation of Judge Holmes, only to have the opportunity to prove the charges I have made, an opportunity thus far denied me, and which, I contend with all the earnestness of my soul, should, by every rule of right and reason, be fully and freely granted.

In making this earnest appeal to you for a recommitment of this matter I do not mean to imply, or to have you infer, that I have in any particular failed to produce already conclusive proof of the incompetency and unfitness of this judge to be advanced in the judiciary. I am seeking this opportunity only to make all the more certain the correctness of my contention, to make all the more manifest the justice, righteousness, and rightfulness of every charge I have submitted, to the end that each Member of the Senate, as well as the whole world, can stand up and say, "Here is a man who is unworthy and undeserving of promotion in the Federal judiciary."

Respectfully submitted.

THEO. G. BILBO,
United States Senator.

Mr. President, I ask to have printed in the RECORD as a part of my remarks the letter which accompanied the communication I have just finished reading.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 9, 1936.

Senator HENRY ASHURST,

Chairman of the Senate Judiciary Committee.

DEAR SENATOR: While this letter is directed to the chairman of the committee, yet it is personal to each and every member of the committee, and for that reason I am mailing a copy to each member of the committee.

The honorable subcommittee, to whom has been delegated the duty of thoroughly investigating this important matter, has met on 5 separate days and examined nine witnesses, including the nominee, in defense of Judge Holmes, and has permitted me to bring only four witnesses in my attempt to show the partiality, favoritism (political and personal), inefficiency, indifference, indolence, recklessness, and general unfitness of the nominee, Judge Holmes.

As I have stated to this committee before in my former plea after filing many vital and serious charges against Judge Holmes and his record, the proof of which would unquestionably disqualify him for promotion, instead of being permitted to produce witnesses in possession of first-hand information and documentary records, Judge Holmes, the nominee, was permitted to come before the committee for the purpose of denying and vainly trying to justify his many acts of judicial misconduct.

The clerk of his court, Hon. B. L. Todd, Jr., whom I requested to be brought before the committee by the issuance of a subpoena duces tecum to bring certain records that would tend to establish the truth about Judge Holmes' judicial abuses and misconduct, has been brought before the committee from Jackson, Miss., by the issuance of a subpoena duces tecum to bring records before the committee which I had secured and filed before the committee more than 10 days ago, the same identical records—records certified to by this same clerk, Hon. B. L. Todd, Jr. Just why the subcommittee would want to bring this clerk of Judge Holmes' court a thousand miles to bring records already in possession of the committee is to my mind inexplicable. The only purpose that Mr. Todd served was to furnish cumulative evidence in behalf of Judge Holmes—to support Judge Holmes in his vain attempt to justify the innumerable illegal sentences that he had imposed upon citizens of Mississippi charged with violations in his court.

Since the last meeting of your committee, the subcommittee has had one other witness besides Mr. Todd before them in the person of Col. R. G. Wooten, and I direct the committee's attention especially to his testimony, as he was campaign manager for Judge Wilson and was present when Judge Holmes took a part in the senatorial race between Wilson and Stephens.

In this connection, I want to direct your attention also to the following affidavit which I received Sunday morning. This matter was referred to in Colonel Wooten's testimony:

STATE OF MISSISSIPPI,

County of Jones, Second District:

Personally appeared before me the undersigned authority in and for said district, county, and State, W. H. Hodge, who on being duly sworn on oath says that he was in Jackson, Miss., in the year 1923, a few days after the second primary, and was in the lobby of the post office at Jackson, Miss., in the afternoon along about 5 o'clock, when Judge Holmes and one or two other men were in the said lobby, just inside the door, and I heard the following conversation: One of the other men remarked, "We have beaten Bilbo again." Judge Holmes remarked, "I think I have put him out of Mississippi politics when I put him in jail." The second primary I refer to is the primary in 1923 in which Mr. H. L. Whitfield defeated Senator Bilbo for Governor of Mississippi in 1923.

W. H. HODGE.

Sworn and subscribed to before me this the 6th day of March 1936.

[SEAL]

CHAS. T. WALTERS, *Chancery Clerk.*
By CLARA FREEMAN, *D. C.*

Not one witness has been subpoenaed to give me an opportunity to establish the true facts concerning the many charges that I have made against Judge Holmes. I am one of the 96 Senators that make up the Senate personnel. I am an ambassador selected by the people of the sovereign State of Mississippi, an integral part of this Union. I am convinced beyond every shadow of a doubt that the charges that I have made against the nominee in this instance are true and can be thoroughly substantiated unless I am denied this opportunity.

If these charges are true, of course, everyone admits that they would render Judge Holmes unworthy of promotion, and simple justice and good government demand that the truth of these facts be revealed to every Member of the United States Senate. If they are untrue, neither time nor expense should be spared in exonerating the nominee. The Senate owes it to itself to see that this is done, not only in justice to themselves but in justice to the good name of the Federal judiciary.

On Friday afternoon, March 6, 1936, after the subcommittee had recessed without giving me any assurance that I would be permitted to have witnesses brought to substantiate the facts charged against Judge Holmes, since I had previously charged that Judge Holmes had sent hundreds of my constituents to the penitentiary upon indictments and facts that justified only a conviction and sentence as misdemeanors, I sent the following telegram to Hon. J. D. Stewart, clerk of the United States District Court for the Northern District of Georgia, Atlanta, Ga.:

WASHINGTON, D. C., March 6, 1936.

CLERK OF THE UNITED STATES DISTRICT COURT,
Atlanta, Ga.:

Please wire me immediately the names of prisoners and the numbers of the cases of every petition filed in the court of which you are clerk for writs of habeas corpus, where prisoners were sent to the penitentiary from the United States District Court for the Southern District of Mississippi, with the exception of Meridian, since 1926, and also indicate which cases the court ordered the prisoners sent back to the southern district for a resentence and those in which the court at Atlanta discharged the prisoners. I want this record covering the period from 1918 to date. Please give me this information by 9 o'clock Monday morning. Thanks.

THEO. G. BILBO,
United States Senator.

Friday night, I received the following telegram in reply:

ATLANTA, GA., March 6, 1936.

"Hon. THEO. G. BILBO,

United States Senator:

"Re tel. even date. Records of this court disclose following-named and numbered cases returned to southern district of Mississippi for resentence: J. Will Culpepper, 337; Everett S. Depew, 448; H. T. Holland, 574; Joe Ainsworth, 637. Following discharged: Edgar Neyland, 405; Louis A. Redmond, 478; William Earl Pace, 535; Arthur Austin, 536; Collin Ladner, 539; Melvin J. Simmons, 541; Johnnie Wells, 599; Steve Taylor, 607; Leroy Talbert, 1,042. Pace case affirmed on appeal.

"J. D. STEWARD,
*Clerk, United States District Court,
Northern District of Georgia.*"

This information from the clerk of the district court at Atlanta, where Judge Holmes has sent hundreds of my constituents illegally, tends to thoroughly substantiate the truth of my charges against him for his reckless, indifferent, and illegal administration of justice in his court.

With another case, to which I have already directed your attention, this record shows that out of 14 sentences imposed, Judge Underwood, when given an opportunity through a writ of habeas corpus, properly and promptly returned four to Judge Holmes' court for the imposition of a legal sentence, and dismissed outright the other 10.

These cases do not take into consideration the 75 or 100 cases, or maybe 200, of poor prisoners without attorneys who pleaded guilty and threw themselves upon the mercy of the court—guilty of only misdemeanors—and were sent to the penitentiary and served their illegal sentences at hard labor never knowing of the great wrong committed against them or that they could escape the outrages of this judge by filing a writ of habeas corpus in the Atlanta district.

I cannot believe that any Senator would want to withhold the exposé of this miserable and outrageous misrule and tyranny practiced by a member of the judiciary upon uninformed poor and helpless citizens of this country.

One of the most serious, vital, and material matters that the Senate should know about the judicial misconduct of the nominee is the reckless, indifferent or, shall I say, fraudulent dissipation of the assets of the two banks at Gulfport involving the savings and fortunes of over 6,000 depositors. Mr. Lyons, of the Comptroller's office, was brought before the committee evidently for the purpose of trying to defend, justify, and exonerate Judge Holmes' conduct in judicially approving the many fraudulent transactions in the liquidation of the Gulfport banks. But Mr. Lyons, whether he intended it or not, condemns Judge Holmes and fastens upon him the positive and inescapable obligation that he owed to the depositors of the Gulfport banks.

The law makes it the duty of the judge to approve settlements of the receiver in such bank liquidations. Here are the exact words of Mr. Lyons:

"The ordinary routine in that connection is that the receiver, in case of a sale of assets, works up the best sale he can locate, presents all the facts to the Comptroller's office with his recommendation for or against the proposition, and on the strength of that information we approve or disapprove the sale, according to the merits as we see them and the information before us. That goes up to the court. In the case of real estate the court may direct a public hearing on the petition. If it is a matter of any consequence, such as a bank building, which always stands out like a sore thumb in a community where everybody is interested in it, that is generally done. If it is the sale of a vacant lot worth \$50 or \$100, the court would ordinarily accept the recommendation of the receiver that that was the best price he could obtain."

In the Gulfport liquidation case, Judge Holmes either failed or refused to do the very thing that Mr. Lyons said he should do. It is one of the "sore-thumb" cases in which I have charged Judge Holmes with reckless, willful, and, I might say, fraudulent acts at Gulfport. If I am permitted, I will be able to show that the Bank of Gulfport owned a corner lot, upon which was erected a beautiful brick and stone two-story bank and office building, thoroughly equipped and furnished. I am informed that, while the assessment of real estate in Mississippi represents from 25 to 50 percent of its value, this piece of property was assessed at \$35,000. The property was well known to Judge Holmes personally. He has seen the property. He knows of its prominent location in the heart of the business section of Gulfport. He knows how handsomely it was equipped. Yet he approved the sale of all this property to a socially and politically prominent official at Gulfport for the small and ridiculous sum of \$13,500. Why, the fixtures and furniture in this building were worth more than this. This settlement and sale were only in line with many other settlements approved by Judge Holmes—settlements where he knew that he was releasing from just and legal obligations to the depositors men and women of great wealth who were in position to pay every dollar that they owed these helpless and defenseless depositors.

In the light of Mr. Lyons' testimony, representing the Comptroller's office, why should any member of this committee want to keep from the Members of this Senate, who must pass upon this nominee's fitness, this sordid story of fraudulent liquidation to the great harm of those 6,000 outraged depositors of these banks.

It is true, in my honest judgment, that I have developed enough facts, using Judge Holmes' own witness, to cause each and every Senator to vote against the confirmation of Judge Holmes, yet I

contend that the Senate is entitled to know the truth about all the judicial misconduct of this nominee.

I have shown conclusively that the subpoena for me to attend the Oxford Birkhead-Russell case was illegal; that the attachment was illegal and unlawful; that I did not plead guilty; that the sentence imposed by the court was prompted by political prejudice and was itself in violation of the law; and that the judge's political prejudice was further evidenced by the excessive bail.

This case alone should, in my mind, cause every Senator to vote against the promotion of this nominee, for I am sure that no Senator would vote to promote a judge who had illegally subpoenaed him, illegally attached him, and illegally sentenced him to jail. And if you would not so vote if you yourself were the victim of such illegal, unlawful, tyrannical, and irreparable treatment, then how could you justify your own conscience by voting to promote a judge who had thus treated one of your colleagues?

Why all this haste? On Thursday I was told that I must attend the hearing of the subcommittee to hear Mr. Todd at a time when I was serving on a committee and passing upon an important piece of legislation, because Mr. Todd is clerk of the court at Biloxi. His court is in session, and his testimony must be taken, so he could rush on back to his post. This in the face of the fact that Mr. Todd spent the next day in the city of Washington.

Why has the unusual request been made of me as a Member of the Senate that I not make any new charges against Judge Holmes? Am I to understand by this that if information should come into my possession in a hearing of this kind that the nominee was a dope fiend, habitual gambler, or drunkard, or guilty of any other misconduct that I would not be permitted to bring it to the attention of the committee or the Senate at any time? All agree that this Congress is not going to adjourn before the 1st of May. This is not a case that requires speedy action for the public good. The public interest is not suffering because there is and has been a vacancy on the court of appeals for the fifth circuit since August 8, 1935. I assure the committee that I am not trying to prevent the final settlement of this case before the adjournment of Congress. I have explained repeatedly that when I came to Washington in January it never crossed my mind that there would be any attempt to force the confirmation of this judge over my personal objection. I have only brought to the committee such facts about the nominee's record as in my judgment were vital and material and tend to show his absolute unfitness for this promotion.

I urge that every consideration, except the honor and integrity of the judiciary and cause of good government, fair, just, and righteous administration of our laws by our judiciary be laid aside and that all the facts pertinent to this investigation be given to every Member of the Senate before he or she shall be called upon to decide this important question.

Seventy-five percent of the record of this case has been devoted to the defense and exoneration of Judge Holmes. Now give me an opportunity to prove and establish, with competent testimony, the charges that I have alleged in good faith, and then we will be ready to vote, and not before.

Respectfully submitted.

THEO. G. BILBO,
United States Senator.

Mr. BILBO. Mr. President, in the performance of what I conceive to be my duty on this occasion, I feel that I am speaking in defense of the judiciary of this Republic, and I assure my colleagues that if I shall be afforded an opportunity to substantiate the charges I have made, and let the Members of this body, the judges in this matter, pass upon the questions raised, my contentions will be thoroughly established.

Just a few words now in reference to this particular appointment to fill the vacancy in the fifth circuit. It is my understanding, and it is my contention, that while six States and the Canal Zone are included in the fifth circuit, under all the rules of the game the appointment of a judge to fill the vacancy caused by the passing away of the late Judge Nathan P. Bryan belonged to the State of Mississippi. It is a Mississippi appointment, because since the establishment of the circuits, 25 or 30 years ago, all the other States within the fifth circuit have had the honor and pleasure of furnishing judges for the circuit court of appeals. Mississippi has never had such an opportunity, and it was generally conceded, when Judge Bryan passed away, that since Mississippi had throughout the years been denied the opportunity, the Senators from all the other States involved would stand aside and accord to Mississippi the right to place a man upon that bench.

So I consider this primarily a Mississippi appointment, in which I am interested.

While there is a sharp disagreement at this time concerning the appointment and the confirmation of the nomination submitted by the President to the Senate, I assure Senators that my distinguished colleague the senior Senator

from Mississippi [Mr. HARRISON] and I would have no trouble in agreeing upon someone among the many splendid lawyers and jurists of Mississippi to fill this vacancy.

I know it has been a rule of the Senate, honored for more than a hundred years, to refuse to confirm, out of courtesy and deference which have always been accorded to a Member of this body, with very few exceptions in its history, when a Senator from a State affected has personal objection to one whose nomination has been presented to the Senate for confirmation, if he is willing to stand on the floor of the Senate and say to the world that the nominee is personally obnoxious to him. That rule has been so stoutly adhered to that it has not been thought necessary to require a Senator to stand on the floor and give the reasons why the nominee is personally obnoxious to him. All he has had to do was to intimate or say to his colleagues, "This man is personally obnoxious to me", and out of deference the Senate would reject the nomination.

Oh, but someone may say, and it may be contended that this rule, which applies to objections to confirmation because a nominee is personally obnoxious, obtains only where the functions of the office of the nominee are to be carried on within the State, where they are, so to speak, "intrastate." There may be extreme cases where such a contention may be successfully made, but my investigation shows that the Senate has not often observed the rule that it must be confined to "intrastate" appointments.

While looking up the authorities the other day I found a case involving the senior Senator from California [Mr. JOHNSON] back in 1912. The President sent to the Senate the nomination of a man from the State of Oregon, not from the Senator's home State, but from a sister State—a man appointed to the circuit court of appeals—a case similar to the present one, and the Senator from California objected to him because the man was personally obnoxious to him. He was personally obnoxious to the Senator from California, because the man who was then the nominee for judge had repudiated a preelection promise to vote for the Senator from California as the candidate for President of the United States in a national convention, and because the candidate for judge had failed to vote for the Senator from California in the National Republican Convention the Senator from California said:

This man is personally obnoxious to me, because he has repudiated instructions from the State of Oregon.

And the Senate was gracious enough and deferential enough to a Member of this body, the Senator from California, to refuse to confirm that nomination.

Have I any grounds upon which to predicate my statement that Judge Holmes is personally obnoxious to me? Judge Holmes, as many Senators know, is the judge who in 1922, on the 16th day of April, incarcerated me in the Oxford Federal jail, imposing upon me a fine of \$100 and costs and a jail sentence of 30 days, which sentence was later modified to 10 days. The judge imposed that sentence without authority of law; he did it in open violation of the law, and he was so anxious to destroy the man BILBO, who had been Governor and was then ex-Governor of the State, and who was then a candidate for Governor, that in his mad desire to destroy his political enemy he even forgot to read the statutes of the United States and imposed both a jail sentence and a money fine in open and direct violation of the law of this country. I think I am safe in saying that this incompetent judge, this negligent, reckless judge, this political judge, never knew what the law was in imposing a penalty for contempt of his court until he sat yonder in the committee room and I called his attention to his violation of the statute. He had prepared a written statement for presentation to the committee and said in that written statement that he modified the sentence and corrected it, not because he found he had violated the law in imposing the sentence, but he did it because of the spirit in which I accepted the punishment imposed.

Mr. President, I have always tried to be a philosopher and take things as they come. I decide on a course, as to whether it is right, and I follow it blindly. I tried under the exi-

gencies of the situation to make the best of it that I could. I was a candidate for Governor, and as a result of this incarceration I was defeated in that campaign.

So, Mr. President, my opposition to Judge Holmes is not due to a case of spite; it is not due to a case of hatred. But I am appealing to Senators to look at this case as a matter of justice, as a matter of righteousness, as a matter of fair play, as a matter of courtesy, as a matter of deference, showing to me the same deference that Senators would want to be shown them in similar circumstances. It is a fight to place upon the Federal judiciary in the appellate court of this country a man who is big enough, a man who is wise enough, a man who is careful enough so he would not send an ex-Governor and a candidate for Governor to the Federal jail without looking at the statute to see what kind of a sentence he could impose if he were justified in imposing any sentence.

The judge said he did not take time to read the statute. He admitted he had violated the law. Poor weakling, he did not know it until he arrived in Washington. If Senators will let me take him back to the committee for a couple of weeks I will teach him some more law.

If I had committed any wrong, if I had been guilty of violating the law, if I were conscious of having violated the law, I would take my hat off to Judge Holmes and be the last to complain. But I stand here today conscious of the fact that I did not violate any law, and I propose to prove to Senators, if they will be patient with me, that I did not violate any law, and that it was the judge's vindictiveness or his stupidity which led him to put me in jail; and it was not because I had violated a law. If he had been a proper kind of judge or if he had a judicial mind he would have known that I had not violated any law.

I say—and I do not mean to be too personal—that there is not a Senator in this Chamber, there is not a Senator whose name is upon the Senate roster, who, if he himself had been the victim, would be willing to say to the world and say to his people back home, "I would be willing to vote to promote in the judiciary a judge who had acted in a case like this for political reasons, a judge who, in violation of the law or by reason of lack of understanding of the law, had imposed an unlawful punishment." If Senators would not be willing to promote a man who had thus caused them an irreparable injury and placed a stigma and stain upon their names which time cannot remove, then would they not accord a favorable hearing to my plea? I am asking them only to apply the Golden Rule—"Do unto others as you would have others do unto you."

I see several ex-Governors in this body—to the number of about 14. Senators who have been Governors of their States enjoyed the distinction and honor which came to them from the fact that they had been selected from all of the people of their States to be the heads of Commonwealths of this Republic. They were proud of that honor. Their families were proud of that honor, of the great distinction which had been conferred upon them to be the Governors of their States. Suppose, my dear Governor, after you had enjoyed this distinction among your fellows and after your family had enjoyed that social position as the result of the honor that had been heaped upon you, and you had sought that position again, some judge had taken advantage of his power—not his right—some judge, in violation of the law, had cast you in jail and branded you as a jailbird for the rest of your life, would you be willing to vote to promote such a man in the judiciary of this great country of ours?

Oh, yes, I know; great men have gone to jail. Both profane and sacred history contain the names of great men who have gone to jail, but when John Bunyan, and the Apostle Paul, and Jefferson Davis, and Martin Luther, and other great men of history were sent to jail they were sent to jail because they were the exponents of a great cause affecting the welfare of millions. They were sent to jail, but their fame and glory was not dimmed, because they were sufferers for a great cause.

But in this case, where puny, petty political power is exercised in putting a man in jail for an alleged minor violation, it

is an entirely different proposition. It was a different issue. Since this irreparable injury was done to me, to my name, and to my family, the antagonistic newspapers of the country, the magazines of the Nation who were opposed to me and opposed to the faction with which I am associated, never lost an opportunity to refer to the man *BILBO* as a jailbird. I remember during my campaign since that unpleasant experience, placards a yard long and a yard wide were scattered all over the State carrying the picture of a jailhouse with a large open window, with bars streaked across it, with the man *BILBO*'s face behind the bars. That is the kind of propaganda which was used as a result of this judge's violation of the law and this judge's vindictiveness and desire to destroy a man who stood at the head of the political faction to which he was opposed.

Oh, yes; I have been exonerated by my home people. I was defeated in 1923 for Governor immediately after this incarceration, but 4 years afterward I was elected Governor of my State. I moved my family into the Governor's mansion. I had a young son. He entered the city schools of Jackson, the capital of my State. I shall never forget, time after time, as this boy, proud and ambitious, proud that he was the son of the Governor, walking home in the afternoon and entering the door of the mansion with slow and heavy steps, crying as though his heart would break because on the school grounds, on the slightest provocation, some boy would hurl at him the statement, "Your daddy is nothing but a jailbird."

Yes; I was elected to the United States Senate, and it has been whispered around, at least one Senator had the audacity to say that I sought the sentence in jail for political purposes. I resent such a suggestion. Any man who would seek to have this kind of a stigma placed on his name and his family's name—a stigma that cannot be erased—for the sake of any office is not worthy the name of man. I did not need a sentence in jail to win my spurs in the political campaigns of my native State, because before this judge had a chance to wreak his hatred on me I had been State senator, Lieutenant Governor, and Governor. What political success I have attained has not been because of this incident. I have won that success in spite of it, and while locally I have enjoyed the exoneration of my own people, yet, as I enter a broader and wider field of service for my country, I seek at the hands of the Senate a broader and wider exoneration. If this man who was the guilty party and who placed this stigma upon my name for life is elevated to the circuit bench while I am a Member of this body the Senate knows what effect it will have.

Judge Bryan died on the 8th day of August 1935. I was in Mississippi participating in the campaign for Governor at the time of his death. I returned to Washington the same week Judge Bryan passed away. I felt called upon to go back to my native State and engage in the campaign then being conducted for Governor, to take the stump in behalf of my friend, the present Governor of Mississippi, Governor White. When I reached Washington after the death of Judge Bryan I read in the newspapers that my distinguished colleague had already presented the name of Judge Holmes to Attorney General Cummings and to the President of the United States for appointment as Judge Bryan's successor. My colleague did that without conferring with me, when, as I have said, he knew it was conceded by all that this appointment belonged to Mississippi and that I, as his colleague, with the equal power, was entitled to recognition. In explanation of the fact that he took this step, important to the people of Mississippi, important to me, without even so much as speaking to me about it, without conferring with me about it, he said, "*BILBO* was in Mississippi; naturally if he had been in Washington I would have said something to him about it." With all due deference to my distinguished colleague, if he had wanted to consult me, and wanted to confer with me about this appointment that belonged to Mississippi, he could have reached me in 30 minutes over the telephone or by a telegram, because he knew where I was. The first time I had any intimation that the telegraphic and telephonic systems of the country were

paralyzed was on the 8th and 9th of August 1935. There is only one of two conclusions to be reached; either my distinguished colleague knew of my opposition to Judge Holmes and wanted to get ahead of me before I had a chance to oppose his nomination, or he had no concern about my wishes in the matter and did not desire to confer with me about it. Of course, that is a matter within his own conscience. I do not know that the Senate is interested in that feature of it, but I feel that the Members of this body ought to know the facts in the case.

When I returned to Washington and was making preparations to return to Mississippi on the 16th day of August—please keep these dates in mind—on Friday afternoon I called my distinguished colleague out yonder on the porch on the north side of this Chamber. I then and there asked him, "What about the appointment of Judge Bryan's successor?" I knew that he had already recommended Judge Holmes. I said, "I want to be heard; I want to interpose my objections to the man who branded me as a jailbird and who put me in jail without authority of law." The senior Senator from Mississippi, my colleague, said, "Senator BILBO, you can go on to Mississippi, make your speeches in the campaign in the Governor's race. I have talked to Attorney General Cummings and he assures me, and I can assure you, that the question of Judge Bryan's successor will not be raised until after this session of Congress is closed. There will be nothing done about it." With that assurance, with that faith, I went on back to Mississippi, arriving there on Sunday morning. I commenced speaking on Monday night, having left Washington on Friday; I spoke six and seven times a day in that hotly contested Governor's race; and on the 23d day of August, while speaking in the city of Oxford—a rather strange coincidence—at 2 o'clock in the afternoon I received this telegram:

WASHINGTON, D. C., August 23, 1935.

Senator THEODORE G. BILBO,
Oxford, Miss.:

Behalf committee Mississippi State bar request your endorsement Edwin R. Holmes appointment judgeship circuit court appeals succeeding Judge Bryan. Sorry could not see you here personally. Senator HARRISON assures me no action will be taken as to district judgeship until consultation with you after Holmes appointment is made.

W. CALVIN WELLS,
President, Mississippi State Bar.

As will be noted, the telegram evidently sought to leave the impression that the only thing I was concerned about was the man to succeed Judge Holmes in the event he was promoted to circuit judge, when they knew, or should have known, that what I was most concerned about was to prevent the promotion of this man who had heaped such an irreparable injury upon my name and upon my family. Upon the receipt of that telegram, while riding from Oxford to Tupelo at 60 miles an hour, I dictated this telegram, which I sent to President Franklin D. Roosevelt:

Please do not make any decision nor take any action in the matter of appointing Judge Edwin R. Holmes to succeed the late Judge Bryan on the United States Circuit Court of Appeals until I can be heard. This man put me in jail for political reasons. I greatly resent the fact that a committee of the Mississippi Bar Association has come to Washington to force this appointment when they know I am here at home fighting Huey Long in the interest of PAT HARRISON, President Roosevelt, and the Democratic Party. Senator HARRISON assured me this matter would be held over until my return.

Upon sending that telegram the next morning, I received this telegram from the President of the United States—the telegram was mentioned in the hearings before the committee, and I sought permission of the President to put it in this record, and he gladly gave it to me—

HON. THEODORE G. BILBO,
Tupelo, Miss.:

The nomination you refer to went to the Senate yesterday afternoon several hours before your telegram was received. This was done on assurance—

Now listen to this—

This was done on assurance that it had unanimous support, and I certainly understood this included you. I am deeply sorry for the misunderstanding.

FRANKLIN D. ROOSEVELT.

When I reached Corinth on August 23, at night I received this telegram from my colleague:

AUGUST 23, 1935.

HON. THEODORE G. BILBO,
Corinth, Miss.:

(Report delivery.)

Large delegation of prominent Mississippi lawyers representing State bar presented Judge Holmes to the Attorney General today for vacancy circuit court of appeals. You will recall the other day I told you that action would not be taken until after adjournment Congress.

My colleague remembered what he promised me.

Attorney General has just conferred with me and stated that he was sending Holmes' name this afternoon to President recommending his appointment on court of appeals. He states that this would not necessitate the filling of district judgeship immediately.

That was the same old idea that BILBO was concerned only with a district judge.

Holmes could withhold his resignation and taking oath until such time in the future as might be convenient. When nomination comes before Senate tomorrow the committee will desire to know your views. It would not do for nomination to come to Senate and fall of confirmation—

I should like to know why—

so hope you can wire me immediately as well as Attorney General whether you approve or disapprove the confirmation. Highly important, immediate answer, as we expect to adjourn tomorrow.

PAT HARRISON.

On receipt of that telegram, the next morning I sent my colleague this telegram:

Senator PAT HARRISON,

Senate Office Building, Washington, D. C.:

Your telegram in reference to appointment and confirmation of Ed Holmes as United States circuit judge received tonight, too late to answer; the office closed. You assured me on Friday, the day I left Washington, coming home to make your fight against Huey Long—

Long had promised my colleague that he would come over to Mississippi and attend to him—

whether you so consider or not that this judgeship involving Ed Holmes would not be taken up until after Congress adjourned. I depended upon your assurance. I am depending on you to have the President to withhold or withdraw Ed Holmes' name from Senate and most certainly not permit his confirmation when you know I can't reach Washington before Congress adjourns. I heard today about 3 o'clock that the distinguished committee of the bar association had rushed on to Washington knowing that I had left to force the appointment and confirmation of this political weakling, so I would have no chance to enter a protest. I immediately wired General Cummings and sent you and President Roosevelt a copy of the telegram. I demand that I be given just and decent consideration. If the distinguished committee of the bar association was composed of good Roosevelt Democrats they would be here helping to defeat Long instead of slipping off to Washington trying to put a fast one over me. Ed Holmes and no one for him has ever mentioned his promotion to me. I did get a telegram from Hon. Calvin Wells this afternoon about 2 o'clock. This was sent after the trick had been pulled. I didn't even answer it. I am speaking five times a day for you, Roosevelt, and the party, and surely can't I be given fair treatment while I am trying to kill our greatest foe? Please read this telegram to President Roosevelt, General Cummings, and file a copy with the chairman of the Judiciary Committee. I most positively object to the confirmation of Ed Holmes, and I don't mean maybe.

THEO. G. BILBO,
United States Senator.

I will say in all fairness to my distinguished colleague that he carried the telegram and presented it to the committee, and the committee did hold up consideration of the matter until the present session of Congress.

My colleague said in his telegram that "a large delegation of prominent Mississippians representing the State bar was in Washington." It would be really amusing to know just what is a large delegation in the estimation of my friend the Senator. I think I shall take the time to tell the Senate who made up the large delegation.

In the first place, there was my colleague's ex-law partner, Mr. Dedeaux; a Mr. Mize, a man who was seeking to fill the shoes of Judge Holmes in case of his promotion; Mr. Lee Guice, of Biloxi, the man who renounced the Democratic nomination of Roosevelt at Chicago and declared for the Governor of Maryland; Mr. Welbourne, of Meridian, Miss., another candidate for succession to Judge Holmes; a Mr. Miller, one of his friends; Calvin Wells, who has been dreaming all his life of being a Federal judge, the man who

sent me the telegram; Mr. Garner Green, who represents the power utility companies in the State.

That is the large delegation to which my colleague referred. One would judge from the tenor of the telegram that half of the 1,400 lawyers in Mississippi were here; but that is the crowd, just those few.

I desire here to give public expression to my gratitude to the Judiciary Committee for postponing this matter from last session until the present session and giving me an opportunity to make a permanent record of my opposition to the promotion of this judge.

My friend and colleague the senior Senator from Mississippi, while testifying before the subcommittee, said that he had no recollection of the fact that I told him on the 16th of August that I wanted to oppose Judge Holmes. When I tell you that I did so tell him, and when he says that I did not, that becomes a question of veracity between two Senators. I do not know whether it is material to this issue or not, but I will say in passing that when Senators have known me as long as they have known the senior Senator from Mississippi, I shall be willing for them to say which one they will believe.

I should like to ask the question, if I was not seeking an opportunity to oppose the confirmation of Judge Holmes, why was I seeking out my colleague to get an agreement that this matter should not be brought up while I was in Mississippi making speeches? I was to be gone but a few days.

On the 16th day of August I left Washington. On the 16th day of August my colleague assured me that this matter would not be brought up before Congress adjourned. Yet on the 20th day of August, 4 days afterward, my distinguished colleague wrote this letter to the Attorney General, and he said he wrote a similar letter to the President:

DEAR HOMER:—

That is the Attorney General—

You will recall my conversation with you touching the appointment of Judge Edwin R. Holmes, United States district judge for the southern district of Mississippi, to succeed the late Judge Nathan P. Bryan, judge of the Fifth Circuit Court of Appeals.

I shall not read it all. It merely contains some fulsome expressions of praise.

Mr. HARRISON. Mr. President, I wish the Senator would read it all.

Mr. BILBO. I shall accommodate the Senator in order to read the last paragraph. I read:

As I explained to you, Judge Holmes is an outstanding jurist, and, by reason of his training and experience, is eminently qualified to serve as judge of the circuit court of appeals. He was appointed 17 years ago as judge of the District Court of the United States for the entire State of Mississippi. The State was later divided into two districts, and since that time he has served as United States district judge for the southern district of Mississippi.

Letters of endorsement and petitions have come to me from the entire State testifying as to his unusual ability, his fairness as a judge, his high integrity, and his judicial temperament. I could file with you letters of endorsement from the entire Mississippi bar, but have felt that this was not necessary, due to the fact that you have his complete record there in your Department.

It strikes me that the Senator would have filed all those testimonials with the Attorney General when he was seeking this promotion.

Mr. HARRISON. Mr. President, they were already on file there.

Mr. BILBO. In the Attorney General's office?

Mr. HARRISON. Judge Holmes had been endorsed previously, and innumerable endorsements were on file in the Attorney General's office already.

Mr. BILBO. To succeed Judge Bryan?

Mr. HARRISON. No; to succeed one of the former judges who had been on the circuit court of appeals and who died.

Mr. BILBO. When my colleague had a chance to have him appointed during a Republican administration, as I am informed, because the President insisted upon naming the district judge, the trade did not go through.

I am attaching hereto petition of the members of the bar of Meridian, Miss., addressed to you, which I am pleased to transmit. I know that this appointment would meet with the unanimous

approval of the bar of the State, who feel that he is entitled to this recognition.

I have spoken to the President and have written him touching Judge Holmes' appointment, advising him of his splendid qualifications, and pointing out the further fact that Mississippi has never been represented on this bench since its creation.

Which is true.

I am extremely anxious to see that Judge Holmes receives this appointment, and I hope that he will be given every consideration.

Here is the part of the letter to which I desired to call the attention of the Senate:

The entire Mississippi delegation joins me in this recommendation of Judge Holmes.

Sincerely yours,

PAT HARRISON.

HON. HOMER S. CUMMINGS,
Attorney General.

Mind you, on the 16th day of August the distinguished senior Senator from Mississippi had assured me that the matter would not be taken up until after Congress adjourned, and I take it that he was making that assurance upon the basis of what the Attorney General had told him. He said so. Yet here I find the Senator on the 20th day of August, when he knew I was in Mississippi speaking five or six or seven times a day in the Governor's race, writing a letter to the Attorney General, to whom he had already presented the name of Judge Holmes and upon whom he had already urged his appointment, urging Judge Holmes' appointment, and assuring the Attorney General and assuring the President that—

The entire Mississippi delegation joins me in this recommendation of Judge Holmes.

That is what the President of the United States meant when he sent me the telegram that it had been represented to him that the appointment of Judge Holmes was unanimous, and he said, "I certainly thought that included you, and I deeply regret the misunderstanding."

Why? Because the President had before him the letter from my distinguished colleague in which he was pledging my endorsement of this man who had put me in jail. I have never been able to understand why the necessity of writing such a strong letter 4 days after I left Washington, when it was understood between the Attorney General and my distinguished colleague that the matter would not be brought up until after Congress adjourned. Why the haste? Why the hurry? This large delegation was in Washington about this time. I do not charge my distinguished colleague with being a party to the matter; but, knowing the political animosity to me politically of every member of the entire delegation that was here, taking advantage of my absence so that I would have no chance to protest, they were anxious to get it over and get through with it and get Judge Holmes confirmed before I had an opportunity to protest, because they knew of my opposition. Everybody in Mississippi, who knew anything about the history of the State, knew of my opposition.

Now, my distinguished colleague says that the Attorney General called him up and said he was going to send the name of Judge Holmes in to the White House. I wonder why the Attorney General changed his mind. The Attorney General had already assured my distinguished colleague that the matter would not come up until after Congress adjourned. Why did he change his mind? If my distinguished colleague had gone to the President of the United States and the Attorney General and said, "Here; I have assured my colleague that the appointment of a judge to fill Judge Bryan's place will not be taken up until after Congress adjourns, and he went away with my assurance that that would not happen", is there a Senator here who believes for one moment that the President or the Attorney General would have proceeded to make the appointment, anyway?

Presidents, Cabinet officers, and Government officers do not treat United States Senators in any such way, especially a Democratic President and a Democratic Attorney General dealing with a Democratic Senator—and I am 100 percent a Democrat.

Do you know what was before the Attorney General when he made this appointment to fill the vacancy caused by the

death of Judge Bryan? When the subcommittee started the hearing the Attorney General sent over the file. There it is. It is all marked. There was not anything in the file that came from the Attorney General's office except three little petitions, a resolution, and a letter from the senior Senator from Mississippi [Mr. HARRISON]; that is all.

After this appointment was made, the least my distinguished colleague could have done as a matter of respect and deference to his colleague was to have gone to the President and the Attorney General and to have said, "I wrote you a letter in which I said that my colleague joined in the endorsement of Judge Holmes. I find that I am very badly mistaken." The least he could have done was to have gone and asked them to correct the injustice done; but nothing was done.

Now I wish to discuss briefly for the benefit of the RECORD—I do not know that the Senate is especially interested—the relationship which obtained as between my distinguished colleague and myself before and after the name of Judge Holmes was sent to the Senate.

It is a well-known fact that in my campaign for the United States Senate in 1934 my distinguished colleague was openly opposed to my election. That was his right. The fact of the matter is that I insisted that he oppose me, because I thought it was good politics for him to be against me publicly in Mississippi. He announced to the world that he was opposed to BILBO and was supporting Senator Stephens. But after the election, after I came to the Senate in 1935, our personal relationship was always cordial. I never take my politics seriously. Life is too short to go around hating. Our relationship has been very pleasant, and I am indebted to my distinguished colleague for many courtesies that he has shown me since I have been here; and I have tried to be just as good as he was. I have been kind to him. I have tried to help him in many ways.

Because of this personal and social relationship, I never dreamed that he would have such utter disregard for my feelings that he would try to cram down my throat and persist in the nomination and confirmation of the man who had committed this great injury, this irreparable injury, against me and my family and my name—a stigma that cannot be removed; an odium that is bound to follow throughout the years. I thought that with the 1,400 lawyers in Mississippi, including many distinguished jurists, we could get together on possibly 25 or 50 men who would make better judges than Judge Holmes, as I am going to show the Senate in a minute. So that has been our relationship.

Now I wish the Senate to get a picture of the political situation in Mississippi.

You cannot understand the political motivation of Judge Holmes that led him to violate the law and put me in jail without a plea of guilty, unless you understand the true political picture in Mississippi.

Since 1910 the State of Mississippi has been cursed, I might say, or has been afflicted, with two very strong political factions. We do not have two parties in Mississippi; we have two factions. We are all Democrats. We have not enough Republicans in Mississippi to consume the Federal patronage when a Republican President is elected; and I may say that 75 percent of the Republicans we have in Mississippi are Republicans for revenue only. We are purely Democratic. If you will notice, in the recent survey Mississippi led the Nation in her Democracy. But we have these factions, and the lines are drawn between the factions just as tight and just as strong, and the opposition is just as bitter, as in Ohio, in Indiana, or any of the close States, as between Republicans and Democrats.

Beginning with 1910 I have been more or less involved in the political life of the State. In 1911 I made the race for Lieutenant Governor. In 1915 I was elected Governor of the State. In each instance I was elected in the first primary over a field of three and four and five. Judge Holmes belongs to the political faction which is the opposite of mine in Mississippi. He is the son-in-law of the late Senator John Sharp Williams, whom many of you knew, admired, and loved. Senator John Sharp Williams, Judge

Holmes' father-in-law, was the outstanding leader of the opposite political faction to the faction in Mississippi to which I belong; and in all the campaigns of the past, while Senator Williams was old and feeble, the last trump card that my opposition always played was to go over to the quiet shades of historic Benton, in Yazoo County, and drag out the old Senator and carry him off to Jackson or Vicksburg or some other center, and let him make a speech against BILBO and Bilboism in Mississippi. For anyone to contend that a son-in-law, who lived in his community, who was a member of his household, whose daily diet was anti-Bilbo food, would not be motivated or influenced or have the political prejudices characteristic of campaigns and factions in Mississippi, is not even good nonsense. He was the son-in-law of the leader of the opposition to BILBO in Mississippi.

Oh, but this quiet, easy, pleasant, congenial, affable Judge Holmes came before the committee and said, "Oh, pardon me; I never engage in politics. Oh, I have no political prejudices." He said, "I have 70 appointees, and I never tell these appointees how to vote."

No; he does not tell them how to vote. He finds out how they are going to vote before he appoints them, and if we look over his entire official family of 70 appointees, perchance we will not find half a dozen who ever voted for BILBO in their lives; and if any pro-Bilbo men were appointed, they got the jobs because Holmes had not been advised of their political affiliations in the State. No; he does not have to tell them; they vote all right.

He says that he is not influenced by politics, and that in his action in incarcerating me in jail he was not motivated by any political hatred or prejudice or purpose.

I subpoenaed Judge Webber Wilson and Colonel "Dick" Wooton, Wilson's campaign manager when he made the race for the United States Senate, to come before the committee and give testimony of the judge's further political activity in the politics of Mississippi as a Federal judge, and to my very great surprise and astonishment Judge Webber Wilson, after he had sat in my office a few days before and said to me, "Senator, I am as much interested in the defeat of Holmes as you are, because this man butted into my campaign for the United States Senate and was instrumental in bringing about my defeat, and I want to see you get him", when he was brought to testify about the participation of Judge Holmes in a famous political debate in Neshoba County, Miss., he completely somersaulted, reversed himself, and defended and justified Judge Holmes.

Possibly I should have known better, because of Wilson's record, but I could not imagine that a man would so quickly "turn turtle" in his statements as to walk into a United States Senator's office and make a statement of that kind, and then make a statement the very opposite of it.

Judge Wilson has a political history of his own. He was a Member of the House of Representatives, and some Senators, no doubt, knew him. He aspired to come to the Senate, and he dared to run against Senator Stephens. Senator Stephens defeated him, with the assistance of Judge Holmes. Then, he went back home and tried to get back his old seat in Congress and he was so thoroughly repudiated, as he had been repudiated in the senatorial race, that he ran a poor third, did not even get into the second primary. Then, in his desperation, he made his way to Washington, as many "lame ducks" do, as many public men who lose their jobs do. We come to Washington. Yes; I myself came.

Through the assistance and friendship of my distinguished colleague, the senior Senator from Mississippi, Wilson was sent to the Virgin Islands, and he made such a miserable mess as a Federal judge there that it was not long before he was given a passport back to the United States. But, through the kindness of friends in Washington, he was put on the pardon board, and he has a meal ticket now.

To show that it was a premeditated job that he was trying to put up on me as my witness, when I began to edge into him and ask him something about Judge Holmes, whether he knew anything about his inside judicial record,

with the supercilious and sardonic smile and Judas expression which characterize him, he said, "You must remember, Senator, I am your witness." He was a prevaricator, and he suddenly became the supporter of someone else.

The people of a State, the people of a community, will at last get a man's number. One cannot fool the public always. The public seems to have found out more about Wilson than I was willing to admit when he told me in my office a short time ago that he was interested in the defeat of Judge Holmes.

The committee in their report put stress upon the testimony of Judge Holmes and of Judge Wilson, and make no reference to the testimony of Colonel Wooton. Colonel Wooton was the campaign manager of Wilson, and he came on the stand and under oath testified that, as the campaign manager of Wilson, he attended this joint debate; that he saw on that occasion Judge Stephens and Judge Holmes in a hushed and whispered conversation before the joint debate was started; that Stephens pointed to a spot in the audience, and when Stephens called on Holmes to come to his rescue in the debate, he was seated at the place which Stephens had pointed out. Wooton told what took place, and he will also tell you that immediately after that debate Judge Wilson was standing behind the auditorium denouncing Judge Holmes in the bitterest terms because of his interference in that political campaign.

It was the consensus everywhere that Judge Holmes was "planted" in the audience. I do not know. That was only the charge made, possibly in the heat of the campaign, and I do not know whether or not it was true. I would be fair to the judge. At any rate, he had traveled a hundred miles and was in conference with Stephens, Wilson's opponent, just before the debate started, and he took a seat pointed out by Stephens, and he was there ready to testify. It was that testimony and that occasion which marked the beginning of Wilson's downfall.

I wish to be perfectly decorous; I want to be right in presenting the subject. Since the close of the hearings, while I was trying to have the subcommittee to go on with the hearing and to reopen the case, I received an affidavit from a very honorable, distinguished farmer down in Mississippi who was standing in the lobby of the courtroom a few days after I was defeated, after I had been put in jail in 1923, and overheard the conversation of Judge Holmes with other lawyers, in which he said, "I think I have put Bilbo out of business in politics forever." They were gloating over the fact that I had been defeated for Governor. So much for the political animosity of this judge.

I wish now to discuss Judge Holmes' part in the famous Russell-Birkhead case.

A notorious lawsuit was filed in Mississippi which furnished Judges Holmes the opportunity for which he had longed, to destroy the foe of the political faction headed by his father-in-law. A poor, unfortunate woman by the name of Birkhead sued the then Governor of Mississippi, Governor Russell, for \$100,000 for alleged seduction, and it was this lawsuit that gave the judge the opportunity to destroy, as he thought, the man Bilbo.

At that time I was a friend of Governor Russell, and in his desperation in dealing with this enraged woman he called me to Jackson, the capital, 150 miles away—I lived at Poplarville—and asked me to intercede for him, to represent him, to try to get the case settled with the woman, and I did. I represented him as an attorney and succeeded in effecting a compromise with the woman—a compromise which prevented or kept the woman from suing him. I then went on back to my law office at Poplarville with Judge Shipman and pursued the even tenor of my way. But Governor Russell repudiated the settlement agreed upon, and then the woman sued him.

When the suit was filed in the United States Federal court at Oxford, Judge Holmes presiding, a subpoena was issued for me. I lived about 300 miles away from the seat of the court, and I desire to give the Senate in chronological order the events which happened leading up to my incarceration.

First. On November 30, 1922, an order issued from the court directing the clerk of the court to subpoena me as a witness in the Birkhead against Russell case to appear on December 5, 1922.

Second. On December 2, 1922, a subpoena issued by the clerk of the court on the order of the court was served on me at Poplarville, Miss. I received service of the subpoena.

Third. On December 5, 1922, a writ of attachment was issued to bring me into said court for the purpose of testifying.

Fourth. On December 11, 1922, the attachment was returned, and reported thereon, "Could not be found."

I will say here in explanation, the report got out that I was trying to evade attachment. I was going about my business. I had some business in the southern part of the State in a logging town. I stayed all night in the logging town; one night. I stayed in Gulfport and in Biloxi. I was on the highway attending to my legal business, and the marshal evidently did not want to find me. I was not in hiding. I did not go to Louisiana, as they tried to make it appear.

Fifth. Citation of contempt issued near the close of the December term of court for my appearance April 16, 1923.

Sixth. Writ of attachment issued under the citation of contempt January 30, 1923, calling for my appearance to answer on April 16, 1923.

Seventh. Writ of attachment executed at Hattiesburg, Miss., and I was released on a \$5,000 bond.

Eighth. On April 16, 1923, a plea of guilty was entered on the records, and I was fined \$100 and sentenced to 30 days in jail.

Ninth. On April 19, this sentence was modified to 10 days.

Those are chronologically the events which happened in this transaction, and not until there was a preliminary meeting of the subcommittee did I know that the charge was going to be made that I plead guilty.

Many Senators have heard it said, and have heard it whispered, "There is not anything in this case except Bilbo plead guilty, and the court could not do anything else but fine him." Senators have been fed on that kind of stuff. I am telling the Senate that I did not plead guilty, and that there was no plea of guilty entered. I am going to show in a minute that the chairman of the subcommittee does not know any more about what a plea of guilty is than does Judge Holmes himself. I propose to show the Senate in a consecutive, orderly way that I did not enter a plea of guilty; that the sentence imposed on me was unlawful and was motivated by political purposes; that the bond of \$5,000 was certainly an excessive bond; and that the subpoena issued for my appearance, and also the attachment, were issued without authority of law.

Of course, if Senators could be led to believe that when I was charged with contempt of court I walked into court and entered a plea of guilty, then they would conclude that Judge Holmes was justified in fining me or incarcerating me. But certainly he would not be entitled to impose both the sentence and the fine on me, as he did because he did not know what the law was.

So I desire the Senate to take the facts in the case, the evidence in the case, and bear with me and let me show that I did not plead guilty, and that the committee had no right to reach the conclusion that I did plead guilty.

I will say, in all fairness to the chairman of the subcommittee, that he did not say that I plead guilty, but he said that I made statements which were tantamount to a plea of guilty. I trust the lawyers of the Senate will note that there is quite a difference between entering a plea of guilty and making a statement which somebody else might conclude was a confession of guilt or a plea of guilty. There is quite a difference between the two.

In the court on April 16, 1923, in the city of Oxford, a great crowd was present. Judge Holmes said it was a notorious case and there was a great deal of excitement about it. Here was an ex-Governor and a candidate for Governor in a heated campaign a little while before the election going to trial on a charge of contempt. There was plenty of excite-

ment at that time and he said the courthouse was running over with folks.

Standing near Judge Holmes when everything was done and said on this occasion was Judge Lee Crum, another judge, a man who had been honored in the judiciary of Mississippi by being elected circuit judge of the State courts, a man who had served on the supreme court by various and sundry appointments, a man who had been appointed to codify the laws of the State; and Senators can readily reach the conclusion that if a man had been honored by being elected judge and had been on the supreme court and had been selected to codify the laws of the State he must have some idea about law and about pleadings. Listen to what Judge Crum said:

I was in court before it was opened. Senator Bilbo appeared before the bar of the court and stood up near Judge Holmes before I knew there were any contempt proceedings or anything that had anything to do with the Birkhead case. I did not know personally that he had been cited to appear and answer contempt proceedings. When Judge Holmes turned to the case and asked him what his plea was, asked ex-Governor Bilbo at that time did he plead guilty, or "Do you desire to enter a plea of guilty"—probably before he asked him that he asked him if he had counsel, and ex-Governor Bilbo stated that he had not. He asked him if he desired to enter a plea of guilty. Governor Bilbo said "No"; but he desired to make a statement of the facts to the court.

Now, so help me God, that is what happened. When the judge propounded the question "Are you ready?" I said, "Yes." "Have you a lawyer?" I said, "I have none." "Do you plead guilty?" "No. I want to make a statement."

I went to the bar and stood within 4 feet of the judge and made the statement which I call Senators' attention to in the record. On page 5 of the hearings it will be noticed that Judge Holmes entered a judgment against me, and Judge Crum was requested to read the first paragraph. Judge Crum read this:

United States v. Theodore G. Bilbo, no. 5844

Comes now the defendant in his own proper person and enters a plea of guilty in this case of contempt of court. It is therefore considered and adjudged by the court that the defendant, THEODORE G. BILBO, pay a fine of \$100 and be confined in the Lafayette County (Miss.) jail for the period of 30 days from and after this day. Let mittimus issue accordingly, and let capias pro finem and execution issue for said fine.

In order to get the picture in Senators' minds let me recite again exactly what happened. Many Senators have been in court. When the case was called and I answered "present", the judge said, "Are you ready for trial?" I said, "Yes." "Have you an attorney?" I said, "No; I have none." "What is your plea, guilty or not guilty?" I said, "No; I am not guilty. I want to make a statement to the court."

I made a statement to the court. I explained to the court, and as I finished my apology and my explanation of my position and the fact that I had acted upon advice of competent attorneys—as soon as I had finished the last word of my statement the judge said, "I find you guilty. I fine you \$100 and 30 days in jail, and to pay the costs. Mr. Marshal, take charge of the prisoner."

It was done as quickly as I am telling it to Senators now. The distinguished chairman of the subcommittee reached a conclusion, because I had said that I had received the subpoena. However, I said that upon advice of attorneys I was under no obligation to attend the court, and if I did attend, I would attend as a voluntary witness, when the judge took advantage of my explanation and my apology to say, "You are guilty." I had denied any guilt; I was not guilty of contempt, as I will show in a few moments by the law and by my own conduct.

Following the reading of this judgment by Judge Crum, he was asked if he thought it was entered correctly, according to the statement made by Senator Bilbo.

Here is what Judge Crum said about it.

Senator Bilbo did not plead guilty.

Mind you, here is a judge, a man whom you are not going to question, here is a man who was standing within 10 feet of Judge Holmes and of me during that time and heard all that was said:

Senator Bilbo did not plead guilty. I heard every word and saw everything that happened in the trial that day, while I had nothing

to do or no connection whatever with the case and didn't know it was about to be called up. I was sitting within 10 feet of Judge Holmes and Senator Bilbo when what I saw and heard took place.

I read further from the same page. Crum was asked the question:

Mr. SMITH. Did Judge Holmes say to ex-Governor Bilbo, "I refuse to accept your plea of nolo contendere, and require you to plead either guilty or not guilty?"

Mr. CRUM. No; he did not. He did not. Mr. Bilbo stated probably more than once, "I am not guilty of contempt, unless it might possibly be a technical contempt."

On page 6 of the printed hearing Judge Crum was asked this question:

Mr. SMITH. It is your opinion, then, as a lawyer, that this statement of the court that ex-Governor Bilbo had entered a plea of guilty is in error?

Judge Crum replied unhesitatingly:

I know he did not plead guilty. A man does not have to be a lawyer to know that.

We have here the affidavits introduced of Mr. Gerald Fitzgerald, representing Judge Holmes in this case, and I want to call attention to a statement of Mr. Fitzgerald in the brief filed by him with the committee:

We have produced for this committee the testimony by affidavit of Hon. James Stone, Philip Stone, Attorney Foster, Attorney McNeill, Attorney Boyette, Attorney Cox, Deputy Marshal Cook, Deputy Clerk Vance, the statement of Judge Holmes, and the judgment of the court, that the plea of Senator Bilbo to the court was that of "guilty."

If you will take these affidavits and go through them, analyze them, scrutinize them, read them, and weigh them carefully, notwithstanding the fact that Honorable Fitzgerald told the committee that all of these affiants had sworn that Bilbo entered a plea of guilty, you will find only three affidavits where there is any suggestion that Bilbo entered a plea of guilty, and two of those were from officers of the court who had entered the order according to and under the direct instruction of Judge Holmes and would stultify themselves and incriminate themselves if they did not say that I plead guilty because the judge had ordered them to enter it; it was their entry under the instruction of the court. Though they tried to prove that Bilbo entered a plea of guilty, of all the affiants, only one lone witness, a "disinterested" party, says that I did. I wonder who he is. Let us see. His name is W. G. Boyett, of Jackson, Miss. W. G. Boyett was practicing law in Oxford at the time but he now lives in the city of Jackson, and is possibly the most despicable and the most despised and irresponsible citizen in the State capital of Mississippi today. I produced before the committee a statement from the superintendent of the insane asylum at Jackson, Miss., which is as follows:

Attorney W. G. Boyett committed by chancellor as drug addict first, August 5, 1929, released same day, returned nine fifteen twenty-nine, released ten seven twenty-nine, returned seven fourteen thirty, released ten eight thirty, returned twelve twenty nine thirty, released one four thirty-one, returned five or two thirty-one, released five ten thirty-one, returned six two thirty-one, released six thirty-one, returned eleven six thirty-one, released eleven fifteen thirty-one, returned one twenty thirty-two, released one twenty-five thirty-two, returned four nine thirty-two, released four fifteen thirty-two. Diagnosis alcoholic psychosis, chronic alcoholism.

Dr. J. M. ACKER, Jr.

Is that all? That is just one side of Judge Holmes' star witness to prove that Bilbo plead guilty. I now read another statement:

W. G. Boyett, attorney, in jail numerous times, the following in year 1933: January 5, charge, public drunkenness, fine, \$6; February 6, charge and fine same; April 28, same charge, 15 days; May 17, same charge, \$10; October 30, charge and fine same; December 4, charge and fine same; December 16, charge same, case dismissed; September 13, 1934, same charge, fined \$10, case appealed, county court convicted, there appealed circuit court, case affirmed November 1935 term.

Procedendo now in hands of officers enforce fine and costs of appeals unexecuted. Boyett now in Hot Springs. Boyett committed to insane hospital as drug addict and habitual drunkard, chancery court, Hinds County, case no. 17,700, docket no. 16, August 20, 1929, order minute book 27, page 73.

JNO. G. BURKETT.

That is the type of witness, except his own court officials, that the distinguished judge brings here to prove that BILBO plead guilty at Oxford on the 16th day of April 1923.

Now, he says that the court room was crowded. They had the strong arm of the Government at their disposal; they had its strong treasure box at their disposal. All they had to do was to tell the subcommittee, "We want these witnesses brought here, and they would have been brought. There can be no question about that. Yes; they say the court room was crowded; and yet when called upon to prove that BILBO plead guilty the affidavit of W. G. Boyett was the only one they attempt to prove it by except by Judge Holmes and his little coterie of court officials, who had to swear according to the orders of the court. Why did they not bring some reputable people here to prove that BILBO plead guilty? They did not do so because they knew that I did not plead guilty. Well, if I did not plead guilty, then why does the record of the court show that I plead guilty? I have just told the Senate that the minute I got through making my explanation, the last word had hardly left my lips, when the judge said, "I find you guilty and fine you \$100 and 30 days; take charge of the prisoner, Mr. Marshal." It was done that quick. I do not know what record was made by the court at Oxford.

Oh, but it may be asked, "Why did you not appeal?" I was a candidate for Governor, and by the time I would have gotten the appeal started I would have served out my time in jail; and I made the best of it while I was in jail.

Judge Holmes said before the committee:

The matter had attracted a great deal of public attention, and at the time the case was called the courtroom was crowded. There is no trouble about proving what Senator BILBO said and what I said and what took place there. There was only standing room in the courtroom.

Yet, with a great crowd, with standing room at a premium, they bring only one witness here, "disinterested", to show that BILBO entered a plea of guilty, which was the vital point in this case, and that witness has spent most of his time in the asylum and the rest of it in the county jail at Jackson.

I do not think any reasonable Senator or any Senator whose mind is open to conviction will doubt the statement when I say that I did not enter a plea of guilty and that whatever record was made was made upon the initiation of the judge, construing the law just as the reporter of the committee tried to construe it upon the statement that I had made an apology and an explanation.

Let us look at the actual plea that I did make. Let us analyze it; see what is in it. I do not want to be tedious, but I appreciate the importance of these underlying facts upon which this case hangs; and if the Senate will have patience with me, I think I will be able to establish to any Senator whose mind is open that this was a case where the judge willfully violated the law of this Nation in order to put a political enemy in jail and destroy him. I am predicating this fight upon the establishment of that one fact as well as other facts. The fact that he is personally obnoxious to me is predicated upon that point.

On page 3 of the printed hearings, let me again call attention to the testimony of Judge Crum:

MR. CRUM. Well, Senator BILBO said that the reason he did not appear in answer to the subpoena that had been served upon him was because at that time he understood, as had been the practice for years and years under the law, that a witness who lived over 100 miles from the court, and who was subpoenaed in a civil case, could not be required to attend unless he was paid 1 day's per diem or attendance and mileage or expenses, and he said to the court: "I did not know that that rule had been changed by the statute of Congress"—if it had been changed. For that reason he said he didn't think he was required to attend.

He further said that all he knew about the case was what knowledge he had gained as an attorney and as a privileged communication, and that he knew nothing he could testify would be competent in the case, for he knew nothing whatever about the merits of the case except from talking to one or the other of the parties.

In other words, Judge Crum testified that what knowledge I had with respect to the Birkhead-Russell case had been gained as an attorney and was, therefore, privileged,

and that under the law I could not be compelled to attend court because of living 300 miles from the court.

On page 4 of Judge Crum's testimony the following questions and answers are recorded:

MR. SMITH. In other words, he meant he would have come as a voluntary witness?

MR. CRUM. Yes; that is what I understood.

MR. SMITH. But at the same time, he felt that under the law he could not be forced to come?

MR. CRUM. Yes. His defense was predicated on the idea that under those circumstances there could not be any contempt of the court.

Certainly not.

MR. SMITH. The reason he thought he was not forced to come was on account of the fact that he could not be made to attend where he lived more than 100 miles from the court?

MR. CRUM. And had not been paid 1 day's attendance and mileage or expenses.

In the affidavit of Colonel Stone, which was submitted in the hearings, I note on page 39 of the printed hearings these words:

Senator BILBO stated that he deliberately did not obey the process of the court, because he was under the impression that such process did not run out of the district.

That is true. That was the plea that General Stone referred to by counsel and which he stated in his affidavit I had made to the court.

Judge Holmes, on page 75 of the printed hearings, made this statement:

He (BILBO) said, "I received a subpoena, but it was in a case I did not want to have anything to do with. I took the subpoena to my former law partner, Judge Shipman, a man in whom I had confidence. I knew Judge Shipman and had confidence in him. He said, 'Judge Shipman told me the subpoena was void, and not wanting to have anything to do with the case, I did not come. With that explanation I submit the matter to the court.'"

Judge Holmes said there I did not plead guilty, but that I submitted the matter to the court. Some of the Senators present are lawyers. Some of them have law partners. I had a law partner, Judge Shipman, who was noted for his profundity and his legal learning. When I received this subpoena we went into our law library, and we had a good one. We ran down the authorities and read the statutes and both came to a conclusion. It was his advice that unless I wanted to go to this "pot and kettle" lawsuit at Oxford as a volunteer witness, I would not have to go.

Acting upon that advice, after having made a thorough search of the authorities and the statutes regulating such cases, certainly there was nothing else to say to the court except that I had received the subpoena and, not wanting to have anything to do with the affair, not wanting to appear as a voluntary witness, knowing that whatever I knew of the case was privileged, I certainly would not have been of any benefit to anybody in the case, because lawyers do not reveal the secrets of their clients on matters that come to them through their fiduciary relationship.

That was the statement made. That is what I did. That is all I did. I assured the court in making the statement that I had no desire, no purpose, no intention of being in contempt of the court. I tried to have as much respect for the courts of my country as anyone, being at that time an ex-Governor of the State and also a candidate for Governor, and I did not want to violate any law. I have tried to obey the law.

With all these explanations on that day, this sweet-smelling, congenial, affable judge, whom the committee has seen, was thrown into a bitter rage. He turned as white as the papers on my desk, his lips trembled like aspen leaves, and he said, "I find you guilty, and sentence you to 30 days in jail and \$100 fine and costs. Marshal, take charge of the prisoner."

That is sufficient about the real plea that I presented. Those are the facts. That is the truth about it.

It will be noted on page 12 of the hearings that I made the following statement:

I think it pertinent here at this point to state that in order to show the anxiety of Judge Holmes to disgrace and destroy me politically, and forever have me denominated as a jailbird, he so

far forgot his duties and his oath of office that he imposed upon me recklessly a sentence that he was wholly unauthorized under the law to impose and with such swiftness and so summarily that he evidently had not even looked up the statute which vested in him authority to make sentences in cases of contempt.

In this connection, your attention is invited to the fact that title 28 of the United States Code, section 385, enacted on March 3, 1911, which was then in full force and effect, specifically provides that a judge of a Federal court in case of a contempt for failure to comply with a subpoena or process of the court may punish by "fine or imprisonment", but not both. The judge cannot plead ignorance of the law, because he had been on the bench 5 years at that time. Here he was imposing a sentence in direct violation of the statute.

I know judges sometimes make mistakes. Even when they get on the Supreme Bench it has been charged that they make mistakes. Evidently some of them make mistakes when they decide cases 4 to 5 or 3 to 6. But here was a man who had been on the district bench of the Federal court in my State for 5 years and who did not even know the law regulating the sentence to be imposed in a contempt proceeding. He said it was a notorious case. The court room was crowded, standing room was at a premium, and the whole State was interested because an ex-Governor, a candidate for Governor, was at the bar.

Does it not impress you, Senators, that if a man was judicially fitted for a position of this kind he would at least have taken time to find out just what kind of a sentence he could inflict? Oh, no! He was so eager, so anxious to destroy the man who had led the faction against his father-in-law—and I had been in many of his battles—that he did not even stop to find out what the law was, but said, "I give you 30 days in jail and fine you \$100 and costs. Mr. Marshal, yank him off to jail." That is what happened. That judge did not know what the law was until he reached Washington and appeared before the Senate committee and his attention was called to it.

Let me read just what Judge Holmes had to say about this unlawful sentence which he imposed on me. I refer to page 76 of the printed hearings, where the judge said, "This is a copy of the judgment." Then follows this entry:

Minute book 19, page 82, Monday, April 16, 1933. Comes now the defendant in his own proper person and enters a plea of guilty in this case to contempt of court.

Of course, when he found me guilty he said to the clerk, "Go ahead and write it up and put it on the docket." Then the judgment in his statement before the committee adds these words:

Now, Senator BILBO's plea of guilty was unexpected. I sentenced him immediately.

He said he did it immediately, it will be noticed—

I did not look at the statute. Most Federal statutes provide a fine and imprisonment. If I had looked at this statute I would have seen that it provided for a fine or imprisonment, but I did not. I frequently sentence without looking at the statute, when I know the sentence I am going to give is small and well within the power of the court. So I entered that sentence of a fine of \$100 and 30 days in jail. Senator BILBO made no objection to the sentence, nor was any appeal requested, nor any statement made, by him or any other person, that the sentence was unjust, unfair, or improper. Later, by reason of the clemency which I showed the Governor, the error was automatically corrected.

He did not correct it because he had gotten smart and because he had learned what the law was, but he said that it was corrected automatically. I will tell the Senate why he corrected it. He corrected it because there was such reaction politically throughout the State until his political advisers came to him, as Judge Crum's testimony will show, including Judge Stone, the Nestor of the Mississippi bar, and said, "If you do not modify the sentence against the candidate, ex-Governor BILBO, the reaction in the State will be such that he will defeat our man for Governor." It must be remembered that Judge Crum's group was fighting me politically. He was supporting Judge Whitfield.

When this unreasonable and unheard-of and illegal sentence was imposed on me he got this word from Judge Stone, who was a close friend of Holmes, and who was also supporting Whitfield against me. He was told, "Go and see this judge and make him change this sentence, because if something is not done the reaction of the people of Mississippi will

be such until he will be elected Governor in spite of all we can do."

Judge Stone testified under oath that he went and persuaded the judge to change that sentence. He said the judge came back later and said, "I did change it according to your request and as you suggested." He based it on political reasons then, that with the 30 days in jail branding me as a jailbird for all time to come, it would have the effect of destroying their faction, and when he was told by his political advisers that he had overdone the thing, then for political reasons he modified the sentence and by that political modification succeeded in correcting and making the sentence legal so far as a legal sentence could be imposed in a contempt case, but not in this case.

That is what really happened.

I did not expect Judge Holmes—and I am sure Senators did not—to come to Washington and say that he was actuated by any political motives in putting me in jail—certainly not. The only way you can determine whether or not he was actuated by political motives is to determine his environment and his attitude and his activities. If he is not controlled politically, why is it that his entire political family belongs to one political faction? Why is it that he went out and traveled a hundred miles to participate in the political debates that shaped the destiny of two human lives and affected the whole State in determining who should be the United States Senator from Mississippi at that time? Why is it that he does not appoint anybody except those who belong to his political faction if he is not a politician?

I repeat that Judge Holmes has spent his life in a political atmosphere, motivated, controlled, influenced by politics.

Now, I desire to discuss with you the law. I wish to try to show you, if you will be patient, why this subpoena which was issued was illegal; and I believe I can do it.

I believe I can establish, first, that the law at that time governing the issuance of the subpoena which was served on me on December 22, section 876 of the Revised Statutes of the United States, did not apply to a witness—as was the case with me—who lived more than 100 miles from the place of holding court.

Second, I shall further undertake to show that section 876, as amended 40 days prior to the date the subpoena was issued for my appearance in Oxford in the Birkhead case, was not applicable to litigation between private citizens, but only to cases in which the Government was a party; namely, the so-called war-fraud cases.

Third, I shall endeavor to prove to you that in the event section 876 as amended could be made by any possible interpretation to apply in my case, the issuance of the subpoena for my appearance in the case was not a valid and legal issuance, and failed to conform to the manifest requirements of the aforementioned statute.

Now, let us see what the law was at that time. I have it here. Let me read it from the book itself, so that there will not be any question about it.

The law of the land for 100 years in the subpoenaing of witnesses in Federal courts is section 876, page 4848, of the United States Revised Statutes:

SEC. 876. Subpenas for witnesses who are required to attend a court of the United States, in any district, may run into any other district: *Provided*, That in civil causes—

Not criminal—

the witnesses living out of the district in which the court is held do not live at a greater distance than 100 miles from the place of holding the same.

Oxford was the seat of the court. Poplarville, BILBO's home, was 300 miles away. The subpoena was issued under this statute, section 876 of the Revised Statutes of the United States. That was the statute under which the subpoena was issued.

I desire to read you a letter written by Judge Campbell, the attorney who represented the plaintiff in this case:

Yazoo City, Miss., November 17, 1922—

Here is where they are getting ready to subpoena BILBO—
Clerk of the United States district court, Oxford, Miss.—

It is not addressed to the judge, but it is addressed to the clerk—

DEAR SIR: We desire to have some witnesses summoned in the case of Birkhead v. Russell for the plaintiff. Section 876 of United States Revised Statutes requires that you issue the subpoena and direct same to the United States marshal of the southern district, where witnesses reside in the southern district. Please issue subpoena directed to marshal of southern district for the following witnesses: Hampton Cox, Ernest Farish, William McGraw, Kirk Whitehead, and William Riley, all residents of Yazoo County. Please send the subpoena to us, and we will have the marshal serve same.

Yours very truly,

CAMPBELL & CAMPBELL.

There is the actual letter as taken from the records in the case.

When they start to subpoena the witnesses in the Birkhead case, a civil suit between this woman and the Governor of the State, the leading attorney, the man who lived in Judge Holmes' town, right next to the chambers of his court, writes the clerk a letter and gives him the names of the witnesses to be subpoenaed, and specifies that they shall be subpoenaed under section 876 of the Revised Statutes of the United States Government, which provided that if you lived more than 100 miles away from the seat of the court you did not have to go, and if you went more than that distance in a civil case you went as a voluntary witness.

All right. There is not found in all the records of this case—and I had the entire record brought here from Oxford, Miss., to establish that fact—there is not found anywhere a letter from any attorney subpoenaing BILBO to appear as a witness in this case; but there is this:

TO THE CLERK OF THE UNITED STATES DISTRICT COURT OF THE WESTERN DIVISION OF THE NORTHERN DISTRICT AT OXFORD, MISS.

You are hereby directed to issue subpoenas for Mrs. C. F. Skillman and Eli Rainer, residents of Memphis, Tenn.; and Theodore G. Bilbo, who resides at Poplarville, Miss.; and Will Perry, Jr., a resident of Meridian, Miss.; and Dr. Henry Boswell, who resides at Magee, Miss.; and E. E. Frantz, of Jackson, Miss., witnesses for the plaintiff in the above-styled case.

Witness my hand this the 20th day of November 1922.

E. R. HOLMES.

Judge of the United States District Court
for the State of Mississippi.

This order of Judge Holmes, issued in chambers at Yazoo City, directing the clerk at Oxford to subpoena these witnesses, was also made under section 876 of the Revised Statutes of the United States. It could not have been made under any other statute. If it was made under section 876, then BILBO did not have to attend the court at Oxford, because I lived 300 miles away; and with all the false representations and all the fake appearances here and misrepresentations by the judge and others in this case, trying to leave the impression that they were operating under another statute, it is a fraud upon the committee and a fraud upon the Senate, because we have here the records which show that they were operating under section 876.

On September 19, 1922—some of you, my colleagues, were then in the Senate—a law was approved which you had passed. If you remember, Congress had appropriated large sums of money to prosecute these dollar-a-year "patriots" who had been making money out of the Government during the World War. Harry M. Daugherty was then the Attorney General. It seems nothing had been done; and Daugherty, as an alibi possibly—I do not know—writes a letter to the Judiciary Committees of the Senate and the House—I have a copy of it here—in which he says that if Congress will only amend section 876 of the Revised Statutes and make it possible for the Government to bring witnesses across the country where they live more than 100 miles from the court, so that he can bring defendants also wherever the Government is a party to the litigation, he will be in a position successfully to prosecute these frauds. Upon the representation of the then Attorney General, Mr. Daugherty, Congress passed and the President approved on September 19, 1922, just 40 days before this Birkhead case was called in the city of Oxford, a bill amending section 876 of the Revised Statutes by putting on it this proviso:

Provided, That in civil cases no writ of subpoena shall issue for witnesses living out of the district in which the court is held at a greater distance than 100 miles from the place of holding

the same without the permission of the court being first had upon proper application and cause shown.

Let me read you some more of this. Here is the red-letter sign to any man who has a judicial mind, or any man who is fit to be a judge:

This amendment shall be effective for a period of 3 years after the date of the passage of this act, after which, section 876, as it exists in the present law, shall be and remain in full force and effect.

I have here the discussions on this bill in Congress, in the House and in the Senate. It never was the intention of Congress to change the law that had obtained for a hundred years that a man could not be compelled to attend as a witness in a civil case before a Federal court if he lived over 100 miles from the seat of the court. He could not be made to go to court by your process, by your subpoena, under this amendment. It never was the intention to touch civil matters. It was only to give the Government, where the Government was a party, an opportunity to uncover these war frauds, and to run down these scoundrels who had been robbing the Government as a result of conditions immediately following the World War. That was the purpose of the statute; and to any man who had a judicial mind, when he read the statute and saw that the amended law was to last only for 3 years, that was the red-letter sign of warning of danger that the amended law was not intended for the ordinary affairs and the ordinary litigation of this country, but it had a specific purpose to serve. Otherwise it would not have been provided that it should be automatically repealed in 3 years.

Judge Holmes says that he knew about this statute 40 days after it was passed. He is such a close student that he knew about it, and he was attempting to bring me to court under this war-fraud statute. That is his contention, and I am telling the Senate upon my word of honor that I honestly believe, and I think the physical facts and that the record will show, that Judge Holmes knew nothing about this new statute until the case was called in Oxford and until they began to seek ways and means to bring BILBO to Oxford under an attachment. That is when he found it out.

Mr. President, this is the strange thing about it, this is the queer thing about the case: This poor, little, miserable misfit, this human wreck, this prevaricator, whom you can get to say anything for \$5, the only witness whom Holmes brings here to prove that I plead guilty, this poor, little, unfortunate human being was the man at that time who told the lawyers in the case about this recent act of Congress 40 days before the court met in Oxford, when they were devising ways and means to bring BILBO to the Oxford court. They shot out of the consultation room like bats out of hell trying to find that new statute. Then it was they conceived the idea that they could attach me and bring me to court and cite me for contempt, and not until then. All the proceedings in the case show conclusively that they were proceeding under section 876 of the Revised Statutes of the United States.

Mr. President, I have searched the records, I have searched the lawbooks, and I have failed to find anywhere a case on record like the one I am now discussing. There has been only one judge, so far as I can find from a search of the lawbooks of the country, who tried to use the amended statute of 1922 to bring witnesses to his court who resided more than a hundred miles away, and that case arose in the State of Ohio. It was the case of Benedict against Seiberling, reported in 17 Federal Reporter, 2d series, page 845. Let me read what the court said. The case was tried in Ohio, and the court stated:

The motion seeks the attendance upon this court as witnesses, in the hearing of this special issue, of seven persons, including the plaintiff, who resided more than 600 miles from the city of Toledo. While the course under the code (sec. 1239, Barnes, amendment of 1922) the court could put these several witnesses to this great personal inconvenience, yet it is manifest that neither in its own interest nor with any decent regard for their rights or those of the plaintiff and her counsel should it do so unless it appears with reasonable clarity that they may be brought to testify to facts material to the alleged issue; and that should appear upon the moving papers.

Granting that they were trying to proceed under this recently found statute, which had been born only 40 days before, and they did not find that out until court met in

Oxford—granting that they were trying to proceed under that, in the only case upon record where any light was thrown upon this new kind of litigation the court refused to issue an attachment, and the court said:

Before you can take advantage of it you must show upon the moving papers, you must have a written motion, you must set up the facts, you must allege the materiality of the witness and what you expect to prove by him before the court will be authorized to exercise this power under this special statute.

The court so held.

There is not a line or a scratch in the whole file which has been brought from the court in Oxford to show that one thing was written in the whole record indicating that BILBO was a material witness when they subpoenaed him, or even when they attached him. To those who have any conception or any regard for legal procedure in this country it seems more like a moot court performance than an action in a court of law.

The lawyers of the Senate know, they understand, that an attachment cannot issue, unless it is shown upon the papers in the record, upon the written petition, upon the written motion, that they were complying with section 876 as revised in 1922 by an act of Congress, if they were proceeding under the old statute, which has been the law for a hundred years, and that is what they were doing. If they were doing that, then any subpoena they issued for my appearance at the Oxford court was absolutely and unquestionably illegal.

While this matter was under discussion before the subcommittee I telegraphed one of the attorneys in the case down in Oxford to see just when they found out about this new law, and I have here a telegram from Judge Falker, of Oxford, Miss., as follows:

Compulsory process for witnesses not discussed by Birkhead-Russell counsel in my presence. I did not know of the amendment at that time and feel sure that none of the attorneys in the case were advised of the change.

I am telling the Senate that they did not know of it. The judge on the bench did not know about it. He had not found it out.

Mr. MINTON. Mr. President—

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. BILBO. I yield.

Mr. MINTON. Did the Senator reside in the same district with the court which issued the subpoena?

Mr. BILBO. Did I reside in the same district?

Mr. MINTON. In the same district.

Mr. BILBO. At that time Mississippi was all one district. We had only one judge for the two districts of the State. We now have two districts, with a judge in each district.

Mr. MINTON. At that time the State of Mississippi comprised one district?

Mr. BILBO. One division with two districts, southern and northern. I was 300 miles outside of the district in which the court was held.

I will now ask Senators to note this testimony from page 83 of the hearings:

Senator BILBO. Without application or cause shown, you issued that order to the clerk?

Judge HOLMES. I think it was a written petition, but I do not find it in the files.

He thought so, but he said he did not find it in the files.

Senator BILBO. It is not in the files.

Judge HOLMES. It is proper for me to act on a written petition. That is my recollection. Mr. Campbell was an experienced lawyer.

He admits that it would have been proper, but there was not any petition. He was trying to leave the impression, trying to get it over to the committee, that there was one.

I am stating that his whole presentation of the facts in the case is a fraud on the committee, and by the time I get through with the acts of the judge, the Senate will understand thoroughly why it is possible for him to do a thing like this.

It does not require any argument to convince any sane mind that if the subpoena was illegal and unlawful, without any potency, without any force, then any attachment issued upon that subpoena would be just as illegal and just as lacking

in potency and effect. Judge Holmes remembers very distinctly how important my testimony was when he was faced by an application made by the attorneys for the plaintiff for a writ of attachment for me. He recites in the hearing every detail of the things which transpired immediately prior to issuing the writ of attachment.

Hon. T. R. Foster, one of the attorneys for the plaintiff, made an affidavit a portion of which I wish to read. He was a lawyer in the case for the plaintiff. He is not my friend; he has always been my bitter enemy. He said in his affidavit:

When the case was called for trial at Oxford, he [BILBO] did not appear, and the attorneys for the plaintiff asked for an attachment. Judge Holmes hesitated about issuing the attachment and questioned the attorneys as to whether the court had the power to issue it.

Mr. President, do you think a man has judicial ability sufficient even to be a decent justice of the peace if he has to stop and hesitate and ask the lawyers to find out whether he has the right to issue an attachment upon a subpoena which had not been obeyed, when he knew that if the subpoena was lawful and right, under the statutes and laws of the country, if I had failed to respond to the subpoena, certainly the attachment would be legal; and if the subpoena was not legal, the attachment would be illegal? As his attorney says, Judge Holmes hesitated, and Judge Holmes wanted some advice.

He was in doubt. He was in the clouds. He could not tell whether he was right or whether he was wrong, and he sought information about whether he had a right to attach me. Up to this time Judge Holmes had not found out about this new act of Congress; but he knew that, under section 876 of the Revised Statutes, he had no power on earth to attach me to come to the court, because the subpoena was not valid, and had no legal effect.

Mr. MINTON. Mr. President—

The PRESIDING OFFICER (Mr. MOORE in the chair). Does the Senator from Mississippi yield to the Senator from Indiana?

Mr. BILBO. I yield.

Mr. MINTON. Is it the contention of the Senator that, even though the Senator were in the district of the court, even though he resided 100 miles from the court, the subpoena would not reach him?

Mr. BILBO. I was not in the district of the court. I was in another district.

Mr. MINTON. I thought the Senator said Mississippi was one district.

Mr. BILBO. Mississippi is divided into two divisions, the northern division and the southern division, as I understand.

Mr. MINTON. Is it one district with two divisions?

Mr. BILBO. It is one district with two divisions. I lived in the southern division, and Judge Holmes was holding his court in the northern division, 300 miles away; and in order to subpoena me he had to come across into the other division.

Mr. MINTON. Then, the Senator did not reside in the division in which Judge Holmes was holding court?

Mr. BILBO. No; I did not.

I was reading the affidavit of Mr. Foster. I continue reading:

Time was allowed for the attorney to look up the authorities.

Oh, yes; he adjourned his court. He suspended operations and sent the lawyers off to find out what the law was; and it was while they were on this quest that they discovered that on September 19, 1922, Congress had passed a law for the purpose of uncovering the war frauds of the country.

They went around to General Stone's office, where there is a good library, looked up the law, and convinced the court that he had the right to issue an attachment for Senator BILBO. * * * Before granting the attachment the following facts were presented to the court and upon which he acted showing the necessity for Senator BILBO's presence: Letters from Senator BILBO to Miss Birkhead, that the allegations made by her against Governor Russell were true, within the knowledge of Senator BILBO; Miss Birkhead's statements that Senator BILBO had acted as a "go-between" for Governor Russell and herself.

In ordinary parlance we do not call lawyers "go-betweens." We say attorneys representing clients. I continue reading:

And had for Governor Russell paid her large amounts of "hush" money; Miss Birkhead's statement that Senator BILBO had prom-

ised to attend the trial and give testimony; the statement of Miss Birkhead's attorney that Senator Bilbo, through his personal attorney, Hon. Pat Henry, of Vicksburg, Miss., had assured the attorneys for the plaintiff that Senator Bilbo would attend court and give testimony.

Senators will see that that is hearsay.

Upon the above showing the court delayed the trial for several days and ordered the issuance of attachment for Senator Bilbo.

When the court finally again took up the trial, Senator Bilbo was still missing; but the plaintiff was compelled to go to trial under protest.

Judge Holmes knew that I was an attorney at law, and that I had been practicing law for a number of years. Judge Holmes says, if he gets his dates right, that we attended the University of Michigan at the same time, in the same class. I have no recollection of him. He made no impression on me. I do not remember it. Judge Holmes had to find out what the law was before he could proceed to issue his attachment for me; but he knew that the showing made was untrue, or, if he did not know it, then he is an unfaithful judge.

He knew that I was attorney for Governor Russell. He knew that whatever I knew about the case was privileged communication. He knew that I, as an honorable attorney, could not testify about the information in my possession. He knew all that; and yet he granted the attachment upon the ground that I was a material witness. He knew I was not a material witness; he knew I could not testify; but what he was after was the attachment to get a chance to get a contempt case against Bilbo. Anything to monkey with Bilbo.

Judge Foster, who represented the plaintiff, said they had to go on through the trial of the case under protest. If Judge Holmes believed in his heart as an attorney that I was a material witness, and that the success of the plaintiff's case depended upon my testimony, he was untrue and unfaithful to the plaintiff's cause when he forced the plaintiff to trial in the face of the fact that I was absent. But he knew that I was not a material witness.

McNeil, the man who represented the plaintiff, and who is now trying to come to the rescue of Judges Holmes, the man who made the motion to have me cited for contempt, knew it. Why did he go on to trial? Why did he not file a motion setting up the facts and asking for a continuance? If Bilbo's testimony would have saved the plaintiff's case, pray tell me why did they not appeal from the decision of the court? No; the fact of the matter is that the whole case was a political set-up. It was a kind of a fishing expedition of some political lawyers, trying to start something politically in the State. I have no defense for the plaintiff in the case—or the defendant, either. I think it was a case of "the pot and the kettle" controversy. The woman should not have recovered.

There is not a lawyer in this body who will contend for one minute that either the attachment, the order citing me for contempt, the trial for contempt, or the fine for contempt was legal, unless he goes back to the very beginning and says that the subpoena was legal; and I think the record of this case, the action of the attorneys, the action of the court, and the law, show conclusively that the subpoena never was legal. Therefore, if the subpoena was illegal, and the process employed was of no effect, everything they did, so far as Bilbo was concerned, was illegal, and any lawyer who knows anything about the law knows that to be true.

Mr. President, having covered the legal phases in a brief way, showing that the subpoena was illegal, showing that the attachment was necessarily illegal, showing that the citation for contempt was illegal, showing that the bond for appearance was illegal, showing that the sentence of the court was illegal, showing that there was no plea of guilty entered, and establishing even by the words of Judge Holmes himself that I went before the court not with a plea of guilty but with a mere statement of the facts, acting in good faith, assuring him that I was acting upon the advice of a competent attorney, a man for whom he has high respect, that there was no intention, and there could not have been any intention on my part to be in contempt of court, and establishing in Senators' minds that the action

of the court showed that he knew that I was not a material witness, I believe I have proved by the way he handled the case that he is an unfaithful judge.

There can be no reason on earth for the action of the court in sending me to jail. There must be something else behind it; and that something else, my friends, was motivated by the political prejudice that was characteristic of the judge and his household. It was to destroy the man Bilbo, a member of the faction that opposed his father-in-law in the political life of Mississippi.

Now I desire to take up a different phase of the case. I wish to discuss the necessity of sustaining a motion to recommit this nomination to the committee for rehearing, for a reopening of the case, for a full, complete, square, fair, honest, and just investigation of the facts that I have charged against Judge Holmes in this case.

As I stated a while ago, when I came to Washington in January of last year, because of the pleasant and affable and congenial relationship which existed between the senior Senator from Mississippi and myself, I never dreamed that we should have such a hearing as we are having today. I never dreamed that my colleague would try to cram this man down my throat, over my protest, when he knew of the great injury this man had done against me and mine, illegally and without justification. Therefore, on the adjournment of Congress last year I made no investigation; I made no effort to find out anything about Judge Holmes and his inside record as a judge.

I have not been associated with the courts in recent years. I have been in office, or running for office. I have not been in the courts. I have been devoting myself, as many Senators have been doing, to building my political life. So I made no efforts to investigate Judge Holmes. But when it seemed that a fight was going to take place, and the newspapers began to carry the news, I began to get telegrams and letters from lawyers, from my friends, telling me of the judicial misconduct of Judge Holmes outside of my own case.

Then it was that I suggested the reopening of the hearings of the subcommittee; then it was that I submitted additional charges against the judge; and at the suggestion of the committee they were willing to wait until I could go down to Mississippi. When I heard about the various acts of which as a judge he was guilty, such as gross violations of his duties and prostitution of his office, I stated to the committee, "If you will give me a few days—I have got to make a trip home—I will try to find out what I can as to the facts. I will be fair with you. I will bring them back and put them on the table, face up, and we will have an investigation." When I returned I set forth a lot of facts which I believe will disqualify this man from enjoying promotion at the hands of the United States Senate. I insisted that I be permitted to bring witnesses to prove the charges; but to my very great surprise, instead of the committee permitting me to bring my witnesses here, I walked into the committee room and found Judge Holmes there on the stand trying to explain, trying to justify, trying to cover up the things that I charged him with; and not only that but the committee sends down to Jackson and brings his clerk here, by way of cumulative evidence, further to cover up the things that I charged, because the committee knows, and Senators will know when I get through discussing the record in the case, that if he is guilty of the things I have charged, then he is not entitled to this promotion; he is unfit for this service; he is not qualified to sit on a reviewing court in this country. All that I have been asking is that the committee subpoena the list of witnesses that I will give them and let me bring them here and prove my case, and then let the Senate, the judges, the final arbiters in this important matter, say whether I have established facts that will justify the Senate in refusing to consent to the promotion of this man.

I wish to impress upon the Members of the Senate that a very grave responsibility rests upon those in authority in this Government to protect the helpless and the defenseless of our country. I understand that since I have been here the Senate has had a committee, which is now active, investigating receiverships and bankruptcy cases and the way

in which property of individuals is being handled by the courts of the country. I picked up a Washington newspaper from which I wish to read the headlines of an article preparatory to the introduction of some of the matters which I want to call to the attention of the Senate in regard to the action of Judge Holmes and his record:

Many receiverships held to be "legal rackets."
Investors cheated in reorganizations; creditors lose, too.
Property destroyed and savings looted "with due process of law" probes show.

Some people think it is all right to get the other fellow's money if you can get it "by due process of law", and that is the way great rackets are being carried on in this country—rackets in bankruptcy proceedings, rackets in the liquidation of banks, rackets here, there, and everywhere in re-reorganization of businesses.

I quote from the newspaper article:

Property rights may be sacred in the United States under most circumstances, but Congress has found an exception to the rule.

Bankruptcy, receivership, and reorganization proceedings are being used to destroy property and loot the savings of the thrifty, special Senate and House committees have reported after several years' investigation.

These practices do not violate the Constitution, for the looting is done "with due process of law." Federal judges appoint receivers and trustees for reorganization and have the last say about the things these appointees do and the fees they receive.

I want to call attention in a few moments to the conduct of this man, Judge Holmes, who has the last say; his is the last word; he is the last hope of the defenseless and helpless depositors in my State when receivers are appointed by the Comptroller of the Currency to liquidate national banks in the State. Again quoting from this newspaper:

When a concern goes into bankruptcy or starts reorganization proceedings under section 77B of the Bankruptcy Act, investors in bonds are lucky if they get a few cents on the dollar for the money they put in.

Stockholders, almost invariably, get nothing.

But the receivers, trustees, bondholders' committee, and the attorneys who represent them get fees running into the hundreds of thousands of dollars in individual cases.

A House investigating committee used the word "despicable" in describing prevailing practices.

A Senate committee used the word "unconscionable."

Since the investigations began a number of Federal judges have expressed equal indignation. Judge Slick, of Indiana, for instance, described one reorganization proceeding as having "all the earmarks of a mad scramble for advantage at grossly exaggerated expenses which the court is now asked to burden upon the debtor."

Some judges have done nothing toward cleaning up bankruptcy and reorganization rackets in their districts.

My contention is that we have a judge here who is engaged in the liquidation of the banks and who has been as reckless as any receiver ever dared to be.

I ask permission to insert the entire article from which I have read in the RECORD.

The PRESIDING OFFICER. Without objection, the permission is granted.

The article referred to, in its entirety, is as follows:

[From the Washington Daily News of Mar. 16, 1936]

MANY RECEIVERSHIPS HELD TO BE "LEGAL" RACKETS—INVESTIGATORS CHEATED IN REORGANIZATIONS; CREDITORS LOSE, TOO—PROPERTY DESTROYED AND SAVINGS LOOTED "WITH DUE PROCESS OF LAW", PROBES SHOW

By Ruth Finney

Property rights may be sacred in the United States under most circumstances, but Congress has found an exception to the rule.

Bankruptcy, receivership, and reorganization proceedings are being used to destroy property and to loot the savings of the thrifty, special Senate and House committees have reported after several years' investigation.

These practices do not violate the Constitution, for the looting is done "with due process of law." Federal judges appoint receivers and trustees for reorganization and have the last say about the things these appointees do and the fees they receive.

INVESTORS CHEATED

When a concern goes into bankruptcy or starts reorganization proceedings under section 77B of the Bankruptcy Act, investors in bonds are lucky if they get a few cents on the dollar for the money they put in.

Stockholders, almost invariably, get nothing.

But the receivers, trustees, bondholders' committees, and the attorneys who represent them get fees running into the hundreds of thousands of dollars in individual cases.

DESPICABLE

A House investigating committee used the word "despicable" in describing prevailing practices.

A Senate committee used the word "unconscionable."

Since the investigations began a number of Federal judges have expressed equal indignation. Judge Slick, of Indiana, for instance, described one reorganization proceeding as having "all the earmarks of a mad scramble for advantage at grossly exaggerated expenses which the court is now asked to burden upon the debtor."

Some judges have done nothing toward cleaning up bankruptcy and reorganization rackets in their districts.

ONE INSTANCE

Here are a few stories to illustrate what the committees found. In the Richfield oil receivership in southern California, no creditor had received any part of his claim when the receivership was 32 months old. The book value of assets during that time showed a shrinkage from \$130,000,000 to \$41,949,000. A subsequent appraisal disclosed assets of \$23,821,000. First-mortgage bonds of \$35,000,000 were outstanding against them. Six millions in interest was in default.

The receiver had piled up an operating loss of \$10,594,210. But during that time the receiver, his attorneys, auditors, and appraisers had received fees, on account, of \$1,500,000.

In another case, the Senate committee says, bankruptcy proceedings were instituted apparently "to relieve the corporation involved from obligations the validity of which could not be questioned."

"Lessors looked on helplessly and saw their obligations made void and of no effect. Holders of preferred stock were denied that security of investment which they had been led to believe they had safeguarded, and made to suffer losses they could ill afford to bear."

"... in some instances the loss of their entire life savings."

"These proceedings which brought about such results ... were instituted by men who were unscrupulous, aided by attorneys who, to our minds, had little, if any, regard for their obligations of citizenship, much less for the canons of legal ethics, and were prosecuted with the full knowledge and at least the tacit acquiescence of the judge whose duty it was to pass judgment upon the merits of the objects sought to be obtained."

"In this particular case through the device of holding companies ... and by the forced sale of the bankrupt estate in its entirety the former owners have again come into possession of all the assets ... though relieved of real estate leases which the interests formerly in control considered onerous or disadvantageous, and freed of the obligation of accounting to the holders of \$6,000,000 of their preferred stock which has literally been wiped out."

In another case the Senate committee found that \$4.97½ was paid in fees for every dollar paid to general creditors.

Mr. BILBO. Mr. President, I have made a charge against Judge Holmes as the reviewing judge, as the approving judge, as the last hope in the liquidation of one bank especially. There are other banks, there are other cases that have been brought to my attention; but Senators must understand the handicap under which I am operating and trying to bring to them the real inside facts of this man's judicial record. The lawyers in Mississippi know him; they know his temperament; they know what he will do, and they do not dare open their mouths. They could not come here to testify. If they did, they would have to pack up their books and get out of his court. They know that, and I have not dared to quote them, but they have talked to me privately.

I wish now to bring to the attention of the Senate the case of the liquidation of one bank, the First National Bank of Gulfport, Miss. I have here from the Comptroller of the Treasury a statement of the condition of the bank. This bank at the date of its suspension had assets of \$4,002,716; the total assets to be accounted for in the liquidation of the bank were \$4,665,000; and here is the alarming statement that out of all those assets of the bank the unsecured liabilities at the date of suspension were \$2,263,791.81. That was the bank that went to the bow-wows down in Gulfport, in the southern district of Mississippi, and when that bank failed the Comptroller of the Currency appointed a receiver by the name of A. F. Rawlings.

When I made these charges about the way in which he had approved the liquidation at the instance of the receiver, Judge Holmes was brought here to explain. Yes; but the committee goes to the office of the Comptroller of the Currency and brings one of the deputies before the committee to try to explain for the benefit of Judge Holmes. The committee did not wait until I established what I believed to be fraudulent transactions in the liquidation of this bank, fraudulent deals that the judge has approved, fraudulent transactions and deals about which he could have known and should have known and about which it was his duty

and responsibility to know; but the committee, out of the bigness of its heart, and evidently for the purpose of trying to save the judge, themselves go up and get the deputy from the office of the Comptroller General and bring him down to explain that the judge had no responsibility in the matter; that although he had the last say, and he approved all these transactions and deals, what he did was merely a perfunctory act, a matter-of-course affair. However, the man the committee brought down from the office of the Comptroller of the Currency, Mr. Lyons, said there are certain settlements and transactions in these bank liquidations that stand out "like a sore thumb in the community", and about which the judge himself should know something and should take steps to investigate, and among these is the disposition of real estate that the depositors can see and the judge can see. It was the disposition of the bank buildings and fixtures at Gulfport that I charged was one of the cases that did not look right on the surface. It looked as if someone had feathered his nest; and I wanted to bring to Washington at least the chairman of the depositors' committee that represented 6,000 depositors in the city of Gulfport.

Does anyone see anything wrong in hearing the men who were desirous of representing the depositors' interests in the liquidation of the bank when they charge that something is "rotten in Denmark" in that liquidation? Does anyone see why any committee of the Senate should object to the chairman of the depositors' committee coming to Washington to tell the committee what had taken place, so the committee could find out whether the judge has been guilty of dereliction in his duties and functions as a judge?

Oh, no; instead of bringing the representatives of the depositors' committee for that purpose, they bring the judge. What would Senators think if they should walk into a court anywhere in this country and the grand jury should bring in an indictment charging John Doe with murder or arson or burglary or some other heinous crime, and the court sitting on the bench should dismiss all the State's witnesses, the prosecuting witnesses, and say, "I do not want to hear you; you cannot testify in my court; Mr. Defendant, you are charged with arson, murder, burglary, or something else; take the stand; here is the indictment; explain it to the jury?"

That is exactly what the subcommittee did in this case. I made several indictments, indictments that ought to be investigated, indictments which they thought enough of to cause them to bring the judge here instead of letting me bring the witnesses. They put him on the stand, and said, "Judge Holmes, this man BILBO charges you with fraudulent transactions in Gulfport in the liquidation of a bank there, and charges that you approved some transactions because of which the depositors claim they have been defrauded. Please explain it for the benefit of the Senate of the United States. BILBO has charged you with other things. Explain them to the committee for the benefit of the United States Senate."

A mere alleging is not proof. I appreciate that fact. I might charge Judge Holmes with murder, or burglary, or arson, or theft, or anything else under the sun in the category of crime, but the Senate would have no right to reject his nomination merely because I so charged him. That would not constitute proof. All I have asked the committee to do is to let me bring my witnesses and prove what I have charged. If what I have charged can be substantiated, there is not a man on the floor of the Senate who would vote to confirm Judge Holmes, not even my colleague, strong as he is for Judge Holmes. At least I do not believe he would.

Mr. President, I have a telegram from the chairman of the depositors' committee about one of the transactions involved which reads as follows:

GULFPORT, MISS., March 19, 1936.

Senator THEODORE BILBO:

Answering your telegram March 7, public records here show First National Bank Building at Thirteenth Street and Twenty-sixth Avenue sold by A. F. Rawlings, receiver First National Bank in Gulfport to Eustis McManus, as trustee, for \$3,000 cash, assumption of past-due taxes amounting to \$4,000 cash, assumption of past-due taxes amounting to \$4,400, and assignment of deposit claims held by McManus in trust amounting to \$41,938.44. Thirty-percent dividend had been previously paid on these deposits. Claims probable balance liquidating value such claims 20 percent. Sale was made October 20, 1933. On November 23, 1933, McManus conveyed

same property to Hancock County Bank in consideration \$1 and other valuable considerations; assessed value of said property in 1933 was \$28,000, not including bank furnishings. Included in the sale was all of the banking-house furnishing furniture, including vault, time lock, and safety deposit boxes. Assessed value of land and buildings, conservative value of furniture, deposit boxes, and time lock on vault approximately \$5,000.

DEPOSITORS' COMMITTEE, FIRST NATIONAL
BANK OF GULFPORT, MISS.,
J. F. GALLOWAY, Chairman.

In Mississippi, when a piece of real estate is assessed, the assessment generally represents from 25 to 40 or 50 percent of its actual value. Here was a piece of property which was assessed at \$35,000. When we figure up what this man McManus paid for it, it will be found that the judge, in one of these "sore thumb" cases about which Lyons told the committee, permitted, to the great harm of the depositors, a piece of property to go almost for a song in comparison with its actual value. I personally happen to know about the property.

I have here a copy of the order of the court effecting that sale, and, in conjunction with the telegram which I have just read from the chairman of the depositors' committee, I ask leave to submit that order for the RECORD.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi in equity. In re First National Bank of Gulfport, in liquidation. No. 413, Equity. Order.

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank of Gulfport, in liquidation, for leave and authority to sell to Eustis McManus, the building commonly known as First National Bank of Gulfport Building, and certain equipment therein, specifically described in said petition, upon the terms and conditions outlined in said petition, and the court having considered said petition, and finding it to be the best interest of petitioner's trust to make said sale upon the terms outlined in the petition, and it further appearing that the same has been authorized by the Comptroller of the Currency of the United States, it is therefore

Ordered, adjudged, and decreed that A. F. Rawlings, receiver of the First National Bank of Gulfport, be, and he is hereby, authorized and empowered to convey by receiver's deed, without warranty of any kind, to Eustis McManus, the following-described real property, with improvements thereon, situated in city of Gulfport, Harrison County, Miss., to wit:

Thirty-five feet off the east end of lots 9 to 12, inclusive, and the south 11 feet off lot 8, block 177, of the official map of original Gulfport, Harrison County, Miss., as per map or plat thereof on file in the office of the chancery clerk of Harrison County, Miss., and the following-described personal property or equipment, situated in said building, to wit:

Six grill cages—counters in same; one standing double desk.

Two counters—one to right and one to left of row of cages.

In vault—door built by Diebold Safe & Lock Co., Canton, Ohio: 1 money safe (steel) built by Hibbard-Rodman-Ely Safe Co., New York; 1 steel cabinet, various size lockboxes, numbered 1 to 14, inclusive; 1 burglar-alarm system (McClintock Co.), model no. 30.

In vault, over door marked "Mutual Auto Sales Co.": 1 section storage cabinets (4) and roller shelves, with row of 19 document files above same; 1 section letter drawers (8—1 missing) and roller shelves, with row of 15 document files (1 missing) above same; 1 section of 15 document files; 1 section of 19 document files; 1 section of 12 roller shelves.

In vault, made by Herring-Hall-Marvin Safe Co., Hamilton, Ohio: 1 battery safe-deposit boxes, nos. 438 to 769, inclusive (332 boxes); 1 battery safe-deposit boxes, nos. 101 to 428, inclusive (328 boxes).

Grill door leading to vault.

2 customers' booths.

Upon payment to said receiver of the sum of \$3,000 in cash, the assignment and delivery to said receiver of receiver's certificates nos. 1673, 1674, and 3505, in the total sum of \$41,938.44, issued by receiver of First National Bank in Gulfport, upon which total dividends of 30 percent have been paid, and the assumption by said Eustis McManus of all delinquent and unpaid taxes, State, city, and county, upon said property, and special improvement taxes upon said property and the agreement by said Eustis McManus to pay all taxes on said property for the year 1933 and thereafter.

Ordered, adjudged, and decreed in vacation, at Yazoo City, Miss., this 20th day of October 1933.

E. R. HOLMES, Judge.

Entered in vacation order book no. 2 at pages 197-198.

UNITED STATES OF AMERICA,

Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the United States district court for said district, do hereby certify that the foregoing page and one-half contain a full, true, and correct copy of the original thereof now among the records of said cause in said court, in my office at Biloxi, Miss., in said district.

Witness my hand and the seal of said district court, at Biloxi, Miss., this 10th day of August 1935.

B. L. TODD, JR., Clerk.
By GEO. F. MONEY,
Deputy Clerk at Biloxi.

Mr. BILBO. The First National Bank of Gulfport numbered among its stockholders and creditors several people who are rated as millionaires. That is another one of the "sore-thumb" propositions of which Judge Holmes should have taken notice. I introduce for the RECORD a petition of the receiver for an order of the court, in which one of these very wealthy people was permitted to get away with not paying his just share of the obligations due the depositors.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In the matter of First National Bank in Gulfport, in liquidation First National Bank of Gulfport, in liquidation. No. 439; equity

Petition of A. F. Rawlings, receiver of First National Bank in Gulfport and receiver of First National Bank of Gulfport

Your petitioner would respectfully show unto the court that on, to wit, December 3, 1931, he was appointed receiver of the First National Bank in Gulfport, in liquidation, a national banking corporation, by the Comptroller of the Currency of the United States; that on, to wit, August 9, 1932, petitioner was appointed receiver of the First National Bank of Gulfport, in liquidation, a national banking corporation, by the Comptroller of the Currency of the United States; that he immediately qualified, and has since the date of his respective appointments, and is now, proceeding with his duties in the liquidation of the affairs of said banking institutions in pursuance of his appointments.

Petitioner would further respectfully show unto the court that among the stockholders of the First National Bank in Gulfport and of the First National Bank of Gulfport, at the time said banks closed and were placed in liquidation by the Comptroller of the Currency, were the following: Mrs. H. S. Weston, owning stock in the First National Bank in Gulfport of the par value of \$8,000; and the estate of H. S. Weston, deceased, owning stock in the First National Bank of Gulfport of the par value of \$25,500.

That after the appointment of petitioner as receiver, respectively, of both of said banks, the Comptroller of the Currency of the United States duly made assessments against said stockholders of both of said banks for the par value of said stock, and in the amounts as hereinabove set forth; that is to say, \$8,000 against Mrs. H. S. Weston and \$25,500 against the estate of H. S. Weston, deceased. That said stock assessments were not paid, and petitioner, pursuant to instructions from the Comptroller of the Currency of the United States, instituted suits in the United States District Court for the Southern Division of the Southern District of Mississippi, at Biloxi, seeking to recover of and from said Mrs. H. S. Weston, and also Mrs. H. S. Weston as executrix of the estate of H. S. Weston, deceased, the full amount of the par value of said stock, as hereinabove shown, and said suits are now on file and pending in this honorable court.

That petitioner has made diligent inquiry into the affairs and the solvency of the said Mrs. H. S. Weston, and also of the estate of H. S. Weston, deceased. Petitioner finds that the estate of H. S. Weston, deceased, is involved in litigation involving large amounts, and that his pendens notices have been placed on practically all of the property of said estate in suits by which it is sought to subject the property of said estate to large money demands. That there is a serious question whether petitioner would be able to realize by execution the amount of the said judgments which might be rendered against the estate of H. S. Weston, deceased, on account of said stock assessment and liability aforesaid. That, therefore, the ability of petitioner to collect the full amount of said stock liability against the estate of H. S. Weston, deceased, is doubtful. That the value of said estate has greatly diminished in the last 2 or 3 years.

That petitioner has received from Mrs. H. S. Weston and from Mrs. H. S. Weston, executrix of the estate of H. S. Weston, deceased, an offer of \$29,500 in cash in full compromise and settlement of the above-mentioned stock-assessment liability; that is to say, the assessment against Mrs. H. S. Weston for \$8,000 and the assessment against the estate of H. S. Weston for \$25,500, said payment to be in full on account of her individual liability and also the liability of said estate.

That petitioner, after careful investigation, has come to the conclusion and avers that he believes it to the best interest of his trust to accept said offer of \$29,500 in cash in settlement and cancellation of said stock liability. That petitioner reported his conclusions and findings to the Comptroller of the Currency, and the Comptroller of the Currency has by letter addressed to petitioner authorized petitioner, with the consent of this honorable court, to accept the sum of \$29,500 in full settlement of said stock liability, and has authorized petitioner upon payment thereof to dismiss the aforementioned suits pending in this court to enforce said stock-assessment liability, same to be dismissed with prejudice and at the cost of plaintiff.

Wherefore, petitioner prays for an order authorizing, directing, and empowering him to accept from Mrs. H. S. Weston and Mrs. H. S. Weston, as executrix of the estate of H. S. Weston, deceased, the sum of \$29,500 in full compromise and settlement of the stock-assessment liability of the said Mrs. H. S. Weston and the estate of H. S. Weston, deceased, and that petitioner be authorized to execute and deliver a full and complete release therefor. That petitioner be further authorized to dismiss the said suits pend-

ing against the said Mrs. H. S. Weston and the estate of H. S. Weston, deceased, with prejudice, at the cost of the plaintiff. And petitioner will ever pray.

A. F. RAWLINGS,
Petitioner.
FORD, WHITE, & MORSE,
Attorneys for Petitioner.

STATE OF MISSISSIPPI,
County of Harrison:

Personally appeared before the undersigned authority in and for said county and State, A. F. Rawlings, receiver of the First National Bank of Gulfport, and A. F. Rawlings, receiver of the First National Bank in Gulfport, who, first being duly sworn, deposes and says that the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated to the best of his knowledge and belief.

A. F. RAWLING,
Receiver of First National Bank of Gulfport.

Sworn to and subscribed before me this 27th day of February 1933.
[SEAL]

MAZIE D. SIMPSON,
Notary Public.

In re First National Bank in Gulfport, in liquidation; First National Bank of Gulfport, in liquidation. No. 439, equity
Order

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank in Gulfport, in liquidation, and A. F. Rawlings, receiver of the First National Bank of Gulfport, in liquidation, for leave and authority to compromise and settle with Mrs. H. S. Weston and the estate of H. S. Weston, deceased, on account of the stock-assessment liability of said Mrs. Weston and said estate in said national banks, and the court having considered said matters, it is therefore

Ordered, adjudged and decreed that A. F. Rawlings, receiver of the First National Bank in Gulfport, in liquidation, and A. F. Rawlings, receiver of the First National Bank of Gulfport, in liquidation, be, and he is hereby, authorized and empowered to compromise and settle the stock-assessment liability of said Mrs. H. S. Weston, in the sum of \$8,000, in the First National Bank in Gulfport, and the stock-assessment liability of the estate of H. S. Weston, deceased, in the First National Bank of Gulfport, in the sum of \$25,500, at and for the sum of \$29,500 in cash; that upon payment thereof said receiver be, and he is hereby authorized, to execute and deliver a full and complete release, releasing the said Mrs. H. S. Weston and said estate of H. S. Weston, deceased, from any and all liability on account of said stock assessments.

The said receiver is further authorized to dismiss with prejudice the suits pending in this court against the said Mrs. H. S. Weston and the estate of H. S. Weston, deceased, to recover the stock liabilities, said dismissal to be with prejudice and at the cost of plaintiff.

The court finds that it is to the best interest of petitioner's said trust to enter into and effect said compromise agreement as hereinabove set forth.

Ordered, adjudged, and decreed this 31st day of May 1933, in vacation, at Yazoo City, Miss.

E. R. HOLMES, Judge.

Vacation order book no. 2, United States District Court, Biloxi, page 152.

UNITED STATES OF AMERICA,
Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the United States District Court in and for the Southern District of Mississippi, do hereby certify that the annexed and foregoing is a true and full copy of the original petition, equity docket no. 439, with the order thereon dated May 31, 1933, now remaining among the records of the said court in my office in Biloxi, Miss.

In testimony whereof I have hereunto subscribed my name and affixed the seal of the aforesaid court at Biloxi, Miss., this 14th day of February, A. D. 1936.

[SEAL]

B. L. TODD, Jr.,
Clerk.
By GEO. P. MONEY,
Deputy Clerk.

Mr. BILBO. I now wish to call attention to a petition of the receiver of the First National Bank in Gulfport for settlement of the liability of J. W. Somerville in the sum of \$16,363.10 for the sum of \$969.93. The order of Judge Holmes is attached to the petition, and I ask that the petition and order may be printed in the RECORD.

There being no objection, the petition and order were ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re First National Bank in Gulfport, in liquidation. No. 387, equity

Petition of A. F. Rawlings, receiver of First National Bank in Gulfport

To the Honorable E. R. HOLMES, Judge:

Your petitioner would respectfully show unto the court that he was, on December 3, 1931, appointed receiver of the First National Bank in Gulfport, a national banking corporation, by the Comptroller of the Currency of the United States, and that petitioner has, since said time and is now, proceeding with his duties in the

liquidation of the affairs of said banking institution, pursuant to said appointment.

Petitioner would further show unto the court that there came into the possession of said receiver, pursuant to his appointment as aforesaid, a note of J. W. Somerville, in the sum of \$16,363.10, the same being secured by a deed of trust executed by J. W. Somerville and Gertrude A. Somerville, his wife, in favor of the First National Bank of Gulfport, E. M. Murphy, Jr., trustee, and now owned by petitioner as receiver of First National Bank in Gulfport, which deed of trust is recorded in book 65, pages 557-560 of Record of Mortgages and Deeds of Trusts on Land in Harrison County, Miss., the same being a second deed of trust, there being two prior deeds of trust in favor of Lamar Life Insurance Co., L. Barrett Jones, trustee, the same being recorded in book 34, pages 34-36, and book 80, pages 319-323, respectively, Record of Mortgages and Deeds of Trust on Land in Harrison County, Miss., the same having been given to secure an indebtedness to the Lamar Life Insurance Co., the property covered by all of said deeds of trust being lot 13, block 2, and lot 13, block 5, Soria City addition to the city of Gulfport, Harrison County, Miss., it being the homestead of the makers of said deeds of trust.

That there was also pledged as collateral security to secure the indebtedness to the said Lamar Life Insurance Co. a policy of insurance upon the life of J. W. Somerville, the policy being no. 30536.

That the indebtedness to the Lamar Life Insurance Co. after the appointment of petitioner, as aforesaid, amounted to \$3,141.76, which sum petitioner, under instructions of the Comptroller of the Currency and subject to the approval of this honorable court, paid to the Lamar Life Insurance Co., in order to protect petitioner's second deed of trust, with the understanding that the said J. W. Somerville and Gertrude A. Somerville would convey by warranty deed the said property to petitioner, and petitioner, in turn, was to cancel the said indebtedness of J. W. Somerville secured by said deed of trust, and petitioner here shows to the court that the said J. W. Somerville is utterly insolvent and would be unable to respond to a judgment in any sum whatsoever and is unable to make any payment on account of said indebtedness.

That the said J. W. Somerville since petitioner has paid to the Lamar Life Insurance Co. the amount of said Somerville's indebtedness to said Lamar Life Insurance Co., has obtained a loan on his said policy no. 30536 in the sum of \$969.93, being the full loan value of said policy, and has turned over and delivered the said sum to petitioner, to apply on his said indebtedness aforesaid.

That as aforesaid, petitioner avers that this arrangement has been approved by the Comptroller of the Currency, and petitioner now prays for an order of this court ratifying and approving his action in the premises and authorizing and empowering petitioner to cancel the said indebtedness of J. W. Somerville and Gertrude A. Somerville to his said trust in the sum aforesaid, in consideration of the execution and delivery of said deed to the real property hereinabove described, and said payment in cash, the proceeds of said loan on said insurance policy as above stated.

II

Petitioner further respectfully shows unto the court that he has received an offer from Judge D. M. Russell, of Gulfport, Miss., to purchase the property hereinabove described, formerly owned by said Somervilles, from petitioner's trust upon the following basis: That is to say, at the time of the closing of the First National Bank in Gulfport, the said D. M. Russell had on deposit to the credit of his personal accounts the sum of \$5,512.63, upon which a dividend has been declared in the sum of 18 percent, amounting to \$992.27; that the dividend checks aforesaid have not been delivered, and are still in the possession of petitioner. That due proof has been made of said claims by said D. M. Russell within the time required by law, and he is entitled to the said dividend checks for \$992.27 and such future dividends as may be declared by petitioner's trust on said deposit. That said offer contemplates that the said proof of claim be canceled and the right of the said D. M. Russell to said dividend checks of \$992.27 be waived and said checks canceled, and that in addition the said purchaser will pay to petitioner's trust the sum of \$2,181.84 in cash. That by this method petitioner's trust will receive in the neighborhood of something between \$5,500 and \$6,000 for said property, which, in the opinion of the petitioner, is a fair value for the same at this time on account of the fact there is no market for real estate and taxes upon the same are burdensome. That this is the best offer petitioner has been able to obtain, and he believes it to be the best interest of his trust that said sale be made to said D. M. Russell, and receiver's deed, without warranty, be executed and delivered to him upon payment of said \$2,181.84 in cash, cancellation and surrender of said certificates of proofs of claim aforesaid and said dividend check hereinabove set forth, and the purchaser to assume and pay all taxes of every kind upon said property for the year 1933 and thereafter.

That by letter of the Comptroller of the Currency, dated April 20, 1933, the Comptroller of the Currency has authorized the said transaction as hereinabove set forth, and sale of said property upon the terms hereinabove outlined, subject to the approval of this honorable court.

III

Petitioner would further show unto the court that since his appointment, as aforesaid, he has acquired title by foreclosure of the following-described real property, situated in Harrison County, Miss., to wit:

One lot of land beginning at the northeast corner of the northeast quarter of southeast quarter of section 21, township 7 south, range 11 west, Harrison County, Miss.; running thence 400 feet

west; running thence south 725 feet to the center of Turkey Creek; running thence in a northeasterly direction along the center of Turkey Creek to the section line; running thence north along the said section line to the point of beginning, being formerly the property of J. A. McDevitt. That the above-mentioned property is improved, having thereon a small house of little value, and is located approximately 5 miles north of Gulfport, Harrison County, Miss.; and there is little, if any, demand for such property.

That petitioner does not consider the property worth more than \$200, but has obtained an offer of \$250 cash therefor, said offer being made by Mrs. Georgie B. Havard. That approximately the sum of \$30.51 will have to be paid by petitioner to redeem said property from tax sale for the taxes for the year 1932. Petitioner believes it to be best interest of his trust that said cash offer of \$250 for a receiver's deed, without warranty, to said property above described be accepted, and that out of said sum the petitioner be authorized to expend approximately \$30.51 to redeem said property from tax sale aforesaid.

That by letter of the Comptroller of the Currency dated April 3, 1933, petitioner is authorized, subject to the confirmation of this honorable court, to make said sale.

Wherefore, petitioner prays for an order authorizing him to execute a receiver's deed, without warranty, to Mrs. Georgie B. Havard for \$250 cash, for said property, and to expend \$30.51 for redemption of said property from tax sale for the taxes for the year 1932.

Petitioner further shows to this honorable court that on or about the 20th day of December 1932 petitioner in this cause presented to the court in vacation a petition with reference to the settlement of the liability of certain parties to petitioner's trust, among them being Mrs. Ruby A. Price. That in said petition it was recited that said Mrs. Ruby A. Price owned stock in the First National Bank in Gulfport in the amount of \$900. That on or about the 20th day of December 1932, in vacation, the court entered a decree authorizing the settlement with the said Mrs. Ruby A. Price et al. Copies of said petition and order are attached hereto as exhibits A and B, respectively, and made a part of this petition. That through an error, the said petition and said decree recites that the said stock was owned by said Mrs. Ruby A. Price in the First National Bank in Gulfport, when in truth and in fact the said stock was owned by said Mrs. Ruby A. Price in the First National Bank of Gulfport; that said petition and the said decree should be corrected in all of its recitals where said stock is designated as being in First National Bank in Gulfport to be First National Bank of Gulfport, and petitioner prays an order directing the clerk of this court to make said corrections in said petition and decree by changing the word "in" to "of" wherever reference is made to the said stock of Mrs. Ruby A. Price in the said sum of \$900.

Wherefore, petitioner prays for an order granting the relief hereinabove prayed for.

A. F. RAWLINGS,

Receiver of First National Bank in Gulfport.

FORD, WHITE & MORSE,

Attorneys for Receiver.

STATE OF MISSISSIPPI,

County of Harrison:

Personally appeared before the undersigned authority in and for said county and State, A. F. Rawlings, receiver of the First National Bank in Gulfport, duly appointed by the Comptroller of the Currency of the United States, who states on oath that the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated to the best of his knowledge and belief.

A. F. RAWLINGS.

Sworn to and subscribed before me this 28th day of April 1933.

MAZIE D. SIMPSON, Notary Public.

EXHIBIT A

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re First National Bank in Gulfport, in liquidation. No. 387, equity

Petition of A. F. Rawlings, receiver, for authority to compromise and settle certain claim

To the Honorable E. R. HOLMES, Judge:

Your petitioner would respectfully show unto the court that he was, on December 3, 1931, appointed receiver of the First National Bank in Gulfport, a national banking corporation, by the Comptroller of the Currency of the United States, and that petitioner has, since said time, and is now, proceeding with his duties in the liquidation of the affairs of said banking institution, pursuant to said appointment.

Petitioner would further show that among the assets of the First National Bank in Gulfport, which came into the hands of petitioner, as such receiver, is a note for \$20,000 dated November 23, 1930, due on or before 1 year after date, payable to First National Bank of Gulfport, or bearer, which note was made and executed by Ruby A. Price. That said note bears interest at the rate of 6 percent per annum from date until paid. That there was placed with said bank as collateral security for the payment of said above-mentioned note, a note of E. S. Taylor, in the sum of \$20,500, dated November 21, 1928, due on or before 1 year after date, payable to the order of Ruby A. Price, which note bears interest at the rate of 6 percent per annum from date, and upon which interest has been paid to November 21, 1930. That the said last-mentioned note is endorsed by James L. Berry, I. B.

Rau, and J. A. Parker. That said last-mentioned note is secured by a deed of trust executed by E. S. Taylor to Ruby A. Price, beneficiary, J. L. Taylor, trustee, said deed of trust being recorded in book 69, pages 233-234, Record of Mortgages and Deeds of Trust on Land in Harrison County, Miss., on file in the office of the chancery clerk of said county and State, and said deed of trust covers the following described property in the county of Harrison, State of Mississippi, to wit:

The east half of the northeast quarter of section 10, township 7, south of range 10 west, and

The northwest quarter of the northwest quarter and in the northeast quarter of the northwest quarter, lying west of Taylor's Lake and Parker Creek in section 11, township 7, south of range 10 west.

That said land hereinabove described comprises a tract of 121½ acres and is located near the Back Bay of Biloxi.

That the said James L. Berry, I. B. Rau, and J. A. Parker and E. S. Taylor would be utterly unable to respond to a judgment in any substantial sum whatsoever in case same was obtained against them, they having no visible property subject to execution. That the said I. B. Rau has, since the execution of said note, gone into bankruptcy. That the liabilities of said J. L. Berry and J. A. Parker are extensive and that the said E. S. Taylor is employed upon a salary, a large part of which would be exempt from execution.

That the said Mrs. Ruby A. Price is a stenographer and is of very limited means, but has some property which she acquired from her deceased husband.

That it is contemplated by petitioner, with the consent of this honorable court, and pursuant to authority of the Comptroller of the Currency, contained in letter dated November 30, 1932, to accept deed to the said 121½-acre tract of land hereinabove described, after proper foreclosure thereof, by the trustee therein named. That the said Mrs. Ruby A. Price shall convey to petitioner certain improved property, described as lot 11 of block 162, original Gulfport, as per map or plat thereof on file in the office of the chancery clerk of Harrison County, Miss., which property has an estimated value of \$8,000 and also transfer and deliver to petitioner seven promissory notes aggregating \$4,900, the property of the said Mrs. Ruby A. Price, executed by Helga Dalsoren, and secured by a first mortgage on what is known as the Stokoe Apartments in the city of Gulfport, and which property has an estimated value of \$10,000. That the said Mrs. Ruby A. Price is also to assign to petitioner receiver's certificates issued to her by his trust, aggregating \$2,443.01, and to also assign to petitioner the credit balance of \$128.05 which she had in said First National Bank in Gulfport at the time same closed, in consideration of the cancellation of the said two notes hereinabove set forth, and full settlement of the stock assessment liability of Mrs. Ruby A. Price in said First National Bank in Gulfport in the amount of \$900.

That the said note first mentioned, executed by Mrs. Ruby A. Price, is now held by Union Indemnity Co., the same having been pledged to said Union Indemnity Co. by the First National Bank in Gulfport, to indemnify the said Union Indemnity Co. against loss on account of the execution by said Union Indemnity Co. of the bond of the said First National Bank in Gulfport, as county depository for Harrison County, Miss., and the city of Gulfport. That that said Union Indemnity Co. is agreeable to said settlement and compromise hereinabove set forth.

That as aforesaid petitioner has been authorized by the Comptroller of the Currency, by letter dated November 30, 1932, to effect said settlement. Petitioner believes it to the best interest of his trust to effect and carry out the compromise hereinabove set forth, and prays the court for an order authorizing him so to do.

As in duty bound, etc.

FORD, WHITE & MORSE,
Attorneys for Petitioner.

STATE OF MISSISSIPPI,

County of Harrison:

Personally appeared before the undersigned authority in and for said county and State, A. F. Rawlings, who, first being duly sworn, deposes and says that he is receiver of the First National Bank in Gulfport, in liquidation; that the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated.

Sworn to and subscribed before me this _____ day of December 1932.

MAZIE D. SIMPSON, Notary Public.

EXHIBIT B

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re First National Bank in Gulfport, in liquidation. No. 387, equity

DECREE

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank in Gulfport, for leave and authority to compromise and settle certain claims of petitioner, as receiver of said bank, against Mrs. Ruby A. Price, E. S. Taylor, J. L. Berry, and J. A. Parker, and I. B. Rau, as set forth in said petition, and the court having considered said petition and being of the opinion that it is to the best interest of petitioner's trust to effect said settlement, as set out in said petition and as hereinafter set out, and it appearing that authority so to do has been obtained by petitioner from the Comptroller of the Currency of the United States, it is therefore ordered, adjudged, and decreed:

That the petitioner, A. F. Rawlings, receiver of the First National Bank in Gulfport, be, and he is hereby, authorized in effecting said

settlement to accept a deed to the following-described real property situated in Harrison County, Miss., to wit:

East half of northeast quarter of section 10, township 7 south, range 10 west; and northwest quarter of northwest quarter and 1½ acres in northeast quarter of northwest quarter lying west of Taylors Lake and Parker Creek in section 11, township 7 south, range 10 west.

That he is further authorized to accept from Mrs. Ruby A. Price a conveyance to petitioner of lot 11, block 162, original city of Gulfport, as per plat or map thereon filed in the office of the chancery clerk of Harrison County, Miss.; also a transfer and delivery from Mrs. Ruby A. Price to petitioner of seven promissory notes aggregating \$4,900, executed by Helga Dalsoren and secured by a first mortgage on what is known as Stokoe Apartments, in city of Gulfport, Harrison County, Miss.; and also assignment by said Mrs. Ruby A. Price to petitioner of receiver's certificate issued by petitioner's trust, aggregating \$2,443.01; and assignment by Mrs. Ruby A. Price to said petitioner of the credit balance of \$128.05 which she had on deposit in the First National Bank in Gulfport at the time same closed.

Petitioner, in turn, and for said consideration, is to mark canceled and satisfied the note of November 23, 1930, for \$20,000 executed by Mrs. Ruby A. Price, and referred to in the petition on file in this cause, and the note of E. S. Taylor for \$20,500, dated November 21, 1928, referred to in petition on file in this cause; and in addition the said A. F. Rawlings, receiver, is authorized to cancel and satisfy the stock assessment made by him as receiver of the First National Bank in Gulfport against Mrs. Ruby A. Price in the sum of \$900.

Ordered, adjudged, and decreed, in vacation, at Yazoo City, Miss., this 20th day of December 1932.

(Signed) E. R. HOLMES,
Judge.

UNITED STATES OF AMERICA,

Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the district court of the United States for said district, hereby certify that the foregoing is a true copy of the original thereof now remaining among the records of said district court in my office in Biloxi, Miss., in said district.

Given under my hand and the official seal of said district court at Biloxi, Miss., in said district, on this 23d day of December 1932.

[SEAL]

B. L. TODD, Jr.,
Clerk.

By GEO. P. MONEY,
Deputy Clerk.

In re First National Bank of Gulfport, in liquidation. No. 387, equity. Order

There coming to be heard in vacation the petition of A. F. Rawlings, receiver of the First National Bank in Gulfport, for leave and authority to settle and compromise certain indebtedness of J. W. Somerville and Gertrude A. Somerville to petitioner's trust to sell certain property therein described to D. M. Russell, to sell certain property described in said petition to Mrs. Georgie B. Havard, and to correct an error in a decree heretofore rendered in vacation with reference to the stock liability of Mrs. Ruby A. Price in the First National Bank of Gulfport, and the court having considered said petition, and believing it to the best interest of petitioner's trust that the relief prayed for be granted, it is therefore ordered, adjudged, and decreed:

1. That the action of A. F. Rawlings, receiver of the First National Bank in Gulfport, in accepting deed from J. W. Somerville and Gertrude A. Somerville to lot 13, block 2, and lot 13, block 5, Soria City addition to the city of Gulfport, Harrison County, Miss., and also the sum of \$969.93, in full settlement of the liability of said parties on account of an indebtedness to petitioner's trust in the sum of \$16,363.10, secured by deed of trust recorded in deeds of trust on land in Harrison County, Miss., and also the sum of \$969.93 in full settlement of the liability of said parties on account of an indebtedness to petitioner's trust in the sum of \$16,363.10, secured by deed of trust recorded in book 65, pages 557-560 of the record of mortgages and deeds of trust on land in Harrison County, Miss., which mortgage covers the property hereinabove just described, in satisfaction of the said indebtedness above described, but no other indebtedness of J. W. Somerville and Gertrude A. Somerville to petitioner's trust, which action of said receiver has been ratified and approved by the Comptroller of Currency of the United States, be and the same is hereby, by this court, ratified and approved.

2. It further appearing that it is to best interest of petitioner's trust that petitioner execute and deliver to Judge D. M. Russell a receiver's deed, without warranty, to the said property hereinabove described as being conveyed by the said J. W. Somerville and Gertrude A. Somerville to petitioner, at and for the sum of \$2,181.84 cash, and the further consideration of the cancellation and surrender by the said D. M. Russell of his claim against petitioner, as receiver of the First National Bank in Gulfport, in the sum of \$5,512.63, and the further cancellation and delivery of dividend checks in the sum of \$992.27, issued by petitioner as such receiver to the said D. M. Russell on account of his claim against said trust, the purchaser to assume all taxes on said property for the year 1933 and thereafter, it is therefore ordered that petitioner be, and he is hereby, authorized to consummate said transaction and deliver said receiver's deed covering said property, as aforesaid, upon compliance with the terms of said sale, as hereinabove set forth, it appearing to the court that said price to be paid in the manner above stated is fair and adequate and is the best price obtainable at this time for said property, it further appearing to the court that the said sale has been ratified and approved by the Comptroller of the Currency of the United States.

3. It further appearing to the court that it is to the best interest of petitioner's trust that he sell to Mrs. Georgie B. Havard that certain property described as follows, to wit: One lot of land beginning at the northeast corner of the northeast quarter of southeast quarter of section 21, township 7 south, range 11 west, Harrison County, Miss., running thence 400 feet, running thence south 725 feet to the center of Turkey Creek, running thence in a northeasterly direction along the center of Turkey Creek to the section line, running thence north along the said section line to the point of beginning, at and for the sum of \$250 cash, and that he execute a receiver's deed without warranty to said Mrs. Georgie B. Havard upon payment of said sum; and it further appearing that said sale has been authorized and approved by the Comptroller of the Currency of the United States, it is therefore ordered that petitioner be, and he is hereby, authorized to execute a receiver's deed without warranty to Mrs. Georgie B. Havard upon payment of \$250 cash, and that petitioner be authorized to expend the sum of \$30.51 to redeem said property from tax sale for the year 1932, it appearing that it is to the best interest of petitioner's trust to make said sale as aforesaid.

4. It further appearing to the court that on the 20th day of December 1932 this court signed an order in vacation with reference to settlement of the stock liability of Mrs. Ruby A. Price in the sum of \$900 pursuant to petition duly presented to the court on said date, and that both in said petition and in the decree entered in said cause an error appears in that the same should have recited that the stock was owned by Mrs. Ruby A. Price in the First National Bank of Gulfport rather than in the First National Bank in Gulfport, copies of said petition and said decree entered on the 20th day of December 1932 being filed with the petition to correct said error, and it appearing to the court that said error should be corrected, it is ordered that the clerk of this court be, and he is hereby, directed to change in said original petition and order the word "in" to "of" wherever the same refers in said petition and order to the stock owned by Mrs. Ruby A. Price in the First National Bank in Gulfport in the amount of \$900, so that the same shall read that said stock in the sum of \$900 was owned by said Mrs. Ruby A. Price in the First National Bank of Gulfport.

Ordered, adjudged, and decreed in vacation at Yazoo City, Miss., this 29th day of April 1933.

E. R. HOLMES, Judge.

Vacation order book no. 2, United States District Court, Biloxi, page 118.

UNITED STATES OF AMERICA,

Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the United States District Court in and for the Southern District of Mississippi, do hereby certify that the annexed and foregoing is a true and full copy of the original petition, equity docket no. 387, with the order thereon dated April 29, 1933, now remaining among the records of the said court in my office at Biloxi, Miss.

In testimony whereof I have hereunto subscribed my name and affixed the seal of the aforesaid court at Biloxi, Miss., this 14th day of February, A. D. 1936.

[SEAL]

B. L. TODD, JR., Clerk.
By GEO. P. MONEY, Deputy Clerk.

Mr. BILBO. I now come to a case where the president of one of the big banks of New Orleans owed the Gulfport bank. He and his wife together owed the Gulfport bank nearly \$8,000. He receives \$10,000 a year salary, and yet Judge Holmes approved a settlement releasing this president of a bank in the city of New Orleans, and his wife, a man enjoying a salary of \$10,000 a year, letting him off for \$2,500, to be paid jointly by the president of the bank himself and his wife in settlement of an obligation in excess of \$7,000. These documents are all certified, so there will be no question raised about them. I ask that this petition and order may be inserted in the RECORD.

There being no objection, the petition and order were ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re First National Bank in Gulfport, in liquidation. First National Bank of Gulfport, in liquidation. No. 439, equity

Petition of A. F. Rawlings, receiver of First National Bank in Gulfport, and First National Bank of Gulfport, in liquidation

To the Honorable E. R. HOLMES, Judge:

Petitioner would respectfully show unto the court that he was by the Comptroller of the Currency of the United States appointed receiver of the First National Bank in Gulfport on December 3, 1931, and receiver of the First National Bank of Gulfport on August 8, 1932. That he is now proceeding to liquidate the affairs of said banking institutions under the directions of the Comptroller of the Currency and the National Banking Act. That said banks are both located in the southern division of the southern district of Mississippi and within the jurisdiction of this honorable court.

Petitioner would further respectfully show unto the court there has come into his hands by virtue of his appointment as receiver of the First National Bank in Gulfport the following notes of J. A. Bandi, to wit:

One note for \$997.43.
One note for \$1,350.
One note for \$725.

LXXX—254

Also a note of Mrs. Elizabeth Bandi, wife of J. A. Bandi, for \$1,600, which note is endorsed by J. A. Bandi.

That J. A. Bandi is the owner of 40 shares of capital stock of the First National Bank of Gulfport, and Mrs. Elizabeth Bandi is the owner of 48 shares of the capital stock of First National Bank of Gulfport of the par value of \$2,200.

That therefore stock assessments have been made by the Comptroller of the Currency against the said J. A. Bandi and Mrs. Elizabeth Bandi as stockholders of the First National Bank of Gulfport for the total of said par value of their stock.

That the said J. A. Bandi is also endorser upon a note held by petitioner, as receiver of the First National Bank in Gulfport, executed by Leo L. Stender, in the sum of \$490. That therefore the total joint liability of the said J. A. Bandi and Mrs. Elizabeth Bandi to petitioner's two trusts is the sum of \$7,362.48.

That the said J. A. Bandi and Mrs. Elizabeth Bandi are hopelessly insolvent. That they have furnished to petitioner sworn financial statement, which statement indicates their insolvency. That any effort to enforce the said liability would force the said J. A. Bandi and Mrs. Elizabeth Bandi into bankruptcy, in which event the said petitioner's trust would recover nothing whatsoever.

That the said J. A. Bandi and Mrs. Elizabeth Bandi have offered to pay petitioner, as receiver of the said two banks, the sum of \$2,500, payable at the rate of \$50 per month, in full settlement of their said joint liability, as above set forth, the said sum so received to be prorated between petitioner's two trusts upon the basis of the respective liability of J. A. Bandi and Mrs. Elizabeth Bandi thereto, as hereinabove set forth.

Petitioner believes it to the best interest of his trusts to effect said settlement. That petitioner has been authorized by the Comptroller of the Currency by letter dated January 13, 1933, to enter into and effect said compromise upon obtaining proper order of this honorable court.

Wherefore, petitioner prays that he be authorized and empowered to effect said settlement, and that upon full compliance with the terms thereof by the said J. A. Bandi and Mrs. Elizabeth Bandi that petitioner be authorized to cancel said total indebtedness of the said parties to his trusts in the sum of \$5,162.48 and stock liability of the said J. A. Bandi and Mrs. Elizabeth Bandi in the total sum of \$2,200.

A. F. RAWLINGS,

Petitioner, Receiver of First National Bank in Gulfport.

A. F. RAWLINGS,

Petitioner, Receiver of First National Bank of Gulfport.

FORD, WHITE & MORSE,

Attorneys for Petitioner.

STATE OF MISSISSIPPI,

County of Harrison:

Personally appeared before the undersigned authority, in and for said county and State, A. F. Rawlings, receiver of First National Bank of Gulfport, and A. F. Rawlings, receiver of First National Bank in Gulfport, who first being duly sworn, deposes and says the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated.

A. F. RAWLINGS,

Receiver of First National Bank in Gulfport.

A. F. RAWLINGS,

Receiver of First National Bank of Gulfport.

Sworn to and subscribed before me this 2d day of February 1933.

[SEAL]

MAZIE D. SIMPSON, Notary Public.

In re First National Bank in Gulfport, in liquidation. First National Bank of Gulfport, in liquidation. 439 in equity

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank in Gulfport, in liquidation, and receiver of First National Bank of Gulfport, in liquidation, for leave and authority to compromise and settle certain indebtedness and stock liability of J. A. Bandi and Mrs. Elizabeth Bandi, to petitioner's two trusts, in accordance with the terms and conditions set forth in said petition, and the court having considered said matter, it is ordered, adjudged, and decreed:

That A. F. Rawlings, receiver of First National Bank in Gulfport, and A. F. Rawlings, receiver of First National Bank of Gulfport, be, and he is hereby, authorized and empowered to settle the total indebtedness of J. A. Bandi and Mrs. Elizabeth Bandi to his two trusts in the sum of \$5,162.48, and the stock liability of J. A. Bandi and Mrs. Elizabeth Bandi in the First National Bank of Gulfport, in the sum of \$2,200, at and for the sum of \$2,500, payable at the rate of \$50 per month, the court finding it to the best interest of petitioner's two trusts to make said compromise settlement. That upon payment in full of said sum of \$2,500 by J. A. Bandi and Mrs. Elizabeth Bandi, that petitioner be and he is hereby authorized to cancel the said indebtedness of J. A. Bandi and Mrs. Elizabeth Bandi to petitioner's two trusts in the sum of \$5,162.48 and the stock liability of \$2,200, as aforesaid, and to execute a release therefor.

That of the said \$2,500, so to be paid, petitioner prorate the same between his two said trusts in the proportion of the indebtedness of J. A. Bandi and Mrs. Elizabeth Bandi to the said trusts, as set forth in said petition.

Ordered, adjudged, and decreed this 7th day of February 1933, in vacation, at Yazoo City, Miss.

E. R. HOLMES, Judge.

Vacation order book no. 2, United States District Court, Biloxi, page 108.

UNITED STATES OF AMERICA,

Southern District of Mississippi, ss:

I, B. L. Todd, Jr., Clerk of the United States District Court in and for the Southern District of Mississippi, do hereby certify

that the annexed and foregoing is a true and full copy of the original petition, equity docket no. 439, with the order thereon dated February 7, 1933, now remaining among the records of the said Court in my office in Biloxi, Miss.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid court at Biloxi, Miss., this 14th day of February, A. D. 1936.

[SEAL]

B. L. TODD, Jr., Clerk.
By GEO. P. MONEY, Deputy Clerk.

Mr. BILBO. I now submit another petition of the receiver listing stockholders who owned stock in the bank of the par value of almost \$334,000, who were released by order of the judge upon the payment of less than 50 percent of their stock liability. That is where the depositors in the Gulfport Bank lost more than 50 percent of what they were entitled to have. I ask that this petition and order may be printed in the RECORD.

There being no objection, the petition and order were ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re First National Bank in Gulfport, in liquidation. No. 387, equity

Petition of A. F. Rawlings, receiver

To the Honorable E. R. HOLMES, Judge:

Your petitioner would respectfully show unto the court that he was, on December 3, 1931, appointed receiver of the First National Bank in Gulfport, a national banking corporation, by the Comptroller of the Currency of the United States, and that petitioner has, since said time, and is now, proceeding with his duties in the liquidation of the affairs of the said banking institution, pursuant to said appointment.

Petitioner would further respectfully show unto the court that among the stockholders of the First National Bank in Gulfport, at the time the same closed, and was placed in liquidation by the Comptroller of the Currency, were the following stockholders, who owned stock of the par value in said bank set opposite their respective names, to wit:

Annie D. Bond	\$2,400.00
A. M. Cowan	2,000.00
R. G. Cox	1,200.00
A. F. Dantzler	20,000.00
G. B. Dantzler	24,000.00
L. N. Dantzler	4,800.00
Bessie H. Dantzler	2,400.00
H. M. Rollins	800.00
A. E. Fant	9,850.00
R. H. Hardtner	1,600.00
Hanun Gardner	3,625.00
Mrs. Maude Winchester Gardner	1,250.00
J. J. Harry	100,000.00
Mrs. F. E. Havard	2,000.00
W. B. Herring	23,450.00
Malcolm McEachern	550.00
Grace Jones Stewart	115,200.00
W. T. Stewart	1,000.00
W. G. Field	4,000.00
Paul Jenkins	1,600.00
B. G. Lake	4,000.00
Morris Lake	1,600.00
J. S. Walker	2,400.00
W. K. Walker	4,000.00

That after appointment of petitioner as receiver aforesaid, the Comptroller of the Currency of the United States duly made assessment against said stockholders for the par value of said stock in the amounts as hereinabove shown. That said stock assessments were not paid, and petitioner, pursuant to instructions of the Comptroller of the Currency, instituted suits in the United States District Court for the Southern Division of the Southern District of Mississippi, at Biloxi, seeking to recover of and from said stockholders the full amount of the par value of said stock, as hereinabove shown, and said suits are now on file and pending in said court.

That of said total amount of stock so held by the above-named stockholders in the sum of \$333,725, petitioner has ascertained, after careful investigation and inquiry into the financial condition of said stockholders, that only approximately \$155,400 of said total amount is considered collectible, leaving of doubtful collectibility the sum of \$178,325.

That on account of the general conditions at this time, the incomes of the said stockholders have greatly diminished, and the value of property held by them has also greatly diminished. That petitioner has received from said group of stockholders above-mentioned, an offer of \$210,000 in cash in full settlement of their stock liability according to the list above set forth. That petitioner, after careful consideration of said matter, came to the conclusion that it was to the best interest of his trust to accept said offer of \$210,000, the same to be paid in cash in cancellation and settlement of said stock liability, and fully reported his conclusion to the Comptroller of the Currency by letter dated January 14, 1933. That the Comptroller of the Currency by letter dated January 19, 1933, has authorized petitioner, with the consent of this honorable court, to accept the said sum of \$210,000, in full settlement of said stock liability, and that the suits

pending by petitioner in this honorable court at Biloxi, Miss., to enforce said stock liability, be dismissed with prejudice.

Wherefore, petitioner prays for an order authorizing him to accept the said sum of \$210,000 in full settlement and satisfaction of the stock liability of the aforementioned stockholders of the First National Bank in Gulfport, and that he be further authorized to execute a full release to the said stockholders covering said stock liability. That the suits pending, as aforesaid, be dismissed with prejudice at the costs of plaintiff in said suits, the petitioner herein.

And as in duty bound, etc.

FORD, WHITE & MORSE,
Attorneys for Petitioner.

STATE OF MISSISSIPPI,
County of Harrison:

Personally appeared before the undersigned authority in and for said county and State, A. F. Rawlings, who, first being duly sworn, deposes and says he is receiver of the First National Bank in Gulfport, by appointment of the Comptroller of the Currency of the United States. That the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated to the best of his information, knowledge, and belief.

A. F. RAWLINGS.

Sworn to and subscribed before me this 23d day of January 1933.

[SEAL]

MAZIE D. SIMPSON,
Notary Public.

In re First National Bank in Gulfport, in liquidation. No. 387 in equity. Order

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank in Gulfport, for leave and authority to settle and compromise the stockholder's liability of certain stockholders in said bank, which liability has accrued pursuant to assessment made by the Comptroller of the Currency against said stockholders, and it appearing that there were stockholders in said bank at the time of the closing thereof holding stock of par value as set forth as follows, to wit:

Annie D. Bond	\$2,400.00
A. M. Cowan	2,000.00
R. G. Cox	1,200.00
A. F. Dantzler	20,000.00
G. B. Dantzler	24,000.00
L. N. Dantzler	4,800.00
Bessie H. Dantzler	2,400.00
H. M. Rollins	800.00
A. E. Fant	9,850.00
Hanun Gardner	3,625.00
R. H. Hardtner	1,600.00
Mrs. Maude Winchester Gardner	1,250.00
J. J. Harry	100,000.00
Mrs. F. E. Havard	2,000.00
W. B. Herring	23,450.00
Malcolm McEachern	550.00
Grace Jones Stewart	115,200.00
W. T. Stewart	1,000.00
W. G. Field	4,000.00
Paul Jenkins	1,600.00
B. G. Lake	4,000.00
Morris Lake	1,600.00
J. S. Walker	2,400.00
W. K. Walker	4,000.00

and that it is doubtful whether or not the full amount of said liability can be realized from said stockholders, even should judgment therefor be obtained; and

It further appearing that in all probability only an amount approximately \$155,400 of said total amount is collectible, leaving of doubtful collectibility \$178,325; and

It further appearing that suits are now pending in the United States District Court for the Southern Division of the Southern District of Mississippi, at Biloxi, Miss., by A. F. Rawlings, receiver of said bank, against all of the above-named parties to enforce the collection of said stockholders' liability pursuant to said assessment; and

It further appearing that said stockholders above listed as a group have offered to pay said receiver the sum of \$210,000 in cash in full settlement of their said stock liability, as above set forth, and the court having considered said matter, and being of the opinion that it is to the best interest of petitioner's trust that said compromise and settlement be entered into and effected; and

It further appearing that the Comptroller of the Currency of the United States has, by letter dated January 19, 1933, authorized and approved said settlement and compromise, subject to the consent of this court; it is therefore

Ordered, adjudged, and decreed that A. F. Rawlings, receiver of First National Bank in Gulfport, be, and he is hereby, authorized to accept from said stockholders hereinabove listed as a group the sum of \$210,000 in full settlement of their said stock liability, as hereinabove listed, in the First National Bank in Gulfport, and to execute releases to said stockholders upon payment in cash of said sum, of their liability as stockholders of the First National Bank in Gulfport, and that said receiver is authorized at the next succeeding term of this court, in which suits are pending as aforesaid, to dismiss the same with prejudice, and at the cost of said receiver.

Ordered, adjudged, and decreed, in vacation, at Yazoo City, Miss., this 25th day of January 1933.

E. R. HOLMES, Judge.

Vacation order book no. 2, United States District Court, Biloxi, page 96.

UNITED STATES OF AMERICA,

Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the United States District Court in and for the Southern District of Mississippi, do hereby certify, that the annexed and foregoing is a true and full copy of the original petition, Equity Docket No. 387, with the order thereon dated January 25, 1933, now remaining among the records of the said court in my office, Biloxi, Miss.

In testimony whereof, I have hereunto subscribed my name and affixed the seal of the aforesaid court at Biloxi, Miss., this 14th day of February, A. D. 1936.

B. L. Todd, Jr.,

Clerk.

[SEAL]

By GEO. P. MONEY,
Deputy Clerk.

Mr. BILBO. I have a statement in the form of a petition by the receiver showing that certain representatives of the great railroad, known as the Gulfport & Savannah, have been relieved in a similar way. I ask that that may be inserted in the RECORD also.

There being no objection, the petition and order were ordered to be printed in the RECORD, as follows:

In the District Court of the United States for the Southern Division of the Southern District of Mississippi. In re: First National Bank of Gulfport, in liquidation. No. 413, equity

Petition of A. F. Rawlings, receiver

To the Honorable E. R. HOLMES, Judge:

Your petitioner would respectfully show unto the court that he was, on August 9, 1932, appointed receiver of the First National Bank of Gulfport, a national banking corporation, by the Comptroller of the Currency of the United States, and that petitioner has since said time, and is now, proceeding with his duties in the liquidation of the affairs of said banking institution in pursuance to said appointment.

Petitioner would further respectfully show unto the court that among the stockholders of the First National Bank of Gulfport, at the time the same closed and was placed in liquidation by the Comptroller of the Currency, were the following stockholders, who owned stock of the par value in said bank set opposite their respective names, to wit:

Stockholder:	Amount of stock
J. I. Ballenger	\$1,000.00
Walter W. Barber	1,250.00
Annie D. Bond	1,500.00
A. M. Cowan	2,525.00
U. A. Cuevas	1,500.00
A. F. Dantzler	12,200.00
G. B. Dantzler	14,900.00
L. N. Dantzler	14,925.00
L. N. Dantzler, Jr.	1,800.00
S. K. Day	1,500.00
Marjorie Dorhauer	1,000.00
B. E. Eaton	2,300.00
Estate of W. G. Evans	3,000.00
A. E. Fant	6,200.00
Hanun Gardner	7,050.00
Estate of Fursdon	500.00
J. W. Griffin	11,550.00
J. J. Harry or M. L. Harry	64,725.00
J. J. Harry, Jr.	1,200.00
B. Havard	1,100.00
J. Paul Jenkins	2,000.00
J. W. Milner	1,000.00
Chas. McEachern	550.00
C. A. McWilliams	1,000.00
Mrs. E. P. Odeneal	800.00
V. J. Olivari	1,000.00
Mrs. J. B. H. Osborne	3,000.00
F. V. Osborne	4,000.00
J. R. Porter	800.00
H. M. Rollins	1,000.00
H. E. Shulenberg	500.00
Jos. Van Cloostere	2,800.00
Mary L. Van Cloostere	4,800.00
Emily Jane Wadlow	400.00
Helen Marr Wadlow	400.00
W. F. Walker	7,500.00
R. E. Wilbourn	1,025.00
Mrs. W. I. Wilder	2,000.00
E. C. Weston	200.00
H. C. Weston	200.00
D. R. Weston	2,000.00
Mrs. D. R. Weston	1,500.00

Total 190,200.00

That after appointment of petitioner as receiver aforesaid, the Comptroller of the Currency of the United States duly made assessment against said stockholders for the par value of said stock in the amounts as hereinabove shown. That said stock assessments were not paid, and petitioner, pursuant to instructions of the Comptroller of the Currency, instituted suits in the United States District Court for the Southern Division of the Southern District of Mississippi, at Biloxi, seeking to recover of and from said stockholders the full amount of the par value of said stock.

as hereinabove shown, and said suits are now on file and pending in said court.

That of said total amount of stock so held by the above-named stockholders in the sum of \$190,200, petitioner has ascertained, after careful investigation and inquiry into the financial condition of said stockholders, that his ability to collect same is extremely doubtful.

On account of general conditions at this time the incomes of the said stockholders have greatly diminished, and the value of property held by them has also greatly diminished.

That petitioner has received from said group of stockholders above mentioned an offer of \$126,500 in cash in full settlement of their stock liability according to the list above set forth. That petitioner, after careful consideration of the said matter, came to the conclusion that it was to the best interest of his trust to accept said offer of \$126,500, the same to be paid in cash in cancellation and settlement of said stock liability, and fully reported his conclusion to the Comptroller of the Currency by letter of February 18, 1933. That the Comptroller of the Currency by wire of date of May 29, 1933, has authorized petitioner, with the consent of this honorable court, to accept the said sum of \$126,500 in full settlement of said stock liability, and that the suits pending by petitioner in this honorable court at Biloxi, Miss., to enforce said stock liability be dismissed with prejudice.

Petitioner would further respectfully show unto the court that among the stockholders of the First National Bank of Gulfport, at the time same was closed, were the estate of Mrs. Jos. T. Jones in the sum of \$20,000, of which estate Mrs. Grace E. Jones Stewart is executrix, and also Mrs. Grace E. Jones Stewart was a stockholder in said bank individually in the sum of \$21,000. Your petitioner has received from the estate of Mrs. Jos. T. Jones and Mrs. Grace E. Jones Stewart individually an offer of \$35,000 in cash, to be paid by said estate and said Mrs. Stewart in full and final settlement of the stock liability of said estate and said Mrs. Grace E. Jones Stewart. That as a matter of expediency and in order to bring about an amicable, speedy, and profitable settlement and compromise of the liability of said estate and of said Mrs. Grace E. Jones Stewart, petitioner is of the opinion that said offer should be accepted. Petitioner believes that it is to the best interest of his trust that the sum of \$35,000 so offered to be paid in cash in settlement of said liability aforesaid be accepted.

That the Comptroller of the Currency has, by letter, approved said settlement as a matter of expediency and in order to expedite the liquidation of the affairs of said bank, and has by said letter authorized petitioner to accept the sum of \$35,000 in cash in settlement of said liability aforesaid.

That among the stockholders of the First National Bank of Gulfport was the estate of Jane A. Littlepage, of which estate Louise A. Littlepage was administratrix. That the said estate is insolvent. That it formerly owned shares of stock in said bank of the par value of \$600. That said Louise A. Littlepage has been able to borrow the sum of \$335.79, which she has offered to petitioner in full settlement of the stock liability of the estate of Jane A. Littlepage. That petitioner believes it to the best interest of his trust to accept the same, and has been authorized by the Comptroller of the Currency, by letter dated May 5, 1933, to accept said sum in full settlement of said stock liability.

Wherefore petitioner prays for an order authorizing him to accept the sum of \$126,500 in full settlement and satisfaction of the stock liability of the above-mentioned stockholders of the First National Bank of Gulfport, other than the estate of Mrs. Joseph T. Jones in the sum of \$20,000 and Mrs. Grace E. Jones Stewart in the sum of \$21,000, and estate of Jane A. Littlepage in the sum of \$600; and that he be authorized to accept the sum of \$35,000 in full settlement and satisfaction of the stock liability of the estate of Mrs. Joseph T. Jones and of Mrs. Grace E. Jones in the said First National Bank of Gulfport, and the sum of \$335.79 in full settlement of the stock liability of the estate of Jane A. Littlepage, as aforesaid; and that he be further authorized to execute and deliver full releases to said stockholders covering said liability. That the suits pending, as aforesaid, be dismissed with prejudice at the cost of the plaintiff in said suits, the petitioner herein.

And as in duty bound, etc.

FORD, WHITE & MORSE,
Attorneys for Petitioner.

STATE OF MISSISSIPPI,

County of Harrison:

Personally appeared before the undersigned authority in and for said county and State, A. F. Rawlings, who, being first duly sworn, deposes and says he is receiver of the First National Bank of Gulfport by appointment of the Comptroller of the Currency of the United States; that the facts, matters, and things set forth in the foregoing petition are true and correct as therein stated to the best of his information, knowledge, and belief.

A. F. RAWLINGS.

Sworn to and subscribed before me this 30th day of May 1933.

[SEAL]

MAZIE D. SIMPSON,

Notary Public.

In re First National Bank of Gulfport, in liquidation. No. 413, equity. Order approving settlement with stockholders in First National Bank of Gulfport

There coming on to be heard the petition of A. F. Rawlings, receiver of the First National Bank of Gulfport, for leave and authority to settle and compromise the stock assessments and suits pending thereon of the stockholders in the First National Bank of Gulfport, mentioned and set forth in said petition, and the court,

having considered said matter, it is therefore ordered, adjudged, and decreed:

1. That A. F. Rawlings, receiver of the First National Bank of Gulfport, be and he is hereby authorized to accept the sum of \$126,500 in cash in full and final settlement of the stock liability and the assessment thereon of the following stockholders in the First National Bank of Gulfport:

Stockholder:	Amount
J. I. Ballenger	\$1,000.00
Annie Bond	1,500.00
U. A. Cuevas	1,500.00
G. B. Dantzier	14,900.00
L. N. Dantzier, Jr.	1,800.00
Marjorie Dorhauer	1,000.00
Estate of W. G. Evans	3,000.00
Hanun Gardner	7,050.00
J. W. Griffin	11,550.00
J. J. Harry, Jr.	1,200.00
J. Paul Jenkins	2,000.00
Charles McEachern	550.00
Mrs. E. P. Odeneal	800.00
Mrs. J. B. H. Osborne	3,000.00
J. R. Porter	800.00
H. E. Shulenberger	500.00
Mary L. Van Cloostere	4,800.00
Helen Marr Wadlow	400.00
R. E. Wilbourn	1,025.00
E. C. Weston	200.00
D. R. Weston	2,000.00
Walter W. Barber	1,250.00
A. M. Cowan	2,525.00
A. F. Dantzier	12,200.00
L. N. Dantzier	14,925.00
S. K. Day	1,500.00
B. E. Eaton	2,300.00
A. E. Fant	6,200.00
Estate of Fursdon	500.00
J. J. or M. L. Harry	64,725.00
B. Havard	1,100.00
J. W. Milner	1,000.00
C. A. McWilliams	1,000.00
V. J. Olivari	1,000.00
F. V. Osborne	4,000.00
H. M. Rollins	1,000.00
Jas. Van Cloostere	2,800.00
Emily Jane Wadlow	400.00
W. F. Walker	7,500.00
Mrs. W. I. Wilder	2,000.00
H. C. Weston	200.00
Mrs. D. R. Weston	1,500.00

And that he execute and deliver to said stockholders full and complete releases, relieving them from liability on account of said stock assessment made against them, and each of them, as stockholders in the First National Bank of Gulfport.

2. That the said A. F. Rawlings, receiver of First National Bank of Gulfport, be and he is hereby authorized to dismiss with prejudice at the cost of plaintiff the suits pending in this court against said stockholders to enforce said stock liability on account of the assessments made as set forth in said petitions.

3. That A. F. Rawlings, receiver of First National Bank of Gulfport, be and he is hereby authorized to accept from the estate of Mrs. Joseph T. Jones and from Mrs. Grace E. Jones Stewart, the sum of \$35,000 in cash, in full and complete settlement of the stock liability of the said estate of Mrs. Joseph T. Jones, and of Mrs. Grace E. Jones Stewart, pursuant to the assessments heretofore made, and to execute and deliver to said estate and to said Mrs. Grace E. Jones Stewart, a full and complete release, relieving said estate and Mrs. Grace E. Jones Stewart from liability on account of said assessment, as set forth in said petition.

4. That A. F. Rawlings, receiver of First National Bank of Gulfport, be and he is hereby authorized to accept from the estate of Jane A. Littlepage, the sum of \$335.79, in full settlement of said stock liability of said estate, and to execute a full and complete release of said estate from said liability as aforesaid.

5. That A. F. Rawlings, receiver of First National Bank of Gulfport, be and he is hereby authorized and empowered to dismiss with prejudice at the cost of plaintiff, the suits pending in this court, to enforce said stock liability pursuant to said assessment.

6. The court finds that it is to the best interest of petitioner's trust that said amounts, as hereinabove set forth, be accepted in cash in full, complete and final settlement of said stock liability, and said stock assessment aforesaid.

Ordered, adjudged, and decreed this 31st day of May 1933, in vacation, at Yazoo City, Miss.

E. R. HOLMES, Judge.

Vacation order book no. 2, United States district court, Biloxi, page 150.

UNITED STATES OF AMERICA,
Southern District of Mississippi, ss:

I, B. L. Todd, Jr., clerk of the United States District Court in and for the Southern District of Mississippi, do hereby certify that the annexed and foregoing is a true and full copy of the original petition, Equity Docket No. 413, with the order thereon dated May 31, 1933, now remaining among the records of the said court in my office in Biloxi, Miss.

In testimony whereof, I have hereunto subscribed by name and affixed the seal of the aforesaid court at Biloxi, Miss., this 14th day of February, A. D. 1936.

B. L. TODD, Jr., Clerk.

By GEO. P. MONEY, Deputy Clerk.

Mr. BILBO. Mr. President, I now come to a statement about the president of another bank, Mr. Tonsmeire, of Biloxi, he being a high-salaried official. Notwithstanding the fact he is very wealthy and the president of a bank in an adjoining city, in the general dissipation of the assets of the bank of Gulfport he was released as there disclosed. I ask that this order may be printed in the RECORD.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

STATE OF MISSISSIPPI,
County of Harrison:

Know all men by these presents, that whereas in cause no. 9234, styled *First National Bank in Gulfport v. D. R. McInnis, W. A. McInnis, E. C. Tonsmeire, L. V. Pringle, D. J. Gay, and N. M. McInnis*, the said First National Bank in Gulfport did, on October 17, 1931, obtain judgment in said circuit court against the defendants named, in the sum of \$8,719.39 and costs, which judgment was on November 21, 1931, duly enrolled in judgment roll no. 6, page 286, on file in the office of the circuit clerk of Harrison County, Miss.; and

Whereas said judgment and costs remain unsatisfied and is now held and owned by A. F. Rawlings, receiver of the First National Bank in Gulfport; and

Whereas said E. C. Tonsmeire has paid to said undersigned receiver the sum of \$1,250 for a release of said judgment insofar as he is concerned, but not as a release in any way of the liability of the other judgment debtors: Now, therefore

In consideration of said sum of \$1,250 cash in hand paid, receipt whereof is hereby acknowledged, the undersigned receiver, owner of said judgment, hereby covenants and agrees with the said E. C. Tonsmeire that he will cause no execution to issue against said E. C. Tonsmeire on account of said judgment, the said liability of the said E. C. Tonsmeire having been compromised and satisfied for the above-mentioned sum.

This covenant, however, is in no manner to inure to the benefit of the other defendants in said suit, against whom judgment was rendered.

This covenant is executed pursuant to authority of the Comptroller of the Currency of the United States and the District Court of the United States for the Southern Division of the Southern District of Mississippi.

Witness my signature this 25th day of May 1935.

A. F. RAWLINGS,

Receiver of First National Bank in Gulfport.

STATE OF MISSISSIPPI,
County of Harrison:

Personally appeared before the undersigned authority in and for said county and State A. F. Rawlings, receiver of the First National Bank in Gulfport, who acknowledged that he signed and delivered the foregoing instrument on the day of the date thereof.

Given under my hand and seal of office this 25th day of May 1935.

[SEAL]

MAZIE D. SIMPSON,

Notary Public.

Commission expires August 13, 1938.

Filing \$0.05
350 words35
Certificate50

Total90

The instrument of which the foregoing is a record was delivered to me to be recorded at 9 a. m. on the 15th day of June 1935 and recorded on the 19th day of June 1935.

EUSTIS McMANUS, Clerk.

STATE OF MISSISSIPPI,
County of Harrison:

We hereby certify that the foregoing two sheets constitute a full, true, and compared copy of that certain release executed by A. F. Rawlings, receiver of First National Bank in Gulfport, to E. C. Tonsmeire, under date of May 25, 1935, as same appears of record in book 205, at page 562, of the records of deeds of Harrison County, Miss.

In witness whereof we have hereunto set our hand and affixed our seal this 12th day of February 1936.

[SEAL]

MISSISSIPPI ABSTRACT TITLE & GUARANTY CO.,

By H. R. BARBER, Secretary.

Mr. BILBO. Mr. President, I have others here. I could go on and fill the RECORD with them, but I think this is enough to convince any inquiring mind, any open mind, that there ought to be an investigation made of the affairs of this bank. I do not want the Senate to go into a general investigation of the liquidation of banks throughout the country, but here is a case that was an issue in a political campaign, where 6,000 depositors were wrecked financially as a result of the failure of this great bank, a bank with assets of over \$4,000,000; a bank whose depositors became

so thoroughly outraged because of the way in which the receiver and the judge approving his action had handled the affairs that they had a depositors' committee appointed; and the committee were absolutely left out of consideration. They were given no chance to make a showing; they were given no consideration in the way this property was handled that stood out in the community, and everybody could see it, and knew it was going. It belonged to the bank. It belonged to these 6,000 depositors, many of them widows, laboring people, young men who had worked for years to get money to go to college. They were wiped out. Their deposits were taken away from them. Yet, in the face of all this, the committee, as I am informed, were denied any opportunity to enter a proper protest.

I merely asked that this depositors' committee, that had in interest the welfare of these 6,000 depositors, be permitted to come here and tell what they knew about it. I am only giving you the information which has been given to me. I am not testifying. I am not a witness. I am making an allegation; and I am asking that you Senators, if you care anything about fair play and want this thing aired and want to know the facts, have this matter investigated.

MR. CONNALLY. Mr. President, will the Senator yield for a point of no quorum?

MR. BILBO. Yes.

MR. CONNALLY. I make the point that there is no quorum present.

THE PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pittman
Ashurst	Costigan	La Follette	Pope
Austin	Davis	Lewis	Radcliffe
Bachman	Dickinson	Logan	Reynolds
Bailey	Donahey	Loneragan	Robinson
Barbour	Duffy	Long	Russell
Barkley	Fletcher	McGill	Schwellenbach
Benson	Frazier	McKellar	Sheppard
Bilbo	George	McNary	Shipstead
Black	Gibson	Maloney	Smith
Brown	Glass	Metcalf	Stelwer
Bulkley	Gore	Minton	Thomas, Okla.
Bulow	Guffey	Moore	Thomas, Utah
Burke	Hale	Murphy	Townsend
Byrd	Harrison	Murray	Truman
Byrnes	Hatch	Neely	Vandenberg
Capper	Hayden	Norbeck	Van Nuys
Caraway	Holt	Norris	Wagner
Clark	Johnson	O'Mahoney	Wheeler
Connally	Keyes	Overton	White

THE PRESIDING OFFICER. Eighty Senators have answered to their names. A quorum is present. The Senator from Mississippi will proceed.

MR. BILBO. Mr. President, in my discussion prior to the roll call I was directing the attention of the Senate to the wholesale and reckless loss brought about by the liquidation of the First National Bank of Gulfport; and I had incorporated in the Record as a part of my remarks certified copies which show the petitions of the receiver that were filed and presented to the court for his approval. The poor depositor of the bank knows nothing about them. He has no way of "getting next." He is on the outside. All this is monkey business taking place between the court and the receiver; and I desired to bring this committee of depositors before the committee in order to develop just how bad the situation was in this particular liquidation in Gulfport.

I have had several reports as to other liquidations, where it seems that the instructions of Mr. Lyons were that the "sore thumb" cases should receive special consideration at the hands of the judge, and that he has not complied. But I was urged not to bring any additional information against this judge, the impression being left with me that I had brought enough, and that the charges which I had brought would be investigated. But I find that after I cease to bring additional charges the matter is closed without the subcommittee investigating the charges which are preferred.

I wish to direct the attention of the Senate especially to what I believe to be one of the most serious charges preferred against Judge Holmes in this investigation. The sponsors for Judge Holmes will try to lead Senators to believe that Senator BILBO, who is known far and near as a prohibitionist, hailing from a prohibition State, had sud-

denly blossomed into a defender of the poor bootleggers down in Mississippi. I want it distinctly understood that I have been a prohibitionist all my life, and I am still a prohibitionist, and, with rare exception, by both precept and example. I am no defender of the bootlegger; but I cannot understand why my distinguished friend the junior Senator from Nebraska [Mr. BURKE] should slurringly refer to the man who is charged with the sale of liquor down in the State of Mississippi.

MR. PRESIDENT, law is a strange thing. Under the laws passed by men like us, an act may be perfectly all right today, it may be honorable, it may be dignified, it may be just the thing to do, yet we get a peculiar slant on life and on social conditions, and by mere enactment of the representatives of the people we provide that the act that is honorable today will be dishonorable tomorrow, and the act that was dishonorable yesterday is honorable today. That is the way I look at the liquor business.

I have seen respectable people, honorable people, right here in the city of Washington, who are today selling whisky at the drug stores and the grocery stores, here, there, and everywhere. They are gentlemen; they enjoy good social standing; they are honest and honorable. Just because down in dry old Mississippi a few of our citizens try to come to the rescue of the dries by furnishing them corn in liquid form at an oasis in the desert, I do not believe they should be altogether outlawed. I believe that, in spite of the fact that a man would sell whisky, he could tell the truth. But my friend tried to leave the impression on the Senate that I have been trying to make out a case against Judge Holmes with a bunch of old bootleggers. Not so, my colleagues. I am trying to make out a case of the most willful, vicious, ignorant administration of law that can be found anywhere in this country. I do not think such conditions can be found anywhere else.

In order to understand this charge I desire to take sufficient time of the Senate to call attention especially to the law. Immediately after the World War, when the United States became dry, Congress passed the liquor law, which provided:

Any person who manufactures or sells liquor in violation of this title shall, for a first offense, be fined not more than \$1,000 or imprisoned not exceeding 6 months, and for a second or subsequent offense shall be fined not less than \$200 nor more than \$2,000 and be imprisoned not less than 1 month nor more than 5 years.

That was the general penalty clause of the prohibition law of 1919, passed immediately after the World War.

Things rocked along, and the enforcement of the national prohibition law did not seem to have the proper effect, and Congress, in its very great desire to clean up the country, on March 2, 1929, passed an additional law, known as the Jones law, which was an amendment of the general prohibition statute of 1919. In that law Congress provided:

That wherever a penalty or penalties are prescribed in a criminal prosecution by the National Prohibition Act, as amended and supplemented, for the illegal manufacture, sale, transportation, importation, or exportation of intoxicating liquor, as defined by section 1, title 2, of the National Prohibition Act, the penalty imposed for each such offense shall be a fine not to exceed \$10,000 or imprisonment not to exceed 5 years, or both: *Provided*, That it is the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor, or attempts to commercialize violations of the law.

Congress passed a general prohibition law in 1919 and fixed as the penalty for violation a fine up to \$2,000, or 6 months' imprisonment. That did not seem to have the desired result. There seemed to be wet spots throughout the country in spite of the law. Enforcement seemed to have broken down. So Congress, in its great desire to provide a real test, and to put teeth in the law, in 1929 passed the Jones Act, which increased the penalty to \$10,000 or 5 years in the penitentiary, not a new penalty, but an increased penalty, that is all. That is all Congress was trying to do, to increase the penalty to \$10,000 or 5 years, so that the big boys could not pay off and get by. It was the intention to get them all.

That law as passed had no reference to the quantity of whisky which a man might sell. He could sell a pint, or a

quart, or a gallon, or 5 gallons, or 500 gallons, it did not make any difference, but if he sold whisky he could be punished. Congress said that it was the intent that the court should discriminate between casual violations and habitual sales of intoxicating liquor. After a conviction was had, it was all right for the court to take testimony to determine the character of the prisoner and the extent of his violations.

On January 15, 1931, Congress amended the Jones law—and the Jones law was an amendment of the prohibition law; so we now have the law, and we had it as it was when prohibition was repealed under the Democratic administration, as follows:

That the proviso in the first section of the act entitled "An act to amend the National Prohibition Act, as amended and supplemented", approved March 2, 1929, is hereby amended to read as follows—

Now note this:

That any person who violates the provisions of the National Prohibition Act, as amended and supplemented, in any of the following ways: (1) By a sale of not more than 1 gallon of liquor as that word is defined by section 1 of title 2 of said act:

Provided, however, That the defendant has not theretofore within 2 years been convicted of a violation of the said act or is not engaged in habitual violation of the same; (2) by unlawful making of liquor * * *

Then follow the penalties for these violations:

shall for each offense be subject to a fine of not to exceed \$500 or to be confined in jail, without hard labor, not to exceed 6 months, or both.

That is the law. Lawyers in Mississippi and persons who are keeping an eye on the way things are moving reported to me that Judge Holmes was acting in open violation of this act of Congress and flying in the face of the opinions of the appellate courts of the country and was railroading to the penitentiary not 1, not 2, not 14, not 100, but 500, yea, a thousand, of the poor, defenseless violators down in Mississippi.

I do not know what Senators think about a penitentiary sentence; but it strikes me there is not anything more harmful to contemplate than for a man to be jerked from the bosom of his family for the offense of selling liquor. When such a man is sent to the penitentiary it wrecks his home, wrecks his family, demoralizes them, puts a stigma and an odium and disgrace upon the family, blights the future of the boys and girls who are young, full of life, and looking to the future with ambition. I care not if the father has violated the law. In Washington it is not a violation of the law to sell liquor. It is an honorable act. Down in Mississippi it is a violation of the law. This judge has railroaded to the penitentiary, as I said, not a dozen men but a hundred, five hundred, yea, a thousand, in direct violation of the statute of Congress.

Did Senators know that the subcommittee did not want me to prove that? They said, "Bilbo wants to bring up here a lot of bootleggers to prove that they got an unjust sentence." No; the subcommittee has never even seen the list of my witnesses.

The other day, when I was begging members of the subcommittee to subpoena these witnesses, I said, "I have here another list of witnesses. I want to give you the names of witnesses, whom I can bring here, who will substantiate these charges, dependable witnesses, witnesses who will tell the truth. Of course, if you do not want to believe a man who has been charged formally with the sale of liquor when it is not a violation of law today, if you do not wish to take such a witness's word for it, there are other witnesses I can get, and I propose to get them." No; instead of letting me show that, they proposed to bring Judge Holmes and Mr. Todd up here to show that it was not so bad after all; that it was "much ado about nothing."

I repeat, I am not defending the bootlegger; but I am trying to show Senators that they have before them a judge who is so reckless, or who is so vicious, or who is so ill-informed, or who is so indolent that he will not find out what the law is; and to put him on the bench of the fifth circuit to review the act of other judges is to my mind unthinkable. I think I can show Senators that it is so.

I cited correspondence with the subcommittee in my vain attempt to get the witnesses subpoenaed. I ask unanimous consent to have this correspondence printed in the Record at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The correspondence is as follows:

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
February 1, 1936.

Senator EDWARD R. BURKE,
Senator KEY PITTMAN,
Senator WARREN R. AUSTIN,

Members of the Subcommittee of the Committee
on the Judiciary Investigating the Matter of the
Confirmation of Judge Edwin R. Holmes.

GENTLEMEN: Since receiving the transcript or copy of the proceedings before your honorable committee, in the matter of the confirmation of Judge Holmes, I feel that, in the interest of justice and a proper presentation of all facts, I should appeal to you to reopen this hearing and take further testimony, and I earnestly urge that you extend your investigation, going fully into the matters hereinbefore mentioned.

First, I think it advisable to reopen the case and take the testimony of Judge T. Webber Wilson, who lives here in Washington and is now a member of the National Parole Board, having recently served as Federal judge in the Virgin Islands. In my reply brief to the brief filed by Hon. Gerald Fitzgerald, I refer to the political activities of Judge Holmes in Mr. Wilson's race for the United States Senate. I clearly overlooked the development of the facts in this matter, and I think this testimony is pertinent to contradict conclusively the contentions of Judge Holmes to the effect that he was nonpartisan and never took a part in politics. Of course, Judge Holmes should have an opportunity to be heard on this point after introducing the testimony of Mr. Wilson and others to thoroughly substantiate the point.

Second, never dreaming that there would be an effort made by my colleague to urge the confirmation of Judge Holmes at this session of Congress over my objections, and knowing that Judge Holmes was personally obnoxious to me, and that I would never give my consent to his confirmation, I made no extensive investigation into his record, but since the closing of this hearing I have been reliably informed by a member of the Mississippi bar of incidents or acts of Judge Holmes that should be conclusive to the committee and the Senate in reaching a decision to decline further promotion of this man in the Federal judiciary. I have reference to additional acts besides those already urged before this committee. Judge Holmes is either so ill-informed as to his duties and the law governing him in his functions as a judge, or his absolute indolence and indifference as to what his duties and powers are, that at the February term of the circuit court at Biloxi, Miss., he imposed sentences in open court on quite a number of citizens, and after sending them to jail, and after being advised by the district attorney, those citizens had to be brought back into open court and resentenced.

About 4 or 5 years ago one of the most unthinkable, unjustifiable, illegal, and unconscionable acts of Judge Holmes was perpetrated upon a reputable white citizen of Amite County, Miss. I am reliably informed, and believe the records will show in this case, that upon the conviction or plea of guilty of a man by the name of Day, a citizen of Amite County, Miss., and a member of one of the leading families of that county, Judge Holmes sentenced him to 2 years in the Atlanta Penitentiary, and after serving in the penitentiary for about 14 months of the 2 or 3 years' sentence it was discovered that Judge Holmes violated the law in imposing this penitentiary sentence for a violation that carried only fine and imprisonment.

I am informed, and believe, that other citizens were likewise sent to the penitentiary without authority of the law, and that an investigation of the facts will show these charges to be absolutely true. These acts of Judge Holmes were committed after he had been on the district bench for many years and are therefore absolutely inexcusable.

If these charges are true, and I believe them to be because my source of information is absolutely reliable, it would be unthinkable that the Senate of the United States could entertain for one moment a promotion of such a man to the court of appeals. The mere thought of an autocratic and tyrannical Federal judge incarcerating illegally, and without authority of the law, a citizen of this country in the Federal penitentiary is so abhorrent to our conception of the rights and freedom of our people until I am sure this committee could never get its consent to rush the confirmation or promotion of a judge in the Federal judiciary until time and opportunity have been freely granted to determine the verity of such a horrible miscarriage of justice.

Third, I want to renew my urgent request that the committee go thoroughly into the investigation of Judge Holmes' actions or acts that contributed to the wasteful and unthinkable dissipation of the assets of the First National Bank of Gulfport, to the great harm of about 6,000 depositors in this bank. I am just in receipt of a telegram stating that in one instance a party connected with this bank stole \$10,000 of the bank's money and, because of political influence and pull, the judge merely gave him a suspended sentence. I am sure if you gentlemen will go into the investigation of the court's action in approving the unconscionable dissipation

pation of the bank's assets in this case, you will be convinced beyond every reasonable doubt that Judge Holmes is totally unfit to be a reviewing judge or to serve on the circuit court of appeals—the court, in many cases, of last resort.

Fourth, I again renew my request that you demand of Judge Holmes the list of my personal and political friends—lawyers—from whom he claims to have received information that I had expressed willingness to approve his appointment. I want the names of these attorneys, and I want them summoned before your committee. If Judge Holmes fails to make good his boast, I want it made a part of the record and brought to the attention of the whole committee.

All these facts are pertinent to the issue before you, and will most certainly have great bearing upon any committee in reaching a righteous conclusion.

In this connection, I want to state frankly to the committee that I sought the permission of President Roosevelt to place his telegram to me in the RECORD, which I promised to do, and that the President expressed a hope that it would not be necessary to use his telegram, since the matter was thoroughly covered in the letter of Senator HARRISON, dated August 20, to Attorney General Cummings and the President, which letter is in evidence in the case and referred to by Senator HARRISON in his statement. This letter should have been published as a part of the record, and I am asking that it now be considered a part of the record.

I want to assure this committee, in asking that this hearing be reopened, that I have no desire to unnecessarily delay the consummation of this matter. I am as anxious as any Member of the Senate to dispose of this matter as expeditiously as possible. There is no pressing cause for rushing this matter. I am only seeking to bring before the committee all the pertinent facts affecting the fitness, qualifications, and other requisites that a judge should possess before being promoted to such a responsible position on the bench as a member of the circuit court of appeals.

If, in your wisdom, you desire to refuse the requests that I am making as hereinabove stated, I want to ask that this petition be made a part of this record, for discussion before the whole committee and the Senate, when this matter is being finally considered, and that I be given an opportunity to be heard before the whole committee when and if the matter is taken up for discussion before that committee.

With appreciation, I am,
Yours faithfully,

THEO. G. BILBO,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
February 3, 1936.

Senator THEODORE G. BILBO,
Senate of the United States.

DEAR SENATOR BILBO: As chairman of the subcommittee of the Judiciary Committee investigating the matter of the confirmation of Judge Edwin R. Holmes as judge of the circuit court of appeals, fifth circuit, I wish to acknowledge receipt of your communication which was delivered to me this morning about 10 o'clock by your Mr. Smith.

The other members of the subcommittee read your letter just prior to the opening of the meeting of the Judiciary Committee. As a matter of courtesy to you and without consideration as to the merits of your request to have further hearings before the subcommittee, we determined to make no report this morning.

I am sure you will agree that every opportunity was afforded you to present all relevant matters at the hearings which were concluded on January 25. This applies to the compulsory process in securing the attendance of witnesses and court records as well as in the matter of continuances of the time of hearing.

The committee feels that if the hearings are now to be reopened, it should be only upon some definite showing as to the materiality of any further evidence that may be offered. The committee, therefore, requests that in considering your application it should have before it answers to the following questions:

1. You request that the testimony of Judge T. Webber Wilson be taken in connection with your contention that Judge Holmes has been active in politics. Kindly indicate what you expect to prove by the testimony of Judge Wilson or anyone else concerning the political activities of Judge Holmes.

2. You say that you have now discovered that Judge Holmes imposed sentences at the February term of the circuit court at Biloxi on a number of defendants and that on the advice of the district attorney these parties had to be brought back into open court and resentence. Please inform the committee what witness or witnesses you have in mind to call to establish the above allegation. What was the nature of the charges against these parties and what change in sentence was required?

3. In reference to the party by the name of Day, of Amite County, Miss., what was the offense for which he was sentenced to serve 2 years in the penitentiary and what is the statute applicable thereto?

4. You refer to an official of the First National Bank of Gulfport who stole \$10,000 of the bank's money and received only a suspended sentence. Kindly furnish the committee with this party's name and a statement concerning what evidence you have that the action of the court was influenced by political considerations.

5. Judge Holmes offered to furnish a list of your personal and political friends who had informed him that heretofore you approved of his appointment. The committee sees no advantage in

going into that matter, does not care to have the list of names furnished, and does not propose to call them before the committee.

In conclusion, the committee feels that a very thorough hearing has been had and consideration given to the question of the qualifications of Judge Holmes. It is, therefore, reluctant to reopen the hearings and does not propose to do so unless you furnish some very definite evidence that something of a material nature bearing on the qualifications of Judge Holmes will be presented.

We trust that you will give a very prompt response to this communication.

Yours very truly,

EDWARD R. BURKE.

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
February 4, 1936.

Senator EDWARD R. BURKE,
Senate of the United States.

MY DEAR SENATOR BURKE: I am just in receipt of your esteemed favor of February 3, the same being in reply to my letter addressed to the members of the subcommittee of the Committee on the Judiciary investigating the matter of the confirmation of Judge Edwin R. Holmes, of which subcommittee you have the honor to be chairman.

I note that your committee "feels that if the hearings are now to be reopened", according, as I have most respectfully requested, "It should be only upon some definite showing as to the materiality of any further evidence that may be offered." Therefore, to the end that this showing may be made as a preliminary step to the reopening of the hearings, you, on behalf of your committee, have propounded to me four interrogatories to which I am requested to make answers.

It is my desire to comply fully with this expressed wish of your committee—in fact, to cooperate with the members thereof in every possible way so that full, complete, and dependable information in the nature of essential and material evidence may be made available for their use and consideration in arriving at final determination with respect to this important matter.

Consequently I am leaving for Mississippi this week for the purpose of securing the data required by your committee on the four cases referred to in your recent favor. Although the task assigned to me is one of considerable magnitude and will entail very appreciable costs in both money and time, I cheerfully undertake it, and, insofar as it is humanly possible, will in due time bring before your honorable committee satisfactory answers to the very definite and specific questions it has addressed to me.

I hope that my return with this requested data will be not later than Thursday or Friday of next week, but if, by any circumstance, it is necessarily delayed beyond that date, I most respectfully ask that no further action be taken in regard to the confirmation of Judge Holmes until I am ready and shall have been permitted to submit in writing my findings of facts.

Slightly digressing from the main purpose of this letter, I think it within the proprieties for me to convey to you my disappointment upon being advised by you that your committee saw no advantage in going into the matter of having Judge Holmes make good his boast that he could furnish a list of my personal and political friends who had informed him that I had approved his appointment. You will recall that I challenged Judge Holmes to submit that list and urged the committee to bring the parties he listed to Washington to testify to the truth or falsity of that statement. If Judge Holmes' voluntary declaration on this point could be impeached, or if he should refuse to furnish this list in an attempt to make good his boast, when ordered by the committee to do so, then it would follow that his qualifications for the appointment he sought would be materially impaired.

With grateful appreciation for this further opportunity accorded me to cooperate with your committee in placing before it additional material evidence having a direct bearing upon the essential question of qualifications involved in the hearing affecting the confirmation of Judge Holmes, I beg to remain,

Faithfully yours,

THEO. G. BILBO, United States Senator.

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
February 17, 1936.

Senator EDWARD R. BURKE,
Senator KEY PITTMAN,
Senator WARREN R. AUSTIN,
Members of the Subcommittee on the Judiciary
Investigating the Matter of the Confirmation
of Judge Edwin R. Holmes.

GENTLEMEN: In asking this honorable committee to reopen the hearing in the matter of the confirmation of Judge Holmes, I want to again especially call the attention of the committee to the fact that I never dreamed that there would be any effort made on the part of my distinguished colleague, Senator Harrison, to urge or persist in Judge Holmes' confirmation at this session of Congress, when he was fully advised of my objections to the confirmation of Judge Holmes and to the fact that because of his unwarranted mistreatment of me, as the records in this case will show, that Judge Holmes was personally obnoxious to me, and for this reason I made no effort before coming to Washington to attend this session of Congress, to investigate any of the facts involving the record of Judge Holmes touching upon the question of his fitness and qualifications for promotion to the position of judge of the United States Court of Appeals of the Fifth Circuit.

So your committee can readily appreciate the handicap under which I have been acting in ascertaining facts pertinent to the investigation.

I want to personally thank the committee for their kindness in delaying to report on this matter so as to give me time to make a hurry-up investigation, which I have attempted to do during the few days I was permitted to be in Mississippi.

First, I therefore renew my request that this subcommittee reopen the hearings in this matter in order that the following matters may be inquired into, and the facts concerning them fully developed before the committee, and if that is done I am convinced that this committee will find that the illegal sentence passed by Judge Holmes upon me was not the only case where he acted without authority of, and contrary to, the law, but that he has acted beyond his powers and has passed sentences illegally and contrary to the statutes in a number of other cases, and that the prisoners have been either released by other Federal judges in the districts where the prisoners were incarcerated, or remanded back to Judge Holmes to be resentenced in accordance with the law.

I also desire to establish that the statement of Judge Holmes that since he went on the Federal bench in Mississippi he has not participated in politics is untrue, and that as a matter of fact, he has actually participated in politics and became a vital instrument in a political campaign in 1928 for the United States Senate, leaving his court and his home and traveled approximately 150 miles to a political meeting in Neshoba County, Miss., where he got up in the meeting and made a statement in behalf of Senator Hubert D. Stephens, who was then a candidate for reelection against Hon. T. Webber Wilson, then a Member of the House of Representatives, and is now a member of the Federal Parole Board; and that that political statement of Judge Holmes contributed to the defeat of Mr. Wilson.

I therefore desire and request that a subpoena be issued directed to Judge T. Webber Wilson, who resides in the city of Washington, at the Annapolis Hotel, and who has an office in the Department of Justice in Washington, and also a subpoena directed to Col. Richard G. Wooton, who lives at 1726 Upshur Street NW., Washington, D. C., and who has an office in the Department of the Interior in this city, who was the campaign manager of Mr. Wilson in that campaign. Both Mr. Wilson and Colonel Wooton were present in Neshoba County at said political meeting at the time Judge Holmes made the statement in question, and will verify the facts herein charged.

I submit that the primary purpose of our fathers in writing into the Constitution of the United States that Federal judges should be appointed for life, or as the Constitution terms it—"during the period of good behavior"—was to entirely remove Federal judges from politics, and that they should not only not be obligated to support any party or ticket but that they should enter into no participation whatsoever in political activity. This political activity on the part of Judge Holmes, as established, is absolutely material as affecting his fitness and qualifications for promotion in the judiciary. And further, this political activity, when proven, confirms the fact that he was not immune from being motivated for political reasons in the imposition of an illegal and unwarranted sentence upon me at Oxford in 1923, while I was a candidate for Governor of my State, and I might say it serves still another purpose. This testimony, if I am permitted to bring it before the committee, will thoroughly impeach the credibility of Judge Holmes as a witness before this committee and will certainly have bearing upon his qualifications and fitness for more honors in the judiciary.

Second, in the matter of Jonathan Day, of Amite County, Miss., I wish to call the committee's attention to the fact that Judge Holmes on November 4, 1931, arbitrarily and contrary to and in violation of the law, sentenced said Jonathan Day to the United States penitentiary at Atlanta, Ga., for a period of 3 years for the possession of and sale of 1 pint of whisky; and Mr. Day was taken to the penitentiary by the United States marshal for the southern district of Mississippi, and there incarcerated, where he was put to work at hard labor in a factory in the penitentiary; and after about 5 months he was transferred with a gang of Federal convicts to Fort Bragg, N. C., where, for about 8 months, he was put to hard labor building roads in the military reservation at that place. After serving about 14 months at hard labor under said sentence of Judge Holmes, he was advised and informed by a fellow convict that Judge Holmes had passed an unlawful sentence upon him in that he had sentenced him to the penitentiary and to hard labor, and had found him guilty of a felony when the maximum penalty for the crime to which he pleaded guilty was only a misdemeanor, with the maximum penalty of "a fine not to exceed \$500 or to be confined in jail, without hard labor, not to exceed 6 months, or both."

Thereupon Day sued out a writ of habeas corpus in the United States District Court for the Eastern District of North Carolina, and upon a hearing thereof at Greensboro, N. C., before the Honorable Isaac M. Meekins, United States district judge, he was promptly and finally discharged by order of Judge Meekins.

In this connection, I wish to call the attention of the committee to the fact that section 91, title 27, of the United States Code which governs penalties for violation of the National Prohibition Act as then standing upon the statutes, provided as follows:

"Sec. 91. Maximum penalties; petty offenses: Wherever a penalty or penalties are prescribed in a criminal prosecution by this title, for the illegal manufacture, sale, transportation, importation, or exportation of intoxicating liquor, as defined by section 4 of this title, the penalty imposed for each such offense shall be a fine not to exceed \$10,000 or imprisonment not to exceed 5 years, or both: *Provided*, That any person who violates the provisions of this

title, in any of the following ways: (1) By a sale of not more than 1 gallon of liquor as that word is defined by section 4 of this title: *Provided, however*, That the defendant has not theretofore within 2 years been convicted of a violation of this title or is not engaged in habitual violation of the same; (2) by unlawful making of liquor, as that word is defined by said section, in an amount not exceeding 1 gallon, in the production of which no other person is employed; (3) by assisting in unlawfully making or unlawfully transporting of liquor, as above defined, as a casual employee only; (4) by unlawfully transporting not exceeding 1 gallon of liquor, as above defined, by a person not habitually engaged or employed in, or not theretofore within 2 years having been convicted of a violation of such law, shall for each offense be subject to a fine of not to exceed \$500 or to be confined in jail, without hard labor, not to exceed 6 months, or both (Mar. 2, 1929, ch. 473, sec. 1, 45 Stat. 1446, as amended Jan. 15, 1931, ch. 29, 46 Stat. 1036).

A reading of the above statute clearly shows that a person indicted for the first offense under the National Prohibition Act involving a sale of liquor in an amount less than 1 gallon, the maximum penalty fixed by the statute is: "A fine of not to exceed \$500, or to be confined in jail, without hard labor, not to exceed 6 months, or both."

In the hearings before this committee on January 24, 1936 (p. 76) of the printed hearings, Judge Holmes frankly admitted that at the time he passed a sentence upon me in a fine of \$100 and imprisonment for 30 days, he had not looked at the statute and did not know that he had passed sentence upon me in violation of the statute, and further stated that if he had looked at this statute, he would have seen that it provided for a fine, or imprisonment, but he did not. And he further stated: "I frequently sentence without looking at the statute, when I know the sentence I am going to give is small and well within the power of the court", which leaves the implication before this committee that if severe sentence should be passed by him upon an accused he would be careful to look at the statute.

Well, here is a case of a most severe sentence, of a young man with a wife and several small children, from a reputable family, who had never before been accused of any crime, where Judge Holmes passed a sentence upon him, either without looking up the law relating to sentence in such a case, or in total disregard of the law. This shows either that Judge Holmes is so incompetent and indifferent to his duties as a Federal judge, or too indolent to find out what the law is, or that he acts arbitrarily and tyrannically and in disregard of the law and of human lives.

Can this committee think of anything more horrible in this land of freedom, where the rights of our citizens are so jealously guarded and protected, than a Federal judge taking a citizen away from his loved ones and branding him with the stripes of a felon and putting him at hard labor for 3 years, thereby casting a disgrace and an odium upon the citizen and his loved ones that can never be removed, and a deprivation of his civil rights as a citizen of the United States and the State of Mississippi when the charge which he was arraigned for was only a misdemeanor?

Furthermore, the record shows, on page 83 of the official hearing in this case, that Judge Holmes was totally unfamiliar with the citation, both as to the witness statute and the statute relating to sentences in cases of contempt in the Federal court. The sentence of Jonathan Day shows that he was evidently ignorant of the statute governing sentences in liquor cases as well.

I am further reliably informed that Jonathan Day, after his arrest, was advised by an officer in Judge Holmes' court that he should plead guilty and not appear in court with counsel, as Judge Holmes was very much opposed to any person accused under the National Prohibition Act appearing in court with an attorney.

I therefore respectfully request that a subpoena be issued for Jonathan Day, at Liberty, Miss., and to the clerk of the United States District Court for the Eastern District of North Carolina, Raleigh, N. C., for a copy of the entire record and proceedings in the matter of the application for a writ of habeas corpus by Jonathan Day.

I also desire a subpoena issued to Mr. M. H. Daily, at Coldwater, or possibly Jackson, Miss. These witnesses and court records will show the truth of all the matters hereinbefore charged in the Day case.

I am herewith filing with this committee a certified copy of the indictment and the order of the court in the Day case.

Third, I am advised that one Garrett Longmeyer, of Amite County, Miss., was, on November 4, 1931, sentenced by Judge Holmes to the United States penitentiary at Atlanta, Ga., for 1 year and 1 day for the possession and sale of less than 1 gallon of whisky in violation of the National Prohibition Act, and that was the first offense charged against the defendant, and Judge Holmes, in that case, also sentenced the defendant to the penitentiary contrary to, and in violation of, section 91 of title 27 of the United States Code, in that he gave him a sentence to the penitentiary at hard labor for a first offense for the sale of liquor in an amount less than 1 gallon, a specific violation of the provisions of said statute, which limited the penalty in such cases to a fine of \$500 or to be confined in jail, without hard labor, not to exceed 6 months, or both. Longmeyer served his sentence before he discovered that the judge had exceeded his authority in passing sentence upon him.

I respectfully request a subpoena directed to Mr. Garrett Longmeyer, of Liberty, Miss.

Fourth, I am advised that on November 4, 1931, Judge Holmes sentenced one Edgar Neyland, of Amite County, Miss., to the

United States Penitentiary at Atlanta, Ga., for a period of 30 months for the possession and sale of whisky, less than 1 gallon, in violation of the National Prohibition Act. Neyland served about 11 months in the penitentiary and was paroled before he was advised that Judge Holmes had exceeded his powers in sentencing him to the penitentiary in violation of section 91, title 27, of the United States Code, the offense charged against Neyland being his first offense.

I therefore request a subpoena be issued, directed to Edgar F. Neyland, of Liberty, Miss., for his appearance before this committee.

Fifth. In the matter of Joe Ainsworth, of Smith County, Miss., who was accused of the sale and possession of whisky in an amount less than 1 gallon, Judge Holmes, on November 3, 1931, sentenced Ainsworth to the Hinds County jail at Jackson, Miss., for a period of 90 days for possession of the liquor, and sentenced him to the United States Penitentiary at Atlanta, Ga., for a period of 5 years for the sale of said liquor.

Ainsworth had not been charged for an offense within 2 years prior to his conviction, and the sentence passed upon him by Judge Holmes was clearly in violation of section 91, title 27, of the United States Code, in that the sentence passed upon him sentenced him to the penitentiary at hard labor for 5 years when the statute specifically provided that the penalty in such a case should not exceed a fine of \$500 or confinement in jail, without hard labor, not to exceed 6 months, or both.

Ainsworth was taken to the Atlanta Penitentiary under the sentence of Judge Holmes, and remained there, at hard labor, from November 11, 1932, until September 15, 1933, when, upon the hearing of a petition for a writ of habeas corpus filed by him in the United States District Court for the Northern District of Georgia, the United States district judge for the northern district of Georgia ordered that he be returned to the custody of the United States marshal for the southern district of Mississippi to be brought before the Federal court in Mississippi (Judge Holmes' court) for resentencing upon the ground that he had been given a sentence by Judge Holmes without authority of law.

Ainsworth was remanded to the United States marshal, and on September 26, 1933, Judge Holmes entered an order by which he modified and reduced his previous sentence and directed that the prisoner serve an additional 6 months from and after September 26, 1933, when he had already served over 10 months in the penitentiary, and notwithstanding the fact that the Federal court in Georgia had remanded Ainsworth into the custody of the United States marshal of Judges Holmes' court for the purpose of having him resentenced, in accordance with the law. Judge Holmes inflicted still further punishment upon the prisoner in violation of the law. He had served over 10 months illegally in the penitentiary, which was more than the penalty which Judge Holmes was permitted to inflict upon him.

He therefore should have been promptly and immediately discharged by Judge Holmes when he appeared before him on September 26, 1933, for resentencing, because he had already served more than 6 months, which was the maximum sentence authorized by law.

I, therefore, respectfully request that a subpoena be issued directed to Joe Ainsworth, at Meridian, Miss., directing that he appear and testify before this committee, and I also request that a subpoena be issued to the clerk of the United States District Court for the Northern District of Georgia, for all of the records and proceedings in the matter of the petition of Joe Ainsworth for a writ of habeas corpus.

In this connection, if the committee desires to know the whole truth about the carelessness, recklessness, and tyranny, and constant disregard of the rights of the citizens of this country within his jurisdiction, especially with respect to the sentences that he has imposed as evidenced by the cases presented to the committee up to this time, if you will make an investigation of the proceedings of his court at Biloxi, Oxford, Vicksburg, Jackson, Meridian, Clarksdale, and Aberdeen, I verily believe that you will find 75 or 100 cases where he has without any regard for the law governing those cases violated the rights of the citizens of my State and passed illegal sentence upon them.

In the short time I have been making this hurry-up investigation, I have been told of other cases where he has abused his power and rights as a judge, and I have been assured that records will be sent to me within the next few days confirming the statement that I am now making.

In the above and foregoing cases, I am filing with this committee certified copies of the indictments and orders of the court, showing on their face that Judge Holmes has willfully and otherwise prostituted the powers and functions of his office with utter disregard of the rights of the citizens of my State.

I respectfully submit that the excuse that a defendant may appeal a case and by that method correct the errors committed by a Federal judge is no excuse for such errors being committed. Many citizens who are accused of crimes for the first time are totally unfamiliar with the statute under which they are accused and of the penalties which may be imposed, and any Federal judge who will pass sentence upon a prisoner, sentencing him to the penitentiary without having informed himself with the statute, is either so ignorant or careless that it is conclusive evidence of his incompetence and unfitness to become a member of an appellate court, which is called upon to review the errors committed by other Federal judges. If a trial judge is so careless and reckless and ignorant of the law in passing sentences upon defendants, and in entering judgments and decrees in his court, how can he be

expected to search the records for errors with that great care and caution which all expect appellate judges to do in order to perform their full duty as judges of an appellate court?

A man who looks so lightly upon his own errors cannot be expected to look with any degree of severity upon errors committed by other judges.

I stated in my opening statement to this committee that Judge Holmes is personally obnoxious to me. He is personally obnoxious to me not only because he passed an illegal sentence upon me directly contrary and in violation of the law, but he is personally obnoxious to me because of his carelessness, recklessness, and tyrannical conduct upon the bench in passing sentences upon ignorant and penniless citizens of the State of Mississippi, in violation of their statutory and constitutional rights, inflicting upon them ignominy and shame and depriving them of their civil rights as citizens of the United States and of the State of Mississippi, contrary to the law.

I, therefore, feel that I would be violating my oath of office as a Senator of the United States to support and defend the Constitution of the United States if I did not object to the confirmation of a man whose own admissions and whose judgments show that he has either willfully or through incompetence violated his oath of office to defend the laws and the Constitution of the United States.

As stated to you in a previous letter, Judge Holmes was either so ill-informed or indifferent as to the law and his duties that at the February 1935 term of his court at Biloxi, Miss., he sentenced quite a bunch of prisoners and sent them to jail. Afterward these prisoners had to be brought back to open court and all resentenced. I am not advised as to the crimes for which these prisoners were convicted, neither am I personally advised as to the sentences imposed illegally at first, and neither do I know personally the final sentences imposed, but these facts can be substantiated by attorneys present at this term of court and by the district attorney and the clerk of the court.

I am, therefore, asking you to issue a subpoena for Attorney A. Y. Harper, of Jackson, Miss., who is assistant district attorney there, and B. L. Todd, Jr., clerk of the court, at Jackson, Miss.

I have insisted from the beginning of this hearing, and still insist, that in order for this committee to know and fully appreciate the utter disregard, indifference, recklessness, and favoritism displayed by Judge Holmes in the exercise of his powers and functions as a judge that it is imperative that your honorable committee make an honest-to-goodness investigation of the unthinkable, indefensible, and unconscionable dissipation of the assets of the First National Bank of Gulfport and the First National Bank in Gulfport.

This national-bank institution, before its crash, under the administration of Mr. Jaygoe, who now holds an important position in the Treasury Department here in Washington, was considered one of the strongest banking institutions in Mississippi. It had over 6,000 depositors. The laboring man's life savings, the widow's every dollar, the farmer's meager savings throughout a lifetime for his old age, the young man's savings to finish his college education—in fact, the bank enjoyed such a wide and substantial reputation for stability that its depositors came from all walks of life in many counties of south Mississippi.

The stock in this bank was owned and controlled by many people of reputed great wealth, some of them even in the millionaire class, and the stock was owned and the bank controlled by the high and mighty of the political world.

Right here I want to ask the committee to issue a subpoena duces tecum for Hon. J. F. T. O'Connor, comptroller of the currency, directing him to bring before this committee a list of the assets and liabilities of these two banks, giving the names and addresses of all parties and the amount owing by each.

There were so many rumors of fraudulent and shady deals and transfers immediately following the closing of this institution that the depositors held a mass meeting and selected a committee from their ranks to make investigations and to attempt to protect their rights. When this committee, headed by Hon. J. F. Galloway, of Gulfport, asked permission to investigate the list of stockholders and the list of those who had been permitted to take from the bank the money of the depositors, this committee was told they might come into the bank, but they denied them the privilege of taking paper and pencils, and were positively prohibited from making any notes while looking into the list of debtors to this bank, and to its assets and liabilities.

I am submitting herewith for your consideration a letter from the chairman of the depositors' committee, addressed to the ex-mayor of Biloxi, Hon. Hart Chinn, and also a brief statement showing the loans of the directors, officers, and to corporations owned and controlled by such directors and officers of these banks. This statement shows that 75 percent of the directors and officers, owning less than \$30,000 worth of stock, had borrowed \$131,203.80 which is approximately \$4.50 for every dollar's worth of stock that these officers and directors owned in the bank.

In the liquidation of the assets of this bank, under the absolute direction of Judge Holmes, the disposition of the assets of the bank and the release of those who owed the bank and were abundantly able to pay both their stock liabilities and for notes due and owing the bank, such gross favoritism was shown, authorized, and permitted by the court, that this committee, I am sure, would hesitate to recommend Judge Holmes' promotion if it knew the truth of this miserable story of financial tragedies.

I am having certified copies of many of these questionable deals made from the records at Gulfport, and had expected to have them here this morning as they were to be mailed at Gulfport

on Friday night, and I will file these with the committee either this afternoon or tomorrow, as I confidently believe I will receive them today.

Just after this bank closed an agent of the Department of Justice uncovered the theft, or embezzlement, of about \$10,000 by one of the bank's officers by the name of Searle Hewes, who was highly connected in the social and political life of Gulfport and Harrison County. The grand jury indicted this party for this embezzlement of the depositors' trust funds in this national bank, and Mr. Hewes plead guilty, offering no excuse nor mitigating circumstances. It was a straight-out positive theft of the bank's money, but, because of the political and social prominence of this party and because of political pressure or influence, Judge Holmes sentenced him and then sent him on his way rejoicing with a suspended sentence.

Other citizens of this district can sell a pint of whisky, and he sent them to the penitentiary for 1, 2, 3, and 5 years, where they were put at hard labor; but this gentleman of social and political standing, who had perhaps taken the widow's last dollar and caused the poor laboring man's children to cry for bread and almost go naked on the streets of Gulfport, yet he goes free.

A certified copy of the indictment, sentence, and order of the court in this case will be filed with the committee just as soon as these bank papers can be gotten from Gulfport, which were mailed, I understand, Friday night.

I am going to ask the committee to permit me to file a list of the names of the witnesses to establish all these facts in connection with this bank matter sometime today or tomorrow. I am asking those who are making these investigations for me to give me the names of these witnesses by whom all these facts can be proven.

I cannot conclude this petition without again pleading with the committee to compel Judge Holmes to furnish a list of my personal and political friends who had informed him that heretofore I approved of his appointment and would look with favor upon his confirmation. Judge Holmes vainly tried to put me in a false light before this committee by making this boast, when I know and he knows it is untrue, and I want the committee to give me an opportunity to prove to you that his statements are not true—that his statements are not dependable—that in many respects he is totally irresponsible. If I am not mistaken, in the issue before this committee, this kind of proof is vitally material, affecting the fitness, worthiness, and qualifications of Judge Holmes on the question of his promotion in the judiciary.

In conclusion, I want to assure this committee that I have spared neither time, effort, nor expense in endeavoring to assist the committee in ascertaining the true facts about Judge Holmes.

In your letter of February 3 you asked me to give the names of witnesses and what I expected to prove by them. I have honestly tried to carry out your suggestion, and I assure this committee that if you will reopen this hearing and have the witnesses, whose names I have suggested, before you and secure the additional documentary evidence which can be brought before this committee, and make the investigations suggested, that you will be convinced of the verity of practically every statement I have made. This is a very serious question to be decided. It is important in the interest of justice and good government. There is no need or cause for haste. This session of Congress will be continuing for many weeks. Let us work together and find out the whole truth. I have nothing to conceal. Judge Holmes is not entitled to a promotion, and with the cooperation of this committee there won't be a "doubting Thomas" left when we get to the bottom of the whole matter.

I respectfully ask that this petition and the documentary evidence filed herewith, together with certified copies of the bank records that I expect to file as soon as I receive them, all be made a part of this record, regardless of the decision of the committee. I shall ask permission to discuss this petition and these records if this matter ever reaches the floor of the Senate.

I renew my request to be heard by the whole committee.

With appreciation for your kindness and forbearance, I am,

Respectfully yours,

THEO. G. BILBO,
United States Senate.

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
February 17, 1935.

Additional and supplemental matters to petition filed by Senator THEO. G. BILBO asking for a reopening of the hearing in the matter of Judge Edwin R. Holmes' confirmation before the Subcommittee of the Judiciary in the United States Senate

Gentlemen of the committee, in my petition to you dated February 17 I made mention of the fact that I was expecting immediate delivery of additional documentary proof bearing on the question of Judge Holmes' fitness and qualifications as a result of the reckless, unwarranted, and unconscionable dissipation of the assets of the First National Bank of Gulfport, Miss., and the First National Bank in Gulfport, Miss., by his orders of settlement, to the great harm and pecuniary loss of the 6,000 depositors of these banks.

I am submitting herewith certified copies, six of the several hundred settlements approved by Judge Holmes. By a careful analysis or perusal of these petitions and approving orders of the court you will get a slight conception of just how much favoritism and preference was shown by Judge Holmes to the high, mighty, and wealthy in these banks.

The last hope of these 6,000 depositors rested in the judge of the district Federal court. Judge Holmes alone had the power to say to the receiver that these men of wealth and influence—men and women who were abundantly able to make good their obligations to the depositors or to the banks—shall not be forgiven of their debts, and because of Judge Holmes' recklessness, indifference, or favoritism the unfortunate depositors of these banks had to suffer the loss—in many cases the savings of a lifetime.

Please permit me to direct your attention to a careful study of these records.

Hon. Hart Chinn, ex-mayor of Biloxi, Miss., through whose kindness and assistance these certified court documents have been furnished me, has made some timely observations to assist me, pointing out in each instance the gross negligence on the part of Judge Holmes in giving his permission to each of these settlements and thereby finally releasing debtors to these banks who were abundantly able to pay in full.

I am also filing with this supplement the court record certified to in the case of Searle Hewes, who robbed the bank and, upon a plea of guilty, was given a suspended sentence of only 3 years. I am informed that this indictment of 10 counts covered only a part of the debt and cold-blooded theft of the depositors' money. As a matter of fact, I understand that his embezzlement amounted to over \$10,000.

I want to ask the committee to issue a subpoena to Hon. J. L. Galloway, chairman of the depositors' committee, and Hon. R. C. Edwins, P. H. White, and A. E. Kramer, all of Gulfport, Miss., and all members of the depositors' committee. Through these gentlemen I expect to prove many of the details of how the assets of these banks have been dissipated by orders of Judge Holmes. If you will bring these gentlemen, who are outstanding and reputable citizens of Gulfport, Miss., before you, you will in part expose the most shameful and shocking series of fraud ever practiced upon the unfortunate depositors of a failed bank, in this case amounting to over 6,000 in number.

I also want to ask for a subpoena for Herman Phafhausen, of Handsboro, Miss. I expect to prove by this gentleman, who is a citizen of unquestionable integrity, how officers of the court and others prevented defrauded depositors from appearing before the grand jury at Biloxi, Miss., to bring justice to parties guilty of perpetrating criminal fraud upon the defenseless depositors of these banks.

I also want a subpoena duces tecum directed to Hon. B. L. Todd, Jr., clerk of the district court and custodian of the records of the court, to appear before this committee and bring with him all the court records and copies of petitions and other transactions connected with the settlement or liquidation of the assets of the First National Bank of Gulfport and the First National Bank in Gulfport.

Neither time nor expense should be spared in determining the truth about the affairs of this bank and the dissipation of its assets with the knowledge and by the orders of Judge Holmes. It should be done as a matter of simple justice to the 6,000 depositors.

I want to again assure the committee that I am doing and have been doing everything that time would permit to assist the committee in knowing the truth, in order that a righteous conclusion can be reached in this very important matter.

Respectfully submitted.

THEO. G. BILBO.

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE AND FORESTRY,
February 21, 1936.

Senator EDWARD R. BURKE,
Senator KEY PITTMAN,
Senator WARREN R. AUSTIN,

Members of the Subcommittee of the Committee
on the Judiciary Investigating the Matter of the
Confirmation of Judge Edwin R. Holmes.

GENTLEMEN: Since your notice over the telephone to me a few minutes ago that you contemplate calling your committee together for the purpose of taking only the testimony of Judge T. Webber Wilson, and that you would also take the testimony of the former United States Senator Hubert D. Stephens, evidently on one of the many matters that I have charged against Judge Holmes in my letter, or petition, on February 17, together with the addenda thereto, I am constrained to plead with the committee to the extent of seriously objecting to such a reopening or rehearing of the case, unless the case is reopened for an investigation of all the charges made, and of any other charges, or such matters as I desire to present before the time set for such reopening or rehearing, and such matters as may arise as a result of the matters developed in the hearing.

Please do not understand me as attempting to suggest or control the action of the committee in any procedure that, in its good judgment, it should decide upon, but I feel that, upon reconsideration, you will appreciate the righteousness of my contention in objecting. You could readily see how manifestly unfair it would be to pick out one or two matters upon which to reopen the case, and deny an opportunity to furnish evidence on matters and charges far more vital and material than the one item upon which you propose to examine Judge Wilson and ex-Senator Stephens.

Since you telephoned me I have attempted to contact Colonel Wooten, who was Wilson's campaign manager at the time Judge Wilson was making the race for the Senate, and the only witness whose name I have given that was present and heard the joint debate between Judge Wilson and Senator Stephens. Of course,

you appreciate the fact that Wilson and Stephens were the participants in the debate. I was anxious to have Judge Wilson's campaign manager testify, but I find that Colonel Wooten was called to Hattiesburg, Miss., several days ago, which is his former home, and will not return to this city until one day next week.

Trusting that you gentlemen will fully appreciate the spirit in which this communication is written and that you will appreciate the correctness of my position, I beg to remain,

Yours respectfully,

THEO. G. BILBO,
United States Senator.

Mr. BILBO. I named Jonathan Day, Mr. Longmeyer, Mr. Neyland, and Mr. Ainsworth as four who had been indicted for misdemeanors in connection with violation of the liquor law, and the judge, in violation of the reviewing court's opinion, had pronounced these men guilty of felony and sent them to the penitentiary. The condition got so bad, and it is so bad, that when these men were sent to the Federal penitentiary at Atlanta, their homes wrecked, and the lives of their children blighted because of this illegal and unlawful and "heroic" treatment which Judge Holmes is giving them down in Mississippi, somebody suggested to them that the judge had certainly violated the law, and that if they would apply for a writ of habeas corpus in the United States district court in Atlanta, Ga., they might get justice; but they could not get it in Mississippi. So one of the men who had been sent to the penitentiary because of Judge Holmes' lack of a judicial mind and understanding of what the law is, applied for a writ of habeas corpus.

I desire to read to the Senate the opinion of Judge Underwood, who discusses the case. I am going to take time to read to Senators this opinion of Judge Underwood, passing upon the act of Judge Holmes, this man who has such a splendid preparation for the appellate court of our country.

Petitioner, on April 18, 1932, pleaded guilty to an indictment of two counts, charging him with having, on January 11, 1932, unlawfully possessed and sold "intoxicating liquor, to wit, whisky", without setting forth any particular amount of whisky so possessed and sold.

The indictment did not charge a gallon or more. It did not charge that he was an habitual violator of the law.

He was, on the same day, sentenced to be confined in the United States Penitentiary at Atlanta, Ga., "for a period of 1 year and 1 day from the date of his delivery"—

Judge Holmes generally gives them from 2 or 3 to 5 years—and was received at the penitentiary and began the service of the above sentence on April 24, 1932.

On November 17, 1932, petitioner filed an application for a writ of habeas corpus, praying for his discharge from respondent's custody on the ground that the sentence was void, because in excess of what could be lawfully imposed under the amendment of January 15, 1931, to the National Prohibition Act.

And he filed his habeas corpus predicated his defense upon the act of Congress that was passed on the 15th of January 1931, a law which my friend, Judge Holmes, never seemed to have been able to find out about. He does not even now know that it is the law.

The pertinent parts of the amendment are as follows:

That any person who violates the provisions of this title, in any of the following ways: (1) By a sale of not more than 1 gallon of liquor as that word is defined by section 4 of this title: *Provided, however,* That the defendant has not theretofore within 2 years been convicted of a violation of this title or is not engaged in habitual violation of the same; * * * shall for each offense be subject to a fine of not to exceed \$500 or to be confined in jail, without hard labor, not to exceed 6 months, or both.

Omitting the caption, the indictment was in the following language:

"The grand jurors of the United States, impaneled, sworn, and charged at the term aforesaid of the court aforesaid, on their oath present, that on or about the 11th day of January 1932, in the county of Washington, in the western division of said district, and within the jurisdiction of said court, William Pace did knowingly, willfully and unlawfully possess intoxicating liquor, to wit, whisky fit for use and intended for use for beverage purposes, said act being then and there prohibited and unlawful; and being further in violation of and otherwise than as authorized or permitted by the National Prohibition Act, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States.

"Count 2. And the grand jurors aforesaid, on their oath aforesaid, do further present, that the said William Pace on the 11th

day of January 1932, in the county of Washington, in the western division of said district, and within the jurisdiction of said court, did knowingly, willfully and unlawfully sell intoxicating liquor, to wit, whisky fit for use and intended for use for beverage purposes, said act being then and there prohibited and unlawful; and being further in violation of and otherwise than as authorized or permitted by the National Prohibition Act, contrary to the form of the statute in such case made and provided, and against the peace and dignity of the United States."

While the indictment is in two counts, the first alleging the unlawful possession and the second the unlawful selling of the whisky, the first count is not material, since the penalty for unlawful possession is a fine only, and could not support a penitentiary sentence; so that no fine having been imposed, the sentence, if valid at all, must be supported by the second count.

The question presented is, then, whether an indictment for the sale of whisky, brought under the Prohibition Act as amended January 15, 1931, for an offense committed after January 15, 1931, which fails to allege that the amount of intoxicating liquor involved is more than 1 gallon, will support a sentence greater than the maximum authorized by said amendment, and directing imprisonment in a penitentiary.

Under the Jones law (45 Stat. 1446), prior to its amendment, the quantity of the liquor sold was immaterial, and the same sentence, up to a maximum of 5 years in the penitentiary, could be imposed whether the amount involved was 1 or 100 gallons. There was a provision which informed the courts that it was "the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor, or attempts to commercialize violations of the law."

This proviso, however, was "only a guide to the discretion of the court in imposing the increased sentences for those offenses for which an increased penalty is authorized by the act." * * * Apparently sentences under the Jones law, despite the expressed intent of Congress, oftentimes were so severe for minor offenses or by Congress thought to be, that this wide discretion left the judges was restricted by the amendment of January 15, 1931, which undertook to classify as casual or slight violations all transactions involving 1 gallon of intoxicating liquor or less, provided the defendant had not, within 2 years, been convicted of violating the National Prohibition Act and was not a habitual violator, and fixed the maximum term of imprisonment at 6 months in jail, which, of course, could not be served in a penitentiary.

The circuit court of appeals for the seventh circuit, in the case of Foster against United States, says: "The recent act (Jan. 15, 1931) amending this proviso by fixing lesser maximum penalties for minor offenses would persuasively suggest that thereby Congress intended to substitute definite maximum penalties for the merely advisory or recommendatory phrasing of the original proviso."

This amendment carved out certain offenses from the Jones law and made them misdemeanors, leaving the others punishable as felonies. There could not be included in the latter class any case which falls in the misdemeanor class, and any sentences imposed in the last-mentioned class which exceed the maximum penalty provided by the amendment, or provide for the service of such sentences in a penitentiary, would be void as beyond the jurisdiction of the court and subject to be set aside on a habeas corpus proceeding.

This being true, the indictment must allege, as essential elements of the offense, the fact that more than 1 gallon of liquor is involved or that defendant has been convicted within 2 years of violation of the act or was engaged in habitual violation of same. If such allegation is not made, the indictment will be held to allege the lesser offense only, and any sentence providing for imprisonment in a penitentiary or in a jail beyond the maximum term provided by the amendment would be void.

That is exactly what Judge Holmes is doing. He has done it not only in one case, but he has done it in hundreds and thousands of cases. When we look over the penitentiary walls at Atlanta today we see men wearing felons' stripes and working in the penitentiary of the United States who are guilty only of misdemeanors, just because we have a judge who does not even understand the statute when he reads it or is unwilling to apply it if he should understand it.

The court continued:

In such cases habeas corpus is the proper remedy. * * * The defendant has a right to be informed by the indictment as to whether he is charged with a misdemeanor, with a maximum imprisonment of 6 months in jail, or a felony, with a maximum imprisonment of 5 years in a penitentiary.

Senators who are lawyers know that is the fundamental law of the land, that a man charged with a crime should know by the indictment with what he is charged so he may know what defense to prepare.

The proof by which a charge is sought to be sustained does not constitute the crime. It is the charge made in the information

or indictment that determines the character of the crime and not the evidence by which the crime is proved.

A plea of guilty is a plea only to the offense legally charged in the indictment, and, where the indictment may be sufficiently specific, in the absence of a demand for bill of particulars to support a sentence for a lesser offense, but not for a greater offense described in the statute, the indictment must be held to charge only the lesser offense.

It is necessary that the allegations bring the accused clearly within the intent of the statute prescribing the additional punishment. In this respect the charge must be definite and certain. So if such is a statutory element, it must appear that the offense was committed after a prior conviction, and where the statute provides that the additional punishment shall be imposed where defendant has before been sentenced, it is necessary to allege the sentence, but not merely that the accused has been convicted. * * * A prior conviction should be alleged directly and not by recital.

It appearing in this case that the maximum penalty which could have been legally imposed upon petitioner is a fine of \$500 on the first count and imprisonment in jail for 6 months or a fine of \$500, or both, on the second count, and it appearing that petitioner has already served in the penitentiary more than the maximum time that could have been legally imposed, even if 6 months' imprisonment and two fines of \$500 each has been imposed, and 30 days' service for nonpayment of each fine had been required, the writ is sustained and petitioner ordered discharged from the custody of respondent.

In other words, the petitioner was released from the custody of the warden of the penitentiary.

That was the case where Mr. Pace filed his writ of habeas corpus in Judge Underwood's court at Atlanta and was very promptly discharged.

I now have the same case entitled *Aderhold v. State* (65 Fed. Rep., second series, 790). Senators may ask why I read the same case. The opinion which I have just read is the opinion of Judge Underwood, who is the district judge holding a position similar to that held by Judge Holmes in the judiciary. That was the opinion he wrote in releasing Pace from a wrong sentence, an illegal sentence, and outrageous sentence imposed by Judge Holmes. The district attorney prosecuted an appeal from Judge Underwood's judgment. Issue was taken with Judge Underwood. Here is the opinion of the Circuit Court of Appeals of the Fifth Circuit, and one of the strange things about it, just a coincidence, is that Judge Nathan P. Bryan, the man whose shoes Judge Holmes is seeking to get into, was the man who wrote the opinion that condemned the unfitness of Judge Holmes in this case. Listen to what Judge Bryan says. He passed away last August, but he concurred in this opinion with two other circuit judges. I read:

This is an appeal by the warden of the Atlanta Penitentiary from an order granting the writ of habeas corpus and discharging William E. Pace, a prisoner, from custody. On his plea of guilty to an indictment which charged him with unlawfully selling on January 11, 1932, "intoxicating liquor, to wit, whisky", but without alleging the quantity sold, Pace was sentenced to imprisonment in the penitentiary for the period of 1 year and a day. After serving more than 6 months, he sued out a writ of habeas corpus, contending that the sentence in excess of 6 months was void, as it was held to be by the district judge.

We think the decision was correct. Under the National Prohibition Act the maximum imprisonment authorized for the first offense of selling was 6 months. By the Jones Act of March 2, 1929, it was increased to 5 years regardless of quantity; but by the amendment of January 15, 1931, the maximum punishment originally provided for a first offense in the event of a sale of not more than 1 gallon was restored, and was in force in 1932 when Pace made the sale on account of which he was indicted. Before the amendment of 1931, the severity of the sentence did not necessarily depend on the quantity of liquor sold, and it was therefore held that the quantity need not be alleged in the indictment. * * * But since the adoption of that amendment the quantity alleged to have been sold becomes of vital importance to the defendant. If he sells a gallon or less, he has committed a misdemeanor and cannot be punished by imprisonment exceeding 6 months in jail; whereas if he sells more than a gallon, he has committed a felony, and can still be imprisoned for 5 years in the penitentiary. The indictment ought, therefore, to allege whether the sale was of a gallon or less, or of more than a gallon. Without such an allegation the trial court has no guide for determining the maximum punishment which he is authorized by law to impose.

Judge Holmes did not confine this to one case. He sent people to the penitentiary by the carload. Some people from some of the best families in my State are today branded with the name of "felon" because of this judge's indifference, indolence, carelessness, viciousness, recklessness—I do not know what—but, whatever it is, it certainly unfits him to be put

on the appellate bench to review the action of other judges and other courts.

The mere sale of liquor is a misdemeanor; the sale of more than a gallon aggravates the offense into a felony. Any aggravation of an offense for which the law authorizes an increase of punishment must be stated in the indictment.

That is Bishop.

Mr. Bishop also says that to punish one for all of a crime where only a part of it is charged is to punish him without accusation. So far as we are aware there is no authoritative decision to the contrary. Certainly it cannot fairly or justly be said that Pace, because he pleaded guilty to a charge of selling an unnamed quantity of intoxicating liquor, thereby admitted he had sold more than a gallon.

The order appealed from is affirmed.

I am going to make out a case against Judge Holmes for sending hundreds and thousands of my people to the penitentiary in violation of this Federal statute, in violation of the decisions of the courts. I do not have to use bootleggers as witnesses. I can produce before the committee, down yonder in the committee room, eight Federal judges who will tell you, gentlemen of the committee, and will tell the Senate, and will tell the world, that Judge Holmes has openly and flagrantly violated the laws of Congress and has flown into the face of the decisions of the courts.

Here is the case of *Olivito* against United States, found in Federal Reporter, second series, volume 67. This is a case that arose away out West, in the ninth circuit—one of these same cases. This is what the court said:

It is true the court may have had at hand other facts, not shown by the record, tending to establish habitual violation; but under the present law the discretionary power has been removed and the court is empowered to sentence only upon the findings of a jury, based upon appropriate allegations of the indictment.

That is all I need to read in that case, because after a full discussion of the same class of cases the court holds that the indictment must charge the offense for which the defendant is sentenced. In other words, under the act of Congress passed on the 15th day of January 1931, if a man is indicted for violation of the liquor law, the indictment must show that he has sold more than a gallon, the indictment must show habitual violation; and, if it does not, any judge who dares to send that man to the penitentiary does so in open violation of the direct, positive mandates of the law of this Nation and flies in the face of the opinion of the appellate courts of this country.

When I had Judge Holmes on the stand, trying to find out by what mental processes this man had construed the laws of Congress and had interpreted the decisions of the court, and why it was that he was sending hundreds of my constituents to the penitentiary in open violation of the law, I said, "Why are you doing it?" Listen to what he said:

I was relying, and still rely in support of those sentences on the case of *Husty v. United States*, in Two Hundred and Eighty-two United States Reports, page 694.

The *Husty* case came up from the State of Michigan. A man was indicted for selling whisky in Michigan, strange to say; and the case went up to the circuit court of appeals, and then, by special writ, was brought up to the Supreme Court of the United States. Mr. Justice Stone delivered the opinion in the case, and he makes it very clear. Let me take a moment of your time to read this, because here is where Judge Holmes hangs his hat, and here is where he has left the laws of Congress and flies in the face of the decisions of the courts of the country.

Judge Stone says:

The indictment is in the form authorized by section 32 of the National Prohibition Act. It charges the transportation of intoxicating liquor as a first offense by both petitioners, and possession as a first offense by Laurel, and as a third offense by Husty, at a named time and at a place within the jurisdiction of the court. Failure to state more specifically the amount of the liquor and the time and place of the offenses charged does not affect the validity of the indictment. It was, at most, ground for a bill of particulars if timely application had been made.

It is urged that the indictment is defective because it fails to state whether the offenses charged were felonies or misdemeanors and whether the petitioners were charged with casual or slight violations or habitual sales of intoxicating liquor or attempts to commercialize violations of the law, which, petitioners argue, were made new or aggravated offenses by the Jones Act.

The court is talking now about the Jones Act of 1929:

But the Jones Act created no new crime. It increased the penalties for "illegal manufacture, sale, transportation, importation or exportation", as defined by section 1, title II, of the National Prohibition Act, to a fine not exceeding \$10,000 or imprisonment not exceeding 5 years, or both, and added as a proviso, "That it is the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor or attempts to commercialize violations of the law." As the act added no new criminal offense to those enumerated and defined in the National Prohibition Act, it added nothing to the material allegations required to be set out in indictments for those offenses. The proviso is only a guide to the discretion of the court in imposing the increased sentences for those offenses for which an increased penalty is authorized by the act.

That is the law as laid down by the United States Supreme Court, interpreting, explaining, justifying the action of Congress in enacting the Jones Act of 1929. That was the law as finally adjudicated by the highest tribunal of the country. But when Congress appreciated the fact that judges had gone wild, and that they were abusing this discretion, and imposing sentences running all the way up to \$10,000 fine and 5 years' imprisonment, Congress, on January 15, 1931, said that certain acts shall be misdemeanors in violation of the prohibition law, and these misdemeanors must be charged as facts; and if a misdemeanor is charged, and a man pleads guilty, then no court has a right to take ex-parte testimony and elevate that crime into something other than the one charged in the indictment.

That is what this judge has done in the cases of thousands of my people. I say "thousands" because his clerk said the other day that they had 2,000 such cases a year, and he has been at it since 1931. That is 5 years, and that would be 10,000 cases. Thousands of my people, good people, men, who come from good families, who have gone astray—just because a man makes one mistake in life is no evidence that he is totally bad, and men from the best of families make mistakes—these men who had violated the law, grant you they did, were entitled to the protection of the law. They were indicted by the district attorney for a misdemeanor, charged with a misdemeanor, pleaded guilty to a misdemeanor, were convicted of a misdemeanor; and this judge, in open defiance of the act of Congress of 1931 and the opinions of all the courts, has sent these men by the trainload to the penitentiary, wrecking the men, wrecking their homes, wrecking their families, and branding them for life as felons.

That is what he has been doing, that is what he is doing, and that is what I have been asking the committee to allow me to show.

It was said that I had some old bootleggers I desired to produce. I wired the clerk of the court at Atlanta a few days ago to send me a list of the cases where the poor devils had found out that Judge Holmes had put up a job on them. He immediately sent me a certified copy of just what had happened down there. This is what he sent:

In the District Court of the United States for the Northern District of Georgia

I, J. D. Steward, clerk of the United States District Court for the Northern District of Georgia, do hereby certify that the records of the District Court of the United States for the Northern District of Georgia disclose the following facts with reference to sundry habeas-corpus cases instituted in said district court, to wit: 337, J. Will Culpepper; 448, Everett S. DePew; 574, H. T. Holland; and 637, Joe Ainsworth, sentenced in the southern district of Mississippi, were ordered returned to the court of original jurisdiction for resentencing, and 405, Edgar Neyland; 478, Louis A. Redmond; 535, William Earl Pace; 536, Arthur Austin; 539, Collin Ladner; 541, Melvin J. Simmons; 599, Johnnie Wells; 607, Steve Taylor; and 1042, Leroy Talbert, were discharged on habeas corpus. I further certify that the case of William Earl Pace, no. 535, was affirmed on appeal.

In testimony whereof I have hereunto subscribed my name and affixed the seal of the said district court, at Atlanta, Ga., this the 11th day of March, A. D. 1936.

[SEAL]

J. D. STEWARD,
Clerk, United States District Court,
Northern District of Georgia.

I also wish to include a statement showing the dates of the indictments and dates of sentence in each case.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

No.	Petitioner	Indictment filed	Date sentenced
337	J. Will Culpepper	Mar. 23, 1932	May 3, 1932
448	Everett S. DePew	June 13, 1932	June 13, 1932
574	H. T. Holland	May 8, 1929	Nov. 21, 1930
637	Joe Ainsworth	Feb. 17, 1931	Nov. 3, 1931
405	Edgar Neyland	Nov. term, 1931	Nov. 4, 1931
478	Louis A. Redmond	May 12, 1932	June 9, 1932
535	William Earl Pace	Feb. 17, 1932	Apr. 18, 1932
536	Arthur Austin	May 3, 1932	May 5, 1932
539	Collin Ladner	Feb. 16, 1932	June 9, 1932
541	Melvin J. Simmons	do.	June 14, 1932
599	Johnnie Wells	May 3, 1932	May 4, 1932
607	Steve Taylor	Mar. 23, 1932	Oct. 5, 1932
1042	Leroy Talbert	Sept. 20, 1932	Sept. 23, 1932

Mr. BILBO. Mr. President, before the committee Judge Holmes explained this strange and unusual process by which, in defiance of the law, in defiance of the statute, in defiance of the opinions of two circuit courts of appeals—one in California and one in the fifth district—he has carried on his inquisition. He says that when a man comes into court and pleads guilty, regardless of what is charged in the information, he holds a kind of an ex-parte performance. He said he did not know whether those who testified were sworn or not, and he left the record that way—"I would not want to say whether they were sworn or not."

He brings in prohibition agents; first the head man, who sits in an office in Jackson, and this man who has letters, who has complaints, who has nothing but a bundle of hearsay testimony, and after all this hearsay stuff has been accumulated by this head prohibition man from the enemies of the man who is charged, and from the chronic kickers in the community, and from every other source, he unloads that upon the defendants in an ex-parte way, hearsay evidence, and with that hearsay evidence he elevates the crime from that of a confessed misdemeanor to a felony, and sends the man to the penitentiary. He says, "In doing that I am relying upon the opinion of the Supreme Court of the United States as announced in the Husty case", which permitted that kind of monkey business; and he says, "I relied then and I still rely upon it"; and he does not know that Congress has changed the law.

He says he found out that Congress had changed the law about a subpoena 40 days after it passed the law, when he wanted to put Bilbo in jail, but he has not yet found out, in 5 years, that Congress has done away with his method of sending people to the penitentiary illegally and unlawfully.

Some Senators may say, "Well, it would not do to vote against the confirmation of a judge just because he sent some bootlegger to the penitentiary." Granting that to be true, do not Senators think that the rights and liberties of the people of this country mean something to the United States Senate? If this judge did what he is charged with doing, then he is disqualified, he has not a judicial mind. He is either too ignorant to find out what the law is, or he would not know the law when he found it. In my case, he was too lazy to find out what the law was, and I think that might be true in these liquor cases. A lazy judge has no business on the appellate bench in this country.

The records I offer to exhibit cannot be brushed aside. If the Senate will send this case back to the committee, and the committee will permit me to furnish a list of the witnesses, I will bring reputable witnesses, I will bring the judges themselves, and I will prove beyond any reasonable doubt that this judge has made victims not only of the hundreds he has sent to the penitentiary, who have already gone there, and, in their ignorance, have served their sentences and gone away with the stripes on their records forever, but others will be found in the penitentiary now, because Judge Holmes says, "I am still pursuing that policy. I am still relying upon the Husty case."

Before concluding my remarks I wish to direct attention to the report of the subcommittee of the Committee on the Judiciary. I desire to make some observations on this report, and I do so because the report has been given to Senators to read.

The report is not signed by the committee. It is signed only by the chairman. I take it that the subcommittee joins

in the general conclusions reached, but the verbiage is that of my distinguished friend the junior Senator from Nebraska.

On page 1 he says:

The committee sat for 3 days and examined a considerable number of witnesses, some of whom were subpoenaed at the request of the junior Senator from Mississippi, and the other witnesses appeared voluntarily.

I have already directed the Senate's attention to the fact that with all this hearing, the junior Senator from Mississippi has been permitted to have subpoenaed only four witnesses, and one of those turned traitor, and there have been brought before the committee witnesses and affidavits in behalf of Judge Holmes to the number of 23. Does that look like a fair and square investigation?

There are still charges pending, and I have put those charges in the CONGRESSIONAL RECORD, and I desire the people of Mississippi and Members of the Senate to read them. I desire to know if the Senate would be willing to confirm a man in the face of those charges without any opportunity being given to establish them here. The mere explanation of Judge Holmes will not satisfy. The mere cumulative evidence of his clerk, Mr. Todd, will not satisfy. As a United States Senator, I am standing here and telling the Senate that I can establish these charges. After I have been permitted to do it, it will be up to the Senate to say whether or not to disqualify this judge.

The chairman of the subcommittee says:

After the hearings were concluded, the junior Senator from Mississippi requested in writing that the hearings be reopened so that further evidence could be taken. He presented a list of names and a statement of what he expected to prove. This was done at the request of the subcommittee. A further hearing was held, but only one witness named by the junior Senator was requested to appear. The committee then felt that all of the material evidence was presented and that no good would be accomplished by continuation of the hearings.

"No good"! In other words, by that statement the chairman of the subcommittee is willing to say that the things I charge against Judge Holmes would not disqualify the judge. When I charge that he violated the law repeatedly—one hundred, five hundred, yea, a thousand times—and that innocent people by the hundreds and the thousands have been sent to the penitentiary in violation of the law and the opinions of the courts of this country, the committee does not think that amounts to anything. That is what the committee says in its written report.

The overwhelming weight of the evidence presented is to the effect that Judge Holmes is preeminently qualified to fill the position to which he has been nominated.

If you keep the witnesses away, you will not have any evidence. They keep my witnesses away, and, as a result, they say the evidence is strong for Holmes. But if you let the case go back to the committee, and let me bring the witnesses here, you will read the next time a different report from that of my distinguished friend from Nebraska.

This is the unanimous judgment of the subcommittee, which had the benefit of seeing and hearing Judge Holmes in person.

He mesmerized them. He is not the same judge I saw down at Oxford on the 16th day of April 1923. I was told all along that the question of personal objection would cut no figure in the action of the subcommittee.

On page 4, I call attention to the observation of the distinguished chairman of the subcommittee with respect to the resolution of the State Legislature of Mississippi, at which time he says I was Governor:

The record shows that the resolution endorsing the appointment of Judge Holmes to the fifth circuit court of appeals to fill a vacancy then existing, was unanimously adopted by both houses of the Legislature of Mississippi, and that the friends of Governor BILBO exercised the controlling voice in the legislature.

I desire to be perfectly frank with the Senate, Mr. President. I knew nothing of this resolution until it was presented before the committee here in Washington. I had never heard of it.

It amounted to nothing. It effected no result. The Republicans were in power in Washington. It was during the second session of my legislature. The house was organized

against me. The senate was with me, it is true. In those hectic closing days in the Governor's office—and some Senators have been Governors and know what it means—this resolution did pass. When I stated to the committee that I had no recollection of it, and never heard of it, my friend from Nebraska said he had great trouble in reaching the conclusion that I did not know anything about it. Senators will understand that he is laboring to believe me. Of course, I am sorry for the mental processes through which he must pass.

However, in order to satisfy myself, and in order that Senators may know, I sent a telegram to two of the ex-Governors of Mississippi who understand our procedure down there and know how these things happen and how they come about. I desire to read the telegrams to the Senate:

HON. THEODORE G. BILBO,

United States Senator:

Answering your telegraphic inquiry, Mississippi procedure does not require Governor's approval of legislative resolutions, and they are not brought to his attention officially either before or after passage, except where the resolution is specifically directed to the Governor. Therefore, it is possible that resolutions were passed during my term of office of which I have never been informed.

SENNETT CONNER.

Here is one from ex-Governor A. H. Longino:

Replying to your wire this date, will say, "yes"; it was possible for the legislature, during my time as Governor of Mississippi, to pass resolutions not requiring the Governor's signature or approval. At the moment, I am unable to cite instances. Am morally sure, however, that such was a legislative custom, as such resolutions were passed but never brought to my attention officially, "if at all", until the legislature was adjourned.

A. H. LONGINO.

Under our system of legislation, such a thing is altogether possible, as testified to by these two ex-Governors, one of whom, ex-Governor Conner, went out of office in January last, and the other of whom, ex-Governor Longino, is now county judge in the capital of our State. They corroborate the statement I made, and I tell the Senate, as a matter of fact, that I knew nothing about it until the matter was presented before the committee. It was just one of those resolutions which were passed in the busy, closing days of the session, and it was never brought to my attention. It did not amount to anything.

The statement of the junior Senator from Nebraska continues:

The resolutions and other communications above set forth are merely typical of the great mass of evidence favorable to confirmation. No communications have been received from anyone questioning the qualifications of the nominee other than may be found in the statements of Senator BILBO, as hereinafter set forth.

I have been begging that witnesses be subpoenaed so that I could show the lack of qualification of this judge. Not only that, but I will bring judges here who are indeed judges—judges who hold higher positions in the judiciary than Judge Holmes does—to show, as I can show, that the man has the awful judicial record I charge he has.

I notice, on page 5 of the report, the following language:

The present junior Senator, then an ex-Governor of Mississippi, was duly and properly subpoenaed as a witness on behalf of the plaintiff.

That shows that the Senator who wrote this report has not read the law, because he said I was "duly and properly subpoenaed." I have shown clearly by the opinions of the court and by the law itself that the subpoena was absolutely illegal and unlawful, and yet the committee states that I was properly subpoenaed as a witness.

He refused to appear and succeeded in avoiding service of a writ of attachment. He was later cited for contempt, made a statement to the court which amounted to a plea of guilty—

In other words, the Senator who wrote this opinion is not any better lawyer than is Judge Holmes. He said my statement or explanation of why I did not respond to the subpoena "amounted to a plea of guilty."

Mr. BURKE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. BILBO. I yield.

Mr. BURKE. I think the junior Senator from Mississippi should include all the members of the Judiciary Committee in his characterization of qualifications, because after examination of the evidence they all agreed to the statement I made.

Mr. BILBO. I have an idea that the committee have not examined this matter as closely as I have. I am trying to point out where there may be some omissions and some erroneous statements.

But, sir, granting that all the members of the committee agree with the statement of the Senator from Nebraska that my statement to the court amounted to a plea of guilty, I still take issue. I should take issue with the world on that point, because I think I am lawyer enough to know that a mere statement to a court is not entering a plea of guilty, and, upon reconsideration, I am sure that even the Senator from Nebraska will agree that I am right in the statement. That is the observation I made upon his statement.

I continue my reference to this part of the report. I fail to understand it. On page 6 the Senator who wrote the report has set up an affidavit filed by Judge Holmes, an affidavit by Ex-Governor Russell of Mississippi. I have searched it; I have read it; I have tried to analyze it; I have tried to find out just what connection it has with Judge Holmes' qualifications.

On January 24, when we started these hearings, the distinguished chairman of the subcommittee, the Senator from Nebraska, said:

We are concerned in this hearing only with such evidence as may be offered and such statement as anyone may care to make concerning the qualifications of the nominee to fill the position to which he has been nominated.

In other words, all the way through the chairman of the subcommittee has insisted that nothing should go into the record that did not have some bearing or some relation to the qualifications and fitness of Judge Holmes. Yet Judge Holmes has incorporated in the record this affidavit from Governor Russell. It has been brought forward by the chairman of the subcommittee and included in his report. For the life of me, I fail to find where it has any bearing upon the question of Judge Holmes' qualifications. When it is analyzed it seems to be a studied effort on the part of somebody, beginning with Judge Holmes, to make attacks upon the junior Senator from Mississippi. This is the most damnable affidavit I have ever seen since I have been in the Senate. It charges me with practically everything in the category.

My understanding of the profound and deferential spirit and rule and regulation prevailing in the Senate is that there should not be attacks upon the personal life of a Senator; but here Judge Holmes comes in and, to defend the charges about his judicial misconduct which I have made and which I have asked an opportunity to prove, files the affidavit of a repudiated ex-Governor of Mississippi for no other purpose than to make a personal attack and personal assault upon the integrity and honor of a United States Senator. That is the only effect it can have. This is in keeping with Judge Holmes' conduct.

I have here a letter from Judge Holmes addressed to the Senator from Nebraska [Mr. BURKE], dated February 10, in which he said:

I enclose herewith certified copy of an order signed by me in the matter of the liquidation of the First National Bank of Jackson, Miss., to be filed with the record, if you deem proper. It relates to a compromise by Senator BILBO, his cosigners, and endorser of a note for \$1,850, plus accrued interest. The proposed settlement was agreed to by the receiver, authorized by the Comptroller of the Currency, and approved by the court. It was a routine matter, appeared to be to the interest of the trust estate, and was signed by me as a matter of course. I submit it to you, without comment, for such use or consideration as you may deem proper.

Here is a Federal judge who is going around digging up a transaction of mine with the First National Bank of Jackson, which he approved and the settlement of which he approved.

I have nothing to hide about it. The facts are I borrowed \$2,665 from the First National Bank of Gulfport, the purchase price of a piece of land, and paid it down to \$1,850.

When the bank failed and the panic came on I effected a compromise for \$1,250 for the balance due on it. I think it was a pretty good settlement under the conditions in view of the value of the property. It has nothing to do with the settlements I have been talking about at Gulfport, but here is this pussyfooting judge going around digging into BILBO's personal affairs, not to help himself, not to show his fitness, not to show his qualifications, but trying to attack the man BILBO. The affidavit was filed here with the committee. Of course, they have had the benefit of it.

The report of the Senator from Nebraska continues:

Your committee finds nothing in the matter of the imposition of a jail sentence upon THEODORE BILBO—

I presume the Senator was speaking about the junior Senator from Mississippi—

that in the slightest degree reflects upon the integrity, impartiality, or ability of this nominee.

In other words, the committee reaches the conclusion that notwithstanding the fact that Judge Holmes had illegally issued a subpoena, had illegally issued an attachment, had illegally cited me for contempt, had excessively fixed the bail, had illegally sentenced me, had even violated the law when he did it—in spite of all that "your committee finds nothing in the imposition of a jail sentence upon THEODORE BILBO that in the slightest degree reflects upon the integrity, impartiality, or ability of this nominee."

That is the conclusion of the subcommittee, which continues:

In the light of this testimony, your committee finds no substance to the charge that Judge Holmes, since he has been on the bench, has participated in politics.

In the face of the testimony of Colonel Wooton; in the face of the statements made by Judge Wilson, but later repudiated; in the face of my own statement, because I was an eyewitness and present; in the face of the sworn affidavit of Hodge, who heard the judge make the statement that he had succeeded in putting BILBO out of politics in Mississippi when he put me in jail, yet the committee concludes that he has not participated in politics.

All right.

In connection with the liquidation of the affairs of the First National Bank of Gulfport, I made some reference to the embezzlement committed by one of the officers of the First National Bank of Gulfport, who, through a period of years, with a sharp pencil had cold-bloodedly and deliberately robbed the bank of \$10,000 of its money—money that belonged to the widows who had faith in the bank and its officials, money that belonged to the laboring men who had faith in the officials and those in charge of the bank. He was a man 32 years old, a man with a family. He was socially highly connected. Politically, he belonged to a strong faction. Politically, he belonged to Judge Holmes' faction. After an agent of the Department of Justice had gone down and worked up the fact of this embezzlement when the bank had failed, this man walks into the court at Gulfport, Judge Holmes' court, and enters a plea of guilty as charged of stealing \$10,000, without any mitigating circumstance on earth; and the judge promptly says, "Go your way; sin no more; not a day in the penitentiary."

Favoritism! Political bias! And the committee says the most that can be said against this is that the judge overstrained the quality of mercy. He must have developed an awful case of mercy between the time I met him in Oxford, Miss., on the 16th day of April 1922, and the time he turned loose this man who had stolen \$10,000 of the depositors' money down at Gulfport, a man of high social and political standing; a man who, not through any accident or any sudden impulse of the sort that sometimes causes people to act wrongfully, but a man who, through a period of years, deliberately, cold-bloodedly, week after week, month after month, year after year, steals \$10,000; and when caught by an agent of the Department of Justice, with no defense, he walks up and pleads guilty, without any mitigating circumstances or any excuse; and the judge does not give him a day in jail; does not give him any sentence whatever!

I was standing yonder at Oxford, pleading with the judge, and explaining the fact that I had no intention of being in contempt; that I acted upon the advice of lawyers. "No; no; go on to jail!"

There you are. That is the type of man with whom we are dealing.

Now I wish you would listen to these alarming statements:

The sentence imposed in each case—

Speaking about these bootlegger cases—

was proper if there was more than a gallon of liquor involved or if the accused was a habitual violator. If neither of those elements was present in the offense, then a misdemeanor only was committed, and the sentence was excessive.

The author of the report states that as a matter of law. That is not the law.

The sentence imposed in each case was proper if there was more than a gallon of liquor involved or if the accused was a habitual violator. If neither of those elements was present in the offense, then a misdemeanor only was committed, and the sentence was excessive.

Two of the defendants, after serving a portion of their time, sued out writs of habeas corpus in other jurisdictions and were released on a holding that the indictments were insufficient to charge a felony. The United States district attorney—

Now, listen to this:

The United States district attorney, who handled all of the prosecutions before Judge Holmes, assumes full responsibility for the proceedings.

The committee at last break down. They at last confess that they have a bad subject on their hands, and that he has made a miserable mess, and they try to skid him on by "passing the buck" to the district attorney, and saying:

The United States district attorney who handled all of the prosecutions before Judge Holmes assumes full responsibility for the proceedings. He then felt, and still feels, that the indictment was sufficient, and he is supported by court decisions.

He is not.

Before sentence was imposed in each case testimony was taken in order to fix the degree of punishment. It is admitted that if the evidence showed a violation amounting to a felony the sentences were proper. The judge and the district attorney state that the evidence did so establish a felony.

Going on and deliberately violating the law of Congress; and they have been at it since January 15, 1931. I would be willing to wager dollars to doughnuts that there are a thousand persons in the penitentiary who were charged with misdemeanors, and have no right under the law to be adjudged guilty of felonies. If that is not enough to justify an investigation, I shall have to be disillusioned.

Senator BILBO has requested the committee to call before it these confessed bootleggers in order that they may contradict the testimony so offered and endeavor to establish that they were guilty only of a lesser offense than that for which they were sentenced.

You see, there has been no evidence offered except when they brought the judge himself in here to do the testifying, to explain the things with which we charged him.

The district attorney makes an affidavit that during the 4 years of his term approximately 2,500 prosecutions were handled by him, more than 80 percent of them before Judge Holmes, and that no reversal was secured in any appeal.

Of course, you know that is not true. I have already produced the records on that point.

After a careful study of all of the evidence presented, and with due regard to the imperative necessity of approving appointments to the Federal bench only in cases where there is no shadow of suspicion, of lack of integrity and ability, we affirm that Judge Edwin R. Holmes is qualified and should be confirmed.

That is the conclusion of the committee.

I think I shall be able to show enough in the record to prove that if I had been given half a chance there would have been some suspicion; there would have been some doubt.

Mr. President, I regret the necessity of detaining the Senate this long to present this matter, but I desired to make the record full and complete. I have done my best to make it consecutive, logical, and sequential, so that those who read may understand. I repeat that I appreciate the odds in a battle of this kind. If I had had a chance to bring witnesses

before the committee in substantiation of my position on charges other than those upon which I predicate my personal objections, as against 23 witnesses and affiants produced on the other side, I should not have experienced such difficulty as I have in presenting the matter. But I am convinced—I believe with all my heart, my soul, and my mind that this judge is totally bad; that he is most certainly unfit to be a member of the reviewing bench of the judiciary of this country. Whether it is indolence, whether it is lack of a judicial mind, whether it is because of recklessness, indifference, viciousness, I care not what is decided; the facts speak for themselves. At the conclusion of my remarks I shall make a motion that the nomination be recommitted, and I certainly trust that Senators will give me a roll call on that motion.

I desire to say in conclusion, and I say this deliberately, that as I view Judge Holmes' record of judicial incompetency and abuse of powers vested in him, it is unparalleled in the courts of this country, and in my judgment finds no equal, at any time or anywhere, except in the records made by Lord Chancellor Jeffreys, of England, and Lord Braxfield, his counterpart, "bloodthirsty wearers of the ermine", whose fiendish delight was in the imposition of extreme sentences, and whose cruelty and political profligacy knew no bounds.

According to Lord Campbell, who was at one time also Lord Chancellor of England, Judge Jeffreys began the practice of law when quite a young man, and during his first experience as a barrister was seized with an inordinate desire to rise rapidly in his chosen profession. Among his first acts to elevate himself socially, financially, and politically as a means toward the ultimate purpose burning in his heart, he sought and obtained the hand and heart of an heiress, who was the daughter of a country gentleman of large possessions. From the dismal chambers where he lived, in what was called the Inner Temple, he advanced to the occupancy of a sumptuous manor house through this marriage to this high-born lady. Thus proudly and favorably circumstanced, it was an easy step from this social elevation and financial security to the office of recorder of the city of London.

His one thought and consuming desire was to climb, forever climb, to a higher position in the judiciary of his country. He was finally recommended to the King as a suitable man to serve His Majesty. As a result of these recommendations from his newly acquired social and political friends, he was then promoted to the high office of chief justice of the King's bench, which for a long time had been his paramount ambition to obtain, because it was an advancing rung in the ladder that led to the lord chancellorship. As lord chief justice of England, he was constantly determined upon doing everything within his power to please the King and all the satellites of the King's court in order to attain the ambition of his life. He was content to abide his time and to wade through slaughter, if necessary, for the seat he so much coveted, and he could well afford to go to any extreme, for he was already confirmed—as Judge Holmes has already been confirmed as a district judge—and forever secure as a chief justice of the King's bench. Every sentence he pronounced and every judgment he enrolled were with an eye single to the interest of his political faction and to his own advancement to the lord chancellorship of England.

Judge Jeffreys sought not only to please the King but also to strike terror into the ranks of the opposite political party by the very savagery with which he conducted his prosecutions.

In the case of Sir Thomas Armstrong, a man who did not enjoy the good graces of the King, Judge Jeffreys illegally overruled his plea and then pronounced judgment of death upon him. Sir Thomas exclaimed, "I ought to have the benefit of the law, and I demand no more." Whereupon the infuriated judge replied, "That you shall have, by the grace of God. See that execution shall be done on Friday next according to law."

The King presented to Judge Jeffreys a valuable ring from his own finger in reward for this trial, and it has since been known as Jeffreys' bloodstone.

Just before attaining the goal of his ambition—appointment as Lord Chancellor of England—and during the time of his sojourn in the western circuit where he was sent to

try a large number of alleged violators of the law, he learned of the death of the Lord Chancellor to whom he desired to become the successor, and was therefore in great haste to return to London lest some other judge might receive the appointment. Consequently, in order to expedite his departure, he conceived the idea of having it openly proclaimed "that if any of those indicted should relent and plead guilty they would find him to be a merciful judge, but that those who put themselves on trial, if found guilty, would have little time to live, and had better spare him the trouble of trying them."

On the Monday morning thereafter Judge Jeffreys, on taking his place, found many applications to withdraw the plea of not guilty, and the accused pleaded guilty in great numbers—as they do in Judge Holmes' court—but this did not placate the enkindled ire of the judge, and he manifested no semblance of mercy. In these few days 292 of these unfortunates received death sentences, and the whole country was covered with quarters of human beings, and to this day the tradition still lives of the horror then and there created.

Following these numerous summary sentences Judge Jeffreys hastened to London in order to obtain for himself the coveted office of Lord Chancellor of England. By royal command he stopped at Windsor Castle and after a wonderful reception the great seal was delivered into his hands. A short time after this followed the downfall and flight of King James, and Judge Jeffreys was thrown into a state of great consternation. He undertook to effect his escape by disguising himself in the garb of a sailor, but was finally detected by one of his victims, who at one time had been arraigned before his court, and who later, upon being questioned as to how he came off, said, "Came off? I am escaped from the terrors of that man's face, which I would scarcely undergo again to save my life, and I shall certainly have the frightful impression of it as long as I live."

The disguised Lord Chancellor, while seated in an alehouse for breakfast, and believing himself unrecognizable in his sailor suit and old soft hat, dared to put his head out of the window to look at the passers-by, and it so happened that at that very moment this same man was walking upon the opposite side of the street and recalled the features of the pretended sailor as those of none other than Lord Chancellor Jeffreys. Upon forthwith being seized and carried to the Tower of London for safety he lost all sense of dignity and presence of mind, and as the coach rolled along to the great tower he constantly exclaimed, "For the Lord's sake, keep them off! Keep them off!"

While incarcerated in the tower a letter was addressed to him from the widows and fatherless children of the west where he had sentenced so many hundreds of poor unfortunates who had entered pleas of guilty at his request. This letter reads as follows:

We, to the number of a thousand and more widows and fatherless children, our dear husbands and tender fathers having been so treacherously butchered, our estates sold from us, our inheritances cut off by the severe sentences of Lord Judge Jeffreys, now in the Tower of London, a prisoner, ask that the Lord Chancellor, the vilest of men, be brought down to our counties, where we the good women of the west shall be glad to see him and give him another manner of welcome than he had there 3 years since.

And so in the great Tower of London, the Lord Chancellor of England, Judge Jeffreys, died a miserable death at the age of 41. There is not to be found in all judicial history a more striking and impressive example of far-reaching consequences that flow from investing in such characters great power and authority through promotion in the judiciary than in the life of Judge Jeffreys.

To find his counterpart in modern times I have only to direct your attention to the life story and judicial record of Judge Edwin R. Holmes. Judge Holmes began the practice of law early in life, at the age of 21, while Judge Jeffreys began at the age of 18. Like the Lord Chancellor of England, Judge Holmes first sought the hand and heart of the daughter of a country gentleman, a one time United States Senator, realizing, as he must, that this union would

forever establish his social status and political allegiance. Like Judge Jeffreys, he realized that through this favorable circumstance his own violent ambition to reach the top rung in the ladder of the judiciary could be best promoted.

His first political office was that of mayor of Yazoo City, this recognition corresponding to the first office held by Judge Jeffreys, which was that of recorder of the city of London.

Because of the prestige and influence of his father-in-law, and because of his improved social status occasioned by his marriage to the daughter of an outstandingly prominent country gentleman, Judge Holmes was elevated to the judgeship in the Federal District Court of the State of Mississippi. Here was an undeserving recognition thrust upon him by virtue of the fact that he was the son-in-law of a United States Senator. Knowing that his promotion came from a political influence, having been reared in a political atmosphere, having been envired by unceasing political activities, his first allegiance when he became a Federal judge was to those interests and that political faction which had secured his appointment. As in the case of Judge Jeffreys, his one consuming desire was to climb, forever climb, to a higher position in the judiciary of his country, and to do so by the exercise of his power to please and further the interest of his political faction, and at the same time to strike terror and consternation into the ranks of the opposite political faction.

Judge Jeffreys had his Sir Thomas Armstrong, whose plea he illegally overruled for political purposes, and for which he received a priceless ring taken from the finger of the King; and Judge Holmes had his ex-Governor THEODORE G. BILBO, whom he illegally sentenced for contempt of his court and incarcerated without authority of law in the Federal jail within his jurisdiction, for political purposes.

Judge Jeffreys urged upon alleged violators of the law in the western circuit, where he had been sent to try several hundred cases, that if they would plead guilty to the charges made against them they would find him to be a merciful judge; but if they put themselves on trial and were found guilty they would have little time to live, and consequently they had better spare him the trouble of trying them. Likewise, Judge Holmes caused it to be frequently stated by attendants in his court to these alleged violators of the National Prohibition Act that if they would come into his court without an attorney and plead guilty he would exercise mercy.

In the instance of Judge Jeffreys, when these alleged violators from the western circuit complied with his proclamation and pleaded guilty, he gave to each and every one of them a sentence of death; and the tradition still lives of the horror then and there created. Likewise, in the case of Judge Holmes, he unlawfully sentenced hundreds and possibly thousands of these alleged violators of the liquor law to years of servitude in a Federal penitentiary, notwithstanding the fact that they had pleaded guilty to an indictment wherein they were charged with mere misdemeanors.

Judge Jeffreys pronounced these severe sentences upon his victims in order to curry favor with his own political faction and to satisfy the bloodthirsty cravings of his majesty the king. Judge Holmes imposed these illegal sentences upon these unfortunate violators of the law because he thought it was a popular thing to do in a prohibition State where the people have never voted to legalize the sale of spirituous liquors.

The masterpiece which was addressed to the authorities by the widows and fatherless children of the West, whose husbands and fathers he had treacherously butchered, would be a fit memorial for the thousands of wives and children in the several Federal court districts of Mississippi to address to the United States Senate at the present hour, when Judge Holmes, the author and perpetrator of the injustices that have been done them, is seeking promotion before this body in the judiciary of this country.

I can well imagine the feelings of delight that must have been experienced by that victim of the wrath of Judge Jeffreys who, when walking over the paved streets of London,

beheld and recognized the face of the Lord Chancellor in the worn-out garb of a common sailor. It has been my experience, Mr. President, to have indelibly fixed upon my mind the terrors of Judge Holmes' face, which I would scarce undergo again to save my life, when I stood before him on the morning of April 16, 1923, in the little town of Oxford. Visualize if you will that tragic moment. The courtroom was crowded and overflowing with spectators. The temperature was mounting and at fever heat. A dense humidity had settled down, with suffocating discomforts, and lay heavily like a leaden robe upon an awe-struck assemblage. Men's nerves were strung to the highest tension, strained to that fine ductility that snaps to the sequence of startled expectancy. Their sensibilities were stunned by the terrific outburst of an unanticipated and inconceivable judgment just imposed upon me.

Behold, for the moment, standing before an enraged and unreasonable judge, an ex-Governor of a sovereign State of the Union, a practicing attorney in good repute before the bar of the courts of this country, receiving an unlawful double sentence from this remorseless judge for an alleged contempt of a Federal court; a contempt to which he had not pleaded guilty; a contempt which he had in most polite and deferential language disclaimed any intention to commit; a contempt that grew out of a character of subpena that was wholly void and without potency, as I have this day shown, and had been outlawed by the statutes of the United States for more than 100 years. Behold this man, for the time being, suffering inwardly the unutterable tortures arising from the shame and ignominy that with such explosive suddenness and breathtaking violence had been heaped upon him, calm and self-possessed with it all, meekly and with gentle persuasion most courteously stating all the facts by which he had been motivated; and then listen to that stern and unyielding judge, steeled against all the softer influences and finer sentiments numbered among the nobler attributes of mankind, snapping a snarled and merciless judgment and unlawful sentence with all the venom and viciousness of his poisoned and revengeful nature!

Fortunate, indeed, am I this day to be able to recognize the face and features of this tyrannical judge, not as he protrudes his head from the window of a breakfast inn as I tramp the sidewalks of a populous city but as he advances his claim for promotion in the judiciary of my country while I stand in the presence of the Members of the Senate. I trust that my recognition of his form and features on this occasion, and my portrayal to you of this judge as I know him to be, will result in the termination of his political life, and in your refusal to permit his advancement in accordance with the unbridled ambition that has motivated every act of his judicial life.

Mr. President, in my judgment, the elements that entered into the character of the Lord Chancellor of England are the self-same elements that are embodied in the character of Judge Edwin R. Holmes. The distinction between the severity of the sentences imposed by the two judges does not lie in any appreciable difference in the elements that constitute their respective characters, but exists only by virtue of the times in which they lived and the environments by which they were circumstanced. In other words, if Judge Holmes had lived in the days of King James, he would have been in all essentiality the Lord Chancellor Jeffreys; and if Judge Jeffreys had lived in the days of Franklin Delano Roosevelt, he would have been no worse and no better than Judge Edwin R. Holmes.

Mr. President, with these remarks, and awaiting whatever reply my friends on the opposite side of this question may have to make, I move that the nomination of Judge Holmes be recommitted to the Committee on the Judiciary in order to give me an opportunity to present further evidence in the case.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Mississippi [Mr. BILBO] to recommit the nomination.

Mr. CONNALLY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pittman
Ashurst	Costigan	La Follette	Pope
Austin	Davis	Lewis	Radcliffe
Bachman	Dickinson	Logan	Reynolds
Bailey	Donahey	Loneragan	Robinson
Barbour	Duffy	Long	Russell
Barkley	Fletcher	McGill	Schwellenbach
Benson	Frazier	McKellar	Sheppard
Bilbo	George	McNary	Shipstead
Black	Gibson	Maloney	Smith
Brown	Glass	Metcalf	Steiwer
Bulkley	Gore	Minton	Thomas, Okla.
Bulow	Guffey	Moore	Thomas, Utah
Burke	Hale	Murphy	Townsend
Byrd	Harrison	Murray	Truman
Byrnes	Hatch	Neely	Vandenberg
Capper	Hayden	Norbeck	Van Nuys
Caraway	Holt	Norris	Wagner
Clark	Johnson	O'Mahoney	Wheeler
Connally	Keyes	Overton	White

Mr. LEWIS. I reannounce the absences of certain Senators and reassert the reasons therefor as given upon a previous roll call.

The PRESIDENT pro tempore. Eighty Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity, with an amendment, in which it requested the concurrence of the Senate.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The PRESIDENT pro tempore, as in legislative session, laid before the Senate the amendment of the House of Representatives to the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity, which was, on page 2, to strike out section 2 and insert:

SEC. 2. Effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed 4½ percent per annum; otherwise such interest rate shall be as fixed by the Reconstruction Finance Corporation: *Provided, however,* That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

Mr. FLETCHER. I ask unanimous consent that the Senate concur in the amendment of the House.

Mr. BENSON. I object.

Mr. BARKLEY. I ask unanimous consent that the amendment may be held on the table temporarily.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EDWIN R. HOLMES

The Senate resumed the consideration of the nomination of Edwin R. Holmes to be United States circuit judge, fifth circuit.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Mississippi [Mr. BILBO] to recommit the nomination to the Committee on the Judiciary.

Mr. BURKE. Mr. President, it will be my purpose to state very briefly the considerations which, in the first instance, led the subcommittee appointed by the Committee on the Judiciary, and following that the full Committee on the Judiciary, to report, in each case unanimously, in favor of the confirmation of Judge Edwin R. Holmes to be judge of the circuit court for the fifth circuit.

Since it has been charged openly that the protestant, the junior Senator from Mississippi [Mr. BILBO], has not had the opportunity to make the kind of showing which he desired, and since he has indicated his purpose by moving to recommit on that ground, I think just a moment or two

should be taken to lay the facts in that particular before the Senate.

The nomination was sent to the Senate by the President in August of last year. It was reported favorably by the Committee on the Judiciary. The recommendations submitted in behalf of Judge Holmes appeared to the committee to show abundantly his qualifications for the office to which he had been nominated.

When the nomination had been reported to the Senate by the Committee on the Judiciary it was made known by the junior Senator from Mississippi, who was then in his home State participating in a gubernatorial campaign, by communication to the senior Senator from Mississippi [Mr. HARRISON], that the junior Senator from Mississippi desired to object on personal grounds to the confirmation of the nomination of Judge Holmes. The nomination was then re-committed to the Committee on the Judiciary and the senior Senator from Mississippi appeared before the committee in August, a few days before final adjournment, stated the facts in reference to the personal objection of his colleague, and asked that the matter go over until the next session. It went over; but before adjournment the chairman of the Judiciary Committee presented, and the Senate adopted, a resolution which kept the nomination before the Senate.

I refer to that fact only because it shows that it must have been known to the junior Senator from Mississippi that if he desired to examine into the record of Judge Holmes, and gather his evidence, that was his opportunity to do it. I say it should have been known to him, unless possibly this is another case such as the Senator himself has referred to, when, while he was serving as Governor of Mississippi in 1930, both branches of his legislature unanimously endorsed Judge Holmes for a vacancy then existing on this very circuit court of appeals. The only answer the junior Senator has to make to that—it being remembered that the incident of his confinement to jail, about which he complains, took place in 1923, and the incident to which I now refer took place in 1930—is that he was so busy with the legislature that he did not know about it. It may be that he did not know that this matter was going to be before the Senate at this session; but I think everyone else who had any interest in the matter knew it.

At the opening of this session on the 3d of January there was appointed by the Judiciary Committee a subcommittee composed of the senior Senator from Nevada [Mr. PITTMAN], the senior Senator from Vermont [Mr. AUSTIN], and myself. We at once conferred with the two Senators from Mississippi in order to get their views on this nominee. The junior Senator from Mississippi indicated that he wished to be heard on the matter. The committee, of course, expressed willingness to hear him, and asked him what witnesses he desired to have called. He stated that he would submit a list of all the witnesses he desired; and after some little delay—not especially unreasonable, I think—the junior Senator did submit the names of certain witnesses whom he desired to have called.

One thing in particular was that he wished to have us issue a subpoena duces tecum to bring in all the records of the court in the case of Birkhead against Russell, which was tried before Judge Holmes in 1922 and 1923. Those records were all brought from Mississippi. A hearing was set for the 23d of January, the complete court records in the matter, at the request of the junior Senator from Mississippi, having been received several days before that and turned over to him for examination.

On the 23d of January the junior Senator stated that if the matter could go over until the 24th he would be able to proceed to better advantage, because he had not completed his examination of the rather voluminous court records in the case. The other members of the committee being consulted, that was agreed to. Following that, on the same day, one of the witnesses to whom the junior Senator has referred—Judge Crum, a witness subpoenaed at the request of the junior Senator from Mississippi—received word, I believe, of illness in his family, and desired to return home immediately; so the committee met that day—on the 23d—

and heard this one witness, and then, to accommodate the junior Senator, met on the following day—the 24th.

We subpoenaed whatever witnesses the junior Senator requested, and all the records that he wanted. Judge Holmes himself came here, and a number of attorneys and others appeared voluntarily in the case; and beginning on the 23d, and continuing on the 24th and 25th, we heard all of the evidence. Both sides rested, having offered everything they had to offer, and the subcommittee awaited the preparation of the transcript of the evidence before holding a meeting for a decision.

About a week after the conclusion of the hearings, when, as we all supposed, the matter was completely at an end, and in fact just on the morning of the day when the committee normally would have been ready to report to the Judiciary Committee their findings, to wit, on Monday, the 3d of February, a few minutes before the meeting of the committee the junior Senator from Mississippi delivered to me a written communication in which he asked to have the hearings reopened, as he desired to call some more witnesses and go into other matters.

We complied with his request, and did not make a report; and, with the approval of the other members of the committee, I wrote to the junior Senator from Mississippi and suggested that we thought the matter had been gone into very extensively, emphasizing, as he says I have done on that occasion and on all occasions, that the only matter in which we were interested was the question of the qualifications of this judge to hold the office. Anything that might be said pro or con on that question we were interested in, but nothing else; but I added that if the junior Senator from Mississippi felt that there were other matters bearing on that question which ought to be investigated, we should like to have him submit a list of the names of the witnesses and a brief statement as to what he hoped to prove by them.

The junior Senator from Mississippi agreed to that, but stated that he wished to go to Mississippi to gather some of his evidence; or, I believe, he stated that he was going to Mississippi to make a speech, and that while there he would gather the evidence.

The matter ran on for a few weeks, and after his return he did submit a very long statement of certain additional matters which he desired to have investigated. There really was nothing else about the one matter with which he had started. We had all the evidence on that subject, and it had been submitted in the testimony and in the statements, and has been submitted today in the oral argument of the junior Senator from Mississippi; so it is thoroughly familiar to all Senators who have followed the matter.

But there were some other matters which the Senator wished to have investigated. The first was the matter of certain alleged political activities of Judge Holmes. The second had to do with the so-called illegal sentences; and there were named four men who, it is claimed, back in 1931 or 1932—I believe 1931—had been given sentences for felonies, which I may say in passing, on the sworn testimony, they committed; two of whom, however, were able to secure their discharge on writs of habeas corpus after serving a portion of their sentences, because of what are alleged to have been defects in the indictments. But, in any event, one of the requests was that we go thoroughly into that matter. Also the charge was made that this judge, as United States district judge, had approved the report of the receiver of a closed national bank in Mississippi which had been an improvident settlement, so it was claimed; and the request was made that we subpoena J. F. T. O'Connor, Comptroller of the Currency; and at that time and later the request was made that we also subpoena a great number of persons from this city in Mississippi, members of a depositors' committee, attorneys, and others who might know about the various items of the settlement.

I believe there was only one other matter to which our attention was called, and that was in reference to the probation of a man named Searle Hewes, who pleaded guilty to a charge of embezzlement. Judge Holmes, upon hearing the statements of many of his townspeople in reference to the

good qualities of this young man, determined that there was a chance to rehabilitate a confessed criminal, and sentenced the man to 3 years in prison but released him on parole.

Those were the matters which we were invited to investigate. While the members of the subcommittee did not think it advisable to call the bootleggers, as I think we may properly denominate them, since they all pleaded guilty to the indictments; while we did not consider it necessary to go into all of those phases, in fairness, we wished to get at all the material evidence.

First, in regard to the charge of Judge Holmes being politically active. The charge was made, and the statement from the junior Senator from Mississippi, in specific language, was that in the campaign of 1928 Senator Hubert D. Stephens, a candidate for reelection, was to speak at a fair somewhere in central Mississippi, his opponent being the then former Representative T. Webber Wilson, and that to this gathering—in the nature of a joint debate, as I understand—Judge Holmes had gone, and that he had taken part in that political meeting. That seemed like a matter that should be investigated, and the junior Senator from Mississippi asked in his first request simply that we call Judge T. Webber Wilson, the candidate against whom the remarks were supposed to have been made and the participation engaged in. But in a later communication he asked that we call not only Judge Wilson but one of his campaign managers—Colonel Wooton.

We endeavored to call both those gentlemen, who are now employed in Washington, but Colonel Wooton had left the city, and gone to Mississippi, and could not be reached at the time; but Judge Wilson, the main one, the one first mentioned, and apparently the most interested party, was here, and we issued a subpoena for him. He came before the committee. I do not know as to the other members of the committee, but when I went into the committee room that was the first time I had ever seen Mr. Wilson. He was sworn as the witness of the junior Senator from Mississippi [Mr. BILBO], and his testimony is in the printed record. I hope many Senators have read it. He told about this incident, but, instead of giving his testimony, let me read the letter of ex-Senator Stephens on the same point. He also testified, but I think the matter is brought out a little more succinctly in his letter. The testimony of Judge Holmes, of Senator Stephens, and of Judge Wilson, the latter two the candidates, is all identical in this respect.

This is the letter from Senator Stephens:

My attention has been called to a statement filed by Senator T. G. BILBO at the hearing before a subcommittee, of which you are chairman, on the nomination of Judge Edwin R. Holmes. The statement to which I refer is on page 108. It reads as follows:

"Judge Holmes forgot to tell you that when the Honorable T. Webber Wilson, who is now a member of the Federal Parole Board, and was at the time a Member of Congress, was making his race for the United States Senate against the then incumbent, Senator Stephens, he (Judge Holmes) left his home and his court and traveled 150 miles across the State and, as all understood and believed at the time, had himself, by prearrangement, planted in the audience to be called upon by Senator Stephens, so he could stand in the audience and give testimony in behalf of Senator Stephens against Congressman Wilson at the time. Does this look like a man who never took any part in politics?"

I had no knowledge that Judge Holmes was to attend the speaking. There was no prearrangement, nor was he planted in the audience to be called upon by me. It is true that he came quite a distance, but hundreds of others did the same. I saw him shortly before the speaking began, shook hands with him and other friends, but had no idea at that time of making reference to him during my speech.

For many years it had been charged that Federal offices were sold in Mississippi. At the session before the time of the speaking I had been active in having passed through the Senate a bill making the buying or selling of such offices a criminal offense. Certain persons had been indicted in Judge Holmes' court.

I interject here that former Representative Wilson testified that in his meetings in this campaign he had claimed that he, rather than Senator Stephens, was the one responsible for bringing about these indictments, because he had introduced in the House of Representatives a resolution to investigate the matter. Senator Stephens continued:

Because of some remarks made by my opponent I desired to call attention to the fact that I had been instrumental in the passage of the bill referred to. Seeing Judge Holmes in the audience, I

asked him to stand up. He did so, and I asked only this question, "If this bill had not been passed, would it have been possible for those persons to be indicted?" His answer was, "No." That ended the matter.

Judge Holmes and I have been friends for many years, but I had never heard of him taking an active part in any campaign of mine. Really, I have never known him to be active in any political campaign since he was appointed judge.

Judge Wilson went into the matter a little more fully and stated, just as Senator Stephens had stated, that when Senator Stephens called on Judge Holmes to stand up he never saw a more embarrassed man in his life the judge apparently not knowing what was going to happen to him. But he stood up, the question was propounded, he said, "No" and sat down, and that was the end of it. Judge Wilson said that not a vote was affected. He may have been a little hurt at the time, but he realized it did not have any effect on the campaign; certainly there was nothing to indicate any political activity on the part of the judge. That is all there was to that story.

Later, at the instance of the junior Senator from Mississippi, we were able to secure the presence of Colonel Wooton, and he came in and elaborated this matter a little more. He remembered that the judge said something more than merely to answer "No." He gave the date of the passage of the act to which Senator Stephens referred, and Colonel Wooton, the campaign manager, said he thought that from that time on he could see that the popularity of his candidate, Wilson, was waning. But it is a little hard for members of the committee to see that Judge Holmes had anything to do with that.

Mr. President, that is the whole story, and that is all there is to the charge of political activity on the part of the judge.

I must hasten, as I do not desire to detain the Senate for more than a few moments. In reference to the matter of the First National Bank of Gulfport, a claim was made, which was not in the mind of the junior Senator from Mississippi when he started to present these objections, but someone down in Mississippi had told him some kind of a story, so eventually he brought in the fact that Judge Holmes had been the one who had approved the report of Receiver A. F. Rawlings both for the sale of the assets and for the composition of claims against persons who owed the bank, and, as I said, he asked that we call in Mr. O'Connor, the Comptroller of the Currency, and a great many persons from Mississippi.

We did talk with the Comptroller of the Currency, who was leaving the city, and who stated that in any event the right person to call, if we desired information in regard to the matter, was the Deputy Comptroller, Mr. Lyons, whose name has been mentioned here, and who is in charge of insolvent banks. So we asked Mr. Lyons to appear, and he came before the committee. We wanted to get information from him, not in reference particularly to any certain items in the bank in Gulfport, Miss., for we assumed that he would not have information as to that in his mind, but we wanted to know what the procedure was in reference to handling closed banks, and how much a judge had to do with it. I will not take the time to read his testimony, except one paragraph, which shows just how the matter is handled. He stated:

In the course of liquidation the bad debts are usually taken care of later on. The good assets are worked on and liquidated, and then they work on the doubtful assets. That is the ordinary course. The receiver negotiates with the debtors and works up the best settlement he can. That is his duty. He has, of course, some of the local people to consult in that connection. Lots of banks have depositors' committees that consult with the receiver on the sale of assets and the compromising of debts.

If he arrives at a settlement that he thinks is fair and the best he can do, he submits that to the office—

Referring to the office of the Comptroller of the Currency—

with all information he has and with his recommendation. Before we approve or disapprove a compromise we, of course, refer to the records of that bank, and quite often the examiner before the bank closed would have classified certain of them as doubtful or worthless. We have that information. We have the receiver's classification at the time he took charge. In addition, we require the financial statements of the debtors, which we analyze, and if

the offer seems the best the receiver can get, due to the financial condition of the debtor, we approve and authorize him to petition the court for authority to make the compromise.

That petition is presented by the receiver's attorney, and there is usually attached to it a letter or copy of the letter which we addressed to the receiver approving the settlement. In that letter in the preamble we set out the facts as presented to us by the receiver, the insolvent condition or the extent to which insolvency exists, and the ability of the debtor to pay. The court has that before it at the time the petition is filed. In most cases that goes through the court without any question, because of the complete data which we set out in our letter and our conclusion as to why that settlement should be approved.

The Deputy Comptroller of the Currency goes on to say that Mr. Rawlings, the receiver in the case of this particular bank, was appointed a national-bank receiver in 1926; that he is considered one of the best receivers in the entire system; that all his reports in this case were thoroughly examined, and, of course, the procedure he then outlined was followed. The receiver, through his attorney, presented the matter to Judge Holmes and, no objection being raised by depositors' committees or anyone else, the judge, as a matter of course, approved the report.

We felt that we had gone far enough with the investigation of this closed bank. If we were to begin to examine into the affairs of the bank itself, taking up particular items, it would require doing over again all the work that the Comptroller of the Currency has done, and probably we should not be in a position to arrive at as correct a conclusion as the Comptroller did, that this was the proper way to handle the matter. The system may be wrong. It may be that we should require Federal judges to examine every item of these claims, regardless of the fact that the Comptroller of the Currency has given his approval. That, however, is not the way the matter is handled. So both the subcommittee and the full Committee on the Judiciary felt that there was nothing in the matter of the approval by Judge Holmes of the accounts of the receiver in that bank and his petitions which would in any way militate against the qualifications of this judge.

Another word or two, and I am through.

There has been a great deal of talk this afternoon, as there was before the subcommittee and before the full Committee on the Judiciary which granted the junior Senator from Mississippi the right to appear and make his contentions about four individuals—Jonathan Day, Longmeyer, Neyland, and Ainsworth, and, I believe, one other man. These men all pleaded guilty to violation of the National Prohibition Act. According to the testimony in the record—not only the testimony of the judge but the further and more detailed testimony of the clerk of the court—after their plea of guilty all the witnesses were sworn, not by the judge but by the clerk, as in all Federal courts; and the testimony in each case shows either that much more than a gallon of liquor was involved in the transaction—in certain cases 10 gallons and other amounts—or, if that element were not present, that these confessed offenders were habitual offenders. So the judge imposed sentence in the light of the sworn testimony adduced before him.

It is true that two of the persons I have mentioned, and possibly certain other persons, were later, because of what the circuit court of appeals held were defects in the indictments, able to secure their discharge. These matters were never prosecuted to the Supreme Court. Before that could be done national prohibition had come to the end of the road; and it was never found possible or advisable to have a final decision on the question.

The Senate in all seriousness is asked to disqualify a judge because in his judgment it was sufficient to charge a general violation of the act, and in the judgment of many other United States district judges and in the judgment of the district attorney who prepared the indictment, it was felt that it was sufficient to charge a general violation of the act, and because then upon sworn testimony as to the degree of the offense he sentenced the violators to the penitentiary. We are asked to disqualify this judge because he did not look ahead and see what the circuit court of appeals would decide, which decision might very well have been reversed if the matter had gone to the Supreme Court.

But neither the subcommittee nor the full committee could see any advantage in going further into those matters.

Of course, nothing has happened of the kind indicated by the junior Senator from Mississippi when he talked about thousands and thousands of his constituents who have been illegally sentenced. He presented us with the names of four men. Every one of those men, according to this record, pleaded guilty to the indictments, and, according to the sworn statement, they were all guilty of a felony. They escaped, luckily, from serving their full sentences because other courts held that the indictments should have been more specific. But again I say that there is nothing in this matter which in any way indicates any lack of qualification on the part of the judge.

In closing—I do not wish to detain the Senate longer—let me say that it became very clear to the committee when we began this hearing that there was a sharp difference of opinion between the members of the committee and the junior Senator from Mississippi as to what we were really to investigate in this case. We are somewhat criticized, I understand, by the junior Senator from Mississippi this afternoon for the position we took; but it was our judgment that we were concerned only with the qualifications of the judge and with statements and evidence bearing in some way or other on his qualifications. Apparently it was in the mind of the junior Senator from Mississippi that we should go into the political situation in Mississippi.

The Senator seemed to think that the fact that this judge happened to be a son-in-law of former Senator John Sharp Williams should be considered as having something to do with the question of confirmation, or that we could concern ourselves with the matters in dispute between the Senators from Mississippi. However, we tried to confine the matter closely to the qualifications of the judge. We called every witness suggested that the committee thought could shed any needed light upon the question of the qualification or disqualification of the judge.

We had before us the recommendations of the presidents of the bar associations of Mississippi and Louisiana and communications from a great number of county bar associations unanimously endorsing the judge and speaking of him in the highest degree. The Mississippi Legislature previously had unanimously endorsed him. The Brotherhood of Railroad Trainmen and other organizations spoke most highly of the treatment all litigants received in his court. We were satisfied in the subcommittee, and the full committee is satisfied, that this judge has every qualification for the position to which he is nominated.

So, in closing, we come back to the place where we started. The junior Senator from Mississippi went into this matter with the idea that because the judge had at first sentenced him to 30 days in jail and a hundred dollars' fine, and then reduced the sentence to 10 days, therefore the Senator should make a showing against the judge, at least for the record. I am fully satisfied in my mind that in the beginning that was all the junior Senator had in mind; but later he warmed up to his task. He got into it, and discovered other matters about which he wanted to talk.

Let me now say just a few words in reference to the sentence itself.

Here was a very important case, a salacious case, a case involving the highest political figures in the State of Mississippi. It was a suit by a woman against the then Governor of Mississippi for \$100,000 damages for alleged seduction. The suit was brought first, I believe, in the southern district of Mississippi; but the Governor, the defendant in the case, came forward with a plea, if I understand correctly, that while the capital was in the southern district, and he was there, he was maintaining his legal residence in the northern district, and could not properly be sued in the southern district which, I believe, is also the district in which the junior Senator from Mississippi lived.

The suit was dismissed there and filed in the other district. When it came on for trial the junior Senator from Mississippi, at that time a former Lieutenant Governor and former Governor, and having held other offices in his State, was subpoenaed as a witness. It is true that he lives more

than 100 miles from the place at which the court was finally held, but unknown to the junior Senator from Mississippi Congress had changed the law in that respect. He said it was changed so few months before this happened that he doubts whether the attorneys in the case and the judge knew the law had been changed.

However, that does not seem to be a matter in which we can indulge in fancy. They did proceed in accordance with the new law. A showing was made to the court upon which the order for a subpoena—not only for the junior Senator from Mississippi but for other witnesses living more than 100 miles from the seat of the trial—was issued. The junior Senator from Mississippi was served with the summons, and he elected not to obey.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. BURKE. Certainly.

Mr. BILBO. Will the Senator point out for the benefit of the Senate just what act was performed to show that they were complying with the statute as revised?

Mr. BURKE. Without turning specifically to the page, Judge Holmes testified that the attorneys in the case came before him and made the showing. He was asked if there was a written application, and he said it was his impression that there was a written application, although he did not recall definitely, but no written application appears in the files that were brought up.

Mr. AUSTIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Vermont?

Mr. BURKE. I yield.

Mr. AUSTIN. May I refer the Senator to pages 83 and 84 of the hearings of January 24 and 25, where the junior Senator from Mississippi was interrogating Judge Holmes? I quote from the hearings at that point:

Senator BILBO. Without application or cause shown, you issued that order to the clerk?

Judge HOLMES. I think it was a written petition, but I do not find it in the files.

Senator BILBO. It is not in the files.

Judge HOLMES. It is proper for me to act on a written petition. That is my recollection. Mr. Campbell was an experienced lawyer.

Then on page 27 of the plea of Senator THEODORE G. BILBO is set forth the written order made by Judge Holmes, as follows:

To the clerk of the United States District Court of the Western Division of the Northern District at Oxford, Miss.:

You are hereby directed to issue subpoenas for Mrs. C. F. Skillman and Eli Rainer, residents of Memphis, Tenn.; and Theodore G. Bilbo, who resides at Poplarville, Miss.; and Will Perry, Jr., a resident of Meridian, Miss.; and Dr. Henry Boswell, who resides at Magee, Miss.; and E. E. Frantz, of Jackson, Miss., witnesses for the plaintiff in the above-styled case.

Witness my hand this the 20th day of November 1922.

E. R. HOLMES,

*Judge of the United States District Court
for the State of Mississippi.*

Mr. BURKE. I thank the Senator from Vermont for supplying the definite information in answer to the question.

In any event, the subpoena was issued and served on the junior Senator from Mississippi at his home, and he elected, for reasons which seemed to him sufficient, not to respond to the subpoena.

When the case came on for trial on the 5th of December 1922, it having been announced and generally known that former Governor BILBO was not going to respond to the subpoena, the attorneys for the plaintiff asked for a continuance in order that they might secure a writ of attachment and have the ex-Governor brought into court to testify as a witness. Judge Holmes continued the case until the 9th. The writ of attachment was issued but was returned on the 9th with the notation that ex-Governor BILBO could not be found.

At that time the evidence shows there was discussion between the parties as to whether to proceed with the trial. They thought the trial would last about 10 days, as it did. Some information had come to some of the parties, according in their affidavits, that ex-Governor BILBO had crossed the line into eastern Louisiana. Accordingly, upon application of the attorneys for the plaintiff—and this was testi-

fied to before the committee in the presence of the junior Senator from Mississippi—and I find no denial in the record—letters of ex-Governor BILBO were shown to the judge at that time in which ex-Governor BILBO urged Miss Birkhead to bring the action and stated that he would appear as a witness in her behalf whenever the case came on for trial.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. BURKE. I yield.

Mr. BILBO. Does the Senator mean to state it was shown to the committee that I had written letters to that effect?

Mr. BURKE. I mean to state exactly what I did state; that in the hearing it was developed by the testimony of Judge Holmes himself, as well as by the testimony presented by affidavit to the committee, the affidavit of the attorneys in the case, that such letters were shown to the judge; and the junior Senator from Mississippi was present both when the affidavits were read and when Judge Holmes testified under oath that such was the fact. I find no denial.

Mr. BILBO. I think the Senator is mistaken. There is no such animal as a letter that I had written. There was testimony as to letters the woman in the case had written.

Mr. BURKE. No; these were letters alleged to have been written by ex-Governor BILBO to the woman.

Mr. BILBO. That is merely hearsay, like most of it.

Mr. BURKE. It is not exactly hearsay. It is the testimony of a witness, sworn to tell the truth, who appeared before the committee—Judge Holmes himself.

In any event, a writ of attachment was issued to the marshal in the eastern district of Louisiana and the trial went on, but the marshal made his return that ex-Governor BILBO could not be found any more advantageously in eastern Louisiana than in Mississippi. The jury, after about a 10-day trial, returned a verdict for the defendant.

There are affidavits of the attorneys in the case which indicate that the plaintiff felt, either rightly or wrongly—and we have no way of judging as to that—that if her chief witness, as she claimed, had been present there might very well have been a different outcome, and that was the only complaint anyone had to make about the trial—that one of the witnesses, the witness, did not appear.

Following that incident, the attorneys for the plaintiff asked for a citation of contempt to issue against ex-Governor BILBO. Judge Holmes issued the citation, set it for the next term of court, and in April of 1923, ex-Governor BILBO appeared before the court.

We have heard much argument as to whether or not he pleaded guilty. I have always found, in my experience, that what the parties put down in writing at the time an event happens is apt to be much more accurate and trustworthy than their remembrance of it 10 or 15 years later, particularly when there have been a great many developments that tend to becloud the issue. We find that on this day, whether or not ex-Governor BILBO pleaded guilty, Judge Holmes, at that time, made his entry in the journal that Mr. BILBO entered his plea of guilty, and the judge imposed the sentence.

I, myself, have no difficulty in deciding what happened on that occasion. I think, probably, the Senator from Mississippi is entirely correct in saying that he did not say, "I am guilty"; but, according to my understanding of the law, a man may plead the facts of guilt just as effectively without using the word "guilty" as otherwise. On the Senator's own statement here and before the committee, he said to the judge, "Yes; I received the subpoena, but I did not answer it." That was just as effective a plea of guilty as if he had said, "I am guilty of the charge of contempt."

We were not particularly concerned with the Senator's reasons for not appearing. He says he did not know that the law had been changed. He also says that his testimony was privileged, and would not have been of any help; but, of course, no one can seriously contend that a witness upon whom a subpoena is served may himself decide whether or not his testimony is material.

He must go into court and let the judge determine, in answer to the witness' plea of privilege, whether he must give his testimony.

In any event, the present junior Senator from Mississippi deliberately and wilfully and purposefully disobeyed the subpoena issued out of this court in a most important case; and when he was brought in, in response to the citation issued at the request of the attorneys for the plaintiff who had caused the original subpoena to issue, and made his plea, the judge imposed a sentence.

I do not know that other Senators will agree with me in this; but when the facts in the case were made known to me my estimation of Judge Holmes immediately went to a higher level. Here was a former Governor of the State, a powerful figure in the State, himself a lawyer, a man who anyone could see was going to "go places" in Mississippi politics; a powerful figure. A weak judge would say, "Well, while I might send to jail some unknown man on the street if he deliberately flouted the processes of the court, this man is too powerful. I will let him off." I believe, however, that in this day and age we need to demand that justice shall rule the mighty as well as the weak; and when Judge Holmes imposed a sentence which some might say was too severe, and others might say was not severe enough, I say that imposing any sentence of that kind upon a powerful figure, as he did, was an indication that this judge possesses some of the qualifications that go to make a great member of an important branch of our Government.

It is very interesting to note what followed that. Ex-Governor Bilbo was then taken to the jail, but only nominally was he in jail. The jailer moved out. The jailer asked the judge if it would be proper; he said he would like to move out and let the ex-Governor occupy his rooms on the first floor. The judge made no objection; so ex-Governor Bilbo occupied the rooms of the jailer. He had his telephone. He never was under lock and key. According to the testimony and his own admissions, his place was crowded with visitors all day long.

Three days later the ex-Governor sent for the judge and asked him to drop into the jail and see the ex-Governor, who was then serving the third day of a 30-day sentence; and the sentence also involved the imposition of a \$100 fine. The judge testified that he thought it a little unusual that a judge should be asked to go around to the jail to call on a man serving a sentence in the jail; but when he thought of it he decided that a refusal might embarrass the ex-Governor. Anyway, whatever the judge's reasoning was, he went to the jail. A large crowd of students or some other friends of the ex-Governor were visiting with him, but they left; and the judge and the ex-Governor had some conversation.

Again I say, it would be very well to apply to what took place the test of what, if anything, was written down on that occasion. The judge and the Senator disagree as to what was said in the jailer's rooms that day. The judge went back to the courthouse and made an entry in the minutes, that because of the fact that the prisoner had taken his punishment in such a proper manner and had expressed his apologies—I do not recall the exact wording—he thought the ends of justice would be satisfied by reducing the sentence to a 10-day sentence; and it was so ordered.

At the end of 10 days ex-Governor Bilbo appeared at his nominal jail to accept the nomination, as I understand, in the race for Governor that year. I do know, as the testimony clearly shows, that he had a platform composed of 10 planks, one for each day that he served in jail; and enough is shown in the record to indicate very clearly that the Senator took full advantage of capitalizing upon the fact that he had served 10 days in jail rather than testify against a friend.

That is all there is to that. I think, upon a fair consideration of the whole question, that if the Members of the Senate have had an opportunity to read all of the testimony, they have reached the same conclusion that the subcommittee and the full Committee on the Judiciary have reached. If the Members of the Senate had had the opportunity the subcommittee had to sit for 2 days, 3 days, 5 or 6 days with the judge present, to have him on the stand and examine him, to see how he responded to the examination of the junior Senator from Mississippi, and so on, they would agree

with the committee that here is a man qualified in every way, by training and experience and temperament, to fill with high honor to himself and to the fifth circuit the position on the circuit court of appeals for the fifth circuit.

So, while it may be that other members of the committee would like to speak, as chairman of the subcommittee of the Judiciary Committee, I feel that a sufficient showing has been made to justify the Senate in voting down the motion of the junior Senator from Mississippi to recommit the nomination, and in following that action by confirmation of Edwin R. Holmes to be judge of the circuit court for the fifth circuit.

Mr. AUSTIN. Mr. President, I favor confirmation of this nomination because I became convinced from the evidence, and from personal contact with Judge Holmes in the hearings before the committee, that he is entirely worthy and well qualified for the office.

After the experience of listening, from time to time during a period of 3 years, in connection with the special committee of the Senate investigating receiverships in bankruptcy and in equity, to testimony relating to alleged misconduct of judges, I confess that I probably had a keener interest in this investigation than I otherwise should have had. Viewing the evidence as a whole, and critically, I came to the considered judgment that Judge Holmes is a person who is most likely to hold high the standard of the judiciary, and to do justice to every case, so far as human limitations permit a man to go.

Examining all of the points of challenge made in this investigation, and putting them in their very worst light, they did not seem to me to amount to enough to raise even a question of this man's qualifications for the office.

I do not intend to take the time of the Senate for more than a few moments, but, briefly, the points are: The sentence for contempt; the four or five sentences on November 4, 1931, for violation of the liquor laws; the sentence for larceny, which was suspended; and the charge of participation in a political campaign. These and these alone are the points of objection raised against the confirmation of this nominee.

Take the first one, and look at it in its very worst light. Assume that the judge in this case did not inquire of counsel who applied for the subpoena in the first instance whether there was special cause under the statute for extending the subpoena beyond the 100-mile limit—and, of course, if it was not up to the judge to do that, then he could not be censured for not doing it—but assume that it was up to the judge to investigate his clerk's office and be sure that he knew about all applications made for subpoenas, a circumstance which we know probably very rarely occurs in the offices of the clerks of the district courts; assume that there was the obligation on the judge to do that, and that in this case he failed to do it, that he was negligent and did not ascertain from the counsel whether there were special grounds for extending the subpoena beyond a hundred miles, and that originally there was neglect on the part of this man in the issuing of that one subpoena. Follow that out, and assume further that on the summoning of the junior Senator from Mississippi for contempt, the judge was careless and did not examine the law. I think that is a fair assumption; I think from his testimony that is a fair deduction. His testimony is:

Now, Senator Bilbo's plea of guilty was unexpected. I sentenced him immediately. I did not look at the statute. Most Federal statutes provide a fine and imprisonment. If I had looked at this statute I would have seen that it provided for a fine or imprisonment, but I did not. I frequently sentence without looking at the statute, when I know the sentence I am going to give is small and well within the power of the court. So I entered that sentence of a fine of \$100 and 30 days in jail. Senator Bilbo made no objection to the sentence, nor was any appeal requested, nor any statement made by him or any other person that the sentence was unjust, unfair, or improper. Later, by reason of the clemency which I showed the Governor, the error was automatically corrected.

Take it in its very worst light, and this contempt matter is bundled up in a very small compass.

Add to that these other points in testing the qualifications of this man for the office to which he has been nominated, namely, that on November 4, 1931, he sentenced four or five respondents to the penitentiary for violating the liquor

law; I do not remember the exact number. If the sentences had been illegal, about which there is a question, add that to the complaint.

Then take the other case, of the exercise of discretion. It is certainly put up to every judge by the laws which Congress has enacted to exercise discretion in criminal cases, and, if he thinks it proper, to suspend sentence and to place the defendants on probation. We, the Congress, have said to the judges, "You must do that in suitable cases."

Here is the judge appealed to for that kind of clemency, and his sympathy is excited. Let us assume there is not a man in the Senate whose sympathy could be excited in the same circumstances. Can we say this man is not qualified to be a judge because we do not agree with him in his discharge of that duty?

Of course, the other point, the allegation that what the judge did at the meeting in Mississippi amounted to participation in a political campaign, is too frivolous for consideration.

I say that, taking all the charges together in their very worst light, assuming that the junior Senator from Mississippi had summoned a thousand more witnesses and that they had all supported everything he claims with respect to these episodes, would they, could they, amount to a cause for supporting his claim that he has good ground for saying to the Senate, "You ought not to confirm this nomination because this man is politically obnoxious to me on these grounds"? I say not.

I desire to go back just far enough to show how little there is to the claim, anyway. Take the charge about which I think more of my colleagues have inquired, knowing that I served on the subcommittee, than about anything else connected with the investigation, the charge that Judge Holmes imposed several illegal sentences under the liquor law. Mr. President, there may be men who think that is so, but the judge thought that he was acting under the law and according to the law, and he had just ground for thinking so. His testimony is as follows:

I was relying and still rely in support of those sentences on the case of *Husty v. U. S.* (282 U. S. 694, 75 L. Ed. 629).

I will detain the Senate but a moment, but this ought to go into the Record. That case, unanimously decided by the Supreme Court of the United States on February 24, 1931, was clearly in the memory of this judge, and was a full and complete justification of the sentences which he imposed on November 4, 1931. The opinion of the Supreme Court was read for the Court by Mr. Justice Stone, speaking for the entire Court. I read only an extract from it, but certainly enough to show that the sentences in this case were upon proper indictments, according to the Supreme Court of the United States, and that the sentences were entirely and wholly lawful.

I read first the following from one of the briefs:

The proviso to the Jones Act defines no new crime, but merely cautions the court to exercise a judicial discretion in the imposition of sentences. *Ross v. United States* (37 F. (2d) 557, certiorari denied, 281 U. S. 767); *United States v. Kent* (36 F. (2d) 401. See also *McElvogue v. United States*, in which this Court denied certiorari.

I read now from page 702 of the decision, just an excerpt from the opinion:

Failure to state more specifically the amount of the liquor, and the time and place of the offenses charged, does not affect the validity of the indictment. It was, at most, ground for a bill of particulars if timely application had been made. See *Durland v. United States* (161 U. S. 306, 315).

It is urged that the indictment is defective, because it fails to state whether the offenses charged were felonies or misdemeanors, and whether the petitioners were charged with casual or slight violations, or habitual sales of intoxicating liquor, or attempts to commercialize violations of the law, which, petitioners argue, were made new or aggravated offenses by the Jones Act.

That is exactly what was claimed to be true.

But the Jones Act created no new crime. It increased the penalties for "illegal manufacture, sale, transportation, importation, or exportation" (of intoxicating liquor), as defined by section 1, title 2, of the National Prohibition Act, to a fine not exceeding \$10,000, or imprisonment not exceeding 5 years, or both,

and added as a proviso, "that it is the intent of Congress that the court, in imposing sentence hereunder, should discriminate between casual or slight violations and habitual sales of intoxicating liquor, or attempts to commercialize violations of the law." As the act added no new criminal offense to those enumerated and defined in the National Prohibition Act, it added nothing to the material allegations required to be set out in indictments for those offenses. The proviso is only a guide to the discretion of the court in imposing the increased sentences for those offenses for which an increased penalty is authorized by the act.

And there are cited several other cases in support of that statement. I omit some language and proceed:

While the district court may have had before it facts other than those appearing of record which it was entitled to consider in imposing sentence under the Jones Act, we think, in view of the confusion which has arisen with respect to the propriety of the sentences under the possession count, that the district court should be afforded an opportunity in its discretion to resentence the petitioners in the view of the applicable statutes, as stated.

That language answers all the criticism made in this case. The judge, after the pleas of guilty, proceeded to inquire of witnesses, who had been sworn before they testified, as to the essential facts connected with the offenses which would determine the degree of the penalty and punishment. Some of the prisoners were taken out of the penitentiary in Georgia on writs of habeas corpus. Why? Because all that appeared to the judge in Georgia was what appeared in the indictment; not a word of testimony such as Judge Holmes had. And in respect to that Judge Holmes said:

Of course, if the case had been presented to me as it was presented to the judge in Georgia, I would have had to do exactly what the judge in Georgia did.

Here is what the clerk of the court, Mr. Todd, testified took place. It is very brief. The Senator from Nebraska [Mr. BURKE] inquired:

What happened after their pleas of guilty?

Mr. Todd. The judge asked the defendant if he had anybody to speak for him. He asked the prohibition agents to come around. You understand, these witnesses are all prohibition agents against the defendant. They are always present in court. He asked them to come around, and they were all sworn, including the defendants. Each defendant, Longmeyer and Neyland, had no statement to make. The prohibition agents testified in open court as to their reputation for selling whisky; that they were old offenders and that they had several and sundry complaints. The judge always asked, "Why did you pick this person out to make the buy from?" The prohibition agents told the court they had various and sundry complaints against these parties for selling whisky, and, based on the complaints, after making an investigation, they made the purchases—

And so on. I shall not undertake to repeat all the testimony; but when we get right down to examination of the evidence before the subcommittee, we find that there is not anything to these charges.

The real situation, as revealed by the evidence, shows in respect to the contempt case that there was contempt. The claim that the subpoena was not valid could not be decided by the man subpoenaed. The only place in our system of government where that question can be answered is in the court. It is not within the power of an attorney, simply because he is an attorney, to hold up his hand against the subpoena and the court and say, "I will not come." Even if the subpoena were invalid, has he that right? It is up to the court to pass on that question.

So far as the punishment for contempt goes, the punishment actually inflicted and suffered was wholly and entirely within the law.

Mr. BILBO. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BILBO. Will the Senator from Vermont say that he would sustain a conviction for contempt if the subpoena were illegal?

Mr. AUSTIN. What I said was that the real situation showed an actual contempt of court in not attending court and making the claim to the court that the subpoena was invalid. As I pointed out, there was not in fact any illegal sentence imposed on the 4th day of November 1931.

With respect to the exercise of clemency, that is not for us to review.

So far as the allegation of participation in politics goes, it is frivolous.

So, with a presentation such as was made in this case, after the very close study of this matter by the Committee on the Judiciary, which was considerate of the point of view of the junior Senator from Mississippi who had made the claim that this man was personally obnoxious to him, I feel sure that the recommendation of the committee, unanimously made upon a vote taken by roll call, is a well-considered recommendation; and my impression is that it is founded upon the evidence, and that this nomination ought to be confirmed.

Mr. HARRISON. Mr. President, out of consideration of Senators, because we have been here for a long time, and it is quite late, I am going to forego what I should very much like to say in behalf of the man whose nomination for judge is now before us.

I hope we may have a vote.

Mr. BILBO. Mr. President, I do not wish to detain the Senate any longer than necessary to keep the record straight.

It makes me very much discouraged, after having tried to read the opinions of the courts, that the Senator did not hear me. I am afraid my friend the Senator from Vermont was not present when I read them. I am astounded at his position, in the face of the statute and in the face of the opinions of the courts which passed upon this important question.

In 1929 the Jones Act was passed. The Husty case, from which the Senator read, was an interpretation of that act and its provisions. In 1931 the Jones Act, which was an amendment to the prohibition act, was itself amended; and it is under the amended Jones Act that all the courts say, except Judge Holmes' court, that indictments must allege those conditions set out in the statute which make an act a felony. My contention is that the judge has the same trouble the Senator has. He is still traveling under the Husty opinion, which interprets the law of 1929, whereas Congress had passed another law; and it seems to me the Senator has had about as much trouble in finding out that Congress had amended the Jones Act as Judge Holmes has had in the disposition of the cases in his court.

There can be no question about the matter. Eight judges have passed on it, as well as two circuit courts of appeal, the tenth and the fifth. Both of the appellate courts say that in order to send a man to the penitentiary for violating the liquor law, the indictment must affirmatively allege the sale or possession of more than a gallon. It must affirmatively state that he has been an habitual violator.

That must be stated. If it is not stated, and then the man pleads guilty to a misdemeanor, the misdemeanor under the amended Jones Act carries with it a penalty of 6 months or \$500; and that means 6 months in jail, and not 6 months at hard labor.

I am telling the Senate these matters because of Judge Holmes' misunderstanding and lack of appreciation and inability at interpretation of the statute itself and the decisions of the courts. He is down in a corner of Mississippi where he has sent hundreds, and I might say thousands, of Mississippians to the penitentiary in open defiance of the statute and in open defiance of the decisions of the courts.

It has been suggested that a case has not gone to the Supreme Court of the United States. No; there have not been any lawyers foolish enough to appeal from the arguments and reasonings of the circuit court of appeals in the California case and in the Pace case. It is an open-and-shut proposition. No lawyer has been foolish enough to carry it to the Supreme Court. It is conceded and there seems to be no way to get around it.

If it is the desire of Senators to make a record by confirming this man who has sent and will send hundreds, and I think thousands, of people to the penitentiary when he is violating the law himself, when he is defying the decisions of the courts themselves, it is for Senators to decide for themselves. If Senators desire to confirm a man with that kind of a record, I have nothing further to say. It is their duty and their responsibility. All I ask is to have the nomination go back to the committee, and I will bring the judges and witnesses to whom I have referred. They will not be bootleggers, either, but reliable witnesses to establish the

fact that the man is not judicially minded and is not fitted to hold the position to which he has been named.

My people have been sent to the penitentiary—and I do not care whether they are bootleggers or not, they are citizens and come from good families in many cases. Judge Holmes says he is still continuing that practice. It is said there are only four little bootlegger cases involved. I read a certified list showing at least 13 cases from Judge Holmes' court, and that is merely a suggestion of what he has been doing.

Of course, if Senators do not desire to investigate the matter further, I must be content. I have assumed my responsibility and performed my duty as I see it. If it is the desire of the Senate to confirm Judge Holmes, and if the Senate is unwilling to respect the time-honored rule of personal obnoxiousness, then I must accept that ruling, and I shall be disillusioned in that regard if the vote shall be to confirm Judge Holmes in the face of my protest. I have done my duty and made my record. I apologize to the Senate for having taken so much time, but I wanted the record to be made so the world may know what is involved in the question upon which the Senate is about to vote. I shall keep up that showing until the world does know all about it all the way down the line.

The PRESIDENT pro tempore. The question is on the motion of the junior Senator from Mississippi [Mr. BILBO] to recommit the nomination to the Committee on the Judiciary.

Mr. BILBO. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). On this vote I have a pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I understand if present he would vote as I intend to vote; so I feel at liberty to vote. I vote "nay."

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the city. Not knowing how he would vote, I withhold my vote.

The roll call was concluded.

Mr. BYRD. My colleague the senior Senator from Virginia [Mr. GLASS] is unavoidably detained. He has a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD].

Mr. McNARY. The senior Senator from California [Mr. JOHNSON] is unavoidably absent. If present, he would vote "nay."

Mr. AUSTIN. The senior Senator from Rhode Island [Mr. METCALF] is necessarily absent. If present, he would vote "nay."

I desire to announce that the Senator from Maine [Mr. WHITE] has a general pair with the Senator from Washington [Mr. BONE].

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD] and the Senator from Florida [Mr. TRAMMELL] are detained on account of illness; and that the Senator from Washington [Mr. BONE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. McADOO], the Senator from South Dakota [Mr. BULOW], the Senator from Nevada [Mr. McCARRAN], the Senator from New York [Mr. COPELAND], the Senator from Oklahoma [Mr. GORE], the Senator from West Virginia [Mr. HOLT], the Senator from Louisiana [Mrs. LONG], the junior Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], and the senior Senator from Montana [Mr. WHEELER] are necessarily detained from the Senate. I am not advised how these Senators would vote.

I also announce that the junior Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Rhode Island [Mr. GERRY], the Senator from Maryland [Mr. TYDINGS], the Senator from New Jersey [Mr. MOORE], and the senior Senator from Massachusetts [Mr. WALSH] are unavoidably detained from the Senate. I am advised, however, that if present and voting they would vote "nay."

I further announce that the senior Senator from North Dakota [Mr. FRAZIER] is paired on this question with the Senator from Massachusetts [Mr. WALSH]. I am informed that if present and voting the Senator from North Dakota would vote "yea", and the Senator from Massachusetts would vote "nay."

The junior Senator from North Dakota [Mr. NYE] is paired with the Senator from Florida [Mr. TRAMMELL]. I am not advised how these Senators would vote if present.

The result was announced—yeas 4, nays 59, as follows:

YEAS—4			
Benson	Bilbo	Donahey	Thomas, Okla.
NAYS—59			
Adams	Connally	La Follette	Pope
Ashurst	Costigan	Lewis	Radcliffe
Austin	Davis	Logan	Reynolds
Bachman	Dickinson	Loneragan	Robinson
Bailey	Duffy	McGill	Schwellenbach
Barbour	Fletcher	McKellar	Sheppard
Barkley	George	McNary	Smith
Black	Gibson	Maloney	Steiwer
Brown	Guffey	Minton	Thomas, Utah
Burke	Hale	Murphy	Townsend
Byrd	Harrison	Neely	Truman
Byrnes	Hatch	Norris	Vandenberg
Capper	Hayden	O'Mahoney	Van Nuys
Caraway	Keyes	Overton	Wagner
Clark	King	Pittman	
NOT VOTING—33			
Bankhead	Couzens	Long	Shipstead
Bone	Dietrich	McAdoo	Trammell
Borah	Frazier	McCarran	Tydings
Bulkley	Gerry	Metcalf	Walsh
Bulow	Glass	Moore	Wheeler
Carey	Gore	Murray	White
Chavez	Hastings	Norbeck	
Coolidge	Holt	Nye	
Copeland	Johnson	Russell	

So Mr. BILBO's motion to recommit the nomination was rejected.

The PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Edwin R. Holmes to be United States circuit judge, fifth circuit? [Putting the question.] The ayes have it, and the nomination is confirmed.

Mr. HARRISON. I ask that the President be notified of the confirmation.

The PRESIDENT pro tempore. The Senator from Mississippi asks that the President be notified of the confirmation. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDENT pro tempore. The clerk will state the next nomination in order on the calendar.

JUDGE OF THE POLICE COURT

The legislative clerk read the nomination of Edward M. Curran, of the District of Columbia, to be judge of the police court for the District of Columbia.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

SUPREME COURT OF PUERTO RICO

The legislative clerk read the nomination of Martin Travieso, of Puerto Rico, to be associate justice of the Supreme Court of Puerto Rico.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. KING. I ask unanimous consent that the President be notified of the confirmation of the two judges.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Charles S. Reed, 2d, of Ohio, to be secretary in the Diplomatic Service of the United States of America.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES PATENT OFFICE

The legislative clerk read the nomination of Charles H. Shaffer, of Maryland, to be Examiner in Chief, United States Patent Office.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. Mr. President, a parliamentary inquiry. As I understand, the Army appropriation bill is the unfinished business, and will automatically come before the Senate when it shall meet tomorrow.

The PRESIDENT pro tempore. That is the order of business.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 50 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 20, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 19 (legislative day of Feb. 24), 1936

DIPLOMATIC AND FOREIGN SERVICE

Charles S. Reed, 2d, to be Secretary in the Diplomatic Service of the United States of America.

UNITED STATES CIRCUIT JUDGE

Edwin R. Holmes to be United States circuit judge, fifth circuit.

JUDGE OF THE POLICE COURT

Edward M. Curran to be judge of the police court for the District of Columbia.

ASSOCIATE JUSTICE, SUPREME COURT OF PUERTO RICO

Martin Travieso to be an associate justice of the Supreme Court of Puerto Rico.

UNITED STATES PATENT OFFICE

Charles H. Shaffer, to be examiner in chief, United States Patent Office.

POSTMASTERS

CALIFORNIA

Alma B. Pometta, Benicia.
Peter D. McIntyre, Blythe.
Purley O. Van Deren, Broderick.
Floyd F. Howard, Courtland.
Valente F. Dolcini, Davis.
John H. Dodson, El Cajon.
Corinne Dolcini, Guadalupe.
George L. Clare, Guerneville.
Harry H. Chapman, Hornbrook.
Nettie Fausel, Independence.
James M. Toomey, Manteca.
Frank N. Lawrence, Mount Shasta.
Earl D. Cline, North Los Angeles.
Mary A. Roels, Point Reyes Station.
Joseph Galewsky, St. Helena.
Anna McMichael, San Juan Bautista.
Manuel S. Trigueiro, San Miguel.
Catherine E. Ortega, Sonora.
George H. Banning, South Pasadena.

ILLINOIS

Henry Harris, Auburn.
Fred H. Stoltz, Bridgeport.
Betty Davis, Easton.
Walter T. Smith, Havana.
Stanley L. Pool, Sumner.
John Wacker, Techny.

KANSAS

Thomas G. Riggs, Burns.
Martin Miller, Fort Scott.

MAINE

Wilbur F. Goodwin, Kennebunk Port.

SOUTH DAKOTA

Clyde V. Hill, Highmore.

TEXAS

Ralph C. Owens, Dickinson.
James S. Colley, Legion.
Carroll T. Coolidge, Pasadena.

VERMONT

Dora W. Brown, Lunenburg.
Cecile M. Beaton, South Ryegate.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 19, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, Thou who counteth the numbers of the stars and calleth them all by their names, who covereth the heavens with clouds, who prepareth rain for the earth, and who drieth up the mighty rivers, bow down to our altar of prayer and let it be precious in Thy sight. O spread the heavens with the serenity of Thy glory. Walk on the troubled waters and let the winds of Thy mercy be wafted over lands and floods. Father of undying love, take to Thine own arms the helpless and the homeless as they wrestle for the daybreak; may they see the King, not in His strength but in His majesty of His goodness; let the hungry be fed, the naked clothed, and the roofless sheltered. We pray that the strong and the fortunate may not be idle nor frivolous under the awful dome of tragedy and death. Beset them with the thoughts of solemnity and gird them with personal responsibility. The Lord God grant that the trappings of wealth, the homes of luxury, and the gardens of pleasure, in these hours of darkness, may be released and clothed with sacrificial service. O give Thine own power to the men as they labor to save life and property from the tossing, turbulent channels of disaster. God bless them. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE INFLUENCE OF CRIME ON THE AMERICAN HOME

Mr. LAMBETH. Mr. Speaker, at the request of the gentleman from South Carolina [Mr. McMILLAN], who is absent today, I ask unanimous consent that there may be inserted in the RECORD an address by the able Director of the Bureau of Investigation, Mr. J. Edgar Hoover, entitled "The Influence of Crime on the American Home." On yesterday the gentleman from South Carolina secured the consent of the House to insert this address, but he was not aware of the rule of the joint committee and had not received the estimate of the Public Printer, since the address would consume 2¾ pages of the RECORD. I therefore ask unanimous consent that this address may be inserted in the RECORD, as requested.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McMILLAN. Mr. Speaker, under leave to extend my remarks in the RECORD I insert an address by J. Edgar Hoover, Director of the Federal Bureau of Investigation, United States Department of Justice, delivered at New York City, March 11, 1936, before the Round Table Forum under the auspices of the New York Herald Tribune:

It is a distinct privilege to address the members of this forum. In so doing I feel that your interest in this subject may bring about effective action against what constitutes the most dangerous menace to the happiness and welfare of the American people since our civilization began. Crime has reached a pinnacle of appalling height. It lives next door to us. It rubs elbows with us. Its

blood-caked hands touch ours. A lackadaisical attitude now has resulted in a crisis.

No American home is free of this shadow. Aggravated robbery, theft, arson, rape, felonious assault, or murder annually is visited upon 1 of every 16 homes in America. Last year in this supposedly enlightened, advanced, civilized country there was a minimum of 12,000 murders and an estimated total of 1,445,581 major crimes. Thus 1 of every 84 persons in the United States was subjected to injury or death through the workings of this tremendous crime aggregate.

Beyond this there is a constant toll of the rackets; here no home is exempt. The criminal toll is taken upon food and services, and actual physical violence includes the loss of life itself. The American home and every person in it is today in a state of siege.

I hope you will receive these facts not as those of an alarmist, but as the view of a conservative person reporting conservatively upon a most astounding set of terrifying conditions. The crime problem in America is something which should take precedence before any other subject other than that of livelihood itself. Even then it becomes a correlated subject, because it is costing each American citizen a minimum of \$120 a year. This is the per-capita tax which must be assessed to pay our annual crime bill, estimated to be more than \$15,000,000,000. If the entire cost of crime could be eliminated for 2 years, that saving would pay off our entire national debt. Freedom for 3 years would pay the entire cost of America's share in the World War, plus an enormous bonus. We have lived for years in apathy; crime in its present proportions cannot exist without apathy, and we are paying a total bill of billions for a national lack of vigilance. The result is a direct blow at the safety of the American home.

I hope this forum will realize that it has a distinct and solemn duty. No battle was ever won without leadership. Today there is indeed a crying need for that leadership in the mobilization of every possible defensive and offensive weapon of public opinion, public vigilance, public courage, and public willingness to carry on relentlessly and without surcease a battle to the death against the multitudinous minions of crime. Just so long as there is no highly active opposition to crime in a community, just so long will that community be crime ridden. I need only to point to the dozens of law-enforcement scandals which exist in our American cities today to bring forcibly before you the fact that in spite of all the lip service which is going on about this menace, little, indeed, is being done to actively eradicate it. Newspaper after newspaper comes forth with the details of grand-jury investigations, vice crusades, police inquiries, scandals in prisons, and there, to all intents and purposes, the matter ends. Should a typhoid epidemic descend upon a city, shadowing it with the danger of illness, we would find thousands of volunteers ready and willing to risk their lives in an effort to protect their loved ones against the ravages of this foe. Yet the insidiousness of crime is such that even though a greater danger exists, we find that the average citizen reads his newspaper, sees the black headlines screaming the details of conditions which are as symptomatic in their way as the ravages of the most deadly disease that ever has swept this country. Practically nothing is done about it. So I am telling you now that conditions have reached a place where you can take your choice. You can rise up and fight. You can use some of the fortitude which is supposed to have been granted the American people through the courage which made this country the greatest independent nation of the world. You can gird yourself for a long and difficult fight upon armed forces of crime, which number more than 3,000,000 active participants, and by so doing you can set yourselves free from the dominance of this underworld army. If you do not care to do this, then you can make up your mind to submit to what really amounts to an actual armed invasion of America.

Again, I must insist that I am speaking conservatively. I have said that crime begins at home and that we are doing nothing—comparatively nothing—to protect that home. My proof comes in the fact that 20 percent of our crime is committed by persons not yet old enough to vote, by those not even out of their "teens", by those who often are not even past high-school age and who should still be under the active management and responsibility of the home. Yet we of law enforcement find these children stealing automobiles, we find them committing almost a thousand murders every year, we find that there are tens of thousands of burglaries and larcenies perpetrated by boys and girls who, in any other generation, would have been under the discipline of vigilant parents. This is an undeniable indictment of the American parent of today. In case after case where the youth of America becomes a felon before he is able to become a voter, the story is the same monotonous repetitious collection of facts. There has been a lack of discipline, of watchfulness. I find indulgence in apathy, misbehaviors leading to more serious infractions of home rule and in turn leading to petty and then vicious and deadly infractions of the law. We cannot wholly blame these youths for the crimes they commit. We must go behind these crimes and blame the true perpetrators, the fathers and mothers who so failed in their duty, who were so prone to the amusements of the moment, who, through mental laziness, allowed discipline to relax and their children to go into the world and reap the harvest which they, the parents, really sowed.

Flooding to me every day in the disillusioning business of watching the criminal flood stream by, I see the reports of local officer after local officer; I hear the stories of probation supervisors, of persons engaged in the thankless job of trying to reconstruct the wreckage of American youth. I find courts jammed with youthful defendants and equally crowded with parents and friends of those parents, determined only upon one course—that

of getting their boy or girl, as they call it, "out of trouble." I find that they go to any length of political pressure, monetary pressure, business pressure, the pressure of friendship, to restore that boy or girl to the place where he or she really gained the criminal instincts, which was in the indulgence of the home. And it becomes a sad task to oil the machinery of apprehension and detection, thus bringing closer the menace of reformatories and prisons for these children of crime who were brought to the portals of dishonor through the negligence of older persons who should have led them into upright paths.

Until the criminally minded person, the extraordinarily selfish person, the highly egotistical person, the ultragreedy person who wants what he wants and cares not how he gets it can be taught the inexorable lesson that he cannot get away with violating the laws of society without adequate punishment—until that day arrives, just so long will you have a constant menace of serious crime. Crime begins in America today in the cradle, and the greatest influence toward eradicating that sad condition is the hand which rocks the cradle.

I have said before that upon this forum rests a heavy obligation, first of a reconstruction of American viewpoint toward better parental discipline and a greater sense of law abidance beginning in the home. However, that is only the beginning of the problem which lies before you.

It may be of interest to know that only about 1 out of 4 of our criminals is arrested for his misdeeds. It may be of even greater interest to know that when a man commits a crime and starts upon his escape the easiest avenue toward freedom is after he has been apprehended by a law-enforcement agency. Far too many persons escape the clutches of punishment in the courts and after conviction, and, continuing this thought, you should remember that many of the men and women who are today in our penitentiaries are not even given an adequate punishment for the crimes they committed. The greatest mantle of safety in the criminal world is known as "copping a plea." The criminal realizes that he may commit 20 crimes and pay only for one; further, that he, through shrewd attorneys, through the bribing or frightening of witnesses, through the delays of law, through countless statutes which exist for his protection, may be placed in a haggling position with a prosecuting attorney, with the result that he bargains for his punishment.

It is a sad commentary upon our civilization that in the majority of our criminal trials the old definition of justice has been utterly and absolutely lost. I say this because in many of the cases there has been a process which I can liken only to the pushing and jostling of an auction sale, in which the matter of punishment takes a position of a commodity to be traded for and argued over, until at last the man who is guilty of murder comes into court and pleads guilty to assault. I submit that no criminal ever existed who would deliberately walk into court and plead guilty if he were not guilty. It is an absolute certainty that this man would not plead guilty to the full extent of his crime if through any possible means he might receive a lesser punishment. Therefore we have the amazing picture of a group of men aggregating thousands upon thousands a year who, through their very pleas of guilty, make our criminal jurisprudence a matter of disgrace in that they are allowed to confess a lesser crime than that of which they are really guilty. As long as this exists, just so long will the criminal world figure its profits as a businessman would figure the prices received for his merchandise, and just so long will the underworld count upon inadequate punishment as one of the aids in getting away with murder. Speaking of murder, may I place the thought before you that the average time served by prisoners in America for the commission of our most heinous crime, that of taking human life, is less than 4 years behind the walls of prison, a part of which time frequently is served in the position of trusty?

We are supposed to be one nation, one people—then why, I ask you, is the penalty for murder in one State merely that of life imprisonment, which in an aggregate of cases is followed either by parole or pardon within a few years, while in another State the penalty for the same crime is death? Why should the robbery of a store in one State bring about a sentence of 5 years, while in another a man is supposed to serve 20? Why should the hold-up of a bank in one community merit a prison term of from 1 year to life, with parole or some form of clemency usually extended after the first year, while in the neighboring Commonwealth a man may serve away the best years of his life in atonement? Why should there be no uniform laws governing these matters? Why should it be possible for a criminal to break the law and, by merely stepping across a State line, be free from pursuing officers who are hedged about by extradition technicalities when they seek to bring him back for his crime? Why should it be a State offense to sell various forms of narcotics in one part of the United States and no State offense whatever in another portion? Why should criminal jurisprudence be governed by one set of procedure here and another set in a different locality?

These matters are all local ones, and in the local community little attention is paid to them because they are not viewed from a national angle. However, while the citizen may look upon his crime only locally, the criminal views it from the standpoint of the entire United States. He knows where he can rob a bank and pay the slightest penalty. He knows where he can commit a murder and be eligible for clemency within a comparatively few years. He knows where courts are lax. He knows where prisons have, as criminals call it, "low walls that are easy to climb over." He knows where local legislators, seemingly intent upon the protection of the innocent, have written technicality after technical-

ity into the State statutes, until it is almost impossible to convict an enemy of society. He knows where there are "fixers" who will guarantee freedom for the payment of a certain amount of money. He knows where there are politicians so eager for a criminal vote that they will gladly trade the safety of their community for it. He realizes all these highly important conditions because he is in the business of crime, and the only thing which can put him out of that business is for the American people to make it their business to combat crime and all of the filthy, stultifying influences which foster crime. Of those stultifying influences, may I say with utmost emphasis that the most important of all is rotten politics.

Time after time I have talked to honest chiefs of police about matters which are closest to them—the safety and the welfare of their cities. Time after time these men have told me that they are powerless to move against certain protected elements of lawlessness. They have their choice of remaining in office and striving honestly to do their duty to the utmost against such odds or of resigning their job and leaving it to be filled by a purely politically minded appointee of criminally dominated influences. It is to their credit and to the credit of the men who serve under them that the average police officer in this country tries to do his honest duty. To that end, he often faces the danger of politically protected bullets, knowing that when he attempts to arrest some fiendish lawbreaker it is within the realm of possibility that this criminal may shoot him down and be spirited to safety by the political influences which he has paid in one way or another for his protection. The policeman's life indeed today is not a happy one, and the greatest service that can be done by the American citizen is to take the shackles off the policeman and put them where they belong—on the wrists of the crooks.

Here today I ask you again, as molders of public opinion, as persons of influence in your community, to dedicate yourselves to a never-ending campaign toward the divorcement of politics and law enforcement. There is no sane reason why a warden of a prison, a district attorney, a judge, a sheriff, a constable, a policeman, or any other man who chases criminals should live in danger of the bull whip of political retaliation. Yet throughout the length and breadth of America we find that the ward heeler, the district leader, often the gangster himself, is practically immune from arrest or, at least, conviction. Inevitably the concealed but powerful politicians rise in his defense to set him free, sneering at the men who strove to place him behind bars.

As long as immunity from punishment exists in this country, then just that long will you continue to pay your individual crime bill of \$120 a year. In these times when there is so much talk of taxes, why, I ask you, do you sit supine; why do you remain resistless against this draining force, which not only takes your money away from you but endangers your happiness, your homes, and your lives?

For the first time in history there is procedure against the forces which operate behind the guns of crime. Not until the Federal Bureau of Investigation began its campaign in such cases as those of the Urschel kidnaping, the kidnaping of Edward Bremer, of St. Paul, and of others, which came about coincidentally with the passage of laws which gave this Bureau the right to proceed in such cases, has there been a united effort to punish the sustaining forces of criminality. In the kidnaping of Mr. Urschel the active number of abductors was three men. However, in solving that crime we found that behind the scenes there existed more than a score of assistants, money changers, hide-out keepers, messengers, contact men, lawyers, aides, and camp followers of various kinds. The Bureau of Investigation not only sent the three main participants to prison for life, but brought about the conviction of a score of members of this gang who made it possible for the kidnaping to take place. A like record was made in the Dillinger case, where seven men who tried to kill our agents met with death and where a total of 26 followers—gun molls, hide-out owners, and others—were sentenced to prison.

In the Bremer case and others, the same procedure was followed and this was possible because the Federal Bureau of Investigation was entirely free from politics and was backed by laws with teeth in them. Free from the stultifying influences of politics, these men have pointed a way. They have shown what can be done when a body of men of fine character, properly trained in scientific investigation, backed by the proper laws, and given proper equipment are allowed to proceed upon a determined course for the welfare of this country. To that end, I point proudly to the record of the Federal Bureau of Investigation, which shows that 94 out of every 100 persons whom it takes into the courtroom for trial finds that there is only one exit, and that is one which leads to prison. May I add that for every dollar expended in making the Federal law a respected and feared thing, our Bureau has been able to return to the American taxpayer \$8 in savings and recoveries.

At this time I wish to express my gratitude to the fine and loyal law-enforcement officers of America who have given us their cooperation in Federal cases, and again it might be wise to ask in your home town why local officers can work so well when they are protected by the proximity of Federal officers and why so many strange influences seem to hamper their steps when the case is purely a local one. Do not construe this as a criticism upon your officers. They would be most happy to have this mystery solved and these strange forces lifted from them—forces, I might add, which are like the old man of the sea, riding their shoulders, weighing them down, slowing their steps when they begin the pursuit of protected racketeering and protected crime. Crime in the aggregate cannot exist without either malfeasance or nonfeasance

in office. The fault is not that of the man on the job, but the fault of the man who owns that job, the man who can appoint a person to fill that job, and likewise take the job away from him.

I spoke a moment ago about the cooperation of the officer. How about the cooperation of the citizen? Where is it? How often do cases fall because there is no cooperation whatever on the part of the person who should give the greatest of all cooperation, the person who looks to the law-enforcement officer for the protection of his home and his happiness? What do we find in the trial of an average case? First of all, there is the man who doesn't want to go on the jury, a man who regards his business as of greater importance than that of protecting his home. Secondly, we find that there may be a dozen witnesses for the defendant, against one witness for the State. Some citizens are apathetic. More are frankly afraid. Cowards, to put it bluntly. Others can be reached through friendship or political domination to an extent where they actually will go on the witness stand and perjure themselves for the freedom of a man they know to be guilty. All this time they too are paying the per capita tax bill of \$120 a year for crime. Is this not an utterly amazing situation? And is it not your duty to campaign relentlessly for better conditions in our juries, for more courage on the part of our citizens in testifying in criminal cases, and for greater insistence that the laws of our country are not only made more uniform, but are made laws for the protection of America instead of laws for the protection of the criminals?

A visit to almost any State capital will find some lawyer legislator spouting mawkish sentimentalities about the protection of the innocent. The percentage of innocent men who are sent to prison is so negligible as to be almost nonexistent. The thought in a cloak used by shyster lawyers in a concerted effort to defeat justice. If any innocent man is convicted in America, there are thousands of guilty ones who get away. The blame rests at the door of a well-named group of men—the lawyers-criminal. The Federal Bureau of Investigation has dedicated itself to sending such legal lawbreakers to prison, and has been successful in a number of outstanding cases, only to find that often in the community where these vultures existed, they were looked upon by the citizens as extremely shrewd and clever men. I submit that there is nothing clever in crime. I submit that it is sordid and that there is something sordid in the mind of the person who can find anything to emulate, or anything to applaud, in the vulturelike activities of such individuals.

The home, the church, and the school must be united upon a common purpose. We cannot correct existing conditions by apathy, by indifference, by supine submission to the dominance of criminally bloodstained influences. We cannot eradicate the outrages of arson, robbery, and murder by a gasp of astonishment when we read the headlines. There is only one way to fight, and that is to get out on the battle line and do something. We must insist upon law-enforcement agencies which are unshackled, which can arrest a criminal and make that arrest stick, which are composed of men properly trained for the jobs they occupy. It is one thing to put a uniform on a brawny body, and it is another thing to give authority to a properly trained brain. The time has definitely come when law enforcement, in all its branches, must be built into a career. The time also has arrived when to select the right person for the right job, a sum of money commensurate with the brains needed shall be paid for that job. Astonishment over the fact that some thousand-dollar-a-year jaller has taken a bribe to allow a super-criminal to escape should be changed to greater astonishment that a civilized Nation should be trusting job holders who can be paid only a thousand dollars a year for the task of keeping our "mad dogs" in check. This, in a greater or lesser degree, is applicable to every position and item of law enforcement.

Now I come to the most important matter in our tangle of criminality—that of sentimentalism and clemency. You who sit on the side lines often applaud when some hardened criminal, perhaps up for his fourth or fifth conviction, is severely lectured in court and given, we'll say, a 15-year sentence. You sit back, secure in your ignorance, believing that you will be safe for 15 years from this menace to society. That sentence has been a legal falsehood. Through the utterly amazing workings of our convict-loving parole lawyers, it is possible for that man to return to his life of crime in as short a time as 12 months. There have been actual cases where local judges have made political capital of the fact that they were sentencing men to long terms in prison, when, in truth, agreements had been made with defense attorneys whereby the sentencing jurist would sign a parole petition after a servitude of only 1 or 2 years. I state this so that you may make it your business to learn just what happens to the criminals who go through the courts in your communities, and ascertain for yourselves how much time they actually serve.

I hasten to add, however, that I am an active advocate of the principle of parole. I said the principle, not the present practices which exist in the administration of parole in many of our States. Certainly every possible endeavor should be made to rehabilitate the person who has offended for the first time against our laws. Crime cannot be cured by inhumanity. A casual of crime cannot be remolded into a worthy member of society by a punishment which leaves him embittered. The first offender should be charged as a first offender, with a commensurate sentence, with commensurate treatment, and commensurate efforts to restore him to the place he lost in society. But who is the first offender? It happens that in the perplexity of our laws, in the mass of technical barricades thrown up by lawyer legislators, either directly concerned with the defense of criminals or associated through friendship or otherwise with those who make their living by defense of crim-

inals, it is almost an impossibility to define the first offender from the old and hardened one.

In some States it is possible for a felon to be listed as a first offender after a criminal history which shows him to have been a repeated inmate of correctional schools and reformatories and after having been repeatedly sentenced to jail and even to city prisons, industrial reformatories, and other institutions of this type. He may have started as a youth by committing a serious crime, which, because he was a youth, became a matter of record only as juvenile delinquency. He may have robbed and stolen for years and, through the technicalities of law, have been saved from penitentiary punishment. He may have committed a score of offenses against our laws, followed by a score of appearances in court. Yet, under our statutes, that man must be looked upon in the same light as the desperate, otherwise law-abiding citizen, who, faced by hunger, steals for the first time in his life.

As for the rotten practice of the fine theory of parole, I have said before, and I say again, that it is a national disgrace. Hardened criminals are being turned forth in many of our States under a multiplicity of laws which is utterly astounding. There are States which employ not more than one man to watch after and supposedly oversee the activity of thousands of roving criminals, many of whom have obtained their freedom through political affiliations. There are other States where prisoners merely report by letter. Do you suppose they confess every infraction they have committed? If you ever have seen a merchant who advertised that he sold inferior goods, that he cheated his customers, that he was dishonest in his trade practices, then I will grant that somewhere there is a criminal who willingly wrote to a parole board that he was again engaging in thievery, burglary, and murder.

Until recently, the matter of parole has been the domain of the sentimentalist and the sob sister. It is easy to weep over the fact that a man has been placed behind bars. It is easy, indeed, to shed a tear when one thinks of the fact that he is separated from his freedom and from those he loves. It is not so easy to remember the mangled, shapeless, horribly sprawled form of a murder victim upon the floor, beaten to death by the muscular hands of this very same criminal. Why do not the sob sister and the sentimentalist give some attention to the victims of crime instead of to the perpetrators of crime? Until this attitude is changed America remains in grave danger.

At the Federal Bureau of Investigation in Washington there exists a single fingerprint section devoted to the 12,610 men and women who are viewed by our Bureau as the most dangerous and deadly of the army of over 3,000,000 persons whose fingerprint records are on file. These are the kidnapers, who steal from the American home that which is loved best. These are the bank robbers who, with machine guns and superautomatic pistols, descend upon the depositories of this Nation's funds. These are the cowardly individuals who, firing from ambush, send dum-dum bullets into the backs of our law-enforcement officers. These are the gangsters who, operating under the protection of filthy vote buyers, shoot down our citizens and loot our homes. Here are enough dangerous men and women to almost form a complete army division upon a field of battle. To move against them, special agents of the Federal Bureau of Investigation must be equipped with automatic shotguns, rifles and pistols, machine guns, armored cars, tear gas, and steel breastplates.

I hope I have painted a sufficiently ghastly picture of this super-army of criminality. I hope you will remember every word of it and that you will not forget the most important fact of all—the records show that 3,576 members of this desperate criminal group have at some time felt the angelic mercy of parole, or probation, or pardon, or some other form of sob-sister clemency. Not only has the mantle of sentimentality, or worse, descended once but in some cases many times. Often these dangerous criminals have been arrested for new crimes before law-enforcement officials have been informed that prison gates had been thrown open from a previous sentence which they were supposed to be serving. That, in a nutshell, is the story of a national disgrace which has been brought about by this country's debauchery of sentimentalism and clemency. I sincerely hope you will not and cannot forget it.

PERMISSION TO ADDRESS THE HOUSE

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes on the Pittsburgh situation.

The SPEAKER. The Chair cannot recognize anyone to request permission to address the House until the special orders for today are disposed of. The Chair will state to the House that it is exceedingly important, as the Chair is informed, that some action be taken on the pending bill today because of a limitation of time. The Chair will recognize the gentleman after disposition of the special orders.

GROVER CLEVELAND

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by George Henry Payne, Federal Communications Commissioner.

Mr. SNELL. Mr. Speaker, reserving the right to object, how often does Mr. Payne have to have an address put in the CONGRESSIONAL RECORD?

Mr. BOYLAN. Of course, I am not able to answer that—

Mr. SNELL. I am willing he should have one in the RECORD occasionally, but I do not think it is necessary for him to have one there every week of the year.

Mr. BOYLAN. I do not think there has been one in the RECORD for a month.

Mr. SNELL. Has it been a month? I withdraw the objection, then, Mr. Speaker.

Mr. BOYLAN. Furthermore, the address is about a distinguished Republican, Mr. Theodore Roosevelt.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOYLAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by George Henry Payne, Federal Communications Commissioner, over the network of the National Broadcasting Co., on March 18, 1936:

Somewhere Ralph Waldo Emerson has said that when we come to examine the lives of some of the world's great men we are struck by the fact that their accomplishment seems small compared to their reputation. He draws the conclusion that it is the character of great men as much as, and sometimes even more than, their accomplishments that makes them great.

This certainly is true of Grover Cleveland, who stands out as one of the three great Presidents of the half century following the Civil War—the other two being Theodore Roosevelt and Woodrow Wilson. All three men were powerful and aggressive; all three carried out, against bitter criticism and antagonism, great and important undertakings, but all three loom large in perspective because of the greatness of their characters.

Strangely different, as Cleveland, Roosevelt, and Wilson were in character, education, political principles, and personality, they were as one in greater characteristics—force and aggressiveness and, above all, moral courage.

Surely any member of any party or any faction should welcome the opportunity to honor Cleveland, who, of the three, had the less advantage both as to education and opportunity, and yet rose to be the peer of the scholarly Wilson and the versatile and brilliant Roosevelt. At that he was the first of the three to point the way to political reforms that were scandalously necessary. Realist that he was, stubborn and oftentimes an unhappy realist, he represented the romance of our American life in his rise from humble surroundings to the greatest position and power—the "endless adventure"—as the author Oliver has called it—"the endless adventure of governing men."

Conservative as well as progressive can honor him today for, while he took strong positions, made fierce enemies, and fought aggressively, his honesty was never questioned nor his devotion to the people—the plain people from whom he came.

As one of his biographers has said, his words in praise of the great American, Carl Schurz, accurately described his own attitude toward public life.

"What our Nation needs—and sorely needs", Cleveland said, "is more patriotism that is born of moral courage—the courage that attacks abuses and struggles for civic reforms, single-handed, without counting opposing numbers or measuring opposing forces."

This moral courage he had in an unwonted degree, together with a sturdiness that led him to be misunderstood and to accept sadly that misunderstanding.

Several years ago Dr. John F. Erdmann, one of America's greatest surgeons, told me how, when he was the assistant to Dr. Joseph D. Bryant, the great surgeon of his day, Mr. Cleveland slipped away from Washington to go on board a friend's yacht and there have performed on him a most dangerous and excruciating operation without an anesthetic.

For reasons of state, he felt that this critical moment in his life should be concealed from the public, and throughout the country his enemies hurled insults and threats at him because it was popularly believed that he had gone off on a fishing trip at the time of a great crisis.

The story of his courage and patience and fortitude as told by Dr. Erdmann is one that I hope may some day be made public. Not until long after was it known that he was suffering in silence as he did so often—as he did so nobly.

It is natural that those who reread the life of Cleveland will try to see in his handling of various problems some suggestion for a solution of the problems of our day. This, of course, is the real reason for reading or studying history. It is George Santayana, I believe, who said that history was philosophy in action and, in turn, that that philosophy is soundest and most practical which is based on a distinguished and lofty study of history.

However, it will not be by his particular course under particular circumstances, but by his approach to the problems of his day that we will get the most inspiration.

Years after he had been President he described his early struggles and the characteristics that he believed had led to his rise from poverty to the Presidency. Speaking of his youth, he said that when he found he could not get a college training he "quite cheerfully set about finding any kind of honest work." Adversity, he declared, meant nothing to him; better suffer in adversity than be dishonest. And once having taken that course, he states of himself, he "actually enjoyed his adversities."

RESTORATION OF NATIONAL FARM LOAN ASSOCIATIONS AND FEDERAL LAND BANKS TO FARMER-COOPERATIVE CONTROL

The SPEAKER. Under the special order of the House, the Chair recognizes the gentleman from Nebraska [Mr. BINDERUP] for 10 minutes.

Mr. BINDERUP. Mr. Speaker, I am very conscious of my obligations as well as a desire to yield to my fellow Congressmen for questions and perhaps for a more detailed explanation on my subject, but as the time allotted to me is very limited I trust you will allow me to continue without these requests. I might add that this bill I am explaining this morning will be heard before the Senate Committee on Banking and Currency next Wednesday, and we hope to have it before the Agricultural Committee of the House within a few days and that we will be able to have it on the floor within the very near future, when, of course, ample time will be afforded for full discussion.

My case or subject this afternoon is the Restoration of National Farm Loan Associations and Federal Land Banks to Farmer Cooperative Control. I refer to the bill (H. R. 11502, introduced by me on February 27, which is a companion bill of Senate bill 4003, introduced by Senator CAREY, of Wyoming, and effects the following changes in the Farm Credit Administration:

First. Substitutes for the present supervisory authority, the Governor, a board of five members of which the Secretary of the Treasury shall be ex-officio chairman.

The four members to be appointed by the President shall be designated as Land Bank Commissioner, Intermediate Credit Commissioner, Production Credit Commissioner, and Cooperative Bank Commissioner, not more than two of whom shall be appointed from one political party. The President designates one of the members as vice chairman, who shall be the active executive officer of the Board. Term of office, 5 years.

Second. Provides that national farm loan associations shall elect four of the seven directors of each Federal land bank and the Farm Credit Administration Board appoints three—whereas now the Governor of the Farm Credit Administration appoints four, national farm loan associations elect one, production credit associations elect one, and borrowers from banks for cooperatives elect one. Directors must be actual residents of the district or division for which appointed or elected and must have been residents for 2 years.

Third. Provides for a credit agency board of five members in each Federal land-bank district, three of said members to be appointed by the Farm Credit Administration Board, one to be elected by Production Credit Associations, and one to be elected by borrowers from banks for cooperatives.

This board will exercise supervision and control over all credit agencies under the Farm Credit Administration in each district except the Federal land banks, and they shall be ex officio the director of the Federal Intermediate Credit Bank, the Production Credit Corporation, and the Bank for Cooperatives.

Fourth. The management of the Federal Farm Mortgage Corporation shall be vested in the Farm Credit Administration Board.

These amendments are all essential to the fundamental purposes of this bill—to restore the cooperative principles of the Federal Farm Loan Act of 1916.

This act of the first Wilson administration followed the study of European credit systems by the American commission in 1913, in which the two essential cooperative features prevailed—farmer ownership and farmer control. The act of 1916 was finally drafted by a joint committee on rural credits and the House and Senate Banking and Currency Committees, composed of the following Senators and Representatives:

Joint committee on rural credits: Carter Glass, Virginia, chairman; Robert L. Owen, Oklahoma; Henry F. Hollis, New Hampshire; Thomas P. Gore, Oklahoma; Hoke Smith, Georgia; Knute Nelson, Minnesota; James H. Brady, Idaho; Michael F. Phelan, Massachusetts; Asbury F. Lever, South Carolina; Ralph W. Moss, Indiana; Everis A. Hayes, California; and Willis C. Hawley, Oregon.

Total, 12.

Senate Committee on Banking and Currency: Robert L. Owen, Oklahoma, chairman; G. M. Hitchcock, Nebraska; James A. Reed, Missouri; Atlee Pomerene, Ohio; John F. Shafroth, Colorado; Henry F. Hollis, New Hampshire; Blair Lee, Maryland; Paul O. Husting, Wisconsin; Duncan U. Fletcher, Florida; Knute Nelson, Minnesota; George P. McLean, Connecticut; John W. Weeks, Massachusetts; Carroll S. Page, Vermont; Asle J. Gronna, North Dakota; George W. Norris, Nebraska.

Total, 15.

House Committee on Banking and Currency: Carter Glass, Virginia, chairman; Thomas G. Patten, New York; C. U. Stone, Illinois; Michael F. Phelan, Massachusetts; Joe H. Eagle, Texas; Otis Wingo, Arkansas; Emmett Wilson, Florida; Ralph W. Moss, Indiana; T. F. Konop, Wisconsin; W. W. Hastings, Oklahoma; Jouett Shouse, Kansas; H. B. Steagall, Alabama; Everis A. Hayes, California; F. E. Guernsey, Maine; F. P. Woods, Iowa; Edmund Platt, New York; George R. Smith, Minnesota; Charles A. Lindbergh, Minnesota; A. L. Keister, Pennsylvania; L. T. McFadden, Pennsylvania.

Twenty. Forty-seven in all.

That act has always been referred to as among the best examples of legislation—clear, concise, complete. For 17 years it remained unchanged in its fundamentals. It was accepted by American agriculture as our first national effort in cooperative credit. It succeeded beyond the fondest hopes of its sponsors.

The Government provided an initial capital of only \$750,000 for each of the 12 Federal land banks, or a total of \$9,000,000. By 1932 this had all been repaid by the borrowers who subscribed for 5 percent of their loans in stock except \$50,000. Bonds secured by farmers' mortgages furnished the funds for loans to about 400,000 farmers through 4,500 national farm-loan associations amounting to \$1,200,000,000.

These borrowers entered into contracts under the provisions of the Federal Farm Loan Act, under which, as stockholders of national farm-loan associations, which purchased an equal amount of stock in the Federal land banks, they were granted control of their local associations and the Federal land banks were to be managed by executives chosen by board of directors, a majority of whom were elected by such national farm-loan associations.

The Federal Farm Loan Board was made nonpartisan by the provision that no more than half the members could be chosen from one political party.

The Farm Credit Act of 1933 and the administrative acts subsequent thereto have changed this situation.

Yet Mr. Morgenthau, then Governor of the Farm Credit Administration, recognizing the contractual rights of the farmer stockholders and their proper jealous regard for the cooperative principles upon which the system had been founded and developed, made the following public statement July 2, 1933:

The institution which we hope to build through the Farm Credit Administration should be *farmer-owned and farmer-managed*. It should be a *decentralized* system, locally controlled, with a minimum of Federal supervision.

Have these principles been maintained? The act of 1933 abolished the Federal Farm Loan Board and vested complete control of the system in one man, the Governor of the Farm Credit Administration.

Thus the nonpartisan-board provision, under which the Presidents from 1916 until 1933 had selected members geographically representative of the various and diverse agricultural interests of the whole Nation, was abolished.

Now, 5,000 national farm-loan associations, with 650,000 farmer-borrower stockholders, owning \$110,000,000 of Federal land-bank stock, elect only one director out of seven. The production credit association and borrowers from banks for cooperatives, which own no stock in the Federal land banks, each elect one. Surely this is exceptional in corporation law, and is particularly objectionable in an institution which has been built upon the principle of cooperative management. The Governor of the Farm Credit Administration appoints four directors. This gives him complete control of every Federal land bank. To make this control doubly sure, he has created the office of general agent in each land-bank district, an office not mentioned in the act of 1933 or any other legislation. He is the personal representative of the Governor. He and his staff dominate each bank, control

the selection of officials and employees, and determine the bank policies to the minutest detail, if the Governor so wills.

Thus the cooperative principles of the Federal Farm Loan Act have been thrown overboard, and the farmer stockholders' rights have been violated, that supreme, autocratic control may be vested in Washington.

Not only has general supervisory control at Washington been taken away from a nationally representative nonpartisan board, not only have the Federal land banks been divested of all authority, but the national farm-loan associations, the heart of all the farm-loan system, have witnessed the destruction of their legal rights as cooperative stockholders.

They have been forced to adopt resolutions committing to Federal land banks full power over all questions of local management. They cannot choose a secretary-treasurer unless that man is approved by the Federal land bank. Though the Federal land bank makes a gross annual profit of 1 percent on all loans, the associations will not be permitted funds for ordinary operating expenses if in the selection of their officials or in their policies they fail to meet the approval of the bank. An association with \$5,000,000 in loans gives the bank a gross profit of \$50,000 annually. That is a sizable bank with \$250,000 capital, but it can do nothing in protecting its interests on the loans it has endorsed, nor have any of the usual powers of stockholders and directors of a country bank. Outside attorneys handle the foreclosures, instituted without the consent of the association. Farms taken over are managed by nonresidents. Field men, planners, economists, graph and chart experts determine all the policies of the banks and the associations. The farmer stockholders have been left only one of the usual attributes of stock ownership—they pay the bills. There never will be any more dividends—the farmers will never be on the receiving end until the system is restored to practical, experienced executives.

I have copies of these contracts which have been imposed upon the national farm-loan associations. I commend them to your study as examples of the most unique and arbitrary unilateral contracts I have ever read.

The farmer borrowers are being regimented, and that, too, despite their capital investment. If the Government wishes to assume complete control of the farm-loan system, it should buy and retire the stock the farmers purchased under the representation that it carries the usual attributes of stock ownership.

What excuses are offered for this illegal and immoral destruction of our great cooperative credit system?—two:

First. That there was an agricultural emergency in 1933.

Second. That the Government has invested an additional \$125,000,000 in the capital stock of the Federal land banks; that it has furnished about \$100,000,000 for banks' surplus on account of the moratorium on principal payments; and that the Federal Farm Mortgage Corporation has purchased about \$750,000,000 of Federal land-bank bonds.

The answer to the first excuse is that the banks and national farm-loan associations were from 1917 to 1933 manned by officials with years of experience in the system and with demonstrated capacity to handle the problem created by the emergency. Only one thing was lacking—adequate loanable funds. Congress supplied these. Had they been administered by these trained officials much of the waste and confusion would have been avoided.

There was set up in Washington a great group of theorists and planners. The St. Louis Federal Land Bank was nominated as the "guinea pig" to try out a lot of textbook theories about the farm-credit business. Then they swooped down on the other banks; abolished established and successful business practices. Recent eastern college graduates in farm economics, without any practical business experience, armed with Washington authority, supplanted the farm-loan executives, who, so far as real authority was concerned, became mere figureheads. The price of a reasonable degree of intelligent independence in protecting their institution against foolish, wasteful methods was a forced resignation—as too many former executives will testify to their sorrow.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska be allowed to proceed for an additional 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BINDERUP. Not content with running the farm-mortgage business, the planners have had a perfect field day in Washington and in the banks in testing out all their pet theories in farm economics and in duplicating much of the work of county agents and agricultural colleges. Bureaucracy has fastened itself upon the farm-loan system and it will not voluntarily loose its strangle hold. The farmers must carry the burden. Dividends and credits for stock subscriptions upon payment of their loans will be restored only when these expenses of waste and extravagance are paid in full. The farms of America, not the Government, will ultimately bear this burden.

Mr. MASSINGALE. Mr. Speaker, will the gentleman yield for a question?

Mr. BINDERUP. I should prefer very much if the gentleman would let me continue, and at the conclusion of my remarks I shall be pleased to yield to the gentleman.

The emergency called, not for waste and theory, but for practical economy by the men who had demonstrated their fitness to run the banks.

Now, as to the financial excuses for this unwarranted destruction of the rights of farmer borrowers.

The \$125,000,000 additional Government subscription to the capital stock of the land banks was made in January 1932. No attempt was then made to extend the Government control over the land banks and national farm-loan associations. The Government has not demonstrated in this or any other administration that it can operate as efficiently and economically through Washington bureaus as through trained business executives. Surely the Government can continue to entrust its funds to a cooperative credit organization of such demonstrated capacity as the Federal land-bank system. Then, too, this additional stock subscription is being retired, as the law requires, from the stock purchases of farmer borrowers who subscribe 5 percent of the amount of their loan.

As to the \$100,000,000 advanced for surplus, this will be repaid by banks having a gross earning capacity in excess of \$20,000,000 annually. And the repayment to the Government will be speeded if the heavy hand of bureaucracy is taken off the system.

As to the purchase of land-bank bonds by the Federal Farm Mortgage Corporation, it can relieve itself of this burden whenever it chooses, for most of the Federal land-bank bonds it has taken over bear a 4-percent rate. Four-percent Federal land-bank bonds of various issues, without any sort of Government guaranty, are now selling on the open market at from five to eight points premium. Please note the daily quotations in any newspaper. The Government can dispose of these bonds at a great profit.

If the Government chooses to hold these bonds, it will continue to realize a nice profit for its Federal Farm Mortgage Corporation bonds bearing rates ranging from 1½ to 3¼ percent. I think we should ask the Farm Credit Administration to furnish a statement of the profit it has made on all Federal land-bank bonds to date. This will demonstrate that the Government has not sacrificed anything in these bond transactions.

Perhaps there are some farmers who are not concerned over the loss of their rights as stockholders, the taking away of local control of their land banks, these bond transactions, and the great delegations of Government field men, planners, economists, and farm managers maintained at their expense. They are so practical that they are willing to forgive all these things if on a cold-blooded money basis it can be demonstrated that this new order of things saved them money, first, as general taxpayers, for most of the expense of the Washington bureau is paid out of the United States Treasury, and, second, as stockholders in associations which in turn own stock in their district Federal land banks.

So let us look at the financial record of the farm-loan system under Washington bureaucratic control.

The administrative expenses, by fiscal years, of the Farm Loan Bureau, beginning with 1923, when the intermediate-credit system was added to the Federal farm-loan system:

1923	\$268,411.79
1924	354,374.46
1925	373,795.68
1926	441,845.84
1927	585,051.57
1928	740,786.33
1929	899,036.28
1930	954,302.23
1931	1,016,500.00
1932	990,940.00
July 1, 1932, to May 26, 1933	700,031.68

Farm Credit Administration:

1933	\$8,347,640.00
1934	8,248,375.00
1935	9,954,884.00

The Farm Credit Administration seeks to justify this enormous increase in expenditures by the sweeping declaration that the increase in business is responsible, pointing out the other agencies which have been brought under its supervision. It also calls attention to the fact that only \$345,934.52 was in 1935 charged to the Federal land banks. Admittedly these conditions justified a substantial increase, but this increase should be judged by what part thereof was necessary and what part is attributable to impractical and theoretical bureaucratic expansion.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for another 5 minutes and I would like to interrogate the gentleman if he will yield to me.

Mr. BINDERUP. Certainly.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, does the gentleman want 5 minutes more to conclude his remarks or does he desire to have 5 minutes to yield for questions?

Mr. BINDERUP. I would like very much to have the 5 minutes to conclude my remarks.

Mr. GILCHRIST. Very well; conclude your remarks first, and then I shall ask the gentleman to yield.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BINDERUP. Federal land-bank borrowers while not affected as stockholders by the other Washington bureau expenses, are, as citizens and taxpayers, interested in an efficient and economical administration of national affairs. An example of this waste and disregard of the practical realities of the national agricultural credit situation is evident in the setting up of 1 central and 12 district banks for cooperatives, for which the Government has already furnished \$140,000,000 of capital, though outstanding loans, many of which were taken from the business of the intermediate credit banks, on December 31, 1935, totaled only \$50,013,329. By a simple amendment to the Intermediate Credit Act all those loans could have been taken care of with little additional expense. A record of loans outstanding of only about one-third the capital invested after two and a half years of operation is unique in American banking. But interest on Government capital is helpful in paying the high salaries and expenses of 13 unnecessary banks.

But that is beside the question. We are concerned only with the Federal land-bank stockholders who are called upon to bear this last-mentioned burden only as general taxpayers. Matters of this character, however, help to explain the foolish extravagance in the farm-loan system where Federal land-bank stockholders are directly concerned.

Another example of bureaucratic blundering at the expense of farmer stockholders was its failure to call \$185,217,140 worth of 4½ Federal land-bank bonds on May 1, 1935. These bonds could have been refunded with an issue of 3¼-percent bonds, which would have effected an annual interest saving of over \$2,300,000. On April 8, other Federal

land-bank $3\frac{1}{4}$ -percent bonds were sold to refund other issues callable May 1. The New York Times of April 9, 1935, on page 31, quoted Charles R. Dunn, fiscal agent for the Federal land banks, to the effect that on the issues marketed on April 8 cash subscriptions of \$500,000,000 were received, which was some \$240,000,000 above the bonds offered, ample to refund the \$185,000,000 issue. The issue sold on April 8 is now quoted at 102.

On November 1, 1935, when this issue was again callable, the call was not made. This \$185,000,000 issue again becomes callable May 1, 1936, as does an \$83,000,000 $4\frac{1}{4}$ -percent issue on July 1. I believe that we as representatives of the great farm States should insist that these issues be called.

Now, as to the operating expenses of the Federal land banks:

The Farm Credit Administration has refused to furnish the last monthly reports of the Federal land banks, the reports of the general agents' office, which is the fifth wagon wheel in the farm-loan system, and the operating expenses for each year for each of the banks. Interesting comparisons, damaging to bureaucratic control, could undoubtedly have been made. I hope you will join with me in insisting upon these figures so that we may aid the farmer stockholders in cutting out useless waste by restoring cooperative control.

However, some figures are available from which we can make reasonable deductions which go to explain why the Farm Credit Administration is so reluctant to furnish the requested statistics.

The operating expenses of the bank in my district, Omaha, for the first 10 months of 1935, were \$2,469,294.75. This bank, which, from 1918 to 1930, paid an average annual dividend of about 10 percent, is having its substance wasted by the impractical theories and personnel imposed upon the bank. The continued management of that bank by President Hogan and his associates prior to 1933 would have been much more economical and efficient than through the supergovernment which Washington has imposed upon it.

The operating expenses of the 12 Federal land banks from July 1, 1933, to June 30, 1935, were \$34,229,351.05. These expenses July 1, 1935, to December 31, 1935, were \$7,763,949.09. The expense continued at practically the old extravagant level, though business is considerably less. Bureaucracy hangs on and continues to find new theories, to dictate bond management, to dominate the associations, to duplicate other agricultural agencies, and to assume to itself the virtue of alone being able to direct from Washington the business of the banks which the farmers of America have built and maintained.

Let us look at some of the figures which are available:

In 1934, 190,147 loans were closed by the Federal land banks for a total of \$730,367,140. The banks had 10,495 employees.

In 1935, 58,968 loans were closed for a total of \$248,671,200. Total employees in 1935 were 9,162; only one-third the business, but the number of employees scarcely affected. This helps to explain the refusal to furnish a statement of the banks' operating expenses.

Bureaucracy has devised ways and means to perpetuate itself at the expense of the farmers' banks despite the decline in business.

So much for the first two provisions of H. R. 11502. The desirability of establishing a credit agency board in each district to manage all the other credit agencies except the Federal land banks is obvious.

They occupy a different—a short-term credit field. They are owned almost entirely by the Government. Their operations should not be confused with the Federal land banks, owned by the farmers, with the resulting diversion of land-bank officials from the long-term-mortgage problems which demand all their attention. The separation will eliminate the general agent supergovernment over the Federal land banks, and free their executive officials to cooperate with farm-loan associations in restoring practical and economical management.

The fourth provision is necessary to provide a management board for the Federal Farm Mortgage Corporation.

I conceive that this Congress, representative of the great farm States of the Nation, has no more important duty here than the restoration of the Federal farm-loan system to its fundamental cooperative principles. H. R. 11502 is good Americanism, good democracy, and a recognition of our legal and moral duty to the farmers of America who purchased stock in the farm-loan system, 650,000 of them, who have invested \$110,000,000.

I venture the assertion that with the restoration of cooperative control, as provided in the Farm Loan Act before 1933, which is accomplished by H. R. 11502, the personnel and expenses of the Farm Credit Administration of Washington and each of the Federal land banks can quickly be reduced by 50 percent, and that a practical administration of the banks, freed from autocratic Washington dictation, will not only effect these economies but will otherwise result in more efficient, sympathetic, and profitable administration of the banks. The past records of the Federal Farm Loan Board and of the Federal land banks offer convincing evidence of the correctness of this statement.

THE FOREIGN SERVICE

The SPEAKER. Under the special order of the House the gentleman from Massachusetts [Mr. MARTIN] is recognized for 5 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, I desire to protest to the House the employment by the State Department of such a large percentage of men and women of foreign allegiance in our Foreign Service. It is true, for the most part, they are clerks, and a majority are in the lower-paid brackets. Nevertheless, they occupy key positions, and through their hands move highly important data and information. There can be no secrecy in our Foreign Service, when, out of 1,633 clerks employed in foreign countries, 919 claim loyalty and allegiance to another flag and another country.

Our procedure is a marked contrast to that of foreign countries in America. Go to even the smaller embassies in Washington, and you will not find Americans employed in handling confidential papers.

These are disturbing days. With breathless excitement we watch events unfold in Europe which spell either war or the peace of the world. The attitude of America is of foremost consideration. Every country is anxious to influence our attitude. With the fullest respect to our clerical force abroad, one may question whether, in a great crisis, the clerk of foreign loyalty would not sacrifice the American Government, who pays his meal ticket and puts him in a confidential position, for the welfare of the country of his birth and loyalty. It would be natural for the clerk to do so.

In the handling of papers and work dealing with peace and friendly relations, we should not place our trust in foreign nationals. Neither should they have access to our files and thus open to foreign governments information which properly belongs only to the American Government.

The State Department prides itself on the secrecy of its dispatches and moves. How can there be secrecy when the whole picture is open for the inspection of men and women clerks of foreign loyalty? Why should aliens, in many instances, assemble the data as to what foreigners should be permitted to come into the United States? That is a most pertinent question. In the struggle for foreign trade, which should be an essential part of the work of our representatives abroad, we would unquestionably make greater progress if there was a 100-percent American drive behind the effort. I would not expect a foreign national to be wildly enthusiastic about American efforts to win trade from concerns in his own country.

When I observe how American interests have been sacrificed in some of the reciprocal treaties we have negotiated, I am forced to wonder if some of the data collected was not assembled by some of the foreign nationals who live on the American taxpayer but whose hearts are with their own countries.

There are 147 interpreters and translators in diplomatic missions and consulates. Fifteen are Americans and 132 are foreigners. Of the total number, 69 receive salaries of more than \$1,000 a year and 78 less than that amount. I can understand the need of a number of foreign translators, but certainly the splendid schools of America turn out many students who would gladly take one of these positions and do the work well.

Some 15 Chinese writers are employed and their salaries range from \$120 to \$529, and I can concede readily it would be practically impossible to replace them.

The messengers, gardeners, janitors, doorkeepers, and minor employees number 1,084. The salaries of 26 are in excess of \$1,000 and 1,058 below that sum. Of this group, 58 are Americans and 1,026 are foreigners.

The clerks employed number 1,633, and of this number only 714 are Americans. Of the 919 foreigners, 28 draw pay in excess of \$1,000.

In considering these salaries it is only fair to recall that owing to the depreciated value of the American dollar they are paid an additional 40 percent. In other words, a clerk whose salary would be \$1,000 would actually receive \$1,400.

The plea is that it would cost more to employ Americans. That might have been true in the good old days, but it is not so now, and there is no likelihood, judging from our progress in the last 3 years, that it will be so in the immediate future.

In all the principal cities of Europe there are competent Americans anxious for this work. There are hundreds of American boys and girls coming out of our colleges who would jump at the opportunity of work abroad. The pay might be small, but it is infinitely better than idleness, and the average American would welcome the chance.

Furthermore, I am informed there are abroad many American World War veterans who could do this work and would like the chance to increase their income. Every foreign country is insisting employment shall go only to their own nationals, and why should not the American Government follow the same sound policy? I believe it is high time the State Department awakened to the unemployment situation of Americans, both at home and abroad, and gave more of these positions to Americans. [Applause.]

The SPEAKER. Under special order of the House the Chair recognizes the gentleman from Nebraska [Mr. LUCKEY] for 10 minutes.

Mr. MORITZ. Mr. Speaker, will the gentleman from Nebraska yield to me for 2 minutes?

Mr. LUCKEY. I will.

Mr. MORITZ. Mr. Speaker and Members of the House, the gentleman from Nebraska has kindly yielded to me 2 minutes, and in that time I want to call attention to the sad plight that Pittsburgh is in today. Nothing can be said which exaggerates its distress. I left Pittsburgh yesterday at noon by plane. Since that time things are worse. All lights are cut off, all gas, all heat, and there is a shortage of food.

In the past we have had floods in other parts of the United States and the Members of the House have come to the aid of the people with liberal appropriations for relief. I am asking for that now. I would not have had to ask for that relief if we could have gotten more action heretofore in both Houses. Last year we passed a bill for the construction of reservoirs to prevent a situation just like this. The Senate has that bill now. We are still waiting. The city of Dayton had a flood in 1913, and reservoirs were constructed there afterward. We always do things after we have suffered a terrible loss in lives and property. I suppose it is the course of events to lock the stable after the theft. I am telling you that Pittsburgh is very hard hit. Men will be held out of work in the mills. I have seen the mills and they are submerged in water, the stores are flooded, and skiffs are running through the streets. Much merchandise is destroyed. I cannot exaggerate the situation. Whatever is said does not adequately describe the tragedy, and I kindly ask the Members to help me get this bill through for an appropriation for relief of the destitute in Pittsburgh.

W. J. BRYAN

The SPEAKER. The Chair recognizes the gentleman from Nebraska [Mr. LUCKEY] for 10 minutes.

Mr. LUCKEY. Mr. Speaker, I represent the first district of the State of Nebraska, the district that at one time was represented by the great Commoner, and I ask your indulgence that I may make a few observations at this time regarding my old neighbor and friend.

In these turbulent times, when war clouds are hovering over the world, when humanity is crying out for peace, and there is no peace, we can well pause for a few moments and contemplate the admonitions and teachings of one of the greatest contemporary apostles of peace. Today, the 19th day of March, there occurs the birthday anniversary of one of America's most illustrious sons and one of the world's great leaders in the cause of universal peace—the great Commoner, William Jennings Bryan. [Applause.]

It is now 40 years since the youthful Bryan, like a meteor out of the west, became the standard bearer of our great Democratic Party. For nearly a third of a century he held a commanding place in its councils. But even a greater place did he hold in the hearts of millions of the humble citizens of the land, whose cause he championed so nobly. Three times he was the standard bearer of his party, and three times he met defeat. But from each defeat he rose again, stronger and more illustrious than before. Whence came this power and whence this ever-growing popular acclaim?

The answer is that he consistently championed the cause of the common man and the cause of social justice. This he did with a fervor and a zeal that grew out of his religious faith. Armed with an undying faith in his God and a deep and sincere love and understanding of the common people, he never swerved from the course that made him the true defender of the rights of the humble against the powerful forces of privileged and entrenched greed. His great leadership paved the way for many a liberal reform measure. His great public service radiated from him influences for good, for clean government, for clean living, for faith in the Christianity of our fathers.

But not only was Bryan a great political leader and reformer, he was even greater as an advocate of national and world peace. This naturally followed from his discipleship of the great Prince of Peace, who taught us the Golden Rule. He believed that national righteousness was a prerequisite to national and world peace. He believed that justice was a nation's surest defense. Speaking before the House of Lords in London in 1906, he said:

If peace is to come in this world, it will come because people more and more clearly recognize the indissoluble tie that binds each human being to every other. If we are to build a permanent peace, it must be on the foundation of the brotherhood of man.

It was on the occasion of this address, delivered in the House of Lords, that the audience, representing the flower of European intellect and thought—an audience not easily moved—rose and acclaimed the speaker.

When the World War clouds rolled over Europe Bryan was among the first to sense the real danger. He became an ardent advocate of strict neutrality, and as Secretary of State he opposed loans to foreign powers, holding that such a policy could have only one result—our ultimate entry into the war. During those trying times he gave his best to save his country from the catastrophe that loomed ahead. When we were launching on a policy of preparedness Bryan considered such a policy not only a menace to our peace and safety, but a challenge to the spirit of Christianity. The race in armaments he deemed a false philosophy—one which inevitably must lead into difficulties. At that time he was condemned and ridiculed. But who today dares to challenge the correctness of the position he then took? We have sacrificed thousands of our young manhood; we have wasted billions of our substance; and still the world is neither safe for democracy, nor have wars ceased. The mad armament race can have only one outcome—the ultimate world conflict resulting in the annihilation of our present civilization. Bryan saw the futility of it all.

Great as Bryan was as a political leader and as an advocate of peace, he was still greater as an exemplifier of a Christian life. In his religious writings his deep-spirited insight carries conviction and inspiration. In them he has given us some of the finest gems in American literature.

In closing may I quote just one paragraph of his, which we may well heed:

The enlightened conscience of our Nation should proclaim as the country's creed that "righteousness exalteth a nation" and that justice is a nation's surest defense. If there ever was a nation it is ours—if there ever was a time it is now—to put God's truth to a test. With an ocean rolling on either side and a mountain range along either coast that all the armies of the world could never climb, we ought not to be afraid to trust in "the wisdom of doing right."

[Applause.]

EXEMPTION FROM TAXATION OF CERTAIN ASSETS OF RECONSTRUCTION FINANCE CORPORATION

Mr. REILLY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3978, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are now considering the taxation of shares of preferred stock of banks while owned by the Reconstruction Finance Corporation. I have something to say with reference to that, but I call the attention of the House to the fact that yesterday I spoke against increasing the appropriation for idle farm lands contained in the bill we had under discussion, and made the statement that we were wrecking the country. My colleague from Virginia [Mr. WOODRUM] later on commented upon those remarks and stated that I was absent from the room.

Mr. PATMAN. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. The rule granting us 4 hours' debate on the bill under consideration provided that the debate should be confined to the bill. Many of us are unable to get time to properly discuss this bill. I think the time should be used for that purpose and not for any other purpose, and I make the point of order that the gentleman is not directing his remarks to the subject under discussion.

The CHAIRMAN. The gentleman from Pennsylvania will confine his remarks to the bill.

Mr. RICH. I am talking about the bill, and I am on the gentleman's side, too; this he will find out later. I just make mention of the fact that the flood situation is so bad in the west branch of the Susquehanna Valley, Pa., at Muncy, Williamsport, Jersey Shore, Lock Haven, and other points that necessarily I absented myself to go to the War Department and the Red Cross to secure their aid to do something for the people of that vicinity. They needed boats to get the people to high ground, food, and clothing.

I shall not dwell very much on what the gentleman from Virginia [Mr. WOODRUM] stated in reference to me, but I shall take opportunity sometime later on, because I am just as much in favor of protecting the interest and welfare of the country as any individual in it; and when it comes to making a statement that I am opposed to taxes, that does not stand good, because I voted to increase taxes. The most serious question facing us today is to stop the ruthless expenditures that have been going on and bring in a good tax bill and try, if possible, to save this Nation. The serious situation confronting the Nation is ahead of us, and not behind us, and we should do things in a sound, sensible, sane business way. In order to get there faster, I will state to the gen-

tleman from Virginia, we need more men like Senator CARTER GLASS and Governor BYRD if we hope to get there soon.

We are getting on to the point of taxation. We must have less spending or more taxes. That is absolutely essential to keep the country from being wrecked. No one knows it better than the gentleman from Virginia. Ever since I have been a Member of this House, and for years before, this Nation has been issuing tax-free bonds. Every time we consider any legislation in the House endeavoring to stop the issuance of tax-free bonds someone puts a wrench in the machinery, and the bill never gets through. Members of Congress always have some reason why we should not stop the issuance of tax-free bonds which give the men who have nothing to do, with a lot of money, the rich men of the country, an opportunity to make their investment in securities that do not contribute anything toward the support of the Government. This is not right and should be stopped. Our tax base is getting narrower and narrower, and eventually you are going to kill what we call business, because you are afraid to put taxes on anything but business enterprise, and business enterprise is the thing today that is giving employment to the people of the country. Kill the business enterprises, and you kill progress, you kill the goose that lays the golden egg, you kill employment. Business has created initiative in mankind and permitted them to go ahead. Kill business, and what have you left? We must take care of the unemployed. We must take care of the people who want jobs and give them work in order to support the Government, and not have the people of this country supported by the Government. That will break it down eventually. That is what this administration is doing. Read my remarks of yesterday.

What is the object of this bill we have under discussion now? I realize there would be many opportunities to stop tax-free bonds and tax-free stocks if they were not Government funds. The only reason I want to tax this stock that is issued by the Reconstruction Finance Corporation is because this is an opportunity to get an entering wedge. We must start sometime. Probably more of the Members of Congress will not think they are injuring some constituent back home if they start now. Perhaps they will have enough backbone and enough desire to stop the thing they want to stop if we will start right here on the taxing of securities owned by the Reconstruction Finance Corporation. If we do that, probably this will be the entering wedge to stop tax-free bonds.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. O'MALLEY. Can the gentleman explain to us, who have been unable to get time on this bill because we oppose it, by what procedure this bill comes in and what the possibilities would be if all committees who had bills defeated were able to bring in similar bills under similar conditions?

Mr. RICH. I presume that the bankers of this country—and I am one of them, as I am interested in a couple of small banks in my country—have no more right to tax-free bonds than the farmers or the laborers in this country. [Applause.] It has come to the point where we in the Government must obey the golden rule—this I try to do in my business—treat everybody alike. What right have you to give the bankers of this country tax-free stocks and permit them to issue certificates and get interest on them, when you do not let the farmers do it? That is one reason we have the Frazier-Lemke bill here. Farmers have the same right to demand those things that the bankers have. We must stop tax-free securities by the Federal Government rather than issue more, regardless of who may own them. [Applause.]

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. REILLY. Does not the gentleman understand that if this bill is defeated the bankers will not pay one cent of the tax, but it will come out of the treasury of the Reconstruction Finance Corporation?

Mr. RICH. I told the gentleman a few minutes ago that I hoped we had enough men in the House to start right

here and stop tax-free stocks and bonds. If we can defeat this bill, eventually we will be able to stop tax-free bonds, and that is what I want to try to do. I do not care who owns the stock, the Government or an individual—individuals make up the Government, so what is the difference?

Mr. REILLY. Will the gentleman yield further?

Mr. RICH. I yield.

Mr. REILLY. Is the gentleman not aware of the fact that the farmers do get tax-free securities when their mortgages or bonds are undertaxed?

Mr. RICH. I do not know of the farmer getting tax-free securities. We want to treat them all alike, I said. We are not giving the farmers any undue advantage over the bankers. So eventually we are hoping to correct that situation. It is a Government evil, issuing tax-free stock and securities; that only helps the rich, and I am for the poor taxpayer.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. PATMAN. Is it not a fact that if we use the same logic and the same reasoning in connection with the farmer, when the Federal land bank purchases a note or a mortgage against a farmer at one-half the value of the farm, then we should permit that farmer to apply tax exemption on one-half his farm when the local tax assessor comes around; that is, if we adopt the same principle for him that is embodied in this bill?

Mr. RICH. I presume the same thing would apply, that we should treat the farmer the same as we treat the banker. I think it is imperative now that tax-free securities should be eliminated by all Government agencies; that we should have a uniform amount of taxation, whether it be the farmer or whether it be the banker or whether it be the labor unions or whoever it is, so that we must pay the same rate of taxation. That is what I would hope would come out of this bill if we defeat it. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. RICH] has expired.

Mr. HILL of Alabama. Mr. Chairman, I think this bill is of such importance that the membership of the committee ought to be here, and I make a point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seventeen Members are present, a quorum.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, to a House that is seemingly gun-shy on banking legislation, I know of nothing more persuasive for the passage of this bill than the remarks just made by my good friend and colleague from Pennsylvania [Mr. RICH]. [Laughter and applause.] The gentleman confesses to us that he is a banker. He states that he is opposed to the bill. If that be true, and if this House can be frightened into voting for or against all legislation that comes out of the Committee on Banking and Currency because it is in behalf of or against bankers, then you have a banker testifying against this bill, which, by that token, ought to be persuasive enough to pass this bill today. [Applause.]

Someone raised the question as to why, after this bill was defeated, it should come before the committee again. I will say, first of all, that when that bill was before the committee 92 Members of this House failed to vote. They were absent. They constitute 20 percent of the membership. This in itself certainly is reason enough why we ought to have a reconsideration of this bill.

Secondly, I suppose we as members of the Banking Committee were lacking in eloquence and persuasion to make the provisions of that bill intelligible to the Members of this House, and if we have failed in this respect we ought to try all over again. We would be derelict in our duty if we permitted the Members of this House to wander around in the labyrinths of misunderstanding and misapprehension. So the bill is back, and I hope it will pass. I say to you very frankly that it may get only one vote, and that vote may be mine. Certainly I shall vote for the bill. In doing so I shall not be unmindful of the fact that the State of Illinois has a greater interest in this bill than some 15 or 20 States put

together. The R. F. C. loans on preferred stock to the 205 banks in Illinois is more than \$78,000,000. The nearest to it is Texas, with \$21,000,000. Then you have a variety of States with only \$1,000,000. The State of Illinois, the banks of Illinois, and the people of Illinois, therefore, have a greater interest in this bill today than any other State; and being quite mindful of that fact I shall vote for the bill.

We bring the bill before this House and recommend its passage for a variety of reasons. In the first place, it is a very proper bill, because we are protecting the sovereignty of the Federal Government. Secondly, it is a fair and an equitable bill because the Reconstruction Finance Corporation is an arm, an integral instrumentality, of the Government; and unless we pass this bill we are going to clog this instrumentality in its proper operation for the banks in all the States of the Union. The third reason why we have the bill before you, although perhaps it may not be considered as a reason, is the fact that it would be unjust and unfair to poke Santa Claus on the nose as a reward for his good ministrations. When the R. F. C. came into the State of Illinois, and not only saved but rehabilitated and resuscitated any number of banks, what ingrates we would be if we failed to protect the R. F. C. by exempting this preferred stock from taxation in Illinois. I do not believe any other reason is necessary in order to point out to the House the necessity for this bill. This good work must go forward without obstacles.

Some opposition has been developed, led largely by my good and ingenious friend from Texas [Mr. PATMAN]. I want to say to him, with all deference, that I think he puts up the most ingenious, the most plausible, and the most unsound argument I ever heard. Now, let us analyze the arguments of the gentleman from Texas. In the first place, he comes before this committee and states that by a law passed in 1864 giving States, counties, and municipalities the right to tax holders of national-bank stock, that by virtue of existing law today the R. F. C., as a holder of this preferred stock, ought to be taxed. When you go back to 1864 and examine the background under which our national banking system was set up you will find that the reason that provision was put in the bill was as a sop in order to get votes. I had them send me all the CONGRESSIONAL RECORDS of that 1864 session of Congress, and so, last night by lamplight, I examined into the background.

Is there any reason under the new circumstances that are presented in 1936 that this Congress cannot expressly or inferentially repeal anything that was done in 1864? We have done it before and we can do it now to meet new conditions. When it becomes necessary to protect the sovereignty of the Federal Government there is no reason in the wide world why it should not be done. That is argument no. 1. Argument no. 2 is that you might be favoring the R. F. C. as against a private holder of preferred stock. For example, the R. F. C. might go into Texarkana, Tex., and take \$60,000 of a \$100,000 issue of preferred stock, the other \$40,000 being sold to citizens in that town. The argument is advanced that if you exempt the R. F. C. you still permit taxation of the other \$40,000 held by private citizens. There is no soundness in this argument for the reason that dividends to the R. F. C. are limited to 3½ percent.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Mr. Chairman, I shall not yield; the gentleman had his time yesterday.

The \$40,000 held by private citizens returns a greater income; so you have a cushion of 5 percent or 6 percent as against 3½ percent to the R. F. C. You have an allowance there to provide for taxes in the case of a private holder, and so this argument does not hold.

Thirdly, they said if we apply this bill we are discriminating in favor of the Federal Government and the national banks as against State governments and State banks, and that we are removing property which is assessable and out of which taxes might accrue to the State and the municipality. Let us examine it very briefly in this fashion: Here is a bank with \$500,000 of capital stock. It is in an impaired condition. The Comptroller of the Currency and the Reconstruction Finance Corporation step into the picture and finally

they say, "Here you have \$500,000 of capital stock on the books, but it is worth only 50 cents on the dollar."

So that while your ledger, your figures, and all your paraphernalia show a capital stock of \$500,000, the fact of the matter is that the \$500,000 is only worth \$250,000. They reform the capital structure and reduce it so as to reflect the actual value of \$250,000. Have you taken away anything from the State by so doing? No. The reason is you do not assess against the par value of the stock. In every case you assess against the actual value of the stock, and whether it be Texas, Illinois, or any other State makes no difference. The assessor and the tax collector can come in and collect only on \$250,000 of value, irrespective of the fact that there was originally a capital structure of \$500,000. You have not taken a dime away from the State. When the R. F. C. steps in and subscribes to the preferred stock it is simply repairing the condition of that bank and takes not one dime away from the State. There is the argument in brief against this bill. The argument is thoroughly unsound, very ingenious and plausible, and is presented for the purpose of handicapping an arm of the Federal Government in carrying on its benevolent work in connection with rehabilitating the bank structure of the country.

Mr. Chairman, I have just this final word to say in connection with my own State. The R. F. C. has subscribed to stock, notes, and debentures to the extent of more than \$78,000,000 in the State of Illinois.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. Mr. Chairman, I suppose, on the basis of a tax rate of something like \$68.55 a thousand, where we assess one-half of the value, that the total amount of tax might be as much as \$2,500,000 on that amount; but on the other side of the ledger what has happened? The very fact that the R. F. C. has come in and bailed out a lot of our banks has created millions and millions of dollars of assessable value. In the case of a single bank in Chicago, where the common stock was selling for \$24 a share before the R. F. C. went in, it is now selling for \$174 a share on the market, and because of the R. F. C. rehabilitation it has added \$112,000,000 worth of taxable value to the property of Illinois. Along with that, it has saved those banks, saved the depositors, and enhanced the income of the stockholders.

Mr. Chairman, is there anybody so bold as to say that if we pass this bill we are going to encroach upon the taxable values for State purposes and take something away that was formerly there? What is actually happening is that we are in no sense infringing upon the taxable values of the State. As a matter of fact, we have only added new values because of the R. F. C. operation. In conclusion, may I say that whether this bill gets any other votes or not it will get one vote from me, representing in part the State of Illinois. I admonish the Members that we have a more vital and a larger interest in this bill than any other State in the Union.

Mr. FORD of California. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. FORD of California. I was going to ask the gentleman from Illinois to give the other side of the picture in the case of the Texarkana bank, if the R. F. C. had not gone in there, but I note he has given it in the case of a Chicago bank.

Mr. DIRKSEN. Mr. Chairman, I yield back the balance of my time.

Mr. REILLY. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HOLLISTER. Mr. Chairman, I also yield the gentleman from North Carolina 5 minutes.

Mr. HANCOCK of North Carolina. Mr. Chairman and Members of the Committee, I hope I may proceed for a few minutes without interruption. I shall then be glad to yield for questions.

This bill is sound, meritorious, and in the public interest. Its passage will merely restore to the Reconstruction Finance

Corporation, an instrumentality of the Federal Government, as I stated on the floor February 25, its constitutional immunity from taxation, which immunity Congress unquestionably intended it should have at the time of the passage of the act in 1932. Its necessity arises as a result of a recent decision of the Supreme Court in the case of Baltimore National Bank against Maryland State Tax Commission, in which the Court held that article X of the act specifically exempting the Corporation, its franchise, capital, reserves, surplus, and income from taxation, both State and Federal, was not effective in the face of section 5219 of the Revised Statutes passed in 1864 which expressly authorizes States to tax national-bank shares, within certain limitations, regardless of ownership. The immunity from taxation upon the passage of this bill applies to the R. F. C. alone because it is a Federal agency. The bill, therefore, does no more than to close an unintended legislative gap. It will not in any way affect the rights of any State taxing authority or municipal authority to levy taxes against the preferred stock, notes, or debentures held by any individual or other corporation.

Unless Congress acts on the bill now before it to exempt these holdings of this Government agency, the State and other local authorities will go ahead and try to collect their money, following the Supreme Court decision upholding such position in Maryland. The entire burden of additional taxes will fall upon the Federal Government directly and indirectly upon the taxpayers and people of America. As a result, the R. F. C., which stepped in—good Samaritan-like—to help rebuild the capital structure of a lot of banks in this country which might otherwise have been compelled to close their doors, will have to pay for acting in the public interest. Since the financial repair and rescue work of the R. F. C. through its preferred-stock and capital-note campaign has not been generally understood by the public, it is naturally expected that some should see "red" when mention is made of extending aid to these institutions. After the bank holiday and a clean bill of health was given to a majority of the banks everywhere, there remained many with a weakened capital structure. They were too good to close and too weak to remain open for long. Portfolios of the banks were jammed with collateral which might one day come back but which for the moment was without marketable value. To have written off all these erstwhile real assets would have left many banks in a condition where their capital would have been so seriously impaired that State and Federal supervisory officials would have had no choice but to close their doors.

The country's nerves, as all of you know, were in no condition to hear further banging of bank doors. "Reconstruction" was necessary, as the name of the great Federal agency was called which came to their rescue. The Reconstruction Finance Corporation started its repair work to protect the depositors and save the values of the communities in which these banks were located. It proposed to rebuild the capital structure of these institutions through the lending of Government funds. Because of the varying laws in different States, the plan involved preferred stock in some cases, capital notes in others, and debentures in still others. So that the plan would not brand every weak bank in the country and possibly be conducive to further runs, the R. F. C. solicited the cooperation of several of the strongest institutions, so that there would be no discrimination. In the execution of this reconstructive program, the R. F. C. entered the picture, not for the purpose of going into the banking business, nor for the purpose of lending money at a profit; its one objective was to save the communities involved and put these institutions back in a position to function in behalf of the public. What Member of this House would have opposed the R. F. C.'s effort to extend assistance in this way to his own community? Where is the man who has so little gratitude that he will not express his appreciation for the splendid accomplishments which this campaign has brought about? Who would vote for an amendment that would make it more difficult for some communities that have not yet had their institutions repaired?

In carrying out this program the R. F. C. borrowed money from the United States Treasury at 2½ percent. Mr. Jones, chairman of the R. F. C., in working out the plan, figured that his expenses of operation would be about one-half of 1 percent, and that would leave one-fourth of 1 percent to cover individual losses. This clearly shows that there can be no profit to the Government with which to pay taxes. On this basis, the institutions selling the R. F. C. preferred stock or capital notes were required to pay 3½ percent for the 5 years, and 4 percent thereafter. This is a contractual relationship between the lender and the borrower and cannot be changed except by mutual consent. This program involved no replacement of private capital, because the agency took only what individual interests failed to subscribe.

As a matter of fact, however, the confidence which the R. F. C. showed in these institutions by its willingness to purchase the stock or notes greatly influenced many local citizens to come to the rescue of their banks, and the campaign has involved increasing capital stock by individuals in the various communities to the extent of approximately \$150,000,000. The banks, under the agreement with the R. F. C., are permitted to retire the issue as rapidly as improved conditions dictate. It is not an exaggeration to say that a majority of the 6,000 banks furnished capital by the R. F. C. would in all probability have been forced to suspend, Mr. Jones said recently in a statement before our committee. This would have come on the heels of a loss to the country of 5,500 banks in the emergency between 1931 and 1933.

It requires no great stretch of the imagination to contemplate the added distress that would have come to the millions of depositors under these circumstances and to the country. An effort now to penalize this work must be based upon misunderstanding or a failure on the part of some of us to show a proper regard for suffering depositors.

Far from taking away from any community any taxable asset which was placed in the community by its local citizens or which it had prior to this campaign on the part of the R. F. C., the Federal Government, through this great agency, has added taxable values to every community which amounted in the aggregate to many millions of dollars. Under the plan of retirement of the preferred stock and notes, it is reasonable to conclude that not less than 700 or 800 million dollars in common stock or reserves will be available, at the end of the retirement of the R. F. C. holdings, for local taxation.

Whatever else has contributed to recovery, the recapitalization of banks was like replacing a rotten foundation with a new and sound one. A distressed country, as Mr. Jones said, could not support an unsound banking system, but a sound banking system could support a distressed country. The soundness, fairness, and merits of this measure has the approval, according to the statement of Mr. Jones, of the President of the United States. It has been unanimously recommended by the Banking and Currency Committee of the Senate and the Banking and Currency Committee of the House, composed of Democratic and Republican Members. The bill, with the exception of a minor amendment, has already passed the Senate. The Rules Committee granted unanimously, according to my information, the rule which we passed yesterday.

The measure has the wholehearted recommendation of the ablest and most effective financial genius this generation has known, the Honorable Jesse H. Jones, Chairman of the Corporation, whose work has done more to save America during this crisis than any other man in the United States with the exception of our President. It also has the wholehearted recommendation of the Honorable Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, who has depended upon Mr. Jones and other able members of his staff in working out the serious problems involving the restoration of banks, to the end that they might come under the protection of the Federal Deposit Insurance Corporation. In my opinion, there can be no sound or legitimate reason for voting against this measure. It will place all the banks upon an equal footing and eliminate the discrimination

against the national banks in the matter of taxation. It will permit the R. F. C. to go forward in its work to lend a helping hand in the scattered places throughout the country where rescue and repair work may be needed. It is not believed, however, that much additional work of this character is necessary, for everybody knows that our banking structure as a whole is now upon a sound and solid foundation.

I do not have the time, nor do I think it necessary, to discuss the merits of the Vandenberg and Brown amendments. Both of these are designed to aid the orderly liquidation of closed institutions, by a reduction in the interest rate on loans from the R. F. C. The Brown amendment is a natural sequel to the Vandenberg amendment and is designed to insure that the reduced interest rate to the receiver shall be passed along to the distressed debtors of the institution. In my opinion, this is just and proper, and I am confident that it will afford great relief to many a struggling debtor, who is trying faithfully to meet his obligations to the closed institutions as rapidly as possible so that the assets may be distributed to the depositors.

Now, let us examine the arguments that have been leveled against the bill and their sources.

Mr. Chairman, during my 6 years as a Member of Congress I do not believe that I have ever seen as much confusion surrounding the merits of a bill, or as much misunderstanding as exists today with respect to the consideration of this particular bill. I accord every man the right to his honest conviction. I know, however, that as heretofore stated that there are some Members of the House who cannot help from seeing "red" whenever a bank or a banker's name is mentioned. Many extraneous considerations have been injected into this discussion and most of them are appeals to prejudice. This is very unfortunate. I assume that those who are responsible have done so with a sincere purpose. I do not believe, however, that any argument has ever been made against the merits of a bill, since I have been here, that was more plausible yet as perfectly unsound as the argument made by my good friend, the gentleman from Texas [Mr. PATMAN]. Now, let us clear the track as we go along. What is pertinent to the issue here? There is absolutely nothing in this measure which involves infringement upon State rights, regardless of any statement to the contrary. There is nothing in this measure that involves the principle of tax-exempt securities—not one single phrase. That's another old herring.

Mr. Chairman, as I have in my prepared statement tried to set forth clearly, this bill merely would exempt the securities owned and held by the Reconstruction Corporation. If this bill is not passed the burden falls upon the taxpayers of America. It will constitute a rank discrimination against the taxpayers of America. It will be a rank discrimination against certain banks. It will be a rank discrimination against certain States. The tax-exempt securities plan involves taxing securities in the hands of individuals. Under this bill the securities held by the R. F. C. will be exempt only so long as they are held by that Corporation. When put back into the communities they become taxable, as other similar securities. If you refuse to pass this bill you might as well agree to enact legislation which will make all relief funds provided for recovery, unemployment, and to care for the destitute, in this country, taxable. These funds were for relief and rescue purposes. No one can truthfully deny that. My good friend from Texas would not dare to have stood on this floor in 1933 and opposed an extension of aid to the banks in his district by this Corporation, which was the only means of saving the deposits of thousands of his constituents.

Mr. Chairman, let us not forget the ditch from which we were dug or tear down the bridge that carried us across. Who is there in this presence who would have opposed this preferred-stock and capital-note campaign in 1933 or 1934?

This Corporation, as above stated, did not desire to enter the field of private business. It has never done so with the idea of any gain or making any profit. It went in because the local communities had broken down financially, and individuals from one end of the country to the other were afraid of bank stocks. Therefore, every dollar that has

been placed in various parts of the country to recapitalize and rehabilitate the banking structure, was put there because the local communities could not do it, and it was an addition to capital stock—as I have tried to show you—rather than a replacement. Taxing this agency would be similar to punishing the good Samaritan and rewarding the Levite and priest.

My friend talks about his bank in Texarkana. To begin with, he does not even know the basis upon which the stock in the bank to which he refers is taxed. Bank stock in 31 States is taxed according to its fair, true value regardless of whether the par is \$25 or \$100 per share. The assets of the bank, after deducting the liabilities, determine the fair value of the bank stock. Every man who knows anything about banking understands this.

If you refuse to pass this bill, you discriminate against national banks, because the capital notes, debentures, and preferred stock of State banks are not taxable. They cannot be for two reasons: One is because a State cannot tax the securities of the Federal Government, and the other is because of the provision in the act itself which provides that the Corporation, its franchise, surplus, reserves, and earnings are exempt from all taxation, both State and Federal.

This, Mr. Chairman, should make that point very clear. This bill is not a bankers' bonus as the gentleman from Texas contends. He calls all of them the same name. Every dollar of the burden will fall upon the R. F. C., because of a contractual relation existing between the R. F. C. and the banks. The banks will not receive a penny's benefit. Read Mr. Jones' statement for corroboration of that statement.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I shall be pleased to yield to the gentleman from Texas.

Mr. PATMAN. If that is true as to past transactions then as to future transactions, the banks will be required to pay it, will they not?

Mr. HANCOCK of North Carolina. That is absolutely correct.

Mr. PATMAN. That is what I want to do in accordance with what I thought was an understanding.

Mr. HANCOCK of North Carolina. The banks would pay it, but it would be charged, of course, to the stockholders in the banks. Of course, I know nothing about your understanding, for you had none with me. It is Greek to my ears.

Mr. PATMAN. That is all right if they are able and willing to pay it and able to pay large salaries in addition. Why not require them to pay it?

Mr. HANCOCK of North Carolina. Then I say, Mr. Chairman, if you do that—

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. LAMBETH. I had not wished to interrupt the statement of my colleague, but since the gentleman has yielded I should like to ask two questions.

First, how much is it estimated it will cost the R. F. C. if this bill does not pass and they have to pay this tax?

Mr. HANCOCK of North Carolina. That is very hard to estimate, because it would depend on how many States having the right to tax capital stock would go back and tax them for all the years from the date of the issuance of the stock. It has been estimated it would cost between five and seven million dollars.

Mr. LAMBETH. What was the profit of the R. F. C. for the last fiscal year?

Mr. HANCOCK of North Carolina. The profit on all of its operations?

Mr. LAMBETH. Yes; its net profit.

Mr. HANCOCK of North Carolina. I do not know. I understand that up to 60 days ago the profit was estimated at \$115,000,000, but that, of course, is problematical, since many of its loans have not been liquidated. The hope is that eventually it may go out of business without loss or profit.

Mr. LAMBETH. The other question I wish to ask for information is this: Is there any difference between this bill and the bill the House previously voted on?

Mr. HANCOCK of North Carolina. Yes; there is one difference. There is an amendment which provides that the R. F. C. shall make loans to closed institutions in receivership at a rate not exceeding three and a half percent, and then this amendment is further amended in the bill by requiring that where a receiver borrows from the R. F. C. at three and a half percent, or not in excess of three and a half percent, the receiver cannot charge the debtors of the closed institution in excess of four and a half percent from the date it receives the loan at three and a half percent.

Mr. LAMBETH. But that does not affect the proposition as to taxation of the stock. That remains the same as in the previous bill.

Mr. HANCOCK of North Carolina. That is not changed. It is identical.

Now, to get back to the inquiry of my friend from Texas, suppose in the future you would permit the local communities to tax this stock, the burden, of course, would fall on the weak, distressed institution that was trying to regain its health in order to protect its depositors. My feeling is that a vote against this bill is, in effect, a vote against the depositors of a closed institution or a weak institution seeking reconstruction, regardless of where it may be located.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from New York.

Mr. REED of New York. It would also be a discrimination, and a very severe one, against the States that do not tax these securities.

Mr. HANCOCK of North Carolina. I made that point at the beginning of my remarks.

Mr. REED of New York. I thank the gentleman.

Mr. HANCOCK of North Carolina. Now, let us see what has been the course of my good friend, for whom I have the highest respect and whom I like, with regard to this bill. The gentleman has "wobbled in and wobbled out and left this House all in doubt." He started out by undertaking to oppose the bill on the ground that it deprived local communities of taxable values. This argument fell flat, as everybody, I am sure, will agree.

As a matter of fact, the Chairman of the Reconstruction Finance Corporation stated before our committee in his presence that, aside from the indirect benefit flowing to communities in improved and increased valuation of all kinds of property, under the retirement plan the properly managed banks would ultimately have between eight and nine hundred million dollars in excess taxable value that they would not have had except for this great reconstruction campaign that the R. F. C. has carried on in helping repair and rebuild about 6,000 banks.

Now, when that one fails, he moves to another course in his strategy, he now in desperation wants to protect the local communities in the future. He is willing to condone past operations. Magnanimous to the point of complete inconsistency!

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. HOLLISTER. I yield the gentleman 3 minutes more.

Mr. HANCOCK of North Carolina. Now, he comes back and says that if the national banks can issue capital notes he thinks we can get together. Get together on what?

Mr. PATMAN rose.

Mr. HANCOCK of North Carolina. I do not yield. Oh, I know it pinches. [Laughter.] The preferred stock is the only security in question that can be taxed under the recent decision of the Supreme Court. Then, pray tell me how an amendment authorizing national banks to issue capital notes which are already nontaxable would add to the taxable values of his district. Such a contention is absurd.

Falling down with that, my friend, resourceful as he is, comes back and says, "Let us strike out the word 'hereafter'." Strike it out for what? In order that the local communities can tax the stock. Take the situation in his own town. Unfortunately, the clean-up campaign is not altogether over. We know, however, that great recovery has been brought about and a sound sill has been put in place

of the rotten one which was under the banks in this country. But he wants certain banks to be taxed and other banks not to be taxed. Would that be discriminatory? He is consistent only in his inconsistency.

Now, remember this: He has been talking about precedents. He has been talking about discrimination. He is the man who first mentioned those words. Now he has to swallow them. Where is he at this hour? He is all alone. He has not a foot to stand on. We all know that if we accepted his view, it would be both rank discrimination and an upset of all precedents. With all his good sense it is not working here.

Again, I ask, in conclusion, who is supporting this bill, and how did it get here? Let us repeat. It is backed by the unanimous vote of the Banking and Currency Committee of the House. It was passed by the Senate, and a rule on it was reported out favorably and unanimously by the Committee on Rules. It is recommended by the Honorable Jesse Jones and the Honorable Leo T. Crowley, and it is brought here with the approval of the President of the United States. Will you accept their judgment or follow Mr. PATMAN's? [Applause.]

The CHAIRMAN. The Chair announces that the gentleman from Ohio [Mr. HOLLISTER] has 58 minutes remaining and the gentleman from Wisconsin [Mr. REILLY] 35 minutes remaining.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. How much time has been used by the proponents of this legislation and how much time by the opponents of it?

The CHAIRMAN. The Chair is without information on that point. The gentleman is as good a judge of that as the Chair. The control of the time under the rule is with the gentleman from Maryland and the gentleman from Ohio.

Mr. WOLCOTT. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, this bill arises from a decision of the Supreme Court, which caused considerable annoyance. The case was Baltimore Banking Commission against the State Taxing Commission of Maryland. Maryland sought to tax the preferred stock of the Maryland banks held by the R. F. C. If you read the decision, particularly the majority opinion of Mr. Justice Cardozo, you will find that the Court strained every effort to make this bill, as it were, unnecessary, strained every effort to prevent tax on the Maryland bank preferred stock. We passed the R. F. C. Act originally and exempted from taxation the franchise of the R. F. C., its capital, its reserves, and its surplus. Beyond peradventure of doubt, if the R. F. C. at the time of the original enactment had had the right to invest in preferred stock of banks and thus to save them from ruin and thus rescue them, we would have included in those original provisions of exemption the preferred stock. I cannot conceive of any man in this Chamber, the gentleman from Texas [Mr. PATMAN] included, who would have the temerity to deny that. If that were the intention originally of Congress, I cannot see why there would be anyone here to place this obstacle in the path of the R. F. C. at this late hour. What is going to happen if we do not pass this bill? There are 17 States that do not in their judgment tax the R. F. C. stock which is owned as preferred stock in the banks. These are the States—and the gentlemen from those States should harken, because there will be involved the rankest kind of discrimination against the population and citizenry of those States: Louisiana, Maine, Mississippi, New Hampshire, New Jersey, Utah, Vermont, Washington, Wisconsin, Wyoming, Alabama, California, Connecticut, Massachusetts, New York, Oklahoma, and Oregon. Mr. Jones said:

Taxing R. F. C.-owned preferred stock by the other 31 States and their political subdivisions will be discriminating against those 17 States.

I say, if those 17 States do not tax, then the other 31 States should not have the right to tax; and that is what we do practically by this bill. We take away that right, which they never should have had in the first instance.

There is no question that that argument is sound. We in New York recognize it because this is what we did: We had our legislature in New York pass a provision preventing State tax upon such preferred stock, because we recognized the wholesome good done by the R. F. C.; and I say to the gentleman from Texas that we in New York do not bite the hand that feeds us. You do, I say to the gentleman from Texas, that by insisting on your amendment or by opposition to this bill. Were it not for the R. F. C., we in New York would be in the doldrums, and Lord knows where they would be in Texas. Very likely they would be in limbo, and, I repeat, we will not bite the hand that feeds us in New York. We said this through our New York Legislature enactment, as follows:

All interest paid or accrued during the year of indebtedness and all dividends paid during the year on preferred stock held by the Reconstruction Finance Corporation shall be deducted in determining net income.

In other words, we in New York recognize that that money which was received from the R. F. C. in return for which the banks issued preferred stock was really a loan, and that the interest paid on that loan or on the preferred stock is a part of the cost of the operation of the bank. If you refuse to pass this bill, what will happen? The R. F. C. is not going to lose money. If it must pay this tax, or if you allow the States or municipalities to exact the tax, which must be paid by the R. F. C. and not by the banks, then the R. F. C. will simply pass that tax on to future borrowing banks. They will not make any more loans in the form of preferred stock. They will make an actual loan, and, instead of charging 3½ percent, which is the rate on preferred stock, the banks in these 17 other States, that may apply for loans in the future, will have to pay for the loans probably 5 or 6 percent. That would be a rather prohibitive cost, and I ask the gentlemen from those States to consider this very seriously. In other words, if the R. F. C. must pay a tax, it will pass it on. It cannot pass it on to the banks in the 31 States. The dividend rate is fixed. It cannot be changed—even by statute. But to make up that loss, due to payment of tax in the 31 States, it would naturally increase its rates for loans in the future to banks, most of which banks would be in the nontaxing States.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. BROWN of Michigan. The gentleman does not mean to say that the R. F. C. could pass this tax on in the 31 States where the preferred stock and capital notes are issued?

Mr. CELLER. No; they could not, but the other States principally will have to bear the brunt of it all.

Mr. BROWN of Michigan. The gentleman knows there is a definite 5-year contract during which the interest could not be raised beyond 3½ percent.

Mr. CELLER. In those 31 States they would still have to pay only 3½ percent. I think it is 20 years. They are supposed to retire at the rate of 5 percent per year.

Mr. BROWN of Michigan. The 3½-percent dividend rate is a 5-year rate, fixed by Congress.

Mr. CELLER. Oh, that is correct; but do you not see what a terrible burden you are placing upon my State and the State of Massachusetts and these other 15 States?

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. MORAN. I am asking purely for information, as to how one of the 17 States, of which mine is one, would be affected, since we do not have that particular system of taxation.

Mr. CELLER. This is what would happen: The Reconstruction Finance Corporation would take no more preferred stock. It would make loans, but it would have to make a uniform rate all over the country. It would not make one rate for one State and a different rate for another State, so if a bank in your State is in distress and wants to get some money from the Reconstruction Finance Corporation, the R. F. C. will not buy preferred stock but will make a loan.

Therefore your State will have to pay a larger rate on the loan, larger than the $3\frac{1}{2}$ percent rate on the preferred stock. Aside from the discrimination, it is a very serious situation, because it is far more to the advantage of a bank to issue its preferred stock than it is to make a loan, because a preferred-stock arrangement does not interfere unduly with its capital structure. Preferred stock is in the nature of a capital investment. A loan appears on the liability side of the bank. It weakens the bank in that community to that extent, and therefore we must be very careful what we do in that regard.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REILLY. Mr. Chairman, I yield the gentleman 4 additional minutes.

The CHAIRMAN. The gentleman is recognized for 4 additional minutes.

Mr. MORAN. Mr. Chairman, will the gentleman yield for one further question?

Mr. CELLER. I yield.

Mr. MORAN. Would the gentleman anticipate that, if this bill fails to pass, in one of the 17 States the only difference between the present status and the status afterward would be that banks in that particular State would have to pay taxes, if any?

Mr. CELLER. There is no question about it, the States that now do not tax will have the right to do so.

Mr. MORAN. That being the case, if we do not pay any taxes in the State under that system, it is not clear to me why we will be penalized.

Mr. CELLER. Because the Reconstruction Finance Corporation will have to make a uniform rate on the loans. The Reconstruction Finance Corporation, in order to make up the taxes which it has to pay in the 31 other States, will have to make it up in the interest rate on future loans.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. The gentleman did not yield to me yesterday, but I will be more generous and yield to him.

Mr. PATMAN. The gentleman will remember that I did not have control of any time. I am just an opponent here on this bill, and I do not have any time.

Mr. CELLER. I forgive the gentleman.

Mr. PATMAN. The gentleman is making an incorrect statement, in good faith, I am sure, but the Reconstruction Finance Corporation has already made one loan since this Supreme Court decision, and in that loan they required the bank to pay $3\frac{1}{2}$ -percent interest, but required them to continue to pay local taxes as before if this exemptions bill does not pass. If this bill goes through as I want it, the rate will remain uniform at $3\frac{1}{2}$ percent in those 17 States, but in the other States they will pay $3\frac{1}{2}$ percent and pay taxes, because they have a different system of taxation in those 31 States.

Mr. CELLER. The gentleman is entirely incorrect in that regard, because common sense will tell us differently. The R. F. C. may have made such a loan, but it had a right to rely upon the good faith of the Congress. It had a right to believe Congress would remedy the situation.

For instance, the Treasury, when it loans money to the Reconstruction Finance Corporation, must charge a certain amount of interest. It charges upward of $2\frac{3}{4}$ percent. If they make their loans at $3\frac{1}{2}$ percent, there is only a difference of three-quarters of 1 percent. When you figure the cost of operation, salaries, and so forth, you will find very readily that the Reconstruction Finance Corporation cannot get along with that differential. It is inconceivable that the R. F. C. would not then lose money. For example, they must pay these additional taxes. Where is the money coming from? The Reconstruction Finance Corporation would operate at an absolute deficit. Furthermore, the Reconstruction Finance Corporation is going to have some losses. Mr. Jones admitted that his loss in the Central Bank & Republic Co., of Chicago, might amount ultimately to \$10,000,000. Who is going to make up these losses? Certainly those 31 States ought to listen to this situation and at least agree that justice should be done. That is why we should pass this bill.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. McFARLANE. The gentleman is making an interesting statement as to why he thinks these 17 States would be unfairly discriminated against in case this bill fails to pass as it should. I am wondering on what he bases that, other than his statement that the Reconstruction Finance Corporation is going to discriminate against those different States that have an entirely different system of taxation?

Mr. CELLER. I have the word of the Reconstruction Finance Corporation officials for that in the form of letters, and my own common sense.

Mr. McFARLANE. Can the gentleman cite one instance where that is true?

Mr. CELLER. The rate has not been increased yet. The Reconstruction Finance Corporation is holding that in abeyance. They will increase the rates if you do not pass this bill.

Mr. McFARLANE. What makes the gentleman think so?

Mr. CELLER. It must naturally be so to avoid a loss. That is all.

The CHAIRMAN. The time of the gentleman from New York [Mr. CELLER] has expired.

Mr. REILLY. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Chairman, we have had a good deal of discussion about the provisions of this bill, but we have not had yet what might be called a historical statement of the reasons why this question comes before us today. We must go back to 1931, 1932, and 1933 when the banking structure of the United States began to break down. What happened? The securities held by banks in the form of bonds, in the form of notes of their customers, depreciated in value to the point where in a great many instances the capital stock, the margin of safety that this Government had set up by its laws for depositors, had been wiped out because of the decline in the value of the securities and the inability of the noteholders to pay their obligations to the banks.

What did the Comptroller of the Currency try to do under those circumstances? He first went to the stockholders of the banks—and when I speak of the Comptroller of the Currency I also speak in the same way of the banking commissioners in the various States—they went to the stockholders and said: "You must put up more money to repair the capital of your bank. Until you do so we cannot let you continue doing a banking business." As you know, the stockholders of the banks were pretty heavy losers, and in the great majority of cases it was impossible for those men to put up the money to rehabilitate the capital of the banks. What did we then do? We turned to the Government of the United States and we provided in the Emergency Banking Act of 1933 that the Reconstruction Finance Corporation might buy preferred stock in national and State banks.

Let me digress here to say that all this talk about capital notes and capital debentures rose solely because of the fact that in several of the States—not very many—under the State law preferred stock could not be issued by State banks. This is the reason we have this complication of capital notes and debentures.

This preferred stock was supplied by the Government of the United States to rehabilitate the capital of these banks. Stop and consider a moment what would have happened had that preferred stock not been supplied, and let us assume that the common-stock holders could have supplied a minimum amount of capital and that we could have worried along without preferred stock. If this had been a fact, because of the general condition of the country, the capitalization of these banks would have had to be much less than it is today. It would have been impossible under the financial conditions as they were and as they continued down to very recent months for those banks to supply adequate capital. What is the rule in regard to this? The Comptroller of the Currency, as a general proposition, rules that the capital of a bank

ought to be at least one-tenth of the total amount of the deposits, this being the margin of safety, and the Department favors a more stringent rule. If this Government capital had not been supplied, our banks would be much weaker. If they could have supplied a meager but legally sufficient capital, it would be far less capital than they have at the present time. What would have been the result upon the taxing authorities throughout the country? It would have been just what one of the most able citizens who has appeared before our committee testified, and I am speaking now of the testimony of the man who discovered the situation which enabled the State of Maryland to tax Reconstruction Finance Corporation preferred stock in national banks, Mr. Leser, the chairman of the Maryland State Tax Commission. I am going to quote his language. He said that if the Reconstruction Finance Corporation had not gone into the State of Maryland, had not supplied capital to the Baltimore National Bank and the other banks in Maryland, that the common-stock holders would not be paying as much taxes today as they are and Maryland would be getting much less tax return.

He brought out very clearly that the program of the Reconstruction Finance Corporation supplying money to these banks at the rate of $3\frac{1}{2}$ percent enabled the common stock to reach a taxation value far above what it would have been had the R. F. C. not gone into the Baltimore situation.

Quoting from the hearings before us 2 or 3 days ago, I read the following:

Mr. BROWN of Michigan. Excepting the $3\frac{1}{2}$ percent that goes to the Reconstruction Finance Corporation; outside of that, the profit the bank makes goes to the common-stock holders. Now, the net result of this is that the common stock goes up in value by reason of the investment that the Reconstruction Finance Corporation has in the preferred stock, doesn't it?

Mr. LESER. Yes; it does.

What is the logical result of that? The tax is based not upon the par value of the common stock, as the gentleman from Texas many times asserted, but it is based on the value of the stock. By giving the bank a low rate of interest—that is what it amounts to, $3\frac{1}{2}$ percent upon the preferred stock—the common stock earns a greater dividend, and if it earns a greater dividend it has a greater value. If the State tax commission is on its job, as it was in Maryland, and as the tax commissions are in most of the States, then the increase is reflected in an increased tax valuation upon that common stock.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. MURDOCK. In the gentleman's study of this question has he found an instance where the capital stock of a bank has ever been taxed by a State taxing authority at less than its par value?

Mr. BROWN of Michigan. Does the gentleman mean at more than its par value?

Mr. MURDOCK. No; at less than its par value.

Mr. BROWN of Michigan. Oh, yes; a great many instances.

Mr. MURDOCK. If the gentleman can cite me one case I would like to have it.

Mr. BROWN of Michigan. I cannot cite the gentleman to any particular bank, but I know there are many instances.

I may say that the State tax commission is bound by the law of its State; and if the bank stock was worth less than par, as literally millions of shares of stock were during the depression, then they would be assessed at less than par, and they were.

Mr. MURDOCK. But is it not a fact that no bank in operation would dare tell the taxing authorities that their capital stock was worth less than par and ask to be taxed on that lowered value?

Mr. BROWN of Michigan. Oh, yes. Practically all bank stock in the State of Michigan has deducted from it the real-estate value, which brings the stock in a great many instances below par.

Mr. LUCAS. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Illinois, an expert on tax matters, having been a member and

chairman of the State Tax Commission of Illinois for some years.

Mr. LUCAS. I do not claim that honor; but I may say in answer to the question asked by the gentleman from Utah [Mr. MURDOCK] that as chairman of the Tax Commission of Illinois for a period of 2 years I believe I understand what the law is there. We assessed the bank stock at the fair cash value of that stock, not the par value.

Mr. DONDERO. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. Is it not a fact that the preferred stock taken by the R. F. C. in these banks is in the nature of a loan?

Mr. BROWN of Michigan. That is true.

Mr. DONDERO. That stock is not a permanent investment but has to be returned or repaid at the rate of 5 percent a year?

Mr. BROWN of Michigan. That is true.

Mr. Chairman, I want to quote what the chairman of the Maryland Tax Commission says about the proposition that Maryland is getting just as much, if not more, because of the rise in the value of the common stock occasioned by the low dividend or interest rate charged upon preferred stock:

Mr. BROWN of Michigan. You are now getting more taxes out of common-stock holders than you would have gotten had the Reconstruction Finance Corporation not made its investments in these various financial institutions in Maryland; is that not true?

Mr. LESER. I think very likely it is so.

Mr. Chairman, that is the statement of the man who brought about this situation. That is the statement of the man who brought this suit in behalf of the State of Maryland. He says that Maryland is actually better off, getting more taxes, today by reason of this investment than if there had been no change in the law.

In connection with the proposition that the gentleman from Michigan [Mr. DONDERO] brings up, do not forget that if we permit this kind of taxation to be had, it will be the first time in the history of any tax authority of any State or of the Nation itself that a tax is based upon a liability and not upon an asset.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BROWN of Michigan. Mr. Chairman, it cannot be denied that this preferred stock is in the nature of a liability. Before the common-stock holders can get anything this preferred stock must be paid in full. Before they can get anything by way of dividends a $3\frac{1}{2}$ -percent dividend rate must be paid. It is a liability of the common-stock holders and not an asset. Where is the logic in taxing the liability of a bank?

Mr. Chairman, in conclusion may I say that no one need think for one moment that anyone other than the Reconstruction Finance Corporation is going to pay this tax. There is a definite 5-year contract entered into between the Corporation and the banks to the effect that the rate shall be $3\frac{1}{2}$ percent and bank stock in no State in the Union is assessed to any person other than the owner of the stock. The Government of the United States will pay this tax, if this bill is not passed. [Applause.]

Mr. FORD of California. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. Sisson].

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman from New York [Mr. Sisson] 5 minutes.

Mr. SISSON. Mr. Chairman, it seems quite evident that the failure on a former occasion by this House to pass the legislation to accomplish substantially the same purpose as this bill is intended to accomplish was due, in some part, to the fact that many of the Members did not at that time understand all of the facts involved in the legislation and in the situation. I think that will be evident from the debate on this same bill in the other body of the Congress on February 24 and the debate on the other bill in the House on February 25. As appears therefrom, it was not clearly understood, either in the other body or in the House. The

other body, however, did pass the legislation that was before it at that time or, in other words, this bill S. 3978. The facts and the law, as well as the equities of the situation, seemed so clear at that time to the House Banking and Currency Committee, which had unanimously reported the other bill, that probably our committee made the mistake of not clearly getting all of the facts and the equities before this House at that time.

In the brief time allotted to me on this bill I do not expect to be able to cover the whole subject. There are several members of our committee, however, both on the Democratic and Republican side, who can and will do this in a more capable manner than I; and I am sure, if the Members take pains to listen to all of the remarks from the several members of the Banking and Currency Committee, or if they will take the pains to read the debate in the other body on this same bill on February 24 and the debate in the House on the other bill on February 25, they can arrive at only one conclusion, and that is that this bill should be passed.

For the benefit of those who may not have the opportunity or time to read the former debates, I shall attempt to cover very briefly the more important facts and provisions of law that are involved in this legislation.

The Reconstruction Finance Corporation was created by Congress in January 1932 as an agency through which the Federal Government might act in the emergency then existing to save from ruin the banking structure of the country and certain great industries and financial institutions, such as not only the banks but the insurance companies and railroads. It was not intended, as has been claimed, to be solely or principally in the interest of the big bankers or of our wealthy classes. I am not now, and I never have been, connected with any bank, railroad, or insurance company either as an officer or as an attorney, except as most trial lawyers do, from time to time, receive employment from so-called casualty and surety companies to defend negligence and surety cases. I have never had a retainer or been on the pay roll in any way of any of those institutions except as I might have been employed and paid on a per-diem basis to try a few cases. I have no criticism of lawyers who—perhaps more fortunate than I—have had such connections, and it is the purest kind of demagoguery to attack them by reason of such connections alone and call them "bankers' advocates." On the other hand, I have joined with several of the men who have long served on the House Banking and Currency Committee, such as the chairman of the Banking and Currency Committee and the gentleman from Maryland [Mr. GOLDSBOROUGH] and others, in advocating and fighting for the measures to which most of the big bankers were opposed, such as Federal insurance of bank deposits and control by the Government rather than by the private bankers of our money and credit.

This bill is not a bankers' bonus bill nor a bill in the interest of bankers, as the gentleman from Texas [Mr. PATMAN] incorrectly claimed in the former debate in this House, and by which he possibly thereby misled some of the Members of the House. It is not reasonable or fair or for the general welfare to claim that because the Reconstruction Finance Corporation has taken measures necessary to save some of these institutions that that was not a necessary thing to do for all the people. The alternative was for the Government either to let many of these institutions go down in ruin or else for the Federal Government to take them over. We could not afford to allow this blow to fall upon the holders of insurance policies, the people whose small savings were invested in insurance companies, the small depositors of the banks, nor were we prepared to adopt the other alternative of Government ownership. I am speaking of this because I most sincerely believe that it is not right to arouse emotions and prejudice, and I also believe and know that if the Members of this House decide this question by their judgment and common sense, and not by emotions or prejudices, the bill will pass.

It is true that at the time that the Reconstruction Finance Corporation was created by Congress in 1932, Congress did not contemplate all of the kinds of relief and aid to business

and commerce and industry that we have since, by additions to the Reconstruction Finance Corporation law in 1933 and 1934 and 1935, authorized to be done.

By the Emergency Banking Act of March 9, 1933, Congress authorized the Reconstruction Finance Corporation to furnish aid to the banks of the country that needed such aid, both national banks and State banks, by subscribing to the preferred stock of the national banks and then by subscribing to the preferred stock of State banks and trust companies in those States wherein such State banks and trust companies were authorized to issue preferred stock and wherein the legislatures should remove the double liability provision from stockholders. With respect to the State banks and trust companies which either were not authorized to issue preferred stock or in States wherein the legislatures did not remove the stockholders' double liability provision, the Reconstruction Finance Corporation was authorized to furnish aid to such banks by taking their capital notes or debentures.

It is not in accordance with the facts to say—as was said in the other debate—that the Reconstruction Finance Corporation could compel either a national bank or a State bank to receive such aid against its will. With respect to the national banks and the member banks, that control was in the Treasury Department—in the Comptroller of the Currency, and it was only in the cases where the Treasury found that the banks needed such additional capital, either to repair their impaired stock or to continue to fulfill their functions in their respective communities or generally to build up their capital structure, that the Reconstruction Finance Corporation could take the preferred stock of the national banks, member banks. With respect to the State banks and trust companies which were nonmembers, the Reconstruction Finance Corporation could not come in and aid those banks unless and until the banking authority of the given State had found, for one of the reasons which I have mentioned, that such aid was needed. It is true, of course, that prior to the bank holiday and of the passage of the Emergency Banking Act of 1933, loans were made by the Reconstruction Finance Corporation to various banks in the country, and while some mistakes may have been made—I do not claim to be competent to pass upon that—the purpose was to save them from failure, to preserve industry, to prevent further loss and unemployment, which would have resulted had they been allowed to go down. That is now water over the dam.

There are few calamities that can happen to either a city, a village, or any community which affect more widely all of the people in that community, whether bank depositors, business men, farmers, or people who work in mills and factories, than the failure of the bank or banks in those particular communities. It was the purpose of the Government to save those which could be salvaged, which were at heart still sound, and so far as possible by aiding in the reorganization, in securing new capital—private capital, if possible—from the people of the community, or if not, by furnishing aid through this splendid arm of the Government, the Reconstruction Finance Corporation, to repair as rapidly as possible the terrible damage that had been done to the banking structure of the country and to build up fortifications and safeguards against a repetition of such loss. It was to that end that we passed the Federal deposit insurance law, and as most of the Members of the House remember, we had opposed to us pretty generally the big bankers, and we had to put those measures through against the most formidable opposition which they could create against us.

It is very unfair and not in accordance with the history of the past 3 years to say now that our efforts were for, or mainly for the relief or aid of the big bankers and the big financial institutions. They were for their aid in the instances wherein—if that aid had not been extended—the crushing loss would have fallen most heavily upon those least able to bear it.

To this end the Reconstruction Finance Corporation furnished capital to the banks, both national and State, and in order to make it as easy as possible to rebuild such weak

banks and to get the banks back in a position where they could and would commence fulfilling their normal functions as well as to make the burden upon the Federal Treasury a burden which, in the end, falls upon the taxpayers of the country, directly or indirectly, as light as possible, the Reconstruction Finance Corporation has, from time to time, lowered the rate of interest upon its loans so furnished to the banks. Starting out at, I believe, 6 percent, it has finally been lowered to $3\frac{1}{2}$ percent for both national and State banks. The preferred stock of the banks, national and State, now held by the Reconstruction Finance Corporation, pays that rate of interest. So do the capital notes and debentures of the State banks held by the Reconstruction Finance Corporation bear the same rate.

Of course, all of the money which the Reconstruction Finance Corporation has used and will use for loans to National and State banks, now amounting at the present time to about \$870,000,000, came from the Federal Treasury, from the taxpayers of this country, directly or indirectly. The Reconstruction Finance Corporation pays the Treasury for that money $2\frac{3}{4}$ percent. According to the experience of the Reconstruction Finance Corporation, the overhead expense of carrying on this function of loaning to the banks is about one-half of 1 percent. This leaves the very small margin of one-fourth of 1 percent for losses. The debentures and capital notes of the State banks which the R. F. C. holds for loans made to them being obligations, debts of those banks, are not taxable by either the State or local governments. They are liabilities, not assets. Neither are they taxable, of course, by the Federal Government. Neither is the capital stock of State banks and trust companies taxable by the Federal Government, nor have we any power, of course, to tax those assets. It was unquestionably the intention of Congress in the act of January 22, 1932, creating the R. F. C., to exempt from State and local taxation all of the property of the R. F. C. except real property, for the reason that the R. F. C. is a nonprofit corporation and simply an arm of the Government. To tax its property, including the preferred stock of the banks which it holds for the loans made to those banks, which preferred stock is a liability of the banks and not an asset, is exactly the same thing as taxing property belonging to the people of the United States and coming from the taxpayers, directly or indirectly. The Supreme Court held, of course, in the recent decision that the language in the act of January 22, 1932, was not sufficiently broad so as expressly to exempt such preferred stock from taxation. The taking of preferred stock by the R. F. C. was not, at that time, contemplated and had not been authorized. It is to cure that inadvertent omission or gap that this bill is necessary.

Nor is this removing from State or local taxation any property or revenue which either the States or subdivisions thereof have formerly been able to tax. In only one instance, so far as I know, has a levy been made; but no tax has been paid or collected on such preferred stock by any State or subdivision thereof. Such preferred stock simply represents money put into the bank by the Government. The stock is an obligation of the bank and not an asset. On the other hand, this aid to the banks by the Reconstruction Finance Corporation has, in the great majority of instances, greatly increased, sometimes several fold, the value of the common stock of the banks, and thereby, to that extent, increased the amount of property available for State and local taxation. In practically all of the States, property, including stock—which has its situs for taxation, of course, at the place of the bank—is assessed and pays taxes upon its actual value rather than at its par value. In other words, if the stock is worth 300 percent of its par value it is assessed and taxed on that basis. And if there is any State which does not so assess and tax it, it is the fault of the taxing authorities of that State—not of the Federal Government.

My friend from Texas [Mr. PATMAN] has several times claimed that in Texas such stock is assessed only at its par value, but our very able colleague upon the Banking and Currency Committee, Mr. CROSS, of the same State, disputes this and says there is no reason why it should not be as-

essed and taxed at its actual value in Texas as in other States.

Now further, as to what would be the effect: If this bill is not passed and if the States and municipalities are allowed to tax the preferred stock held by the Reconstruction Finance Corporation as an agency of the Government for the loans that it has made to the national banks, preferred stock of State banks held by the Reconstruction Finance Corporation is not so taxable; capital notes and debentures of State banks are not so taxable; the Reconstruction Finance Corporation is obliged, as I have already pointed out, to take the preferred stock for its loans from the State banks in the States where such banks are allowed to issue such preferred stock and wherein the double liability provision upon stockholders has been removed. The Reconstruction Finance Corporation is allowed to take capital notes and debentures from those State banks only where those two conditions do not obtain.

The gentleman from Texas [Mr. PATMAN] claims that this bill is for the aid of the bankers. I deny it.

He claims that the tax which this gap in the law would now allow if this bill is not passed would not have to be paid ultimately by the R. F. C. or by the Treasury, or by the taxpayers of this country, directly or indirectly, but that it could be passed on to the banks. I deny it. And I want you to pay particular attention and follow the gentleman in his very skillful argument and see if he has told you wherein and how the tax can be passed on.

The only witness who appeared before our committee in support of the position of the gentleman from Texas [Mr. PATMAN] and the only witness who appeared in opposition to the bill we have before us today, except Mr. PATMAN, was the gentleman who was mentioned, I believe, by the gentleman from Michigan [Mr. BROWN], Judge Leser, of Maryland, a great taxing authority, and he was attempting to sustain and bolster up the position of Mr. PATMAN, because Maryland had received what would be, if this bill were not passed, an unconscionable advantage over all the other States. I asked him this question:

Mr. Sisson. Judge, may I ask you one question, and I think I can say that the committee here is interested in this: Can you show us how, if a tax laid by a State brings the expense of the Reconstruction Finance Corporation up to more than the $3\frac{1}{2}$ percent which it charges the banks, that extra money—that is, I am including the $2\frac{3}{4}$ percent that they have to pay the Treasury and the overhead expense for that part of the function and their small margin, which is estimated to be about one-fourth of 1 percent for losses—if the tax laid by a State upon these shares brings that up to more than $3\frac{1}{2}$ percent, I want to ask you if that extra amount does not fall—has to be taken out of the Treasury of the United States and, therefore, does not fall upon the taxpayers of the United States, directly and indirectly? That is the question I am interested in.

Mr. LESER. Yes; that is a fact. It is a question of who should it fall upon, the Federal Government or the State government?

This gentleman was produced by Mr. PATMAN to support his position and he was the only witness who appeared before the committee in opposition to the bill, except Mr. PATMAN himself. Judge Leser, of course, was also interested as representing the State of Maryland which, if Mr. PATMAN succeeded in preventing the passage of this bill, would have been given an unfair advantage over all the other States in the Union.

This preferred stock of the national banks held by the R. F. C. is not privately held. It is not in the hands of private stockholders. It belongs to the Government of the United States. The R. F. C. cannot, for 5 years, under its contract and according to the resolution of its board of directors, increase the rate of interest or dividend upon such preferred stock. It already has only a margin of about one-fourth of 1 percent for losses. Rates of State and local taxation combined vary in the United States anywhere from a fraction of 1 percent up to as high as 10 percent. It has been computed fairly that the average is about $2\frac{1}{2}$ percent, which would at the present time be laid upon this preferred stock held by the R. F. C. If this bill does not pass, however, there is nothing to prevent the States and municipalities from increasing their rates of taxation, and there will be a race and wild scramble in many instances wherein the more aggressive and selfish States and municipalities—the

ones who are continually coming to Uncle Sam for aid—will try to get in ahead of the others and try to get at this new source of revenue. Assume that the average tax is $2\frac{1}{2}$ percent. The R. F. C. already pays $2\frac{3}{4}$ percent, has an expense of one-half of 1 percent and a margin for losses of one-fourth of 1 percent. This will bring it upon the average up to 6 percent, $2\frac{1}{2}$ percent of which the R. F. C. will have to draw out of the Federal Treasury.

The unfairness, the inequity, the discrimination, are all apparent, it seems to me, upon the face of it. Take my own State of New York, which is one of the States—and there are, I believe, 16 others—which do not tax bank stock. Our legislature recognized that the preferred stock of the national banks taken by the R. F. C. for loans made was an obligation of the banks and not an asset or subject even to computation in taxing the income of the banks, as we do in New York. Let me quote you from the New York statute passed March 16, 1935:

All interest paid or accrued during the year on indebtedness, and all dividends paid during the year on preferred stock held by the Reconstruction Finance Corporation, shall be deducted in determining the net income.

But I am not so much concerned about this because it is unfair to the State of New York or because it is a discrimination against that State. That is only one of the many unwise and unfair and inequitable things involved in this situation if we do not pass this bill. There are, in various parts of the country, many States other than the State of New York, as we are informed by the Chairman of the Federal Deposit Insurance Corporation, Mr. Crowley, where there are banks that are still in danger—banks whose capital structure must be improved if they are to retain the benefits, the security, the safeguards of Federal deposit insurance. New loans made to such banks—if this bill does not pass—will necessarily have to bear a much higher rate of interest than is now borne by the others, who were in equally or greater need of assistance and between whom and the R. F. C. there is now a contract that the money shall cost them only $3\frac{1}{2}$ percent. To that extent the situation will be much more precarious in many communities, in many States in this country, by reason of the greater difficulty in building up perhaps the only bank in that community, upon which the business life, the industry of that community, is dependent.

Many of the things which I have mentioned here are so elementary that it seems almost an insult to the intelligence of the House to speak of them. However, there has been so much misunderstanding and so many false issues injected into this discussion on the former occasion when we debated similar legislation, such as the powers of the States, State rights, and bankers' profits, that I have done it at the risk of seeming to lecture.

There is one other thing about which there seems to me to be some misunderstanding. Much has been said, both in this House and in the other body, about the R. F. C. making a profit in these matters and whether an advantage should be given to the R. F. C. over private stockholders who put their money in in communities to salvage banks in reorganization of such banks. The R. F. C. is, of course, an emergency and not a permanent institution. At least we hope so. And when and if the need for the R. F. C. has been met and banks and private industry can take up, as we hope they will, what then will become of the assets, property, surplus, and profits of the R. F. C.? Why, of course, the R. F. C. has to liquidate; and its property, surplus, assets, and profits will go back to the Treasury and thereby to the taxpayers of this country, direct and indirect, where they came from. That is all there is to it.

It is my position and the position of the members of the Banking and Currency Committee, as I understand, unanimously, Democrats and Republicans alike, that we urge upon this House that this is a matter which we must look at from a national point of view, and by reason of that we should pass this bill to remove the inequity and discrimination resulting from the present inadvertent omission in the law. It is to that national point of view—the point of view which every Member of Congress on both sides of this House presumably holds—above every other consideration—the general welfare of the country—that I address myself.

Mr. McFARLANE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McFARLANE. The members of the Banking and Currency Committee in favor of this bill have consumed 153 minutes, and the opposition only 26 minutes. Under the rules of the House, cannot the opposition have an equal division of time?

The CHAIRMAN. That is not a parliamentary inquiry. Under the rule adopted the time for debate was equally divided between the gentleman from Maryland and the gentleman from Ohio.

Mr. SHANNON rose.

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. SHANNON. I rise to appeal to the bankers and near bankers to give the opposition an equal division of time.

The CHAIRMAN. Under the rule the time is being controlled by the gentleman from Maryland [Mr. REILLY] and the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman and members of the Committee, those who oppose this bill have made every argument on the theory that the Federal Government, through its agent, the Reconstruction Finance Corporation, has entered into divers and sundry financial arrangements in the various States upon a competition basis with private interests.

I do not think the gentlemen believe that, but, nevertheless, when one considers the argument they have made, he can reach no other conclusion.

We all know that the Federal Government, through the Reconstruction Finance Corporation, went into the financial field solely for emergency reasons, to preserve the financial stability and integrity of the various communities throughout the United States.

I want to call the attention of Members of the House to one patent instance in the Midwest where a bank was just about to fail, and, in my judgment, would have failed had it not been for the Reconstruction Finance Corporation.

This beneficent arm of the Government purchased \$50,000,000 of preferred stock in 1933, and at that time the bank had \$75,000,000 in common stock. After the purchase the common stock was reduced from \$75,000,000 to \$25,000,000. The common stock about that time had an aggregate value of about \$30,000,000. That is the value at which the common stock would have been assessed by the taxing commission of the State in which the bank was located.

Since that time that common stock has doubled in value by the recovery in the bank's assets and from the earnings, and as a result the bank is now paying approximately twice as much in taxes on the common stock as it did in 1933 because of the increased value of that common stock.

Now, following that theory a little further, if the Reconstruction Finance Corporation had not gone to the assistance of the financial institution, I undertake to say that that institution would have failed; and that would have resulted in the depositors of that institution taking anywhere from 10 to 30 percent on the dollar of the money they had deposited therein.

The Reconstruction Finance Corporation gave to the depositors of that institution dollar for dollar. The Reconstruction Finance Corporation saved the directors and the stockholders of that institution from the double-liability assessment. The Reconstruction Finance Corporation also saved at least 75 other banks in and about that community which would have failed had this bank closed at that particular time. The financial independence of community after community was saved by the benevolence and charity of the Federal Government, and how anyone at this time would attempt to tax the goose that laid the golden egg for the hundreds of unfortunate financial institutions is more than I can comprehend. It seems to me so irrational and absurd to lay a tax on the stock now owned by the Reconstruction Finance Corporation that the proposition deserves little or no attention. This purported taxation is utterly unfair. It

would violate every cardinal virtue of equity. We have made much ado about nothing, in my humble opinion. [Applause.]

Mr. REILLY. Mr. Chairman, I yield 7 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman from Missouri 5 minutes.

Mr. WILLIAMS. Mr. Chairman, I suppose at this late hour there can be nothing new said on this bill, but there are certain things, it seems to me, we ought to agree to. There are certain fundamental facts in this case about which there ought not to be any dispute by anybody. In the first place, the Reconstruction Finance Corporation holds three classes of securities for its investment in the banks of the country—preferred stock in national banks, preferred stock in State banks, and capital notes in State banks. There is not the dotting of an "i" difference between them, and the first proposition I ask is, why should the States be permitted to tax the Reconstruction Finance Corporation's holdings of preferred stock in national banks, when they do not have the right to tax the stock held by the State banks and they cannot tax the capital notes issued by the State banks, which the Reconstruction Finance Corporation is holding for exactly the same kind of loan in each instance. Gentlemen talk about discrimination. Why tax the stock that is held by the Reconstruction Finance Corporation in national banks, when exactly the same kind of stock which they hold of State banks is not subject to taxation, and why tax the Reconstruction Finance Corporation's holdings of preferred stock in national banks when you do not tax and are not permitted to tax the capital notes and debentures held by the Reconstruction Finance Corporation in State banks? I do not think anybody will dispute that proposition. That is the situation we are in. Not only that, but why should you tax the preferred stock held by the Reconstruction Finance Corporation in national banks when the preferred stock it holds in insurance companies of the country is not taxed, and why submit this particular class of stock to taxation when we do not tax a single one of the notes or bonds or mortgages or debentures held to secure loans made to railroads of the country? There is no reason why we should now pass a law subjecting to taxation this particular class of preferred stock. I challenge any man to show a single item outside of real estate held by the Reconstruction Finance Corporation that is subject to taxation under the law as it is now. Why should we tax stock held as security by the Reconstruction Finance Corporation of national banks, when we do not tax the capital notes or the preferred stock of State banks, or the securities of insurance companies and do not tax a single mortgage or note or debenture the Reconstruction Finance Corporation holds as security for the loans made to the railroads and industrial concerns of the country. Is there a man on this floor or anyone else who can differentiate between them? It has not been done so far.

There is not a single governmental agency, not a single instrumentality of Government, that is taxed. The gentleman from Texas [Mr. PATMAN] has been pronounced in his opposition to this bill. He represents the great State of Texas, or a part of it. The gentleman from Texas [Mr. McFARLANE] has been against the bill, and he represents the agricultural interests. I call attention to the fact that starting back in 1923 we wrote into the law an exemption for every asset, outside of real estate, held by the Federal land banks of the country. Not one of the mortgages held by the Federal land banks as security for loans to farmers of the country is subject to taxation. Take the Federal Farm Mortgage Co. that is making loans to farmers of this country, take the intermediate-credit banks, take the central bank for cooperatives, as well as the regional banks and the Production Credit Corporation, which have been extending every form and character of loans to the farmers of the country. There is not a single dollar of their assets, including the mortgages they hold as security for loans they made, that is subject to taxation by the Nation or States. I ask you, Why pick out this particular stock of the Reconstruction Finance Corporation that is held in national banks of

this country and make it subject to taxation when all the property, assets, funds, and securities of all Government lending agencies are exempt from taxation? It is the only one. I challenge anybody to show that there is a dollar of the assets of a single lending agency of the Government that is subject to taxation by State or local authorities.

Now, coming over to the home-loan activities, if you please, the home-loan bank was established in 1932. We wrote into that law an absolute exemption, not only of its capital, not only of its surplus and reserves, but an exemption against all advances that it made to the institutional members in order that they might be passed on to the home-lending agencies to bring relief to the home owners of this country.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Not now. Then coming farther on down, we created the Home Owners' Loan Corporation in order to help the needy home owners of this country. We wrote into that act a provision that none of the loans which they made, none of the securities which they have, none of the debentures or notes which they took as security for their loans should be subject to taxation either by Federal or State Governments.

Now, the gentleman has talked about the camel getting its nose under the tent. He has talked about precedent, and he talks about this being a bad precedent. Whether it is right or wrong, for a period of at least 12 or 13 years under the administration of both parties, we have adopted that as a national policy. That is, to exempt from taxation by local authorities all agencies which are engaged in lending money to revive the country, to help the home owners, to help the railroads, to help insurance companies, to help the banks. Now, we hear a great howl here about the fact that we are trying to exempt from taxation some \$225,000,000 held by the Reconstruction Finance Corporation in the preferred stocks of the national banks of this country. I repeat that there is no man on this floor who can show any difference between this security that is held by the Reconstruction Finance Corporation for loans they have made to the national banks and the stock that is held by them where they made loans to State banks. There is not any difference between those and loans made on capital notes to the State banks. There is not any difference between those and loans made to the insurance companies of this country. There is not any difference between those loans and the loans that have been made to finance the farmers of this country, and there is not any difference between those loans and loans that have been made to finance the home owners of this country to preserve a shelter for themselves and their families. Yet not a dollar of those assets in the hands of any of these lending agencies is subject to taxation either by the Federal Government or by the State government. They talk about the camel getting its nose under the tent. They are straining at a gnat and they have already swallowed the camel. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri [Mr. WILLIAMS] has expired.

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Chairman, I am deeply appreciative of this very unlimited generosity in the amount of time that the gentlemen of the committee have so kindly given to us of the opposition. Under the rule adopted we have 4 hours' debate, and, under the rules of the House, the time in debate on the floor is supposed to be divided equally between those for and against a measure. However, on this bill the time on both sides of the aisle has largely been given to those favoring the bill. This makes now 31 minutes for the opposition as against 174 minutes which the proponents of the bill have had. [Applause.]

Mr. REILLY. Only two members of the opposition have sought time at this desk until the time had all been allotted.

Mr. McFARLANE. I know that the gentleman from Wisconsin [Mr. O'MALLEY] has said he wanted time. I do not know whom he asked. I know he asked on the Republican side. I know the gentleman from Oregon, Governor PIERCE, said he wanted time. I do not know whom he went to see.

The acting chairman of the committee, Mr. GOLDSBOROUGH, spoke at length yesterday, but I notice his speech is not in the RECORD this morning, so we are deprived of the benefit of the statements he made.

Mr. REILLY. I said until the time was all allotted.

Mr. McFARLANE. I am sorry I do not have time to yield further. Let me say, however, I asked for time yesterday when we started the consideration of this bill and Mr. GOLDSBOROUGH's list of requests were very short on the paper before him.

I should like to consider some of the arguments that have been made on the floor by those in favor of this bill. It looks as though this bill has nine lives. The House, after considering this same bill, H. R. 11047, on February 25, defeated same by a record vote of 165 to 173. It is like the black cat. We kill it once, but it comes right back. Under the rules of most any State legislature when you kill a bill in either house the same bill cannot again be considered by either house during the remainder of that session. And this is the first time I have heard of either House of Congress taking up and considering the same bill again after it has been defeated during the same session.

Now, Mr. Chairman, let me briefly call attention to this fact: The privileges that are asked under this bill have never been previously given by any Congress. Since 1864 the different States have had three different ways of taxing bank stocks: First, by taxing the shares; second, by including dividends derived therefrom in the taxable income of an owner or holder thereof; third, by taxing the income of the bank. There has been a lot said about discrimination. I wish I had time to go into the many discriminations that this piece of legislation will set up.

When the Reconstruction Finance Corporation was created in 1932 the national banks did not have the power to issue preferred stock, nor did the Reconstruction Finance Corporation have the power to purchase same. This power was created in the banking legislation rushed through Congress in 1933. There was nothing in this legislation exempting preferred stock in national banks from taxation, and the Supreme Court, in a well-written opinion last month, unanimously so held that all shares of national banks no matter by whom owned shall be subject to taxation.

Now this bill exempts the preferred stock of national banks held by the Reconstruction Finance Corporation from all taxation, National, State, county, municipal, or local from any taxes, past, present, or future. It does not take a Philadelphia lawyer to understand those provisions, and certainly the 31 States who have elected under the above-quoted section 5219 of the R. C. S. U. S. to tax national banks' stock upon their shares of stock realize that the enactment of this law will work a hardship on the State banks and the national banks, not having any of their stock sold to the Reconstruction Finance Corporation, who must pay full taxes based upon their capitalization plus their pro-rata part of the taxes that must be assessed because of the exemption of the bank stock sold by his competitors to the Reconstruction Finance Corporation.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include certain excerpts. I will not have time to cover everything.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McFARLANE. Mr. Chairman, the Supreme Court decision in the Maryland case has held what has been the law all the time, very clearly, that preferred stock in these national banks was subject to taxation by State authorities. It is a peculiar thing that all of the proponents of this legislation come here and argue that this bill does not exempt anybody from taxation; that the values are there and they are increased. We have heard a lot about that, but Mr. Jones in his statement in the hearings very clearly shows by tables which he gave this committee, which I inserted in yesterday's RECORD, that if you do not pass this bill the Reconstruction Finance Corporation is going to have to pay on the \$229,209,420.33 in preferred stock in these banks which they own, \$5,512,736.38. He says further he has

agreed to buy over \$100,000,000 more of stock, and if this bill is passed it is going to have to require the State and local taxing authorities to hunt up about two and a half million dollars more taxes from the people owning property in the localities where these different banks have sold their stock to the R. F. C.

COMMITTEE HAS ITS NECK BOWED

Now, this is something I am not able to understand. If I am incorrectly advised about the situation, I should like to have it cleared up. As I understand it, Mr. Jones went to the committee and asked the committee to accept the amendments that would strike out this preferred stock and clear up this situation so that the Reconstruction Finance Corporation could get out from under this proposition and pass it back to the respective States as it has always been since 1864, so that the State and local taxing authorities could take charge as they have always had charge.

But the Banking Committee refused to accept these amendments. They have had their necks bowed. I do not know why the committee refuses and fails to follow the suggestions and advice of Mr. Jones, the Chairman of the Reconstruction Finance Corporation. It seems to me that if the Chairman of the R. F. C. is perfectly willing and asks this committee and this Congress to allow him to transfer his preferred stock or trade it into securities that will permit the State taxing authorities to tax this stock—notes or debentures—the R. F. C. will not be hurt, they will not be out any taxes. Adopt these amendments and the bill will then pass this back to the State and local taxing authorities.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The Chair cannot entertain the request. The time is controlled by the gentleman from Wisconsin and the gentleman from Ohio.

Mr. REILLY. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman and Members of the Committee, since the Congress last year, in response to a national demand for some type of neutrality legislation, undertook the consideration of this important subject, the question has been uppermost in the public mind. Members of the Congress, and especially the Foreign Relations Committee, have devoted much time and intelligent study to this most far-reaching question. In view of the acute situation abroad, the subject continues to be a live one. This is as it should be, because it involves, if indeed it does not threaten, the very welfare of the nationals of this country. The law on this subject of neutrality, which was enacted at the last session and reenacted at this one, provides in substance, in brief, for two major prohibitions: First, an absolute and complete embargo upon the exports of this country of arms, ammunition, and implements of warfare to belligerent countries; second, it carries a prohibition against the carrying of arms, ammunition, and implements of warfare to warring nations in American vessels. It likewise contains two restrictions, which, in my opinion, are minor in the severity of their provisions so far as the economic welfare of our citizenship is concerned. The first of these restrictions provides that belligerents, as to whom the United States is neutral, shall not have the use of the ports of this country for their submarines, and that, likewise, these ports must not be used as a base for supplying the belligerent ships of such countries with arms, ammunition, and the implements of war. The second of these provisions places a restraint upon our own citizens in an effort to prevent their traveling upon belligerent vessels.

One here at the Nation's Capital comes into contact daily with the Senators and Representatives of the several States, who are giving so abundantly of their time and thought to this question and cannot fail to observe an ever manifest undercurrent of dissatisfaction with the present legislation. And we often hear on the floor of the Congress open expressions and read from the current press that the legislation is totally inadequate for the purpose sought, namely, peace in this country and an affirmative effort to prevent our being dragged into another world war.

Mr. Chairman, there is an adage to the effect that in times of peace we should prepare for war. I should like to paraphrase this for the purpose of this discussion and say, "In times of peace, prepare for peace." With Europe a veritable volcano of war at present, with the war clouds of another gigantic war, the like of which possibly the world has never heretofore witnessed, hanging the lowest on the world's horizon, with the diplomatic endeavors of the Old World statesmen daily changing into kaleidoscopic patterns, with the whole of Europe jockeying for position, it must be manifest, even to him who reasons as he runs, that the enemy of civilization and Christianity, the all-powerful god of war, is busy about his task. War is imminent. Just how far distant it is no man can successfully predict. It may be 6 months; it may be 2 years. At the most it cannot be more than 5 years unless something not now apparent develops. In my opinion, conditions in the world today from the standpoint of imminence of another world war are more pronounced than they were 6 months before an all-powerful German war machine rode roughshod over Belgium in 1914. If you question the wisdom of this statement, I would point out to you the fact that today a powerful, militaristic Italy, under the domination of the war lord, Mussolini, bent upon expansion and conquest, is running at liberty over a weaker and almost defenseless black people in Ethiopia. The yellow race of Japan for the past decade, under the domination of the war lords of that nation, has been continually building up a powerful military machine, likewise bent upon a conquest of expansion. Russia looks with uneasy expression and apprehensive eyes upon this program of Japan. The Chinese, powerful in potentiality but defenseless in reality, resent keenly and with a smoldering fire of national pride this aggression on the part of her neighboring, but more powerful, yellow race. To the west the mighty British lion paces uneasily but, withal, cunningly and wisely as he watches over his spreading dominions and counts the effect of these aggressive and hostile acts on his own proud kingdom. The ingenuous and resourceful Germany, under the leadership of the new war lord of that country, has boldly discounted the Locarno Pact and proclaimed the last vestige of the Treaty of Versailles as but another scrap of paper. France is diligent in her efforts to form new alliances and is emotionally appealing to her neighbors and the other civilized countries to rally to her support in defending the Locarno Pact and the Treaty of Versailles. America, the New World giant, once far removed from Europe, but now, as a result of scientific advancements in communication and transportation, not so far removed from the Old World; America—a peace-loving nation, in spite of its suffering from a worldwide depression, with no necessity for expansion, no desire for conquest; rich and happy in its own ideals of government—is wont to remain aloof from the turmoil and maelstrom of Old World diplomacy and warfare. The question uppermost, therefore, in the minds of those of us selected by 126,000,000 peace-loving Americans to represent them in the National Congress is neutrality; those of us who were entrusted with the important task of enacting legislation that will, in the first instance, contribute to the continuation and improvement of the welfare of these 126,000,000 people and, at the same time, see to it that they are not embroiled in an unnecessary warfare, the antithesis of contentment and peace, cannot lightly pass over this momentous question of neutrality.

The all-important question now is what is America going to do about it. What course shall we pursue? Mr. Chairman, as I see it, we are confronted with two alternate problems—an economic one and one of peace. There are those in this country who belong to the school of thought that advocates the enrichment of this country economically at the expense of world peace, including the peace of this country. The members of this school of thought, among whom are numbered the munition and arms makers, would have us manufacture every conceivable contraband of war and export this to any and all belligerents. They argue that this would bring about a return of prosperity to this country that would excel even that of 1914 to 1919; that it would

reduce, if not entirely annihilate, unemployment. I cannot subscribe to this doctrine. If the recent investigation of the senatorial body that investigated this matter can be relied upon, these same proponents advocated the same thing with the result that we were brought into the last World War. This preachment means, at the most, if followed, that this country would become prosperous as a result of the innocent blood that always flows on the battlefields and the tears that come from weeping eyes of loved ones. This doctrine is conceived in greed and born in intrigue. It is repulsive to the teachings of Christianity and civilization.

Again, there are those who belong to another school of thought. They advocate peace at any price. To them the flag is but a piece of colorful bunting. Their doctrine is that of the pacifist, which is beautiful in theory but impractical in a sinful world which, unfortunately, does not practice the Golden Rule. This latter doctrine, if followed, could lead to but one end—the devastation of this rich country, with the eventual enslavement of its people, whose heritage is repugnant to this false doctrine.

Somewhere there must be a sane, sound policy for this country to pursue. To my conception there is but one answer—armed neutrality. We can be neutral, but we must be strong enough to demand the respect of those warlike nations who profess a desire for peace and at the same time are, with wanton abandonment, bent upon a policy of economic expansion and aggression.

Is it necessary for me to point out to my colleagues here that treaties, pacts, and agreements are worthless in a world of nations who are arming to the limit of their economic ability; when aggression and expansion are the ultimate desires of so many nations of the world? Is it necessary to call your attention to the fact that a peaceful overture of one powerful nation to another today is withdrawn almost before an opportunity for its acceptance has been given? The order of procedure among the nations of the world today is so selfish and so self-centered that one is reminded of a public auction where the highest bidder is the purchaser of the thing sought. A powerful nation through its diplomatic circles issues a strong denunciation today of the encroachment upon the national rights of a weaker nation. A few months later the same powerful nation, when it is either to the economic or strategic interest of that nation to do so, barter or negotiates with the same nation that it has so recently denounced. We have seen treaties, pacts, and agreements thrown overboard, apparently without rhyme or reason other than that might makes right. Apparently, therefore, we are driven to the conclusion that, however desirable and beautiful are world courts, leagues of nations, and international agreements for disarmament in their theory, we are confronted, as peace loving as we are, with the realization that we are dealing with nations, who, like men, have as their controlling factor a selfish desire to prosper at the other fellow's expense.

In this situation are we not driven, driven reluctantly, but nevertheless driven, to a little selfish consideration of our own national preservation? Because of this unfortunate situation our Navy and our Army, and more especially our Navy, must be built up to the point where it will be excelled by none, not even that of Great Britain. Our vast shore lines and outlying possessions must be protected. American integrity and American nationality must be conserved. The heritage purchased by our glorious ancestry, with its institutions and its ideals, must be maintained. When Europe and the rest of the world has awakened to the truth that peace is precious and that the race in armaments and warfare must end, then—and not until then—can America afford to cease its vigilance.

I am confident that no one who is familiar with my record and utterances can rightfully challenge my fervent desire for peace—my hatred of war. National peace and an opportunity to pleasantly travel the road of peaceful pursuits is as zealously coveted by me as any pacifist in this country. I am in no sense a militarist—I abhor war. The memory of 1917 and 1918 is too fresh in my mind, as in yours, for me to be swept off my feet by either the siren song of the pacifist or the jingoism of false prophets of patriotism. Like the

four-hundred-and-odd thousand patriotic American citizens in Mississippi whom I have the honor to represent, I am seeking a means and a policy to maintain that coveted but elusive peace.

The critics of this policy of armed neutrality point with alarm to the tremendous financial cost of maintaining a strong army and navy and attempt to argue the benefits that would flow from the expenditure of the same money in peaceful pursuits. With this argument we have no fault. This argument is academic. If it were humanly possible to convince the European war lords of the logic of the premises of this argument, this, indeed, would be a happy and warless world. But again we must remind ourselves that we are confronted with a present serious reality and condition not of our own choice, rather than a theoretical condition, however desirable and cherished. One might as well argue that a peace officer should not be armed when he attempts to combat a desperate criminal.

We are not unmindful of the fact that an adequate armed force for this country is an expensive necessity, costing as it does millions of dollars to maintain. Neither can we forget that our recent venture into the arena of the World War cost the taxpayers of this country in excess of \$50,000,000,000 in money alone, and we have not seen the end yet. But of more moment still, where is the American home that did not feel more keenly the loss or injury of some loved one who was called upon to offer his blood upon the fields of horror in the hellishness of modern warfare?

For America the cost of that war is not yet paid, either in money or in blood. The veterans of that war, many of whom are maimed in body and mind, as well as the taxpayers, are still paying—and will pay for years to come. For them that war is not yet over.

Mr. Chairman, when I first came to Washington I felt it my patriotic duty to make a pilgrimage to historic Arlington Cemetery, just across the beautiful Potomac, and there at the Shrine of the Unknown Soldier to make my obeisance and pay my silent tribute to him whom a grateful America has honored as a symbol of the countless thousands of his comrades who, like himself, had made the supreme sacrifice on the altar of the god of war. There in the grim presence of this nameless hero my thoughts were of the necessity of peace. I verily hated war. A few days later I visited the tomb of one of America's greatest statesmen, a man who, by his early training, received in a Christian home, loved and craved peace above every other thing. There in a crypt in Bethlehem Chapel I stood awed in the presence of the tomb of the wartime President, the peerless Woodrow Wilson. My thoughts traveled back to the days of 1916, to those hectic days when Europe was afire with war and intrigue. I remembered then, as you recall now, his vain efforts to keep America neutral and the heroic efforts he made to keep us out of war. There before me in this beautiful cathedral lay the mortal remains of a great apostle of peace. Here lay all that was mortal of the man who, having failed in his noble efforts to keep this country out of war, had gone to Europe at the conclusion of the carnage to force his ideals of peace upon a belligerent world, with the commendable purpose of preventing the horrible spectacle of another great war, such as apparently is in the making today. But, alas, the greed for power and the lust for expansion and conquest of the world diplomats thwarted his plans, and Woodrow Wilson came home sick and disillusioned; another casualty of the war; an idealist crushed by his own ideals.

Not long since, Mr. Chairman, I visited Mount Vernon, the home of him who gave life to the Republic, the greatest patriot, possibly, of them all. I followed the winding brick walk down the slope of the hill until I stood in the majestic presence of the tomb of George Washington, nestling at the foot of the hill, surrounded and shaded by a beautiful copse of woods. I remembered with increasing pride and respect his patriotism, his valor, and his wisdom. There comes back to my mind, as it should be indelibly impressed upon the mind of every American patriot, the wisdom of his farewell message, delivered to the American people when he surrendered the portfolio of office and gracefully retired to private life.

From his wisdom, experience, and zeal for the welfare of the country he loved, he enjoined:

Observe good faith and justice toward all nations; cultivate peace and harmony with all.

Taking care always to keep ourselves, by suitable establishments, on a respectable *defensive posture*, we may safely trust to temporary alliances for extraordinary emergencies.

Mr. Chairman, let us in the present status of world affairs follow the advice of that great Patriot and Seer who sleeps at Mount Vernon. Let us maintain a policy of strict neutrality; live up to the letter and spirit of the neutrality law so recently enacted, and thereby serve notice upon a warring world that America desires peace; that she maintains a strict neutrality so long as she is allowed to pursue that course; but that by the means and methods of her perfected armed forces she here and now warns those who would break that peace with her that there will inevitably and surely be but one result, the annihilation of that aggressor. Then, and then alone, will we be able to maintain neutrality and enjoy coveted peace. [Applause.]

Mr. REILLY. Mr. Chairman, I yield to the gentleman from California [Mr. Ford] 5 minutes.

Mr. FORD of California. Mr. Chairman, the bill under discussion, S. 3978, is easily understood. Its purpose is twofold.

First. To exempt from taxation that particular class of preferred stock which the Congress authorized the Reconstruction Finance Corporation to buy from national banks and from such State banks as were authorized by the laws of their States to issue preferred stock. The provision is clearly stated that the exemption shall apply only so long as the stock is held by the Reconstruction Finance Corporation.

The R. F. C. also took from banks where State laws prohibited preferred stock capital notes and debentures. These capital notes and debentures are generally conceded to be nontaxable. They bear the same rate of interest as the preferred stock—3½ percent—the difference being that in the case of the preferred stock it is called dividends. For all practical purposes stock, capital notes, and debentures are identical in all but name, and were devised for the same purpose, that of enabling the R. F. C. to stage a rescue party and one that has proved highly successful. For it has saved billions of dollars to bank depositors all over the Nation and has also preserved billions of taxable value to the States that would have been lost if the banks had not been saved and a general debacle prevented.

The second section of this bill provides that where the R. F. C. loans money to closed banks at 3½ percent the receivers of those banks must then reduce the interest on notes and other forms of debts owed the bank to a rate not to exceed 4½ percent.

This is entirely just and fair to our people who have borrowed money from banks now closed. If the debtor is manfully trying to meet his obligation, he should be given the benefit of lower rates of interest. To give the bank a low rate and permit the bank to exact from its debtors a high rate would be manifestly unjust. This section of the bill seeks to protect borrowers of closed banks.

When this bill was up some days ago it was opposed by some Members on the ground that it provided a new form of tax-exempt security. Study of the bill definitely disproves this statement.

Let me make this statement: This preferred stock not only is not a tax-exempt security but it is a security that has actually been responsible for the preservation of taxable wealth that otherwise would have been wiped out in the general deflation. In some instances it has created new taxable wealth.

A tax-exempt security is a form of obligation issued by National, State, or local Government. Regardless of who owns it, such a security is exempt from tax.

I hope the time will soon come when we shall cease to issue tax-exempt securities. This has nothing to do with the present bill because the preferred stock specified in the bill is tax exempt only so long as it is held by the Reconstruction Finance Corporation, an agency of the United States Government. The specified securities were purchased

by that Corporation, not for profit but solely to protect the people's deposits in banks. The exemption of these securities from taxation does not take from the States or other governmental subdivisions one dollar of taxable wealth. On the contrary, as before stated, the purchase by the R. F. C. of these securities has been the means of preserving for the States and other governmental subdivisions literally billions of dollars of taxable wealth.

Finally, the test is this: If the exemption from taxation is not made, who will pay the tax? The answer is: The R. F. C., which is an agency of the Federal Government. Therefore, it is the people of the United States who will pay this tax to such States as may choose to levy it if we fail to pass this bill.

Mr. HOLLISTER. Mr. Chairman, I yield 4 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, whenever a bill is reported by the Banking and Currency Committee a red herring seems to be drawn across the trail, and immediately the cry goes up that it is a bankers' bill. The Committee on Banking and Currency does not represent the bankers of America; it represents the financial institutions; it represents commerce, industry, and agriculture; it represents the 51,000,000 depositors who are dependent upon the banks for the safety of their savings; it represents the widows and orphans of America who are the beneficiaries of the trust funds in the banks.

I think this bill carries out a fundamental principle of the Constitution. This bill is fundamentally sound, not considered from the specific remedy it gives, but because it is in accord with the fundamental principles of our Government.

The power to tax is the power to destroy. If you allow the National Government to tax the governmental functions of the States, and if you allow the States to tax the functions of the National Government, you give into the hands of each the power to destroy the other. This will result in confusion worse confounded, and the founders of our Government did not expect any such result to accrue.

We would not have had a bit of trouble with this bill if it had not been that a certain distinguished gentleman from Texas had a fundamental misconception as to what would result.

He believes that if you reduce the number of shares of capital stock of the banks you reduce the yield in taxes to the State. That is not true. It has been said here today, and it has been said over and over again, and it is true, that the common-stock holders are the owners of the corporation, and whether the stock is of the par value of a million dollars, or a hundred dollars in par value, it represents the same thing. It represents the ownership of the corporation, and it represents the assets of the corporation.

In every State I am sure there is a certain formula in reference to ascertaining the taxable value of stock. It has been said that stock regardless of its value is taxed at par. What a ridiculous thing that would be. Here is a man that owns \$100 of stock in a bank that is worth \$300. Here is another man who owns \$100 in stock in a bank that is worth \$50. The tax rate is the same. Uniformity of taxation is a fundamental principle. If you tax the man who owns \$50 in actual value the same as you tax a man who owns \$300 in actual value you take away his property under the guise of taxation, without due process of law. You deny him equal protection of the law.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, like my good friend from Texas [Mr. McFARLANE], I am not proud. I learned about 3 years ago that if I was against a bill a committee brought out it was a rather difficult matter to get time from the majority side of the committee. So I usually go over to the Republican side, because I believe in trying to present my views. Today I was rewarded by their exceptional courtesy and received some time to oppose this measure, although denied such time by the Democratic side.

Mr. Chairman, I voted against this bill the last time it was up here for consideration and I intend to vote against it this time. I cannot begin to compete with the arguments of the bankers in reference to the technicalities of tax liability, most of their arguments being designed to confuse the issue. I do know that if we pass this legislation we take away a right from the States that they now enjoy. I think I am enough of a Jeffersonian Democrat to oppose taking away any more rights from the States. As a matter of fact, I would like to see the States get some of those rights back again that have been taken away from them in the last 10 years. That is the only principle upon which I am going to vote against the bill, although had I supported it before, the procedure under which it comes here today would arouse my suspicions.

Mr. Chairman, the thing that interested me today was the procedure by which this issue is again raised in the House. I was under the impression that we had disposed of this matter previously. I find, however, that even though I have once registered my vote on this same issue and same principle, it is brought up again, and were I not here to protect my record I would be placed in the unfair position of not standing by my record and principles on this bill. I would like to know about the procedure. Supposing the same procedure was followed by all committees that has been followed in the case of this bill. Suppose that the committee of which I am a member, the Indian Affairs Committee, brings up a bill for consideration in the House and it is defeated. Suppose further we have in the committee a similar Senate bill. Suppose we wait until all the Members who voted against our bill are absent from the House and then bring it up again. The implication is quite obvious, and the result is quite obvious, although the result would not be the true voice of the House.

Mr. Chairman, there is another question I would like to propound in connection with the procedure that brings this bill before the House again after having once been defeated. Does it infer that a changed vote on the part of the Members who defeated this issue about 10 days ago that they did not know what the bill was all about when they voted against it at that time? Now, if they change their vote are they confessing error and mistake or are they confessing discipline and persuasion?

Mr. McFARLANE. Will the gentleman yield?

Mr. O'MALLEY. I yield to the gentleman from Texas.

Mr. McFARLANE. The \$30,000-a-year president of the Texas Bankers' Association has wired all the Texas Congressmen. I take it that the other banks and their lobby have been working since the defeat of this bill, and this time they expect to put it over.

Mr. O'MALLEY. May I say to the gentleman from Texas that I want to point out the implication which rises after the House has defeated an issue and then the same issue is brought in here again under the same conditions. We have not been able to get a rule upon the Frazier-Lemke bill to aid the farmers of this country, but two rules can be obtained in a few days on a defeated bill affecting the powerful bankers of the country.

Mr. Chairman, there are a lot of Members who voted against this bill absent today. They were undoubtedly under the impression that the issue had been disposed of at that time once and for all for this session. I wonder what mysterious power there is that brings in an issue which the representatives of the American people have already disposed of? What procedure makes it possible to have that bill again brought into this House for consideration? If our parliamentary procedure is such as to make this possible, I think we ought to change such unfair procedure. Once we have disposed of an issue, it was always my understanding of our parliamentary government that we have thereupon echoed the voice of the people we represent and that same issue could not be brought up again in a session to be talked to death or voted passed by methods designed to persuade Members to change their votes. [Applause.]

Mr. REILLY. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. KELLER].

Mr. KELLER. Mr. Chairman, the two largest counties in the twenty-fifth Illinois district had every one of their banks go broke during the past few years. If we are to get back on our feet we will have to have banking facilities. We have been struggling from that time to this hoping that we may have at least four new banks for the four largest cities in those two populous counties. We believe we are in sight of our part of the money if we can get the R. F. C. to take the preferred stock. We believe we are in sight of the organization of four new banks. Without this R. F. C. money we cannot get these banks. Without this money we cannot hope within any reasonable time to get back to a state of prosperity. If we do get that money we can form four new banks through the issuance of this preferred stock. If we keep up the tax rate that is necessarily in effect at the present time, under our unfortunate condition, and if we apply this local tax rate to the R. F. C. preferred stock, it would not only take all of the 3½ percent, but would absorb within a few years the whole amount of money which the R. F. C. would advance to us.

Therefore the R. F. C. would not be justified in giving us the money we absolutely require. The statement I am making for my own district applies, I have no doubt, to every other district in this country where the banking facilities still require part of this \$100,000,000 we are talking about. Not only will this bill not deny the right to get taxes for local uses, but it will bring back into our community in due course hundreds of thousands of dollars of taxable property which prosperity will return to us, and will give our counties and our States and our municipalities the tax we must have to carry on. This R. F. C. aid has done this very thing everywhere it has been used to strengthen weakened banks and to establish new banks.

I therefore am unable to see why any man should stand up here and admit that the \$400,000,000 that has already been advanced along this line shall not be taxed, and then turn around to these communities which have not yet been in position to take advantage of the offers of the R. F. C. to establish new banks where old ones have failed, which are the most unfortunate communities of all, and say to them, "Now, you shall not have the money; we are not going to let you have the money to revitalize yourselves, because you are too late. It has taken you too long to get on your feet again. It is just your bad luck. We could help you but we will not." The fact is that this \$100,000,000 that is still available, as I understand it, will go to just that class of community which has been the most unfortunate and which requires and will continue to require the advance that the R. F. C. provides. If we get that we will come back. If we do not, it will take a long, long time to come back. And this is the whole thing in a nutshell.

The whole question we are answering here today is whether we are going to permit the \$400,000,000 to go on and not be taxed—and it has not been and ought not to—but tax the next \$100,000,000 advanced to the most unfortunate parts of the country. There is no movement, and no desire on the part of anyone, to go on and tax the \$400,000,000 that is already out. It is simply the desire of the opponents of this bill to begin limiting or prohibiting the extension of the assistance to the R. F. C. that has worked such wonders toward recovery since its establishment.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we are coming to the end of a long and rather wearisome discussion. At the risk of wearying you still more in the short time remaining, I shall try to recapitulate what this bill does and take up in detail the chief objections which have been raised to it.

Section 5219 of the Revised Statutes, which deals with the taxation of national banks, provides that taxation may be made in three different ways: By the taxation of the bank shares themselves, by the taxation of the dividends on those shares, and by the taxation of the banks on their earnings.

That is, roughly, a summary of the statute. All we are concerned with here are the 31 States which tax the shares of the national banks themselves.

Prior to the time when the Reconstruction Finance Corporation came into the field the question which you have heard batted back and forth, one side making one allegation and one side making another, as to who, whether the bank or the stockholder, pays the tax, was a moot question. Manifestly, when there was no stock in any bank but common stock it was immaterial whether the bank paid the tax and had less dividends, if any, for the common-stock holders, or whether the bank declared a theoretical dividend on the stock and then proceeded to deduct the amount of the tax before it paid the dividend.

The instant that preferred stock in national banks was sold, which was done under authority of the Emergency Banking Act of March 1933, a different picture naturally presented itself because of the fact that preferred stock was on a fixed rate of return.

The Reconstruction Finance Corporation, acting very rapidly under the exigencies of the circumstances and operating under the Emergency Banking Act of 1933, proceeded to acquire preferred stock in national banks, and proceeded in the course of the transaction to make a contract which, of course, the holder of any preferred stock makes to hold the stock on a fixed-return basis. This return was made, as you have been told time after time in this discussion, on such a low rate that if the Reconstruction Finance Corporation is compelled to pay taxes, by the time it deducts them, as it must, for the bank will pass them on to it, there is nothing left of the spread that the R. F. C. had allowed for operation purposes. To this extent, therefore, the Reconstruction Finance Corporation will run behind on its operation in connection with these banks, to the extent of two or three or four or five million dollars. The amount is not material, because it is the principle we are discussing, and I, myself, have not analyzed the figures. It amounts, however, to several million dollars.

This is the gist of the bill. It simply establishes the fact that this stock, when held by the Reconstruction Finance Corporation, and not when held by any private individual, when held by this emergency institution which went into certain localities to help out when it was impossible for the community itself to do the job, shall not be taxed and the R. F. C. shall not suffer as a result of its action.

Now, to take up in turn some of the fallacies which have been presented, some of them sincere and some of them thrown up as a smoke screen. In the first place, it is said this bill takes away from the States rights which they have now. The joker lies in what "now" means.

Of course, if the bill is not passed, the States have the right under the decision of the Supreme Court in the Maryland case to tax preferred stock in national banks. The bill removes that right. But that is only a right which has existed since the Reconstruction Finance Corporation came into being. There is no taking away any right which the State had before the Reconstruction Finance Corporation stepped into the picture.

It has been said that there will be a loss of revenue to the States. Of course, if the Reconstruction Finance Corporation holdings are taxed the States will get a revenue which they did not have previously, but there is no taking away of revenue that any State had previously.

It has been said that the common stock of banks was taxed and that preferred stock has taken its place, that this has effected a substitution in some way and that if we exempt from taxation this preferred stock there will be removed a right the States previously had. That is an untrue statement. If you go into the logic of it and see how it operates, you will find the result is that the common stock, which is taxable, has been increased in value because the bank is in a sounder position.

Let us assume that a bank has a common stock of \$100,000. Whether you divide it into 500 shares or 1,000 shares, the common stock is of a certain total value. It is not taking away anything of taxable value if you reduce in number the

shares of common stock in order to make allowance for impairment of capital or if you double the shares in number for some purpose or other.

The common stock is still taxable, before and after, in the same way, at its actual value. When the Reconstruction Finance Corporation moves in and puts \$100,000 more in preferred stock into that institution, it affects in no way the common stock that was taxable before, except insofar as that bank, being in a sounder position to do business, has common stock of a greater value than before; and if the stock is taxed on an ad valorem basis, the proper way to tax, there is greater revenue. The Reconstruction Finance Corporation by putting new capital into that bank really increases the value of the common stock. So, quite the contrary from the common stock being taken off the tax list, as a matter of fact the addition of the Reconstruction Finance Corporation capital has increased the value of the common stock on the tax list.

Reference has been made to the analogy between the Home Owners' Loan Corporation and the Farm Credit Administration, where the Government has acquired real estate, perhaps under foreclosure and the situation before us now. It has been said that the situations are similar, and that we are removing property from taxation which was previously taxed. That, again, is a false statement. In the case of real estate which may be acquired by the Home Owners' Loan Corporation or Farm Credit Administration, manifestly it was always on the tax duplicate. There is no analogy between the acquisition of real estate by the Government which, if exempted from taxation, would naturally reduce the value of the tax list, and this particular situation. In every case where real estate is acquired by the Government, if it should be exempted from taxation, it removes property which was valued on the tax list of the community, while in the instant case all this money which was put in by the Reconstruction Finance Corporation is newly created property—not property which was on the tax list prior to the time the Reconstruction Finance Corporation entered the field. It is new money placed there to help that community, and if exempted from taxation it can, therefore, in no sense be a deprivation of the State of property which it had previously taxed.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Not until I finish my statement, and then I shall be glad to yield first to the gentleman from Oregon.

Another criticism which has been leveled against this bill is that it is another tax-exempt security. This bill has nothing to do with tax-exempt securities, as we understand them. Let us analyze the philosophy of the opposition to tax-exempt securities. It is that wealthy people should not be in a position to acquire investments which, in the event they are Government securities, are exempted from State taxation, and specifically exempted perhaps from certain income taxes, or if they are State securities, are exempt from Federal taxation, and the holder goes tax free. Manifestly that is the philosophy behind the argument that we should have less and less tax-exempt securities, and perhaps eliminate what we already have now. There is no situation of that kind here. These are not securities in which an individual may invest. The instant an individual invests in any of the preferred stock that we are discussing, at that instant it becomes taxable. These are tax exempt only in the possession of an arm of the Government. Therefore, the argument about tax-exempt securities has nothing to do with what we are discussing here.

I have tried to point out the different fallacies which have been brought up and to answer each one of them in turn. Now in the short time left I would like to yield to anyone who wishes to ask me a specific question in reference to the bill. I yield, first, to the gentleman from Oregon.

Mr. PIERCE. The gentleman said it was newly created wealth. It is newly created by selling tax-exempt bonds, is it not?

Mr. HOLLISTER. They are not bonds.

Mr. PIERCE. The R. F. C. does not have the money. It gets the money by selling tax-exempt bonds.

Mr. HOLLISTER. The gentleman is correct to that extent, for everything the Government does must be financed by the Government.

Mr. PIERCE. This extends the right to sell more tax-exempt securities.

Mr. HOLLISTER. The gentleman's argument would apply to all Government agencies.

Mr. PIERCE. And I am opposed to all tax-exempt bonds.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. Yes.

Mr. KVALE. The gentleman spoke about the appreciation of values and the creation of new wealth in connection with these loans or investments, as he may choose to call them; but were not these loans or investments, whichever they may be, originally made for the purpose of bolstering what was considered to be crumbling existing values rather than the creation of new values?

Mr. HOLLISTER. Let me answer the gentleman in this way: Manifestly a bank which is in difficulties, and may perhaps be on the verge of closing its doors, or at least is not able to operate promptly, has common stock which has no taxable value. If, however, new capital is put in in the way of preferred stock, so that the bank has an adequate capital structure for its deposits and the carrying on of its business, the bank may again become prosperous and manifestly that old common stock, which had no value, is increased in value to a substantial extent.

Mr. KVALE. If it was a quid pro quo, if it was a matter of simply extending a loan on the basis of collateral that was considered adequate, I do not see the gentleman's point that new wealth is created.

Mr. HOLLISTER. We are not discussing the question of loans on collateral. We are talking about new capital being put in and preferred stock issued for that new capital. If the bank is successful, manifestly that increases the actual market value of the old common stock which was there before.

Mr. KVALE. Evidently I do not have the understanding of the subject that my friend has.

Mr. HOLLISTER. I will try to explain it to the gentleman later.

Mr. LAMBETH. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. LAMBETH. I wish to ask a question, which, while not directly pertinent, seems to have an indirect bearing. When the Reconstruction Finance Corporation purchases the bonds of a railroad corporation, are those bonds not subject to taxation?

Mr. HOLLISTER. If the Reconstruction Finance Corporation acquires bonds, notes, debentures, something outside of capital stock, which is taxed at the situs, the Reconstruction Finance Corporation, having a situs in Washington and being a Government agency, such holdings would not be taxed by State laws, I would suppose.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. O'MALLEY. It is stated in the bill that the Reconstruction Finance Corporation owns this stock. Is it not a fact, within the terms of the contract that the Reconstruction Finance Corporation has with the bank, the Reconstruction Finance Corporation is compelled to give that stock back to the bank when the loan is paid?

Mr. HOLLISTER. The gentleman knows that is almost always the situation with reference to all preferred stock of corporations. Almost every preferred stock contains provisions that the corporation may retire it if it so desires.

Mr. O'MALLEY. That is in the stock indenture?

Mr. HOLLISTER. Yes.

Mr. O'MALLEY. Then, if the Reconstruction Finance Corporation cannot elect, under the terms of the contract they have with the bank, the length of their ownership, they do not actually own the stock?

Mr. HOLLISTER. Oh, I beg the gentleman's pardon. That is the way with every corporate preferred stock. Almost every corporation has a contract with the stockholder that the corporation has the right to retire its preferred stock.

If a corporation has a right to retire its preferred stock at, say, 105, it may do so, but the ownership is none the less the ownership of the stockholder until the option is exercised.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. PATMAN. The gentleman understands—

Mr. HOLLISTER. Will the gentleman please not say what I understand? I yield for the gentleman to ask a question, but I do not want the gentleman to say what I understand. I have heard him do that too often.

Mr. PATMAN. Will the gentleman support an amendment that will not cause the Reconstruction Finance Corporation to pay out any money on these taxes, but will prevent future contracts from being made which will take taxable property away from local communities?

Mr. HOLLISTER. If such an amendment would not be discriminative, I would; but I cannot conceive of such an amendment that would not make discriminations.

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That section 304 of the act entitled "An act to provide relief in the existing national emergency in banking and for other purposes", approved March 9, 1933, as amended, be further amended by adding at the end thereof the following:

"Notwithstanding any other provision of law or any privilege or consent to tax expressly or impliedly granted thereby, the shares of preferred stock of national banking associations, and the shares of preferred stock, capital notes, and debentures of State banks and trust companies, heretofore or hereafter acquired by Reconstruction Finance Corporation, and the dividends or interest derived therefrom by the Reconstruction Finance Corporation, shall not, so long as Reconstruction Finance Corporation shall continue to own the same, be subject to any taxation by the United States, by any Territory, dependency, or possession thereof, or the District of Columbia, or by any State, county, municipality, or local taxing authority, whether now, heretofore, or hereafter imposed, levied, or assessed, and whether for a past, present, or future taxing period."

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, within the brief time I shall consume in discussing this matter upon the general principles involved in the bill, I will not undertake to recapitulate the arguments that have been made in favor of its passage. It seems to me that the problem with which we are confronted is a very simple one, in essence; that is, whether you are going to single out one particular field of property owned by a strictly governmental agency and subject it to State and municipal taxes, whereas every other piece of property of this nature is specifically exempted from taxation by the States and by municipalities.

Now, how is this measure presented here? It is apparent to me from a reading of section 10 of the original Reconstruction Finance Corporation bill that it was clearly, beyond all peradventure, the intent and purpose of the framers of that bill, which was in large measure a bipartisan product, and it was the intention and purpose of the Executive who approved that bill to exempt from State and local taxation the Government securities owned by the Reconstruction Finance Corporation. That construction, as I understand, has been given by the attorneys general in a great number of States. A great number of States under their statutes are prevented and prohibited from taxing Government securities of this kind. It was only because of a technical decision arising in a suit brought by the commissioner of banks in Maryland that the Supreme Court of the United States, and very properly, I imagine, under the strict construction of the statute, held that under the language of the bill as it then stood without this amendment, these securities held by the Reconstruction Finance Corporation were taxable by the States.

Why, gentlemen, as a matter of common equity, as a matter of common patriotism—and this is not a partisan question we are discussing here because the beneficent provisions and operations of this great corporation certainly transcend all party lines—why should we single out a particular type of security held by a great eleemosynary Federal organization and say, "The State shall tax this property but the State may not tax any other property held by the Federal

Government for any local purpose"? As one gentleman said to me a few moments ago in private conversation referring to the old parable in Scripture of the good Samaritan, if you carry out this idea of taxing these securities of the Federal Government you are allowing the priest and the Levite to escape and are laying the penalty on this good Samaritan, the Reconstruction Finance Corporation. It has been such a beneficent, such a potent, such a helpful thing to many of the great communities of this country, great communities and small communities. What would have been the business structure of this country today, my friends, in thousands of localities where this agency has come to the relief of the banks and their stockholders if it had not been for its operations? Five million dollars to seven million dollars of taxes you are laying here upon this instrumentality of the Federal Government which you organized for the purpose of reconstructing the credit of the country. It seems to me that with the administration endorsing this bill and with the great man who is at the head of the Reconstruction Finance Corporation, Jesse Jones, appealing to this Congress as a matter of business equity for you to pass it, when it comes here by the unanimous support of Republican and Democratic members of this Committee on Banking and Currency, when its merits have been argued and presented to you, it seems to me that despite any preconceived notion you may have had with reference to the merits of the bill and after this the second time it has been presented for your consideration, that under all these circumstances you ought to grant the request of the Administrator of this great nonpartisan, bipartisan, patriotic institution which is operating for the benefit of all of the people of the United States. I trust this bill may be passed today. [Applause.]

Mr. REILLY. Mr. Chairman, I move to strike out the last two words.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro-forma amendment and ask for recognition.

The CHAIRMAN. The Chair will be compelled to recognize the gentleman from Wisconsin, a member of the committee, both Members having risen on pro-forma amendments.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. The point of order is that two Members rose, the gentleman from Wisconsin and myself. The gentleman from Wisconsin asked recognition to strike out the last two words. I ask for recognition in opposition to the pro-forma amendment which is pending. I think I am entitled to recognition.

Mr. REILLY. Mr. Chairman, I will yield the floor at this time.

The CHAIRMAN. It is a matter for the gentleman from Wisconsin to decide. The Chair understood that both the gentleman from Wisconsin and the gentleman from Texas rose on pro-forma amendments, and the Chair recognized the gentleman from Wisconsin, a member of the committee; but he having yielded the floor, the gentleman from Texas is recognized.

Mr. PATMAN. Mr. Chairman, in view of the fact that 240 minutes were allowed for debate on this bill, and the opponents used only 37 minutes of the time, and a great deal of that time was taken up in answering questions propounded by the committee, I ask unanimous consent that I may proceed for 10 additional minutes.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, the gentleman said "10 additional minutes." Does this mean 15 minutes altogether?

The CHAIRMAN. That is the way the Chair interprets the request.

Is there objection to the request of the gentleman from Texas to proceed for 10 additional minutes?

There was no objection.

AGREEMENT ABOUT BILL

Mr. PATMAN. Mr. Chairman, I am not taking issue with my distinguished colleague, the majority leader at this time; I am not opposing anything he said. I had an agreement

about this bill. As I said yesterday I did not trade with the committee, but I had an agreement about this bill.

When this matter was under consideration before in the form of a House bill the opposition presented certain arguments why the bill should be defeated. We are not going back on those arguments, as has been charged; nor are we inconsistent, as has been charged. We spent nights and days before the Banking and Currency Committee and with the officials of the Reconstruction Finance Corporation trying to iron out the differences to do just exactly what the gentleman from Alabama [Mr. BANKHEAD] said should be done.

Finally I said: "If you will convince me that you cannot raise the interest rate from 3½ percent back to 6 so as to take care of local taxes, although I am not in favor of the principle—I am opposed to it; I believed that the R. F. C. made these loans in good faith—I am willing to yield on that. I am willing to yield on it provided you will yield on this, that you will not permit it to be done in the future."

This was what I considered the agreement, and the acting chairman of this committee told me that he would let me know at 12 o'clock yesterday if he would carry it out and not oppose the amendment I proposed, to strike out the words "or hereafter." At 12 o'clock yesterday on this floor he said he had consulted with members of the committee on the majority side and they would not oppose the amendment.

TRAPPED—NEVER AGAIN

Now I am placed in a position of disadvantage. Members who do not want the bill to pass in any form will vote against my amendment, and since the committee has gone back on me—that is, I thought the majority members would support it—my amendment will not get many votes. It is exceedingly hard for me to carry out my promise, but if the heavens fall I will do what I said and make a sincere effort to do it. My word is out to leaders of the administration and officials of the R. F. C. Never again will I permit myself to get in this position. If carried out it would have been all right, but it is certainly embarrassing when I am the only one carrying out the agreement. This is the unfair method I have ever known to be used to place an opponent at a disadvantage. I will suffer for relying on what I considered a promise, but I hope to never get into such a predicament again. What hurts me is I was yielding to be helpful, at the same time gaining a major objective, but the result was I was trapped. This bill was defeated by a vote of 165 to 173 on February 25, 1936, and it would have been defeated again if I had not spent several days and nights cooperating in an effort to be helpful.

AGREEMENT NOT CARRIED OUT

I acted on what I thought was the agreement. I believed they would carry it out. The rule came up for consideration yesterday and the Acting Chairman of the Committee on Rules, Mr. SABATH, asked me about time. I told him that we had an agreement about the bill, and so far as I was concerned we were going to condone, not agree to but condone, past transactions. I told him we were going to stop the precedent for the future and did not want any time; that the majority members of the committee would not oppose my amendment. We told him to just go ahead and adopt the rule; that I would vote for it. If I had known then what I know now we would have certainly opposed the rule. I did not say a word about the rule, believing the agreement would be carried out. The acting chairman of the Committee on Banking and Currency got up on this floor yesterday and said substantially what I am saying now about the agreement.

Mr. REILLY. Speaking for himself.

Mr. PATMAN. I do not know whom he was speaking for, but I understood he was speaking for the majority members of the committee; he told me he had consulted them. When this bill was up before, you said you were voting for it in order that you would not break faith with the chairman of the Reconstruction Finance Corporation, who had made these contracts in good faith. If you are willing to vote for it to keep from breaking faith with Mr. Jones, why do you not vote for my amendment in order to carry out the chair-

man's agreement? I am going to offer an amendment which will mean, if the amendment is adopted, that the R. F. C. will not be out any money for taxes on past transactions. As much as I dislike to do it, I have yielded on that. I have yielded on principle. I am not going back on my word, and I will never go back on any trade I make. [Applause.]

TAXES PAYABLE ON FUTURE TRANSACTIONS

The R. F. C. will not be out any money, if my amendments are adopted in accordance with what I thought the agreement was. It means, however, that in the future a bank that wants money from the R. F. C. will pay 3½ percent, the uniform rate in existence all over this country. It means, in addition, that the R. F. C. will tell them: "You will have to pay, yourselves, the local taxes as heretofore." It is right that they pay these taxes. The directors of the Reconstruction Finance Corporation did not oppose that view and, as a matter of fact, I believe they are in favor of it.

They appeared before this committee and asked for an amendment that would have permitted them to do just that, but the committee turned down their proposal last Saturday. The acting chairman of the committee called Mr. Jesse Jones who had left here for a much-needed rest in Miami, Fla., and asked him about the amendment which I expected to offer today. Mr. Jones, according to the acting chairman, stated it was perfectly all right with him. He wants it and needs it.

Now, then, you praise Mr. Jones, and he is entitled to be praised. You say we should follow him. You say we should follow the administration. I say the administration wants this bill, but the administration is not opposed to my amendment. Therefore, adopt the amendment and then adopt the bill as amended.

The gentleman from Missouri and the gentleman from Alabama contend that the R. F. C. should not be taxed because the Federal land-bank securities and other similar securities are not taxed. I agree generally with that contention, except where taxable property is taken away from the local communities. We will not require them to pay these back taxes, but in the future we are not going to allow them to make contracts that will permit local property for private gain to escape taxation. That is what we do not like.

FIRST MISTAKE MADE BY COMMITTEE

Let me tell you the difference. Here is a case where the Banking and Currency Committee brought in a bill. I was generous with them yesterday. I thought they were going to carry out their agreement with me. I said at that time that the House had made a mistake. I want to change that. The first mistake was made by this very committee. They brought in a bill that denied the R. F. C. the right to purchase debentures and notes from national banks. If they had made the law uniform, as it should have been made, and any person who is informed on the subject now admits it should have been made that way, this question would not have risen. But they fixed it so the R. F. C. had to buy preferred stock from the national banks and notes and debentures from State banks. This created an inequality, and I will show you just what that inequality is.

A State bank with a million-dollar capital sells a \$500,000 debenture to the R. F. C. The R. F. C. does not pay a tax on that, and it should not pay a tax. It would be wrong to make them pay a tax on it. But the State bank continues to pay a tax locally, as heretofore, because it pays on its capital stock as the basis in 31 States of the country. The national bank with a million dollar capital stock should be permitted to sell debentures like the State banks. Then they would be on the same plane. But the committee, by this bill, requires them to sell the preferred stock, which is a part of the capital structure, and when the preferred stock is sold they plead tax exemption. If you vote for this bill you will vote to condone and encourage that principle, which is the one I am against. I am not in favor of taxing debentures and notes. No. Taxable property is not taken from the local tax rolls when the R. F. C. purchases debentures, but taxable property is taken from the local tax rolls when preferred stock is purchased.

WHERE WILL EXEMPTIONS STOP?

Mr. Chairman, if the Members carry this to its logical conclusion, if we pass this bill, the next bill to be brought in will be one exempting the insurance companies' capital structure to the extent that they have sold securities to the R. F. C. If you are consistent you will have to vote for that bill. The next bill will be one for the farmer who has a \$5,000 loan against half of his farm. It is a \$10,000 farm. He will come in and say: "The Government holds a security against half of my property. I am not arguing that you should tax the Government, but you should keep the local tax assessor off me. You do it for the bankers, why do you not do it for the farmers?"

The next contention that will come in will be from the home owners. They will come in and say: "The Government holds a lien equal to half the value of my home. I want you to keep the tax collector off me. He is trying to make me pay according to full face value. When the R. F. C. purchased half the taxable property of a national bank you voted for a bill to give such banks a 50-percent tax reduction in all States, counties, cities, and so forth, because the R. F. C. is a governmental institution. Since the lien on my home, equal to 50 percent of its value, is held by a governmental institution, you should pass a law giving me a 50-percent tax reduction in all States, counties, cities, and so forth."

What would be your answer?

Well, if you are consistent, if you vote for this bill to allow the national banks a 50-percent reduction, when you have taken half of their capital structure, you will vote to exempt half of the homes and farms of the country in a situation such as I have described.

I will admit, Mr. Chairman, that there will still be a discrimination here if this amendment passes, but the discrimination will not be near so much and we will be establishing the policy for the future that we are not going to exempt property from taxation in the local communities because some Federal agency happens to hold a lien on it, or acquires all or part of it.

WILL RAILROADS BE EXEMPT?

Where is this going? When the R. F. C. takes over a railroad, say two or half a dozen of them, are you going to come in and ask for tax exemption on them? If you are consistent and vote for this bill you will do it.

WILL BANKS AND INSURANCE COMPANIES BE EXEMPT?

What are you going to do when the R. F. C. takes over some banks and insurance companies? Are you going to bring a bill in here to make them tax exempt? If you vote for this bill you will have to, because you would not be consistent unless you did.

UNFAIR DIVISION OF TIME

Now, there is very little difference here, Mr. Chairman, between the ones opposing and proposing this legislation, since I am carrying out my part of the agreement. We have not had ample time to discuss it. I had 10 minutes yielded to me the other day by the chairman of the committee and then he asked me almost enough questions to take up the 10 minutes. I could not refuse to yield to him, because I was expecting him to yield me some more time. Then, he yielded me 10 minutes and that was taken up and then 5 minutes and then 2 minutes. We have only had 37 minutes out of the 240 minutes of general debate time. That is not a fair division.

COMMITTEE DID NOT BRING OUT ALL THE FACTS

I went before the Banking and Currency Committee for 3 days. They put me on first. That was all right. I did not mind that—I was glad to testify first, although it is customary to use the proponents first. I stayed there 3 days trying to get these differences ironed out. At one time the committee was not bringing out all the information from Mr. Jones. The members of the committee are all opposed to me on this bill and I wrote the chairman of the committee a letter, carried it to him myself, asking him to let me interrogate Mr. Jones, so I could bring out the very points I am bringing out here today. This request was re-

fused. I was a Member of the House and I was the only Member of the House who was sitting there that had the opposite side, but I was refused the right to ask any witness before that committee any question.

PROPERTY USED FOR PRIVATE PROFIT SHOULD NOT BE EXEMPT FROM TAXATION

When this bill was up here before very little time was granted to the opponents. Notwithstanding that the Members of the House voted with us and the bill was killed. It is back here now a second time. I do hope, Mr. Chairman, you will concede this point and that you will vote for this amendment that will establish the policy for this Government—and that is what the amendment will do—that in the future when Government boards and bureaus and commissions purchase a part of the capital structure of a private corporation that is organized and operating for private profit, the Government will not exempt such property from local taxation.

This is the policy I want you to establish and this is the policy I believe the Members of this House would like to have established.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, the entire committee is favorable to this bill, Republicans and Democrats alike. I yielded my time this afternoon so that the opposition might have plenty of time, but there are one or two things about this measure to which I wish to call attention.

On page 2, "dividends or interest derived therefrom by the Reconstruction Finance Corporation shall not, so long as the Reconstruction Finance Corporation owns them, be subject to taxation." Even if you pass this bill, when are you going to get the Reconstruction Finance Corporation out of this business? By the passage of this bill, if it cannot sell them, it will have to hold them for 20 years, reducing them 5 percent a year. Some of us would like to go further and get it out of business and get this stock back into the hands of private people. What harm can it do if these shares are exempt? All other Government securities are exempt. But the Chairman of the Reconstruction Finance Corporation, in order to save this \$5,000,000, was ready to accept an amendment which the gentleman from Texas intended to offer. He said, in effect: "You will not catch me issuing any more preferred stock. We will issue capital notes in the national banks. We will take their capital notes, and so long as the situs of the capital notes is in Washington we will not have to pay any tax." But the Texas people apparently say, "Yes; but when those capital notes are found in the State of Texas then we can get them at our regular rate." Is it a good idea to buy capital notes?

The Chairman of the Reconstruction Finance Corporation knows he cannot dispose of the preferred stock. It is a matter of record; and would have to pay taxes. But he might later sell capital notes, because the public at large might not know you have them in your possession. It might bootleg them in the States the same as other securities are bootlegged. So, the Chairman is willing to take a great chance, because he might get out of business sometime. I, for one, want to get him out anyway. If you take a chance and buy capital notes and can fool the assessor, all well and good.

These gentlemen are making a hard fight for the treasury of the State of Texas. In this I find myself not too sympathetic. They got \$220,000,000 from the Government for their treasury last year and contributed only \$77,000,000. In my State we contributed \$114,000,000 and received only \$77,000,000. My sympathy for your treasury, sir, is somewhat dampened although this is a wonderful fight you are making for a little more money for Texas. [Laughter.]

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 2, in line 4, after the word "acquired", strike out the words "or hereafter."

Mr. PATMAN. Mr. Chairman, I hope the gentleman from Massachusetts [Mr. GIFFORD] listens to me, because if all of his statement was as incorrect as one part of it that I know was incorrect, his statement should not have much effect on this Committee. The gentleman stated that when a citizen purchased capital notes and debentures the State would cause it to be taxed. Of course, if a bank purchased it, it will not be taxed, and they do not tax it in the hands of individuals in Texas. Therefore the gentleman is entirely mistaken about what he said.

SURPRISE PLEADED BY COMMITTEE

The gentleman from Wisconsin [Mr. REILLY] said they were surprised when the bill came in the first time, on February 25; that they did not know there was any opposition to it. Why would the gentleman lead you to believe that? I do not know; but it is a well-known fact, and I certify to it now, that I went before the Committee on Rules and I opposed a rule on the bill before. I opposed the granting of a rule on February 24, 1936. I gave the reasons then that I have consistently given since that time. The next day the bill was brought in, and certainly they could not plead surprise.

SACRIFICE OF VIEWS

Now, because I agree to yield on a principle if they will yield on a principle I am accused of being inconsistent. I recognize the fact that there is no major piece of legislation that becomes a law unless it represents a compromise of view or a sacrifice of opinion on the part of practically every Member of the House and Senate. I was willing to sacrifice my views if they would sacrifice some views. I sacrificed certain views. They agreed to sacrifice certain views. I carried out my agreement and they are not carrying out their agreement.

Mr. CROSS of Texas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am talking about the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. CROSS of Texas. The gentleman is not quoting us?

Mr. PATMAN. I am quoting him. He said it substantially himself. I am quoting what he said. The gentleman from Texas was here and heard him. At 12 o'clock yesterday he was to let me know. I came here at 12 o'clock yesterday, and he said he had consulted with the majority members of this committee and it was perfectly all right—to go ahead. I acted on that agreement.

Now, who is in favor of this amendment which I have offered? The Reconstruction Finance Corporation is in favor of it. They say it is all right. Why should we oppose it? What will it do? Nothing on earth except establish a policy for the Government in the future against the taking of taxable wealth from local communities at a time when local communities need all the taxable wealth they can get in order to raise their share of the money under the Social Security Act that we passed.

BANKERS' BONUS BILL

Do you want to adopt a policy here which is for the bankers? Now, from here on out it is a bankers' bonus bill. You can say anything you want to, but from here on out it is a bankers' bonus. I am talking about the future. We can dismiss the past for the present. Mr. Jones said he is ready to disburse \$100,000,000. He says that if this amendment passes he will be allowed to purchase the stock and the stock will pay local taxes as heretofore. They, the banks, will get their money at 3½ percent interest and will continue to pay local taxes as heretofore. So if you vote against this amendment, you are voting to save those banks who get this \$100,000,000 at least \$2,500,000 that they would have to pay in local taxes. This is a clear bonus for these banks; it is a subsidy, or whatever you want to call it. A vote against this amendment is a vote to give those banks who get this \$100,000,000 at least \$2,500,000. They are not expecting it, they are not entitled to it, and the R. F. C. ought not to be allowed to permit them to escape local taxes. [Applause.]

Mr. Chairman, I ask that the amendment be adopted. [Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I ask recognition in opposition to the amendment.

The CHAIRMAN. All time on the amendment has expired.

Mr. HOLLISTER. Mr. Chairman, I move to strike out the last word.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Had not all time on the amendment expired?

The CHAIRMAN. All time on the amendment has expired, but the gentleman from Ohio moves to strike out the last word, which is another amendment.

The gentleman from Ohio is recognized for 5 minutes.

Mr. HOLLISTER. Mr. Chairman, it is very interesting to watch the somewhat devious gyrations of the opponents of this bill. They have been inconsistent from the very beginning. They discuss the bill from the point of view of discrimination at one time and ask that the bill be defeated on that ground. They ask that it be defeated another time on the ground that it exempts securities from taxation. The same gentleman gives absolutely contradictory reasons for having the bill defeated. Now they are proposing exemptions from taxation to apply to stock already held by the Reconstruction Finance Corporation, saying that is satisfactory, but with respect to any bank which hereafter wishes assistance from the Reconstruction Finance Corporation they say the same thing shall not apply. It is really a little bit difficult to answer so many absolutely inconsistent objections.

May I point out what the gentleman from Texas said when he appeared before the committee at the time he was discussing the bill in general? He said:

It is a bad precedent. It creates discrimination.

A little later he stated:

It will create a dozen discriminations. They are treated differently by the taxing authorities. Instead of this bill removing discriminations it creates discriminations.

I wonder if the Members of the House realize that if the amendment sponsored by the gentleman is passed there will be 31 different discriminations in this law? If the gentleman's amendment is adopted all stock now held by the Reconstruction Finance Corporation will carry 3½ percent dividends. After the present time manifestly it will be necessary for the Reconstruction Finance Corporation to add on to the dividend rate enough to satisfy the tax of the particular State. If the Members who have at hand the hearings will turn to page 48, they will see the different States affected, 31 of them. Some of them are assessed on a 100-percent ad valorem basis; some 90 percent, and so on down, and practically every one of them at a different rate of tax. In other words, in order to fit this thing in exactly so that the dividend rate will be enough to satisfy the tax, there will be 31 different kinds of preferred stock contracts which the Reconstruction Finance Corporation will have to make.

Mr. Chairman, it will also mean that whereas a bank in one city may be fixed up already by the Reconstruction Finance Corporation and will pay only 3½ percent, a bank in another city may have to pay 5 or 6 percent, whatever it may be, to satisfy the tax in order to get the relief that the Reconstruction Finance Corporation is now giving to hundreds of banks and perhaps even thousands of banks throughout the country.

Here is a gentleman who tries to defeat this bill on the ground of discrimination coming in and asking us to adopt an amendment that will put 31 different discriminations into the act.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. HANCOCK of North Carolina. Mr. Chairman, I move to strike out the last two words.

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last two words.

Mr. PATMAN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, I make the point of order that it is my amendment which the gentleman who has just spoken is endeavoring to destroy. He has made a 5-minute speech on behalf of an amendment which will destroy it, and I ask for recognition in order to answer the gentleman's argument.

The CHAIRMAN. The gentleman has been recognized and has presented an argument in favor of his amendment. The point of order is overruled.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

The CHAIRMAN. The gentleman from Illinois, a member of the committee, rises in opposition to the pro-forma amendment, and is recognized for 5 minutes.

Mr. REILLY. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. DIRKSEN. Mr. Chairman, I do not expect to consume the entire 5 minutes, but I do want to point out that while the great financier and philosopher from Texas is one of the most lovable "cusses" I have ever seen, yet his ideas are almost as vagarious as the floodwaters we are reading about at the present time. These days they run swift, deep, and turbulent; some days they peter out to a mere trickle. His principles and convictions are a good deal like that. He appeared before the committee on March 11, when the meeting was called at his request, and in a colloquy with the gentleman from Maryland [Mr. GOLDSBOROUGH] the gentleman from Maryland said: "You are coming here to destroy legislation." The gentleman from Texas stated: "That is a mere incidental." He stated further: "The principle involved is greater than that, my dear sir."

He referred to the principle involved. He is reasoning from a principle. How strange it is that he is willing to condone, as he says, a principle. He says in effect this: "The R. F. C. has now subscribed to \$229,000,000 of preferred stock that is taxable." He says:

I am willing to condone that. I am willing to forgive the derelictions and the delinquencies of the committee, even though they do not agree with me, if they will share my view that from here on out on the other \$100,000,000 that may be committed by the R. F. C., we will take away the exemption and impose the tax.

He is willing today to sacrifice two-thirds of his principle. When he appeared before the Banking Committee on March 11 he contended for the entire principle. It shows that, after all, his convictions do not run very deep, and today he is willing to chuck two-thirds of his principle out of the window.

This shows to what extent we ought to follow his persuasive eloquence in respect of this matter.

The amendment which he offers contains the two words "or hereafter." He is willing to say, "I will forget all about the \$229,000,000 if you will impose the tax on the other \$100,000,000 that the R. F. C. in the future may commit." What kind of legislation would this be? How can we justify it from the standpoint of consistency to say to the R. F. C., having subscribed \$229,000,000, we will exempt all preferred stock so far as that is concerned, but in the future the tax must be paid and there shall be no exemption. Frankly, we must vote against that kind of thing if we are going to preserve any kind of consistency in the matter of banking legislation, and I admonish the House to vote the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 27, noes 129.

So the amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment to section 1.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 2, line 12, after the period, insert: "Provided, however, That in the future national banks that sell preferred stock to the R. F. C. shall be placed in the same position with reference to the payment of all taxes as a State bank that sells debentures instead of preferred stock to the R. F. C."

TREAT STATE AND NATIONAL BANKS ALIKE

Mr. PATMAN. Mr. Chairman, this amendment will affect future contracts to this extent, that the R. F. C. in making a contract with a national bank will leave that national bank in exactly the same position with reference to local taxation that the State bank across the street is in, and this is all it does.

I do not see how anyone can oppose this amendment. It is simply telling the R. F. C. not to make any contract that will place a State bank at a disadvantage with its competitor across the street. I do not think any member of the committee should oppose this amendment, because it is absolutely fair and right.

A few moments ago the gentleman from Ohio [Mr. HOLLISTER] made the statement that my other amendment would create 31 discriminations. If that method of arriving at the number of discriminations, due to the fact there are 31 States using this method of taxation, is correct, the present law that the gentleman wants us to vote for creates 93 different discriminations, because it discriminates against the State bank and the national bank that has half of its stock sold to the R. F. C. and gets a 50-percent reduction. This is a discrimination against a State bank that has the same capital and is getting the same amount of money from the R. F. C. This will account for 62 discriminations.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. PATMAN. I yield.

Mr. SNELL. Do I understand that the gentleman's amendment means that the R. F. C. will sell to national banks debentures instead of preferred stock?

Mr. PATMAN. It means that any contract that is made with a national bank will leave the national bank with reference to local taxation in the same position that a State bank would be in under similar and like circumstances, getting the same amount of money from the R. F. C.

Mr. SNELL. I understood from the reading of the amendment it provided for the selling of debentures.

Mr. PATMAN. In effect that would be it.

Mr. SNELL. A debenture would be ahead of stock as a security.

Mr. PATMAN. We are talking about taxation, I will say to the gentleman from New York, and we are considering it just from the taxation standpoint, and it would not be taxable.

Mr. SNELL. A debenture is nothing more or less than a note of the bank.

Mr. PATMAN. Yes.

Mr. SNELL. So the note would have preference over stock.

Mr. PATMAN. Just like in a State bank, exactly.

Mr. SNELL. As I understand, the theory of this whole proposition has been to put out more capital in order to make the capital structure stronger.

Mr. PATMAN. They will get the new capital.

Mr. SNELL. A debenture is not capital.

Mr. PATMAN. Please do not take up all my time.

The point is this. There is discrimination against the State bank, there is discrimination against the national bank that has not borrowed from the R. F. C.; and if this bill passes, the individual citizen, who holds preferred stock in that same institution, will get enough money from the local bank to pay local taxes, but the R. F. C. will not be required to pay local taxes and the banks will not be required to pay local taxes. Therefore it is a discrimination against the individual holders of preferred stock in 31 States who have part of the same stock that the R. F. C. holds. So, if my amendment created 31 discriminations, there is in existing law today more than 93 discriminations.

I hope this amendment, which is just to put them all on the same plane, will certainly be adopted.

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

Mr. Chairman and Members of the Committee, without intending to be disrespectful in the least, I want to say that

this is not a clarifying amendment nor a perfecting amendment, but purely another confusing amendment designed, in my opinion, to confound the true issue and further delay the passage of this meritorious measure. As a matter of fact, it is identical in effect to the amendment which we have just voted down by a vote of 129 to 27. Let us coolly and dispassionately consider the situation as it now exists with respect to the taxation of the securities held by the R. F. C. As has been pointed out quite clearly by several members of the committee today, the preferred stock, notes, and debentures of State banks issued to the R. F. C. are not taxable. Under the law, national banks are permitted to issue preferred stock only. Under the decision of the Supreme Court in the Baltimore bank case, the preferred stock was declared to be taxable because of section 5219 of the Revised Statutes which was enacted in 1864. Therefore, if you pass this bill you eliminate the only discrimination that can possibly exist with respect to the taxation of any security issued by State or national banks to the R. F. C. You place them all on an equality. This is surely but right and just and carries out the purpose and intent of the Congress as expressed in section X of the Reconstruction Finance Act. Under the present order of things, the preferred stock of national banks is the only security that could be taxed, and with its elimination the securities of all banks issued to the R. F. C., as I have just stated, are placed upon the same basis.

My friend from Texas has tried in many ingenious ways to show that he has been discriminated against with respect to time. The record will show that the committee has been absolutely fair to him, both in its hearings and in its handling of the bill on the floor. As a matter of fact, he has done more talking in both places than any member of the committee. His reference to the committee keeping its agreement is beside the point, for the statement of Mr. GOLDSBOROUGH, the acting chairman, clearly shows that he was speaking alone for himself in his remarks yesterday. My friend from Texas has made a desperate struggle to get some concession on this bill which would take him "off the limb." I would, of course, like to see him get off, but I would not think of sacrificing a belief, much less a principle, to arrange it. What arrangements or negotiations he may have had with the chairman or with Mr. Jones has nothing to do with the position of the committee. At the same time, I am sure that the efforts which he has made privately to bring about a conciliation of differences have been made in good faith; but no member of the committee here today has ever agreed privately to any of his proposals. Any further discussion of his amendment is, in my opinion, time thrown away, and I ask you to vote it down. We can then make progress toward putting the bill on its final passage. [Applause.]

The CHAIRMAN. The question recurs on the amendment proposed by the gentleman from Texas [Mr. PATMAN].

The question was taken, and the amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 12, after the period, insert the following: "Notwithstanding any other provision of law, any national banking association may, with the approval of the Comptroller of the Currency, pursuant to action taken by its board of directors, issue to the Reconstruction Finance Corporation its capital notes or debentures in such amounts and with such maturities as the Comptroller of the Currency may approve. The holders of such capital notes or debentures shall be entitled to receive such interest, at a rate not exceeding 6 percent per annum of the principal amount thereof, and shall have such conversion rights, priorities, control of management, and other rights, and such capital notes or debentures shall be subject to retirement or redemption in such manner and upon such conditions as may be provided therein with the approval of the Comptroller of the Currency."

Mr. HOLLISTER. Mr. Chairman, I make a point of order on the amendment. The bill before the House is a bill relating to the taxation of shares of preferred stock, capital notes, and debentures of banks owned by the Reconstruction Finance Corporation. It is an amendment to the Emergency Banking Act of 1933, as clearly appears from the bill, being an amendment to section 304. The amendment of-

fered by the gentleman from Texas is not an amendment to the Emergency Banking Act of 1933. It has nothing to do with the taxation of preferred stock, capital notes, or debentures owned by the Reconstruction Finance Corporation, but is an amendment to the general banking laws of the United States and permits national banks, as they never have been permitted in the past, to issue notes and debentures in addition to capital stock. It is not an amendment to the same act, and it is not germane to the subject matter of the bill before us.

Mr. PATMAN. Mr. Chairman, I desire to be heard on the point of order. The amendment I offer is an amendment proposed to this bill and deals with the subject matter that the bill deals with. The bill deals with the issuance by banks and the purchasing by the Reconstruction Finance Corporation of preferred stock of national banks. It also deals with the issuance by State banks and the purchases by the R. F. C. of notes and debentures of State banks. My amendment deals with that subject matter and provides that hereafter in dealing with the problem we are now dealing with, the R. F. C. will be permitted, if it desires, to accept from national banks the same kind of securities, notes, and debentures that the R. F. C. is now privileged to accept from State banks and trust companies. I think it is germane.

The CHAIRMAN. The Chair is prepared to rule. The amendment proposed by the gentleman from Texas is an amendment to section 1 of the bill. This section deals with the matter of exemptions from taxation. The amendment proposed by the gentleman from Texas deals with the issuance of debentures and notes. The Chair sustains the point of order.

Mr. PATMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 2, line 12, after the period, insert the following: "Provided, however, That in all future purchases of preferred stock from a national bank by the Reconstruction Finance Corporation, the Reconstruction Finance Corporation may require the bank to pay local taxes in the same way and manner that it would be required to pay, were the stock not purchased by the Reconstruction Finance Corporation."

Mr. PATMAN. Mr. Chairman, I ask for recognition on that.

Mr. WOLCOTT. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman from Michigan will state his point of order; and, so far as the matter of recognition is concerned, debate upon the section is exhausted.

Mr. WOLCOTT. Mr. Chairman, I make the point of order that the amendment is not germane to the section in that it provides a manner under which the R. F. C. may purchase the holdings of banks and has no relationship whatsoever to the question which is before the House, namely, the taxation of shares of stock of banks owned by the Reconstruction Finance Corporation.

Mr. PATMAN. Mr. Chairman, I desire to be heard on the point of order. The amendment gives the R. F. C. discretion. It uses the word "may." The R. F. C. may require that. That is, in a case where the bank is already paying large salaries to officers and directors, it is in a position and able to pay local taxes. The R. F. C. will have the discretion, if the bank is able to pay local taxes, to require the bank to pay them. The bank is getting this money for 3½ percent. The amendment merely grants the discretion to the R. F. C. There is nothing else to it.

The CHAIRMAN. The section under consideration deals with the matter of tax exemptions. The amendment offered by the gentleman from Texas undertakes to give the Reconstruction Finance Corporation discretion to require that local banks may be taxed by local authorities. The Chair is constrained to believe it is not germane, and sustains the point of order.

The Clerk will read.

The Clerk read as follows:

SEC. 2. Effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum: *Provided, however,* That no provision of

this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

With the following committee amendment:

Strike out all of section 2 and insert in lieu thereof the following:

"Sec. 2. That, effective upon and from the date of enactment of this act, interest on all outstanding loans by the Reconstruction Finance Corporation to receivers and liquidating agents of closed banks and trust companies, and all such loans made subsequent to the date of enactment of this act, shall be at the rate of 3½ percent per annum on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed 4½ percent per annum; otherwise such interest rate shall be as fixed by the Reconstruction Finance Corporation."

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to withdraw the committee amendment to section 2.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw the committee amendment. Is there objection?

There was no objection.

Mr. BROWN of Michigan. Mr. Chairman, I offer the following as a committee substitute for section 2, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Michigan for the committee: Strike out section 2 and insert in lieu thereof:

"Sec. 2. Effective upon the date of enactment of this act interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force or made subsequent to the date of enactment of this act, shall not exceed 3½ percent per annum, on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed 4½ percent per annum. Otherwise such interest rates shall be as fixed by the Reconstruction Finance Corporation: *Provided, however,* That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act."

Mr. BROWN of Michigan. Mr. Chairman, the only purpose of section 2 is to provide that hereafter, from the effective date of this act, the interest rates charged by the Reconstruction Finance Corporation to insolvent banks shall not exceed 3½ percent interest per annum, upon condition that the receiver of such insolvent National or State bank shall reduce the interest that he charges the debtors of that bank, down to 4½ percent.

The language of the committee amendment has the same meaning as the language in section 2 of the bill before you, but this change will expedite the enactment of this bill into law because of the parliamentary situation.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. BROWN of Michigan. I yield.

Mr. SNELL. What will be the cost to the Reconstruction Finance Corporation by adopting this amendment?

Mr. BROWN of Michigan. The Reconstruction Finance Corporation at the present time is borrowing its money at about 2¾ percent. Under this bill they would loan to closed banks at not to exceed 3½ percent.

Mr. SNELL. I did not make myself clear, apparently. They are loaning for more than that at the present time, are they not?

Mr. BROWN of Michigan. Yes.

Mr. SNELL. How much will their income be reduced as a result of this?

Mr. BROWN of Michigan. The only answer I can give the gentleman is that the rate charged closed banks is 4 percent at the present time, and this will reduce it one-half of 1 percent. I cannot tell the gentleman what the amount is in dollars and cents.

Mr. SNELL. But the purpose of this original bill was to make money for the Reconstruction Finance Corporation. I think you are going to lose almost as much from this reduction of interest.

Mr. BROWN of Michigan. The gentleman understands this applies only to closed banks.

Mr. SNELL. But how many hundred millions have they loaned to closed banks?

Mr. BROWN of Michigan. I cannot tell the gentleman. I can assure him this reduction will not materially affect the R. F. C. and will greatly aid distressed debtors and depositors.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. WHITE. What will happen to the Reconstruction Finance Corporation if the market goes so that there is a higher rate of interest for Government securities?

Mr. BROWN of Michigan. I think we would have to change the statute, but we do not expect that condition to arise.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 136, noes 20.

So the amendment was agreed to.

The Clerk read as follows:

Sec. 3. If any provision, word, or phrase of this act, or the application thereof to any condition or circumstance, is held invalid, the remainder of the act, and the application of this act to other conditions or circumstances, shall not be affected thereby.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity, pursuant to House Resolution No. 451, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were ayes 172 and noes 87.

Mr. O'MALLEY. Mr. Speaker, I demand the yeas and nays.

Mr. WHITE. Mr. Speaker, I demand the yeas and nays. The yeas and nays were ordered.

The question was taken; and there were—yeas 218, nays 144, not voting 68, as follows:

[Roll No. 41]
YEAS—218

Allen	Church	Dickstein	Frey
Andrew, Mass.	Citron	Dies	Fuller
Arends	Clark, N. C.	Dietrich	Gasque
Bankhead	Cochran	Dingell	Gassaway
Barden	Coffee	Dirksen	Gavagan
Barry	Colden	Disney	Gifford
Beam	Cole, N. Y.	Dobbins	Gingery
Beiter	Collins	Dockweiler	Granfield
Bell	Connery	Dondero	Greenwood
Blermann	Cooley	Dorsey	Greever
Bland	Cooper, Ohio	Doughton	Gregory
Bloom	Cooper, Tenn.	Drewry	Haines
Boehne	Costello	Driscoll	Hallock
Boland	Cox	Driver	Hamlin
Boykin	Crosby	Duffy, N. Y.	Hancock, N. Y.
Boylan	Cross, Tex.	Duncan	Hancock, N. C.
Brown, Ga.	Crosser, Ohio	Eckert	Harlan
Brown, Mich.	Crowe	Edmiston	Hart
Buchanan	Crowther	Elcher	Harter
Buck	Culkin	Ellenbogen	Healey
Burnham	Cullen	Faddis	Hess
Caldwell	Cummings	Farley	Hill, Ala.
Carmichael	Curley	Ferguson	Hollister
Cary	Daly	Fernandez	Holmes
Celler	Darden	Fitzpatrick	Huddleston
Chandler	Deen	Flannagan	Imhoff
Chapman	Delaney	Ford, Calif.	Jenckes, Ind.

Johnson, Tex.	Martin, Colo.	Plumley	Snyder, Pa.
Kahn	Mason	Quinn	Spence
Keller	Massingale	Rabaut	Starnes
Kelly	Maverick	Ramsay	Stewart
Kennedy, N. Y.	May	Ramspeck	Sullivan
Kenney	Mead	Randolph	Summers, Tex.
Kerr	Meeks	Rayburn	Taylor, Colo.
Kieberg	Merritt, Conn.	Reece	Taylor, Tenn.
Kloeb	Merritt, N. Y.	Reed, N. Y.	Terry
Kocialewski	Millard	Reilly	Thom
Kopplemann	Miller	Richards	Thomason
Kramer	Mitchell, Ill.	Richardson	Thompson
Lanham	Montet	Risk	Vinson, Ga.
Lea, Calif.	Norton	Rogers, Mass.	Vinson, Ky.
Leibach	O'Brien	Rogers, N. H.	Wadsworth
Lesinski	O'Connell	Russell	Walter
Lewis, Colo.	O'Connor	Sabath	Warren
Lucas	O'Day	Sanders, Tex.	Welch
McAndrews	O'Leary	Sandlin	West
McClellan	O'Neal	Schaefer	Whelchel
McGehee	Owen	Schuetz	Whittington
McGrath	Parsons	Scott	Wilcox
McKeough	Patton	Sears	Williams
McLaughlin	Pearson	Seger	Wilson, La.
McLean	Peterson, Fla.	Sisson	Wolcott
McReynolds	Peterson, Ga.	Smith, Conn.	Zimmerman
Mahon	Peyser	Smith, Va.	
Maloney	Pfeifer	Smith, W. Va.	

NAYS—144

Amle	Ford, Miss.	Lord	Ryan
Andresen	Fulmer	Luckey	Sadowski
Ashbrook	Gambrill	Ludlow	Sauthoff
Ayers	Gearhart	Lundeen	Schneider, Wis.
Bacharach	Gehrmann	McCormack	Schulte
Binderup	Gilchrist	McFarlane	Scrugham
Blackney	Gildea	McGroarty	Secrest
Blanton	Gillette	Maas	Shanley
Bolleau	Goodwin	Main	Shannon
Brewster	Gray, Ind.	Mapes	Short
Buckler, Minn.	Gray, Pa.	Marcantonio	Smith, Wash.
Burdick	Green	Martin, Mass.	Snell
Cannon, Mo.	Greenway	Michener	South
Cannon, Wis.	Griswold	Mitchell, Tenn.	Stefan
Carlson	Guyer	Monaghan	Stubbs
Carpenter	Gwynne	Moran	Taber
Cartwright	Higgins, Conn.	Moritz	Tarver
Castellow	Higgins, Mass.	Mott	Thurston
Christianson	Hildebrandt	Murdock	Tobey
Cole, Md.	Hill, Knute	Nelson	Tolan
Colmer	Hoffman	Nichols	Treadway
Cravens	Hook	O'Malley	Turner
Crawford	Hope	Palmisano	Turpin
Creal	Houston	Patman	Umstead
Darrow	Hull	Patterson	Utterback
Ditter	Jacobsen	Pettengill	Wallgren
Doxey	Jenkins, Ohio	Pierce	Wearin
Duffey, Ohio	Johnson, Okla.	Pittenger	Weaver
Dunn, Miss.	Kinzer	Polk	Werner
Dunn, Pa.	Kniffin	Powers	White
Eaton	Knutson	Rankin	Wigglesworth
Ekwall	Kvale	Ransley	Wilson, Pa.
Engel	Lambertson	Reed, Ill.	Withrow
Fiesinger	Lambeth	Rich	Wolverton
Fletcher	Lamneck	Robinson, Utah	Woodruff
Focht	Lemke	Rogers, Okla.	Young

NOT VOTING—68

Adair	Dear	Kee	Rudd
Andrews, N. Y.	Dempsey	Kennedy, Md.	Sanders, La.
Bacon	DeRouen	Larrabee	Sirovich
Berlin	Doutrich	Lee, Okla.	Somers, N. Y.
Bolton	Eagle	Lewis, Md.	Stack
Brennan	Englebright	McLeod	Stegall
Brooks	Evans	McMillan	Sutphin
Buckbee	Fenerty	McSwain	Sweeney
Buckley, N. Y.	Fish	Mansfield	Taylor, S. C.
Bulwinkle	Goldsborough	Marshall	Thomas
Burch	Hartley	Montague	Tinkham
Carter	Hennings	Oliver	Tonry
Casey	Hill, Samuel B.	Parks	Underwood
Cavicchia	Hobbs	Perkins	Wolfenden
Claborne	Hoepfel	Robertson	Wood
Clark, Idaho	Johnson, W. Va.	Robson, Ky.	Woodrum
Corning	Jones	Romjue	Zioncheck

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McMillan (for) with Mr. Robson of Kentucky (against).
 Mr. Clark of Idaho (for) with Mr. Hartley (against).
 Mr. Claiborne (for) with Mr. Andrews of New York (against).
 Mr. Adair (for) with Mr. Wolfenden (against).
 Mr. Tonry (for) with Mr. Taylor of South Carolina (against).
 Mr. Cavicchia (for) with Mr. Marshall (against).
 Mr. Rudd (for) with Mr. Tinkham (against).
 Mr. Evans (for) with Mr. Thomas (against).

Until further notice:

Mr. Woodrum with Mr. Bacon.
 Mr. Robertson with Mr. Fish.
 Mr. Stegall with Mr. Bolton.
 Mr. Goldsborough with Mr. Englebright.
 Mr. Oliver with Mr. McLeod.
 Mr. Parks with Mr. Perkins.
 Mr. Burch with Mr. Fenerty.

Mr. Samuel B. Hill with Mr. Carter.
 Mr. Jones with Mr. Doutrich.
 Mr. Mansfield with Mr. Buckbee.
 Mr. Romjue with Mr. Brooks.
 Mr. McSwain with Mr. Hennings.
 Mr. Wood with Mr. Kee.
 Mr. Eagle with Mr. Berlin.
 Mr. Hobbs with Mr. Zioncheck.
 Mr. Brennan with Mr. Casey.
 Mr. Kennedy of Maryland with Mr. Sutphin.
 Mr. Larrabee with Mr. Stack.
 Mr. Montague with Mr. Buckley of New York.
 Mr. Dempsey with Mr. Lee of Oklahoma.
 Mr. Corning with Mr. Bulwinkle.
 Mr. Johnson of West Virginia with Mr. Dear.
 Mr. Lewis of Maryland of Mr. DeRouen.
 Mr. Sweeney with Mr. Sirovich.
 Mr. Somers of New York with Mr. Underwood.

The result of the vote was announced as above recorded.

On motion of Mr. REILLY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. REILLY. Mr. Speaker, I understand that the Senate is waiting in session to take up consideration of the bill we have just passed. Time is of the essence in this matter. Ordinarily it would be necessary to have the House stay in session to receive the bill or a message from the Senate.

I offer the following resolution, Mr. Speaker, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 455

Resolved, That notwithstanding the adjournment of the House, the Clerk of the House is hereby authorized to receive a message from the Senate and the Speaker be, and he is hereby, authorized to sign the enrolled bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity, pursuant to House Resolution 451.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The resolution was agreed to.

On motion of Mr. REILLY, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, a good many Members have asked me what the program will be for tomorrow. The arrangement is that we will call up for consideration the rule on the so-called long- and short-haul bill, the Pettengill bill, from the Committee on Interstate and Foreign Commerce.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. ELLENBOGEN. Some of the Members of the flood districts are very anxious to go back home over the week end. I hope no vote will be taken on the bill while we are away.

Mr. BANKHEAD. Mr. Speaker, I may state to the gentleman from Pennsylvania that I understand some 5 hours are provided for general debate, and I feel it very improbable that we shall reach a vote before next week.

CONSTITUTIONAL QUESTION WITH REGARD TO ROOSEVELT DEMOCRATIC ADMINISTRATION RECORD

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I made over the radio at Detroit a short while ago.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address given by me over radio station WMBC, Detroit, Mich., recently:

We in America have heard much talk in the past half dozen years about the future of democracy as a form of government. The economic depression, which began in 1929, has brought such misery and distress that some are asking whether or not our whole social and political organization, which places the control of policy and of the administration of government in the hands of

the people, is not too slow and too cumbersome to meet the complicated situations of modern economic life. We have seen several nations in Europe in the past 10 years turn away from the democratic ideal, and there are groups in our own Nation who counsel us to discard democratic principles and ask us to follow the road to Fascist dictatorship or to communistic dictatorship.

I do not believe that American democracy is in danger. The people of our Nation are too firmly convinced of the values of popular participation in government to be misled into dictatorship of any form. It is true, however, that government is today a complicated business. Our Government is no longer merely an agent to provide law and order; government today is more than the policeman on the corner. Today our Government touches on our lives in hundreds of ways. We are asking today that our Government provide hundreds of services—that it aid us in the control of our economic system. So much does government do today that the business of government has become the largest business in the Nation.

Now the point I wish to make is this: That as government and the problems of government become more and more complicated in a democracy it becomes increasingly necessary that the people keep themselves informed on the issues of the day. This holds for State and local government as well as for national issues. The people of the United States must, if our democracy is to succeed, follow the work of their representatives in national and local legislatures. This Government rests on the principle that the people shall make the decisions as to choice of leadership and policies, and unless the people are informed—unless they know what the leaders stand for—unless they understand the meaning of policies and programs our Government will not function as it should.

It is because I feel that the people cannot exercise their right of voting intelligently unless they know what has been done by the party in power and what objections and counter proposals have been made by the opposing party that I will discuss one of the vital problems of the day.

We, the Democratic Party, have nothing to hide or conceal, and all that we ask is that the people of America consider calmly and dispassionately our record. I want, then, to lay some of that record before you.

We have passed the Social Security Act in the interest of humanity; we have passed agricultural legislation in the interest of the farmer; we have also passed the Wagner labor bill, the Railroad Retirement Act, the Guffey coal bill, the Tennessee Valley Authority, and many other laws in behalf of labor and agriculture.

The issue I wish to discuss with you is one which has presented itself to the American people within the past couple of years. This is the issue raised as to the constitutionality of certain items on the program of President Roosevelt and the Democratic Party. I do this because of criticism by certain reactionary elements, prominent among them being such organizations as the American Liberty League. The leaders of America 148 years ago, who had been in convention during the whole summer, finished their work and presented to the American people our Constitution. They were faced with political and economic problems comparable in gravity with those facing the leaders of our Nation today, and they had the vision to see what was desirable and to act.

The biggest problem which faced these men was the question of what powers should be given to the Federal Government and which powers should be reserved to the States. In the light of their experience they made their decision. Today in the United States we are again facing that question of how extensive the powers of the United States Government should be.

Let me explain the point by reference to the recent Supreme Court decisions—the decisions which declared unconstitutional the National Industrial Recovery Act, the Agricultural Adjustment Act, and others. With the technicalities of these decisions we did not bother ourselves. Generally the decisions meant that the National Government was exceeding its power when it attempted to control the problems of labor, agriculture, and industry. The Court arrived at these decisions on the basis of the argument that no power to exercise such control had been granted to the National Government by the men who made the Constitution 148 years ago. It is on this point that the question becomes a political issue. The Republican Party contends, I believe, that the division of powers as made 148 years ago should not be touched. They believe that the powers of the National Congress should not be increased—they believe that these powers are ample to meet the problems of today even though there is no national power to regulate industry and to control the conditions of labor. They tell us that the powers that were granted to the National Government 148 years ago should be interpreted strictly, even though this means that our Federal Government is prevented from acting in the field of national economic problems.

The Democratic Party, on the other hand, believes that the list of powers granted 148 years ago, if these powers are to be interpreted strictly, are not ample to permit the necessary control of industry and to permit the solution of the problems of agriculture and of labor.

Allow me to explain the issue a bit further. One hundred and forty-eight years ago the United States was a Nation of a few million people scattered along the Atlantic seacoast. These people were almost entirely engaged in agriculture. Each community lived pretty much to itself, having very little contact with the outside world. There were no problems of industry or of labor, because there was no factory system and little industry of any kind. Today, 148 years later, we are no longer strictly an agri-

cultural Nation. We are a great industrial Nation spread over 3,000 miles of continent. Our communities are no longer independent, each going its own separate way. We are today one unit, and what affects one portion of our population affects all portions. Price levels in New York affect price levels in Kansas. Unemployment in Alabama affects wages in Michigan. The point is that what were local problems in 1787 and could be handled by local action are today national problems and demand national attention.

Can anyone deny that the problems of industry and of labor, of agriculture, of commerce, and of mining are national problems? It must be admitted by all that these are national problems, and it stands to reason that national action is necessary to their solution. Of course, there may be some that will contend that there are no problems of labor or of industry that need attention, but I submit that in the face of the millions of unemployed in this Nation, in the face of those thousands of men and women who have faced starvation during the past half dozen years, anyone who contends that no action is necessary is simply blind to the realities of our economic life. And allow me to reiterate that it is the position of the Democratic Party that provision must be made, whether by interpretation or by amendment, to allow the National Government to act.

It is only by national action that it is possible to work out a program of unemployment insurance or of old-age pensions. Only by national action can child labor and the sweatshop be eliminated. Only by national action can a system of retirement for the railroad workers be worked out. Only by national action can the laborers of America be protected in their right to organize. Only by national action can the farmers of our Nation be given anything like a just reward for their services. In general, let me say that only by national action can our social-economic system be made to operate in the interest of the common man.

Let me caution you that you will be told that the Democrats are wrecking the Constitution. You will be told that the Constitution must be protected at all costs. You must not be misled by such propaganda. The Democrats regard the Constitution as highly as do the Republicans. Ex-President Hoover, the hermit of Palo Alto, has no monopoly on the ability to appreciate the work of the men who made the Constitution or to understand the significance of what these men did. Do not let anyone tell you that the Constitution has never been changed. It has been changed in innumerable ways. It has been amended 21 times, and it is because the fathers of the Constitution foresaw the necessity for change that they made provision for the amendment of the Constitution.

To expand the powers of the National Government will not mean the discarding of the Constitution. These powers have been added to before. There was a time when the National Government could not levy an income tax because the Constitution gave it no power to do so. The Constitution was changed, it was amended to give that power, and I do not believe that any of us would want that power taken away today. This addition of power did not wreck the Constitution, and neither will the Constitution be wrecked if the National Government is given power to insure the worker and the farmer a square deal.

In a democracy the sovereign power rests with the people, and in the United States, if the people want to add to the powers of their National Government, they are free to do so. The Constitution was made for the people, not the people for the Constitution.

The issue is not whether we are going to discard the Constitution or not. The constitutional issue that you are going to decide is this: Do you want the National Government to have power to deal with the problems of industry, agriculture, labor, mining, and commerce, or do you not? It is really a question of whether you believe that the problems of unemployment, the problems of farm bankruptcy—all these problems that are bothering us today—are problems that need the attention of the National Government. You must decide that question first, and if you believe that these problems need national attention, then the solution of the constitutional question is easy. You will be willing to give the National Government power to solve the national problems.

I warn you not to be misled by the propaganda that would lead you to believe that the Democrats are destroying the Constitution. Really we are trying to save the Constitution. We are trying, my friends, to save the basic principles of the Constitution. The Constitution of the United States is founded on the implicit principle that this Nation shall be one of equal opportunity for all; that this shall be a Nation of people protected in their rights of free speech and a free press, and the right to worship as they please. Our Constitution was based on those principles stated in its preamble:

"We, the people of the United States, in order to establish a more perfect union, establish justice, insure domestic tranquillity, provide for the common welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

These are the principles upon which the program of the Democratic Party is based. These are principles that put human values and rights above the rights of property and wealth. And I suggest to you that the Republican Party, sponsoring as it does the rights of property and of wealth, is the party that would wreck the Constitution and destroy its basic principles. The Democratic Party has but one aim and one purpose—to make the United States a more secure place in which to live, to establish homes, and to bring up our children. This aim coincides with the very spirit of the Constitution. Our Republican friends may believe that it will destroy the Constitution to give economic security to the American people. I challenge them to prove their contention.

GROVER CLEVELAND

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks and insert therein a speech on President Cleveland delivered by my colleague the gentleman from New York [Mr. Celler].

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Representative EMANUEL CELLER, Democrat, of New York, over the Columbia Broadcasting System Tuesday, March 17, at 10:45 p. m., eastern standard time. Representative CELLER's address was in connection with a special program presented by the Grover Cleveland Memorial Committee. Mayor Fiorello LaGuardia, of New York City, and Gustavus A. Rogers, chairman of the committee, were the other speakers during the program. Representative CELLER spoke from the studios of WJSV, Columbia's station for the Nation's Capital:

Grover Cleveland held high office during a period that tried men's souls, when the furies churned by the Civil War were developing most dangerous sectional antagonisms, when the too excessive and rapid national expansion was causing intense class hatred. It took a man of rock-ribbed firmness and indomitable courage to hold in check these discordant social elements. Cleveland's honesty, fearlessness, and common sense saved the Nation in those troubled days—now called the Cleveland era.

General Bragg, at the Chicago convention that gave Cleveland his first nomination for the Presidency, stated: "They love him for the enemies he has made." That is the best and most telling epitome of his character. He was the avowed foe of unscrupulous money changers and grasping monopolists. To graft and political chicanery he never offered quarter.

It was his duty, as sheriff of Erie County, N. Y., to hang men condemned. That task had always been delegated to an underling. Not so—Cleveland. He would not ask another to do his job, especially one so hateful. Although sick at heart and mayhap quivering from head to foot, he attended to the hanging and sprang the trap himself. All his life he performed his obligations to the letter. He demanded no less from others. That is why he was disliked by dishonest Government contractors and by the money tycoons of his day, by selfish politicians who sought to prey upon the Nation.

He never failed to recognize his own shortcomings. In 1886, Harvard College celebrated its two hundred and fiftieth anniversary. Cleveland was invited to attend and receive an honorary degree. He hesitated to accept. He was told he would be simply following the usual practice of former Presidents when visiting Cambridge—even the unpolished Andrew Jackson, much to the disgust of John Quincy Adams, had not hesitated—but Cleveland said with becoming modesty that his education was meager. He could not mask as a man of letters. That would be deceitful. He felt he was not, therefore, a suitable candidate. Although he attended the anniversary and spoke, he declined the honorary degree.

Cleveland held most sacred the Jeffersonian guaranty of religious freedom. He felt that if this right was impinged upon, no constitutional right was safe. In 1885 he appointed a Catholic, A. M. Kelley, of Virginia, to be Minister to Austria-Hungary. The Emperor Franz Joseph, mouthpiece of bigots, held Kelley to be persona non grata because his wife was a Jewess. When Cleveland learned of this proscription he was infuriated. I can well picture him pounding with his fist the desk with a vehemence all the more enhanced because of his bulk, and saying, "Franz Josef will take Kelley with his Jewish wife, or I will be dashed if I send anyone else."

How refreshing, in the face of the tragic religious persecutions by that brute, Hitler, to read Cleveland's strictures upon such bigotry, which appear, in part, in his first annual message to Congress: "The reasons advanced were such as could not be acquiesced in without violation of my oath of office and the precepts of the Constitution . . . and required such an application of religious test as a qualification for office under the United States as would have resulted in the practical disenfranchisement of a large class of our citizens and the abandonment of a vital principle of our Government."

To clinch the idea that he meant business on the matter of religious rights and that he wanted the world to know it, he subsequently appointed Oscar S. Strauss, a Jew, as Minister to Turkey.

In 1887, Cleveland began a frontal attack upon the iniquitous high tariff. His advisors cautioned him. Protectionist States would turn away from him. His reelection would be imperiled. But with him it was "damn the torpedoes; full steam ahead." He said, "What is the use of being elected, and reelected, unless you stand for something?" With quiet firmness, he sent his message to Congress. It contributed largely to his subsequent defeat. He proved he would "rather be right than be President." He proved himself a statesman.

We do indeed do ourselves proud to honor the memory of this great and good man by suitable monument in this, the Nation's

Capitol—this man who scrupulously followed his own admonition, "A public office is a public trust."

TENANTS MUST GET A BREAK, EVEN IF TUGWELL DID GET A COLLEGE DEGREE—RURAL RESETTLEMENT DESCRIBED

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAVERICK. Mr. Speaker, the Nation has been washed with a billion barrels of bilge about "Tugwellian philosophy" from critics who know nothing of Tugwell and have nothing to offer except words. Great economic questions we settle by resorting to personalities. So I am going into "personalities" and talk about "brain trusters" in general and Tugwell in particular, then I will say something about the Rural Resettlement Administration, of which he is the administrator.

The Republicans, who have lately hired a curious assortment of "brain trusters" of their own, have been yowling about the Democratic "brain trust" for 3 years. In the meantime the Democratic "brain trusters" have had some real good, hard experience, and now the Republicans go get a new set of green academicians from north, south, east, west, and from over the cuckoo's nest.

ABOUT THAT "BRAIN TRUST"

In one sense the Democratic "brain trust" never existed. It is true that Moley, Berle, Tugwell, and others were asked to come to Washington to put at the disposal of the administration the benefits of their long years of study and research in the economic problems facing us 3 years ago. And it is true that a great deal has been said and written about their personal attributes, the color of their neckties, their habits—it has even been alleged one has clean fingernails—but what has been said about their work? What, for instance, is known about the Resettlement Administration, which Tugwell has spent this past year organizing and running?

Let us discuss Tugwell personally for a minute. In the first place, he has taken more criticism in the last 3 years than any man in the administration, and few have stood up to say a good word for him.

He came to Washington under the worst possible circumstances, with every Republican—and some good Democrats—denouncing him as a "college professor and a Communist"—usually used as synonymous. He had to take over the odds and ends of four other departments and relief agencies and whip together a new organization to handle one of the toughest jobs in the country. At every step he has had to fight a storm of abuse, which pictured him as some kind of wild man from Moscow.

Now, I have no special affection for "brain trusters", and the Resettlement Administration has not spent a penny in my district. Last summer, however, I got a chance to spend about 10 days with Tugwell, traveling around through Texas and Mexico, and I discovered that he was just about as human as anybody. He talks the American language. He reacts the same way to food, drink (coffee and so forth), and fatigue, and when he gets a beating he gets sore just like anybody else.

Rex is a good deal like the possums we used to catch when I was a kid on the farm. We would throw the possum into an old empty water barrel and poke him with sticks until he got somewhat irritated. Then when some boy came along and tried to lift him out of the barrel by his tail, he was pretty sure to get his hand bitten. Tugwell has been mauled around so much that he sometimes snaps back. He would not be human if he did not. On the other hand, if he ever was a doctor, he has been beat around so much he has learned how to take it; the doctor-fuzz has about worn off, and he has learned to be a good administrator.

But which is the more important, Tugwell or the Resettlement Administration; the lives and welfare of millions of farmers or abuse of an individual, even though he has been a professor with a couple of degrees? The answers are all obvious. Let us therefore consider the work of the Resettlement Administration, which Tugwell has established and is directing.

SIX MILLION FARM FAMILIES ASSISTED

He inherited parts of 4 distinct Federal agencies and more than 40 State rehabilitation corporations. He cut down administrative overhead by at least one-third, and he vastly increased the load carried by the old organizations. At the present time, over 600,000 farm families are being assisted by this Administration.

IS ADMINISTRATION EFFICIENT?

You hear it charged that the Resettlement Administration harbors inefficiency. An impartial comparison of the internal workings of this new agency with other emergency agencies and with older Government departments, the results of which have recently appeared in the press, make it plain that the work of consolidating the Resettlement Administration into a unified, driving, efficient arm of the Government has been largely achieved. Let me cite you here relevant parts of these articles appearing in the Washington Daily News a few days ago. I quote:

It is harder to get a job in the Resettlement Administration than in any other New Deal agency, with the exception of T. V. A.; Resettlement is the stingiest of all non-civil-service organizations in the matter of salaries.

This is the opinion of a majority of old-line personnel experts who have first-hand knowledge of Resettlement's procedure.

Resettlement is the only emergency agency which lets the Civil Service Commission dictate its salaries in Washington.

An unbiased, composite opinion, gathered from veteran Government officials in close contact with Resettlement, pictures the agency in this fashion: It started out under handicaps unprecedented in the Federal service and after acute disorder and dissension, has emerged as the equal in efficiency of the old A. A. A. organization. It is better than N. R. A. ever was, and not so good as some of the smaller establishments, such as T. V. A.

WORK ESSENTIAL, TUGWELL OR NO

The work the Resettlement Administration is doing is essential to this country, whether Tugwell is in the set-up or not. Many changes have combined to cause farm life in America to be entirely different from what it was even 20 years ago. We have lost a good part of our foreign markets, perhaps forever. The old pattern of independent land-owning farmers is now rapidly disappearing. The land runs together in larger blocks, and millions of landless tenants and croppers till the soil. Corporation farming threatens many of the independent owners who are still in possession of their land. With the growth of dependency in the country, the Nation loses a fundamental political strength.

There are millions of persons who live in cities, who have no land whatever, and who are possessed of next to nothing. Similar people in European countries are no worse off than millions of our own people. And we might as well be frank and face the fact that we have 12,000,000 people in this country who do not know how to read and write, who are adults.

RURAL POVERTY INCREASING IN NEW ENGLAND, NORTH, AND WEST

Land tenancy and rural poverty are worst in the southern part of the United States, but the condition has a long history in the rest of the country. It is now almost as great in the Middle West as in the South. Today nearly 15,000,000 farm people belong to tenant families. Here are the figures for the growth of tenant families during the last 5 years in Northern and Midwestern States:

Iowa	8,536
Ohio	16,166
Indiana	8,934
Illinois	10,374
Michigan	11,139
Wisconsin	8,164
Minnesota	10,774
Missouri	19,947

Tenancy is not growing as rapidly as this in the Southern States. It is surprising, but farm tenancy has been showing a marked increase in New England and the Eastern States during the last few years. The blight has grown in every State in the Union except four.

BROKEN FAMILIES AND RUINED LANDS GIVEN LIFE

These facts have a physical basis.

Our land is literally being shot out from under us, at the rate of 300 billion tons of soil a year. Already wind and water erosion has completely destroyed an area almost as

large as the four States of Illinois, Ohio, Maryland, and North Carolina, and has stripped the topsoil off that much more. It took nature 4,000 years to build that soil. We threw it away in one lifetime. Altogether erosion has cost this Nation about 10 billion dollars, or almost as much as the entire war debt. That is a capital loss, and we can never get it back. In other words, this country has been squandering its heritage like a drunken cowboy spends his pay check, and we are just now beginning to realize how much the spree has cost us.

Through the Resettlement Administration, the American people are making their first efforts to stop these losses. The job is well under way, and any administration, Republican or Democratic, will have to keep on with it, no matter what men or what party may be in power.

PROGRAM OF RESETTLEMENT ADMINISTRATION

The long-term objectives of the Resettlement Administration are plain. Sooner or later it hopes to take about 100 million acres of submarginal land out of cultivation, and put it back into forest or grass. Working hand in hand with other Government agencies, it is trying to rescue 60 million acres of devastated timberland, and to nail down the flying soil in the dust bowl of the Southwest.

This indicates that 650,000 families will have to move or be moved away from land which is exhausted, or which should never have been brought under the plow. There is no longer an open frontier where these people can stake out new homesteads, and most of them have not got the money to move even if the frontier were there. Thousands of them, especially in the South, are lucky if they own a hound dog and a corn-shuck mattress. It is up to the Government to help them establish new homes, where they can make a decent American living.

THE JOB UNDER WAY

That is a big order and it may take the best part of a century to carry it out. Tugwell seems to have started the job in a cautious and sensible way, and so far he has made amazing progress. Right now the Resettlement Administration is engaged in buying up 9,000,000 acres of submarginal land scattered through 42 States. This property is being rebuilt into parks, forests, game preserves, and grazing land. Each one of the 206 land utilization projects is designed to stop erosion and put the soil to its best economic use. At every step Resettlement is cooperating with State and Federal agencies, such as the Soil Conservation Service and the State agricultural colleges. It has provided jobs for 70,000 relief workers. Some are building check dams and terraces to help save the most important asset this country owns; all are doing important work of absolutely necessary conservation.

There are about 17,000 families now living on the land to be retired. A few of these are able to buy or lease new farms without any help from the Government. The Resettlement Administration is trying to take care of the rest of them in a variety of ways. In some cases it is selling them new property on easy terms. In other parts of the country it is establishing subsistence homesteads, where the residents can spend part of their time working in factories and part in farming.

Here and there it is setting up new rural communities, where houses, schools, and utilities can be economically grouped together. Usually the settlers rent their new homes, with options to buy. Most of the money invested eventually will be returned to the Federal Treasury. Ninety resettlement projects have either been completed or are under construction, and 60 others are under preparation. More than 14,000 people already have been helped to make a new start in life on these resettlement projects.

SUBMARGINAL LANDS COST COUNTIES TOO MUCH

Whenever the Resettlement Administration takes a submarginal acre out of cultivation, it is saving cash money for the State and county. The average submarginal farm costs the local government a good deal more than it ever pays back in taxes. One typical county has been spending 13 times as much to maintain the roads to its submarginal farms as they pay back in revenue. In another county 28 stranded families have been costing local taxpayers \$185 per household a year merely for the transportation of their children to and from

school. These families paid an average of \$10.80 apiece in taxes. In other words, they have been receiving a subsidy of \$5,000 a year for school-bus service alone.

In addition to its rural resettlement projects, the organization is building four suburban communities on the outskirts of crowded industrial cities. They are intended to demonstrate how city workers can be provided with modern low-rental homes in country surroundings. These 4 projects alone will give jobs to more than 20,000 relief laborers this summer, and when they are finished each community will furnish homes for from 750 to 1,000 families. They are typical examples of the way Resettlement is giving the Nation permanent assets in return for money spent on relief.

Here are the beginnings of a long-range, national program of conservation and resettlement, and, whether Tugwell lives or dies, that character of work must be done. The work which Tugwell is doing helps people whose voice we hear seldom in this House, so naturally he gets plenty of criticism. But the purposes are essential and he personally is doing a good job.

ADMINISTRATION SAVES FARM FAMILIES

At the same time, the Resettlement Administration is carrying out an emergency program, designed to take farming folks off the relief rolls as soon as possible. Under the old F. E. R. A., the Government kept about 1,000,000 rural families alive by a direct dole. They scraped along just this side of starvation, without any hope of getting back on their own feet.

These people were turned over to Resettlement last summer, and since then more than half a million of them have been rehabilitated into self-supporting families. In most cases, all they needed was a loan of from \$50 to \$600 to buy seed and livestock and tools. The average loan is slightly less than the average cost to keep a family on relief for a year, and most of the money paid out in loans will come back to the Government. The rehabilitation work has been so successful that already \$11,000,000 of these loans have been repaid. Every time Resettlement boosts one of these cases off the relief rolls, it saves money to the taxpayer, and saves the self-respect of an American family.

Another way to help bankrupt farmers is to lift some of the old debt load off their backs. The Resettlement Administration has served as a go-between to help the farmer negotiate debt adjustments with his creditors. In the last 6 months, Resettlement has worked out reductions of \$12,750,000 on a total indebtedness of \$46,480,000.

A FEW EXAMPLES OF REHABILITATION

Most of the people who get resettlement help are hard-working Americans who have been forced to the wall by 6 years of depression. Just for an example, Leo Boller, of Sidell, Ill. He won first prize at the Chicago International Livestock Exposition in 1913 and 1914, and was crowned corn king of Illinois in both those years. Thirty-cent wheat broke Boller, just like it has broken hundreds of other first-rate farmers. He lost his land and just managed to keep his family from starving. In 1934 he got a \$704 rehabilitation loan from the Government, and today he is back on his feet and farm making money.

Another typical case is R. C. Harrison, a war veteran with a large family, living in Hernando County, Fla. The Government helped him lease a farm and supplied him with a mule, cow, and wagon. He wrote Resettlement the other day to say that he had new faith in the country and that his family is going to stay off the relief rolls.

The Resettlement Administration is putting strong props under American agriculture, the weakest spot in our whole economic system. It is taking farm families off the dole and setting them up where they can make a respectable living. In so doing it makes a new market for the industries of the whole country. It is providing useful jobs for thousands of relief workers. Most important of all, Resettlement is making the first intelligent effort in the history of the United States to save the land this Nation is built on. Every Democrat can be proud of its record of accomplishment; and every citizen of this country can be satisfied that the work is essential to our national life.

FLOOD CONTROL

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address I made before the Board of Army Engineers on flood control yesterday.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LORD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me in connection with the hearing on flood control for central-southern New York and northern Pennsylvania before the United States Army Board of Engineers at Washington, March 18, 1936:

I

The immediate need of the counties of central and southern New York and northern Pennsylvania for flood-control works has been established by the field report of the Army Engineers which is being considered before this Board today.

1. The need is so acute that the engineers in their report have declared the areas within the 1935 flood line should be designated as danger zones and no new construction should be undertaken inside of those zones until the full program of flood-control works recommended in their report has been carried out.

There was no doubt of this need when the President of the United States authorized this survey. It had been established by the death and destruction which swept the important industrial, agricultural, and residential sections embraced within this report on July 7, 8, and 9.

The floods rose in New York State; they swept into Pennsylvania. The very Executive order which authorized the survey recognized the Federal nature of the task.

Late in January, long before this report was submitted, the Governor of the State of New York inquired of the President of the United States as to what expedition might be expected on the report of the engineers, pointing out that speed would be necessary if proper action were to be had out of this session of Congress for Federal authorization and appropriation.

I want to read to you what the President of the United States wrote to the Governor of the State of New York in answer to his inquiry, as the letter was made public by Governor Lehman and generally published February 5, 1936:

"MY DEAR GOVERNOR: I have your letter of January 23, in which you ask that the report of the War Department on the flood-control survey which it is now undertaking in southern New York and eastern Pennsylvania, be expedited so that it can receive consideration during the present session of Congress.

"I recall the disastrous floods of last July, which led to my approval of an allotment of \$200,000 from the relief appropriations so that the survey could be placed under way last September, to obtain the information necessary in the preparation of a plan for adequate control measures.

"I am advised by the Chief of Engineers that the field work has been completed recently, and the final plans are now in course of preparation. The field report is expected in his office about February 15, 1936, for review by the Board of Engineers for Rivers and Harbors, as required by law, prior to its submission to Congress.

"He assures me that the action of the Board will be expedited, and the report submitted to Congress in ample time to receive consideration during the present session.

"He will advise you direct when the report is ready for submission to Congress, so that your representatives may have the opportunity to examine it in detail.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

Now, there cannot be any doubt as to what the intent and the expectation of Mr. Roosevelt was at the time to which he refers concerning his approval of the allotment for the survey.

And there can be no doubt as to what he intended the Governor of the State of New York, and the people of the State of New York, to believe when he said, speaking of the Chief of Engineers—

"He assures me that the action of the Board will be expedited and the report submitted to Congress in ample time to receive consideration during the present session."

Consideration for what? Consideration for rejection? Why all the haste if the President of the United States did not expect a report favoring adequate participation by the Federal Government? If no such report were expected, it wouldn't make much difference whether this session or any session of Congress got it.

The Governor of the State of New York was so pleased about it that he made the President's letter public.

That letter has been publicly interpreted in dozens of publications and by dozens of speakers, Democratic and Republican alike, as meaning that the Congress of the United States was going to do something about this situation in a State which for years has been contributing one-fifth of the moneys expended in flood control in other parts of the United States, not one penny of which has ever been spent by direct appropriation on Federal flood control in the State of New York.

I say that this interpretation has been general and public, and at no time has the President of the United States or the Governor

of New York State attempted to indicate that the interpretation was wrong in any respect. If the intention were not as it has been described and interpreted, both of them have had plenty of time to correct any public misapprehension. On the contrary, the Governor of the State of New York has encouraged the Legislature of the State of New York to go through with a program of State legislation which first and last is predicated upon the idea of Federal participation.

II

The United States Government has spent \$374,117,092.04 on flood control in various parts of the United States and Alaska.

1. Some time ago I telephoned General Pillsbury and asked him for the official figures on total expenditure for flood control under the supervision of the engineering department during the past 25 years. This is the table of expenditures with which he provided me:

Mississippi River and tributaries.....	\$336,965,583.32
Emergency work on tributaries of the Mississippi River.....	3,582,707.54
Sacramento River, Calif.....	14,994,547.87
Muskingum Valley reservoirs, Ohio.....	1,885,941.76
Rio Grande, Tex.....	41,833.84
Lowell Creek, Alaska.....	109,688.87
Salmon River, Alaska.....	27,445.10
Plant.....	16,509,343.74
Total.....	374,117,092.04

Compared with the sums which have been spent in the past few years by the Federal Government, that is not a large amount. I suspect that it has been more profitably spent than a great many other millions of dollars which have gone into enterprises and experiments nowhere near so valuable or so important.

III

To that total the State of New York has contributed approximately one-fifth, nearly \$75,000,000 in round figures, because the State of New York pays 20.38 percent of the total sums which go into the maintenance of the Federal Government and the expenditure of Federal funds for various purposes throughout the United States.

IV

The industrial importance of the State of New York is commensurate with its importance as a taxpaying member of the Union.

You are being shown here today an industrial map of the United States. It does not look much like the map of the United States which we have come to know from our childhood days with the school geographies. A great many of the States are compressed to wafer-like layers, and other States, like Massachusetts, New York, Pennsylvania, and Ohio, are way out of shape, way out of proportion to the rest of the country, as the rest of the country is usually considered in geographical dimensions.

But if you were to make a tax map of the United States of America, the State of New York would occupy one-fifth of the entire area.

V

By comparison the State of New York is entitled to a far larger sum for flood control than is declared to be necessary in this report of the Army Engineers, and certainly it is entitled to much more than this \$15,000,000 figure of justifiable economic outlay which is reached by some formula or another in this report.

1. Just as a matter of equality and justice, just as a matter of being fair, the State which has paid for one-fifth of all the flood-control work done in the continental United States during the past 25 years is entitled to consideration from the Federal Government.

There is no need in my calling your attention to the fact that the greater part of this \$374,000,000 has been spent in flood-control measures in States which on this industrial map are slivers as compared with the great industrial and tax-paying block which represents the State of New York.

We have no quarrel with what has been spent in those States; we are not here to raise the question as to whether or not it was economically justified. We do not assume to apply to these non-industrial States the yardstick which must of necessity be applied to a great industrial State like New York. As a matter of fact, we insist that the yardstick applied to these other States does not fit the case of New York State at all. And we insist, too, that a State which has paid for one-fifth of all of the flood-control work done in the United States of America in the past 25 years should not have to come with its hat in its hand to any agency of Federal Government and beg for ordinary economic justice.

W. P. A. WORK RELIEF UNWISELY ADMINISTERED

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, there is something wrong with the administration of public relief and with the method of selecting men for work on W. P. A. projects. Everyone knows that millions upon millions of dollars have been wasted. I could cite many instances of this kind of

waste, but the purpose of these few remarks is to set forth the unfairness resulting from the regulations issued by the Public Works Administration as they apply to the men eligible to work on these projects and those ineligible to work.

At the present time many more men are employed under W. P. A. than under P. W. A. projects. Under present regulations controlling the employment of men on W. P. A. projects 90 percent of all men employed must come from the relief rolls. This is as it should be, but the trouble is that there are many people sorely in need of relief who are not getting it and who are not on the relief rolls and cannot get on the relief rolls. The regulations provide that no person can get work on W. P. A. projects unless he can show that he was on relief some time between the 1st of May 1935 and the 1st of November 1935. This means that those who were on relief during this time are to be greatly favored, although they might be able to get along without relief; and those who were not on relief at that time, regardless of how badly they need it now, cannot get it. This is a very unfair and unreasonable regulation. It is unfair to many who have done their best to stay off of relief, and when they have exhausted all means of support and have done the best they possibly can do they are punished for it by being denied relief which they so sorely need and to which they are entitled.

This long period of depression has tested the souls of our people like nothing else that has come into our national life except war. Many deserving persons, both men and women, who never thought the time would come when they must seek public relief have been compelled to seek it, and even more have been very thankful to receive it. Many have fought it off at the price of hunger and have strained their self-respect in order to provide their families with food. Many of these people are our best citizens. They have done their best, and they are entitled to relief. In our great country we have maintained that it is not proper for a person to take the position that the Government owes him a living. But it is generally considered that when an honorable law-abiding citizen has done the very best he can to provide for his family and fails because of ill health or unemployment, the public should see to it that he and his family do not want for the common necessities of life. Therefore, I say that it is very discouraging for a man to suffer in an effort to keep off of relief and to suffer more when he finds he has lost his all and that he is not eligible to public relief because he fails to ask for it when he was able to do without it. There is nothing that will encourage dissatisfaction with one's country like the knowledge that the country will not defend and protect its citizens when adversity overtakes them. On the other hand, there is nothing encourages patriotism like the thought that comes to one who has done his best for his country, that that country will do for him when adversity overtakes him. Our relief policy therefore discourages patriotism and encourages dissatisfaction.

We often hear complaints to the effect that there are many persons employed on these W. P. A. projects who are not deserving of help and who have plenty. No doubt there is much truth in these statements, while again there is much misrepresentation with reference to the matter. It is true that there are many persons engaged on these projects who are well able financially to get along without help. They should be removed promptly. They should be dismissed and censured for their greed, and it might not be unreasonable if they could be brought before a court for an explanation. Let us hope that there are not many of these. There is one class, though, that is now on relief that is frequently unjustly criticized. There are many on relief who would be glad to go off relief if they could, and would get off occasionally, but they are afraid that when they do get off they will not be able to get back on again. I have had many men tell me that this is their case. There are many who before May 1, 1935, went off relief to accept temporary work, believing they could be returned to the rolls when they had finished their work, but they were sadly disappointed when they were denied this privilege. Many of these men are now destitute and desperate. They did what appeared to be the right thing, and which was the right

thing, and now they find that if they had cheated they would be eligible to selection for W. P. A. work.

I have made every possible effort to have these regulations changed. I maintain that necessity for relief is a present condition. The fact that a person once had plenty does him no good when he is hungry. Hunger cannot be satisfied with the food that was consumed last May. Tennyson says, "Sorrow's crown of sorrow is remembering happier things." Likewise hunger is not satisfied by the knowledge that some time in the future food might arrive. I repeat, relief is a present condition and demands present action. Failure to recognize this fact just because it will disrupt the plan of relief is only a flimsy excuse. This unfair discrimination against honest and worthy people will never be removed until every man's case is considered upon its own merits. Of course, some general regulations are necessary; but when regulations work hardships, then we have an example of what is intended to be law becoming bureaucracy and tyranny.

I have heretofore made speeches on this subject before Congress, and I have had the matter up with Harry Hopkins, the Works Progress Administrator, but to no avail as yet. I intend to keep hammering on this injustice until a change is made. I invite the assistance of all other Congressmen who agree with me. Likewise I invite the assistance of all sincere Americans who agree with me, and there are millions of them. We all oppose wasteful extravagance, but we all maintain that the worthy needy must be cared for, and that the great majority of our people prefer to work if they can get it, and that the work should be divided among the deserving as their needs appear, without regard to whether they were on relief between May 1, 1935, and November 1, 1935. When a man and his family need help that is the time to help them.

EXTENSION OF REMARKS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that all Members speaking on the bill just passed may have 5 legislative days within which to extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent that on tomorrow immediately after the reading of the Journal and the disposition of business on the Speaker's table I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOBBS (at the request of Mr. HILL of Alabama), indefinitely, on account of important official business.

To Mr. RUDD, indefinitely, on account of illness.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 31. Concurrent resolution to authorize the printing and binding of additional copies of House Document 755, Fifty-eighth Congress, second session, entitled "The Life and Morals of Jesus of Nazareth", by Thomas Jefferson; to the Committee on Printing.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2603. An act to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 9863. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1937, and for other purposes.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Friday, March 20, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

724. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, United States Senate, for the fiscal years 1936 and 1937, in the sum of \$10,000 (H. Doc. No. 428); to the Committee on Appropriations and ordered to be printed.

725. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1936, for the Forest Service, Department of Agriculture, amounting to \$200,000 (H. Doc. No. 429); to the Committee on Appropriations and ordered to be printed.

726. A communication from the President of the United States, transmitting seven supplemental estimates of appropriations for the Navy Department for the fiscal year 1936, aggregating \$2,252,225.20, a deficiency estimate for the fiscal year 1923 for \$28.95, and a proposed provision to amend an appropriation for the fiscal year 1936 (H. Doc. No. 430); to the Committee on Appropriations and ordered to be printed.

727. A communication from the President of the United States, transmitting five supplemental estimates of appropriation, totaling \$5,080,000, for the fiscal year ending June 30, 1936, for the War Department, together with a draft of a proposed provision pertaining to an existing appropriation of that Department (H. Doc. No. 431); to the Committee on Appropriations and ordered to be printed.

728. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill for the relief of the Charles T. Miller Hospital, Inc., at St. Paul, Minn.; Dr. Edgar R. Herrmann; Ruth Kehoe, nurse; and Catherine Foley, nurse; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 3467. An act amending the Shipping Act, 1916, as amended; without amendment (Rept. No. 2205). Referred to the House Calendar.

Mr. WALTER: Committee on the Judiciary. H. R. 11454. A bill to incorporate the Veterans of Foreign Wars of the United States; with amendment (Rept. No. 2206). Referred to the House Calendar.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10267. A bill to provide for adjusting the compensation of division superintendents, assistant division superintendents, assistant superintendents at large, assistant superintendent in charge of car construction, chief clerks, assistant chief clerks, and clerks in charge of sections in offices of division superintendents in the Railway Mail Service, to correspond to the rates established by the Classification Act of 1923, as amended; with amendment (Rept. No. 2207). Referred to the Committee of the Whole House on the state of the Union.

Mr. AYERS: Committee on Indian Affairs. H. R. 6019. A bill authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of the Ute Indians in the State of Utah for certain coal lands, and for other purposes.

poses; with amendment (Rept. No. 2208). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 9485. A bill to convey certain lands to Clackamas County, Oreg., for public-park purposes; without amendment (Rept. No. 2209). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 9654. A bill to authorize the purchase by the city of Scappoose, Oreg., of a certain tract of public land vested in the United States under the act of June 9, 1916 (39 Stat. 218); without amendment (Rept. No. 2210). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on the Public Lands. H. R. 9997. A bill granting a leave of absence to settlers of homestead lands during the year 1936; without amendment (Rept. No. 2211). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE: Committee on the Public Lands. H. R. 11561. A bill relating to the establishment and operation of grazing districts in the State of Nevada; without amendment (Rept. No. 2212). Referred to the Committee of the Whole House on the state of the Union.

Mr. STUBBS: Committee on the Public Lands. H. R. 10106. A bill to designate the Sequoia tree (*Sequoia gigantea*) as the national tree of the United States; without amendment (Rept. No. 2213). Referred to the House Calendar.

Mr. GREGORY: Committee on the Judiciary. H. R. 11663. A bill to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes; without amendment (Rept. No. 2214). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 11915) to amend the Coastwise Load Line Act of 1935; to the Committee on Merchant Marine and Fisheries.

By Mr. CARY: A bill (H. R. 11916) to authorize the transfer of a certain piece of land in Muhlenberg County, Ky., to the State of Kentucky; to the Committee on Military Affairs.

By Mr. CELLER: A bill (H. R. 11917) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. DOCKWEILER: A bill (H. R. 11918) providing for an additional military academy, and for other purposes; to the Committee on Military Affairs.

By Mr. ELLENBOGEN: A bill (H. R. 11919) to provide for the victims of floods, and for other purposes; to the Committee on Appropriations.

By Mr. McSWAIN (by request): A bill (H. R. 11920) to increase the efficiency of the Air Corps Reserve; to the Committee on Military Affairs.

By Mr. RISK: A bill (H. R. 11921) to authorize a preliminary examination of the Blackstone, Seekonk, Moshassuk, and Woonasquatucket Rivers and their tributaries in the State of Rhode Island, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. McSWAIN (by request): A bill (H. R. 11922) to amend the act of May 25, 1933 (48 Stat. 73); to the Committee on Military Affairs.

By Mr. MAAS: A bill (H. R. 11923) to provide for the appointment of midshipmen in the Naval Academy through civil-service examination; to the Committee on Naval Affairs.

Also, a bill (H. R. 11924) to authorize the appointments of cadets at the Military Academy through civil-service examination; to the Committee on Military Affairs.

Also, a bill (H. R. 11925) to amend an act entitled "An act to regulate the strength and distribution of the line of the

Navy, and for other purposes", approved July 22, 1935; to the Committee on Naval Affairs.

By Mr. UMSTEAD: A bill (H. R. 11926) to provide for a term of court at Durham, N. C.; to the Committee on the Judiciary.

By Mr. MONAGHAN: A bill (H. R. 11927) to prohibit evil practices in some Federal agencies; to the Committee on the Judiciary.

By Mr. KERR: A bill (H. R. 11928) to authorize a compact and agreement among any of the States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States; to regulate the movement of tobacco in interstate and foreign commerce; to provide for loans to associations of tobacco producers; and for other purposes; to the Committee on Agriculture.

By Mr. BIERMANN: A bill (H. R. 11929) granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa; to the Committee on Agriculture.

By Mr. CALDWELL: Resolution (H. Res. 454) to amend rule X of the rules of the House of Representatives; to the Committee on Rules.

By Mr. SNYDER of Pennsylvania: Joint resolution (H. J. Res. 530) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. HAINES: Joint resolution (H. J. Res. 532) for the establishment of a commission in commemoration of the seventy-fifth anniversary of the Battle of Gettysburg in 1938; to the Committee on Military Affairs.

By Mr. MORITZ: Joint resolution (H. J. Res. 533) to provide for relief of the floods in Allegheny County, Pa.; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, urging the repeal of the Federal gasoline tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEAM: A bill (H. R. 11930) for the relief of Albert William Messa; to the Committee on Naval Affairs.

Also, a bill (H. R. 11931) for the relief of George P. Ryan; to the Committee on Naval Affairs.

By Mr. COLLINS: A bill (H. R. 11932) granting an increase of pension to Addie Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11933) granting a pension to Kittia A. Love; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11934) granting an increase of pension to Mary Lehnen; to the Committee on Invalid Pensions.

By Mr. GASQUE: A bill (H. R. 11935) for the relief of Luvenia Flowers; to the Committee on Claims.

By Mr. GRAY of Pennsylvania: A bill (H. R. 11936) granting a pension to Bertha Calhoun; to the Committee on Invalid Pensions.

By Mr. KINZER: A bill (H. R. 11937) granting an increase of pension to Celestial R. Crall; to the Committee on Invalid Pensions.

By Mr. MAVERICK: A bill (H. R. 11938) for the relief of Samuel Richard Mann; to the Committee on Military Affairs.

By Mr. MILLARD: A bill (H. R. 11939) for the relief of Joseph Richard Collins; to the Committee on Naval Affairs.

By Mr. O'LEARY: A bill (H. R. 11940) conferring jurisdiction on certain courts of the United States to hear and determine the claim of the owner of the coal hulk *Callixene*, and for other purposes; to the Committee on War Claims.

By Mr. RANKIN: A bill (H. R. 11941) for the relief of L. S. Snipes; to the Committee on Claims.

By Mr. ROBSION of Kentucky: A bill (H. R. 11942) granting a pension to Phina McCrary; to the Committee on Invalid Pensions.

By Mr. WITHROW: A bill (H. R. 11943) to amend and correct the military record of Frank Schneider; to the Committee on Military Affairs.

By Mr. MERRITT of New York: Joint Resolution (H. J. Res. 531) to provide for the coinage of a medal in commemoration of the heroic service of Einer William Sundstrom, captain of the steamship *Dirie*, and his courageous and efficient crew; to the Committee on Coinage, Weights, and Measures.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10562. By Mr. DORSEY: Petition of employees of S. W. Evans & Son, 4623 Paul Street, Philadelphia, Pa., protesting against the increase in the importation of Japanese umbrella frames and Japanese umbrellas which have seriously affected the industry in this country; to the Committee on Ways and Means.

10563. By Mr. RISK: Resolution of the Board of Aldermen of the City of Newport, R. I., requesting that the headquarters for the fourth district of the First Corps Area of the Civilian Conservation Corps be retained at Fort Adams in Rhode Island; to the Committee on Military Affairs.

10564. Also, resolution of the Newport Post No. 7, American Legion, requesting that the historic frigate *Constellation* be retained at its present home port Newport, R. I.; to the Committee on Naval Affairs.

10565. By Mr. SADOWSKI: Petition of the Mackinac Straits Bridge Association, held at Petoskey, Mich., March 5, 1936, asking that financial support be given toward building a bridge across the Straits; to the Committee on Appropriations.

10566. Also, petition of the William Locher Chapter, Michigan Division of the Izaak Walton League, endorsing Senate bills 3958 and 3959; to the Committee on Merchant Marine and Fisheries.

10567. Also, petition of the William Locher Chapter, Michigan Division of the Izaak Walton League, protesting against the draining of certain portions of the State; to the Committee on Merchant Marine and Fisheries.

10568. By Mr. TREADWAY: Petition of patrons of star route no. 4156, Orange to Cooleyville, Mass., favoring enactment of legislation to extend indefinitely all existing star-route contracts and to increase compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

SENATE

FRIDAY, MARCH 20, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 19, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

COMMITTEE SERVICE

Mr. ROBINSON. I request the attention of the Senator from Oregon [Mr. McNARY]. I ask that there be assigned to the vacancies on behalf of the majority on the Committee on Expenditures in the Executive Departments the Senator from Nevada [Mr. PITTMAN] and the Senator from Kentucky [Mr. BARKLEY].

The VICE PRESIDENT. Is there objection?

Mr. McNARY. Mr. President, of course I have nothing to say about vacancies in the Democratic representation on committees or how they may be filled, but I should like to ask the Senator if the assignments now suggested conform to the proportion of Democrats and Republicans on committees which has been agreed upon?

Mr. ROBINSON. It does. There are two Democratic vacancies on the committee, and I am merely asking that they be filled.

Mr. McNARY. How many Republicans are on the committee?

Mr. ROBINSON. There are two.

Mr. McNARY. And the request of the Senator from Arkansas, if agreed to, will make how many Democrats?

Mr. ROBINSON. It will make five.

Mr. McNARY. That works out the proportion heretofore agreed to, and I have no objection.

The VICE PRESIDENT. Without objection, the order requested by the Senator from Arkansas is agreed to.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Reynolds
Austin	Davis	Logan	Robinson
Bachman	Dickinson	Loneragan	Russell
Bailey	Donahay	Long	Schwellenbach
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Shipstead
Benson	Frazier	McNary	Smith
Bilbo	George	Maloney	Stelwer
Black	Gibson	Metcalf	Thomas, Okla.
Brown	Glass	Minton	Thomas, Utah
Bulkley	Gore	Murphy	Townsend
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Harrison	Norbeck	Wagner
Byrnes	Hatch	Norris	Walsh
Capper	Hayden	Nye	Wheeler
Caraway	Holt	O'Mahoney	White
Chavez	Johnson	Overton	
Clark	Keyes	Pittman	
Connally	King	Pope	

Mr. VANDENBERG. I announce that my colleague the senior Senator from Michigan [Mr. COUZENS] is unavoidably detained at his home by illness. I ask that the announcement stand for the day.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is unavoidably detained from the Senate, and I ask that the announcement stand for the day.

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. TRAMMELL], and the Senator from Rhode Island [Mr. GERRY], caused by illness; and I further announce that the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. MCCARRAN], the Senator from Maryland [Mr. TYDINGS], the Senator from California [Mr. McADOO], the Senator from Missouri [Mr. TRUMAN], and the Senator from New Jersey [Mr. MOORE] are unavoidably detained from the Senate. I ask that this announcement may stand of record for the day.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

THE LATE SENATOR HUEY P. LONG

Mr. THOMAS of Oklahoma. Mr. President, on January 22 the distinguished senior Senator from Louisiana [Mr. OVERTON] delivered in the Senate an eloquent tribute to the memory of one of our former colleagues, the late Senator Huey P. Long.

On that occasion I made a brief statement, and intended at the time to ask the Senate for permission to have printed in connection with my remarks a copy of the eloquent funeral oration delivered at the grave of Senator Long by the Reverend Gerald L. K. Smith.

I now ask unanimous consent to have a copy of the oration printed in the RECORD.

The VICE PRESIDENT. Without objection, the request of the Senator from Oklahoma is granted.

The address referred to is as follows:

FUNERAL ORATION DELIVERED OVER THE GRAVE OF HUEY PIERCE LONG, BY
GERALD L. K. SMITH, SEPTEMBER 12, 1935

Greater love hath no man than this, that a man lay down his life for his friends. (John 15:13.)

The lives of great men do not end with the grave. They just begin. This place marks not the resting place of HUEY PIERCE LONG, it marks only the burial ground for his body. His spirit shall not rest as long as hungry bodies cry for food, as long as lean human frames stand naked, as long as homeless wretches haunt this land of plenty.

His affection for these sufferers was stronger than the flesh and is as everlasting as the soul. Hatred cannot touch him now; malice cannot reach him more. He sleeps in the shadow of the spire which he gave the sky, sepulchred close by this emblem which he raised.

He fell in the line of duty. He died for us. This tragedy fires the breast of every comrade. This untimely death makes restless the souls of us who adored him. We cannot be appeased by flattery, we cannot be set at ease by superficial consolation. The ideals which he planted in our hearts have created a gnawing hunger for a new order. This hunger pain, this parching thirst for better things can only be healed and satisfied by the completion of that victory toward which he led us.

To summarize the influence and the noble attributes of this man is as though one went out to measure the boundary of a lake only to discover that he was on the arm of an ocean. In him there was no touch of religious prejudice, but at all times a warm, deep faith in God.

In answer to a query which I made in his home one Sunday he replied: "I know, Brother Smith, that the arms of God are about me every moment."

Can it be that God consented to this fate in order that by this dramatic exit he might retire from the battleground of political torture to find the quiet of eternity, while at the same time his torch was left to light our way?

In him there was no trace of racial antipathy. Mental wizard was this man, and we who hovered close to him never ceased to marvel at the instinctive, intuitive workings of this mental giant. Social crusader, thinking at all times of victory and power only as they related to a better social order. Educational statesman, determined that his children and the children of his neighbors should not be handicapped as he was. Political genius, so much so that his passing, so they think, has relieved the arch-enemies of his crusade the world around. An orator supreme, speaking the words of the masses in campaigns and at the same time recording in the CONGRESSIONAL RECORD a series of senatorial addresses supreme in rhetoric, artistic in style, permanent in value.

A statesman true, whose leadership led out so far ahead that short-sighted contemporaries were unable to see the star which he followed.

A tender father, a loving husband, lost to a family willing to give him up for the sake of his broader calling. A loyal friend, whose memory of tasks well done seemed flawless.

A musical heart that loved the songs of the common people and revealing a talent that for want of time lacked full expression. A writer with a pen that could warm the soul, comfort the body, and fire the imagination.

He knew not the definition of disloyalty. He was a builder, a trail blazer, a ruthless foe of delay, a burner of red tape, a violent enemy of retrogression. Progress was the sweetheart of his soul. He divorced the past, he wedded the present, he wooed the future. He was the personification of intellectual courage, a masterful dynamo of personality. A symbol of the mass mind, he reacted normally to the cries and to the pains and to the psychology of the common people.

The Bible was his favorite text. Its truth to him, profound authority. Drama was his natural art. A humorist of superior quality. An actor whose stage was his work, whose scenery, the people about him. When he passed by all eyes were fastened on him, watching tensely to see something that had never been seen before, listening intently for something that had never been said before, and he never disappointed.

To you, the aged father, your loins produced a giant of history, whose mother will always live through the boundless influence of her illustrious son.

To you, the relatives, close and removed, three generations hence your descendants will boast of your kinship to this fallen hero.

To you, the beloved wife, comrade in a million struggles, sufferer in a thousand defeats, rejoicer in 10,000 victories, be comforted in the knowledge that every moment of the remainder of your life you will have the memory of tasks well done, of services sacrificially performed, and of prophecies yet to be fulfilled.

To you, sweet children, your tender offspring, forever will the words of your great father be engraved on the tablet pages of the indestructible book of history.

To you, the officials of state, the companions of political strategy, crusaders in a common cause, count memorable the day you first heard the mention of his name. The time will come when to say that you even touched his hand will be the most potent interest in your life.

This blood which dropped upon this soil shall seal our hearts together. Take up the torch, complete the task, subdue selfish ambition, sacrifice for the sake of victory.

I was with him when he died. I said "Amen" as he breathed his last. His final prayer was this: "O God, don't let me die; I have a few things more to do." The work which he left undone we must complete. As one with no political ambition and who seeks no gratuities at the hand of the State, I challenge you, my comrades, to complete the task.

O God, why did we have to lose him?

With his removal from the arena of political activity it will no longer be necessary for any force to suppress liberal and accurate descriptions of his mighty work. Like other martyrs, from the moment of his death forth there will be an ever-widening and deepening understanding of the true greatness of this apostle of progress.

Some day the people will sit on the heights above their selfish prejudices and look upon the real man that he was. Some day they will know, some day they will understand.

Children of generations unborn will be rescued from drudgery, guarded against hunger, protected from ignorance because of the life and work of HUEY PIERCE LONG.

God willed, God ruled, God commanded Destiny to make him great. He was the victim of every form of persecution and abuse, struggling every moment of his public life under the cross of misrepresentation and the burden of misunderstanding, sacrificed to blind prejudice, but these only served in violation of precedent and convention to lift him higher and higher into the stratosphere of greatness. These tortures seemed to mark his course. They increased his necessity.

His unlimited talents invariably aroused the jealousies of those inferiors who posed as his equals. More than once—yea, many times—he has been the wounded victim of the Green Goddess; to use the figure, he was the Stradivarius, whose notes rose in competition with jealous drums, envious tom-toms. His was the unfinished symphony.

Out of the night that covers me,
Black as the pit from pole to pole,
I thank whatever gods may be
For my unconquerable soul.

In the fell clutch of circumstance
I have not winced nor cried aloud:
Under the bludgeonings of chance
My head is bloody, but unbowed.

Beyond this place of wrath and tears
Looms but the horror of the shade;
And yet the menace of the years
Finds, and shall find, me unafraid.

It matters not how strait the gate,
How charged with punishments the scroll,
I am the master of my fate,
I am the captain of my soul.

EXTENSION OF FACILITIES OF PUBLIC HEALTH SERVICE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2625) to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments, which was, on page 1, line 7, after "Government", to insert "(other than those of the Panama Canal)."

Mr. SCHWELLENBACH. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CLAIM OF GEN. HIGINIO ALVAREZ

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I enclose a report concerning the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona. The report requests that the Congress authorize an appropriation of \$20,000 to settle this claim.

I recommend that the Congress authorize an appropriation of \$20,000 to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

[Enclosure: Report of the Secretary of State.]

NINTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations, as follows:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of \$11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy to convene in Rumania in 1937, and authorizing and requesting the President to extend an invitation to the International Congress of Military Medicine and Pharmacy to hold its tenth Congress in the United States in 1939, and to invite foreign governments to participate in that Congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

[Enclosure: Report.]

MEMORIALS

Mr. DAVIS presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 2573) to provide for the creation of a corporation to be known as United States Railways, to provide for the possession, control, and ownership of certain property of carriers by United States Railways, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 3363) to insure domestic tranquillity and to promote the general welfare by regulating and promoting commerce with foreign nations and among the States in commodities and industrial articles, to regulate the flow of such commerce, to prescribe the conditions under which corporations may engage in such commerce, to provide for the formation of corporations to engage in such commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of the bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors, which was ordered to lie on the table.

TAXATION OF CORPORATION SURPLUSES

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a letter received from Mr. John N. Uhl, vice president of the Penn Tobacco Co., of Wilkes-Barre, Pa., I believe the letter, which pertains to the proposed tax on corporation surpluses, will be of interest to all who have to do with the proposed tax legislation and as well to the taxpayers of the country.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

PENN TOBACCO CO.,
Wilkes-Barre, Pa., March 17, 1936.

HON. JAMES J. DAVIS,

3012 Massachusetts Avenue, Washington, D. C.

DEAR SENATOR DAVIS: Examination of the proposed taxes on the undistributed profits of corporations as reported in the press makes one wonder if the Government has not adopted as its motto the old biblical injunction, "To him that hath shall be given, and to him that hath not shall be taken away even that which he hath."

The corporations of the country are of all sizes from those with very trivial capital and business to enormous concerns which are almost monopolies in their lines. It is commonly understood that the law of corporation growth is divided into three stages. Most corporations begin in a rather small way and struggle along for a number of years establishing themselves as sound economic units. Then they begin a period of growth and expansion during which time they are increasing their markets both in respect to territory covered and variety of product and are developing their organization and their business to the limits of their economic possibilities.

The third and final stage represents the complete development or, in other words, the maturity of the corporation. During the second stage, while it is building, the corporation usually plows back all or nearly all of its earnings into its capital structure. By the time the final stage is reached it has all the capital that it needs and, therefore, devotes itself chiefly to holding the business it has secured and is able to distribute practically all of its earnings.

The large corporations of the country which are mainly in the third stage of development will, under the proposed laws, be relieved from the present taxes amounting to 15 or 16 percent on their income, and as most of them already pay out practically all their earnings, or can do so without hardship, they will not incur any new tax in place of the one from which they were relieved.

The small corporations of the country, however, which are in the second stage of development when they are plowing most all their income into their capital for the purpose of developing their business and competing with companies which are in the third stage of development, will be relieved of a tax amounting to 15 or 16 percent of their profits, and will have placed on them instead a tax amounting to as much as 33 1/4 percent.

In the tobacco industry there are four large companies who are in the third stage of development. These companies pay out practically all of their earnings in dividends, and have done so for a number of years past, so that the net result of the proposed laws would be to relieve them from 15 or 16 percent of tax which they now pay on their net income.

The other companies in the industry are in the second stage of development, and most of them are putting back a large part of their earnings into their capital and endeavoring to build themselves up in competition, of course, with the four large companies, as well as with each other. If these companies are now to have their taxes increased from 15 or 16 percent to 33 1/4 percent, while the large companies in the third stage of development are relieved of taxes entirely, the fate of the small companies seems almost inevitable, and it will be practically impossible for them to survive more than a few years.

This may seem like an exaggerated statement, but the fact is that the smoking- and chewing-tobacco business, which is the big end of the business operated by the smaller tobacco companies, is a declining business. The smaller companies in the second stage of development must bring out new brands of smoking and chewing tobacco or get into the cigarette business in order to keep up their volume and maintain their position or go ahead in the industry. It is necessary for them, therefore, to have a continuous supply of new capital. As soon as this supply of capital stops, their business gradually falls off and they eventually wind up in the business bone yard.

It is difficult for the plain businessman to understand the purpose of such laws as the proposed tax on undistributed corporation profits. The result of these laws will be to relieve a large number of the greatest corporations of the country which transact a large share of the business of the country from tax, thus reducing the income of the Government by that amount, and the amount must certainly be very large.

It seems strange, but apparently it is expected to recoup these taxes, of which the large corporations are relieved, from the smaller corporations and their stockholders. A few years ago it was considered not only good politics but wise and just that the larger, more matured corporations should bear their full share of Government burdens, and if anybody was to be favored, it should be the smaller corporations in the stage of growth and development. There was an idea prevalent that the welfare and progress of large numbers of small and medium-sized corporations was especially valuable to the country. We do not know, of course, what plans the Government may have in mind for these corporations who would be relieved of tax under the operation of the proposed laws, but so far as we can see it is now planned to put the entire tax burden on the smaller corporations.

We in the tobacco industry may be particularly sensitive on this subject because of a recent experience. You are familiar with the processing taxes and know that on tobacco products they amounted to very substantial sums and were an especially heavy burden on smoking and chewing tobaccos. They did not bear so heavily on cigarettes because of the wider margin of profit on that product. But it is the big companies of the industry in the third stage of development who do 90 to 95 percent of the cigarette business of the country. These companies also have a large volume of tobacco business. They did not raise their prices but absorbed the processing tax. Consequently, the smaller companies could not raise their prices, but were compelled to also absorb the processing tax. The result was that the smaller companies found the processing tax a very much heavier burden than the larger companies. In fact, in some lines of the tobacco industry the profit was practically wiped out, and in such a case, as you know, it would only be a matter of time until a company having such lines of business would be badly weakened, or would have to retire from business.

The large mature companies, with their profitable cigarette businesses, were in position to stand the drain of the processing taxes, and wait for the smaller companies to expire, when, of course, they would inherit such business as the small companies built up, which probably would compensate them for the taxes they had paid. If not, they could then raise their prices and recoup.

Competitively speaking, therefore, the processing tax was a great help to the big companies in the third stage of development and a hindrance to the smaller companies. Now the Government is

proposing another form of tax which, upon analysis, is found to work in the same way.

We have no doubt that the situation is similar in other industries to what it is in the tobacco industry, and respectfully suggest that this is a matter of great importance to the country and should be given your most careful and earnest consideration.

Very truly yours,

PENN TOBACCO CO.,
JOHN N. UHL,
Vice President.

REPORTS OF COMMITTEES

Mr. RUSSELL, from the Committee on Appropriations, to which was referred the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, reported it with amendments and submitted a report (No. 1713) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3629. A bill to authorize the acquisition of additional land for the use of Walter Reed General Hospital (Rept. No. 1710); and

H. R. 10182. A bill to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California (Rept. No. 1711).

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (H. R. 3369) for the relief of the State of Alabama, reported it without amendment and submitted a report (No. 1712) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C., reported it with an amendment and submitted a report (No. 1714) thereon.

Mr. O'MAHONEY, from the Committee on Indian Affairs, to which was referred the bill (S. 1318) to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes, reported it with amendments and submitted a report (No. 1715) thereon.

INVESTIGATION OF WORKS PROGRESS ADMINISTRATION

Mr. LEWIS. From the Committee on Expenditures in the Executive Departments, I ask consent to report back, with amendments, Senate Resolution 243 (submitted by Mr. DAVIS on Mar. 9, 1936), to investigate the Works Progress Administration.

The VICE PRESIDENT. Without objection, the report will be received.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Illinois that the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate, as the rule requires.

Mr. LEWIS. That course meets with my approval.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

ASSISTANT CLERK TO COMMITTEE ON IMMIGRATION

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 255 (submitted by Mr. ROBINSON for Mr. COOLIDGE on the 16th instant), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 4, after the words "rate of", to strike out "\$2,400" and insert "\$1,800."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Committee on Immigration hereby is authorized to employ until the end of the present session an assistant clerk, to be paid from the contingent fund of the Senate at the rate of \$1,800 per annum.

HEARINGS ON INVESTIGATION OF SO-CALLED RACKETS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was re-

ferred Senate Resolution 247 (submitted by Mr. COPELAND on the 10th instant), reported it without amendment, and the resolution was considered by unanimous consent and agreed to as follows:

Resolved, That the limit of expenditures under Senate Resolution 74, Seventy-third Congress, first session, authorizing an investigation of the matters of so-called rackets with a view to their suppression, agreed to June 12, 1934, is hereby increased by \$800, to complete the final report.

INVESTIGATION OF "MORRO CASTLE" AND "MOHAWK" DISASTERS—INCREASE IN EXPENDITURES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 246 (submitted by Mr. COPELAND on the 9th instant), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 6, after the words "increased by", to strike out "\$15,000" and insert "\$10,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 7, Seventy-fourth Congress, first session, relating to the investigations of the steamships *Morro Castle* and *Mohawk* disasters and the adequacy of methods and practices for the safety of life at sea, agreed to March 16, 1935, is hereby increased by \$10,000.

AIRPLANE ACCIDENTS IN INTERSTATE AIR COMMERCE—LIMIT OF EXPENDITURES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 237 (reported by Mr. COPELAND from the Committee on Commerce on Feb. 20, 1936), reported it with an amendment.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 4, after the words "increased by", to strike out "\$25,000" and insert "\$10,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution 146, Seventy-fourth Congress, first session, agreed to June 7, 1935, to investigate certain airplane accidents and interstate air commerce, is hereby increased by \$10,000.

ASSISTANT CLERK TO COMMITTEE ON COMMERCE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 242 (submitted by Mr. COPELAND on the 5th instant), reported it without amendment, and the resolution was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Commerce is hereby authorized to employ for the remainder of the session of the Senate an assistant clerk, to be paid from the contingent fund of the Senate at the rate of \$1,800 per annum.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 19, 1936, that committee presented to the President of the United States the enrolled bill (S. 2603) to provide for the adjustment and settlement of certain claims arising out of the activities of the Federal Bureau of Investigation.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

A bill (S. 4318) for the relief of Melvin Andrews; to the Committee on Claims.

By Mr. CONNALLY:

A bill (S. 4319) to authorize the establishment of the American Legion National Cemetery of Texas at Legion, Tex.; to the Committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 4320) to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes; to the Committee on Public Lands and Surveys.

PROTECTION OF TRADE—AMENDMENT

Mr. ROBINSON (for Mr. TYDINGS) submitted an amendment intended to be proposed by Mr. TYDINGS to the bill (S. 3822) to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, which was referred to the Committee on the Judiciary and ordered to be printed.

RELIEF OF FLOOD-STRICKEN AREAS IN MARYLAND

Mr. RADCLIFFE (for Mr. TYDINGS and himself) submitted the following resolution (S. Res. 263), which was referred to the Committee on Appropriations:

Resolved, That the President of the United States be, and he is hereby, requested to transfer from appropriations under the Emergency Relief Appropriation Act of 1935 the sum of \$5,000,000 to the American Red Cross for use in relief to flood-stricken areas in the State of Maryland during the present emergency.

INVESTIGATION OF WORKS PROGRESS AND FEDERAL EMERGENCY RELIEF ADMINISTRATIONS

Mr. HOLT submitted the following resolution (S. Res. 264), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete investigation of the Works Progress Administration and the Federal Emergency Relief Administration, including any agencies whose functions have been taken over by either of them, together with all phases of the unemployment problem in the United States. The committee shall report to the Senate, as soon as practicable, the results of its investigations, together with its recommendations, if any, for necessary legislation.

For the purposes of of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate in the Seventy-fourth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

RELIEF OF FLOOD-STRICKEN AREAS IN PENNSYLVANIA

Mr. DAVIS. Mr. President, yesterday I submitted a resolution (S. Res. 259) providing for an appropriation from the general relief fund to the American Red Cross, and my colleague the junior Senator from Pennsylvania [Mr. GUFFEY] presented a similar resolution (S. Res. 261). Both of us have been informed that the Red Cross does not care to have this action taken, so I ask that the Committee on Appropriations be discharged from the further consideration of the resolutions presented by my colleague and myself.

Mr. ROBINSON. Mr. President, it is my understanding that the Red Cross is proceeding to raise funds by voluntary contributions.

Mr. DAVIS. That is correct.

Mr. ROBINSON. And that it is thought at this time that the necessary amount may be so received by the Red Cross and that a Federal appropriation may not be necessary.

Mr. DAVIS. As I understand, the Red Cross do not want to break their precedent of receiving voluntary contributions.

The VICE PRESIDENT. If there is no objection, the Committee on Appropriations will be discharged from the further consideration of Senate Resolutions 259 and 261, and they will be indefinitely postponed.

FLOOD SUFFERERS—EDITORIAL FROM CHICAGO TRIBUNE

Mr. GUFFEY. Mr. President, I desire to place in the RECORD an editorial from one of the big newspapers of the country, which seems to me to be of such a remarkable character that it should have wider circulation than that afforded by the subscribers to that newspaper.

The newspaper to which I refer is the Chicago Tribune. In effect, this editorial states that the greatest proportion of flood sufferers are themselves to blame for the plight in which they find themselves when their livestock is destroyed and their homes washed away and that they are entitled

to no consideration or relief. In fact, the implication is that it would serve them right if they are left to drown.

This newspaper has specialized in assailing every relief measure offered by the Roosevelt administration. Apparently, its editor feels that people out of work should be allowed to starve, which is quite in keeping with the suggestion that when the rivers rise and their lives and property are imperiled nothing should be done for them—on the theory that they chose their own farms because the land is fertile and therefore should accept ruin or death as one of the normal perils of their business.

This newspaper pretends to represent and defend the property interests of this country and is particularly concerned with that group of property owners which constitute the Du Pont Liberty League. In the course of the political controversies incident to the approach of a national election, the supporters of the administration have charged this group with many faults of conduct and logic, but we never have gone to the length of accusing them of such inhumanity as is implied by this statement of their journalistic spokesman, that the proper way of handling the destitute and the unfortunate generally is to leave them to die rather than that they should receive aid from their Government.

With this brief statement, I offer the editorial and ask unanimous consent that it be included in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Chicago Tribune of Mar. 7, 1936]

FLOODS

The expected floods have followed the first thaws and, as usual, the sob sisters have been crying that something must be done to relieve the innocent victims of nature's savagery. There will be more floods this spring, accompanied by more such appeals for charity.

The sob sisters neglect to say that the so-called innocent victims are, for the most part, prosperous farmers owning the fattest land in the United States. They deliberately chose the bottom lands because of their high fertility and correspondingly high yields. These farmers knew all about the flood danger when they acquired their holdings and actually counted upon an occasional inundation to maintain the fertility of the land. To regard such men as innocent victims of an unpredictable misfortune is to talk nonsense.

The bottom-land farmers should make their own preparations to meet the danger. Most of them do so by moving their families and as much of their property as can be moved to places of safety before the floods begin. A few are shiftless and wait to be rescued out of the treetops. Very little sympathy and money need be wasted upon them. They took a risk in the expectation of profit and did it with their eyes open. As they intend to keep the extra profits which come from bottom-land farms they expect to pay the price.

THE CONSTITUTION AND THE SUPREME COURT—ADDRESS BY SENATOR WALSH

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an able address by the Senator from Massachusetts [Mr. WALSH] last evening in the Town Hall Forum, in New York City, on the subject The Constitution and the Supreme Court.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Whenever a law, which has aroused sharp differences of opinion, is declared invalid by the Supreme Court, criticism of the Court and the power it exercises has invariably followed.

Neither the present criticisms of the Court nor the suggested remedies are new. They have been made in the past and will be made in the future by dissatisfied groups, whether Democrats or Republicans, wets or dries, progressives or conservatives, Communists or Socialists.

To my mind, in considering this subject, two conclusions are incontrovertible:

1. The Constitution of the United States reserves to the peoples of the several States all the powers and the absolute control of all their domestic affairs which were not explicitly conferred upon the Federal Government.

2. The Federal Government may acquire power which it does not now possess in one way only, through the ratification by the people of the several States of an amendment to the Constitution.

These propositions being conceded, where is the protection and to what tribunal or agency can the people or the several States turn for protection against the seizure of the States' reserved rights by the Federal Government? The Constitution, the accepted fundamental law of the land and innumerable precedents make the Supreme Court the tribunal to determine exactly what powers are and those that are not delegated to the Federal Gov-

ernment. To deny this power to the Supreme Court is to contend that the Congress itself has the unlimited right to say what powers it may exercise.

One group opposing this power in the Supreme Court desires to do this very thing, namely, make the Congress the sole judge of their powers in constitutional matters. To my mind, this position would scrap the entire Constitution and nullify all its provisions.

A second group, admitting that the Supreme Court is a proper tribunal to preserve the powers reserved to the States only, proposes various legislative means to curtail the exercise of this power. Among them are the requirements of a unanimous decision of the members of the Court to declare a statute invalid, or that at least seven of the Justices must so vote. This we will discuss hereafter.

A third group seeks to deny the Supreme Court appellate jurisdiction in all cases except those in which original jurisdiction is granted to the Supreme Court in the Constitution. This would leave the Court's jurisdiction only over suits in which "States, ambassadors, other public ministers and consuls" are parties. The unsoundness of this position is manifest. If the appellate jurisdiction is taken away from the Supreme Court, the district courts would have jurisdiction to pass on the validity of laws passed by Congress, as the judicial power extends to cases involving the validity of such laws. The power of the district courts cannot be taken away, except by abolishing them. Abolition of these courts would be calamitous and disastrous, for there would be no agency to enforce the laws of Congress, except martial force. Unless the Supreme Court exercises appellate jurisdiction to review the actions of trial courts, there will be no remedy for lack of uniformity of decisions and chaos and confusion would result.

A fourth group suggests that the Supreme Court should retain jurisdiction to pass upon the validity of acts of Congress that involve only violations of the express prohibitions in the Constitution, namely, those embracing inalienable rights, 22 in number. This group, however, insists that the Congress shall be the sole judge of the validity of legislation touching "the general welfare, commerce among the States, taxation, the coinage of money", etc., and "due process of law."

The general welfare and commerce among the States involve purely regulatory powers, and, if unrestrained, with the suggested uncontrolled power to define due process of law, Congress could exceed its powers at will. There would be no way that individual citizens could prevent legislative encroachment upon their inalienable rights. This plan would abolish the Constitution by legislative enactment.

Having enumerated the changes proposed by the various groups protesting the existing powers of judicial review, let us consider what these groups say.

Briefly it is this: That it is inconceivable that the Supreme Court should have the power to declare acts passed by Congress and approved by the President to be in violation of the Constitution, for this permits the courts to thwart the will of the people expressed by their representatives in Congress and their President; that the exercise of this power by the Supreme Court gives it the power to control the Government; namely, to make laws and determine policies; and it is further argued that the control of the Government should not be confided to nine men, a mere majority of whom may hold within their power the well-being of the country as a whole.

The fallacy of this contention is that the Supreme Court does not make laws. It exercises a purely negative function. In declaring a law in violation of the Constitution, it is not thwarting the will of the people. The will of the people is as expressed in the Constitution. When they choose a President and Members of Congress they but express confidence in them—a confidence that Congress and the Executive will only act within the provisions of the Constitution. If Congress enacts legislation approved by the President which is in excess of their powers, it expresses the will of Congress and the President only.

If the Constitution is to stand and the elected representatives of the people are to respect its provisions and exercise only the powers therein granted, we must have a Supreme Court to check and restrain the Executive and the Congress from performing acts or passing laws in excess of their powers. Furthermore, the express powers granted to them must be exercised subject to the expressed prohibitions, and they are numerous, found in the Constitution.

It seems to me this conclusion is irresistible. The Supreme Court is necessary to prevent the invasion of rights of the individual and the enforcement of laws adopted by Congress, that the Constitution expressly forbids.

Let us now consider the manner in which the nine judges are to exercise the power of the Court. Shall it be a majority as now, seven of the nine, or unanimous? It is alleged that five men can control the destiny of the country, and that it is too great a power to lodge in so small a number. Hence, it is suggested that the decisions should be unanimous. But this suggestion would permit merely one member of the Court to uphold an act of Congress. Under this plan an act of Congress which, by its terms, takes the property of an individual for public purposes and declares it shall be done without just compensation could be upheld by the vote of one man.

There is only a difference in degree in the suggestions that legislation shall not be determined invalid unless seven of the nine judges vote in the affirmative. This would leave the power in three to do the same thing that the one might do if decisions are required to be unanimous. It would transfer the power of decisions from a majority to a minority of the Court. The power of decision must rest some place. This power was declared in the

Court at an early date. While denial of this power has been made from time to time since 1857, the Supreme Court has continuously exercised this power by a majority or more of its members and no effort has been made by the people through a constitutional amendment to curtail that power; nor has Congress, if possessing the power, taken it away from the Court. A larger membership of the Court would still be open to the objection of those who might make it that a majority of the Court should not be entrusted with such great power.

The separation of the three branches of Government, each with powers distinct from those of the other two, was a fundamental principle underlying our Constitution. It is clear that the founders made the legislative branch independent of the executive with power to protect the people against Executive usurpation. In a measure, the Executive was given the power of veto to check the legislative branch. The Supreme Court was given the reviewing power as to acts of either the legislative or executive branch exceeding their respective constitutional powers, in suits brought by individuals or States to set aside those acts in contravention of their rights. And this power was lodged in the Supreme Court by the people.

The definite separation of the three branches of Government, each possessing powers separate and distinct from the other two, did not find its way into the Constitution by chance, or through subterfuge or secrecy. The founders of our Government knew what they wanted and exactly what they were doing when the Constitution was adopted. It expressed their philosophy of Government and their moral concept of the inalienable rights of mankind. They were duly mindful of the tyranny and oppression experienced by the peoples of the world under other forms of Government. They were determined above everything else that tyranny and dictatorship should not exist in the free country they instituted. If attempted, a judicial review by a limited number of men, sitting as a Court, was provided to protect the people and the States from a despotic central government. Indeed, the founders set up every human device, namely, life tenure, fixed salary, removal from political bias and participation in political contests, and a close scrutiny by the Senate of the ability and personal integrity of every justice before he could assume his exalted office. Furthermore, before entering upon their duties, the Justices must each take a solemn oath before God to support and defend the Constitution and protect the people's rights under it. By law and by custom they are removed, as far as it is humanly possible, from all influence in performing their official acts. They are immune from public clamor and the selfish, greedy, and lobbying influence which it seems impossible to eradicate in their efforts to shape the acts of the executive and legislative branches of the Government.

Differences of opinion between so able and so conscientious a group as the justices of the United States Supreme Court is unavoidable. Unanimity in the reasons of decisions in important cases on the part of the justices of such diverse experience, predilection, and methods of approach is impossible to attain in every case.

In the 147 years of its existence, the Supreme Court, in my opinion, has ever been strong compositely in breadth of view, in freedom from bias, in intellectual capacity, in devotion to the furtherance of the welfare of the people as far as that comes within the province of a court, and in freedom from ambition for political preferment. If we cannot get the answer as to the constitutionality of an act of Congress from the individuals of such a court, we cannot expect to get it at all.

If the Supreme Court proves mistaken in their reading of the highest expression of the public will as embodied in the Constitution and the Constitution itself no longer conforms to the new types of social and industrial legislation which the people desire, then, by the very terms of the Constitution, the people are guaranteed the right to make their desires effective through the solemn process of amendment.

I am not arguing against the right to amend the Constitution or the right to discuss the opinions of the Supreme Court. Those rights are clear, definite, and absolute. Let us not forget, however, that the Constitution may be as effectually destroyed by the amending process as by direct attack. What we must preserve above anything else are the principles that are basic and fundamental—the forms which go to the hearts of our liberties.

Proposed amendments should be openly and fully discussed. In my opinion, before any constitutional amendment is approved three things should appear, namely: (1) That there is a present necessity; (2) that the amendment proposed will remove the existing or threatened evil; (3) that, if adopted, the amendment will not in itself produce a greater evil.

In view of the long, able, and patriotic service of the judicial branch of our Government since its very beginning, we should take no hasty action tending to curtail or prevent the Supreme Court from exercising its present powers and functions. Time has repeatedly justified the past decisions of the Court which have occasionally disappointed certain political or economic interests. Time will reaffirm this viewpoint in the future. Delay, enabling calm and deliberate consideration before taking impetuous action, will furnish the time to prove the justification of the decisions.

Let me remind you of the tremendous injury and stupendous results that might follow the acceptance of proposed changes.

Every right, large or small, that an American citizen enjoys, even the simple right to vote in elections, depends upon the integrity of the Constitution and the integrity of the Constitution depends upon the power of the Supreme Court to protect it against congressional invasions.

History has again and again demonstrated that the inalienable rights that our fathers declared were "God given" could be abrogated by rash decisions of men temporarily swept into power at times of great emotional passion and sudden political upheavals.

More valuable than any economic program, and I do not deny the importance of the maintenance of sound, sane, and equitable economic policies, are the basic human rights that our forefathers enumerated in the Declaration of Independence and read into the Constitution with ample governmental machinery to protect them.

The fathers boldly proclaimed that the violation of inalienable rights justified revolution. Free speech, free press, free religion, trial by jury, habeas corpus, protection against search of homes and seizure of private papers without warrant, free assembly, free ballot, and freedom of petition—these, they declared, were such inherent rights that no government worthy of the name could abridge or deny them. Hence they determined that no Executive or temporary autocratic legislative majority should ever interfere with the exercise and enjoyment of these rights by the people of the United States.

The Supreme Court was established as a barrier against the necessity of revolution if either the executive or the legislative branch attempted to take these rights from the people. This Court is the fortress, the arsenal, the standing army of the American people in the protection and enforcement of the inalienable rights which lovers of liberty in every civilized land poured out their blood and treasure to enjoy.

THE LAW LIBRARY OF CONGRESS—ADDRESS BY JOHN T. VANCE

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on The Law Library of Congress, delivered by Hon. John T. Vance at the joint meeting of the American Association of Law Libraries and the National Association of State Libraries at Denver, Colo., June 26, 1935.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a historic fact that from the earliest conception of having at the disposal of Members of Congress a library of reference and of ready access, the Library of Congress was associated with our legislative process. That is, of course, the most logical thing to expect of a library originally planned for the service of Members of Congress, primarily in their capacity of legislators.

When the need was first felt that Congress should have a reference library of its own, a congressional committee was appointed to inquire into the matter and to make a report on a catalog of books necessary for the use of Congress. This report was made to the House of Representatives in 1790, and although tabled and no immediate action was taken, it throws an illuminating light upon what was considered by Congress to be the primary purpose of such a library. The report was submitted by Elbridge Gerry, of Massachusetts, who was the foremost advocate of the establishment of a Congressional Library. The report read in part:

"* * * the committee have confined themselves in great measure to books necessary for the use of the legislative and executive departments and not often to be found in private or circulating libraries. That, nevertheless, without further provision of books on laws and government, to which reference is often necessary, Members of the legislative and other offices of the Government may either be deprived of the use of such books when necessary or be obliged at every session to transport to the seat of the General Government a considerable part of their libraries." * * *

The report then specified what was considered the very essence of the requirements of a library for the use of Congress. It continued:

"The books reported were of the following description, viz, laws of the several States, laws relating to the trade and navigation of the several nations of Europe with whom the United States may have treaties, laws of Ireland and Scotland, laws of Canada, British statutes at large, militia system of Switzerland, the Russian and Frederician codes, sundry authors on the laws of nature and nations, sundry authors on the privileges and duties of diplomatic bodies, a collection of parliamentary books, sundry books on the civil and common law, etc."

Thus at the very center of the idea of a congressional library, at that time, as conceived by those responsible for its founding, was law. Of the Library of Congress, then, it may be truly said that the subject of law is its genesis and original purpose.

When the capital was removed to Washington, a congressional library became necessary, inasmuch as there was no library, either private or public, in the new Federal city. Accordingly, among the first legislative acts, an appropriation of \$5,000 for the purchase of books for the use of Congress was made, and a joint committee was appointed to arrange for the purchase of books, and provide a suitable place for them, and for rules and regulations for their use. The historian of the Library of Congress, the late William Dawson Johnston, says that "the chairman of this joint committee, and the only member thereof who has left behind him any trace of a fondness for or an acquaintance with books was Samuel Dexter, a graduate of Harvard, and a lawyer of some eminence."¹

President Jefferson "who was from its inception an ardent friend of the Library", took an active interest in the purchase of books and inquired of Congress how other funds had been expended, which occasioned the appointment of a new committee in the House and Senate. Said committee was constituted to make reports on the organization of the Library. The chairman of the new committee was Senator Nicholson, of Virginia. Of this committee of five, John Randolph, of Virginia, was the most forceful member, and author of the report, as well as author of the phrase that "a good library is a statesman's workshop." He was one of the earliest friends and supporters of the Library, always took pains to secure liberal appropriations for it, had a good deal to do with the selection of its books, and now had prepared a report which, like the report of Representative Gerry, June 23, 1790, is one of the most notable documents relating to the early history of the Library, but unlike the former led to legislative action, and became the basis, after some discussion in the House of Representatives, of the act concerning the Library for the use of both Houses of Congress, approved January 26, 1802."²

Thus, we find that not only was the law the central idea in the founding of the Congressional Library but also the leading statesmen early interested in building it up were lawyers. However, due to the fact that there was no public library in Washington, as well as that the Library before 1814 and much after became a place of relaxation due to the lack of amusements, the Library began to assume a more general character. As our Federal Congress and institutions took on new importance, as the seat of the Government became more and more a center of thought and learning, it was to be expected that the Library of Congress would expand and develop and in time become a national institution. That was also in the mind of those most interested. Even in 1817, the idea was abroad to build a library to house a collection which might become of national proportions. As a national library, it has been necessary to make it representative of every field of knowledge. Also it was inevitable that collections and private libraries would be donated or purchased from time to time, making the Library general in its character. The library of Thomas Jefferson, acquired in 1815 after the first collection of books had been destroyed in the burning of the Capitol was of this general nature, though especially strong in law and political science, as they were the subjects in which Jefferson was most interested.

It is interesting to find that there was considerable expression at this early date in favor of permitting the Supreme Court and the heads of the executive departments to have the use of the Congressional Library, but because of the prevailing thought that large legislative appropriations for the purchase of books should not be made, the use of the Library was not accorded under the original act to others than the President, the Vice President, and Members of Congress. Strange as it may seem, it was not until 1812 that the use of the Library was extended to the Judges of the Supreme Court of the United States, a favor, says Ben Perley Poore, in his *Reminiscences*, which Chief Justice Marshall prized very highly. "He liked to wait upon himself, rather than to be served by the Librarian * * *"

As early as 1816 a bill was introduced in the Senate for the establishment of a law library for the particular use of the Supreme Court. An appropriation of \$1,000 had been made in 1821 for the purchase of lawbooks for the Library of Congress. They were to comprise the statutes and the reports of the decisions of the courts of law and chancery of the different States with the latest maps of the several States and Territories. Later on, during the years 1826, 1828, and 1830, Charles Wyckliffe, of Kentucky, submitted resolutions in the House of Representatives to the effect that the Committee on the Library be instructed to inquire into the expediency of separating the lawbooks from the other books in the Library of Congress and placing them all under the superintendence of the Supreme Court. His insistence was the occasion of an editorial in the *National Journal*, which opposed the organization of a law library and attempted to belittle his interest with the following ironical comment:

"Mr. Wyckliffe does not seem to have any peculiar penchant for any other reading than that of law, and one would think his inclination might be amply indulged during the session by the access he has to the fine Law Library of Congress and the facilities which the knowledge of its present keeper is so well calculated to afford * * *. Mr. Wyckliffe has been for some time anxious to remove the law department of the Congressional Library, but his efforts have never been successful. To allay this anxiety, it would perhaps be better to alter the rule for Mr. W.'s special accommodation and allow him to have full range among his favorite volumes during the session of the Supreme Court. Mr. W.'s desire to remove, will, if gratified, be a reform like that produced by the present administration, as it will take away the most valuable part of the Library, and perhaps fill its place with something that is less so."³

In 1829 a resolution in the House of Representatives was tabled which sought to have the Library Committee inquire into the expediency of providing more effectual means of obtaining copies of the laws of the several States as they were annually enacted. A quotation from the report on this resolution is of interest, since it points very directly to a need which was felt even at that time. The report began: "The importance of having within reach of the Members of Congress copies of the laws of the several States need not be enforced." The report continued:

¹ Op. cit., p. 26.

² Ben Perley Poore, *Reminiscences* (N. Y., Phila., 1886), p. 43.

³ *National Journal*, Feb. 15, 1830.

¹ Johnston, *History of the Library of Congress*. (Washington, D. C., 1904. Vol. I, p. 24.)

"The committee consider it as very desirable that a prompt and regular supply of the laws of the several States should be made to the Public Library (the Library of Congress). Some of the reasons which exist for furnishing the acts of the National Legislature to the several States make it desirable that those of the several States should be accessible at the seat of the General Government; and these reasons, no doubt, led to the adoption at a very early period, of the resolution which made it the duty of the Secretary of State to procure the laws of the several States."

Edward Everett, who reported this resolution to the House, had a few years earlier written to Mr. Justice Story, of the United States Supreme Court, regarding the importance of the law collection in the Library, to which Judge Story replied: "I entirely agree with you respecting the civil-law books to be placed in the Congress Library. It would be a sad dishonor of a national library not to contain the works of Cujacius, Vinnius, Heineccius, Brissonius, Voet, etc. They are often useful for reference, and sometimes indispensable for a common lawyer. How could one be sure of some nice doctrines in the civil law of Louisiana without possessing and consulting them? What is to become of the laws of Florida without them?"

However, Mr. Wyckliffe's efforts were finally rewarded and on the 14th of December 1831, on the motion of Senator Grundy, the Senate "Resolved, That the Committee on the Judiciary be instructed to inquire into the expediency of providing a law library for the use of the Supreme Court of the United States." This was followed in January by a bill from the same committee, entitled "An act to increase and improve the law department of the Library of Congress." This act, which forms the charter of the Law Library of Congress, was approved on the 14th of July 1832.³

Thus, a most important department of the Library, destined to take on added importance as the years went by, was at last officially recognized. The act, after instructing as to the location of the new department and the removal of the law books, further enacted:

"That the Justices of the Supreme Court of the United States shall have free access to the said Law Library; and they are hereby authorized and empowered to make such rules and regulations for the use of the same, by themselves and the attorneys and counselors, during the sittings of the said Court, as they shall deem proper: *Provided*, Such rules and regulations shall not restrict the President of the United States, the Vice President, or any Member of the Senate or House of Representatives, from having access to the said Library, or using the books therein, in the same manner that he now has, or may have, to use the books of the Library of Congress."

The law further defined that the Law Library was a part of the Library of Congress and subject to the same regulations, its incidental expenses to be paid out of the appropriations of the Library of Congress. It then appropriated a sum not exceeding \$5,000 and an annual sum of \$1,000 for 5 years for the purchase of lawbooks under direction of the Chief Justice of the United States.

The new law library was located in the Capitol, occupying until 1843, a room north of the main Library. It was then removed to the west side of the basement in the north wing of the Capitol, near the Supreme Court, and in 1860, was removed to the old room of the Supreme Court on the east side, which had served for more than 50 years as the chambers of the court of final appeal. When this law was passed, the law collection consisted of 2,011 volumes, about 640 of which were in the Jefferson collection. Today the Law Library contains around 325,000 volumes, exclusive of countless lawbooks scattered throughout the general Library in the related fields of social sciences, as well as in special collections. Forty thousand of these are located in the old Supreme Court in the Capitol, where they have been placed for the exclusive use of the bar of the Supreme Court and Members of Congress.

Across from the old Supreme Court chamber is located the conference library of the Supreme Court, consisting of 20,000 volumes for the exclusive use of the Court. At the present time these are being moved to the new Supreme Court Building, and the Law Library is provided also from its duplicate collections, both in the Main Library Building and from the Capitol, about 30,000 volumes. These two collections, together with the Elbridge Gerry law library, donated to the Court by Senator Peter G. Gerry, of Rhode Island, numbering about 30,000 volumes, will provide two adequate working law libraries for the bar and the Court in the new temple of justice.

In addition to the various collections just named which are a part of the Law Library of Congress, a small reference collection is maintained just off the floor of the House of Representatives. This law material in this collection, as well as that located in the House of Representatives library, is also a part of the Law Library of Congress. Then, there are approximately 6,000 volumes which are known as "judges' sets", and which are distributed as required at the residences of the justices of the Supreme Court for their individual use.

It will no doubt be of interest to law librarians to hear how all of these various collections are administered.

By the act of 1832, supra, the law library was placed under the Librarian of Congress, made a part thereof, and subject to the same regulations, except that the Justices of the Supreme Court were authorized to make such rules and regulations for the use of the Law Library, by themselves, and the attorneys and counselors, during the sittings of said Court, as they should deem proper. It also provided that such rules and regulations should not restrict the

President of the United States, the Vice President, or any Member of the Senate or the House of Representatives from having access to the said law library in the same manner that he then had or might have, to use the books in the Library of Congress. It was further provided that the Librarian should make the purchases of the books for the law library, under such directions and pursuant to such catalogs as should be furnished him by the Chief Justice of the United States. All of these provisions have been continued and written into the permanent statutes concerning the administration of the law library.⁴ There is one other exception in the administration of the law library, namely, it is provided specifically by law that the law library shall be kept open as long as Congress is in session, so that if one of the Senators should filibuster and keep the Senate in session all night, the law library has to remain open for the service of that august body. This very thing happened within the past 2 weeks, and one of my able assistants remained on the job for the entire night after he had reported for work at 2:30 in the afternoon.

Under the law, the Librarian of Congress appoints all of the employees of the Library "solely with reference to their fitness for the position."⁵ Thus, the Law Librarian and the entire staff of the Law Library, which, incidentally, is very small compared to other large law libraries, are appointed by the Librarian. The total personnel of the Law Library staff numbers 17, 4 of whom have been assigned to administer the law collection in the Capitol for the use of Congress and the Supreme Court. The administrative headquarters of the various collections are located in the main building, where the larger part of the Law Library is located. The administrative work there consists largely in keeping up with the current literature of the law and preparing recommendations for purchase; maintaining the catalogs—union, subject, and shelf list; reference work of a great variety, and superintending the cataloging. Manifestly, with such a limited number of employees, the cataloging could not be done by the law staff. However, this is supervised by the chief assistant, while the actual cataloging is done in the catalog division of the Library by 10 employees, some of whom give all their time to cataloging and others merely part time. The purchasing is also done by the general Library, but the searching is all done by the Law Library staff, and merely the ordering and payment of bills are done by the accessions division and the disbursing division, respectively, of the general Library.

The superintendent of the reading room of the general Library administers the circulation of the law books from the main building, just as he does all other material in the Library, but, the circulation from the law collection at the Capitol is attended to by the staff of the Law Library.

From the foregoing it would seem that the small number of employees, namely, 17, is not a true picture, since considerable help is given by various divisions of the general Library, but I can assure you that the red tape consumed in working through other divisions as a part of the general Library more than balances the services rendered, and with an additional 8 or 10 employees, the Law Library could more effectively administer its own establishment. The only advantage I can see in being a part of the general Library is the proximity to the great general reference collections.

The conference library has always been administered by the Supreme Court and all of the books have been supplied by the Library of Congress. The status quo will be continued when the Supreme Court enters its new building in the fall, the Congress having provided a staff of five assistants for the Supreme Court librarian under the United States marshal. The Library of the House of Representatives is administered by the Library of Congress, but the employees are appointed by the Clerk of the House of Representatives.

Thus, we find a hodgepodge of library administration, perhaps without parallel throughout the library world, and yet, while it may not fulfill modern standards of efficiency, as far as the service to Congress, the Supreme Court, the executive departments, and even to the general public, goes, it seems to your humble servant that it is remarkably well done.

Of the various collections in the many fields of law and jurisprudence now in the Law Library, it would, of course, be impossible to give more than a most cursory description in the time at my disposal. Not a year passes but notable and important acquisitions are made, some by gift, or exchange, the most by purchase—in American colonial law, of which we are trying to organize a comprehensive and as complete a collection as possible; in early English, Latin American, in foreign, in general; in Roman law, canon law, and other works important in the history and science of jurisprudence.

Examination of the shelves early in the present century showed the Library to be weak in Roman, civil, and canon law, in the law of nations and in comparative jurisprudence. There were also few works in public and administrative law. The Law Library, under great difficulties and handicapped by insufficient funds, set out to remedy and fill in these deficiencies. There were at the turn of the century about 100,000 volumes in the Law Library. Today there are 325,000 volumes. From 1901-30 the library had to carry on with an appropriation of \$3,000 a year, supplemented by small assignments from the appropriations for the general Library. Only in 1930 when the Library had grown to 240,000 volumes was anything like a proper, but yet inadequate, annual sum of \$50,000 made available.

The Law Library possesses unquestionably a notable collection of early Americana in colonial legislation and early laws of the

³ Johnston, op. cit., p. 248 et seq.

⁴ 4 Stat. 579.

⁵ U. S. Code Annotated, ch. V, title 2.

⁶ U. S. C. A., ch. V, title 2, sec. 140.

States. The most notable purchases in this field have been colonial session laws. Material of this type seldom comes on the market, and with the inadequate appropriation of \$3,000 from 1900-30 very little could be acquired, but by keeping careful watch on catalogs and with the advantage of being at the seat of the Federal Government the Law Library has been able to fill many of the gaps in these collections. Among some of the rare imprints owned by the Law Library of Congress are the Georgia Laws, 1755-70, printed by James Johnson; the Code Noir of Louisiana, printed at New Orleans in 1787; the 1816 Cass Code of Michigan; the Bradford New Jersey Laws of 1717; the New York Laws of 1694 and 1710; the Deseret Constitution of 1849; etc.

Among the various collections which have come to the Law Library or in which it has been a participant is the Jefferson collection, from which came 639 books in the field of law, forming the nucleus of the future Law Library. Congress in 1866 appropriated \$5,000 for the purchase of the law collection of James Louis Petigru, of the Department of Justice. In 1882 Dr. Joseph Meredith Toner donated to the Library of Congress a library of 27,000 volumes and 12,000 pamphlets and periodicals. Of these, some 1,300 volumes came to the Law Library. From the Von Maurer library 500 volumes of French and German legal periodicals were received in 1903. One of the most valuable bequests came from the collection of incunabula of John Boyd Thacher, deposited in the Library, supplying valuable material in the field of Roman law. The most important single collection, however, in the domain of Roman jurisprudence came from the library of Prof. Paul Kruger, of the University of Bonn, which was acquired in 1930. It consists of some 4,700 volumes, practically all of which are legal works—391 periodical volumes, 800 bound volumes, 500 unbound volumes, and 3,000 monographs. When it is remembered that Professor Kruger was the collaborator with that great authority on Roman law, Theodor Mommsen, in editing the *Corpus Juris Civilis*, the name, as you know, given to the famous Justinian Code, the value of this collection is evident.

Another very important accession to the Law Library in 1929 was 300 legal titles from the collection of Dr. Otto Vollbehr, of Berlin. These brought the number of incunabula in the Law Library to 450 titles. Since 1923 about 650 volumes from the famous libraries of the Emperors of All the Russias have been acquired. They deal with military laws, laws concerning the abolition of serfdom in the reign of Alexander II, laws of Nicholas II, and revisions of civil and criminal laws. They include the first two books printed in Russia in 1649 and 1650—these are the Code of Laws of Czar Alexis Mikhailovich and *Kormchaia Kniga* or Pilot Book containing the ecclesiastical and civil laws made at Byzantium about the ninth century.

We are gradually adding to another important domain of law, namely, that of canon law. Among our recent acquisitions are an early edition (1571) of the canons and decrees of the Council of Trent, and more important the Decretals of Pope Gregory IX, the first official compilation of canon law, begun in 1230 and completed in 1234. Our edition is of 1586. I might mention here that in return for the services of the Library of Congress in assisting a few years ago in the cataloging of the Vatican Library, several valuable works on canon law were presented to the Law Library by the Vatican, including the Acts and Decrees of the Vatican Council of 1870; the acts of the pontificate of Leo XIII, 1881-1905, consisting of 23 volumes; acts of the pontificate of Pius IX, 1854-1878; comprised in some seven volumes. In January 1930 Pope Pius XI made a gift to the Library of Congress of reproductions of 15 of the earliest papal charters. In 1933 we received from the present Apostolic Delegate to the United States a 12-volume set of the *Codificazione Canonica Orientale*.

One of the most valued collections in the Law Library is that of the English Year Books, or law reports, prior to the seventeenth century. For these we have been largely indebted to Judge William Vail Kellen, of Boston, who has been contributing these invaluable documents since the library purchased his collection in 1904. We have now the second largest collection of these year-books in this country, possessing some 320 volumes, covering the period from Edward I to Henry VIII. The practical value of this collection, which I will refer to later, has been cited by Mr. Justice Stone in deciding a case before the Supreme Court. The crowning jewel of the early English collection is the 1482 first edition of Littleton's *Tenures*, one of three copies listed by Professor Beale. The Law Library also has the rare second edition, printed by Machlinia, circa 1483. Another noteworthy acquisition, adding 247 volumes of English treatises, as well as several Maryland colonial session laws, is the library of Justice Samuel Chase, of the United States Supreme Court, received from the Peabody Library, of Georgetown, D. C., in 1930.

In 1923 an effort was begun to extend and fill in our Latin American collections, which were deficient particularly in the laws of Mexico and Brazil. It was my privilege to be sent to Mexico that year to seek to fill in these needs. As a result, the Law Library acquired about 2,500 volumes of legal material comprising nearly every official publication of a legal nature (except the official gazettes) of 11 states and a large number of codes, constitutions, and session laws of the remaining 17. I may mention that back in 1854 Congress appropriated \$1,700 for the purchase of Spanish and Mexican lawbooks.

As I have said, it would be impossible to mention all our important acquisitions and collections in the time at my disposal. A separate paper could be devoted to their enumeration and description. I have mentioned but a few of the more interesting works and collections on our shelves. I may add that the Law

Library has now a fairly complete collection of the briefs and records of the United States Supreme Court, which have been filled in around the purchase by Congress in 1883 of a set of these records from the estate of Matthew H. Carpenter. In 1924 there was donated to the library 862 volumes from the library of Chief Justice Fuller, covering the records and briefs of the court during his presence on that tribunal from 1888 to 1910.

Another of our great Supreme Court Judges, Mr. Justice Oliver Wendell Holmes, who recently passed away and whose name as a lawyer, statesman, and soldier will be indelibly marked upon our history, has bequeathed to the Library of Congress his library of some 13,000 volumes, 3,000 or more of which are in the field of law, jurisprudence, and the philosophy of law, and these will henceforth grace the shelves of the Law Library.

Today the Library of Congress of the United States stands out as one of the world's greatest collections of books. Surely, the Law Library of Congress has the right to aspire to stand out pre-eminently in its own field and to become, if not one of the world's great repositories of legal knowledge and record, at least, the outstanding center of legal record and reference in the United States. Mr. Justice Stone, Associate Justice of the Supreme Court, speaking before the Appropriations Subcommittee of the House of Representatives in 1933, said:

"I am thinking not so much of the needs of the Court, which, of course, are important, but of the proper place of a law library established by the Nation as part of its chief Library. In the long run, such a Law Library is of use, of course, to the Court, to the great departments of the Government, and the Congress, as well as to the various official bodies which come to Washington from time to time in one capacity or another.

"But I am looking at it a little more comprehensively even than that. This Nation should have a law library to which official bodies and individuals would come, from every part of this country and from abroad, for the purpose of conducting legal investigation and research. But it will not be limited wholly even to that use, because the historian, the student of the social and economic life of the Nation, will ultimately find in the Law Library the material which is the subject of his investigations."

In other words, Mr. Justice Stone believes that it is not merely a question of a reference library for the Supreme Court or merely for the use of the Members of Congress and of Government departments, but a law library for the Nation as a whole—namely, a national law library. Not only that, but it should stand out as a center of legal research for students and jurists in other lands.

It is indeed a strange thing to say in this day and age, when our legal system has reached such proportions and complexity, that since establishing the Law Library as a separate department of the Library of Congress in 1832, neither Congress nor the Court has taken little more than a passing interest in its growth and needs. I believe one of the reasons for that state of affairs has been that its interests were lost sight of in the expansion and varied interests of the Library of Congress as a whole. Had the Law Library been made a separate institution in 1832 instead of merely a department of the Library of Congress, I feel that we might have now a different story to tell. I feel that we would today have one of the finest law libraries in the world. And Congress would have been more interested. More adequate appropriations would have been available.

As things stand there is constant confusion and misunderstanding even as to the identity of the Law Library. Let me give you an example. In 1932 an already reduced appropriation of \$40,000, not a very great sum, was asked for the Law Library. One of the Senators moved to cut down that appropriation to \$25,000 in the belief that the Law Library merely consisted of the Supreme Court library in the Capitol, which bears out what I have said as to the lack of proper interest on the part of Congress. Fortunately, that serious misunderstanding has since been corrected, and an annual appropriation of \$50,000 has been restored to the Law Library. Senator David Reed, in moving the amendment, declared that the appropriation ought to be at the very least \$75,000, and that even that sum would be inadequate, in the opinion of those best qualified to judge. It has only been since 1930, however, nearly 100 years after the establishment of the Law Library, and when a distinguished member of our Supreme Court, Mr. Justice Stone, together with prominent representatives of the bench and bar, first appeared before the House Appropriations Committee, that anything like an adequate sum has been made available.

There is another reason why the Law Library has become an institution of national importance. Within the last 20 years the powers and activities of the Federal Government have grown and extended more than in the previous hundred years. Since the present administration took office new authority has been given to the Central Government and new functions added. This creates an entirely new situation in our constitutional and legal history. Further, the United States long ago reached a position of importance in international affairs. This extension of authority and range of activity is clearly reflected in the demands made on the Law Library.

Speaking before the House Appropriations Committee in 1930, Mr. Justice Stone cited several instances to show how very necessary it is to have in the Law Library and at the service of the Supreme Court or other branches of the judiciary some rare tome, perhaps of the Middle Ages, reference to which may decide the issue in an important case. Such early imprints are only dis-

*Hearings before subcommittee of House Committee on Appropriations, 72d Cong., 2d sess. U. S. G. P. O., 1933, p. 131.

covered and acquired by systematic, informed research. It is not true to say generally that they are picked up by accident. Rather it is proper to say they are acquired by fortuitous circumstance, of which we can more readily avail ourselves when properly equipped and financed for that purpose. One of the cases cited by Mr. Justice Stone is of special interest. The case turned on a plea of *nolle contendere*. "Of course", said Justice Stone, "that turned on what the plea of *nolle contendere* was as we took it over from the English law. One circuit court of appeals had held that it meant one thing, and another circuit court of appeals had held that it meant another. In fact, the point was this: One circuit court of appeals had held that on that plea a prison sentence could not be imposed; another court had held that it could, and, of course, the case came to us because of the conflict. The determination of the question ultimately turned on the translation of a case in the yearbooks in the time of Henry VII. Now, that material I found here in the Congressional Library (that is, Law Library), but there are only a few libraries in the country where you could find it."¹⁰

Another case involved the interpretation of a treaty with Denmark, to arrive at a judgment of which it was necessary to examine a large number of works on medieval French law. Many of these works were very old and very rare, but as the Justice relates, most of them were found in the Law Library.

In 1933, Mr. James Oliver Murdock, chairman of the American Bar Association committee on the facilities of the law library, speaking before a similar House committee, said:

"It is most essential that the Congress which makes the national laws be provided with a law library second to none. When legislation is proposed in Congress the legislative reference service of the Library of Congress should have readily at their disposal the legislative and the court experience of the past. Social problems are recurrent. If proposed legislation can be projected against similar legislative experience of the past, grave mistakes may be avoided. The advantage gained by such a procedure may in a single instance far exceed the total cost of the Law Library of Congress to date. We are living in a time of great economic and social readjustments. If changes in our national laws are made in the light of the legislative experience of the United States and of other countries, the people of the United States may rest assured that mistakes of the past will not be repeated."¹¹

I could quote many more instances and opinions of distinguished jurists and active busy lawyers to show how important is the service which we should be able to render the Nation through a well-equipped national law library. It is not merely a matter of sentiment or of prestige. It is a question of a most necessary and insistent demand from our courts, from the legal profession, from the public, and from our Government in its legislative and administrative branches. But despite this handicap the service rendered is almost immeasurable. I have given one or two instances. The Law Library of Congress has perhaps the greatest variety of demands made upon it of any similar library in the world. It is used by the Supreme Court of the United States, the inferior tribunals of the city of Washington, the Congress, the executive departments, bureaus, and commissions. The diplomatic corps have the legal right to use it and they exercise that right extensively. Hundreds of inquiries come in from private individuals all over the country as well as from members of the bar. In addition there is a tremendous research going on in the fields of sociology and economics related to law. The Law Library of Congress has become thus a great center of research in law and related sciences of which there is probably no parallel in any other country.

It is the knowledge of this increasing demand and the difficulties we are laboring under to meet it, that has brought together representatives of the bench and bar in an organization, recently formed, called the Friends of the Law Library of Congress. The organization is composed not only of judges and lawyers but of political scientists, sociologists, bibliophiles, and others interested in its purposes. These purposes are:

1. To stimulate interest in the Law Library of Congress among American lawyers throughout the world and others interested in the law, in order that it may become the Nation's chief repository of legal sources and center of juridical research.
2. To promote the acquisition by the Law Library of printed books, pamphlets, and manuscripts, and other source material in the field of law, through direct donation thereof and through gifts and bequests for these purposes.
3. To foster, under the auspices of our national law library, legal research and other activities devoted to the collection, dissemination, and better knowledge of the literature and history of jurisprudence.
4. To cooperate in the obtainment of all necessary facilities, to carry out the aforementioned purposes, and to consider means whereby the Law Library may render greater service to the Nation.

It is the objective of the friends of the Law Library to bring home to those in the fields of law, jurisprudence, and related sciences as well as to our legislators in Congress, the fact that this program can no longer be postponed. There is in Washington a famous library, the Surgeon General's Library, as it is popularly called. It consists of more than 1,000,000 medical works, built up through the years with the cooperation of our Government and an understanding as to its value in research and education. It has also the appreciation and support of the medical profession. If that appreciation has become so articulate and such an end

has been achieved in the field of medical science, there is no reason why a great national law library, intimately related to the science and process of government, may not be built up. I appeal to the members of the American Association of Law Libraries, both individually and as a representative organization, fully appreciative of this great work, to interest themselves in the purpose of the friends of the Law Library of Congress. They may thus participate in making the Law Library the most outstanding source of legal knowledge and research in the world and assist in building a monument worthy of our country and its place in the development of jurisprudence—a great collection of legal knowledge and record which, in the words of Mr. Justice Stone, "will be of service to men interested in the law, and to scholars, for all time."

SIX MARTYRED SENATORS—ARTICLE BY RICHARD L. NEUBERGER

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the March issue of the magazine *Real America*, entitled "Six Martyred Senators."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From *Real America* for March 1936]

SIX MARTYRED SENATORS PLAYED BY WAR MAKERS' GREED By Richard L. Neuberger

[As Europe rushes madly toward another war, and the United States is once more bombarded with insidious propaganda from foreign countries, international bankers, professional patriots, and war mongers, we will do well to remember the six Senators who in 1917 dared defy the propaganda-inspired war hysteria. Six men who retained a true perspective, six men who were branded as traitors, six men who are slowly being recognized as among the greatest of American patriots. Perhaps their courageous stand 19 years ago will help America remain sane in the years to come.—Editor.]

Dusk was settling on Capitol Hill. In the April evening the trees along Pennsylvania Avenue cast long and grotesque shadows. Flags, swaying from every edifice, lost their color in the gathering dark. Little clusters of men stood nervously on street corners looking up anxiously at the wall-like sides of the Government buildings.

In an office near the front of the Senate Office Building it was somber and still. The lights had not been switched on and the pompous-crested head of the junior Senator from Oregon was only an outline in the gloom. The senior Senator watched him worriedly. Finally he broke the silence, "War is certain to be declared. A vote against it means your political ruin. Your one vote cannot possibly make any difference. Don't forget we are fighting to make the world safe for democracy."

The junior Senator's expression was invisible in the darkness, so his colleague did not see the grim smile on his lips as he replied, "I cannot vote tomorrow to throw our country into a struggle, the final results of which no one is able to foretell. This is not a war to make the world safe for democracy. It is a war to make the world safe for greed and profits. After this war there will be less democracy than ever before."

"But it means ruin for you, sorrow for your family."

"War means sorrow for millions of families. I cannot vote 'yes' on the war resolution."

The senior Senator shrugged hopelessly. Through the heavily curtained window behind the junior Senator he could see the vast bulk of the Capitol dome, massive and strong in the glow of the spring evening.

Almost 3,000 miles from Washington, against the black of the night sky, a blazing dummy on a telephone pole flickered in the wind like a huge torch. On the lawn below, the mob brandished clubs and stones and gesticulated angrily. Hoarse threats and imprecations came to the ears of the white-faced people in the home across the street.

The junior Senator had voted that day against America's entrance into the World War, and the wrathful crowd was burning him in effigy. Wasn't the Senator a traitor? Hadn't the newspapers classed him with Benedict Arnold? Didn't even the CONGRESSIONAL RECORD show he had made a lot of treasonable talk about financial and commercial interests driving the country into war? No chicken-hearted Hun lover is going to represent our State! From the nearby house members of the Senator's family watched in terror.

That same night in America five other sacks of straw blazed in the night wind, the roar of the flames mingling ominously with the shouts of infuriated mobs. Oregon was not the only State with a "traitor" in the Senate. In the words of the press, Missouri, North Dakota, Wisconsin, Nebraska, and Mississippi also "stood disgraced in the eyes of the Nation." Each of these Commonwealths had sent to Washington a Senator who opposed until the end the plunge into the vortex of blood and thunder across the Atlantic: Senator Asle J. Gronna, of North Dakota; Senator Harry Lane, of Oregon; Senator Robert M. La Follette, Sr., of Wisconsin; Senator George W. Norris, of Nebraska; Senator William J. Stone, of Missouri; Senator James K. Vardaman, of Mississippi.

Upon these men descended an avalanche of abuse and derision without parallel in the history of their country. They endured what Senator BONE, of Washington, a member of the Nye Munitions Investigation Committee, recently termed an "outright intellectual lynching." They became objects of scorn throughout the land. Their names were regarded as synonymous with "treason."

¹⁰ Hearings before subcommittee of House Committee on Appropriations, 71st Cong., 2d sess., U. S. G. P. O., Wash., 1930, p. 235.

¹¹ Id., 72d Cong., 2d sess., p. 134.

Three were Democrats—Stone, Vardaman, and Lane—and the others were Republicans, but they were vilified and castigated by both parties alike. The heavy artillery of virtually every publication in the land fired a continual barrage of epithets and anathema at this "little group of willful men."

Their friends beseeched them not to adopt the position they did. Senator James A. Reed, of Missouri, later told how he had begged his colleague, Senator Stone, to refrain from voting against the war resolution, and how the latter had proudly replied:

"I know the people are aflame with the spirit of battle, but would you have me consider my personal welfare in a case that involves the heartaches of countless mothers?"

First of the tiny minority to give up his life for his convictions was Senator Lane. In the debate over the issue of war he had pleaded for neutrality. Condemned by the preponderant majority of the Senate, he had flayed the producers of armaments for fomenting strife and hatred, and had militantly declared:

"If we have citizens who want to go around over the world during wartimes selling munitions, I do not wish to take care of them. I would vote to put up a lot of big signs warning them to stay at home."

The words of the Oregon Senator today are regarded as epitomizing the crux of the celebrated neutrality resolution, adopted by the Seventy-fourth Congress, signed by President Roosevelt, and heralded in a score of nations as a mandate for peace. In 1917 Senator Lane's remarks brought him no applause—only death. He was the lone Senator from west of the Rockies to side with the dissenters, and the entire Pacific coast joined in pillorying him as a twentieth century Benedict Arnold. His closest friends turned on him in scorn. His mail brought threats of physical violence.

So terribly did the abuse and condemnation affect Senator Lane that he knew he was going to die. Shortly after the passage of the declaration of war he left the Capital for his home in the West. He told his two closest friends, Norris and La Follette, he never would see them again—and he never did. Senator Lane died in San Francisco, en route to Oregon. On the floor of the Senate La Follette bitterly accused the war-mongers and professional patriots of having murdered Lane, and called him the first martyr of the war.

Less than a year later Senator Stone was buried at Nevada, Mo., another victim of hatred and hysteria. As a ranking Democrat, Stone was chairman of the powerful Foreign Relations Committee, but this did not spare him the shafts of his own party. The Literary Digest thus summarized his position:

"The retention of the Missouri Senator as head of the Foreign Relations Committee is roundly denounced by Democratic editors as a 'scandal' and 'an offense to the country.'"

The Washington Herald unctiously editorialized:

"His monumental blunder will be forgotten in the future by an indulgent nation."

Eighteen years after Senator Stone's "monumental blunder", Senator GERALD P. NYE, of North Dakota, chairman of the special committee investigating the causes of America's participation in the war, rose on the floor of the Senate—across the aisle from where Senator Stone once sat—and declared:

"There is altogether too much truth in the assertion that war and preparedness for war are nothing more than games, games for profit. . . . I think civilization owes a debt of gratitude to men who in that day dared to speak their minds upon an issue when it was a whole lot less popular than it is today."

With the exception of Senator NORRIS, it is too late for the dissenters to collect the "debt" their country owes. Only the silver-haired Nebraska Senator survives to appear before the tribunal of public opinion and hear the verdict changed. A burst of pride came to him as he addressed his colleagues shortly after the overwhelming passage of the Nye-Clark neutrality resolution:

"I was here during the World War. I was in this body when we declared war. I am now the only living man who was then a Member of the Senate, who was present in the Senate when the vote was cast and who voted against that declaration. . . . Of all the votes I ever cast in this body or in the House of Representatives during my 10 years of service in that body, I never cast one with which I was so well satisfied as I was and am with my vote against that declaration of war."

Each of the six dissenters contended that propaganda circulated by those able to reap profits from America's participation on the side of the Allies was largely responsible for driving the United States into the war.

Among the Senators who bristlingly answered their charges was Warren G. Harding, of Ohio, "I am not voting for war in response to the campaign of the munitions makers, for there has been none. . . . I am voting for war in the name of democracy."

Senator Claude Swanson, of Virginia, declared, "In waging this war we will be aiding the free, liberal, and democratic nations to overthrow in Germany the last refuge of autocracy and militarism." As Secretary of the Navy, Swanson now is demanding bigger and better battleships to protect our shores from the possible depredations of the autocrats ruling Japan, one of the "free, liberal, and democratic nations."

In the closing hours of the debate on the war resolution, while debutantes and their escorts from the military ball watched in the galleries, it was NORRIS and La Follette who most angered the majority. The Nebraska Senator contended America was entering the holocaust across the Atlantic upon the command of gold:

"We are going to run the risk of sacrificing millions of our countrymen's lives so that other countrymen may coin their life-

blood into money. . . . All because we want to preserve the commercial right of American citizens to deliver munitions of war to the belligerent nations. . . . I feel that we are about to put a dollar stamp on the American flag. . . . Upon the passage of this resolution we will have joined Europe in the great catastrophe and taken America into entanglements that will not end with this war, but will live and bring their evil influences upon many generations yet unborn."

This brought Senator Reed, of Missouri, bouncing to the floor in indignation: "The war is not being waged over dollars. . . . It is not being waged over commerce. It is not being waged over profits and losses." He then charged NORRIS with having bordered on treason.

A hush fell on the Chamber as the Nebraskan placidly replied: "The Senator from Missouri has said something that at some time he will regret, I believe."

Reed later heard Woodrow Wilson himself state: "This war . . . was a commercial and industrial war." In 1925 Reed described the stand of the six dissenting Senators against American participation as "the most superb act of courage this century has witnessed."

NORRIS' contentions also found no favor with the Outlook, which thus described "The Disloyal Senators": "They have humiliated us before the world. They should never again be intrusted by the American people with public office." This same issue carried a photograph of an armless French soldier and told how splendidly he would get along with the artificial limbs then being manufactured for him. There also was an editorial praising that great orator and patriot, the Reverend William H. (Billy) Sunday.

La Follette made the principal address for the minority. He said that "wealth has never yet sacrificed itself on the altar of patriotism in any war." He struck the very keynote of the current neutrality measures when he proclaimed his dissent in these terms, "I say this, that the comparatively small privilege of the right of an American citizen to ride on a munition-loaded ship, flying a foreign flag, is too small to involve this Government in the loss of millions of lives. . . ."

Over La Follette flowed a raging torrent of abuse and calumny. Stated the North American Review, "Wisconsin is the Badger State and was beguiled into sending to the Senate a two-legged specimen of the most detested species of the badger family." Charles Edward Russell was quoted as being equally delightful, "La Follette is simply a big yellow streak." Thundered Theodore Roosevelt, Sr., "La Follette is a sinister enemy of democracy. I wish we could make him a gift to the Kaiser for use in his Reichstag."

A flood of resolutions demanded the denunciation, and even the expulsion, of the Senators who had voted against the war resolution. Several public groups in Oregon requested that Senator Lane be banished to another country. La Follette was condemned by the legislature of his State, the lower house voting in favor of such action 53 to 32, and the senate 26 to 4. In the same room where the upper chamber took this step Senator NYE last year declared, "It is you whom we honor today . . . who was called un-American, disloyal, trouble-maker, underminer of democracy, pro-German, fool, knave, publicity hunter, liar, deceiver, for having dared to speak the truth that one and all can know today to have been the truth."

Tremendous national interest centered on the dissenters. Although an overwhelming majority of the Senate favored the declaration of war, much of the New York Times was devoted to the disagreeing half dozen:

"La Follette scourged by Williams as pro-German and anti-American—'Treason' cry at NORRIS—Nebraska Senator denounced for hinting that commercialism prompted Nation's course—Opponents 'willful men'—Three from each party—La Follette, in 4-hour speech, assailed Great Britain."

In 1917 a United States Senator was vilified and castigated for "hinting" that greed propelled his country into war. In 1935 the Nye committee released to the press of the Nation copies of the famous cable from Ambassador Page in London, which Wilson received at almost the same time he branded the dissenters as "willful men." Dated March 5, 1917, the message stated:

"The pressure of this approaching crisis, I am certain, has gone beyond the ability of the Morgan financial agency for the British and French Governments. . . . It is not improbable that the only way of maintaining our present preeminent trade position and averting a panic is by declaring war on Germany. . . ."

Apparently the editorial writer on the New York Herald was as unaware of the existence of the Page cable as the rest of his countrymen when he thus made short shrift of the dissenters:

"They will be fortunate if their names do not go down into history bracketed with that of Benedict Arnold."

Inspired by the filibuster against Wilson's armed-ship bill and by the opposition to the war resolution, these and similarly titled editorials appeared:

"Action Approaches Treason." (Portland (Me.) Press.)

"Imitators of Benedict Arnold." (Philadelphia Record.)

"The Senate Roll of Dishonor." (Richmond Times-Dispatch.)

"The Nation Has Been Disgraced." (Wheeling Register.)

The attempts to humiliate and embarrass the six men who had voted "no" took almost unbelievable forms. In hundreds of communities they were burned in effigy. Any political opportunist seeking publicity or any salesman after free advertising for his product could jump into the public print if he would vilify Gronna, Norris, Vardaman, Lane, Stone, or La Follette. Such epithets as "copperheads" and "skunks" were typical. A Roman

holiday was held throughout the land at their expense. They were cartooned in German uniforms. Iron crosses were sent them through the mail. Speaking engagements were abruptly canceled, and they were given no explanation. School children were taught that the six dissenting Senators represented the nadir of shame and despair.

Under this withering fire the half dozen old men reacted differently in all save one respect: They refused to yield their conviction that entrance into the war was a folly and crime. La Follette, gathered with a few friends in the basement of the Capitol, said, "The children may live to see the day when sentiment will change toward me. * * * I never shall." Lane's health failed rapidly. His face sagged; he became almost unrecognizable. Going about the Senate, he would have to be supported by Norris or La Follette. Near the end of his days in Washington, a blood vessel burst in his head and he could scarcely see. Norris went home to Nebraska and risked being lynched to tell a vast crowd why he had taken a position against the war resolution. He had the courage to resign from the Senate and stand for reelection on his record.

Each of the six men suffered abuse until his death—with the solitary exception of Norris, who has lived to see his stand vindicated. Vardaman, surviving until 1930, witnessed the start of the change in sentiment, but for years the names of the dissenting half dozen were on the — of a — list of innumerable publications. Lane and Stone died before the war was ended; Gronna passed on in 1922, and La Follette was stricken in the summer of 1925, a year after his unsuccessful campaign for the Presidency, during which his war record was continually branded as "treasonable."

There is no more forceful object lesson against war hysteria than the story of the Senators (although not present at the time of the vote, Senator THOMAS P. GORE, of Oklahoma, was reported as being opposed to the declaration of war) who braved a hurricane of contumely to vote against America's leap into the maelstrom on the other side of the Atlantic. Seventeen years after the final volley of the "war to make the world safe for democracy" and "the war to end war", despots on two continents again march toward Armageddon. This reawakening of the martial spirit abroad has prompted America to attempt to compensate for the terrific hatred it vented on six old men in 1917.

Last year memorial services were held at the graves of the dissenting Senators who have died. La Follette's two sons are Governor and senior United States Senator from Wisconsin. One of Gronna's sons is North Dakota's secretary of state, the other a district judge and former State's attorney general. Citizens in Oregon are planning erection of a statue to Senator Lane. A memorial recently was unveiled at Nevada, Mo., in tribute to Senator Stone. Speaking at the dedication of the Stone monument, Senator BENNETT CHAMP CLARK, member of the Nye Munitions Committee, declared:

"Well we had our war. * * * The whole world has been passing through the fiery aftermath of that war. Brutal dictatorships are in the ascendant in nearly every land as a result of the war to make the world safe for democracy. * * * And across the years I still see the figure of that man looking out to the light, willing to sacrifice his own political life in a protest against these things coming into being."

LISTENING TO MR. B—ARTICLE BY F. W. HART

Mr. NORRIS. Mr. President, I hold in my hand an article by Mr. F. W. Hart, which appeared in the February 1936 number of the magazine known as the Social Frontier. I have received this article from a member of the National Educational Association, and in the letter transmitting it the writer says:

The attached article in the Social Frontier for February describes one of the most insidious instruments of Wall Street propaganda in the Nation.

After a careful reading of the article I agree with the opinion expressed by the writer who has sent this article to me. I have changed the text of the article by striking out the name of the individual who was supposed to be the speaker at the banquet referred to, substituting a simple letter, because I do not care to identify anyone with the activities described here. The article is entitled "Listening to Mr. B." I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Social Frontier for February 1936]

LISTENING TO MR. B

Some 300 schoolmen—old and young—teachers, supervisors, principals, and superintendents, are gathered for their annual banquet, an event held in conjunction with the teachers' institute. Music adds to the spirit of good cheer and friendly fellowship. Dinner is served, and routine matters of announcement, business, and other preliminaries are quickly disposed of by the presiding officer. The president of the teachers' association is called upon to introduce the principal speaker of the evening.

SAUL AMONG THE PROPHETS

The president takes the microphone and proceeds, in characteristic fashion, to relate in some detail the Nation-wide search for the most distinguished speaker, with the most profound message, to be found in all the land and concludes his eulogy of high and mighty tributes by introducing Mr. B. Officially and ostensibly, Mr. B is the personnel director of the New York Stock Exchange; actually, as it is to appear later, he is quite another character.

As he rises to speak, I am impressed most favorably indeed by his easy, pleasing manner, his genial, happy smile, and his fascinating personality. Age has not stolen his youth; life has not dimmed his light. As he speaks, I hear the soft, soothing voice of a kindly man who might grace the pulpit in a devotional service—a voice in harmony with the spirit and beauty of a great cathedral. I can all but hear the last lingering tones of the pipe organ and the hovering reverberations of the final note of the choir. With deep gratitude, Mr. B expresses his unbounded joy at being in our midst again after 4 long years of painful separation and his profound appreciation of the privilege of speaking to us, his beloved friends and companions. And then, with persuasive words, studied but suave and pervading, he tells us that we, the leaders of public education, are responsible for the only really big business of the Nation—that all other big business sinks into insignificance in comparison. Multiplied millions of children in our schools, billions in our budgets, and the ultimate destiny of humanity and civilization in our hands, makes of us the greatest of all big business executives. We hang on every word, we thrill with the thought, we drink it in and expand almost visibly. We are being prepared—prepared for the operation to follow, the removal of our social intelligence.

With his admiring audience thus prepared—conditioned—Mr. B with all the skill and technique of a great surgeon proceeds to fabricate a beautiful halo to hide the horns of big business and to shroud the United States Chamber of Commerce, the Liberty League, and the rugged individualists in a holy robe of human sympathy, benevolence, and generosity. We are piously persuaded that the New York Stock Exchange is the Hull house of humanity and that Wall Street is paved with piety and justice.

SALVATION THROUGH FAITH IN THE RICH

We listen eagerly to the soul-stirring stories of how men and women of wealth in almost every community are literally pining away, sick at heart, and lonely because the school officials have not asked them to donate a pipe organ for the new high-school auditorium or given them a chance to know the great joy of serving their fellowmen. We are moved almost to tears by the pathos of the account of how one dear little old lady of wealth was finally given her chance.

A campaign for welfare funds had fallen short of its goal. The guest of a committeeman, a stranger to the town, was present at the meeting of the committee in which they despaired of all hope. At this point the stranger ventured to ask, "Are there no rich people in your town?" The answer was, "Yes; an old lady who is very wealthy." "Will you go with me now to see her?" the stranger asked. It was agreed. They went. With tears in his voice, Mr. B unfolded to us a beautiful vision of this dear little old lady writing out a check for \$500. Oh! the joy on the dear little lady's face. We all stood up reasonably well under this dramatic parable, but the sequel pulled handkerchiefs from the hips of all but the hard of heart.

It seems that the stranger returned to the city some years later, told his friend that there was just one person he wished more than any other to see, namely, the little old lady. Was she still living? Was she well? Might he see her? Yes; he could see her—see her alone. He went to her home. She was in the garden walking among her roses. The stranger introduced himself and recalled the occasion of their former meeting. Did she remember? The joy on her face was her answer. "Would you like a rose for your buttonhole?" she asked. He would be delighted. She tenderly plucked a beautiful rosebud, excused herself, went into the house, and a moment later returned and pinned the rose on his lapel with trembling hands. They visited and he returned to the home of his friend. Then, he discovered to his amazement and consternation that the rose was pinned to his coat with a beautiful diamond pin. He rushed back to the home of the dear little old lady to apprise her of her mistake. But no! It was not a mistake. She assured him, with tears trickling down her radiant face, that it was just a little token of her appreciation of what he had done for her on that memorable occasion when she had been permitted, through his efforts, to contribute to human welfare—to serve her fellow man.

We are told in confidence that we are neglecting a great opportunity by not inviting 15 or 20 of the "kingpins" of business in our community to sit with us in our councils on educational policy and school support (a superboard of education). Some who were listening trembled slightly at the thought, recalling the "kingpin" power of "invisible government", "superboards", "kitchen cabinets", and "citizens' committees" they had known.

Some reflected on the attempted destruction of the Chicago school at the hands of a citizens' committee, kingpins of the first order. Others found cases closer home, but the "spell" of hypnosis was upon us, and such momentary pricks of intelligence were quickly removed by the skillful manipulations of Mr. B, our mental surgeon.

The "kingpins" of business were to tell us, also, just what business expects of the schools—good penmanship; stenographers who can spell correctly; clerks who can do arithmetic accurately; and remember to add the sales tax; supermechanics; supercosmetolo-

gists; docile, uncritical servants of the status quo. There is no reference to the cultivation of social intelligence in the schools; no mention of citizenship in a democracy dedicated to human rights, social justice, and the general welfare of society.

THE SPELL IS BROKEN

If doubts arise again in the minds of the more skeptical, we are quickly put under by Mr. B's assuring us that schoolmen throughout the length and breadth of the land, year in and year out, are urging him, pleading with him, to come and speak at their institutes or talk to their student assemblies. These invitations are so frequent and so insistent that should he accept them all, which he would love to do more than anything else in the world, he would have no time for his duties in the stock exchange. On one occasion we hear that 75 letters had piled up on Mr. B's desk. Their neglect grieved him sorely. He took them to his superior for counsel. Later in the day the superior is reported to have said: "Mr. B, I have read every one of these letters; I am deeply moved; you must go." Finally, for the benefit of those to whom this report of how 75 appeals had moved the heart of the director of the New York Stock Exchange was insufficient evidence, Mr. B tells us, with tearful remorse, that at the present time there are 850 such appeals for his services piled on his desk in Wall Street. We grieve with him that the New York Stock Exchange has only one Mr. B. Wall Street probably grieves also.

The schoolmasters' banquet ends in prolonged applause. I applaud. I walk down the long corridor and hear on every hand, "Wasn't that a wonderful message." I shake myself violently. I strive, all but vainly, to get hold of my intelligence. I stop and stare about, feeling much as I once had after taking gas to have a tooth pulled. Then I see the cold, unmoved faces of a few men I know to be critical thinkers. They are not saying, "Wasn't that a wonderful message." Their presence helps. The spell is broken. The vision disappears—even the vision of the dear little old lady with the rose and the diamond pin disappears. I am myself again. I now see, and see clearly, that for the hour I have been the victim of the most subtle, most seductive, most plausible, and most vicious propaganda—propaganda cunningly conceived, perfectly planned, and masterfully executed by big business in the interest of the preservation of the status quo—propaganda coldly calculated to sway the schools of a nation into harmony and accord with that social philosophy which places property rights above human rights, individual welfare above the general welfare, and greed above all.

F. W. HART.

CONDITIONS IN EUROPE—ARTICLE BY LIVINGSTON HARTLEY

Mr. POPE. Mr. President, I ask permission to have printed in the RECORD an article published in the Washington Post of Thursday, March 19, 1936, entitled "Diminishing Crisis", written by Livingston Hartley. It seems to me to be such an able and careful analysis of the European situation that it is entitled to a permanent place in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Mar. 19, 1936]

DIMINISHING CRISIS—VALUE OF LEAGUE MACHINERY SEEN IN DELAY BY DECISION NOT TO FIGHT OVER RHINELAND MILITARIZATION

By Livingston Hartley

Hitler's latest blow at the treaty structure of peace has been followed by 12 frenzied days in Europe. These have been marked by constant negotiations, alarmist headlines, public anxiety, and statesmen scurrying across Europe, with the true situation obscured by a diplomatic fog which alternately lifts and thickens. Already, however, certain salient features of the present crisis are beginning to loom out of this fog which hides so much that is happening in London, Paris, and Berlin.

When German troops marched into the demilitarized zone of the Rhineland, France and Belgium were faced with two alternatives. The first was to take immediate military action against Germany, as permitted under the Locarno Treaty, should they "satisfy" themselves that immediate steps were "necessary." The second alternative was to refer Germany's action to the Council of the League of Nations, whose "recommendation" the Locarno Treaty bound them to carry out.

The decision of the French and Belgian Governments to choose the second alternative and avoid immediate military measures which would certainly have led to war, was consequently of the highest importance. It facilitated the League procedure of delay until first reactions cool, with consequent opportunity to bring about a satisfactory peaceful settlement. The long discussion and preparation that League procedure requires before forceful action is taken were probably never more necessary than now.

One salient feature of the present crisis is the radical difference it presents to the problem the Council had to confront in relation to the Ethiopian war. Germany occupied her own territory without any shooting, whereas Italy invaded the territory of a fellow member of the League with bombs, shells, and bullets. The practical difference between these two situations, however, is no more marked than the legal.

Mussolini's invasion of Ethiopia was a direct contravention of several articles of the League Covenant. Article 16 of the Covenant, providing for sanctions, was therefore invoked, and all the members of the League were bound by definite treaty obligations to take action against Italy.

Germany, in spite of her defiance of the Locarno Treaty, has not directly violated any article of the League Covenant. Her action, moreover, has been appealed to the League under the Locarno Treaty and not under the Covenant. Consequently, the fifty-odd members of the League who were not parties to Locarno have no obligation under the Covenant to take action against Germany. Disinterested nations, such as Argentina, Finland, and Siam, were bound by specific engagements to restrain Italian aggression. These same nations will have no legal obligation to fulfill any recommendations the League Council may make in the present crisis unless it is shown that German action veils uncontestable aggressive intent.

Military action against Germany is still a bare possibility, although developments at London have made it appear highly unlikely. It is generally agreed by military experts that the French and their allies are in a position to drive German troops out of the Rhineland and win a decisive victory over the Reich. Such a victory might create economic chaos in Germany, but it would also bring about the downfall of the Nazi government and end, perhaps for a decade, the German menace, which is the fundamental threat to the future of Europe.

The general staffs of France and her allies might be tempted to follow this course as an insurance against an even more serious European war in the next few years for two reasons: Germany is not yet ready, and Germany now stands alone. Their Governments, however, are restrained by other considerations. Even if military victory over Germany should be certain, the cost to all belligerents would be appalling.

The French undoubtedly have a logical case for smashing Nazi Germany now. Hitler may be sincere in his offer of 25 years of peace. But Hitler, or his successor, may no longer be sincere 2 years from now if the German war machine is then the most powerful in Europe. Progressive violations of treaties have weakened the faith of all nations in German engagements, no matter how solemnly accepted, and Nazi leaders have so often proclaimed their intention of uniting Austrians and all minorities of German "race" in the Reich that it takes optimism to believe they will stop at the present stage of their widely publicized program.

Military attack, however, is not the only means of destroying the growing German menace. Since Germany's gold reserve is only sufficient to cover some 2 percent of her annual imports, and since foreign trade plays so vital a role in maintaining an economic structure which has long tottered on the brink of an abyss, Germany is very vulnerable to economic and financial sanctions. Hitler himself is peculiarly susceptible to economic pressure, because the big German industrialists have long been a principal bulwark of his real political power. In view of these conditions, there is reason to believe that a boycott of German exports alone might suffice to bring the Reich to terms in the Rhineland, or to cause the downfall of the Nazi Government. Sanctions, consequently, are being given consideration by some of the governments represented in London.

The problem is still very different from that created by the Ethiopian war, because the non-Locarno members of the League have no obligation to enforce sanctions to make Germany withdraw her troops from the Rhineland. Nevertheless, trade statistics indicate that a boycott of German exports by relatively few European powers might be exceedingly effective. But the more effective against Germany, the more sanctions would injure the nations applying them, if few in number.

Sanctions against Germany are not impossible if the efforts of the League Council to reach a satisfactory settlement fail, even though the Italian Government is opposed to participating in any sanctionist measures. But Italian objection to collective economic action against Germany is not necessarily decisive.

The decisive influence in the Council's final action is not Italy but Great Britain. Since the national interests of Great Britain and France are divergent in the present crisis, the first problem at London is a compromise solution which will serve them both. France and Belgium might be brought to accept a settlement with Germany along the lines proposed by Hitler through a definite British guaranty of their eastern frontier, or the British Government might participate in economic sanctions against Germany in exchange for a French agreement to stand by collective security in the Ethiopian war.

Italy, while a vitally important participant in military action against Germany, stands to lose out if the Rhineland problem is dealt with along either of these two lines. Mussolini, therefore, must tread lightly in London in obstructing the action of the Council and perhaps even show restraint in his attitude toward the terms of an African peace.

The present crisis is potentially the most dangerous that Europe has traversed since 1918, yet every indication now proclaims that it will be settled by negotiation. Those who observe the scene at London and remember the aftermath of that pistol shot at Sarajevo must realize that there has been some progress in international life and recognize the practical utility, however, dilatory and devoid of dash and drama, of the machinery of the League of Nations.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The VICE PRESIDENT. The Chair lays before the Senate the amendment of the House of Representatives to Senate bill 3978, which will be stated.

The CHIEF CLERK. The amendment of the House of Representatives to the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of

banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity is, on page 2, to strike out section 2 and in lieu thereof to insert:

SEC. 2. Effective upon the date of enactment of this act, interest charges on all loans by the Reconstruction Finance Corporation to closed banks and trust companies, now in force, or made subsequent to the date of enactment of this act, shall not exceed $3\frac{1}{2}$ percent per annum on condition that the rate of interest charged debtors of such banks or trust companies shall not exceed $4\frac{1}{2}$ percent per annum; otherwise such interest rate shall be as fixed by the Reconstruction Finance Corporation: *Provided, however*, That no provision of this act shall be construed to authorize a reduction in the rate of interest on such loans by the Reconstruction Finance Corporation retroactive from the date of enactment of this act.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

Mr. BENSON. Mr. President, I thought yesterday that we had an understanding that this bill would not be considered for at least a day or two, certainly not today. It may be that is not correct, but that was my understanding, and I talked both to the Senator from Colorado [Mr. ADAMS] and the Senator from Florida [Mr. FLETCHER].

Mr. FLETCHER. Mr. President, I had no understanding at all with anybody except that the amendment of the House would lie on the table and be taken up today. That was my understanding.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Minnesota?

Mr. BENSON. Certainly.

Mr. NORRIS. Does the Senator want more time in which to consider the matter?

Mr. BENSON. I certainly should like to have more time.

Mr. NORRIS. I suggest that more time be accorded to the Senator from Minnesota.

Mr. ROBINSON. Mr. President, I understand that there is a reason for considering the House amendment now and finally disposing of the bill. The reason is that, unless the bill is acted upon, in certain States taxes will be collected today. I had no information of any suggestion for a delay in its consideration. No one has mentioned the matter to me, so far as I recall.

Mr. BENSON. Mr. President, the amendment in which we are asked to concur involves a very important matter. I do not propose to permit it to be acted upon at this time without registering some protest.

During the time I have been in the Senate I have heard many Senators on the Republican and the Democratic sides of the Chamber talk about State rights. It seems to me it is about time that, rather than talk about State rights, we should vote in the direction of maintaining them.

Here is a measure which we are asked to rush through Congress at the request of certain privileged interests in the country in order that they may escape the payment of just taxes which should be levied upon them, and which the States ought to have a right to levy.

This fight has been before Congress for many years. The Committee on Banking and Currency have refused to report out of the committee a bill which would permit my State, the State of Minnesota, to tax our national banks as we tax other banks in Minnesota and as we tax other business institutions in that State.

Mr. FLETCHER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Florida?

Mr. BENSON. I yield.

Mr. FLETCHER. There is nothing to prevent Minnesota from changing her laws so she may tax banks along with other institutions. All the State of Minnesota has to do is to enact a law to that effect.

Mr. BENSON. No; there is nothing to prevent it except an act of Congress and the action of the Supreme Court of the United States in the case of the State of Minnesota against First National Bank. That is all.

Mr. FLETCHER. It depends on the State law. It does not depend on an act of Congress, as I understand.

Mr. BENSON. That may be the way the Senator from Florida understands it, but that is not correct. It depends

entirely upon an act of Congress. The Senator from Florida knows, and every Senator here knows, that the Supreme Court has held that we cannot tax national banks except as Congress permits States to tax them.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Virginia?

Mr. BENSON. I yield.

Mr. GLASS. The Senator knows perfectly well that if the Legislature of Minnesota should enact a law taxing moneyed capital in competition with national banks, that would settle the matter so far as Minnesota is concerned.

Mr. BENSON. The Senator from Virginia knows very well that the State of Minnesota should have a perfect right to tax national banks on the same basis that it taxes State banks in Minnesota operating in competition with national banks, but the Banking and Currency Committee of the United States Senate refuse even to vote upon the question and have so refused for years and years.

Mr. GLASS. Oh, no; the Committee on Banking and Currency of the Senate for the last 12 years have voted upon the question time after time and have invariably taken the position that Minnesota could adjust the matter by a legislative act. There was no need for the Banking and Currency Committee to report a bill to disturb the situation in all the other States merely in order to accommodate Minnesota.

Mr. BENSON. In answer to the Senator from Virginia I must say that the Senator must know that if a law were enacted by Congress permitting not only Minnesota but every State in the Union to tax national banks on the same basis on which State banks are taxed, it would not disturb the taxing powers of any State, but would give Minnesota the right to tax national banks as she taxes State banks.

Mr. GLASS. It would disturb conditions in many of the other States.

Mr. BENSON. In just what manner would it disturb them?

Mr. GLASS. Minnesota can settle the matter for herself. If she would enact a law taxing moneyed capital in competition with national banks and in accordance with the decision of the Supreme Court of the United States, that would settle the matter so far as Minnesota is concerned.

Mr. BENSON. For the information of Senators I wish to say that in the case of the State of Minnesota against First National Bank of St. Paul, the Supreme Court of the United States held that Minnesota could not tax national banks if there was any money in Minnesota coming in competition with national banks, even though it be in the hands of private individuals loaned, we will say, on real estate mortgages on which there is merely a mortgage registration tax. If the Senator from Virginia wants to concur in that kind of legislation on the part of the Supreme Court, I hope he will so acknowledge it here before the United States Senate.

Mr. GLASS. Oh, yes; I concur in all the decisions of the Supreme Court even when I disagree with them.

Mr. BENSON. I presume the Senator also concurs in legislation on the part of the Supreme Court.

Mr. GLASS. No; I do not think the Supreme Court legislates.

Mr. BENSON. It did in that case.

Mr. GLASS. I do not agree with the Senator as to that.

Mr. SHIPSTEAD. Mr. President, money in State banks, and the capital stock and surplus of State banks, are in competition with the same items in the case of national banks.

Mr. BENSON. They certainly are.

Mr. SHIPSTEAD. So to tax the national banks would only put them on a parity with the State banks.

Mr. BENSON. My colleague is correct. The senior Senator from Minnesota is familiar with this situation, and knows well that in Minnesota we do not propose to tax national banks in any other manner than that in which we tax State banks. That should and ought to be done, and Minnesota should have a right to do that. I repeat, however, that the Banking and Currency Committee of the Senate has refused

for many years to report out of committee a bill which would permit the State of Minnesota to do that; and, as a result, this year Minnesota is to lose \$2,000,000 in taxes which we otherwise would collect. For that reason I am very vitally interested in this bill.

Mr. SHIPSTEAD. Mr. President, will my colleague yield?

Mr. BENSON. Yes.

Mr. SHIPSTEAD. The national banks of Minnesota for years have recognized the equity of the contention for which the Senator speaks to the extent that for a long period of years they have voluntarily paid taxes which under the law could not be assessed against them.

Mr. BENSON. That is correct. For many years—in fact, since 1928, when this case was decided in the Supreme Court of the United States, as my colleague has stated—all but six, I believe, of the national banks in Minnesota have voluntarily paid their taxes. This year, however, they have served notice on our tax commission that they refuse further to pay their taxes as long as the Congress of the United States refuses to act upon this matter, and as long as the Banking and Currency Committee refuses to permit the United States Senate to vote upon the question.

Mr. FLETCHER. Mr. President, I may say to the Senator that some bills on the subject are now pending before the Banking and Currency Committee. They have been referred to a subcommittee of which the senior Senator from Virginia [Mr. GLASS] is chairman, and they are still before the subcommittee. They have not been acted upon by the Banking and Currency Committee; but I do not see how this bill interferes with that.

Mr. BENSON. I am very happy to know that at last they have referred the matter to a subcommittee; but I do not know that that is going to help the State of Minnesota a great deal. What we want is a change in the law in such a way as to permit us to tax national banks in the same manner that we tax other banks in our State.

In answer to the Senator's statement that the measure now under consideration has no bearing upon the subject upon which I speak, I wish to say that it seems to me it has a very material bearing, in that it is further strengthening the position of the national banks in this country, which say to Minnesota and say to 16 other States, and might very logically say to any State in the Union, "You have no right to tax us." In fact, in answer to the questions which have been suggested here, I wish to say that every lawyer here at least knows that according to decisions of our Supreme Court, a national bank could loan money in Oregon or Nebraska or Minnesota at 10 or 15 or 20 or 30 percent, and nothing could be done about it under the laws of those States, except that Congress has made that unlawful. Why could they not do the same thing regarding the taxation of banks? If the State of Virginia says it is unlawful to charge more than 6 percent interest, if it were not for an act of Congress the national banks there could exact 20 percent interest, and there is nothing that the State of Virginia could do about it.

Mr. GLASS. Oh, no, Mr. President; the National Bank Act provides that no national bank shall charge a larger discount rate than is permitted by the statutes of the State in which it is located.

Mr. BENSON. The Senator from Virginia has answered my question. Why should not that also apply to the taxation of national banks?

Mr. GLASS. The Senator from Minnesota knows very well why the banks of his own State of Minnesota voluntarily paid this tax for a number of years. It was because they did not wish to be segregated as banks for special taxation. That is the only reason why they did it. Minnesota may settle the whole question, however, and collect its \$2,000,000 by simply enacting a statute taxing moneyed capital in competition with banks just as it taxes banks.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Washington?

Mr. BENSON. I do.

Mr. SCHWELLENBACH. I should like to say, by way of preliminary to my question, that I agree entirely with the Senator from Minnesota. The State of Washington is not only in the same position as is the State of Minnesota, but it is in a worse position, because our national banks have never been willing voluntarily to pay the tax. I agree that it is an outrage that Congress has never passed legislation under which they can be compelled to do so.

Talk about competing capital! Even when that statement is found in the reports of the United States Supreme Court, it is entirely false. It is not competing capital. If the State of Minnesota or the State of Washington desired to surrender to the banks of those States and drive out of business savings and loan associations and other kinds of institutions which are not competing with the banks, of course, they could do so; but this talk of banks about competing capital is a mere subterfuge. I think every State should be entitled to tax the banks within its borders; and I do not think the State of Washington or the State of Minnesota should be compelled to surrender to the banks in order to permit those banks to drive savings and loan associations out of business in our two States. I do not think the Federal Government should ask us to do that.

However, on this particular bill I am confronted with this problem: Since all the private owners of stock in banks in our State are exempt from taxation, since neither they nor anybody else have to pay any tax on bank stock, why should an agency of the United States Government be compelled to pay a tax on stock which it owns? That is the question with which I am confronted on this particular bill.

Mr. BENSON. The Senator from Washington has stated the position which I take much better than I myself could have stated it. In answer to the question which he raises, however, regarding the taxation of a Federal agency, I wish to say that I voted against the bill when it passed the Senate, and, had I the opportunity, I should again vote against it. I do not think the Federal agency should be exempt from taxation, even though the Congress of the United States does exempt from taxation those stocks in the hands of private individuals. I think the agency should pay the taxes, or compel the bank issuing the stock to pay the taxes. I do not think the State of Maryland or any other State should be denied the right to require that to be done; and that is the reason why I am entering this protest at this time, even though I realize that it is futile.

The Senator from Washington has mentioned, and I wish again to emphasize, the fact that the contention which the Supreme Court has raised, and the contention which the Banking and Currency Committee of the Senate apparently subscribe to, is that Minnesota and 16 other States of the United States may repeal their taxes on moneys and credits. They may repeal their mortgage registration taxes. They have no right to tax their national banks on the same basis that they tax State banks. They may repeal their laws taxing building and loan associations. They have no right to segregate banks. They have a right to segregate cattle; they have a right to segregate household goods; they have a right to segregate every other type of property; but when it comes to banks, they cannot do that! If that is sound reasoning, I do not understand reasoning.

I wish to say further that this matter has gone so far that at the present time we have here in Washington a man holding a high official position under this administration—not my administration, but the present Democratic administration—who boasts of the fact that he does not pay taxes on the banks he owns. He boasts of it. He is proud of the fact. I think it is about time for us to enact legislation that will make it impossible for such a thing to continue.

So I say that I think the amendment of the House should be rejected, and the bill should be referred to a committee to consider the matter, in order that it may again come before Congress, because, in my opinion, it never has had a fair hearing.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. STEIWER. Mr. President, some days ago I was accorded the privilege of presenting to the Senate certain

observations in connection with the process employed by the so-called lobby committee of the Senate which is acting under the authority of Senate Resolution 165. I desire at this time to add to the observations I then made.

I ought to make it clear at the beginning that I make no complaint against the subpoenas which have been issued by that committee merely upon the ground that they lack in particularity or that they are not sufficiently specific, not accurately descriptive of the papers desired. Nor do I make any point of the fact that subpoenas of the sort which are employed require a search on the part of the telegraph companies which, under some circumstances, might be oppressive, nor of any other matter which is distinctly procedural in its nature. For the purpose of the present discussion I am not interested in procedural phases.

I am interested in substantive rights of the citizen. A subpoena which requires the production of all messages between named persons and between specified dates is so general that it invades the constitutional right of the citizen under the fourth amendment. When a subpoena requires the production of messages which are not pertinent to any investigation which the Senate is qualified to make, and not material to any issue raised under the resolution, it invades the constitutional right of the citizen, and I urge that such a subpoena ought not to be used; that its use ought to be discontinued, not only by this committee, but by any other committee which may have fallen into the error of resorting to process of this kind.

At the time when I attempted to present this matter before I had not been supplied with a copy of any subpoena used by the committee except the one which had been referred to in the petition in a case filed in a local district court. My discussion upon an earlier occasion was limited to the subpoena which I then had in my possession. Subsequently, through the courtesy of the chairman of the committee, I have been furnished with other subpoenas. They are five in number, and I am assured by the Senator from Alabama [Mr. BLACK] that these subpoenas are reasonably typical of the different subpoenas which the committee has employed during its investigation. I am advised many hundreds of subpoenas have been issued, and that there is no set form for that part of the subpoena which requires the production of papers. I understand the variations in the subpoenas are such that they fall into a number of different classes or categories, and, as I have said, the subpoenas which have been furnished to me are reasonably typical of the classes or types of process which the committee has employed.

I am going to ask at this point in my remarks that the five subpoenas be set out.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the subpoenas were ordered to be printed in the RECORD, as follows:

[Form of subpoena]

UNITED STATES OF AMERICA,
Congress of the United States.

To _____, superintendent, _____ Telegraph Co., greeting:
Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instant, at _____ o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee; to produce instant all telegrams and copies of telegrams sent to and from _____ (city) from January 1 to September 1, 1935, to and from all persons, relating to the so-called holding-company bill, or any other matter or proposal affecting legislation, and also relating to the passage or defeat of legislation, or to influence public contracts, activities, or concessions, and relating to any efforts to control directly or indirectly the sources and mediums of communication and information, and relating to political contributions and activities of such persons, corporations, partnerships, or groups, their officers and agents, as have sent telegrams to influence or have sought to influence legislation, public contracts, activities, or concessions.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this — day of _____, in the year of our Lord 19—.

HUGO L. BLACK,
Chairman, Special Senate Committee to
Investigate Lobbying Activities.

[Form of subpoena]

UNITED STATES OF AMERICA,

Congress of the United States.

To _____, superintendent, _____ Telegraph Co., greeting:
Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instant, at _____ o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee and to produce all telegrams relative to the Wheeler-Rayburn bill sent between the dates of February 1 and October 1, 1935, from _____ (city).

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this — day of _____, in the year of our Lord 19—.

HUGO L. BLACK,
Chairman, Special Committee to
Investigate Lobbying Activities.

[Form of subpoena]

UNITED STATES OF AMERICA,

Congress of the United States.

To _____, superintendent, _____ Telegraph Co., greeting:
Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States instant at _____ o'clock — m., at their committee room, 160 Senate Office Building, Washington D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce all telegrams sent paid and/or received collect between the dates of February 1 and November 19, 1935, and charged to _____ (company) at _____ (city), and all of its associates, affiliates, and subsidiaries, and all of their known officers, employees, and agents.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this — day of _____, in the year of our Lord 19—.

HUGO L. BLACK,
Chairman, Special Committee to
Investigate Lobbying Activities.

[Form of subpoena]

UNITED STATES OF AMERICA,

Congress of the United States.

To _____, superintendent, _____ Telegraph Co., greeting:
Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instant, at _____ o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee and to produce all telegrams sent paid and/or received collect between the dates of February 1 and November 19, 1935, and charged to _____ (individual) at _____ (city).

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this — day of _____, in the year of our Lord 19—.

HUGO L. BLACK,
Chairman, Special Committee to
Investigate Lobbying Activities.

[Form of subpoena]

UNITED STATES OF AMERICA,

Congress of the United States.

To _____, superintendent, _____ Telegraph Co., greeting:
Pursuant to lawful authority, you are hereby commanded to appear before the Special Committee to Investigate Lobbying Activities of the Senate of the United States, instant at _____ o'clock — m., at their committee room, 160 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and to produce at said time and place all telegrams as per the attachment.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To _____ to serve and return.

Given under my hand, by order of the committee, this — day of _____, in the year of our Lord 19—.

HUGO L. BLACK,
Chairman, Special Committee to
Investigate Lobbying Activities.

ATTACHMENT

All telegrams sent paid and received collect at _____ (city) between the dates of February 1 and August 1, 1935, and charged to the following:

(Company) _____
(Individuals) _____

Mr. STEIWER. Mr. President, I have numbered the subpoenas for convenience in discussion.

Mr. JOHNSON. Will the Senator read just one of the subpoenas, please? I have never seen one in print, and I do not know exactly what is contained in the subpoenas.

Mr. STEIWER. I shall be happy to do that. I was saying that I have numbered the subpoenas for convenience in discussion.

Subpena no. 1 is entirely specific and definite. I have no criticism to make of it and am placing it in the RECORD in order to offer all of the subpoenas which were supplied to me by the chairman of the so-called lobby committee, and in order that my presentation may be a fair presentation of the processes employed by the committee.

Subpena no. 2 is not equally specific as subpena no. 1; yet I concede it might be justified, and I submit no observations concerning it.

Subpenas nos. 3, 4, and 5, however, fall within the condemnation of the legal principles which I cited in the earlier debate on this question, and, at the request of the Senator from California, and in order that Senators may know exactly what it is that confronts us, I am going to read from each of these subpoenas that portion which requires the production of the telegrams.

Before I read I should say that in no case do these copies disclose the names of the senders of the subpoenaed telegrams. The chairman of the committee thought it unwise, or he was unwilling, to disclose those names, and I did not insist upon that disclosure, because I am in no way interested in the identity of the people whose telegrams are being seized. I am interested only in the process itself, and to the effect of the procedure upon the people of the United States.

I now read the portion of subpena no. 3, to which I made reference:

— to produce all telegrams sent, paid, and/or received collect between the dates of February 1 and November 19, 1935, and charged to — at — (city), and all of its associates, affiliates, and subsidiaries; and all of their known officers, employees, and agents.

From subpena no. 4 I read also the language which requires the production of papers, as follows:

— to produce all telegrams sent, paid, and/or received collect between the dates of February 1 and November 19, 1935, and charged to —.

Evidently that is the space provided for the name of the individual.

At — (city).

That evidently is the space provided for the city of the individual's residence.

Now, from subpena no. 5 I read the portion which requires the production of messages, which is as follows:

— and to produce at said time and place all telegrams as per the attachment.

And the attachment which is supplied to me and which is attached to the form of subpena, reads as follows:

All telegrams sent paid and received collect at — (city) —

Leaving a space for the name of the city—

between the dates of February 1 and August 1, 1935, and charged to the following:

Leaving a space for the names of companies and a further space for the names of individuals.

A fair general characterization of these three types of subpoenas is that they require the production of all telegrams sent between specified dates by named persons at named telegraphic offices. They demand no particular telegram; they demand no telegram on any specific or particular subject. There is in this process nothing from which the witness upon whom the subpoena is served, or any other person, could determine what is relevant and what is not relevant. Obviously compliance with this subpoena means that the telegraph company must produce for the inspection of the committee and its agents and employees every telegram sent by the persons whose names are endorsed on the subpoena within the times specified. Of course, if those telegrams relate to

material that is not related to the question of lobbying, and if in particular the telegrams relate to private matters, it inevitably follows that compliance with the subpoena means that the privacy of the citizen is invaded.

In an earlier debate in this matter the Senator from Alabama advised the Senate that its committee was following the procedure always followed heretofore. I quote from page 3228 of the RECORD, from a statement made by the Senator from Alabama:

Now, I desire to make this statement to the Senate: Your committee is proceeding in exactly the same line of policy and under the same type of proceedings that have characterized every investigating committee since the first resolution of investigation was adopted in 1792.

Mr. President, I am not going to contradict the statement; in part it is a true statement; but I will say that my own investigation of different actions taken by Senate and House fails to support that statement. I will say also that the Library of Congress, after having its attention directed to the one case upon which the committee relies as authority for their procedure, advises me they can find no record that that case has ever been followed by Senate or House in the entire history of this country.

By the one case I mean one determination by one of the legislative branches of the Congress that a witness was bound to furnish the information which is required by subpoenas of this sort.

As I stated in the earlier debate, there is one case which supports the procedure of the committee. That case was identified in the discussion between the Senator from Alabama [Mr. BLACK] and myself as the case in which the House held in contempt Mr. E. W. Barnes in the year, I think, 1877. By reason of the reliance of the committee upon that decision of the House I feel justified in calling attention to the facts underlying that action and to point out to the Senate the infirmities of the decision and the complete lack of justification for its use in supporting procedure employed at this time.

In that action of the House, Mr. President, we find, in the first place, that the contempt order was voted by a minority of the House. I make no particular point of that. It is a thing which might often happen. But the number of absentees and the number of those who voted in opposition to the order of contempt was considerably in excess of those who voted affirmatively.

A matter of more importance, however, is that the proceeding was itself impeached by lack of a valid subpoena. In the RECORD of the Forty-fourth Congress, second session, at page 452, we find the form of what purports to be a subpoena. It is very brief and I read from it:

To JOHN G. THOMPSON, Esq., Sergeant at Arms, or his special messenger:

You are hereby commanded to summon E. W. Barnes, manager of the Western Union Telegraph Co. at New Orleans, La., to be and appear before the Louisiana affairs special committee of the House of Representatives of the United States, of which Hon. William R. Morrison is chairman, and with you bring all telegrams sent or received by William Pitt Kellogg, S. B. Packard, John F. Casey, J. R. Pittkin, Henry C. Dibble, H. C. Warmoth, George W. Carter, and General Augur at the office of the Western Union Telegraph Co., New Orleans, from and after the 15th day of August 1876. * * *

I perceive no difference between a subpoena which directs the production of "all telegrams" from and after a certain date, and a subpoena which directs the production of "all telegrams" between certain named dates, and I very cheerfully concede that so far as the form of the subpoena is concerned it is sufficiently identical with the form of the subpoena at present used by the committee. But I have read this language to call attention to the fact that it is not in form a subpoena running to the witness Barnes or to any other person. It is merely a direction to the Sergeant at Arms of the House of Representatives to command and summon the witness, and there is nothing in the record to disclose that any subpoena was ever issued by the Sergeant at Arms or by any other person.

I imagine there would be no contention that the Sergeant at Arms would be authorized to issue a subpoena in any event. I merely mention this to show the confusion of mind

with which the House considered the case of Mr. Barnes, and the utter confusion of mind when they finally voted by a minority vote to hold the witness in contempt when, in fact, so far as the record discloses, he had never been served with a subpoena.

Another infirmity, and a still more serious infirmity, in the proceedings at that time is that there seems to have been a parole modification of this order. We find it at page 454 of the RECORD. It appears there that the witness Barnes, when he was before the bar of the House, made this statement:

On the 13th of December 1876 I was informed by the person handing me the subpoena—

The subpoena in question was the copy of the order made by the committee to the Sergeant at Arms—

I was informed by the person handing me the subpoena that William R. Morrison, chairman of the committee, desired to see me, and I accordingly waited upon him.

Mr. Morrison asked me when I could furnish those messages.

I informed him that the search would take some time and would require finding all the messages of the parties named.

Mr. Morrison said, "We only need the campaign messages."

That ends the quotation. The investigation in question related to an election in the State of Louisiana. Throughout the debate it appears, first, that this statement of the witness was never impeached or contradicted, and, second, that the debate proceeded upon the assumption that this statement by the witness was a true statement. It was referred to by a number of different Representatives in the discussion which ensued upon the floor of the House.

So we are confronted with the fact that the subpoena itself was not a subpoena, but that if it be regarded as such that it was varied by the parole instructions of the chairman of the committee, and as varied it ceased to be the dragnet subpoena against which I am complaining at this time; but it became an order to produce certain relevant, and not irrelevant, messages.

A third infirmity, Mr. President, is that the proceedings were further impeached by the equivocal basis upon which the respondent witness, Barnes, was held in contempt. I can illustrate what I mean by my characterization "equivocal basis" by reading briefly from the CONGRESSIONAL RECORD, to which I have referred. At page 604 we find that a question was raised concerning the precise proposition before the House. The question was raised as to what it was that this respondent witness had done that he was to be held in contempt by action of the House. I read briefly:

Mr. GARFIELD. I wish the gentleman would state whether the committee has found in that report—I did not catch the entire reading of it—that this subpoena was a proper subpoena to him, on which we can base proceedings for contempt.

I interject there to say that Representative Knott was the chairman of the Judiciary Committee and seemed to be in charge of this proceeding after the special committee had brought in its resolution for contempt. Mr. Knott answered as follows:

In answer to the inquiry of the gentleman from Ohio, I will say that a majority of the committee were of the opinion that this was a legal and sufficient subpoena. There were others on the committee who denied its efficiency, who nevertheless concurred unanimously in the resolutions presented as the conclusions of the committee.

The resolution, Mr. President, discloses that it was not, strictly speaking, a resolution of contempt. And then a more important question was put. Mr. Garfield made this statement:

Mr. GARFIELD. I wish the gentleman would put it in a shape where the House can demand an answer to the questions propounded, and if he refuses the contempt will be in his refusal to do it, but not the refusal to answer under this subpoena.

Mr. KNOTT. If the gentleman had listened to the resolutions, he would have found that they required that precisely to be done.

Mr. GARFIELD. Very well; but I would like to hear the resolutions again read.

The clerk again read the resolutions.

Mr. GARFIELD. A single question more. As I understand, from the reading of the resolutions, there is nothing in them that lays the foundation for a contempt for not heretofore producing the messages called for. If the witness shall refuse to produce them now, that will be the foundation for the contempt; is that it?

Mr. KNOTT. The gentleman can put his own construction upon the resolutions.

Mr. GARFIELD. I want to know the construction that the committee puts upon them.

Mr. KNOTT. The construction of the committee is contained in the report. The resolutions are susceptible of the construction that the witness will be in contempt if he violates the order now made or sought to be made in the first resolution.

Thus it appears that this witness could have been held in contempt for either his failure to produce the telegrams or for his failure to answer interrogatories propounded of him at the bar of the House. And there is nothing in that discussion which shows the real basis for the order which the House subsequently made.

After that discussion there followed a considerable volume of further debate, and finally the House, after a great deal of confusion, came to its conclusion, which is found on page 608 of the same RECORD.

At that time the resolution, which I have just referred to, and which was discussed by Mr. Garfield and Mr. Knott, was withdrawn and another resolution submitted to the House. The second resolution apparently holds the witness, Barnes, in contempt for failure to produce the papers required by the subpoena, but even this conclusion is not a perfectly safe one. After the last resolution was offered there ensued certain further discussion, which indicated a difference of opinion as to what it was that the House was proceeding to do. I think I have never examined a parliamentary record more replete with confusion than is the record from which I am reading. It well deserves the examination of any Senator.

Finally, growing out of that conclusion was a vote holding Mr. Barnes in contempt.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes; I yield to the Senator from Indiana.

Mr. MINTON. Did not the committee hold by a majority in that case, though, that the subpoena which the Senator from Oregon has read into the record was a valid subpoena?

Mr. STEIWER. Yes; the majority of the committee thought so, basing their view on the case of the United States against Babcock, which has been repudiated throughout history ever since. However, I will come to the Babcock case a little later.

Subsequently, the House took further action in which they directed that the witness might go in custody of the Sergeant at Arms back to New Orleans for the purpose of endeavoring to find out whether he could, in fact, produce the messages. It seems that he had been superseded in the office of which he had been in charge, and a serious question was presented as to whether he could comply with the subpoena, even if he desired to comply with it. The last action of the House was that by which they permitted the witness to go in custody to see if he could produce the messages. I cannot find that subsequently there was any further effort to hold Mr. Barnes in contempt, nor that any penalty was visited upon him by reason of his failure to respond to the subpoena in the first place.

I just said, in answer to the inquiry made by the Senator from Indiana, that a majority of the committee regarded the subpoena as being sufficient and adequate. They filed with the House a report in which they set forth their views, and they based their conclusion in their written report, to a large extent, upon the authority of the case of the United States against Babcock, which is reported in Third Dillon at page 567.

In that case, Mr. President, the question of the constitutional right of the witness was not raised. The case stands entirely upon the sufficiency of the form of the subpoena. It was urged that the subpoena was not sufficiently specific. The Court held that the subpoena was good, upon the ground upon which it had been attacked, but there is no reference that I can find from an examination of the case to the fourth amendment or to the right of the citizen under that amendment, and no contention that his right had been denied by the proceeding in the case. Nevertheless, the case was relied upon. At that time it was the only American case of any consequence that could have been relied upon to sustain the view of the majority of the committee.

Very shortly after that, however, the question came up squarely in Missouri, and in the Missouri case the Babcock case was discussed. I am referring now to the case of *Ex parte Brown*, which is reported in Seventy-second Missouri Reports at page 93. Before *Ex parte Brown* was considered by the Supreme Court of Missouri, there occurred the second annual meeting of the American Bar Association. At that meeting a lawyer of considerable reputation read a paper in which he discussed the question of the right to take messages from telegraph offices and particularly the process which ought to be employed in seeking that kind of evidentiary material. In this very able paper, the writer, Mr. Henry Hitchcock, urged that the action taken by the House and the holding by the Court in the Babcock case were alike in error. Here is what he says in his final summary of the action of the House in the Barnes case. I quote from page 6 of the paper to which I have referred:

It will hardly be claimed, under the circumstances, that this action of the Judiciary Committee and of a minority of the House of Representatives can be accepted as a judicial authority. It was taken at a time of extraordinary excitement, in connection with political controversies of the gravest character, by a parliamentary and not a judicial body, all parties composing which were deeply interested in the possible results of the disclosures sought. If the doctrine maintained by the House Judiciary Committee is to be upheld by the courts, then not only each House of Congress but equally each house of every State legislature is armed with the power, at will, through a committee or otherwise, to compel the production and inspection at any time of every private message remaining on file in any and every telegraph office within their respective States—not as being competent or relevant to any inquiry before it but for the mere purpose of finding out what evidence, pertinent or not pertinent to such inquiry, the messages there accumulated may disclose.

This paper, Mr. President, has been referred to a number of times by the courts of this country.

I said a moment ago that the Babcock case upon which the House committee based its reliance was considered by the Supreme Court of Missouri in the case of *Ex parte Brown*. In the Brown case the form of subpoena was substantially the same as the form of subpoena in the Babcock case and substantially the same as the pseudosubpoena which was employed in the case in which Mr. Barnes was held in contempt by the House of Representatives. I will not read the form of the subpoena. It is set out, however, in the decision and discloses that production is required of all papers sent by the persons named between certain dates named in the subpoena. I will read only what the court said in respect to the constitutional question which is involved. I read from page 93 of volume 72 of the Missouri reports:

The only remaining question is, whether the messages, the production of which was commanded by the process, were described with sufficient accuracy, to justify the court in compelling obedience to it. The twenty-third section of our Bill of Rights declares: "That the people ought to be secure in their persons, papers, houses and effects, from unreasonable searches and seizures, and no warrant to search any place, or seize any person or thing can, issue without describing the place to be searched or the thing to be seized, as nearly as may be, nor without probable cause, supported by oath or affirmation."

That ends the quotation from the Bill of Rights. I now proceed with the opinion:

We are not prepared to agree with the court of appeals that this section has "but little bearing upon the present question, except by way of argument and illustration"; but if it has no other bearing upon the question, the argument and illustrations drawn from it possess a cogency not to be despised. The section declares—

I should interrupt myself there by reminding Senators, as they already know, that the provision of the bill of rights of the State of Missouri is, in substance and effect, identical with the provision of the fourth amendment to the Constitution of the United States. I quote further from the opinion:

This section declares that the people ought to be secure in their papers from unreasonable searches, and whether a subpoena duces tecum for papers, or search warrant for chattels be issued, the spirit of that section demands that while in the latter case there must be probable cause, supported by oath or affirmation, with a description in the warrant of the place to be searched, or the thing to be searched for, in the other, it shall at least give a reasonably accurate description of the paper wanted, either by its date, title, substance, or the subject it relates to, and that it shall

be shown to the court or authority issuing the process that there is a cause pending in a court and that the paper is material as evidence in the cause. To permit an indiscriminate search among all the papers in one's possession for no particular paper, but some paper which may throw some light on some issue involved in the trial of some cause pending, would lead to consequences that can be contemplated only with horror, and such a process is not to be tolerated among a free people. A grand jury has a general inquisitorial power. They may ask a witness coming before them, without reference to any particular offense which is a subject of inquiry, what he knows touching the violation of any section of the criminal code. Give such a body, in addition, the power to search any man's papers for evidence of some crime committed, and you convert it into a tribunal which would soon become as odious to American citizens as the star chamber was to Englishmen, or the Spanish Inquisition to the civilized world.

Here communications, at different times within a period of 15 months, sent or received by the parties named, are called for. The date, title, substance, or subject matter of none of them is given, and is utterly impossible that it could have been made to appear, without more, than any of the messages were material as evidence before the grand jury. Moreover, it not only called for all messages between the parties named, but for all which may have been sent or received by either of the parties, to or from any person on the face of the earth. A compliance with the order might have resulted in the production of confidential communications between husband and wife, client and attorney, confessor and penitent, parent and child. Matters which it deeply concerned the parties to keep secret from the world, and of no importance or value as evidence in any cause, might thus be disclosed to the annoyance and shame of the only persons interested.

Incidents in the lives of members of families which the happiness and welfare of the household require to be kept secret might be exposed, and offenses not recognizable by the law, long since committed and condoned, brought to light and hawked through the country by scandalmongers, to the disturbance of the peace of society and the destruction of the happiness of whole households. It is no answer to this that the obligation of secrecy imposed by law on grand juries would prevent such exposure. It is enough to disturb and harass a man that 12 of his neighbors, though sworn to secrecy, have acquired knowledge diminishing their respect for him, which they had no right to obtain, and they may be the very 12 men with whom, above all others, he most desired to be in good repute. Such an inquisition, if tolerated, would destroy the usefulness of this most important and valuable mode of communication by subjecting to exposure the private affairs of persons intrusting telegraph companies with messages for transmission to the prying curiosity of idle gossips, or the malice of malignant mischief makers.

This case has been followed in very many jurisdictions.

Mr. FLETCHER. Mr. President, will the Senator from Oregon yield?

Mr. STEIWER. Certainly.

Mr. FLETCHER. May I ask the Senator if he will not yield long enough for us to have a vote on the amendment of the House which I endeavored to bring up a little while ago?

Mr. STEIWER. I would prefer not to yield for that purpose at this time.

Mr. WALSH. Mr. President, will the Senator repeat the citation from which he just read?

Mr. STEIWER. It is *Ex parte Brown*, reported in volume 72 of Missouri reports, page 93.

Mr. WALSH. Has the Senator the citation showing that that decision has been approved and commended by other courts?

Mr. STEIWER. Yes; and I shall come to that in a moment. The case has been cited with approval and followed in numerous courts, including the Supreme Court of the United States. I shall come to that directly.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Indiana?

Mr. STEIWER. I yield.

Mr. MINTON. Did the Missouri case discuss the precedent which had been established in the House and which the Senator has been discussing?

Mr. STEIWER. Yes; *Ex parte Brown* was considered by the Supreme Court upon appeal from an intermediate court. The intermediate court did discuss the action of the House in the Barnes matter and relied on it. The decision from which I have been reading is a decision of the Supreme Court of the State of Missouri reversing the action of the intermediate court and disowning and repudiating the Barnes case. Generally speaking, the Barnes case has been repudiated and the Babcock case has been repudiated. Very

few opinions in the United States cite those cases to this proposition. They may cite them on some other proposition but not on this one.

Mr. MINTON. Did they repudiate them as parliamentary precedents or as judicial precedents?

Mr. STEIWER. Courts deal only with judicial questions.

Mr. MINTON. Certainly; and it can very well be seen that the Barnes case, which was a parliamentary question, would not be at all applicable in a court of law and might be repudiated by every court, and yet be a binding parliamentary precedent.

Mr. STEIWER. The Senator from Indiana made a suggestion like that in the earlier debate on this question. I then expressed my dissent from his position. Nothing will be gained by outlining my dissent in detail. I said then, and I say now, the question finally becomes a judicial question. No citizen is to be deprived of his rights under the Constitution of the United States without opportunity to resort to a petition in habeas corpus, which would finally take the case to the courts, and when the case goes to the courts it will be determined in accordance with the judicial utterances with which we are all becoming familiar.

I desire now to call attention very briefly to what was said by the Supreme Court of the United States in *Hale* against *Henkel*, reported in Two Hundred and First United States Reports, at page 43. I read first from page 76:

We are also of opinion that an order for the production of books and papers may constitute an unreasonable search and seizure within the fourth amendment. While a search ordinarily implies a quest by an officer of the law, and a seizure contemplates a forcible dispossession of the owner, still, as was held in the *Boyd* case, the substance of the offense is the compulsory production of private papers, whether under a search warrant or a subpoena duces tecum, against which the person, be he individual or corporation, is entitled to protection. Applying the test of reasonableness to the present case, we think the subpoena duces tecum is far too sweeping in its terms to be regarded as reasonable.

At page 77 the court said:

If the writ had required the production of all the books, papers, and documents found in the office of the MacAndrews & Forbes Co., it would scarcely be more universal in its operation or more completely put a stop to the business of that company. Indeed, it is difficult to say how its business could be carried on after it had been denuded of this mass of material, which is not shown to be necessary in the prosecution of this case, and is clearly in violation of the general principle of law with regard to the particularity required in the description of documents necessary to a search warrant or subpoena. Doubtless many, if not all, of these documents may ultimately be required, but some necessity should be shown, either from an examination of the witnesses orally, or from the known transactions of these companies with the other companies implicated, or some evidence of their materiality produced, to justify an order for the production of such a mass of papers. A general subpoena of this description is equally indefensible as a search warrant would be if couched in similar terms.

Then the Supreme Court cites the case we have been discussing, namely, *Ex parte Brown*.

Mr. President, it is interesting to note that the courts generally have regarded this citation by the Supreme Court as an adoption by that Court of the theory of the case of *Ex parte Brown* on the approval of its holding, and the Federal courts subsequently have followed the case of *Ex parte Brown* on the theory that the Supreme Court vindicated and approved the holding there made.

As an illustration of what is said by the courts, let me call attention to the case of United States against Terminal Railway Association, reported in One Hundred and Fifty-fourth Federal Reports, commencing at page 268. I read from page 271:

In *Ex parte Brown* (72 Mo. 83, 96; 37 Am. Rep. 426) a very carefully considered case on that subject, the Court expressly declined to follow that case, saying:

"The case of *Babcock v. United States* (3 Dill. 567; Fed. Cas. No. 14484) relied upon as an authority as to the sufficiency of the identification of the telegrams, supports the view it is cited to sustain; but, with the highest respect for the learning and ability of the judges who granted the order for the subpoena in that case, we cannot agree with them. Their opinion, delivered by Judge Dillon, is totally at variance with our convictions on the subject."

Then the Federal district court said, after quoting the language which I have just read:

This decision of the Supreme Court of Missouri was cited with approbation and followed by the Supreme Court of the United

States in *Hale v. Henkel*, supra, thus practically adopting the refusal of that Court to follow the views of Judge Dillon in *United States v. Babcock*.

An interesting case in the United States district court is the case of Federal Trade Commission against Lorillard Co., reported in Two Hundred and Eighty-third Federal Reports at page 999. I read some excerpts from that decision, commencing on page 1005. The court was discussing the fourth amendment and its application to the rights of the citizen, and it said:

This command of the Constitution, properly interpreted, is a prohibition against Congress granting powers to the Commission for unlimited searches and seizures of letters and documents. The act makes plain the duty of the Commission to gather, compile, and publish for use in its proceedings what may be voluntarily offered or submitted in response to request or demand. It may also make investigation independently, but the exercise of visitatorial power over private corporations must keep within restrictions of the fourth amendment: "Neither branch of the legislative department, still less any merely administrative body, established by the Congress, possesses, or can be invested with, a general power of making inquiry into the private affairs of the citizen."

Quoting from *Interstate Commerce Commission v. Brimson* (154 U. S. 478), a case to which I referred in an earlier debate on the same subject.

At page 1006 the district court makes this further statement:

In the papers submitted on this application, there is no showing of the existence of probable cause. The relief prayed for is in general terms and includes all papers and telegrams received by each respondent from its jobber customers located in different points throughout the United States and copies of all letters and telegrams sent by each respondent to such jobbers during the period from January 1, 1921, to December 31, 1921, inclusive. Such general demands made in other warrants of law, such as a subpoena duces tecum, have been condemned as not giving a reasonably accurate description of the papers wanted, either by date, title, substance, or subject to which they relate.

And here the district court quotes *Ex parte Brown* and also another case, *Carson* against *Hawley*, a Minnesota case, to which I have not called attention.

The court concludes with this statement:

To grant the relief prayed for by the petitioner would be to permit an unreasonable search and seizure of papers in violation of the fourth amendment. It was not the intention of Congress to grant such unlimited examination and inspection by the legislation in question; nor, indeed, did Congress have authority to do so under the commerce clause of the Constitution. It would be unreasonable and unjust to accede to the demands of the petitioner, and the application for the peremptory writ of mandamus against the respondents, American Tobacco Co. and P. Lorillard Co., is denied.

Mr. NORRIS. Mr. President, will the Senator yield at that point?

Mr. STEIWER. Yes.

Mr. NORRIS. I have been very much interested in the Senator's discussion. He has just read an extract from the court's opinion saying, in that particular case, that there was no description of the information so that the telegram could be identified. I realize that the telegram ought to be identified just as well as it possibly can be; but this question has arisen in my mind since listening to the Senator:

Suppose a telegram was sent in code and there were, of course, no way to identify what the substance was. If we followed strictly the rule there laid down, would there be any way by which such information could be obtained? It might be, of course, as the Senator well knows, extremely important and vital in some great issue upon which the court was passing. How could the subject matter of the telegram be described, if the telegram were in code or if perhaps it were not known that it was in code when the subpoena was issued?

Mr. STEIWER. If it could be established that the telegram related to a matter which was relevant or pertinent, I have no doubt that a subpoena duces tecum could compel its production, to be decoded afterward. I have no doubt of that, just as its production might be required to be read afterward. There is no essential difference between reading it in plain English and decoding it, except that it would be much more difficult to decode it.

Mr. NORRIS. But if an official of a telegraph company were ordered to produce certain telegrams, and an effort were

made to describe them, and the official of the company came across some telegrams in code, no matter how honestly he desired to comply with the order, he would not know, if he had to pass on the description of the subject matter, whether or not the telegram in code had any relation to the discussion. It would be impossible for him to know.

Mr. STEIWER. That is true. That illustrates the difficulties of the question. I appreciate the difficulties, I think, just as thoroughly as does the Senator from Nebraska; and yet those difficulties cannot by any stretch of the imagination operate to change the requirements of the fourth amendment, whatever they may be.

Mr. NORRIS. No; I understand that. The fourth amendment, however, ought to be construed in the light of present-day well-known existing scientific facts. If at one's peril, he had to describe the substance of a telegram, if it were sent, for instance, in code—and there might be various other ways in which deception could be brought about—it might be possible for the fourth amendment to stand squarely across the road to justice, and prevent us from obtaining evidence that was absolutely essential, probably where human life, or something of the kind, was at stake.

Mr. STEIWER. That is true at any time, even if there is no coded message. In a criminal case the guarantees of the Constitution often impede the opportunity of the State to conduct a successful prosecution. We do not, therefore, deny to the citizen his constitutional rights, however. Under a law, for instance, which prohibits the wife from testifying against the husband, I have no doubt many a guilty man has escaped; but where that law is applicable, nobody, and certainly not the Senator from Nebraska, would say that the law ought to be disregarded because of the practical difficulty in getting the evidence necessary for conviction.

Mr. NORRIS. No; I should not. The same thing might be truly said, also, of professional communications from a doctor to a patient.

Mr. STEIWER. Oh, yes.

Mr. NORRIS. But the general rule which sustains the rejection of such evidence or statements is that their admission would result in greater harm than good. Acknowledging that their exclusion might do harm in some instances, to protect the public generally it is necessary.

Where the fourth amendment is raised as an objection, ought we not, while not nullifying the amendment, to consider it in the light of the fact that if we are very strict in our construction the fourth amendment may be used as an absolute barrier to the production of evidence which every honest man would concede ought to be produced, and thus be used as a yoke instead of a protection to the innocent? It might become the instrument of great injustice instead of protecting the innocent.

Mr. STEIWER. I thoroughly agree with the Senator; and yet I cannot escape the conclusion that the suggestion he makes it applicable to every constitutional guaranty enjoyed by the citizen; and I take it that the courts—at least just courts—have always given due consideration to the practical difficulties, whichever way they may resolve the question.

In reference to a rather similar matter the Supreme Court has said in express terms that it is giving practical consideration to the difficulties which confront it. That becomes another subject for debate, so far as I am concerned. What I am trying to do at this time is to stress the fact that the courts almost universally—not universally, but almost universally—have sustained the right of the citizen against a search of his telegrams made in order to see if something will turn up that is material. I am reading the opinions of State courts and Federal courts merely to show what the great weight of authority is, so that we may conclude whether or not it is safe and proper to permit our committees to proceed in violation of what appears to be the plain contemplation of the fourth amendment to the Federal Constitution.

In connection with the language which I have just read, I wish to call attention to the fact that the Federal Trade

Commission specifically was endeavoring to obtain telegrams sent between certain dates. It was also endeavoring to obtain other material and other information; but one of the things directly involved in that case was the effort of the Federal Trade Commission to obtain telegrams between certain specified dates. That is one of the things which the Court squarely held against, saying that the company could not be required, without showing materiality, to produce indiscriminately the relevant with the irrelevant; and thus, in effect, invade the privacy of the citizen.

I do not wish to intrude too long on the time of the Senate. I know the Senator from Florida [Mr. FLETCHER] wishes to proceed with another legislative matter. I do wish, however, to refer to two more cases.

The first is a case from which I read in an earlier debate on this question—the case of Federal Trade Commission against American Tobacco Co. It appears in Two Hundred and Sixty-fourth United States Reports. The opinion of the Court is unanimous. I wish to read briefly from language commencing at the bottom of page 305:

Anyone who respects the spirit as well as the letter of the fourth amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire, and to direct fishing expeditions into private papers on the possibility that they may disclose evidence of crime. We do not discuss the question whether it could do so if it tried, as nothing short of the most explicit language would induce us to attribute to Congress that intent. * * * It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up.

Mr. President, this case also concerns the Federal Trade Commission. Is there no significance in the fact that the Supreme Court, in considering the powers of this important agency of our Government, denies to the Commission the right to do the very thing which our committee now seeks to do in acquiring the possession of telegrams?

I am wondering whether it will be contended that the two bodies of the Congress, acting as one of the coordinate branches of the constitutional Government under which we live, lacks the power to require production of certain classes of material before an agency like the Federal Trade Commission, but that one branch of the Congress, namely, the Senate, by agreement to a resolution and the appointment of a committee, can do that which the whole Federal Legislature is powerless to do.

It seems to me that these cases respecting the Federal Trade Commission and its want of power to make indiscriminate searches and to compel the production of the irrelevant along with the relevant, apply with a peculiar force to a committee of this body, and that our committees, if there is a difference, would enjoy a lesser degree of authority than the Federal Trade Commission.

Mr. President, I wish to conclude with one more brief quotation from the Supreme Court of the United States. In the leading case of *Boyd* against United States, which is reported in One Hundred and Sixteenth United States Reports, there occurs the decision from which I read, at page 35, as follows:

Though the proceeding in question is divested of many of the aggravating incidents of actual search and seizure, yet, as before said, it contains their substance and essence and effects their substantial purpose.

It may be that it is the obnoxious thing in its mildest and least repulsive form; but illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedure. This can only be obviated by adhering to the rule that constitutional provisions for the security of the person and property should be liberally construed. A close and literal construction deprives them of half their efficacy, and leads to gradual depreciation of the right, as if it consisted more in sound than in substance. It is the duty of courts to be watchful for the constitutional rights of the citizen, and against any stealthy encroachments thereon.

If that is to be said by the Supreme Court of the judiciary, with what greater force might it be added that the Members of the Senate of the United States, under their oaths to preserve the Constitution of the country, should also remain on their guard, and be watchful ever of the constitutional rights of the citizens of this country.

TAXATION OF BANK SECURITIES OWNED BY THE R. F. C.

The Senate resumed the consideration of the amendment of the House of Representatives to the bill (S. 3978) relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Florida that the Senate concur in the amendment of the House.

The motion was agreed to.

WAR DEPARTMENT APPROPRIATIONS

Mr. BLACK rose.

Mr. COPELAND. Mr. President, I suggest that the Senate resume the consideration of the War Department Appropriation bill, in order that there may be something before the Senate for the Senator from Alabama to discuss.

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

The PRESIDENT pro tempore. The pending question is on agreeing to the motion of the Senator from North Dakota [Mr. FRAZIER] to reconsider the vote by which the amendment of the Committee on Appropriations, on page 76, line 9, was agreed to.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. BLACK. Mr. President, in the opening remarks of the Senator from Oregon [Mr. STEIWER], I understand him to join issue with me upon a statement I made to the effect that the special committee of the Senate had been following the same course with reference to seeking the production of telegrams under subpoena which other committees of this body and of the House of Representatives have followed since the beginning of congressional investigations.

It therefore becomes necessary for me to call attention to some of the subpoenas which have been issued, and in the course of my remarks I shall have occasion to call attention to subpoenas issued by a committee of which the Senator from Oregon is a member, the Committee on Banking and Currency, the service of which, according to his construction stated on the floor today and a few days ago, would have constituted unreasonable search and seizure, and would have meant that the Senator sat in the committee during the hearing considering matters produced under a subpoena which violated the constitutional rights of the witness before him.

I shall call attention to the fact that not only have subpoenas been issued to the telegraph companies which required that those companies produce all telegrams to and from certain individuals, but that while they were serving as members of a special committee Senators who ranked high in their regard for the Constitution and the right of citizens have actually called for telegrams from towns, asking for the production of every telegram sent or received by or to any individual in the town over a period of years.

I shall begin my remarks by reading from the general statement made by a gentleman who wrote a book on congressional investigations, and who made this brief summary with reference to the powers asserted by the Senate and the House of Representatives in connection with these investigations. I read from Mr. Eberling's book on congressional investigations, as follows:

Recapitulating, then, with reference to the power of Congress to force papers from witnesses we may say that congressional committees have assumed wide latitude in making such demands on persons, that while in practically every case where unlimited demands were made, they were strenuously opposed in Congress, yet the prevailing opinion in Congress has been that the amendments to the Constitution did not protect parties in such cases anyway, with the possible exception of the fifth amendment; that these proceedings were inquiries, not cases or trials at law, and that even though the rights of individuals were violated, such action was necessary in the interest of public welfare.

I simply call attention to that statement, without approving or disapproving the words mentioned by the writer, in order to direct attention to the fact that this man, who made a very careful scrutiny of all congressional investigations

from the very earliest period of the history of this Nation, reached this conclusion.

Mr. President, there is absolutely nothing new in the attacks which have been made against the Senate committee in this regard. These attacks were made against all the committees. Some of the same papers which make the attacks today made them against all the other investigations. They made them against Senator Walsh and Senator WHEELER. They accused both of those gentlemen of running roughshod over the constitutional rights of citizens under all of the amendments of the Constitution, and the Constitution itself.

The same paper which a few days ago referred to a member of our committee as a "mud gunner" also referred, during the Teapot Dome inquiry, to Senator WHEELER and to Senator Walsh as the "twin mud gunners from the State of Montana."

I have photostatic copies of a large number of articles which appeared in these various papers not only with reference to the Teapot Dome inquiry but with reference to all of the inquiries, and the same statement has been made in each one. Almost the exact speech made by the Senator from Oregon was made on the floor of the House of Representatives in 1876 when the minority there objected to a committee getting the truth by summoning all the telegrams which the committee believed would be useful in obtaining the truth, and where the majority voted, each time the question was raised, to make those telegrams available for the use of the committee.

There is nothing new in this protest. It was very loud a week or two ago, but it has been loud in every investigation. There was a time during the investigation of Attorney General Daugherty, and during the investigation of Mr. Fall and others, who were portrayed on the floor of the Senate as being as white and "as pure as the driven snow", when the high tide was reached in the vilification of the present senior Senator from Montana [Mr. WHEELER] particularly, and of the late Senator Walsh, of Montana.

I have before me an editorial appearing in the New York Times, I believe, in which, in substance, it is said that while Senator Walsh had reached an all-time high with reference to partisan politics in connection with the investigation, Senator WHEELER had reached an all-time low for ridiculousness in connection with the investigation; and the editorial called attention to the fact that Senator Walsh had actually asserted on the floor of the Senate that the Senate committee was not bound by the rules of evidence which applied in the courts of justice, where simple, direct issues were presented to be tried by a court.

So, Mr. President, there is absolutely nothing new in the opposition which is now made. There is absolutely nothing new in the effort to handicap committees. Always attempts have been made to whittle down the powers of committees; and it would be a wonderful thing for certain interests in the Nation if at this time they could have it known that at certain places throughout the country a petition might be presented to a judge to enjoin the appearance of witnesses before the Senate committee investigating campaign expenditures. All of us know that it would be impossible to get a final trial of such a case until after next November.

If it is true that a witness may be enjoined from bringing evidence to a Senate committee because it is in writing, a witness may also be enjoined by a district court from appearing before the Senate committee to give evidence in person, on the ground that the court believes the Senate committee does not have authority to make the investigation.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. WHEELER. During the Daugherty investigation—the Senator from Alabama was not in the Senate at the time—Mr. Mal Daugherty repeatedly came before the committee and stated that he and those connected with him were only too glad to have us investigate their bank. Finally we went out to Ohio with some subpoenas to investigate the bank, and put a man in the bank to go through the records. After he had been there for a short time he found some C. D.'s

which had been made out to unknown persons. We went out there to hold a hearing. The bank people went into a probate court and got out an injunction to prevent us from obtaining the testimony from the bank. Then we cited Mr. Mal Daugherty for contempt, and the matter went to the Supreme Court, and finally the Supreme Court held that we were entitled to go into the matter.

Mr. BLACK. The Senator is correct. There was an effort in that case to prevent the obtaining of evidence.

The statement has been made that in the present case something new has been done. The Western Union Telegraph Co. perhaps knows the custom with reference to subpoenas as well as any of the newspapers which have protested against these subpoenas. It may be that some newspapers know more about it than does the Western Union Telegraph Co., because they may have a kind of omniscient knowledge of things which occur in the United States. But I have before me a telegram from the attorney for the Western Union Telegraph Co. which was received in response to an inquiry. All of us know, as the Western Union attorney stated in the court proceedings, that it is to the interest of the Western Union to decline to deliver telegrams if it may do so, and we all know that the Western Union does not deliver telegrams unless it is compelled to do so. It fights the production of telegrams, whenever it can, on the ground that the subpoena is too broad, or on any other ground. Let us see what the attorney for the Western Union said:

In reply to your inquiry of Saturday, we do not ordinarily preserve subpoenas served on the company, in cases where the company is not itself a party, for more than 6 years. From my personal knowledge, I can say that the company has been served with subpoenas in the general form—namely, all messages sent by A, from or received by A at a point named during a period specified—for at least 36 years.

Until about 1902 it was the uniform practice of the company, and its rules required, that before complying with such subpoenas specific objection should be made to the court or investigating body issuing the subpoena that we should not be required to produce the messages, first, because all telegraphic messages were privileged from subpoena; and, secondly, because subpoenas in this general form were invalid as improper search warrants and fishing excursions; citing *Ex parte Brown* and *Ex parte Gould*. The messages were not produced until the objection was noted on the record, and until a specific statement was made that our representative would be held in contempt if he did not comply.

About the time of the prosecution of Albert T. Patrick for the murder of William M. Rice, about 1902, the company, on the recommendation of the law department, changed the practice of making this record objection—

By the way, I may state that it was always merely a record objection—

and declining compliance until objection was formally overruled. I am referring now to cases in which the telegraph company itself was not the object of investigation, but was merely subpoenaed as a witness in a controversy involving others.

In such cases, where the period covered by the subpoena necessitated a search involving substantial expense, it has been generally recognized by prosecuting authorities and others that the company should not be expected to make such a search without reimbursement for the expense. This practice has tended to restrict the number of such subpoenas and the length of the search required in each case.

The law department has taken the view that the company itself is in no position to raise the question of the relevancy of the testimony (see Justice McKenna's concurring opinion in *Hale v. Henkel*, 201 U. S. 43 at p. 81), and that if it is reimbursed for the expense of its search it may not be in a legal position to raise other objections which might be available to its patrons. Wherever a patron has seriously questioned the validity of a subpoena, it has been our practice to withhold compliance for a reasonable time in order to permit him to assert his rights by suing for an injunction.

In *Ward v. Western Union* (205 A. D. 723), decided in 1923, the customer asserted such objection with success—

As I recall, that is one of the cases to which the Senator refers—

the objection being that the person issuing the subpoena did not have the subpoena power.

In the case involving Mal Daugherty's messages in 1924, the patron's objection was not only the breadth of the subpoena but also that the Senate had no power to inquire into that particular matter, the Supreme Court not having definitely decided at that time that Congress could issue subpoenas in aid of future legislation. *McGrain v. Daugherty* (273 U. S. 135) came later. The Fall subpoena, to which you refer, called for the Washington copies of all messages sent by Fall and seven other persons named to any person or received by them from any person during a period of 3

months. It was dated February 28, 1924, and signed by Senator Lenroot, chairman, Committee on Public Lands and Surveys. This subpoena was complied with. It was immediately followed by the Mal Daugherty subpoena, which was contested as above stated—

And to which the Senator from Montana has referred—Will this information be sufficient for your purposes?

That telegram is from the general solicitor of the Western Union Telegraph Co.

Let me now read a few subpoenas.

Mr. WHEELER. Mr. President, will the Senator again yield?

Mr. BLACK. I yield.

Mr. WHEELER. I call the Senator's attention to the fact that in the Daugherty case, while the petitioners were going to the Supreme Court and tying up the Senate committee hearings, they actually burned the records in the case. In other words, by tying up the case by injunction until they got the Supreme Court decision, they were able to, and did, burn up all the records in the bank, so that the Senate committee never was able to get the information it sought.

Mr. BLACK. Of course, the country knows that the object is to combine burning with injunction, and prevent the Senate and the House from obtaining evidence in cases relating to matters in which they are interested.

Let me read a subpoena issued by the Caraway committee. I will take up a few subpoenas and read them. This subpoena was issued in 1930:

TO THE POSTAL TELEGRAPH CO. AND TO THE WESTERN UNION TELEGRAPH CO.:

Pursuant to lawful authority, you are hereby commanded to appear before the subcommittee of the Committee on the Judiciary investigating lobbying * * * on Friday, March 7, 1930, at 10 o'clock, at their committee room, 212 Senate Office Building, Washington, D. C., then and there to testify what you may know relative to the subject matters under consideration by said committee, and bring with you all telegraphic communications in your possession or under your control sent by or received by J. W. Worthington, W. G. Waldo, and the Tennessee River Improvement Association.

That subpoena was complied with; but if it had not been complied with all the evidence would not have been obtained, because all the files of the Tennessee Valley Association disappeared. They always disappear in these cases. A strange thing about the history of these investigations is that a minority—and it is a minority—always raise the question that someone's constitutional rights are being invaded; and about that time word goes out that the evidence is gone, anyway.

Last week the Senator from Oregon referred to the fact that the telegrams that were sent by Mr. Bainbridge Colby had been summoned, and that, of course, was terrible, and that somebody might think they had been summoned because he was against the present administration. And yesterday a witness appeared before the committee named Mr. J. A. Arnold. Mr. J. A. Arnold is known to many members of the committee and of the Senate, at least historically speaking, for they will recall the reports made by the Senate Lobby Committee, of which the late Senator Caraway, of Arkansas, was chairman, and in which a very full exposition was made with reference to the activities of Mr. Arnold and the Southern Tariff Association. Mr. Arnold is now an officer of the American Taxpayers' League—I believe that is its title. The same contributors still remember him. He still, he says, goes into the office of Mr. Mellon and obtains his contribution; he still obtains \$1,500 contributions from a gentleman in New York whom he knows nothing about but who simply sends him a check for \$1,500 in an envelope without any word, without any letter, without any personal contact. He is still engaged in the same type of business in which he was previously engaged. I believe the Senator from Vermont [Mr. Gibson] yesterday, if I am not mistaken, referred to it as "playing the same old game." The evidence disclosed that one of those most actively cooperating with Mr. Arnold in this regard was Mr. Bainbridge Colby, and the evidence further disclosed that every telegram Mr. Arnold had received from Mr. Bainbridge Colby had been destroyed and not a single one was left in his office.

The evidence further showed that Mr. Arnold was subpoenaed day before yesterday, I believe it was, or the day

before that, to come before our committee, and that night before last, about 6 or 7 o'clock, he got in communication with Mr. Colby over the long-distance telephone with reference to appearing before the committee. The object of Mr. Arnold's organization is to influence legislation. It was admitted that one of the chief objects appeared to be to change the taxing system so that we might have a sales tax bearing down on the backs of the people of this Nation and to relieve others from income and inheritance taxes. That can easily be understood when we note the contributors to this organization. Here [exhibiting] is the subpoena issued by the Caraway committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Missouri.

Mr. CLARK. Is there any difference on earth in that practice and the practice that was invoked, or attempted to be invoked, in another instance here just a year or two ago, in which the Senator from Alabama himself was the principal actor when certain witnesses were brought before the Senate for contempt and were punished, a procedure which was later sustained by the Supreme Court of the United States? While that question was absolutely under the consideration of the Senate at that very moment the interval was being utilized for the purpose of destroying the evidence upon which the procedure was based, and except for some very remarkable reconstruction work by a couple of post office inspectors and a couple of examiners from the committee the very purpose of the action itself would have been defeated by the delay.

Mr. BLACK. Of course, and the subpoena in that case called for all the files. The statement was made that some of them were personal, and they declined to bring them here. During the time the subpoena was out calling for all the files of that law firm, they were destroyed, and the statement was made that they related to personal matters. However, upon being restored to their original form, by putting together the scraps, it developed that they related to air mail and legislation concerning it.

Mr. CLARK. And in that case, as in this, were not the courts resorted to for the purpose of defeating the process of the United States Senate for a sufficiently long extent of time to give them opportunity to destroy the evidence?

Mr. BLACK. The courts were resorted to and the evidence in part was destroyed. Bear in mind, as has been suggested, that the subpoena in that case called for all their telegrams, all their letters, all their files, and the Senate, by an overwhelming vote, followed the course the Senate always has followed, if I am not mistaken—I may be wrong; I have never looked up the record—and if I am not mistaken, by the concurrence of the Senator from Oregon, held there was a violation of the subpoena and sentenced the man for contempt.

Mr. CLARK. And the court upheld the action of the Senate.

Mr. BLACK. And the court upheld it.

Now let us see about the Committee on Banking and Currency. It so happened that the Banking and Currency Committee was not called on to summon the telegrams and books of J. P. Morgan and the large business firms they were investigating; they were available, if they could obtain them; but the Senator from Oregon read a case in which it was stated that it would be "terrible", as I recall, to ask for all the messages, all the books and all the papers, and all the accounts of any firm or individual. Here is one of the many subpoenas issued by the very committee of which he is a member and which he stated on the floor of the Senate a few days ago had issued no general subpoenas. I have numerous subpoenas issued by that committee. Listen to this subpoena issued to an individual by the name of Robert O. Lord. There is a whole page designating the very things they want, and then—

Also all books, records, agreements, correspondence, and documents of the Guardian Detroit Union Group, Inc., or any of its units, in your possession.

There is no distinction there between the letters which did not refer to the facts in which they were interested and those which did. They did not scrupulously say, "We

want you to pick out the telegrams that you think would be admissible, in order that we, the Senate committee, may have them", but they asked them to bring all of the group.

Here is another to Mr. Landon K. Thorne, president of Bonbright & Co., Inc., a very large company:

And you, the said Landon K. Thorne, bring with you any and all stock records showing daily position in United Corporation rights and common, preferred stock for period from January 2, 1929, to December 31, 1931; ledger accounts of J. P. Morgan & Co.; and all joint accounts in which J. P. Morgan & Co., Guaranty Co., and Asiel & Co. were partners; and any and all written contracts, and/or agreements entered into between any of the following from January 2, 1929, to December 31, 1931—Asiel & Co., J. P. Morgan & Co., and Guaranty Co., pertaining to transactions in the securities of United Corporation—

And, that not being broad enough, the subpoena further called for—

and all ledgers, correspondence, relative to said United Corporation and affiliate dealings.

For a period of years. The subpoena was not limited to the papers relating to the transactions, they specifically set out, but after they had put them in specifically, in order to get them all, they threw their blanket out and said, "Bring all of them in." I do not say that in any spirit of criticism. I say it with a realization of the fact that they were compelled to issue that kind of a subpoena if they were to get the things that were essential to the investigation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CLARK. Undoubtedly, Mr. President, I think the Senator will agree that the reason for the broadness of that subpoena, and the reason for the broadness of so many other subpoenas issued by Senate investigating committees, is the recognition on the part of the man who drew the subpoena, and of the committee which issued it, that a Senate committee, as the representative of the sovereign—which in this country is the people of the United States—is not to be held to the same rule of particularity in specifying documents to be brought in by process to which private litigants must necessarily be held.

Mr. BLACK. The Senator is correct. That has been held since the very beginning of the history of this country. I might state, however, that I intend to read into the RECORD a little later an opinion of the Supreme Court of the United States giving a grand jury the right to issue a subpoena in all respects as broad as this.

Now, here is another one issued by the Banking and Currency Committee, of which the Senator from Oregon is a member, and he said on the floor that he took part in the investigation, and the committee were very careful to see that all the subpoenas were very limited and specific in their nature.

To Mr. Oscar L. Cox—

Here is the subpoena—

* * * then and there to testify, * * * and have you there and then and ready to produce before the committee all books, records, documents, agreements, and correspondence of the United Trust Co.

I do not know certainly, but I imagine that was a very big order.

The subpoena did not specify a period of years; it was not limited, as ours was limited to a period of time when the Members of the Senate and the House were being flooded with faked and forged telegrams, the evidence of which was carefully burned and destroyed all over this Nation. The subpoena of the Banking and Currency Committee did not limit the time. They simply said to bring all correspondence, telegraphic and otherwise, and it was brought; the subpoena was obeyed. Senators may be sure if the attorneys for Mr. Morgan and the groups which were investigated by the Banking and Currency Committee had believed it possible to avoid obeying the subpoenas, they had money enough to hire lawyers adequate to do the job.

Here is another subpoena to Harley L. Clarke, of Chicago, Ill.:

You, the said Harley L. Clarke, bring with you, etc., all journals, ledgers, cashbooks, checkbooks, and other books of account in which your personal financial transactions during the period January 1, 1925, to July 31, 1933, were recorded.

This subpoena was issued by the committee of which the Senator from Oregon [Mr. STEIWER] said he was a member in an investigation in which he said he participated, and calls for all the books, letters, correspondence, memoranda, and all the checkbooks, ledgers, cashbooks, and journals of and concerning the personal financial transactions of this man for a period of 8 years. Is it to be supposed that during a period of 8 years a man would never have any personal financial transactions in which his wife might have drawn a check or some of the sweethearts, about whom great anxiety has been expressed, might have been involved?

But the Senator from Oregon at that time was not worrying about the personal transactions of Mr. Harley L. Clarke, because the Senator, by his statement on this floor, approved the subpoenas issued by that committee of which he was a member, and that committee told Mr. Harley L. Clarke to dig back for 8 years and bring to a Senate committee every memorandum that he had relating not only to his public financial transactions but his personal financial transactions.

That was not all. They were not satisfied with that. They thought perhaps he had had some correspondence either by telegram or otherwise, so they called upon him to bring—

All correspondence by and between the aforesaid parties and the Chase Securities Corporation; Chase National Bank; Pyncheon & Co.; General Theaters Equipment, Inc.; International Projector Corporation; National Theaters Supply Co.; William Fox; Fox Film Corporation; Fox Theaters Corporation; Sherman Corporation; Albert H. Wiggin; and Murray W. Dodge—

with whom he had supposedly had telegraphic or written correspondence during that period. They did not limit it. They did not say, "We want that which you think is admissible." They did not suggest that they desired that he pick out all the private correspondence between him and the parties named. Of course they did not. The Senator from Florida [Mr. FLETCHER], who was chairman of that committee, and Mr. Pecora, who was aiding in the investigation, both knew that if the investigation was to bring out the facts they would have to ask for the facts. I shall read a little later from a statement by the distinguished former Senator from Missouri, Mr. Reed, that such investigating committees know that they ought not to go to the parties being investigated, hats in hand, and say, "Please give us what you think we ought to have."

Let us see some other subpoenas. My statement has been challenged. Here is one issued by the Munitions Committee. I have a dozen of them here. Listen to this one, addressed to James E. Barnes:

You, the said James E. Barnes, bring with you all records, data, correspondence, memoranda, etc., relating to the activities of shipbuilders during the period 1916-35, inclusive.

Of course, some of that correspondence did not relate to anything the committee wanted to investigate, but they knew that if they obtained the truth, it was necessary to follow the custom which has been observed from the beginning of the history of this country, and they did so.

I have quite a number of similar subpoenas here on my desk calling for correspondence, for instance, from 1915 to 1934, another one for correspondence from 1930 to 1934, and others calling for the same types of records.

Let us see what kind of subpoena was issued in connection with the investigation in the Teapot Dome controversy. The statement has been made and heralded abroad that no committee of which former Senator Walsh, of Montana, was connected would go beyond its legal rights, for he was a man, I may say parenthetically, whose name is synonymous with reverence for and loyalty to the Constitution, a man who acted within the law, but who recognized how far he could go within the law and the Constitution in order to expose crookedness and corruption. Let me read this subpoena signed by the chairman of the committee of which former Senator Walsh, of Montana, was one of the most active members:

R. S. Burns, Western Union telegraph operator, Three Rivers, N. Mex.

You are hereby commanded to appear . . . and bring with you any and all incoming or outgoing telegrams from the office of the Western Union Telegraph Co. at Three Rivers, N. Mex., in your possession or under your control, from July 1 to Decem-

ber 31, 1921, July 1 to December 31, 1922, and January 1 to December 31, 1923, inclusive.

What did that subpoena call for? It called for every telegram sent by every person and received by every person at Three Rivers, N. Mex., for a period of 3 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BLACK. Certainly.

Mr. CLARK. As I heard the Senator read the subpoena, it would undoubtedly be broad enough to call for telegrams of a purely personal nature which might have passed between the late Secretary of the Interior, Mr. Fall, and his wife or other members of the family.

Mr. BLACK. Of course it did.

Mr. CLARK. Therefore the committee, headed by as great a lawyer as the late Senator Walsh, of Montana, deliberately recognized that in the case of an investigation by a committee representing the sovereign people, the committee were entitled not only to be able to secure pertinent information, but to be able to secure some information which might not be particularly relevant to the investigation. That is the charge made against the committee headed by the Senator from Alabama.

Mr. BLACK. The Senator is absolutely correct. There was nothing strange about that, because other subpoenas were issued commanding the production from other places of all telegrams to and from former Secretary Fall and to and from the wife of former Secretary Fall, which necessarily included all the telegrams between themselves in any capacity, private or otherwise. I have the subpoena before me. It is dated the 6th day of March 1924. The other one was 1928, but there was ample precedent under which the former Senator from Montana and the other Senators could act. Away back in 1876 telegrams had been summoned to and from certain towns in the State of Oregon with reference to an election in that State, and all the way down the line since that time that custom has been observed.

Let us see what they did in connection with the Teapot Dome telegrams. I had passed that over, but I shall return presently to the other branch of this controversy in which, as I recall, the distinguished Senator who sits at my right [Mr. ASHURST], who is chairman of the Judiciary Committee, took part, and of which committee former Senator Brookhart, of Iowa, was chairman. Let me read the subpoena since I have referred to it, issued back in 1924. It is addressed to the manager of the Western Union Telegraph Co. at Washington, D. C., and he was directed—

To bring with you all messages to or from Mrs. Albert B. Fall, Mrs. J. W. Zevely at Palm Beach, Fla., or New Orleans, La., from December 1923 to March 6, 1924.

Is there anything offensive about that subpoena? Did they permit the parties in the Teapot Dome investigation to do that which they would like to do? Did they say to them, "Bring before us those telegrams which you think are admissible?" What would they have obtained? What about those telegrams which referred to "peaches" when they did not mean "peaches"? What about the other telegrams which were referred to by the Senator from Arizona in his magnificent address in connection with the Fall investigation, where Fall sent out telegram after telegram which on its face was perfectly harmless, but when read in connection with other evidence was shown to contain information which was vital in the effort in order to uncover the crookedness of that crowd?

There are two subpoenas. I could produce others in 1928, of a general nature, calling for all the telegrams in the town, whether they were from wives, sweethearts, or anyone else; but it was necessary to couch them in such terms in order to uncover the situation when it was known that these men always concealed their tracks, and, if necessary, would use assumed names. It was necessary and essential, in order to obtain the truth, to issue subpoenas which called for the information.

Has anyone ever heard that in response to any of those subpoenas any private telegrams were revealed? Certainly not. Has anyone ever heard that in 1876, when all the telegrams were subpoenaed from certain cities in Louisiana, and

some of them down in my own State of Alabama, and some of them from the State of Oregon, private telegrams were revealed? No one has. They were obtained, but the committee was not interested in the purely private messages. The committee was interested, as is the committee now serving this body, in the messages which related to the business which the committee was charged with performing.

Let us see about some of the other subpoenas.

Here is one issued by the Judiciary Committee of the House on the 3d day of September 1932. Certainly the Judiciary Committee of the House has members who are lawyers, who are an honor to the profession of the law. It has as its chairman Representative HATTON W. SUMNERS, of Texas, a man whose ability and whose loyalty to the best traditions of the Nation are well recognized by all who have come in contact with him. Here is a subpoena issued by the Judiciary Committee of the House to Guy H. Gilbert, 1600 California Street, San Francisco, Calif.

Let me read simply the closing part of the subpoena. I have it before me for those who desire to read it all. It calls for information during the years 1929, 1930, 1931, and 1932, and says:

Also produce his personal bank accounts during the same period, and canceled checks, check stubs, savings passbooks, and all documents in his possession which further support disbursements from his personal accounts.

Why was that subpoena issued? It was issued because it was realized that in order to obtain the truth it was necessary to call for the personal accounts of these individuals. They could always call the accounts personal, whether or not they were actually personal. The only way to obtain the truth was to issue subpoenas exactly as the House committee did in that instance, exactly as committees of the House and the Senate have done since the very beginning of their history, with a realization of the fact that there are some persons who conceal their tracks in such manner that it is necessary that the subpoena be broad and require the bringing in of all letters, papers, and correspondence which might by any possibility be relevant to the issue. The committees do not expose personal information. It has never been done during the entire history of the Government, although House and Senate committees have exercised that authority since the beginning of our history.

Let me read another subpoena issued in 1932 by the House Committee on the Judiciary:

Have with him and there produce bank statements, canceled checks, savings-bank passbooks, and such other evidentiary matter that he may have covering his personal bank accounts and deposits and disbursements therefrom during the years 1930, 1931, and the year 1932 to date.

I have numerous other subpoenas along the same lines, but these are sufficient to show the kind of subpoenas issued by the committees.

Now, let me read you some more Teapot Dome subpoenas.

The subpoena I have in my hand, I note, is signed by one who perhaps the Senator from Oregon would not claim would be anxiously on the alert to violate any principle of the Constitution relating to either human or property rights. It is signed by Hon. Reed Smoot, chairman of the Committee on Public Lands and Surveys. This subpoena, I may state, was issued to a newspaper reporter who evidently had certain information that the committee wanted. It had been obtained, it was said, in a very confidential manner, and the claim was made that it should not be produced in the Senate.

Here is the subpoena:

And testify what you may know relative to the subject matter under consideration by said committee; and bring with you all papers in your possession, or under your control, or obtainable by you, touching the leasing of Naval Reserve No. 3, or any matters relative to the same, or any inducement thereto.

In other words, this was a reporter who claimed that the information had been obtained in a confidential manner.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. I should like to state to the Senator that this information was obtained by a reporter

acting under the direction of his publisher for and on behalf of his newspaper making an investigation for the newspaper.

Mr. BLACK. I thank the Senator.

Now let me read some more subpoenas in the Teapot Dome matter. I will read just the part of the subpoena which tells the person what to bring. Listen to this one:

WESTERN UNION TELEGRAPH Co.:

* * * bring with you copies of all telegrams sent by any person from the city of Washington to either Albert B. Fall, or Edward B. McLean—

Who, by the way, was connected with a newspaper, the Washington Post—

or J. W. Zevely, at Palm Beach, Fla., between December 20, 1923, and January 30, 1924; and copies of all telegrams sent by any person to Edward L. Doheny, or J. W. Zevely, or Albert B. Fall, at New Orleans, La., between December 20, 1923, and January 30, 1924, and copies of all telegrams sent by Albert B. Fall, or Edward B. McLean, or Edward L. Doheny, or J. W. Zevely to any person, from December 20, 1923, to January 30, 1924.

Is there anything specific about that subpoena? It even related to a newspaper publisher; and now a complaint has been filed in the courts which asserts that newspaper publishers—I am almost quoting the exact words—are not subject to any investigation by Senate or House.

When the committee investigated this newspaper publisher, they obtained these telegrams:

JANUARY 5, 1924.

EDWARD B. MCLEAN,
Palm Beach, Fla.:

Congratulations upon decision, which is result of Lambert's skillful work. Case could not have been handled better. Regards.
ED BENNETT.

JANUARY 9, 1924.

EDWARD B. MCLEAN:

Committee authorized Walsh to go for deposition and to make arrangements with me. Am awaiting conference with him now.

WILTON LAMBERT.

The committee could not have obtained those telegrams under the rules by which it is now sought to hamstring and curtail the rights of Senate committees. Of course, there are many who would like to prevent committees exposing corruption and crookedness. There always have been such persons. In every investigation that has ever occurred, the same old line of thought has come up; and those who have no regard for the Constitution or the law, moral or otherwise, have been the first to try to drape themselves in the Constitution and the American flag.

I have here, and shall read a little later, some of the other telegrams which came in response to those subpoenas. They are very interesting. I think I shall put two or three of them in the RECORD at the present time.

Mr. President, I shall now read some of the telegrams which came in response to this subpoena. Here is one dated January 9:

Jaguar baptistical stowage beadle 1235 Huff Pulsator commensal fiffil Lambert conation fecund-hybridize

Can one imagine a committee being able to designate that telegram so that it could be obtained? Here is another one:

Just talked with Apricots and believe he has the thing well in hand. He advises not to talk about peaches or Apples with anyone. He says Apples and Cherries assured him you need not worry. The peaches will be just what you want.

Under the rule which it is suggested a committee should follow in order to obtain telegraphic messages, of course, it is known that when a man wanted to conceal his course by telegram all it would be necessary for him to do would be to name somebody "Apricots" and somebody else "Peaches" and somebody else "Apples", and he would successfully conceal his activities from any Senate or House committee. There would be absolutely no way to obtain the message.

A telegraph company cannot look at messages and determine what are admissible in a certain case, and they recognize that fact. It may be that a message which seems to be wholly and completely removed from the question in controversy has the closest connection with it and is absolutely essential in order to establish the point which the committee desires to establish.

On having these messages decoded, it was discovered that every one of them related to something which the committee was investigating.

I have before me another subpoena, issued in the Teapot Dome case, issued on the 25th of February 1924, signed by Senator Ladd, and reading:

Bring with you copies of all telegrams in your possession or under your control sent by William O. Duckstein or W. F. Wiley to any person, or received by William O. Duckstein or W. F. Wiley from any person, from December 1, 1923, to February 25, 1924.

Here is another one:

And bring with you copies of all telegrams in your possession or under your control sent by any person to either Albert B. Fall, Edward B. McLean, J. W. Zevely, Edward L. Doheny, Harry F. Sinclair, William O. Duckstein, W. F. Wiley, or John Major between December 1, 1923, and February 28, 1924, or sent by any of these persons to any person between December 1, 1923, and February 28, 1924.

Here is another one:

Bring with you all messages in your possession or under your control to or from Albert B. Fall, R. W. Stewart, Harry F. Sinclair, J. W. Zevely, Edward B. McLean, Edward L. Doheny, or H. M. Blackmer from January 1, 1921, to March 1, 1924.

I have numerous other subpoenas of exactly the same type. So that, so far as that committee was concerned, there is no sort of doubt that it was their uniform custom, and I might add a custom which was in keeping with the settled traditions of the House and the Senate, to issue subpoenas of that type in order to obtain the information they desired.

Let me read two or three lines to show what was said about Senators who were endeavoring to obtain the truth at that time. I shall not quote from the speeches on the floor of the Senate, but many will recall that Senators were very seriously attacked from the floor. Let me read a portion of an editorial appearing in the New York Times on April 29, 1924, the title of which is "Searching for Political Oil." The editorial stated:

Senator Walsh seems obsessed by the belief that the oil scandal dates back to the Republican national convention of 1920.

At another place the editorial reads:

In his speech in the Senate the other day, replying to critics of the investigation, Senator Walsh admitted that a great deal of uncorroborated hearsay and incredible testimony had been presented to the Senate committee. But he protested that only by such methods could the residuum of truth be got at. There could not be a strict adherence to the rules of evidence. Shady characters must be allowed to say what they had heard or invented. There is force in this contention, and congressional investigators must be allowed a great deal of latitude. But the limit is certainly reached when such a second-hand story is admitted as the one of yesterday, telling about Senator Penrose telephoning General Wood—

And so forth.

There may have been political corruption, actual or attempted, in the Republican campaign of 1920. Some of the men mentioned were capable of it. But neither they nor any politicians that ever lived were capable of such melodramatic proceedings as those which were retailed to the Senate committee yesterday.

Let us see what the New York Herald Tribune said about the matter at that time.

Seriousness is of the essence of good clowning, and Senator WHEELER, by taking his absurd and incredible witnesses seriously, has added the immortal touch to the scene. The Daugherty investigation is the official name of the business. But the evidence, such as it is, has never got within miles of its destination. A district attorney would not give it office room. What one witness of no credibility heard another witness of no credibility say has brought Senator WHEELER up standing with a triumphant "Aha!"—amid the laughter of the public.

If Senator Walsh succeeded in proving for all time how unfair a Senator of the United States could be, Senator WHEELER has at least surpassed him in demonstrating how ridiculous a Senator of the United States can be.

So that it will be seen that there is nothing new or unusual in attacking a committee.

Mr. SCHWELLENBACH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. While the Senator is on the subject of the Teapot Dome investigation, I call the atten-

tion of the Senate to the attack which has been made in the newspapers and over the radio and even upon the floor of the Senate against the present committee for the alleged use of the Federal Communications Commission. The answer of the Commission yesterday to the resolution offered by the Senator from Idaho [Mr. BORAH] completely refuted any of the arguments which have been made. But I think in considering this particular question it might be well to call to the attention of the Senate the fact that in the Teapot Dome investigation under Senator Walsh of Montana, the Federal Trade Commission was used in the examination of a large number of corporations doing business in Washington, D. C., and New York City. Lewis F. Bond, of the Federal Trade Commission, made the investigation at the request and for the benefit of the committee. Further, William Frederick Friedman, the Chief of the Code Section of the Signal Office of the War Department, was used by the committee for the purpose of decoding the messages which the Senator from Alabama has just read. So, despite the fact that our committee have not made any use of the Communications Commission, there is this very definite precedent upon the part of the Teapot Dome Committee in its investigation of the use of other branches of the Government.

Mr. BLACK. I thank the Senator for his suggestion. Now let me read one of the many subpoenas issued by the special committee appointed under Senate Resolution 195, of which the distinguished former Senator from Missouri, James A. Reed, was chairman. I read from a part of the subpoena:

You are further commanded to bring with you and produce before said committee all books of account and all bank checks, bank drafts, or other instruments showing the receipt or distribution of moneys which may be under or subject to your control.

That was a very general subpoena. It continued:

And all memoranda in writing, including all letters by you received and copies of all letters by you sent.

Evidently the committee, not believing that to be sufficient, added as an additional clause:

And all and every instrument in writing which is calculated to or may throw light upon any of the above-named matters concerning which you are as above stated required to testify.

Let me read what the Senator from Missouri said about that time in connection with how to conduct an investigation:

Mr. REED (Democrat) of Missouri. The regrettable thing is that there has been a consistent and determined effort to prevent the taking and preserving of evidence. It is absolutely useless to deny the fact that almost every device conceivable has been employed to prevent the taking and preserving of this evidence. When a man seeks a seat in this body through his attorneys, through his representatives undertaking to prevent such an investigation and such a preservation of evidence, he places himself in a very unenviable position. He, in fact, challenges the honesty and integrity of the body of Senators who will gather the evidence, or he confesses his fear of an honest investigation. I have had some experience in the courts, and it is very seldom that I have ever seen an honest man with a good case refuse to have evidence taken and refuse to allow the full light to be turned in upon the situation. * * * The fact that Mr. Newberry sends his attorneys here to prevent the taking of testimony is very significant. It is utterly useless to hide behind the old dodge that every lawyer has worked, saying, "Put your finger on the paper you want, and we will perhaps produce that paper. Tell us the particular set of books you want investigated, and we will perhaps produce the books." Every man who has tried lawsuits knows that in cases like this, that in all cases where fraud is charged, or where there are any ramifications of corruption charged, you have to start perhaps with a small fact, and tracing that fact through its various connections to develop other facts, and finally you are able to expose the whole warp and woof of an enormous fraud and a widespread conspiracy.

It is the only way cases of this kind can be developed. If all the evidence was known in advance nobody would need an investigation.

Said the Senator from Missouri:

The thing that would be done, if this investigation was allowed to proceed, is this: The members of the committee who conducted the campaign of Mr. Newberry * * * would be put under oath. They would be put on the witness stand; they would be inquired of as to their organization and the membership of it; they would be asked to produce their books of account; they would be asked in what bank they kept their money; they would be asked who were their agents in various counties and various

precincts. Having produced that sort of a brief and acquired that sort of knowledge, the investigation would proceed to the banks, to the check books, to the agents, to the correspondence, to all the letters and everything that had passed between them; and when you got through you would know something about it.

Now, for an attorney to stand around on his hind legs and say, "Tell us in advance what we have been doing", when everything has been done in secret, is simply for that attorney to certify to the people and to the country and to everybody else who knows the facts that he wants concealment.

I have just read to the Senate the words spoken by James A. Reed, who was a Senator from Missouri at the time he made that statement, and who at that time was interested in bringing about the truth in investigations with which he was connected.

I have a large number of other subpoenas issued by former Senator Reed, but they contain the same general clause which I read with reference to the books and papers.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. I should like to inquire if that is the same Senator James A. Reed, of Missouri, who, a few days ago, in New York City, gave out an interview condemning this committee, and said:

That seizure is the high point among the infamies of the New Deal. It is so contemptible a thing as naturally to suggest its author. It is so un-American a thing as naturally to carry us back to the days of the Inquisition.

Is the man who made that statement the same man who made the statement from which the Senator has just been reading?

Mr. BLACK. It is my understanding that former Senator James A. Reed is the one who made the statement quoted from the newspaper; and he is the one who made the speech on the Senate floor from which I read, and who issued the subpoenas I have just read.

I have before me a complete history of the subpoenas issued by this body. I shall not, of course, refer to all of them. It would take entirely too long a time to do so. I have this statement here, however, for the perusal of any Senators who are interested in it. If Senators will read it, they will see there is nothing whatever extraordinary in the type of subpoenas which have been issued by the special Senate committee; and there is nothing new in the argument which has been made against the issuance of the subpoena.

I am going to read the argument which was made in reference to a similar subpoena in 1876, at the time when the subpoena was ordered to be obeyed, and was obeyed. Listen to this argument. It sounds very much like some which have been made recently on the floor of the Senate and over the radio:

And in behalf of that profession, and in behalf of the whole community, I proclaim this seizure of telegrams—

Senators will recall that this argument was made in 1876—

this wholesale seizure without any specification whatever, is an outrage upon private life and liberty, the like of which has never been known in any county whatever in a time of peace, and which would never be submitted to under any despotism in Europe without outcry and rebellion, almost, if attempted in the form in which it is attempted here; and the only wonder to me in this case is—

This was in 1876—

that in the freedom with which the telegraph has been used by all parties, more or less, relating to the most intimate commercial and business affairs as well as to affairs of social life, involving property, honor, character, and the most sacred domestic relations, they have not been able to disclose more facts than have been exhibited here.

I could read the Senate numbers of other statements. They called attention to the fact that in this so-called wholesale seizure of telegrams in 1876 they might have read a telegram from a man to his wife, or from the wife to the man. I do not know of any and I really have not heard of any wives who have protested that their telegrams have been exposed. As a matter of fact, they did not protest at that time, in 1876.

Let me read to the Senate what was said in reply to these suggestions. When the argument was completed, it was decided that the telegrams should be brought in. A citation was issued for contempt, and the telegrams were secured. This occurred in 1876:

Your committee has been attacked because of what has been claimed to be a wholesale seizure of telegrams. Sir, no wholesale seizure of telegrams has been made. We have done this, which is, in my judgment, exactly according to the law of the land, exactly within the power of this House—

I may state that this is a distinguished Republican from whom I am reading—

exactly within the power of any court of justice; we sent our subpoena duces tecum to the telegraph offices, asked them to bring their dispatches, and asked the managers of the offices, either at our rooms or at home, to select certain telegrams of parties named or unnamed, as well as we could designate them.

The reason why we had to go pretty broadly in our selection was that corrupt rascals engaged in this nefarious business used all manner of feigned names: "Hooker", "Bismarck, Jr.", "Prescott", "Potter", etc. "Hooker" means sometimes "Woolley"; "Bismarck, Jr." sometimes means "Woolley"; "Prescott" means "Sam Ward"; and "O" means "Sam Ward"; "Potter" means "McCulloch." And there were a dozen other aliases, ciphers, which we had to investigate.

And allow me to say—

Said this Republican Representative at that time—

it was not necessary so to do—but if it had been necessary, in my judgment, it was the right, nay, it was the duty of the House of Representatives—to take in every telegram in every office in the country and examine it for the purposes of justice, and of that no honest man would complain. There is a couplet of my namesake, Anthony of Hudibras, I believe, applicable here:

"No rogue e'er felt the halter draw
With good opinion of the law."

And that principle applies today as well as it did in 1876. Of course, those who have been engaged in practices of which they are ashamed, and which they do not wish to reveal to the public, do not have a good opinion of those who would expose their nefarious practices. They never have, and they never will.

I read a little further—and this was in 1876—

Therefore, when we struck these telegrams there was a great fluttering—

There is a great fluttering at the present time. I may say there was a great fluttering on the part of one individual who, a number of years ago, took private telegrams and turned them over to President Theodore Roosevelt in order to expose lobbyists, he said, and then later took the credit throughout the Nation of having delivered to President Theodore Roosevelt the telegrams in which the lobbying was exposed. I shall have those papers here at a later date for the use of those who desire to see them.

Therefore when we struck these telegrams there was a great fluttering. Among whom? Among the gold gamblers—

They were the ones they were after then—

among the whisky gamblers; among the corrupt confederates who admit that they met and consulted how Senators' votes could be bought—

Remember, this was in 1876—

No honest, true man complains or fears the investigation.

I call attention to the fact that I have before me the very lengthy debate at that time on both sides of the controversy. It was with reference to telegraphic subpoenas which called for telegrams passing to and from individuals, and telegrams to and from certain towns in this country. The result was that the House held they had the right to obtain the telegrams; and they obtained the telegrams, as they have done every time the controversy has ever come up.

Let me read to the Senate a statement which appeared in an argument in the case of Kilbourn on April 15, 1876. This is what said said:

The power to examine witnesses before committees is so transcendently important that it goes far beyond the power of the courts—

And I may state that the argument made by this gentleman in the House was adopted as a part of a resolution

which was adopted by the House; not the exact language, but the substance of it—

In the courts a witness cannot be compelled to give evidence that may criminate himself, and he is made the judge to decide if it will. But before a committee of Congress he has no such exemption.

Since that statement was made, the House and the Senate have passed a bill which was approved by the President, which recognizes that a man who is compelled to testify before a Senate committee or a House committee will not be prosecuted for that offense; but that privilege was recognized by congressional enactment. Up to that time it had not been recognized in the general proceedings.

Further he said:

Before a committee of Congress even counsel can be compelled to disclose confidential communications of clients.

Here the maxim applies: *Salus populi suprema lex.*

But it may be said this power of the House is liable to abuse, and there should be some protection for the rights of a citizen. The power is liable to abuse. So is all power. If the courts were all infallible—

And it may be that some think they are, I say parenthetically—

If the courts were all infallible, and if Congress could afford the delay of appealing to them, the objection would have great weight. But if such a power existed in the courts, it would also be liable to abuse. The courts could then abuse their powers to the great detriment of the public interests. In time of war and other great emergencies and in the closing hours of a Congress such a power in the courts will be liable to great danger of abuse. It is much more likely that injury would result to all the people from tolerating judicial supervision over the exercise of legislative powers than that individuals would suffer from any wrong imprisonment by the House. No great hardship can result, because the witness will always have it in his power to relieve himself by testifying. And this can rarely ever result in any great evil, while really great evils may result if a judicial court could put an end to investigations by the House.

"Investigating committees" are among the approved and useful agencies for exposing frauds, for providing the means of legislating against them, and for ascertaining what officers deserve impeachment. If we shall now say that all these useful agencies may be arrested by a single judge, we must assume that he combines in himself a wisdom that cannot err, a purity that cannot be bribed or corrupted, while a majority of 292 Members of this House is a less safe repository of human rights and public interests than one single judge. If that be so, it is high time the House was disbanded and abolished.

That was a statement made on the floor of the House in 1876.

I shall not read the various decisions that have been made; but, if any Senators are peculiarly interested in them, I shall be glad to furnish them.

The statement was made that there was some confusion about the subpoena and the order of the subpoena in 1876. Let me read from the subpoena. I have it before me. There is no confusion about what it means according to my understanding.

JOHN THOMPSON, Esq.,

Sergeant at Arms, or His Special Messenger:

You are hereby commanded to summon E. W. Barnes, of the Western Union Telegraph Co. at New Orleans, to be and appear before the Louisiana Affairs Special Committee of the House of Representatives of the United States, of which William R. Morrison is chairman, and with all telegrams sent or received by William Pitt Kellogg and [here are given the names of seven others], at the office of the Western Union Telegraph Co., New Orleans, from and after the 15th day of August 1876, in their chamber in the city of New Orleans at the St. Charles Hotel, and forthwith then and there to testify concerning matters of inquiry committed to said committee.

I have before me the evidence of Mr. Barnes in which he declined to obey that summons. The telegraph company at that early date took the position that the subpoena was too general. They have long since abandoned that position, however, because they found that it could not be sustained either in the courts or in the Senate and the House.

Here is the resolution:

Resolved, That for the efficient prosecution of the inquiry ordered by the House the chairman of the committee communicate to the House for its consideration the refusal of E. W. Barnes to produce before the committee the telegrams referred to in the subpoena upon him December 13, 1876, his refusal being in contempt of the House of Representatives.

A minority did argue against the subpoena. The Senator from Oregon read from speeches made by the minority in that case, one of whom was Mr. Garfield.

Now, let us see just what they held. Here is the closing clause of the resolution:

Resolved, That if said Barnes shall answer that he is now willing to produce said telegrams to said committee, and promises to do so, that he be allowed to do so without unnecessary delay, and upon so doing he shall be discharged from custody.

And yet the statement was made that there was some confusion. There might have been confusion in the mind of Mr. Barnes. He was in jail, where he went because he declined to obey the general subpoena of the House, and he stayed there until he agreed to produce the telegrams, and then he was released from custody. I have the entire record of the case before me.

Mr. President, that, however, was not the only instance. I desire to read one other subpoena calling for the production of telegrams:

On the 19th instant Mr. Morton, chairman of the Senate Committee on Privileges and Elections, caused a subpoena to be issued for President Orton directing him to appear before the Committee on Privileges and Elections and bring with him copies of all telegraphic dispatches received at or sent from the telegraph offices in Salem and Portland, State of Oregon, from the 1st day of November 1876 to the 19th day of December 1876, any and all dispatches containing the name of J. N. P. Patrick or J. N. P. Partrick, also Charles Diamond or Charles Dimond, also Runyon & Co., also Ladd & Bush, also Eugene Casserly, also William M. Gwinn or to said Gwinn or from him, and all dispatches where the sum of \$8,000 is mentioned, and all dispatches of a political character by whomsoever sent or received referring to the electoral vote of Oregon, the ineligibility of Watts as Presidential elector, or to giving the certificate to Cronin as a Presidential elector, and also all dispatches of a political character by whomsoever sent or received within the period named herein.

So here we find that they first asked for all the telegrams and then asked for all the others they could think of sent by persons whose names they knew.

I may add that what I have just read is to be found in the Washington Evening Star of date, I believe, December 26, 1876.

Mr. President, I shall not go further into the subpoenas, because I have shown by the subpoenas themselves—and I could cite many more; I have them here for the inspection of those Senators who may desire to see them—that it has been the uniform rule of this body, as it has been the uniform rule of the House of Representatives, a rule which involves a right which has never been surrendered in any instance, to have investigating committees summon all telegrams that it believes to be admissible, and has adopted the single principal, which has been followed from the beginning, that the subpoena must be sufficiently definite to notify the person subpoenaed of the papers desired to be produced. That does not mean that all of them are used in evidence; they are not; but the bodies have never taken the viewpoint that either a telegraph company or the person involved can be permitted to pick out the telegrams he wants the committee to have.

I heard a few days ago of a telegram that came into Washington which related to "apricots", and it developed when the subpoena was issued for it, or issued for all telegrams (which was the only way it could be obtained in connection with a certain investigation), that "apricots" referred to a stock on the market which was then under investigation. When it was desired to conceal the facts contained in the telegram by using the word "apricots", instead of the word "stock", how would it be possible to obtain the evidence from telegraphic companies after the telegrams had been burned and destroyed all over the Nation if the committee were compelled to ask only for those telegrams the telegraph companies think would be relevant and pertinent?

The telegraph company is not competent to pass upon their relevancy and their pertinency. The committee can do so. They do that as the courts that summon various papers can determine whether or not they are admissible and relevant to the inquiry under way.

Now, I desire to read from a subpoena issued by a grand jury which was not with reference to telegrams, but it is in

almost identical language the same. My attention is called to the fact that it does mention telegrams, but it was issued to the person to whom they were sent and by whom they were received instead of to the telegraph company. I will first read from the syllabus:

An officer of a corporation is not subjected to an unreasonable search or seizure by a subpoena to produce without ad testificandum clause the books and papers of that corporation, nor is he subjected to self-incrimination by such subpoena and an order to produce thereunder or deprived of his liberty without due process of law by being committed for contempt for failure to comply with such order (*Wilson v. United States*, 221 U. S. 361).

The subpoena to which I now refer on page 483 of volume 226, United States Reports, in the case of Wheeler against the United States. The subpoena called for the following information:

All cashbooks, ledgers, journals, and other books of account of said Wheeler & Shaw, Inc., for and covering the period between October 1, 1909, and January 1, 1911—

Two years—

All copies of letters and telegrams of Wheeler & Shaw, Inc., signed or purporting to be signed by said Wheeler & Shaw, Inc., or by its president or its treasurer in behalf of said Wheeler & Shaw, Inc., during the months of October, November, and December, 1909, and the entire year of 1910; all the aforesaid books, copies of letters, and telegrams to be produced before the grand jurors of said district court in the matter of an alleged violation of the laws of the United States by Warren B. Wheeler and Stillman Shaw.

That subpoena was not limited. It was all-inclusive. Every letter, every telegram, every book entry, every ledger entry, was called for by the subpoena issued by the grand jury. Mr. Justice Day, in passing upon the subpoena, said:

There is nothing to show it was so broad as to be objectionable as was indicated of the subpoena in *Hale v. Henkel* (201 U. S. p. 43).

That is the case from which the Senator from Oregon read. In other words, not only do we have the uniform practice and custom of both Houses at the Capitol, charged with the constitutional function of obtaining information for legislation, but I have produced here an opinion by the Supreme Court of the United States itself which holds there was nothing wrong with the form of subpoena which called for every letter, every telegram, every memorandum, and every book entry covering a period of 2 years, and this was to be used by a grand jury with a limited issue before it. It is the duty of the Senate and the House to legislate on all subjects.

Someone has said we would summon lawyers' telegrams and would summon telegrams from newspapers. Are they segregated from the great mass of citizenship of the Nation? Is it true that they have peculiar caste and privilege by reason of the fact that one belongs to the legal profession and the other belongs to the newspaper profession? It is true that lawyers have certain privileges with reference to giving testimony before the courts. That privilege has never been recognized as a matter of right in either body at the Capitol. It is a matter of discretion for the committees to determine.

This country believes in the principle of a free press, and most of its people probably agree with Thomas Jefferson in the statement he made, that if he had to choose between a free government and the free press he would choose a free press, because a free press would bring about a free government. Is it true, because of that belief on the part of the people, that those who engage in that business, so vital and necessary to the peace and happiness of the people of America, are somehow placed far above the law upon a pinnacle so high that they, like the kings in the feudal kingdoms of old, can do no wrong? Yet it is asserted in a judicial proceeding that neither the House nor the Senate has a right to make any investigation of the press.

Mr. President, I yield to no one in my loyalty to the principle announced by Thomas Jefferson with reference to freedom of the press. It has been found in every part of the history of the world that a free press is an asset to free government. Of course, it is true that that tradition sprang up in the minds of men and women at a time when the press was

dependent in the main for its income upon those who bought its papers and not upon those who bought its advertising.

I do not subscribe to the doctrine I heard someone announce a few days ago that the press of the United States is today a byproduct of advertising; but I regret to say that every person who believes in freedom of the press is bound to view with somewhat fearful apprehension the dreadful power given to those who can stifle the press by declining to give it advertising, and who can give it prosperity by placing their advertisements upon its pages. But notwithstanding that fact, it is absolutely essential that the people of the United States shall perpetuate a free press. I do not mean the kind of free press prated about by those who believe in a free press for revenue only and who go around the United States talking about a free press at so much per speech. In my judgment, the greatest enemy of a free press which exists in America, today is not any man in political life, not any man who walks the streets as a citizen of this Republic and who loves his Nation and his flag, but the greatest enemy of a free press in America is the man who is willing to subordinate it and to invade the sacred rights of the privacy of American citizens whenever he can do so to put filthy dollars in his pocket.

The enemy of a free press in America today is made up of that group willing to trample upon the rights of citizens, seeking to do it by concealing their own poisoned daggers which they would stick in the hearts of those who dare to oppose them, who thereby create an antagonism against the real press, that real part of a real press that places loyalty to the traditions of the press above the dollars which go to enrich the man at the top of the holding-company ladder.

Mr. President, the Senate may be assured that its committee intends to recognize every constitutional privilege of every citizen. It is not going to be alarmed or frightened or intimidated by any manufactured sentiment which some people think is free and voluntary, but behind which, in the main, we find someone pulling the strings because there is something he wants to conceal.

I do not mean to make that statement about all who disagree as to the exact mechanics by which evidence should be secured. I would not leave that inference. But I say that in the main, now as in the Teapot Dome investigation, now as in the Daugherty investigation, now as in the star-route investigation, now as in the crooked-elections investigation, now as in all the other investigations, the loudest noise comes from those who are afraid that something they have done will be exposed to the public view, and that they will be known for what they are instead of what they want the public to believe they are.

Mr. President, no subpoena has been issued by your committee that was not issued after the committee had information, reliable and authentic, upon which the subpoena was based. I did not make any statement last week when the Senator from Oregon [Mr. STEWART] referred to Mr. Bainbridge Colby as one to whom a subpoena had been issued. The evidence had not come out at that time, but today I did tell the committee the evidence which came out yesterday, showing that telegrams to and from and about Mr. Colby to J. A. Arnold had been destroyed and could not be obtained in the office of Mr. Arnold. I could have gone further and stated that answers to questionnaires had failed to reveal these telegrams from any other source.

Mr. President, I have given only a part of the history of subpoenas and of investigations. The records are filled with criticisms which have appeared from time to time.

I intend, as soon as I shall have finished, to ask unanimous consent to take up in this body for immediate consideration a joint resolution providing that the Senate committee may employ counsel to defend litigation with reference to its powers. I should state what that litigation is.

There is litigation pending against your committee, jointly with the Federal Communications Commission, with reference to the use of telegrams as evidence. If the Senate may be enjoined from the production of telegrams as evidence, it may be enjoined from the use of anything else as evidence, if a judge can be found somewhere who will issue the

injunction. I desire to point out to the Senate that you have appointed a committee to investigate the expenditure of money in elections. There is a great desire on the part of some persons to handicap that committee, and to prevent it from obtaining evidence. If injunctions may be issued against the special committee appointed under Senate Resolution 165, if injunctions may stay the hands of witnesses and stop their feet from bringing to that committee written evidence, courts all over the land that would issue those injunctions would likewise have the power to enjoin any witness from coming before your committees and testifying in person.

It may be that the Senate thinks it should be deprived of that power. It may be that there are some who believe that whenever a witness is summoned to appear before a committee of either House or Senate a district court anywhere in the country should have the jurisdiction, if it wishes to do so, to enjoin that witness from appearing before the committee of Senate or House. Whether or not there are some who have that belief, I do not know; but I do know that if the injunction against your committee should be sustained, and if the precedent recently established should be upheld and obeyed, in which the telegraph company was enjoined from bringing telegrams to this body, it is logical that hereafter injunctions will always be issued to prevent evidence coming to the Senate and to prevent witnesses from appearing before the committees.

That would be a wonderful thing for some persons between now and November of this year. Unfortunately, when human beings go on the bench they are not transformed overnight. Such magical transformations do not occur. Mentalities trained in one direction do not suddenly reverse themselves and go back in another. Prejudices, unfortunately, frequently find themselves deeply imbedded in the human mind and the human heart. The lawyer of today is the judge of tomorrow. History has demonstrated that sometimes the judge of today is unable to lift himself far above the passions and prejudices that were engendered in his breast before he went on the bench.

If the district courts of this Nation have the power to issue injunctions to prevent witnesses from appearing before committees of this body, is it too much to believe that when your committee begins to get close to a huge expenditure of money judges may be found somewhere who will be unable to remove themselves from the prejudices of the past, and who will restrain the witnesses, and tie the hands of your committee, and make the resolution providing for the designation of the committee a vain and useless and futile thing?

I am saying these things because I wish to have the issue clearly understood in determining whether or not this body and the other body wish to surrender this power, or wish to fight to maintain the constitutional functions given to them by the founders of the Republic.

So, Mr. President, I have a joint resolution which provides for the employment of counsel, that counsel to be paid an amount fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and providing for an appropriation not exceeding \$10,000 out of the funds available until June 30, 1937. This joint resolution has the unanimous support of the five members of the special committee. If the Senate should not adopt such a joint resolution, the only authority to employ counsel would be that given to your special committee, with a limitation of \$300 per month on the amount to be paid any one person. Of course, I assume that the Senate wishes to have this case decided by the highest tribunal of the Nation. I therefore assume that, if so, it desires proper representation, with a proper fee, in order to protect the constitutional powers of the Senate and the House.

Mr. President, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 234. Since it was drawn, I have learned that in order to be in proper form it should have a slight modification. I therefore ask for the immediate consideration of the joint resolution, and then I shall offer an amendment to it.

The PRESIDING OFFICER (Mr. HATCH in the chair). The joint resolution submitted by the Senator from Alabama will be read.

The Chief Clerk read the joint resolution (S. J. Res. 234) authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel, in connection with certain legal proceedings, and for other purposes, as follows:

Resolved, etc., That the Senate committee acting under Senate Resolution 165 of the Seventy-fourth Congress, is hereby authorized to employ counsel to represent the said Senate committee and the Senate in connection with legal proceedings relative to the powers of the Congress of the United States growing out of legal proceedings instituted in the court to restrain actions of the said Senate committee in connection with the performance of its duties, the total compensation for such legal services to be fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and the payment of other expenses necessarily incurred in connection with said litigation to be approved by the said Committee to Audit and Control the Contingent Expenses of the Senate, \$10,000 to be immediately available under this joint resolution and to remain available until June 30, 1937.

The PRESIDING OFFICER. The Senator from Alabama asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	Radcliffe
Ashurst	Costigan	Lewis	Reynolds
Austin	Davis	Logan	Robinson
Bachman	Dickinson	Loneragan	Russell
Bailey	Donahay	Long	Schwellenbach
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Shipstead
Benson	Frazier	McNary	Smith
Bilbo	George	Maloney	Steiwer
Black	Gibson	Metcalf	Thomas, Okla.
Brown	Glass	Minton	Thomas, Utah
Bulkley	Gore	Murphy	Townsend
Bulow	Guffey	Murray	Vandenberg
Burke	Hale	Neely	Van Nuys
Byrd	Harrison	Norbeck	Wagner
Byrnes	Hatch	Norris	Walsh
Capper	Hayden	Nye	Wheeler
Caraway	Holt	O'Mahoney	White
Chavez	Johnson	Overton	
Clark	Keyes	Pittman	
Connally	King	Pope	

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, there is a quorum present.

Mr. COPELAND. Mr. President, I may say to the leader on this side that, in addition to the pending amendment to the Army appropriation bill, there is another amendment which will excite a great deal of debate, and a good many Senators have gone away for the week end. I suggest to the Senator from Arkansas, if it is agreeable to his program, that we let the Army appropriation bill be temporarily laid aside, and take it up on Monday.

Mr. ROBINSON. Mr. President, it had been my intention, after conferring with a number of Senators, including the Senator from Oregon [Mr. McNARY], the Senator from New York [Mr. COPELAND], and the Senator from Virginia [Mr. GLASS], to move that the Senate take a recess at the conclusion of today's labors until next Monday. It had been my hope that the Army appropriation bill might be disposed of today; but Senators have advised me that a number are absent who would like to be present when the final vote on the amendments to which the Senator from New York has referred may be taken. For that reason I indicate my readiness, when the Senate shall complete its labors today, to move a recess until Monday.

Mr. COPELAND. Then, is it in order for me to ask that the bill be temporarily laid aside?

Mr. ROBINSON. Unless the Senate has completed its labors for the day, I think the Senator would better not do that at this juncture.

Mr. COPELAND. Very well.

Mr. BYRNES. Mr. President, I should like to know what is pending before the Senate at this time.

The PRESIDING OFFICER. The Senator from Alabama has asked unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 234.

Mr. McNARY. Mr. President, I assume this is the same resolution the Senator from Alabama read to me a few days ago, and which I have asked to have laid over from day to day until I could confer with Senators on this side.

Mr. BLACK. The Senator is correct, except that I may say to the Senator that I was informed by Mr. Pace, the disbursing officer of the Senate, that it was necessary to add the words "to be paid out of the contingent fund of the Senate", and I have prepared an amendment to add those words to the joint resolution.

Mr. McNARY. The amendment will probably improve the joint resolution in that regard, but I think I shall ask that the joint resolution be read at this time, so that I may have a clear understanding of its purpose and purport.

The PRESIDING OFFICER. The clerk will read the resolution.

The Chief Clerk read as follows:

Resolved, etc., That the Senate committee acting under Senate Resolution 165 of the Seventy-fourth Congress is hereby authorized to employ counsel to represent the said Senate committee and the Senate in connection with legal proceedings relative to the powers of the Congress of the United States growing out of legal proceedings instituted in the court to restrain actions of the said Senate committee in connection with the performance of its duties, the total compensation for such legal services to be fixed by the Senate Committee to Audit and Control the Contingent Expenses of the Senate, and the payment of other expenses necessarily incurred in connection with said litigation to be approved by the said Committee to Audit and Control the Contingent Expenses of the Senate, \$10,000 to be immediately available under this joint resolution and to remain available until June 30, 1937.

Mr. McNARY. Mr. President, I am informed that the language of the joint resolution follows the practice and precedents established by the Senate. Is that correct?

Mr. BLACK. I think that is correct.

Mr. McNARY. I assumed so from the very minute the joint resolution was brought before the Senate. The reading by the clerk would indicate that it is in the usual form. It has been the custom of the Senate, when measures of this kind are reported from a committee, to permit the employment of counsel to be paid out of the contingent fund of the Senate. When the matter was first proposed I desired to have time for consultation with Senators and for further consideration. At this time I have no objection to the consideration of the joint resolution.

Mr. STEIWER. Mr. President, I have no objection to the employment by the committee of counsel to the extent the committee may have occasion to employ counsel, but before the joint resolution shall be agreed to I should like to be indulged to ask one or two questions.

In the first place, may I ask the Senator from Alabama whether the joint resolution has gone to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. BLACK. It has not. I may state to the Senator that I discussed the matter with the chairman of the committee, the Senator from South Carolina [Mr. BYRNES], and with several other Senators, and the conclusion was reached that since the joint resolution really relates to the powers and the duties of the Senate as a whole it was not necessary to refer a measure of this nature to that committee. I may add that I did submit the matter to the chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, because it was my idea that the fee the counsel should receive should be fixed by that committee, and I did not want to attempt to impose such responsibility on the committee without at least discussing the matter with the chairman. There is no rule which requires a measure of this kind to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. STEIWER. I think that is correct. What is of more importance, to my mind, is this: What is the occasion at this time for the employment of a counsel; that is, what suits are there to come up in court to restrain the committee?

Mr. BLACK. There is a suit by Mr. William Randolph Hearst against the committee, naming each member of the committee as a respondent.

Mr. STEIWER. Has that not now become really a moot question?

Mr. BLACK. Oh, no; there were two suits. One suit was against the Western Union Telegraph Co. to restrain the production of a single telegram. The committee, for reasons stated in its letter to the Western Union Telegraph Co., revoked the particular subpoena involved in that case, stating that the matter could be handled for the Senate in a suit where the Senate itself could appear and help to make the issue and determine the controversy.

It was believed and known by the Senate committee that in a suit between the Western Union Telegraph Co. and Mr. Hearst it was to the pecuniary advantage of the Western Union Telegraph Co. not to contest the suit. Therefore, we did not consider that that would be a real trial.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. ROBINSON. The Senate committee was not a party to that suit.

Mr. BLACK. No; the Senate committee was not a party to that suit.

Mr. ROBINSON. And no member of the Senate committee was a party to that suit.

Mr. BLACK. No; nor did we have anything to do with establishing the issues in that suit.

Mr. STEIWER. That is a very interesting phase of the matter. Is it proposed, therefore, to employ counsel, not for that case but because there is another case in which the Senate committee is made a party? The employment of counsel is not in connection with the first suit, to which the Senator has referred, but is in connection with the suit in which the Senate committee has been interpleaded as party defendant?

Mr. BLACK. I may say to the Senator that in connection with the first suit the Senate committee felt that it should have a lawyer, and the lawyer was sent for, and has been here in connection with both suits up to the time that the other case, I assume, has become a moot case. But the employment now, so far as the joint resolution is concerned, is made necessary by the suit of Mr. Hearst against the entire membership of the committee.

The VICE PRESIDENT. The Chair understands that the Senator from Alabama has asked unanimous consent for the present consideration of the joint resolution. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The Chair further understands that the Senator from Alabama desires to offer an amendment.

Mr. BLACK. Mr. President, I send to the desk an amendment to the joint resolution, which I ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 2, line 6, after the word "available", it is proposed to insert "from the contingent fund of the Senate."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Alabama.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MINTON subsequently said: Mr. President, it seems that all of the newspapers of the country are not in accord with Mr. Hearst in his attitude toward the Lobby Committee of the Senate. A very fine editorial appeared in the Capital Times, of Madison, Wis., in its issue of Tuesday, March 17, entitled "We Repudiate Selfish Use of 'Freedom of the Press.'" I think it would be very appropriate to have this editorial appear in the RECORD following the remarks of the Senator from Alabama [Mr. BLACK] on the freedom of the press, and I ask unanimous consent to have it inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Capital Times, Madison, Wis., of Mar. 17, 1936]

WE REPUDIATE SELFISH USE OF "FREEDOM OF THE PRESS"

An editorial by William T. Evjue

The AMERICAN NEWSPAPER PUBLISHERS' ASSOCIATION,
New York City.

DEAR SIR: Under date of March 12 the Associated Press sent out the following story from New York:

"The American Newspaper Publishers' Association tonight denounced as a violation of constitutionally guaranteed freedom of the press the reported seizure by the Black committee of a telegram from William Randolph Hearst to one of his editors. The association advised any other editor, should he learn of similar action, to consult counsel immediately and take vigorous steps to protect his constitutional rights."

This letter is written in order that this newspaper can go on record as repudiating the things that are being done by the American Newspaper Publishers' Association in the name of American newspapers and American journalism.

The attempt of the big metropolitan newspaper publishers, operating through the American Newspaper Publishers' Association, to identify their greed and selfish aims with the defense of the freedom of the press and other constitutional guaranties is nothing but a fraud and a sham. The Capital Times is one newspaper that will have no part in the conspiracy of these big metropolitan publishers who snipe at one public-welfare proposal after another under the hypocritical disguise of defending the freedom of the press.

I want to protest, too, against the activities of that super-lobbyist at Washington, Elisha Hanson, who presumes to speak for American newspapers as the representative of the American Newspaper Publishers' Association. The Capital Times contends that Mr. Hanson is doing a big disservice to the best traditions of journalism by continually making use of the principle of the freedom of the press to serve the selfish, unsocial purposes of the powerful privileged interests he represents.

Need the American newspaper publishers be reminded that the masses of the people in the United States are losing their confidence in the American newspapers? Whenever the public interest is on one side and the interest of privilege and wealth on the other, nine times out of ten the newspapers line up on the side of greed and selfishness.

When the American newspapers were asked to stand shoulder-to-shoulder with other business concerns in endeavoring to decrease unemployment under the N. R. A., the newspapers refused to be licensed under the N. R. A. because of the contention that such a license would be surrendering the freedom of the press—"a principle which the newspapers were sacredly obligated to defend." This contention was a lot of bunk, because the newspapers have already been licensed for decades, as will be pointed out later in this letter.

The newspapers used the freedom of the press to bring about the defeat of the child-labor amendment to the United States Constitution. Newspapers hypocritically contended that for the United States Government to interfere with the right of newspapers to hire newsboys of tender years would be an invasion of the freedom of the press.

When the Roosevelt administration attempted to put a bill through Congress to clean up crooked and false advertising in the United States through which the people of this country are being mulcted out of millions of dollars each year, the newspapers again used the pious phrase "freedom of the press" to defeat a measure which would interfere with their "freedom" to exploit the American people through fraudulent advertising.

When American publishers are asked to recognize the right of editorial employees to organize for their own betterment, the newspaper publishers again hypocritically argue that it would be a violation of the freedom of the press to bargain collectively with their employees, who have been notoriously underpaid.

The above is only a short catalog of the different occasions on which the newspaper publishers have used the principle of the freedom of the press in order to serve their own selfish interests as against the public interest. Now comes the latest episode in which the newspapers are again using the principle of the freedom of the press to thwart the United States Senate in its long-recognized right of investigation to uncover practices that are against public interest.

The Capital Times believes that the right given to a congressional or legislative body to investigate is the best insurance in the possession of the American people against corruption and wrongdoing. The United States Senate has a long and honorable record in exposing corrupt and subversive activities on the part of powerful privileged interests. It is not to the credit of the American newspapers that the newspapers have, in the main, maintained a hostile attitude toward investigations that sought to expose the criminal and corrupt activities of selfish groups. Does the answer lie in the fact that on many occasions the groups being investigated are in a position to control advertising?

One need only to recall the hostile attitude of the newspapers toward the Nye war-munitions investigation, the investigation of the big public utilities, and other investigations to appraise the attitude of the American newspapers on the subject of investigations.

One need only to recall the criminal indifference of the American press to the Teapot Dome investigation to show that this hostility of the American press has extended from 1920 down. Here was a

case where powerful, selfish private interests had robbed the United States of oil resources valued at \$100,000,000. Senators La Follette and Walsh started the investigation under the most discouraging circumstances. The newspapers maintained an attitude of indifference or open hostility. On March 31, 1924, the powerful New York Times had the following to say concerning the United States Senate's investigation of Teapot Dome:

"A few Senators at Washington have borne themselves like men who at heart are enemies of lawful and orderly government. They profess to be engaged in the laudable effort to uncover corruption. . . . But they make it seem that the real purpose is to paralyze the administration, to terrorize members of the Cabinet, to break down the efficiency of the Government. The investigators are scandalmongers and assassins of character."

Paul Y. Anderson, Washington correspondent, says:

"The propaganda against investigations began with the oil investigations conducted by Senator Walsh and the investigation of the Department of Justice (Harry Daugherty) conducted by Senator WHEELER. In the light of what has occurred since, I dare say few editors will relish being remembered as defenders of Fall, Sinclair, Doheny, Daugherty, Jess Smith, and the little green house on Kay Street. Nevertheless, it was the New York Times which described Senators Walsh and WHEELER as the Montana mud gunners when they undertook to expose the unspeakable frauds which had been perpetrated against the Nation and the unutterable rotteness which existed at the very heart of the Government."

"From Teapot Dome down to the present Black investigation the tactics of the American press have been the same. Today Senators Nye, of the munitions investigation, and BLACK, of the lobby investigation, are being called black dragons, snoopers, chekas. Will all the bitterness that characterized the newspaper attacks on Senators in an earlier day whose investigations restored \$100,000,000 in oil resources back to the United States Government, the attack on those who seek to use the power of investigation for the public interest continues."

"Now, as a final clincher to show the hypocrisy of the big publishers, let's draw a parallel that will show how these big publishers are only concerned with the freedom of the press when it can be used to serve their selfish purposes."

When the N. R. A. was being drafted the newspapers bitterly fought the proposal under the N. R. A. to license newspapers in the same way as other businesses were licensed in order that the Government could have regulation over hours and wages under the N. R. A. The big newspapers loudly contended that it would be an invasion of the freedom of the press to license newspapers under the N. R. A.—that such a proposal would subject newspaper control to bureaucratic domination at Washington. Because of their power, the newspapers succeeded in keeping the license provision as affecting newspapers out of the N. R. A.

But every reputable newspaper in the United States has been licensed by the United States Government for decades, and no protest has ever come from the big publishers. In nearly every newspaper in the country you will note the little agate-line statement on the editorial page: "Entered as second-class matter under the act of March 3, 1879." Second-class mailing rights is a special concession given to newspapers and magazines.

Before a newspaper can avail itself of second-class mailing rights, however, it must obtain a license from the United States Post Office Department. The United States Postmaster General can revoke this license or permit without hearing any time he so chooses. During the World War the second-class mailing rights of many newspapers in the United States were revoked, and no complaint ever came from the big publishers who today are so blatant in their devotion to the freedom of the press.

Why don't the big publishers complain against the license of the United States Post Office Department? Here is the answer: According to the United States Post Office Department, the cost of handling second-class mail matter during 1935 was \$105,474,053. The newspapers and magazines paid the United States Post Office Department \$18,423,226. It therefore cost the United States Government \$86,000,000 to pay the deficit on carrying second-class mail for newspapers and magazines.

When the newspapers of the United States are asked to submit to a license by the United States Government under the N. R. A. in order that the Government can control wages and hours to cut down unemployment, the newspapers loudly yell that such a proposal is unconstitutional because it violates the principle of freedom of the press.

When the newspapers, however, can dip into the United States Treasury to the extent of \$86,000,000 a year and get Uncle Sam to pay the cost of delivering their newspapers, then they make no protest against being licensed by the United States Post Office Department. Doesn't that accurately reveal the real motives which are back of the professions of the big publishers of the United States on freedom of the press?

How long do these big publishers who dominate the American Newspaper Publishers Association think they can fool the American people with this kind of hypocrisy? If these big publishers continue to use the freedom of the press as a bugaboo to thwart every honest attempt that is made to serve the public interest, the newspapers will get the public condemnation to which they are so richly entitled.

The Capital Times wants to repudiate the things which your organization is doing and which are fast bringing the American press and American journalism into disrepute.

Very sincerely yours,

WILLIAM T. EVJUE, Editor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 3071) providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MANSFIELD, Mr. GAVAGAN, Mr. FIESINGER, Mr. SEGER, and Mr. CARTER were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Maj. Gen. William Kern Herndon, Kansas National Guard, to be major general, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters on the calendar will be confirmed en bloc.

That completes the calendar.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 53 minutes p. m.) the Senate took a recess until Monday, March 23, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 20 (legislative day of Feb. 24), 1936

NATIONAL EMERGENCY COUNCIL

George H. Combs, Jr., of New York, to be State director, National Emergency Council, for New York.

PROMOTIONS IN THE FOREIGN SERVICE

The following-named persons for promotion in the Foreign Service of the United States, to be effective April 1, 1936, as follows:

From Foreign Service officer of class 3 to Foreign Service officer of class 2:

Thomas H. Bevan, of Maryland.
Cornelius Van H. Engert, of California.
Herbert S. Goold, of California.
Kenneth S. Patton, of Virginia.
James B. Young, of Pennsylvania.

From Foreign Service officer of class 5 to Foreign Service officer of class 4:

Harry E. Carlson, of Illinois.
Jefferson Patterson, of Ohio.
Harold L. Williamson, of Illinois.

From Foreign Service officer of class 6 to Foreign Service officer of class 5:

David C. Berger, of Virginia.
Ellis O. Briggs, of Maine.
Allan Dawson, of Iowa.
William E. DeCourcy, of Texas.
Robert F. Fernald, of Maine.
John J. Muccio, of Rhode Island.
Christian T. Steger, of Virginia.

From Foreign Service officer of class 7 to Foreign Service officer of class 6:

William H. Beach, of Virginia.
George H. Butler, of Illinois.
Leo J. Callanan, of Massachusetts.
Selden Chapin, of Pennsylvania.
Prescott Childs, of Massachusetts.
Winthrop S. Greene, of Massachusetts.
William M. Gwynn, of California.
Julian F. Harrington, of Massachusetts.
George F. Kennan, of Wisconsin.
Edward P. Lawton, of Georgia.
Dale W. Maher, of Missouri.
Gordon P. Merriam, of Massachusetts.
C. Warwick Perkins, Jr., of Maryland.
Samuel Reber, of New York.
Joseph C. Satterthwaite, of Michigan.
George Tait, of Virginia.
Angus I. Ward, of Michigan.
S. Walter Washington, of West Virginia.

From Foreign Service officer of class 8 to Foreign Service officer of class 7:

LaVerne Baldwin, of New York.
William W. Butterworth, Jr., of Louisiana.
Warren M. Chase, of Indiana.
Oliver Edmund Clubb, of Minnesota.
Paul C. Daniels, of New York.
Cecil Wayne Gray, of Tennessee.
Raymond A. Hare, of Iowa.
Gerald Keith, of Illinois.
Bertel E. Kuniholm, of Massachusetts.
James S. Moose, Jr., of Arkansas.
Henry S. Villard, of New York.
George H. Winters, of Kansas.

PROMOTION AND APPOINTMENTS IN THE COAST GUARD

Ensign Oscar C. Rohnke to be lieutenant (junior grade) in the Coast Guard of the United States, to rank as such from May 16, 1935.

The following-named officers in the Coast Guard of the United States, to take effect from dates of oaths:

To be chief machinists

Machinist William R. Kenly.
Machinist Frank F. Crump.

To be chief carpenter

Carpenter Olaf G. Tobiason.

APPOINTMENTS IN THE REGULAR ARMY

To be captain in the Quartermaster Corps with rank from date of appointment

Clarence Fenn Jobson, former captain, Quartermaster Corps.

DENTAL CORPS

To be first lieutenant with rank from date of appointment

First Lt. Joseph Leroy Bernier, Dental Corps Reserve.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Gennad Alban Greaves, Field Artillery, with rank from August 1, 1935.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 20 (legislative day of Feb. 24), 1936

POSTMASTERS

ALASKA

Serena B. Pollock, Anchorage.

Otto H. Kulper, Cordova.

FLORIDA

Mary Joyner, Bagdad.

GEORGIA

Estelle Willis, Hardwick.

William W. Baldwin, Madison.

William T. Pilcher, Warrenton.

MINNESOTA

George Enblom, Atwater.

Obert M. Wammer, Badger.

Eric Lind, Chisago City.

Stephen Singer, Goodridge.

Henry Groth, Wright.

NEBRASKA

Emil Nelson, Minden.

NEW JERSEY

William P. Kern, Jersey City.

Walter F. Hoagland, Kenilworth.

Walter E. Riddle, Sayreville.

Frank T. Callahan, Swedesboro.

OHIO

Charles W. Zeller, Gibsonburg.

Valentine J. Meade, Harrison.

George W. Blessing, Jeffersonville.

SOUTH CAROLINA

Carrie R. Goodman, Clemson.

Malcolm J. Stanley, Hampton.

Murray S. McKinnon, Hartsville.

WITHDRAWAL

Executive nomination withdrawn from the Senate March 20 (legislative day of Feb. 24), 1936

POSTMASTER

KANSAS

Henry J. Hibler to be postmaster at Neodesha, in the State of Kansas.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 20, 1936

The House met at 12 o'clock noon.

The Reverend W. Angie Smith, pastor, Mount Vernon Place Methodist Episcopal Church South, Washington, D. C., offered the following prayer:

Almighty God, our gracious Heavenly Father, creator of the heavens and the earth, the giver of all good and perfect gifts, we would unite our prayers this morning unto Thee, because unto Thee and Thee only do we look for strength, for inspiration, and for divine guidance. We would pray especially this morning for a unity of thought in this hour of need, while so many of our Nation are suffering from the ravages of flood and other disasters. Wilt Thou touch the heart of this our Nation and so create in the mind of each of us a desire to help, that our benevolent impulses may respond to the need of these our very own. We would pray this morn-

ing for these Thy servants, our Representatives, as they lead our Nation in the avenue of peace and toward prosperity, that our thoughts and our lives may be guarded and directed by that mind and that thought which alone comes from the throne of God. Bless each as an individual, and bless especially, our Heavenly Father, this very morning, our Nation and the nations of the world, and so guard and guide us in all of our activities until the kingdom of God shall come here upon earth, and that we may not only understand Thy will but with a new and a definite encouragement be able to say, "Thy will be done." Though we be divided by race and by color and different conceptions of Thee, may we all be united into one brotherhood of man under the fatherhood of God. Through the Redeemer, our Lord and our Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries.

TAX ON IMPORTED OIL

Mr. SANDERS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SANDERS of Texas. Mr. Speaker, Texas this year is celebrating the one hundredth anniversary of her independence. Through the century which has passed, both Texas and Mexico have grown into closer relations of friendship and business interests. A common misfortune for which neither is to blame also unites them closely today. Both Texas and Mexico today are the victims of exploiters. Mexico's valuable petroleum resources are in a large degree controlled by foreign corporations who use them to dominate the markets in other lands, notably in the United States, while neither Mexico nor the Mexicans receive what they might consider the proper return for their petroleum products. Mexico has taken unusual steps to safeguard her petroleum reserves, even imposing an export duty upon oil, but foreign capital in Mexico is today using that oil in a way which damages both the Republic of Mexico, the State of Texas, and the domestic petroleum industry in the United States.

Today imported petroleum, much of which comes from Mexico, is directly affecting practically all the economic factors in my State. Due to the lower production cost of that imported petroleum, the price Texas receives for the product of one of Texas' greatest natural resources is held below its proper price level and the public revenues of the State itself, to which the petroleum is the heaviest contributor, are decreased as truly and as surely as though an armed enemy had invaded our borders and removed this sum from the treasury of the State.

The oil industry in Texas contributes over 50 percent of the public revenues. It holds under lease one-fourth of the acreage of the State. It contributes to farmers, landowners, and investors in royalties, rentals, and bonuses \$102,000,000. Its annual pay roll is approximately \$266,000,000, over 675,000 Texans being dependent upon it for their living.

This is the industry so vital to the prosperity and well-being of the sovereign State of Texas which is today handicapped and depressed by the invasion of cheap foreign oil. The importation of that oil is one of the reasons why Texas producers have been forced to curtail their production and were for a long time prevented from receiving anything approaching a reasonable price for their oil. Today, while the price of crude oil has advanced slightly, the expected and merited increase in price which all the other economic factors would justify is being prevented by the competition offered by this cheap oil from other lands.

Texas is the principal oil producing State in the Union. Within her borders lies the great east Texas field, one of the greatest, if not the very greatest, oil fields known. It has been estimated by competent geologists that this field, if opened up to its full producing potentiality, could for a time

produce many times as much oil as the entire world consumes, but neither is the east Texas field nor the State of Texas as a whole with its 52,300 producing oil wells permitted more than a fraction of its possible output. The market which might naturally be found by the Texas petroleum and its products is today being taken by the cheap foreign oil to the amount of over \$47,000,000 a year. Only a part of these imports pays any tax whatever to the Federal Government. Its low production costs make it possible for this oil to undersell any oil produced on a sound business basis in this country.

The resulting situation is that the amount of oil which the sovereign State of Texas can market profitably is actually determined by a foreign product. The number of Texans who can be given employment in the petroleum industry in this State is limited by the amount of foreign oil produced by cheap foreign labor which takes the place of the Texas product. The very revenues of our State are reduced since Texas business and Texas production must be held down because oil produced in other lands can undersell us in our own home markets.

The petroleum industry deserves well of the State of Texas. It has paid to the farmers of Texas \$54,533,000 in rentals and royalties during the year 1934, the latest for which statistics are available. It has leased from these same farmers 44,000,000 acres at an average of 40 cents per acre, bringing to the farmers \$17,600,000, or only \$1,000,000 less than the total amount of taxes levied on Texas farm property during 1934. It has invested in petroleum production \$1,310,000,000; \$70,000,000 in natural gasoline, \$309,600,000 in pipe lines and \$114,482,000 in marketing properties.

The Texas petroleum industry is building a future for the youth of this State. From that industry there comes the larger part of the support of public schools and universities. Two million acres of land in 19 counties in west Texas was set aside in the days of the Republic of Texas for the support of a university. With the discovery of the Big Lake oil field in Reagan County on university land, oil companies took leases on 279,000 acres of land belonging to the University of Texas, of which 12,320 acres are producing oil and gas. In the brief period since 1923, the discovery date of the Big Lake field, to August 1935, the permanent fund of the university has received in oil and gas royalties and in bonuses and rentals, \$21,500,000, while the current income of the university from royalties is \$675,000 a year, and \$60,000 a year from rentals.

Oil is today the most important industry in the State of Texas. Whatever interferes with the well-being of that industry immediately affects the business life of the entire State. With an investment of \$1,804,000,000, exclusive of refining interests, the State's income from this natural resource is nearly \$400,000,000 a year. Nearly one-fourth of the total area of the State, or 44,000,000 acres, are under oil leases today, the owners of this property receiving annually approximately \$15,000,000 from these leases, the total receipts of the owners, including bonuses and royalties as well as rentals, amounting to over \$100,000,000 every year.

Over 50 percent of the total taxes collected by the State government of Texas is derived from taxation of the products and the properties of the petroleum industry, of which \$31,640,000 was collected through the State gasoline tax.

In addition to an annual pay roll of \$150,000,000, the oil industry in Texas expends approximately \$200,000,000 a year for material and supplies and services.

Today Texas is cooperating with other States to control production in order to eliminate wasteful practices. Texas has not only passed legislation to enable the State to control petroleum production within its borders but was one of the leaders in obtaining the authority of Congress to set up the interstate oil compact by which various States may unite in coordinating their efforts in the prevention of wasteful production.

Texas in the year 1935 produced a total of 391,097,000 barrels of petroleum. That was the output for 365 days. A full-flow test made last year of key wells in the East Texas field showed that if the 17,000 wells in that area were permitted to produce without restraint, they would turn out 336,000,000 barrels of crude oil in a single day of 24 hours.

East Texas wells are not producing that amount, of course. They were limited through much of the year to 3.4 percent of 1 hour's potential flow. The oil industry in Texas, with some exceptions, approves of some degree of limitation in the interest of the conservation of natural resources, the prevention of waste, and the proper supply of domestic markets. But the oil industry in Texas does feel that since it has placed production limitations upon the oil wells of that State, the foreign product should not be admitted without regulation and without limitation of any kind. If it is proper that Texas wells should be shut in, it is equally proper that the foreign supply of oil shall be equally and proportionately shut in.

Because of this, I introduced on January 25, 1935, H. R. 4744 to increase the taxes on imported crude petroleum and gas and fuel oil from $\frac{1}{2}$ a cent to 1 cent a gallon; to add a tax of \$2 per ton on imported asphalt, to remove the limit on the oil import taxes, and to strike from the revenue act the exemption from tax of fuel oil imported as "supplies of vessels." That bill which is still before the Ways and Means Committee is in these respects identical with the bill introduced by the gentleman from Oklahoma who has added one very valuable item to his proposal, namely, the definite limitation of petroleum imports to a fixed proportion of the national demand.

All that has been done by and for the oil industry in Texas depends upon one uncertain element. The State is regulating its production. Through the Interstate Compact Commission, it is cooperating with other States who are likewise regulating their output of crude oil. So far as our own domestic production is concerned, Texas knows where it stands today and where it may stand in the coming months. However, the domestic supply of petroleum is not the only factor in the markets of the United States. All that Texas and the other oil States have done to prevent a wasteful oversupply with the breaking of the market and its harmful effect upon employment and business conditions in general, can be nullified at any time by the will of a half dozen men who make the decisions for those large companies now importing foreign oil. The self-restraint shown by the oil industry in Texas may be of no avail if these importers should decide that in any given period they will largely increase their imports. Texas after all is not independent.

Vitality important to my State and to the people of that State at large and not merely to the oil industry in Texas is the adoption of those policies which are set forth in my bill, H. R. 4744, and in the Disney oil import bill, H. R. 10483. The import taxes provided in those bills, while providing revenue for the Federal Government, will also make it possible for the oil industry in Texas to operate without incurring those tremendous losses which marked the years prior to our recent recovery. The definite limitation which the Disney bill sets upon imports will free the State of Texas as it will free all the oil States of the Union from that constant threat that all their efforts at stabilization and conservation may be made vain at any time by vastly increased imports. The statistics which have been made available to the industry show that these imports have been steadily increasing. Supposed to be held within the limits of the last 6 months of 1932, they have been exceeding those limits by great quantities. "Hot imports" are today as serious a danger to the economics of the petroleum industry as was ever "hot oil" in the days when Texas or Oklahoma or the other oil States were struggling with the task of working out a practical and equitable system of production regulation.

Texas will know a larger degree of independence if this oil import measure is passed. Then it will no longer have to dread an invasion by a foreign product which would threaten its markets. Then its public revenues would not be menaced by forced contributions levied upon the State by the importers of foreign oil. Then its industry and its workers would be free to transact business and to engage in their employment without the fear that foreign oil fields and foreign workers would dispossess them.

If this task could be accomplished by Texas alone, Texas would have done this by herself. If Texas were still a Republic, we would not today have to ask the Federal

Government to protect us against these invading shiploads of foreign products. Texas, however, was glad and proud to lay aside her status as a sovereign nation and enter the family of States in the Union. The powers with relation to foreign commerce we once possessed we transferred to the Federal Government. Now we are asking that Government to use these powers for our protection. We are not asking this as a favor. We are asking it as a right and as an act of justice. We are not demanding it, however, but we are pointing to the situation which exists and asking that it be cured.

We are not seeking unfair advantages. The good that will come to the State of Texas from this legislation will come also to the other oil States of the Union. If this legislation should profit Texas more than it profits some of the other oil States, then it is merely because Texas is larger and because the known reservoirs of oil in Texas are greater. The good which will come from this legislation will not be limited either to Texas or even to all the oil-producing States. Instead it will act as a guaranty that this industry, which was the first to show signs of recovery and which has made remarkable contributions to the restoration of prosperity, will continue to make its contributions of countless millions of dollars to the workers, the farmers, the land-owners, and the investors of the Nation.

PERMISSION TO ADDRESS THE HOUSE

Mr. Sisson. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Mr. Speaker, I received in yesterday morning's mail 37 letters, of which the letter I hold in my hand is an exact copy. This is just one of the letters which I received. They were all written from the city of Utica, N. Y., one of the cities in my congressional district, and refer to a given piece of legislation which is now pending either in committee or in the House. The exact status of the legislation I do not know. I want to say, as a matter of fairness, that I have not made up my mind or formed any opinion as to whether I shall vote for or against the bill when it comes on the floor for consideration.

Mr. Speaker, I am taking this time not in an effort to do anything against the bill or for the bill, but because I believe this is a particular form of propaganda which is subversive of good citizenship. These letters were all written on the same typewriter. That is, the envelopes were addressed by the same typewriter. The letter itself is mimeographed and evidently all of the letters were signed by the same person. The names attached to these various letters are employees, most of them young girls, in a certain store, one of the chain stores in the city of Utica. I am going to give the name of this store so that no other chain-store organization will be under unjust suspicion. The name of the store is Neisner's.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. Sisson. I yield to the gentleman from Minnestota.

Mr. CHRISTIANSON. To what legislation does the correspondence refer?

Mr. Sisson. These letters refer to the so-called Robinson-Patman or Utterback bill, and I am asked to vote against the bill.

Mr. Speaker, I ask unanimous consent to insert this particular letter in the RECORD, leaving off the signer of the letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. Sisson. Mr. Speaker, my objection to this is not that it will influence me either to vote for the bill or against the bill, because finally I hope I will be just enough to size up the bill on its merits when it comes before the Members of the House for consideration. I think it is improper and unfair for an employer to compel, as evidently this employer has, these girls, who are overworked and underpaid, to sign such letters and send them to Congressmen at the pains probably of losing their jobs.

Mr. Speaker, the letter referred to is as follows:

FRED J. Sisson,

Congressman, Washington, D. C.

DEAR SIR: I protest against the provisions of the Robinson-Patman bill, as I am of the opinion that this bill will tend to raise prices and will be to the disadvantage of the consuming public. I therefore would appreciate your negative vote on this bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, yesterday I introduced in this House a bill appropriating \$50,000,000 for the relief of the flood victims. I plead with the membership of this House to take immediate action on this bill.

I ask this not only for the city of Pittsburgh and for a large part of the State of Pennsylvania, which today is crippled and devastated, but for every community and area which has been overwhelmed in the past few days by one of the greatest disasters in our Nation's history.

We cannot delay. As the flood waters slowly recede, the still greater dangers of pestilence, plague, and famine stalk every stricken area.

No words of mine can adequately bring to you the picture of distress and fear, of desolation and want, which face our people. I saw it in my own district up until 2 days ago. I am going back today to do whatever I can to help.

I want to go back there and tell my people that the Federal Government will recognize their need and is going to help. I want to take to them a message of hope.

I ask the Members of the House to make this possible.

We are faced with a national disaster, and the relief must be national. It is the responsibility of this body to provide full and adequate relief and to avert the dangers which still impede.

The heart of this Nation has always been quick to respond to calls for aid. Even when the call came from far-off China this Congress responded. Can we deny the needs of our very own when it has been the traditional policy of the Congress to extend aid in cases of national disaster?

Mr. Speaker, 2 years ago, when a great drought struck another great section of the country, we all worked shoulder to shoulder and swiftly gave the necessary financial aid. We of the East came to the help of the West because we recognized that the concern was as much ours as yours. Today the East is just as terribly stricken, and now the East and West, North and South must make common cause against a great natural enemy.

I hope, Mr. Speaker, the Committee on Appropriations will speedily report out this bill and that the House and Senate will enact it.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. CHRISTIANSON. I understand there is about \$6,000,000 of unexpended balances in the so-called emergency appropriations in the hands of the President. Has the gentleman tried to ascertain whether or not the amount needed for relief in the city of Pittsburgh and elsewhere could be taken from these funds?

Mr. ELLENBOGEN. I have; and the information I get is to the effect that it will probably not be possible to appropriate the money for the type of relief that is needed in the flood areas.

Mr. CHRISTIANSON. It would be a very simple matter for the Congress to so amend that act as to make the money that is now in the hands of the President available for this purpose.

Mr. ELLENBOGEN. I shall be very pleased if the House should see fit to amend that bill so as to provide the necessary relief funds in that way.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. DUNN of Pennsylvania. Did I understand the gentleman to state that he has introduced a bill asking for \$50,000,000?

Mr. ELLENBOGEN. Yes.

Mr. DUNN of Pennsylvania. That will be insufficient to take care of the situation. I have introduced one asking for \$1,000,000,000 and this will not even begin to take care of it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield.

Mr. RICH. I may say to my colleague from Pennsylvania that the West Branch Valley of the Susquehanna River, including the cities of Renovo, Lock Haven, Jersey Shore, Williamsport, Muncy, and Montgomery, has had a flood 2 feet higher than the great flood of 1889 and the conditions in the west branch of the Susquehanna River are very bad at the present time. Relief for the homeless and poor is imperative at once.

Mr. ELLENBOGEN. I am very pleased to have the help of my distinguished colleague from Pennsylvania.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield so that I may ask the gentleman from Pennsylvania [Mr. RICH] a question?

Mr. ELLENBOGEN. I yield.

Mr. BANKHEAD. Is the gentleman from Pennsylvania favoring an appropriation for this purpose?

Mr. RICH. In a case of absolute need of this kind, nobody in the House of Representatives would be more desirous of voting funds for the relief of such needs. I always have done this and I always will.

Mr. BANKHEAD. I am very pleased to hear the gentleman make that statement, because he has been very critical of other appropriations for relief, and I am asking him, "Where are you going to get the money." [Laughter.]

Mr. RICH. We can get money for purposes of this kind and we should save money when it comes to things that are unnecessary, like many of the ridiculous bills passed during this session of Congress.

[Here the gavel fell.]

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN of Pennsylvania. Mr. Speaker, I believe every Member of Congress knows there is a great deal of suffering going on in the United States because of the terrible floods, and I am convinced beyond any doubt that every man here is willing to do his utmost to alleviate the suffering of the people of our country.

Mr. Speaker, I have introduced a joint resolution, and I ask unanimous consent that the Clerk may be permitted to read it in my time.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read as follows:

Joint resolution to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country

Whereas within the past 10 days hundreds of thousands of people in the United States and its possessions have been made homeless because of the terrible floods and fires; and

Whereas billions of dollars' worth of property damage has been caused by floods and fires; and

Whereas hundreds of thousands of men, women, and children are homeless because of these floods and fires; and

Whereas an epidemic of disease has already started in many of the stricken areas and will spread throughout the country unless something is done immediately to prevent it; and

Whereas the human suffering cannot be measured by dollars and cents: Therefore be it

Resolved (if the Senate concurs in this resolution), That the President of the United States shall be empowered to take from the Treasury Department a billion dollars, or more if necessary, to provide food, shelter, clothing, medical aid, and other necessities for the immediate relief of the suffering people of our country; and be it further

Resolved, That the President of the United States shall be empowered to loan money to the people to recondition their homes, and also to people whose business establishments have been damaged by the floods and fires; and be it further

Resolved, That not more than 1 percent interest shall be charged to any person borrowing this money; and be it further

Resolved, That the President of the United States shall do whatever he believes is essential to carry out the provisions of this resolution.

[Here the gavel fell.]

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the gentleman may have 2 additional minutes, so that I may ask him a question.

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, is the gentleman from Pennsylvania requesting 2 additional minutes?

Mr. DUNN of Pennsylvania. I will try to answer his question in 1 minute.

Mr. KNUTSON. Would the gentleman support an amendment to direct the money to be turned over to the Red Cross so as to obviate all the large overhead costs of administration?

Mr. DUNN of Pennsylvania. It is not necessary to spend gigantic sums of money for overhead expenses when there is an emergency. Many people would be willing to give their services gratis at a time like this, and I believe that the President would do his utmost to see that the money goes for relief purposes.

Mr. KNUTSON. My guess is that only the Republicans would give their services gratis.

Mr. DUNN of Pennsylvania. There are many Republicans in the flood area and we should help them too. [Applause.]

[Here the gavel fell.]

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. The Chair thinks that such a request should be submitted subject to the special order of the House that has been previously granted.

The gentleman from Michigan asks unanimous consent that at the conclusion of the special order for today he may be permitted to address the House for 10 minutes. Is there objection?

There was no objection.

ENTERTAINMENT OF DOUGHBOYS IN THE TRENCHES

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include some interesting remarks recently made by our colleague the gentleman from Massachusetts [Mr. CONNERY] before the Library Committee.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Speaker, having been granted unanimous consent to extend my remarks, I insert excerpts before the Committee on the Library by Hon. WILLIAM P. CONNERY, Jr., Representative in Congress from the State of Massachusetts:

Mr. CONNERY. You spoke, Congressman TREADWAY, about Elsie Janis and her fine work in France. That was true. I do not say this in a sense of egotism but just talking to answer these questions in my own way. I was a private in A Company, One Hundred and First Infantry. We would go into the trenches 5 days and when we came out for a few days nothing so cheered us up and revived us as the entertainments which have been spoken of. I should say first here that I was 29 years old when I enlisted. When we were going over to France on the *Henry R. Mallory*, a fruit steamer, I used to watch those men. I said, "Here is a lot of young fellows; they are apparently happy and carefree. They don't know what they are going up against. They think war is a laugh. They are thrilled by the glory of war. I had read all about it during those 4 years of the war before we entered the war. But when we got over to France I saw the change. I saw these happy boys become careworn men. When they were in the trenches and attacked by the Germans and saw their comrades killed, saw them gassed and maimed, slept in the filth of the dugouts, tortured by the cooties and the rats, the bursting shells, the shrieking of shrapnel, it is a wonder to me now that any of us who heard those Austrian 88's bursting in the air would ever have any nerves left in our bodies.

When we would come out of the trenches, Father O'Connor, who was the Catholic chaplain, and Rev. Lyman Rollins, who was the Protestant chaplain, of our regiment, the One Hundred and First Infantry of the Twenty-sixth Division, which division served longer in the front-line trenches than any division in the A. E. F.—that is why President Wilson had Christmas dinner in 1918 with and reviewed the Twenty-sixth Division when he came over to France, the chaplains would say "Billy, will you put on a show?"

We would go down to the little Y. M. C. A. or K. of C. or Salvation Army hut and I would arrange a program. We would get some of G Company and some of D Company or F or M or any other company who were piano players and others would sing solos or recite and we would put on comedy skits. I would look over those men with their heads down and hearts made heavy by their experience in the trenches. Their morale was way down. We would put on those little shows and we would see their faces brighten up and when they would go back to their dugouts that night to sleep there was an entirely different feeling in the atmosphere of the "gang."

Then it was I had the glorious experience which to me will be the pleasantest memory of my life, that, having been on the stage for 10 years and having a little faculty of entertaining, telling them stories and putting on the little skits for them I was able to cheer them up at such a time. To me that is the greatest joy I have ever had in my life, to see those faces light up and to see their countenances brighten and hear their hearty laughter. And later when I was evacuated to the hospital from the Argonne front, telling the stories to the gangs in the hospital around me is a happy remembrance.

Mr. Chairman, I have had the privilege of singing songs and telling stories to men who within a short half hour afterward were dead on the field of battle. I have sung and told funny—I hope—stories to men with shattered bodies in the field hospitals just back of the lines when I felt I could hardly talk with the lump in my throat as I looked at them.

I have stood in a boxing ring with an audience of three or four thousand soldiers and sang and presented a minstrel show while German shells whizzing high over our heads added their shrill whistle to the music of the band. During a cessation of the day's attack during the 18th of July, Aisne Marne drive, I can remember rustling up boxes and bacon cans to present a minstrel circle in the woods outside the shell-torn village of Vaux. I can still see the picture of a Sunday afternoon in the St. Mihiel sector as I stood before a group of two or three hundred muddy, dirty, fighting doughboys and watched them laugh as I sang a parody on the song Giddy Giddap Giddap, depicting the woes of a private's life in the Army. In the trenches, out of the trenches, in camp, in the snow, in the mud, in the night, on the hikes, day in and day out for 19 months I learned to my amazement what music means to a fighting man, what laughter means to morale, and that is why I have told you some of my own experiences entertaining my buddies, so that I can bring out most forcibly what George M. Cohan did for the entire A. E. F. when he wrote *Over There*.

Mr. TREADWAY. I am sure our chairman, Mr. KELLER, would be delighted to hear one of the French stories. You are making a most interesting statement. Just tell us one of those stories by way of illustration of the way you entertained our soldier boys.

Mr. CONNERY. I was in the hospital at Autleul, on the race course outside of Paris. That was after the Aisne Marne offensive. They had a hospital right there on the race course, and when I was convalescent they let me go down town. I came to a great big square where a monument to the Bastille is located. I saw an American soldier doing traffic duty probably to direct our own Army vehicles. I went over to talk to him and found out his name was McCarthy and that he came from New York City. While talking to him suddenly a big limousine came tearing out of a side street and nearly knocked the pair of us down. By the way, if you knock a man down with an automobile in Paris they arrest the man who was knocked down for obstructing traffic. McCarthy pulled the French chauffeur down off the automobile, and they had a very spirited argument. The Frenchman could not speak a word of English and McCarthy could not speak a word of French, so this is the way the argument sounded: "Eh bien, monsieur. Je vous dis, que je suis le meilleur juge de cette machine. C'est moi qui l'a batie, n'est-ce-pas? J'attachai ce fil de fer dans un moment et je continuerai sur mon chemin. Cette machine fut batie ici en France! Moi, je suis francais mais vous, vous etes un Americain! Qu'est-ce que vous savez des machines francaises? Rien! Absolument rien!"

McCarthy looked at the Frenchman and said, "You are a damn liar. The marines won the war." [Laughter.] I need hardly state that McCarthy was a marine.

We had an old mess sergeant named Tom Dooley. I do not know how old Tom was; he must have been at least 50 years of age. I do not know how he managed to stay in the service. When we were in a little village called Blenod les toul, Tom wanted to get a drink. He knew very little French, but he knew that "avez-vous" meant "have you", and he knew what "bon jour" meant. He undertook, in his Irish brogue, to tell in French the old lady in charge what he wanted. He said "Bon jour, Madam." She said, "Bon jour, Monsieur." He said "Avez-vous, avez-vous, have you any champagne in the house?" She said, "Il n'y en a plus", meaning "there is no more." Then he said "Now, my good woman, avez-vous, avez-vous, have you any vin rouge or vin blanc or whatever in hell you have good to drink, I'd be glad to have some." She said, "Il n'y en a plus." Tom said, "Well, glory be to St. Patrick, give me a bottle of alley-ploo."

Mr. TREADWAY. Those are the things you were telling the boys?

Mr. CONNERY. Yes; and making up parodies about the officers. It is a wonder I was not court-martialed. I used to tell stories and sing parodies about the majors, colonels, and generals right to their faces. It is a wonder I was not put in the jug many a time, but they were good-natured.

That is the glory, to me personally. When I get to be an old man I expect that will be the greatest thing in my life, to look back and see that I was able to cheer up those fellows a bit.

I got a letter from a woman whose boy died alongside of me in the hospital. I got that letter after he died, about 2 months afterward, and she told me that the last letter she had gotten from her boy was one telling her I had sung for him the comic Irish song, *What Could You Expect of a Man Named McCarthy?* He had written her, she said, such a winning letter about the enjoyment he had in his bed alongside this fellow from Massachusetts. I cried when I read that letter. The point I bring out is, that was joy enough for me.

Elsie Janis did wonderful work in France. It was marvelous. She came out to the front line and sang to the boys and was the idol of our soldiers there.

Mr. TREADWAY. Did you ever join with her in those entertainments?

Mr. CONNERY. No; I will tell you. Elsie Janis came out to entertain the One Hundred and First Infantry when we had just come out of the line for a few days, and were at Aulnois, in the Toul sector, and in the middle of her entertainment she said, "Now, is there not somebody in your regiment who can entertain me? If there is, stand up and sing a song or tell some stories." The gang shouted, "Where is BILL CONNERY?" and it made it very embarrassing for me later, because I was A. W. O. L. over in Toul for 2 nights to get some squash pie. I had not had a piece of pie since I had left the United States almost a year before. I heard that Joe McInerney, a K. of C. secretary from Lynn, was in Toul, so I went over there A. W. O. L., and he fed me squash pie. I ate four squash pies that day at one sitting. So I didn't see Elsie at all. I was more than disappointed, because we all thought that she was great. So when I came back, Captain Murphy, the adjutant of the regiment, said, "Where in the hell were you? We were looking for you. Did you have a pass?" I said, "No; I went over to get some squash pie in Toul", and he said, "Where did you get the pie?" I told him and he said, "Well, I'll let you off this time." He let me off because he knew I'd fix him up later for some pie with Joe Mac, which I did. So there is my experience of missing seeing Elsie Janis.

There is one thing I forgot to mention. The first thing in the mind of any man in any regiment of the American Expeditionary Forces coming out of the trenches was—what do you think? First it was food; then a smoke, and then it was "Where is the band?" "Give us the band." They wanted music. They wanted their morale lifted up. I saw that so many times on all of the fronts. In the little French villages I saw these men up on the top of French huts, and on stone walls, and lying on the ground listening to the band; I saw them coming from all sections. It did something big for them; it built up their morale.

I want to apologize for being so long in my statement, but with the feeling of friendship that I have for George Cohan, when I get to talking about his life and work it is not easy to stop.

Mr. TREADWAY. You have not only talked about George Cohan, but you have given us a very interesting side picture of things which some of us were never privileged to see and experience, and I appreciate your statement very much. Mr. Chairman, I would ask the privilege, with the consent of the committee, of having a copy made for our own use of the description that Mr. CONNERY has given us of his experiences in the entertainment line among his buddies overseas. He certainly contributed to the pleasure and maintenance of morale.

GEN. HIGINIO ALVAREZ

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I enclose a report concerning the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona. The report requests that the Congress authorize an appropriation of \$20,000 to settle this claim.

I recommend that the Congress authorize an appropriation of \$20,000 to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

NINTH INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

The SPEAKER laid before the House the following further message from the President of the United States, which was read and referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State, with an accompanying memorandum, to the end that legislation may be enacted authorizing an appropriation of the sum of \$11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy

to convene in Rumania in 1937, and authorizing and requesting the President to extend an invitation to the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939, and to invite foreign governments to participate in that congress.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 20, 1936.

The SPEAKER. Under the special order the Chair recognizes the gentleman from Oklahoma [Mr. ROGERS] for 10 minutes.

THE STORY OF P. W. A.

Mr. ROGERS of Oklahoma. Mr. Speaker, 3 years have elapsed since President Roosevelt, mustering all forces of government to curb an economic disease which had reached epidemic proportions, planned America's first national public-works program. When the Congress, acting on his recommendation, established the Public Works Administration the national economy was indeed a grievously sick patient, lying in a deep coma, resisting all attempts to awaken it with formulas of optimism, with words of good cheer.

A crisis was imminent when P. W. A. and a group of new specialists were summoned to the bedside. They prescribed definite forms of treatment for the sick economy, spurning the discredited incantations of those faith healers who had been promising the patient that "confidence" alone would assure his recovery.

The Nation had faith in these new physicians, and the last 3 years have proven conclusively that that faith was not misplaced. The salutary effects of public-works treatment have long been felt, and the fact that the patient is now well on the way to recovery is due in no small measure to the sound, vigorous treatment which P. W. A. prescribed.

This first practical application of the theory of public works, which had long been contemplated favorably by economists, had two major objectives: The creation of useful work at equitable wages to relieve unemployment and the establishment of sorely needed improvements in the equipment of those services and facilities furnished the American people by its Federal, State, and municipal governments. The first objective of this new economic prescription was rapidly realized. Allocations of some \$4,000,000,000 for public works materially reduced unemployment. The P. W. A. program provided work for hundreds of thousands of workers in the construction of projects, instigated a revival in the capital-goods industries through orders calling for the production, fabrication, and transportation of vast quantities of materials necessary for P. W. A. undertakings, and made its influence profoundly felt throughout the entire business structure by expanding vigorously the national buying power and creating a proportionate increase in the demand for consumers' goods. [Applause.]

In examining the recovering patient, observers have noted the beneficial results of P. W. A. treatment. Statisticians early this year estimated that P. W. A. had bolstered the national economy by providing approximately 10,300,000 man-months of employment in actual construction operations. Conservative economists are in agreement that direct employment creates at least the same amount of primary indirect employment in quarries, mines, and forests, in mills and factories, in transportation, and in all of those industries supplying raw and finished materials and transporting them to construction sites. Estimates of some statisticians run as high as five jobs created in indirect employment by every job in construction. Admittedly difficult of measurement is the effect of direct and primary indirect employment on those industries and professions satisfying the demand for consumers' goods and services. However, expanded pay rolls boost the national buying power and re-create a market for those commodities and services which a depression-pinched public has been denied in whole or in part. Statisticians believe that a fair figure in estimating the amount of secondary indirect employment resulting from the P. W. A. program would be 20,600,000 man-months of employment, a figure equal to the most conservative estimate of the total employment provided in P. W. A. construction and in supplying the materials for its program.

It might be recalled here that this first public-works program was concerned not only with putting men to work but with maintaining those high wage standards for which American labor had battled so long and so vigorously. To safeguard these wage standards so laboriously achieved, P. W. A. in all of its undertakings paid its workers the prevailing wage rate. P. W. A. not only maintained the high wage scales of which America is justly proud, but it sustained the morale of the American workmen by providing them with employment on undertakings of unquestioned social value.

It is this second objective of the P. W. A. program whose beneficial effects will be felt long after our unemployment crisis has passed and the great depression of the thirties is but a memory. Few of the many valiant attempts to break the depression will be remembered as long as that of P. W. A., because few of the emergency agencies created to speed the way to business recovery have so profoundly affected the future of the country.

Embracing every State, taking in 3,067 of the 3,073 counties in the country, reaching out into distant territories and possessions, P. W. A. has constructed some 23,700 projects to provide definite lasting services to the communities in which they were established. These undertakings, while byproducts of a plan to meet a national emergency, were designed to fill long-recognized social needs whose fulfillment had been delayed only by the lack of necessary funds. Built in time of an emergency, they became distinctive, enduring additions to America's national wealth. Practically every sizable community in the United States shared in the dual benefits of this program. The immediate need of providing employment of jobless workers was met, and men given work either in the construction of a project or in supplying materials for the undertaking. Beyond that the community gained a substantial, durable addition to its civic assets in the form of new utilities, new schools, or other establishments for public service. The stories of many of these undertakings are known to every schoolboy, to every newspaper reader in the land. The great dams in the West—Boulder, Fort Peck, Grand Coulee, and Bonneville—completed or inaugurated with public-works funds, have impressed the entire country by their magnitude and by their promise of service to hundreds of thousands of our people, but the significance of Boulder Dam is no greater than that of the smallest cross-roads schoolhouse, than the least pretentious water system constructed by P. W. A.

The provision of modern educational facilities for a half hundred farmers' children may definitely alter the course of their lives. The establishment of a pure-water supply to a community, which had lived in the constant dread of water-borne sickness, has its beneficial effect on public health more limited than that of the great dams in the number of individuals benefited, but of no less importance to the people of the community served.

In addition to financing some 15,500 undertakings of departments of the Federal Government, P. W. A. provided funds for and directed the construction of more than 8,000 projects proposed by States and lesser governmental bodies. The success of the program, the widespread acclaim that has attended the progress of P. W. A., was due in no small part to the fact that all of these non-Federal undertakings were initiated by the communities benefiting from them; and in each instance the people of the community backed their selection with hard cash by deciding to assess themselves locally for the major part of cost of the P. W. A. improvement. This automatically brought projects of unchallenged worth into the program, for P. W. A. undertook no work which did not enjoy complete local backing. No distant board or commission decided arbitrarily that such and such an improvement was needed by a community; the community itself, which was naturally in a position to know best its own needs, proposed the project and received Federal Government aid in carrying it out.

In non-Federal construction P. W. A. has financed some 2,800 utility projects—sewer and water systems, gas plants and electric-power systems, and waste-disposal plants. It has constructed upward of 3,000 educational buildings, spreading

its funds for the establishment of necessary improvements in elementary and secondary schools, in colleges and universities, in libraries, and other educational institutions. The treatment of State and city wards has been substantially advanced. More than 350 hospitals and homes for the care of the sick, the insane, and the aged have been built and equipped in accordance with the standards of modern institutional practice. Nearly 1,000 undertakings, looking toward the improvement of transportation and the provision of further safeguards against accidents, have been financed with P. W. A. allocations. In addition to vast sums made available for a Federal road-building program, P. W. A. has provided funds for streets and highways, for grade separations, for viaducts and bridges, and for many other types of traffic improvements, ranging from the great Triborough Bridge and the Mid-Town Hudson Tunnel in New York to the grading of streets in small rural communities.

All of these undertakings stand as monuments on a battlefield which witnessed the rout of a major industrial depression by the agencies of a planned economy. They have fulfilled their major objective in creating 3 years' work for 3,000,000 jobless Americans. They have demonstrated the value of public works in a campaign against hostile economic forces and have shown an effective line of attack to be followed against depressions of the future. Built first as fortresses in a war against unemployment, they remain not merely as ornamental monuments of the P. W. A. program but as implements of service to the people of our own and future generations. [Applause.]

Mr. LAMBETH. Will the gentleman yield?

Mr. ROGERS of Oklahoma. I yield.

Mr. LAMBETH. I simply wish to say that I have listened with great interest to the gentleman's remarks. In the State of North Carolina the P. W. A. has been efficiently and economically managed. I regret it has received such a small share of the current appropriation for recovery and relief. When the new bill for the relief of unemployment comes in, I hope it will contain a definite sum for the P. W. A.

Mr. ROGERS of Oklahoma. I thank the gentleman for his contribution.

The SPEAKER. The Chair recognizes the gentleman from Michigan [Mr. RABAUT] for 10 minutes.

Mr. RABAUT. Mr. Speaker, ladies and gentlemen of the House, much has been said from the well of this House concerning the reciprocal-trade agreement between the United States and Canada. Most of that which has been said has come from those across the aisle and many of the comments have been in opposition to the agreement in force since January 1 of this year. But what has been the comment in the editorial columns of the leading newspapers in the 48 States as to this trade agreement? It is shown from a study of editorials that the trade agreement between the United States and Canada has received the wholehearted commendation from all sections of the country. A survey made by the National Committee for Reciprocal Trade shows that from a total of 356 daily newspapers stepping into the field of comment editorially on this subject that 286 have commented most favorably upon this trade agreement and these newspapers, as I said previously, are daily papers which have without reservation endorsed the program, and among them are some with the largest circulation in Alabama, Arkansas, Delaware, Florida, Georgia, Iowa, Kentucky, Maine, Maryland, Michigan, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Texas, Utah, Vermont, Virginia, Wisconsin, and the District of Columbia. A majority of the press in small towns of the United States likewise endorse the Canadian pact. Local and national gains are foreseen in New England, the middle Atlantic States, the South, and the leading agricultural States of the Middle West and West. The digest on this subject reveals that the revision of trade bearers under reciprocal-trade agreements are receiving editorially the widest comment. And who is there but taking a broad view of the question will not, at once, realize that it is impossible to live behind the wall of seclusion?

At this point, Mr. Speaker, I ask unanimous consent to insert in my remarks editorial comment from the Times, Tacoma, Wash., and the Record, of Philadelphia.

The SPEAKER. Is there objection?

Mr. RICH. Reserving the right to object, we are not permitted to put newspaper editorials in the RECORD, as the gentleman knows, and I will have to object.

Mr. RABAUT. Well, here is about what they say:

For years international trade has been dammed behind high tariff walls. That was bad because it increased prices of everything "protected" by tariff; prevented exports of surpluses and so reduced the national income; left transportation services without much to do. The whole world will be better off with a general lowering of the bars and a freer flow of products. (Times, Tacoma, Wash.)

It's hard to pull a tariff wall down because special interests cry "ruin" and the great mass of consumers who benefit are hard to mobilize. * * * Making this move in a world where trade is being strangled in a net of tariff and trade regulations is another major step toward recovery. (Record, Philadelphia, Pa.)

Who is there to deny the great benefits accruing to the automotive industry? Where is one so selfish as to fail to recognize the far-reaching benefits of employment created by the existence of the automotive industry, for it reaches into every nook and corner of the land? Indirectly it is the cause of the good roads that the farmers enjoy throughout the States of the Nation. The product of the industry has stepped into the very existence of our every activity, for we find the doctor upon the highway in his small car rushing to bring the pink infant into the world. We find the child of today in all kinds of weather being hurried to school along the highways of the country in the school busses of the land, and into the ramification of business we find it at every nook and turn. Truly the automotive industry and its product has been the modern blessing of America.

I come from Detroit, the city that cradled the automobile. I come from that city that beckoned to geniuses of the Nation to give to an awaiting public the perfect transportation it enjoys today. I said a moment ago who would deny the comeback that is now being enjoyed by the automotive industry, and the reciprocal-trade agreements will add further to its climbing of the ladder to its former position of supremacy.

MOTOR INDUSTRY A GREAT BENEFIT TO ENTIRE COUNTRY

The extent to which the increasing prosperity of the motor industry is benefiting the entire country is best illustrated and made known by a survey of the materials which go into the manufacture of the automotive product. For the industry uses 75 percent of rubber imports, 70 percent of all plate glass manufactured, 57 percent of all malleable iron, 40 percent of the supply of leather for upholstering purposes, 40 percent of all mohair made, 40 percent of all lead, 30 percent of the nickel consumed, 20 percent of the American steel output, 15 percent of all aluminum, 13 percent of the Nation's cast iron, 13 percent of the country's tin, and 12 percent of the zinc output.

The automotive industry over and above this purchases yearly, I wish you gentlemen from the South in the cotton-growing States would listen to me now, 500,000 bales of cotton; and you who are interested in the pigment industry or paint manufacturing, 10,000,000 gallons of paint, 13,000,000 yards of upholstery cloth, 35,000,000 pounds of hair and padding, and while a car advancing in age takes on wrinkled fenders and antiquated form, and becomes the worse for wear, and is referred to in the vernacular of the streets as a hunk of tin, nevertheless the industry still consumes 500,000,000 board feet of lumber. Over and above that, the purchasers of automobiles step into the oil and gas business to the tune of 460,000,000 gallons of lubricating oil and 15,300,000,000 gallons of gasoline.

But, ladies and gentlemen of the House, this is only the beginning. Let us be mindful now for a moment of the benefit of the automotive industry to the shipping interests of the Nation, to the storage houses, to the processors and the handling charges, to the building industry forced from time to time to make expansions all over the Nation from the small one-car garage, the gas stations, the superstations in our great cities, the showrooms, garages, and factories. Further, consider the ribbons of concrete, the network of prepared roads, the widening of city thoroughfares, the re-

construction of building resulting from such widening, the electrical equipment commonly referred to as the stop-light system, and the augmentation of police personnel demanded for safe traffic regulation. Think of the clerical force that has entered into the giant industry, and I wonder what the effect of the buying power of this stupendous manpower is upon the agricultural market. There can be no doubt but that the come-back of this industry is a godsend to the Nation. Oh, it is true, Mr. Speaker. And here I wish to quote from the Milwaukee Journal:

Our high rates against Canada have not helped us but hurt us. No one speaks of the tariff of 1930 as having accomplished any good for the farmer or anyone else. * * * It brought reprisals from all over the world and deepened the depression. * * * The tariffs have not worked for the farmer, as we have heard from every farmers' gathering since the war. * * * The effort to revive trade is to be praised. We are facing the facts; we used to think we could have it both ways—put on high rates and not have our exports cut down. We have found that this barring out of the other fellow's goods is a game two can play at. Therefore we cut down restrictions to trade which have hurt both countries. Here is a blow struck at one of the causes of world depression.

Mr. RICH. Will the gentleman yield?

Mr. RABAUT. No; I cannot yield. I am sorry the gentleman from Pennsylvania has refused consent to put these small newspaper comments in my remarks. It shows the Nation-wide comment on the principle of reciprocal-trade agreements and what they mean to this country. I was anxious for the purpose of conserving time that they be inserted rather than read.

In speaking with members of the Department of Commerce I had occasion to mention that I came from Detroit, and how quick they were to say how the unemployment problem of the Nation would pass from existence like a snowball in the noonday's summer sun were we but to find a new industry to parallel that of the automotive manufacturers. Not an industry of a competitive nature but one bringing forward something new, something appealing, something offering additional comfort, first, perhaps, to be regarded as a luxury, but finally to be accepted as a necessity to American advancement. That is what America craves; that is what America needs. My statement should be convincing to you Representatives from various parts of the Nation, causing recognition of the paramount place that the automotive industry holds in the commerce and trade of our country. And in the spirit that has dominated the industries I wish to say that the more your district receives from it the happier we are, for we wish a broad recovery and desire to be similarly considered by you in your attitude toward the reciprocal-trade agreements.

And what does the New York Times say on this point?—

The reciprocal trade treaty between the United States and Canada is the greatest single step toward the reduction of tariff barriers and away from economic nationalism that has been taken anywhere since the onset of the depression. As such it is not only a fine achievement in itself but a hopeful augury of a wider restoration of international trade and sanity. * * * There is no doubt that special interests, and those who shiver at the very word "imports", will attack this treaty. They began to do so even before they knew its terms. But if they get a serious hearing, it will only be because they succeed in distracting attention from the effects of the treaty as a whole. * * * Imports from Canada dropped from \$503,000,000 in 1929 to \$232,000,000 in 1934, or 54 percent. Exports from the United States to Canada dropped from \$899,000,000 in 1929 to \$302,000,000 in 1934, or 63 percent. The new treaty will help producers on both sides of the border to win back at least a substantial part of this lost trade.

And the Post, of New York, puts it in a manner to bring it forcibly home to us:

What would you think of a merchant who prepared for hard times by deliberately antagonizing his best customer? That is what the United States did in 1930. * * * With the depression already under way * * * the tariff bill drastically reduced American business with Canada, our best customer. * * * The decline in our sales to Canada was greater than the decline in our purchases from Canada. The Hawley-Smoot tariff and its aftermath was a disastrous demonstration of economic folly. It taught us that we cannot sell abroad unless we also buy abroad.

Mr. HARLAN. Mr. Speaker, I ask unanimous consent that the gentleman have 5 additional minutes. I should like to ask him a question pertaining to the automobile industry.

The SPEAKER. Is there objection?

Mr. RICH. Mr. Speaker, I reserve the right to object. If the gentleman would extend his time a few minutes more, then I should like to ask him a question in reference to the importation of farm products.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. I would be glad to permit the gentleman to ask me some questions, providing he permits me to insert certain editorials into my remarks.

Mr. RICH. Mr. Speaker, I have no right to permit the gentleman to do that.

Mr. RABAUT. The gentleman himself made the objection.

Mr. RICH. But it is contrary to the rules.

Mr. RABAUT. For need I recall to Members from the agricultural districts that the workers in the automotive industry are the brothers in toil of the farmers of the several States; need it be for me to tell how many of these sons of toil lost their all in the depression, how the high barriers of protective tariff forced the manufacturers to establish factories in countries across the sea because of retaliatory measures resorted to by nations affected, resulting from the narrowness of our own protective policy and who suffered in the entire transaction—none other than the American workman of the industry, who finally recognized the fact that his workbench had been exiled across the sea. His job was gone, but the reciprocal-trade agreements are again tearing down the barriers and opening the avenues to world trade for the automotive industry; and the artisans, mechanics, and workers in the industry will not be unmindful of this helpful activity and sincere cooperation to assist both the industry and labor by the whole-hearted action of a Democratic administration.

At this time, Mr. Speaker, I wish to voice my deep appreciation as a Democratic Member of Congress to the Detroit News and to the able pen of that distinguished correspondent, Mr. Blair Moody, who in a series of articles brought forcibly to the readers of Michigan the Secretary of State's campaign to recapture American foreign trade by the reciprocal-trade agreements.

TARIFF-BARRIER PROVES LOSS TO MICHIGAN—RECIPROCAL-TRADE AGREEMENTS WILL BE A BLESSING

Michigan's export trade in 1929 was \$355,300,000, by 1932 this volume had fallen to \$48,933,000, a decline of 86.2 percent. The 1929 export trade reported \$73 for each of Michigan's 4,842,000 population. The loss of the difference, namely, \$306,367,000, comparing 1932 with 1929, meant a loss to each inhabitant of the State of \$63. This drastic decline in export trade meant rigid curtailment in production. Increased unemployment dwarfed purchasing power and of necessity decreased consumption of agricultural products in the domestic market. The tie-up of agriculture and industry by this statement is brought forcibly to our attention. The trade agreement, on the other hand, will open up into every section of the country opportunity for both agriculture and industry so interdependent upon each other, and it is to be hoped that Michigan's domestic market, which absorbs the greater part of its products, will likewise take automobiles, prepared foodstuffs, and other manufactured products. The prosperity of industry takes no cognizance of district or section but depends to a greater or lesser degree upon the condition of industries in every other section, and the automotive industry being of such giant proportions has a relationship in this connection that must be recognized, for just as a depression, like the measles, spreads from industry to industry, from section to section, so, too, recovery is contagious and its germs of activity spread from area to area. City store, factory and office employment, and wages decline with farm income. Industrial cities like Detroit are barometers for rising and falling farm incomes. Industrial pay rolls in the last 2 years have risen in proportion to the increased incomes of farmers. But you have only one side of the picture. The farmers' prosperity depends upon the condition of industry, and in this connection the Secretary of Agriculture recently said:

Farmers of the United States will unquestionably gain from the increased exportation of manufactured products to Canada. Suppose that exports of these products are increased by \$300,000,000—a

conservative figure in view of our trade with Canada in the past—and that half of this amount, or \$150,000,000, goes into pay rolls. This would mean definite and substantial gains in the cash income of farmers. Studies have shown that in the past an increase of \$150,000,000 in United States factory pay rolls added from four to six million dollars to the income of farmers in each of such States as Illinois, Wisconsin, Minnesota, Nebraska, Missouri, Iowa, and Ohio.

The increases in farm income resulting thus indirectly from the Canadian agreement will accrue largely to the producers of livestock products—the very same groups that are concerned over the concessions on Canadian cattle, calves, cream, and cheese.

In other words, the Canadian agreement will bring substantial improvement in the domestic market for these products—an improvement that greatly outweighs the very slight disadvantage resulting from the limited quantity of imports of these products.

Now, in conclusion, I wish to say that the reciprocal-trade agreements, boiled down to facts, makes an appeal to each and every one of us because of our united interest for relief of the unemployment situation of this Nation. I say that, boiled down to the facts, it spells one controlling sentence: Employment for the unemployed. In all the industries that I have mentioned to you in the course of my remarks, whether they be in the North, the South, the East, or the West, whether it be in the fields, in the mines, or the factories, or upon the highways of the Nation, it assists in that which we hope to relieve, the unemployment situation of the Nation. And in that spirit in which we are united, I leave these facts with you for your further consideration, which I hope will be favorable, and may the kindest feeling be engendered for the reciprocal-trade agreements which are being worked out under the present administration. The automobile workers of my district of necessity are deeply interested, but I have presented the matter to you on a broad scale. I have tried to show its benefits to the agriculture market. I have shown that the press is favorable to this praiseworthy activity of this administration. I feel it will work out as planned and that the barriers of trade being removed, we may progress along more free lines in the spirit of peace and tranquillity and in the attitude of a good neighbor with the peoples of the world. [Applause.]

AREAS BETWEEN SHORE AND BULKHEAD LINES IN RIVERS AND HARBORS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 3071, providing for the placing of improvements on the areas between the shore and bulkhead lines in rivers and harbors, with House amendments thereto, insist on the House amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Texas asks unanimous consent to take from the Speaker's table the bill S. 3071, with House amendments thereto, insist on the House amendments, and agree to the conference. The Clerk will report the title of the bill.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. MANSFIELD, Mr. GAVAGAN, Mr. FIESINGER, Mr. SEGER, and Mr. CARTER.

RELIEF OF FLOOD SUFFERERS IN ALLEGHENY COUNTY, PA.

Mr. MORITZ. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a bill which I have introduced on the matter of relief.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD and to include therein the bill to which he refers. Is there objection?

There was no objection.

Mr. MORITZ. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution introduced by me:

Joint resolution

Resolved, etc., That due to the emergency existing in Allegheny County, Pa., as a result of the floods, county funds available from taxation are so impaired throughout the flood area that a continued support of the constructive activities of this county will be impossible. The Secretary of the Treasury is hereby authorized, in cooperation with local agencies in Allegheny County, to

employ such county extension agents necessary to aid in quickly and adequately rehabilitate this flood-devastated area.

Sec. 2. That for the purpose of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000,000 to carry out the program of relief to these flood sufferers.

GOOD GOVERNMENT REQUIRES SOUND BUSINESS PRACTICES

Mr. THURSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address which I delivered over the radio on March 17 last.

The SPEAKER. Is there objection?

There was no objection.

Mr. THURSTON. Mr. Speaker, under the leave to extend my remarks I include the following address which I delivered over the National Broadcasting System on Tuesday evening, March 17, 1936, at 10:45 p. m.:

Ladies and gentlemen, as the political campaign approaches our people expect to have news concerning public affairs. Because they are busy in their respective lines of endeavor, it is impossible for them to give detailed consideration to the many phases of Federal legislation, not to mention the maze of administrative regulations going out from Washington to guide, and in many cases to arbitrarily direct, the conduct of our citizens throughout the country.

Formerly news reporters contacted the principal executive officers of the Federal Government about important matters of current interest. Now each permanent and temporary branch of the Government has a large staff of high-salaried press and propaganda writers who flood the country with thrilling stories about the magic wonders of this administration. It is no exaggeration to say that more propaganda has been released from Washington in the last 3 years, at the expense of the taxpayer, than in the preceding 150 years of our Government; so it cannot be expected that infrequent statements made by critics can equal those of this "self-admiration society", sometimes known as the Roosevelt administration. How these journalists must laugh and chuckle when they send out his "baloney."

There are two schools of thought in Washington—one which seeks to solve all our problems through the creation of new bureaus, commissions, and corporations owned by the Government. This borders on socialism. The other, the Republicans, who contend that our problems can be cured only by the old and tried American plan of persons or private organizations. One, political jobs; the other, private employment.

Should the employment of your children be based upon political influence; will you force them to go into the political begging business in order to find positions; will their future always be harassed with the uncertainty of employment as the political pendulum may swing either way? Or, may they enjoy security and happiness through their own merit and worth? The next election may decide this question for many years to come.

PUBLIC DEBT

It is interesting, although disheartening, to recall that when the Roosevelt administration took office, the public debt was, in round figures, \$20,000,000,000 less credits, now it is definitely \$31,000,000,000 less credits, an increase of \$11,000,000,000 in just 3½ years. But our Democratic friends say this could not be prevented, as they have an acute case of "billionitis."

EMPLOYMENT

Now, about employment! Have you observed that we read voluminous propaganda about employment, with almost no mention of unemployment, or of those who were employed one week and discharged the next? Last week the American Federation of Labor stated that there are now 12,626,000 unemployed. Obviously, no New Dealer or anyone else can reconcile or justify these debt and unemployment increases.

TAXATION

I am sure you know that our source of revenue is taxes. Gold and silver may be juggled, or revalued, but taxes—to use a homely term—are the result of sweat. If our people could be made tax-conscious, public officials would be held to account for the sums they so generously scatter and waste. He who buys a pack of cigarettes knows about part of the tax he pays. The same is true of gasoline; but the invisible tax on shoes, or food, is not listed. If we could know that from one-fifth to one-third of the amount paid for almost every commodity we buy is charged to taxes in some form, our people would rise in indignation and call for a hidden-tax accounting.

PARTNERS IN GOVERNMENT

Frequently our people do not associate public office with good business management. But you and I are partners, owning equal shares of stock in the greatest business concern in the world, our Government; and we should employ as managers those qualified, to insure success.

No one denies that a substantial portion of the tremendous sum spent by the present administration has been used to assist those in distress and to build needed public works. This money has not all been wasted; but as a member of the Committee on Appropriations, day after day I am obliged to listen to bureau chiefs who glibly ask for two hundred million for this, five hundred million for that, even requesting appropriations running into billions; but they rarely can give specific reasons to support their

askings. With few exceptions, they have very little conception of their duties, virtually none have ever held public office, very few have held positions of importance in private life; they are theoretical and have no working knowledge of the machinery of our Government.

I hope I am not too partisan to pay my respects to the fine, splendid leaders of the opposition party; legislators who understand public affairs; and while we may not agree in several particulars, yet it is to be deplored that much of their sound advice and suggestions has been laid aside and replaced with the views of visionary appointees whose fantastic theories were adopted by the present administration. These fine, able men are perplexed and confused beyond expression.

FARM PROBLEM

As you listen to me, I feel sure you are inaudibly asking: What change do you propose? I answer, not only agriculture, but the entire country, will be benefited by protecting the American producer from the foreign competition of cheap land, cheap labor, cheap transportation. The home market, which consumes 90 to 95 percent of the products of our farms and factories, should be preserved.

The new farm program, as well as the old, seeks to reduce production by about one-fourth. A fair price for his products will benefit the farmer, who will have funds to purchase manufactured goods, thereby increasing employment in shops and factories. Normal conditions in this country will return only when the farm problem is solved.

Contradictory as it may appear, the President has allocated three-fourths of a billion dollars for irrigation and reclamation projects, to cost one and one-half billion dollars, which ultimately will bring into cultivation thousands of acres of land to compete against the farmers who are now being urged to restrict their farm crops. Thousands of mortgages were foreclosed on farms in the region where these new irrigated tracts are located, proving no need for additional farm land. As taxpayers, you are paying for these projects, and while the adverse effect may not be felt for several years, ultimately this additional production will cause another dislocation of agriculture.

Two important divisions of the Government working at cross-purposes: The Department of Agriculture urging restriction of farm products, the Department of the Interior promoting increased production. What could be more inconsistent? Such contradictory and unsound expenditures should be stopped.

To compare: These projects pay no interest for 10 years. If you owned a factory, or were employed in one, how would you like to have the Government erect a competing plant and make no interest charge for 10 years?

In this connection, I mention the well-known shelterbelt proposed by the President, a belt of trees to be 100 miles wide and 1,100 miles long, extending through a semiarid section from the Canadian line to the Gulf. Irrespective of party affiliation, this fiasco has been laughed out of existence. The humor of this silly, absurd project was fortunately appreciated in time to save more than \$100,000,000.

The plan to restrict farm production about one-fourth will logically displace about the same percent of farm labor. How shall we reemploy these persons? They cannot be absorbed by industry, because industry now has too many millions unemployed.

I contend that we might greatly increase the production of beet sugar. We could supply three-fourths of the sugar which we use, now being imported. Also, we might encourage on a large scale the production of substitutes for rubber that now comes from lands which do not purchase our commodities.

Another definite field which might be quickly utilized: If the importation of petroleum products and blackstrap molasses were practically prohibited, surplus grain and waste farm material, such as cornstalks and straw, could be made into fuel alcohol and gainfully employ many of our people.

FOREIGN COMPETITION

I can only briefly mention another highly important subject.

The Republican Party for many years has followed the policy of placing import duties on foreign-produced articles, if competitive, but even now two-thirds of all imports are on the "free" list. This policy is based on the thought that we should protect our people against the cheap labor of the rest of the world.

Wages in England are about one-third the scale paid here; in France and Germany slightly less; and the remainder of Europe about one-fourth. In the Latin States below us, the wage level is probably one-fifth that paid here; in China and Japan the wage for unskilled labor is from 15 to 25 cents per day. Many of these countries are purchasing our improved machinery, and their production equals our manpower. Oriental imports are constantly increasing.

Mr. American, how do you like to compete against these low-wage earners?

The Republican Party seeks to protect our factory workers and farmers from too severe competition of foreign labor. Do you believe in this policy, or do you prefer to have the "free-traders" handle your international trade agreements?

The Democrats have always sharply criticized this policy. While they lacked the courage to repeal the last Republican tariff act, although their leaders have repeatedly threatened to do so, through piecemeal reciprocal treaties they are effecting the same results.

For example, when the United States negotiates a reciprocal treaty with nation A, every tariff reduction in favor of nation A can be likewise exercised by all nations having treaties with us.

So, possibly with one exception, every nation gets the concession made to nation A, and other countries are not in turn obliged to make any concessions to us. I submit, a boy trading marbles could not be hoodwinked into such an unequal agreement.

This illustrates the lack of business capacity shown by our State Department, now under control of an outspoken free-trade or low-tariff advocate. The facts are that when our good Democratic diplomats see a few silk hats and highly colored spats they just cannot take their eyes off these alluring objects, and, of course, the astute foreign agent walks away with a fine trade bargain—at the expense of the American people.

It is obvious that if we had followed Democratic advice and reduced or eliminated duties upon foreign products, we would have many more millions of people out of employment.

REVERSED POLICIES

The Democratic Party has abandoned almost everything they ever advocated. Their members speak in whispers when States' rights are mentioned. After opposing the protective-tariff principle for decades, they now hesitate to discuss their dear old phantom, free trade; they positively bolt under the table when anyone mentions another one of their international "pets", the League of Nations, and say they never heard of it.

Two laws enacted and then repealed by the New Deal were the Economy Act and the law fixing a tax of 45 cents a bushel on potatoes. Then the shelterbelt 100 miles wide by 1,100 miles long has been abandoned. It is also highly impolite to mention either of these three orphans in administration circles.

If we had joined the League of Nations, today we would be embroiled in all the controversies in Europe, of which we know little and care less; and American mothers now would be fearful of our entry into another world war. At this time the President has a so-called Ambassador at Large flitting from capital to capital in Europe, and, according to the press, mixing in Old World affairs. He does not hold a position created by law and should be immediately recalled.

With few exceptions, all of the leaders of the Democratic Party were in favor of our entering the League of Nations. Americans have repudiated this dictator-royalist league, but it would be interesting to know how many of the leaders of that party at this time still favor this course.

If there was a law to permit a political party to be sued for alimony on account of desertion or nonsupport, our good opponents would be obliged to purchase barrels, as it would take their clothing and other possessions to pay these court bills.

But the Democrats have surely maintained a consistent policy in two respects: For the past 70 years, without exception, they have always increased the public debt when in control. They have been generous in promoting the importation of foreign-produced commodities. They surely do take care of our foreign relations.

In fairness, I should say there is one thing which our good Democratic friends have never deserted. I mention the Treasury of the United States. How they do love this dear old Treasury! If walls could speak, this fine old building undoubtedly would tell a tale of poverty and exhaustion. But the old edifice cannot be lonesome these days, because it is just across the street from the White House.

However, they have furnished us with some diversion. It is said that some well-intentioned person recently addressed a serious communication to the "Superintendent of Chats, Fireside Department, Washington, D. C." I assume it was referred to the boondoggling division.

Please remember that it will require the blood and sweat of the "sons and daughters of the Democrats" to pay these debts, as well as toil and privation on the part of the "children of the Republicans." It will take long and bitter years of sacrifice to balance this account.

We are not unmindful of our duty to those justly entitled to assistance, but public funds should not be absorbed in useless political jobs.

Every red-blooded American enjoys a clean, fair fight, whether on the football field or in the arena. He abhors vote-buying or political bribery. The Republicans challenge the opposition to lay aside unfair political pressure and to stage a fair, open contest.

In conclusion, this America of ours is the finest heritage ever handed down to a people, and you and I have the right to insist on sharing in the wonderful advantages brought to us through this form of government.

In addition, we owe it to our dependents and ourselves to fight to retain these American principles.

The welfare of your family, and of your country, is at stake. How will you vote?

RECIPROCAL-TRADE AGREEMENTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, first let me say to my colleague from Michigan [Mr. RABAUT] that I did not object to his putting into his remarks the newspaper editorials because of any feeling I have about him, but I regard it the duty of every Member of Congress to keep newspaper articles out of the RECORD; this is a record of Congress, not a record of newspaper editorials.

I call the attention of the House to what reciprocal-trade agreements are doing to the farmers of this country. In 1935 there were imported into the country 4 times as much wheat as was imported in 1934, 14 times as much corn, twice as much oats, 22 times as much butter, 75 times as much beef, and 30 times more pork, double the amount of wool, and the same holds true of a great many other farm commodities. That is what the reciprocal-trade agreements are doing to the farmers of our Nation. Is it helping the American farmer? The same holds true of many manufactured articles.

[Here the gavel fell.]

CALL OF THE HOUSE

Mr. WARREN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from North Carolina makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 42]

Adair	Culkin	Hennings	Parks
Andrews, N. Y.	Dear	Hobbs	Perkins
Berlin	Dempsey	Hoeppel	Quinn
Bolton, Ohio	DeRouen	Hollister	Robison, Ky.
Brennan	Doutrich	Hook	Romjue
Brooks	Duffey, Ohio	Johnson, W. Va.	Rudd
Buckbee, Ill.	Eaton	Kee	Ryan
Buckley, N. Y.	Ekwall	Larrabee	Stack
Bulwinkle	Englebright	Lesinski	Steagall
Cannon, Wis.	Evans	McFarlane	Sweeney
Carter	Fenerty	McGroarty	Taylor, S. C.
Casey	Fish	McLeod	Thomas
Caviechia	Ford, Calif.	McMillan	Tobey
Claiborne	Fulmer	Marshall	Tonry
Clark, Idaho	Gray, Ind.	Montague	Underwood
Clark, N. C.	Greenway	Montet	Wearin
Connery	Hancock, N. Y.	Nichols	Wood
Crosser, Ohio	Hartley	Oliver	Zioncheck

The SPEAKER. Three hundred and fifty-eight Members are present, a quorum.

Mr. GREENWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

EXTENSION OF REMARKS

Mr. RABAUT. Mr. Speaker, in my address this morning there were some extracts objected to by the gentleman from Pennsylvania [Mr. RICH]. I explained to the gentleman from Pennsylvania what the extracts amounted to, and he has consented to withdraw his objection. I now ask unanimous consent to extend my remarks to include those extracts.

Mr. KNUTSON. Mr. Speaker, reserving the right to object, I do not know what blandishments the gentleman from Michigan has used on the gentleman from Pennsylvania, but meantime I will have to object.

LEAVE OF ABSENCE

Mr. GRAY of Pennsylvania. Mr. Speaker, I understand there is some possibility of my getting through to Johnstown and other parts of my district that have been devastated by the flood. I ask unanimous consent to be excused from the sessions of the House until I return.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GINGERY. Mr. Speaker, I ask for the same privilege, for the same reason.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by

the Reconstruction Finance Corporation and reaffirming their immunity.

TO AMEND FOURTH SECTION OF THE INTERSTATE COMMERCE ACT
Mr. GREENWOOD. Mr. Speaker, I call up House Resolution 435.

The Clerk read as follows:

House Resolution 435

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3263, a bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4). That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. GREENWOOD. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

I yield myself 8 minutes.

Mr. Speaker, I prefer to make my statement in the 8 minutes without being asked to yield.

This resolution comes from the Committee on Rules and provides for the consideration of H. R. 3263, known as the Pettengill bill, relative to long and short hauls on railroads. There has been considerable interest expressed in this bill, both in the last session and in this session. The report comes from the Committee on Interstate and Foreign Commerce, practically unanimous, asking that we have consideration of the bill at this session of Congress.

The rule provides for 5 hours of general debate, the debate to be confined to the bill, and it is a wide-open rule, open for all amendments.

As to the merits of the legislation, as the hearing before the Rules Committee developed, it is the feeling on the part of the railroad managements, as well as all of the brotherhoods, that an amendment of the Interstate Commerce Act relative to long- and short-haul rates should be made. It is largely a matter of procedure. Heretofore, in order to establish a lower rate for a longer haul over the same line, the railroads had to file a petition with the Interstate Commerce Commission, and in many instances the hearings were carried out for several years. Under this bill the railroads will be allowed to publish this lower rate for a longer haul over the same railroad, where they come in competition with other lines of transportation. Then if any shipper feels aggrieved or the Interstate Commerce Commission on its own initiative desires to suspend that rate until a full hearing is had, it may be done. It does not repeal the provisions of the long- and short-haul clause, but it does provide for this procedure which will speed up decisions.

The railroads are seeking a basis of fair competition with water transportation and with bus and truck lines that are now carrying freight. As long as those competing lines of transportation are not under the regulation of the Interstate Commerce Commission, by having their rates fixed, and until that time comes, which many who are interested in all lines of transportation on a fair basis of competition believe should come, it is the opinion of myself and many others in the House that the railroads should be allowed to enter into this competition at a lower rate on a longer haul. The railroads of our nation have about \$26,000,000,000 invested. The water transportation, intercoastal, has about \$85,000,000. In times of war and emergency, the country must depend upon our railroad transportation. That was demonstrated during the World War. The railroads are now beginning to show a profit and coming out of the debit balance, and we believe they ought to have an opportunity to increase their volume of traffic. After all, the railroads with that investment, have certain fixed charges or overhead that must be met. The profits or returns will then come with the volume of business that is developed. In developing that additional volume of

business on these transcontinental hauls, we believe the permanency of the railroad systems will be preserved. We know we must have railroad systems. We know that if they do not show a profit, at some future time they will have to be taken over by the Government. For myself, I prefer to put them in a self-sustaining position, where they can yield a profit.

Some will believe that on a comparative basis it is unjust to allow a lower freight rate on a longer haul than on a shorter one, but I do not believe this will raise the domestic rates or intermediate rates. I believe that by increasing the volume of business of the whole railroad structure, so that a profit is shown in the operation of the whole system, the Interstate Commerce Commission can then mark down the rates, and I believe they will do so, even on the shorter hauls. It is my opinion we ought to do that in order to give them a volume of business so that they can show a profit, so that the Interstate Commerce Commission will reduce the rates on freight traffic, the same as they have recently done on passenger traffic.

In 1920 the railroads employed 1,600,000 employees. Somewhere about half of that number is now employed, and with the increasing transcontinental freight haul we believe that many employees will be added. The railroads should have some consideration for their life. They are probably the greatest single taxpayers in the United States. There is not a county, not a State, not a municipality but what levies taxes upon the physical valuation of their properties. They contribute to the schools; they contribute to the highways over which their chief competitor operates.

I believe the railroads deserve this consideration to give this basis of fair competition with water-borne transportation and with busses and trucks. I have nothing, of course, against these lines; but bear in mind, as I said before, they are not under the regulation of the Interstate Commerce Commission so as to have their rates fixed. Until this time comes the railroads, I think, should be given this privilege of fixing these rates on these longer hauls.

I believe all of us will want to see at least the rule passed so that we can have full discussion for 5 hours on the bill.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. FITZPATRICK. The provisions of this bill do not make it mandatory on the Commission; they can use their discretion; they can change the rates.

Mr. GREENWOOD. The gentleman is correct; the Commission can change the rates, determine questions of discrimination and questions of proper return and compensation. These are all preserved. It is largely a question of procedure.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. PIERCE. Is it not true that the Interstate Commerce Commission can act on this matter now?

Mr. GREENWOOD. Yes; I thought I made that plain. I will say to my friend from Oregon they can act, but the railroads must petition and wait for a long-drawn-out hearing. It will change the procedure so these rates can be fixed immediately. Then any shipper can file complaint with the Commission on its own initiative and ask for a change of the rates.

Mr. PIERCE. That is the object of it, to shift the burden of proof to the shipper, and it is impossible for him to get into court.

Mr. GREENWOOD. No; the gentleman is in error. The burden of proof still lies with the railroad companies.

Mr. PIERCE. That is the crux of the bill, the shifting of the burden of proof.

Mr. GREENWOOD. Not at all. The burden of proof does not shift from the railroads.

Mr. PIERCE. But the shipper cannot get into court.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLDEN. The gentleman referred to benefits for labor and relief of unemployment. Does the gentleman think

the granting of this low rate to the Pacific coast is going to restore to jobs all the idle railway men in this country? Has it not been shown by testimony that in spite of increased tonnage on some of the railroads employment of labor has decreased because of the longer trains that are hauled?

Mr. GREENWOOD. I think it will help relieve unemployment, but, of course, I cannot say to what extent.

Mr. COLE of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. COLE of Maryland. We have had a Coordinator of Railroads in this country for some years, Mr. Eastman. He did not testify before the subcommittee on this bill, but it is my understanding he did appear before the Rules Committee. I am wondering if the gentleman would like to give us the benefit of Mr. Eastman's views?

Mr. GREENWOOD. I heard much of Mr. Eastman's testimony. It would take quite a little time to go into that. I would rather put that off until general debate.

Mr. COLE of Maryland. I thought the gentleman might be able to tell us briefly the substance of his recommendations.

Mr. GREENWOOD. There are others who heard his testimony too and I feel sure they will go into it in general debate.

Mr. COLE of Maryland. No record, of course, was made of the hearing before the Rules Committee.

Mr. GREENWOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Speaker, I make it a rule never to commit myself on any legislative proposal until I think I know something about it. This bill, however, constitutes an exception to that rule. I shamefully confess to you that in response to the appeal of my railroad labor friends, and others in the service of the railroads, I did commit myself to the support of this rule and the bill; and I intend to vote for the rule. When I made this commitment I was under the impression that the bill was in the public interest. I am now convinced, Mr. Speaker, that it is not. [Applause.]

Mr. WARREN. Mr. Speaker, will the gentleman yield at this point?

Mr. COX. Will the gentleman let me proceed for a few moments?

Mr. WARREN. Certainly.

Mr. COX. As I say, Mr. Speaker, there is nothing in the bill except a promise of increased traffic for the railroads at the expense of water carriers and a promise of increased railroad employment at the expense of those now employed by the carriers by water.

The purpose of this bill, and make no mistake about it, is to kill off the water-borne commerce of this country. There will not be created an additional carload of traffic as a result of the adoption of the bill. There will not be made a single job for a single laborer. There will be a shifting, as I have stated, of freight from the carriers by water to the rail carriers and there will be a shifting of labor now engaged in handling water-borne commerce to those engaged in carriage by rail, but labor is going to be disappointed at the small number of increased railroad employees.

If the policy Congress has heretofore pursued—that is, of fostering, encouraging, and building up water transportation—was sound and ought not to be abandoned, then this bill is bad. If what we have done in the way of improving water transportation in the interest of low freight rates or low transportation charges, if what we have done in this regard has been wise, then this bill, Mr. Speaker, ought to be killed.

The question propounded by the gentleman from Oregon [Mr. PIERCE], I believe it was, just before I took the floor is entirely pertinent. The gentleman from Oregon directed the attention of the House to the effect of this legislation, which is most desired by the railroads. In other words, the purpose of the bill is in part to take the rail carriers from under the strict supervision of the Interstate Commerce

Commission. Under the bill which the rule is intended to make in order, the railroads are to be licensed to make and file their own rates without first obtaining leave of the Commission, and then if some interested party should file complaint, or if the Commission itself and of its own accord intervenes, the rates may be suspended and the roads called upon to prove the reasonableness of the charges made.

The Rayburn bill, which Mr. Eastman has on two different occasions approved, is germane as an amendment to the Pettengill bill. The Rayburn bill goes as far in the giving of relief to the rail carriers as they ought to demand, because under that bill before the rail carrier can change its rates in the interest of the seaboard and against the interior areas of the country, it must make application to the Commission and obtain leave.

Effort has been made in the propaganda that has been carried on in behalf of this bill to create the belief that no relief has as a rule been granted by the Commission to the railroads under section 4 of the Transportation Act; but as between 1930 and 1935 there were 150 cases filed and in 120 of them the relief was granted and in most instances granted upon the filing of the application pending hearing.

If someone with a prior right to offer the Rayburn bill, which is the bill that has been approved by Mr. Eastman on two different occasions, does not offer it as a substitute for the Pettengill bill, I will offer it myself. Certainly it ought to be offered in the interest of proper regulation and the public.

Mr. Speaker, what the railroads want is freedom to return to old conditions where the practice so outraged public sentiment as to demand and bring about the enactment of the Interstate Commerce Commission, and later strengthened by making the long- and short-haul provision effective. I challenge any Member of this body to justify upon moral grounds the charging of a higher rate for the transportation of freight over the same road going in the same direction 100 miles than is charged for carrying it 1,000 or 2,000 miles. What the roads want, I repeat, is freedom of action in order that they may kill off the water carriers of the country. There is no requirement in the law that they fix a rate which will give a fair return, but, on the contrary, they are at liberty to carry the freight for less than cost, and they will take it on that basis if such practice will result in the destruction of that instrumentality that Congress has created and has fostered because of the influence that it has upon transportation charges.

Mr. Speaker, if the railroads and labor want relief, let them come in here with a proposal to put interstate carriers under strict regulation, supervised by the Interstate Commerce Commission. As far as I am personally concerned, I am for putting busses, trucks, and all of the common carriers, including water carriers, under strict regulation. That ought to be done; it would protect labor and the rail carriers—and I favor giving both this kind of protection. My chief objection to the Pettengill bill is that it permits the rail carriers to change rates without first obtaining leave from the Commission. There is as much in the Rayburn bill for labor as there is in the Pettengill bill, and it should prevail over the Pettengill bill. [Applause.]

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, there is a good deal of misapprehension as to what existing conditions with reference to long-haul and short-haul legislation are and also what the effect of this bill will be. As the preceding speaker has stated, a railroad may charge more for a direct haul or may charge less for a direct haul than the sum of the rates of the intermediate points if the Interstate Commerce Commission says it is a proper and justifiable case. But the present law states that if such a rate is desired by a railroad it shall file an application. If the Interstate Commerce Commission, by applying its rules with respect to the rate-making structure, thinks there is justification for the rate, the rate is granted. As has been said, 150 such applications during a recent period were filed by the railroads; 120 of them were granted, and 30 were denied or are still pending. That

is liberal treatment to the railroads with respect to exceptions to this general rule of not charging less for a greater distance of haulage.

Mr. Speaker, what the railroads desire and what would be effected by this bill is about as follows: The railroads need not in each instance justify their rates. They file them, and unless objection is made from some source the rate automatically goes into effect. It is the same proposition as before, only it puts upon the shipper, it puts upon the little communities, it puts upon the water carriers, the duty or necessity of hiring lawyers and engaging in intensive research in order to make out in the first instance a case against the proposed rate. Then the railroads defend their rates.

Of course it has been said, and will be repeated later, that the burden of proof for justification of the rates still rests with the railroads, but the difficulty is that the little fellows at these hundreds of intermediate points have not the resources nor the money to fight the railroads in the first instance before the Interstate Commerce Commission. The railroads are entitled to this treatment today, and they can get it, but they have to show they are entitled to it and not force some little factory, some little community, or some local market to go to heavy and unnecessary expense in order to protect themselves against an injustice on the part of the railroads.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from New York.

Mr. FITZPATRICK. Would the railroads file an increased rate if this bill is passed?

Mr. COX. Might they file an increased rate? Why certainly.

Mr. LEHLBACH. Does the gentleman mean for intermediate points?

Mr. FITZPATRICK. Under the Pettengill bill is not the object the filing of a lower rate for long hauls?

Mr. LEHLBACH. Why certainly.

Mr. FITZPATRICK. They cannot file a higher rate under this bill?

Mr. LEHLBACH. For long hauls?

Mr. FITZPATRICK. Yes; for long hauls?

Mr. LEHLBACH. They can.

Mr. FITZPATRICK. They cannot increase the short-haul rate?

Mr. LEHLBACH. That would not be affected by this particular provision.

Mr. FITZPATRICK. They cannot increase the rate for the short hauls, can they?

Mr. LEHLBACH. They could under this bill.

Mr. FITZPATRICK. Under this bill?

Mr. LEHLBACH. They could.

Mr. FITZPATRICK. I understand from the author of the bill they cannot. The only thing they can do is to file a lesser rate for the longer haul.

Mr. LEHLBACH. Yes; but they can file a rate for anywhere under the Interstate Commerce Act.

Mr. FITZPATRICK. No. I understand they cannot increase the rate for the shorter hauls.

Mr. LEHLBACH. They may have their application reviewed and considered by the Interstate Commerce Commission. Of course, it would not go into effect until the Interstate Commerce Commission gave its approval.

Mr. GREENWOOD. I do not believe the gentleman is correct in his statement with reference to raising intermediate rates.

Mr. LEHLBACH. They can file such a rate, which then would be subject to approval by the Interstate Commerce Commission.

Mr. PIERCE. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Oregon.

Mr. PIERCE. Does not the rate have to be compensatory now, and would not the repeal of this clause make it so that it would not have to be compensatory? In other words, they can file a rate so low that it will wipe out competition, whereas now they have to show that they are not losing money on the traffic.

Mr. LEHLBACH. Unless the Interstate Commerce Commission—

Mr. PIERCE. Unless the Commission sees fit to modify the fourth section.

Mr. LEHLBACH. Unless the Interstate Commerce Commission should take notice itself and act on its own motion, which is unusual, it would necessitate, if the rates were not compensatory, or if the rate were not within reason and justice, a little shop or a little factory or a little shipper along the line to hire lawyers, make research, and establish a prima facie case.

Mr. COX. Mr. Speaker, will the gentleman yield in order that I may ask the author of the bill at this point to point to the part of the bill that prevents an increase of rates?

Mr. FITZPATRICK. I can point that out.

Mr. COX. I should like to ask the author of the bill that question.

Mr. LEHLBACH. I should prefer not to yield for that purpose now.

It has been stated that this would be beneficial to railroad labor by increasing employment. Proponent after proponent of this bill has argued before various committees that this bill would not increase the cost of railroad operation, because the excess traffic or the excess freight carried could be carried on existing trains or by the lengthening of existing trains without increasing unduly the cost of operation of the railroads, which means that they can put this into effect without hiring any more men. So the idea which has been drilled into the railroad employees that this is going to be of substantial benefit to them is entirely an illusion.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. LEHLBACH. I yield.

Mr. COX. I should like the gentleman to yield for the purpose of making inquiry of the author of the bill if there is anything in the legislation that prevents a road from filing increased rates.

Mr. LEHLBACH. I should prefer that to be done not in my time.

Mr. COX. The question was raised here, and it appears there is some doubt about it, although I insist there is none.

Mr. WITHROW. Mr. Speaker, will the gentleman yield for a brief question?

Mr. LEHLBACH. Yes.

Mr. WITHROW. The gentleman says this would not benefit the railroad employee. Does not the gentleman think the railroad employee and his representatives are better judges of that than is the gentleman? [Applause.]

Mr. LEHLBACH. I am having to pass judgment on it, and I have to exercise my own judgment when I advocate or oppose legislation in this House. There are probably hundreds of thousands of people who know more about every subject that comes up here than I do, but, after all, it is my opinion that is to be translated into a vote. [Applause.]

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. COLDEN. I should like to call attention to the Record of 1934, on March 1, where the testimony of the Southern Pacific officials is quoted to the effect that they could carry 33 1/3 percent extra traffic west and 15 percent east without increasing their mileage, their trains, or their employees.

Mr. LEHLBACH. Precisely; that is just the point I was trying to make. In order to get the support of their labor for this bill they are fooling their labor.

Mr. WARREN. Mr. Speaker, will the gentleman yield to me for a question?

Mr. LEHLBACH. I yield.

Mr. WARREN. Is it not a fact that there has never been a hearing on this bill before the entire Committee on Interstate and Foreign Commerce, and that this ill-advised legislation, about which there seems to be so much difference among its sponsors, comes in here with a rule adopted by a majority of one in the Rules Committee?

Mr. LEHLBACH. I do not care to say what the majority was in the Rules Committee.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman from New Jersey 5 more minutes.

Mr. LEHLBACH. The question was asked, What was the attitude of Mr. Eastman, the Coordinator of Railroads, toward this bill? If it is of any importance to you gentlemen, or if it has any influence with you, let me tell you that Mr. Eastman and the Interstate Commerce Commission unanimously opposed this bill. [Applause.]

Now, there is talk that water transportation is subsidized and therefore the railroads should be given unconscionable advantage in competing with or driving out the water competition. Of course, when it comes to subsidies, the only water transportation that is actually subsidized are the ships engaged in foreign commerce, and, of course, the railroads do not compete with ships in overseas traffic.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Let me finish this statement.

It is said, however, that the rivers and harbors are improved at public expense and that the Panama Canal was constructed at public expense, and evidence is offered to show how transportation by water through the Panama Canal has cut down the transcontinental transportation business of the railroads. Well, for heaven's sake, is there any sense in the proposition that in order to procure cheap transportation the United States spends hundreds and hundreds of millions of dollars to afford opportunity for such cheap transportation by water to its shippers and then enacts legislation to put the transportation system that it has thus created out of business? Are we going to dig the Panama Canal and then pass legislation to allow the railroads to make the Panama Canal useless by transporting at a loss from the Atlantic to the Pacific overland and then soaking the little shippers of the inland localities throughout the country to make up this loss?

Mr. KNUTSON. Mr. Speaker, will the gentleman yield at that point?

Mr. LEHLBACH. I yield.

Mr. KNUTSON. Does the gentleman contend that the barge line on the upper Mississippi River, with all its expense of maintaining channels, does not constitute an outright gift?

Mr. LEHLBACH. I do not care anything about the barge line on the upper Mississippi River; that is an entirely different question.

Mr. KNUTSON. It is interwoven with this question.

Mr. LEHLBACH. The improvement of waterways for the benefit of shippers in order to get low transportation is one thing. The barge line has nothing to do with it and is not interwoven with this.

Mr. KNUTSON. The Government has appropriated money as gratuities for it.

Mr. LEHLBACH. I am not talking about that; this is an entirely different question.

Mr. MOTT. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. MOTT. Is it not a fact that the transcontinental railroads were subsidized by the Government at the time they were built by land grants?

Mr. LEHLBACH. They were. Now, I want to say that the bus and truck transportation are under the Interstate Commerce Commission. It is inevitable that within a short time our water transportation will be regulated by the Interstate Commerce Commission. We had better wait and let the Interstate Commerce Commission, with jurisdiction over all kinds of transportation, regulate these matters than to pass a bill which the Interstate Commerce Commission, and almost everyone who has studied the subject, is opposed to. [Applause.]

Mr. SADOWSKI. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. SADOWSKI. Can the gentleman tell us any form of transportation that is tied down by law as the railroad system is?

[Here the gavel fell.]

Mr. LEHLBACH. I am sorry. My time has expired.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Speaker, there is not a man in this House on either side or of any party that does not approve

of fair play. The bill you are going to have, or that you have under this rule, is nothing more or less than fair play. [Applause.]

They talk about taking business away from the poor water carriers and turning it over to the railroads, about giving preference to the railway laborers who are going to handle it, as an unfair imposition on our water transportation system and laborers. This bill does nothing of the kind. Water transportation can charge more for a short haul than a long haul. It is only giving railway labor an equal opportunity to work. This bill is taking nothing from any other type of labor to which it is justly entitled. If you believe in competition, why not put all these instrumentalities of transportation on the same plane.

The gentleman who spoke here a moment ago says, "let us put them all under the Interstate Commerce Commission." That is all right. I am with him on that, but why not put them on the same plane now, so that when they go under the Interstate Commerce Commission we will not have to be bothered with this unfair differentiation. The railroads of the country are the largest employers of labor of any organization in the United States. They represent \$26,000,000,000 worth of taxable property, and in some communities they are paying over half the taxes, while endeavoring to survive, buy material, meet pay rolls, and pay dividends. They pay their labor the highest wage of any similar employer in the country, and yet we hold their hands and let their competitors pick their pockets. If that is fair play, if that is free competition, then I know nothing about it.

We have built the Panama Canal. We have subsidized airways, built concrete highways, and operate power transmission lines. We have permitted power companies to ship coal by wire over and through mountains and hills, and pipe lines to do the same with oil, and they can charge any rate they want to and get away with it. The railroads that are operating something that pays dividends, that hold the investment of trust funds, that protect insurance companies, that are the very backbone of our financial structure, you tie down and prevent from protecting themselves.

Some gentlemen here, one sitting in front of me, a good friend of mine, is much disturbed by some of the railway activities and things that occurred 50 years ago in the railroad business. That was long before the Interstate Commerce Commission was in operation and before the railroads had any competition. Anything that the railroads would do under this proposed bill would still be under the surveillance of the Interstate Commerce Commission.

If the railroads today were to discriminate against any community, competition would soon correct the evil. The gentleman just said that they could haul freight at a loss. The question as to reasonable return is always before the Interstate Commerce Commission, and with this in view any proposed rate must be considered.

Under the present law, under the conditions as they exist today, a railroad can put in a rate allowing a larger compensation for a shorter haul than for a longer haul, and after it has put it in, if anybody protests, then the matter is held on for hearing indefinitely. There is no time placed for a hearing at all, and the railroads cannot proceed while the matter is pending for hearing. Under the bill before us the law controlling the railroads for short haul and long haul will be the same as every other provision pertaining to railroad rates in the Interstate Commerce Act.

In other words, when the railroads post their rates giving a larger charge for a short haul than for a long haul, the matter will be published, and then if an objection is filed the matter is to be heard within 7 months by the Interstate Commerce Commission. It is essentially the difference of time involved in changing a rate between 7 months and an indefinite time. That is the main question involved here in this bill. In other words, under this bill you could not tie up the railroads longer than 7 months in changing a rate. The water carrier, the pipe-line company, the power company, and the trucks and airplanes will continue to have a tremendous advantage even if we pass this bill, but I

submit, in the interest of fair play, we ought to give the railroad a part of an even break once. [Applause.]

Mr. GREENWOOD. Mr. Speaker, I yield 8 minutes to the gentleman from Arkansas [Mr. DRIVER].

Mr. DRIVER. Mr. Speaker, some question arises as to the attitude of the Interstate Commerce Commission on this pending measure. I shall give to the House the language of Coordinator Eastman, who is one of the Commissioners, with reference to disturbing the long- and short-haul clause of the Transportation Act:

We are unable to understand how the public interest would be served by the enactment of such a bill. Experience has shown during the years before and since the enactment of the act in 1887 that special measures are necessary to prevent a peculiar form of undue discrimination which may be created by the establishment of higher rates for shorter than for longer distances. Section 4 was designed to protect the public against this special kind of prejudice and discrimination.

In the language of the proponents of this bill, it just does not amount to anything, but I say that when you find the railroad interests of this country supporting a measure, before you make up your mind you had better ascertain that it does not amount to anything. The change of procedure alone, which is at least admitted by the proponents of this bill, is sufficient, in my opinion, to destroy the recaptured commerce on the improved inland waterways of the Nation. We are not going to disagree in our views as to the valuable contribution to our economic structure that is made by cheap transportation. That is the purpose of the declaration of policy in the Waterways Act, which provides for the development and promotion of waterway transportation in order to guarantee to the shippers of the country a cheap method of transporting their products, and we cannot discharge the obligation that we owe to the citizens of the Nation unless we make available to them the cheapest possible transportation, it matters not whether that transportation be by railroad, by truck, by bus, or by water-borne commerce. I remain in no doubt of the fact that we are witnessing in this attitude on the part of the railroad interests of the country an effort to open the door to a return of the outrages perpetrated in the intermountain country and noncompetitive interior points which caused a war of 20 years to be waged in order to secure in the Transportation Act a guaranty against the abuses which then prevailed.

I give this House this further warning: This bill is laying down a predicate on which the railroads are preparing to wage war on the competitive transportation agencies, and they are going to make the interior pay again the expense of that undertaking. [Applause.]

Of course, no one can defend the former practice now prohibited by declaration of positive law, of charging more for a short haul than they charge for a long haul. They destroyed cities, when unregulated, through that practice, and they built cities, under their indiscriminate, reckless operation during that period of time. When you say we tie the hands of these transportation agencies, we say we tie them because of the practice of the railroad companies then. Can we now place greater confidence in that same operation, so long as they are moved by the same men in the counting house in the larger cities of your Nation, whose policy is now and ever has been the greatest charge that the traffic will bear?

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. DRIVER. No. They are going back to it. Have we any reason from the lights before us today to believe they have reformed? We recall the time when they had flocks of paid lobbyists in the capital cities of the States of this Nation purchasing and directing your legislatures, dictating the regulations that applied to their own operation. From the lights before us they are ready to engage again, when their own selfish interests may be involved, in just exactly a similar character of conduct. Of course, if there is nothing in this bill, the railroads would not be behind it and pressing it with the vigor they are displaying.

Now, we have developed some waterways in this Nation. We have built great terminals in many of the cities. We have expended millions of dollars to develop the great

arteries of commerce that Nature has provided; but we have been more indifferent to those potential values than any other nation on the face of this earth. Why? Because we permitted the railroads, in their ruthless enterprise, in order to build and continue a monopoly in transportation, to sweep the equipment from the waterways; and we are just now recapturing some small part of that lost tonnage. We might as well tear down all of the work we have performed on the great Ohio River, with its 60 dams and perfect channel; on the Illinois River, so recently opened, over which today there floats tonnage from the great industrial areas of that State at a rate at which the railroads cannot carry the traffic. [Applause.]

Much is said of discriminations inflicted upon the railroads through the inequalities existing in competitive agencies. One of them is that the trucks and busses are permitted to operate over the highways without paying a reasonable cost for the use. The highways were constructed for the convenience of that same public which is entitled to the lowest reasonable rate for the transportation of its necessities and the establishment and utilization of such low-cost transportation was in the exercise of such privilege. It is now demonstrated that a connected and consistent development of the great arteries of commerce in our waterways is justified, and there will be no turning back until the job is complete. The justification for the existence of any transportation system lies in its ability to serve the interest of the public, and if it fails to measure to such requirement in that it is unable to render the service demands at a reasonable comparative cost, then it cannot be justified. In my opinion, the ultimate of the rate structure will be found in the policy of the cost of service plus a reasonable profit, and the future of railroad transportation will not hinge upon the ability to change the laws to enable discriminations to be practiced or to destroy competitive agencies, but will be solved when the exploiting banking control are willing to abandon the policy of "all the traffic will bear", sit about the board, and adjust their capital structure to conform to actual investment and values and thus provide a basis for a reasonable return thereon.

The President is opposed to the measure and quotes the criticism voiced by Coordinator Eastman, of the Commission, as follows:

After the changes in section 4 and because of the disappearance of the water lines, the Commission gradually compelled a revision of rates in southeastern territory which has very nearly eliminated fourth-section departures on direct routes. This gave the inland water lines a renewed chance to operate, and they have returned to a considerable extent more particularly on the Mississippi and Ohio Rivers. However, if the railroads were permitted to make competitive rates without restraint and regardless of the level maintained at intermediate, noncompetitive points, they probably could drive the water lines out of business again. The same thing might happen, to a considerable extent, with the trucks.

But if there should be restraints on competition, the question still remains whether a section 4, such as has existed since 1910, is necessary for this purpose. It is true that the Commission could exercise a very considerable measure of control under section 3 and its power to fix minimum rates, coupled with its power to suspend rate changes. However, the forms of discrimination against which section 4 is directed are particularly flagrant forms which tend to arouse acute public dissatisfaction. The history of the section and the fact that most States have similar provisions in their statutes, and sometimes even in their constitutions, is evidence that this is so. Section 4, as it has existed since 1910, gives the Commission a wider discretion and more flexible means of dealing with such discriminations and restraining the competition which gives rise to them than it would otherwise possess.

The National Grange, in a letter addressed to the Members of the House of Representatives on March 9, 1936, boiled the matter down and offered this justified criticism:

The passage of this bill would work irreparable injury to agriculture. Its purpose is to repeal the long- and short-haul clause of the fourth section of the Transportation Act, paving the way for a cutthroat rate war against boat and truck lines and other competitors of the rail carriers. To finance such a rate war the railroads would keep their freight rates to the intermediate non-competitive points on a high level.

The farmer lives in the interior. The farmer is the intermediate shipper. The farmer is the man who is located at the noncompetitive point, and the farmer is the man who would have to pay the bill, in the form of exorbitant freight rates, to finance the railroads in a rate war with other carriers.

This kind of legislation would drive industry to the seacoast and depopulate the interior of the country. It would remove the farmer's market farther and farther from him and increase his cost of doing business.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I am glad for the opportunity afforded me in these few minutes to speak briefly in support of this bill, the author of which is my esteemed and able colleague from Indiana [Mr. PETTINGILL].

For sometime it has been apparent to me from the source of the opposition to this bill that some of the competing transportation agencies have some advantage, by reason of governmental regulation or restriction of railroads that they want to hold onto. I have no quarrel with those people who are seeking to hold onto an advantage, if they have one; but, after all, that does not reflect an advantage to the shippers of the country or to the people of the country generally.

I have an idea that many of the governmental restraints and regulations, as they affect railroads, were enacted and adopted at a time when the railroads had a virtual monopoly in the transportation field. What has developed since that time? We have seen the expansion and development of waterways, of bus and truck transportation, until today the railroads do not have a monopoly in transportation, but, on the other hand, they are subjected to fierce competition, which is probably as it should be. But as the gentleman from Ohio has suggested, what is wrong with giving the railroads a fair deal and an equal opportunity in the competitive field?

If we will reflect upon the industrial and economic development of this country we will see that all manner of things in industry and transportation have become obsolete and have been forced out of the picture because they were obsolete. Some people today would have you believe the railroads are obsolete; that as a system of transportation they are antiquated and that we do not need them any more. If that is really true, then I say that as a part of the history of the industrial development of this country they will go out of the picture. But before they are determined to be obsolete, before we say that the railroads are to be supplanted by any other system of transportation, let us put them on a fair and equal basis, to the end that they shall have an equal chance, and no more, for their continuing existence. [Applause.]

I cannot see where this bill is going to create any undue advantage for the railroads. Rather, it will do no more than give the railroads an equal opportunity along with all of the other competing systems of transportation. If they are able to survive, then I say let them survive.

Mr. REECE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REECE. After this bill has been passed will not the Interstate Commerce Commission have every power over the railroads which they now have with respect to fixing rates and otherwise protecting the people from any unjust discrimination?

Mr. HALLECK. That is my understanding of it.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SAMUEL B. HILL. Then why the legislation, if that statement is true?

Mr. HALLECK. I am attempting to give my reasons for supporting this bill.

Mr. REECE. Mr. Speaker, if the gentleman will yield further, there will be a change, a difference, only in procedure and not with respect to the power which the Interstate Commerce Commission will still have over these matters. Their power will not be lessened in any degree with respect to discrimination and other control over the operation of the railroads.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. No; I cannot yield further.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 3 additional minutes to the gentleman from Indiana.

Mr. HALLECK. There is, of course, something in this legislation. I would not stand on the floor and say that it is going to have no effect. I say that its fundamental effect will be to give the railroads as a competing system of transportation a fair opportunity in open competition to make a fight for their lives, which they have a right to make. [Applause.] You might as well line up three foot racers, two of them unfettered, and then put a ball and chain on the third, whom we will call the railroads, and say: "Now, you railroad runner, go out in this race and win if you can." I do not believe that is the manner in which governmental restraint, governmental regulation, is intended to operate. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. GREENWOOD. Mr. Speaker, I yield the balance of my time to myself.

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, my colleague from Georgia raised the point that this would destroy water transportation. With the natural advantages water transportation has to serve the cities on the coasts and many inland rivers, with the subsidies and appropriations that have been made for rivers and harbors, that this bill will destroy water transportation while these lines of water transportation enjoy this subsidy. The railroads have been paying taxes to every State, to every county, and to every municipality; in most instances being the highest taxpayer; and I join my colleague from Ohio in insisting that these amendments will bring fair treatment to the railroads of the Nation as against bus and truck lines and as against water transportation; because as to rates, buses, trucks, and water transportation are not under the strict regulation of the Interstate Commerce Commission, and until that hour arrives, and I believe it will arrive, the railroads should have the same opportunity to fix rates on the long haul that will be fair on a competitive basis, which right is now enjoyed by these competing lines of transportation.

Published rates of the railroads are now public and the procedure is that if they are raised or if the Commission desires to alter them of their own initiative the rates are suspended. There is no new procedure with reference to placing a lower rate on the longer haul under this bill. They are made under the same procedure that now operates with reference to the publication of rates.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. Yes.

Mr. COX. Under the present law does not the carrier have to make application to the Commission and obtain consent of the Commission before they can change the rate?

Mr. GREENWOOD. As I understand, under the regulations, they must publish these rates and hearings must be held. That is what this bill proposes.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. SAMUEL B. HILL. The gentleman certainly does not mean that under the present law the railroads must make application for relief and hearings be held before relief is granted affirmatively.

Mr. COX. The Commission may grant relief pending hearing if it sees fit.

Mr. GREENWOOD. I do not understand that is the procedure. As I understand, procedure under this bill will not be different from what has been pursued in the past. Rates must be published and the Commission can suspend a rate, or any shipper can object to it and have a hearing.

Mr. COX. Mr. Speaker, will the gentleman yield at that point?

Mr. GREENWOOD. I should like to finish my statement; I have only 2 or 3 minutes remaining.

So, Mr. Speaker, we ask for this fair treatment as between railroads and these competing carriers. I cannot see how

any rate would be raised on a short haul. These competitive rates will be on transcontinental hauls or on the longer hauls where there is competition from water-borne commerce. That does not mean that any rate to intermediate points would be increased, and I do not understand that this bill gives any power to raise rates on the intermediate hauls.

Mr. COX. The gentleman is in error about that.

Mr. GREENWOOD. No; I do not think so. I consulted the author of the bill.

Mr. COX. I challenge the author of the bill.

Mr. GREENWOOD. I believe it will mean a lowering of all rates; that by taking into consideration in the rate structure a fair return, considering the overhead and the increased volume of business, that it will make an increased return, so that the Commission can carry out the policy that was recently carried out in reducing the passenger rates on its own initiative by giving a proper return to the railroads on the whole rate structure. On this basis I believe that even the intermediate rates will be lowered.

Mr. SAMUEL B. HILL. It has not worked out that way so far, and will not.

Mr. GREENWOOD. That was the report by the Interstate Commerce Commission.

Mr. Speaker, I ask that the rule be adopted, in order that this question may be thoroughly discussed in the ensuing general debate on the bill.

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. SAMUEL B. HILL) there were—ayes 155, noes 30.

So the resolution was agreed to.

THE RAILROADS HAVE BEEN THE GREATEST POSSIBLE BENEFICIARIES OF WATERWAY IMPROVEMENTS FOR NAVIGATION

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, a bill is now pending with the Committee on Merchant Marine and Fisheries seeking to consolidate all agencies of waterway transportation with the railroads, and placing them under the Interstate Commerce Commission. The claim is made by the proponents of the measure that the railroads have been subjected to burdensome and unnecessary regulations under the Interstate Commerce Commission, and, therefore, boats engaged in the movement of freight upon our inland waters, and also ships under American registry transporting our commerce upon the high seas should also be subjected to the same harsh methods of regulation.

It is not my purpose to discuss at this time the supposed merits or demerits of this proposed law. I do propose, however, to discuss some of the misleading propaganda that is now being urged as a reason for its enactment. For the past 10 years the country has been literally covered with propaganda to the effect that the railroads have been heavily taxed to build highways, and to improve waterways for the free use of their competitors which are virtually untaxed, while the railways themselves receive no benefits from such Government subsidies. A review of the facts will show how much truth there is in these contentions.

It is true that the railroads are taxed, and that a portion of the taxes paid by them is used for building and maintaining highways over which trucks and busses operate. It is also true that rivers and harbors have been improved and maintained from general taxation, and that they are used by boats in moving commerce, some of which may be in competition with the railroads.

I shall not at this time discuss the question of transportation over our highways as the trucks and busses have already been placed under the Interstate Commerce Commission. I

will, however, give a brief comparison of the taxes paid by trucks and railroads, respectively.

The taxes paid by the railroads in 1933 amounted to \$249,623,198. This included all taxes paid to the Federal Government as well as those paid to the respective States, counties, cities, and local taxing districts throughout the country.

During the same year—1933—the trucks paid a total tax of slightly more than \$303,000,000. This included excise taxes paid to the Federal Government, and also ad valorem taxes paid to the States, counties, municipalities, and taxing districts. It also included gasoline and license taxes.

The railroads are valued at \$26,000,000,000. The taxes paid by them is the equivalent of about 95 cents on the \$100 valuation. It is impossible to ascertain the value of the trucks, but in any event, the taxes paid by them amounts to several dollars on the \$100 valuation.

The taxes paid by the railroads consist principally of ad valorem taxes paid to the respective States and their subdivisions. Only a very small proportion of it goes into the Federal Treasury. River and harbor improvements are paid for out of the Federal Treasury, to which the railroad contribution is infinitesimal.

If Congress should stop all river and harbor improvements entirely and allow them to deteriorate into total ruin, it would not diminish the taxes paid by the railroads to the extent of one mill. They would continue to be taxed just as they are now, but in such event they would be deprived of the enormous amount of business they are now receiving on account of the improved waterways.

A letter from General Brown, as Chief of Engineers, on December 16, 1932, shows that the total expenditures for river and harbor improvements from the beginning of our Government to June 30, 1932, amounted to \$1,355,877,301.32. The statement is as follows:

	New work	Maintenance
Atlantic coast harbors.....	\$276, 208, 555.35	\$83, 627, 913.57
Gulf coast harbors.....	85, 811, 659.54	51, 843, 300.30
Pacific coast harbors.....	67, 864, 446.37	26, 316, 458.76
Mississippi River system.....	377, 227, 994.18	61, 174, 183.25
Intracoastal waterways.....	47, 818, 948.41	8, 746, 083.35
Great Lakes.....	154, 798, 520.23	40, 569, 220.84
Inland waterways.....	38, 402, 939.10	17, 137, 604.55
Hawaii harbors.....	9, 410, 648.78	616, 611.79
Alaska harbors.....	1, 614, 388.19	315, 608.61
Puerto Rico harbors.....	2, 671, 061.57	529, 429.66
Sacramento River, Calif.....	381, 814.93	2, 780, 879.49
Total.....	1, 062, 210, 977.15	293, 606, 324.17

This statement did not include expenditures for flood control on the Mississippi and Sacramento under the Flood Control Act, nor expenditures at Muscle Shoals for military purposes.

The statement shows a total expenditure of \$1,355,877,301.37, of which \$802,197,863.06 were upon seacoast and lake harbors and channels, including Hawaii, Alaska, and Puerto Rico, and only \$553,679,438.26 upon rivers and intra-coastal channels. These expenditures were made during a period of about 125 years, and approximately 67 percent of the total was upon coastal harbors.

The improvement of our seacoast and lakes harbors has practically very little bearing upon inland transportation by water. Out of a total of more than 200 such harbors only a small number is connected with the interior through rivers on which freights are transported. All these harbors, however, have interior connections through rail lines. Some of our principal ports have interior connections through 15 to 20 lines of railroad.

Our harbors are the connecting links between the ships and the railroads and are equally beneficial and necessary to both. It is there that the trains meet the ships, and their loads are transferred back and forth from one to the other. If such improvements constitute a subsidy to the ships, they also constitute an equal subsidy to the railroads.

Several lines of ocean ships engaged in the coastwise trade are owned and operated by railroads. The Morgan Line, for instance, is a part of the Southern Pacific System. It operates between Gulf and Atlantic ports and, like other

boat lines, has the full benefit of the free use of those ports maintained at Government expense.

The railroads also get the benefit of our improved harbors in the operation of their car-ferriage boats. These boats are operated by the railroads to some extent in nearly all the major ports of the United States. A large number of harbors on the Great Lakes have been improved by the Government almost exclusively for railroad use in transporting their loaded cars by boat. Congress has willingly provided the necessary waterway improvements for this purpose in order to facilitate the systematic movement of our commerce, whoever the carrier may be.

The car-ferriage traffic of the railroads over our improved waterways has become so enormous that a few illustrations may be of interest.

The great port of New York includes several hundred miles of docks, wharves, and navigable channels. Some of the different branches of the harbor are as follows: Bay Ridge and Red Hook Channel, Gowanus Creek, East River Channel, Newtown Creek, Buttermilk Channel, Wallabout Channel, Upper Bay Channel, Hudson River Channel, New York and New Jersey Channels, and Harlem River Channel.

On these 10 branches of New York Harbor improved by the Government, the car ferryboats operated by the railroads in 1930 carried freight valued at \$14,560,005,900. This constituted more than 50 percent of the total commerce on those channels, the traffic handled by the ships being valued at \$13,224,034,207. Baltimore, Norfolk, New Orleans, San Francisco, and various other ports have had large volumes of car-ferriage traffic. At Galveston, the Government maintains a channel to Bolivar Peninsula for the exclusive use of the railroads in ferrying loaded cars to and from the piers on Galveston Channel.

The harbors of New Orleans and Key West, improved by the Government, accommodate railroad car ferry ships operating to Habana, Cuba, the loaded cars being switched to the rail lines at either end of the water haul.

The railroad car ferriage traffic on the Great Lakes has assumed large proportions. At Manistique in 1934 it was valued at \$16,808,300, while the freights handled by other boats amounted to only \$166,700.

At Kewaunee the car-ferriage traffic was valued at \$36,800,200, and all other boat traffic was valued at \$22,150.

At Frankfort the car-ferriage traffic was \$113,989,100, and other boat traffic only \$64,700.

Through Sturgeon Bay Canal the car-ferriage traffic amounted to \$16,911,200, and all other boat traffic was \$907,200.

Similar conditions exist at Menominee, Manitowoc, Grand Haven, Muskegon, and other ports. At the great port of Milwaukee the railroad car ferriage traffic amounted to \$139,501,800, while all the other boat traffic was \$98,637,300. At Rochester the car-ferriage traffic exceeded that of all other boats to the extent of approximately \$1,000,000.

The normal commerce on the Great Lakes, other than that handled by the railroad-car ferryboats, is about 100,000,000 to 120,000,000 tons. Those freights are handled by rail at both ends of the line. The bulk of this traffic consists of ore, coal, wheat, and fluxing stone, in the order named. It is all delivered to the boats by the railroads and delivered back to the railroads at the end of the water haul.

The railroads receive about 10 mills per ton-mile on these freights and the boats 1 mill per ton-mile. Without the cheap water haul for a great distance over the Lakes, none of this traffic would ever have been available to the railroads, with the possible exception of wheat, which may have moved by rail. These ports where all those bulk commodities are transferred back and forth between the water and rail hauls, have been far more beneficial to the railroads than to the boats.

The car-ferriage traffic on the Great Lakes was inaugurated in 1892 by the Ann Arbor Railroad Co. The first trip was between Frankfort, Mich., and Kewaunee, Wis. The service on Lake Michigan is now said to be the most extensive of its kind in the world. Trains arriving at a port on one side of Lake Michigan, the loaded cars are switched onto a huge ferryboat and conveyed across the Lake, a

distance of 60 to 120 miles, where they are switched back to the rail lines and continue their journey. The Government dredged and maintains the channels through which these boats operate. The savings to these railroads on account of this service runs into many millions of dollars each year.

The Board of Engineers of the War Department and the Bureau of Operations of the United States Shipping Board report that in 1930 four ferries were operated between Grand Haven and Milwaukee by the Grand Trunk Railway; nine between Ludington and Milwaukee, Manitowoc, and Kewaunee by the Pere Marquette Railway; six between Frankfort, Menominee, and Manistique, Mich., and between Frankfort, Manitowoc, and Kewaunee by the Ann Arbor Railroad.

Railroad ferry lines are also operated between Ashtabula and Port Maitland, between Ashtabula and Port Burwell, and between Conneaut and Port Stanley and Rondeau Harbor.

Between Detroit and Windsor six car-ferry lines are operated by four railroads—one by the Grand Trunk, two by the Wabash, two by the Canadian Pacific, and one by the Pere Marquette. These ferries are also extended to passenger-train service, including their loads of baggage, express, and United States mails.

Car ferries also operate across the Straits of Mackinac, the St. Clair River, Lake Ontario, and the St. Lawrence River, several of them including passenger-car and mail service for the railroads.

These railroad ferryboats are of steel construction, with capacity for 20 to 30 loaded cars, and now carry from 15 to 20 automobiles on the bows without loss of space for loaded railroad cars. They are also equipped with comfortable modern passenger accommodations.

These car-ferry boats have the benefit of continuous service across the lake throughout the year, while all other boats engaged there are forced to abandon service for at least 4 months in the year on account of ice. In all, there are 35 railroad car-ferry lines in operation on the Great Lakes. The boats are the largest type afloat on these waters. They make about 18 miles an hour and the railroads receive all the passenger, freight, express, and mail transportation charges, and the Government dredges and maintains the harbors and channels free of cost to them, the same as it does for all other boats engaged in traffic.

These car-ferry lines are the connecting links for a large number of railroads which are beneficiaries of this service. The volume, Transportation Series No. 1, issued in 1930 by the Board of Engineers of the War Department and the Bureau of Operations of the Shipping Board, on page 407 has the following to say upon this point:

[Transportation on the Great Lakes. Transportation Series No. 1 (revised 1930). Prepared by the Board of Engineers for Rivers and Harbors, War Department, and the Bureau of Operations, United States Shipping Board (p. 407)]

CONNECTING RAILROADS

A map has been prepared especially for this report showing the car-ferry routes on the Great Lakes and the rail lines of which the ferries are connecting links.

At Manistique the car ferries operated by the Ann Arbor Railroad connect with the Manistique & Lake Superior Railway, which in turn has connection with the Minneapolis, St. Paul & Sault Ste. Marie Railway (Soo Line). Practically all of the car-ferry commerce at this port is received from and delivered to the latter railroad. At Menominee the Ann Arbor ferries make connection with the Chicago & North Western Railway, the Chicago, Milwaukee, St. Paul & Pacific, and Wisconsin & Michigan Railroads. At Kewaunee the Ann Arbor and Pere Marquette ferries have connection with the Kewaunee, Green Bay & Western Railroad, which in turn connects with the Chicago & North Western; Chicago, Milwaukee, St. Paul & Pacific; and the Green Bay & Western at Green Bay. Manitowoc is the eastern terminus of a branch of the Soo Line, and has direct connection with the Chicago & North Western. Indirect connection at this port is had with the Ann Arbor and the Pere Marquette Railroads via car ferries from Frankfort and Ludington, respectively.

At Milwaukee the Pere Marquette car ferries from Ludington and those of the Grand Trunk from Grand Haven, have connection with the Chicago, Milwaukee, St. Paul & Pacific, Chicago & North Western, and Soo Line. The Michigan Central and Pennsylvania Railroads serve Mackinaw City and the car ferries of the Mackinac Transportation Co. make connection with the Duluth, South Shore & Atlantic Railway at St. Ignace.

The Pere Marquette and the Canadian National Railways reach Sarnia, Ontario, and the car ferry operated by the former railroad

connects with this carrier at Port Huron. Windsor, Ontario, is reached by the Pere Marquette, Wabash, and Grand Trunk Railways and the Canadian Pacific Railroad. The car ferries owned by the first three-named carriers connect with these railroads at Detroit. The Canadian Pacific ferries make connection with the Wabash at Detroit.

Two of the car ferries operating across Lake Erie, indirectly connect the Pennsylvania and New York Central Railroads at Ashtabula, with the Canadian Pacific at Port Burwell, and the Toronto, Hamilton & Buffalo Railway at Port Maitland, Ontario. Conneaut is reached by the Bessemer & Lake Erie Railroad and the car ferries of the Marquette, and Bessemer Dock & Navigation Co., operating from this port, make connection with the Pere Marquette at Rondeau, and the London & Port Stanley Railway at Port Stanley, Ontario.

The car ferries operating across Lake Ontario connect with the Buffalo, Rochester & Pittsburgh Railway at Charlotte (Rochester) on the American side and with the Canadian National Railways at Cobourg on the Canadian side. Ogdensburg is served by the New York Central, which connects with the Canadian Pacific at Prescott, Ontario, via car ferry.

A study of the question will convince anyone that our expenditures for waterway improvements for navigation have been of tremendous benefit to the railroads. Any statements by their officials to the contrary are merely for the purpose of gaining public sympathy in an effort to secure further subsidies. Even inland navigation has been greatly beneficial to the railroads as the unimpeachable record will show.

The greatest volume of inland water transportation has been in the Pittsburgh district, on the Allegheny, Monongahela, and upper Ohio Rivers. That is also the zone of the greatest density of rail traffic. The water-borne commerce of that district increased from 9,000,000 tons in 1900, to 40,000,000 tons in 1925. During the same period, the rail traffic increased from 57,000,000 tons to 173,000,000 tons. The cheap water transportation of raw bulk materials, built up great industries which produced many millions of tons of steel and other products which moved by rail, and at great profit to the railroads.

LONG- AND SHORT-HAUL RATES

Mr. GREENWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3263, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PETTENGILL. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, this is a bill of great public importance. It is an unusual bill in the sense that it is only a page and a half long, and yet a good deal of study and patience is necessary to understand its application to the complex structure of American agriculture, industry, and transportation.

There is probably no man living who could answer off-hand all the questions which might be asked as to the detail application of the bill. For 49 years a Chinese maze of court decisions, rules, regulations, tariffs, and rate structures have grown up around the subject. And so, instead of becoming lost in a maze of detail, I shall attempt to sketch the subject in broad outline against the background of the common welfare of the Nation as a whole. Outside of passenger traffic, now two-thirds gone, railroads exist only to move goods from producer to consumer. The interests of shipper, buyer, and carrier are interwoven. The welfare of each is, in the long run, the welfare of all.

So, at the beginning, let us remember that this is essentially a shippers' bill and not a railroad bill. It originated as a shippers' bill, having been written and first sponsored by the National Industrial Traffic League, representing some 600,000 shippers throughout the Nation. As shippers, why

did they sponsor it? Only to reduce distribution costs, broaden markets, and quicken service. Shippers are not interested in railroads, as such. Their prime interest is to reduce costs to the buyer and thus enlarge the markets of the producers of the Nation.

Let us get this point straight. Practically every petition for relief against the long- and short-haul clause as now written, filed with the Interstate Commerce Commission, is filed only because some shipper asks the railroads how he can move goods into a market foreclosed to him by transportation costs.

Let me give two or three illustrations. Some years ago the newsprint industry of northern Michigan and surrounding territory wanted to get newsprint to the newspapers of the South to meet the competition of newsprint entering those markets by water, from Nova Scotia and Scandinavia. Unless they could meet the delivered price of their foreign competitors they would lose that market. They asked the railroads to obtain fourth-section relief. The railroads applied. The Commission denied the application and American workmen and capital stood idle.

Another illustration. I am told that Australian and Argentine wheat is now coming into the Southeast and American wheat from our Northwest is precluded from that market because the fourth section prevents the railroads from quoting Northwestern farmers freight rates that will permit them to move wheat to Florida and the Southeast in competition with wheat from abroad.

One more illustration from hundreds that might be given. The beet-sugar industry of Colorado and the West favors this bill. Why? Because they want to enter the great consuming markets of the East in competition with sugar that moves by water from Cuba and the Philippines.

This ought to make plain why occasions arise when railroads ought to be permitted to charge less for the long than for the short haul. Those occasions arise only when competitive conditions exist at the point of destination which make it necessary, in the interests of shippers and buyers, to do so. Otherwise, speaking broadly, freight rates ought to be in rough proportion to length of movement. But in quoting less for the long than for the short haul, when that is necessary, railroads do only what practically every producer does. Few people do all their business on the same margin of profit. They sell first where they can sell to the best advantage and then they sell their surplus for whatever they can get for it, provided it yields some profit, however small.

Railroads sell surplus transportation in the same way that producers sell surplus goods. The principle is exactly the same whether newsprint, wheat, or beet sugar. A truck farmer close to a county seat will haul tomatoes into that market two trips a day. His surplus tomatoes he will haul into the next county seat, one trip a day. His margin of profit is different at the two points. He gets less for the long than for the short haul. But he is glad to get into the distant market, even at a small profit. It helps carry his overhead of labor, taxes, interest, and so forth. But he could not exist if he had to sell all his goods at the margin prevailing at the distant point. No more can the railroads.

If the farmer had no wagon of his own to carry his tomatoes, he would ask some truckman to shave his price for carrying the produce to a distant market. If the truckman did not help him share the differential between the two markets he might not be able to enter the market at all, and his surplus tomatoes would rot on the ground, as surplus freight cars now rust on the tracks.

A like principle is involved in the American farmer getting what he can in the domestic market and then shipping his surplus to foreign markets for a less margin of profit. Again he gets less for the long than for the short haul, but if the price for all farm products was that which obtains in the foreign market he could not carry on at all.

Even goods nationally sold at a uniform price, for example, the Saturday Evening Post, do not and cannot yield the same profit delivered at Seattle as in Philadelphia.

The bill therefore is designed to do what shippers, notably agriculture, have clamored for for years, that is, reduce distribution costs, broaden markets, foster competition, and increase the standards of living of all our people through reducing the cost of living and increasing the total volume of goods consumed by reducing unit costs. The bill in its long-run effect cannot but tend to reduce freight rates generally and thus benefit 125,000,000 people by bringing the power to consume into better balance with our power to produce, which is our prime problem today. [Applause.]

If you are looking at the interests of the Nation as a whole, rather than the competitive position of some manufacturer or jobber of whetstones who wants his competitor eliminated from some market by prohibitive transportation costs, vote for the bill. The railroads and their workers can gain only if the Nation gains; that is, more goods moved from factory and farm to more consumers at less cost, in less time, and with less wear, tear, and damage, and moved by a carrier that pays more taxes and the highest wages of any transportation agency.

The fourth section was first written in 1887, in the first bill placing railroad rates and practices under Federal supervision. At that time the railroads enjoyed a practical monopoly of the transportation services of the Nation, and, as always happens when monopoly is unregulated, serious abuses prevailed with respect to secret rebates and discriminations between shippers and localities; I do not defend those abuses then and would not tolerate them now. But to carry over into conditions today the justified resentment and prejudice against railroad management that arose at that time is as foolish as keeping alive the passions that arose in the always to be regretted War between the States. We ought not to penalize shippers and railway employees of today with the inherited prejudices of a generation ago. Except for this inheritance, plus the rigidity of thinking that has prevented an open-minded approach, I am confident we would have long ago given the shippers and the rail carriers the flexibility necessary to keep pace with the increasing tempo of twentieth century civilization. [Applause.]

In 1910 the fourth section was tightened up, and in 1920 the screws were turned once more. For the moment let me pass over those technical changes and consider the situation as we find it today.

In 1887 the railroads had a monopoly, and abused it. Today there is no monopoly.

Since the fourth section was written the Panama Canal has been dug. Since then pipe lines have entered the transportation field. Since then electricity has learned to move "coal by wire", and Government-financed hydro projects are eating into the soft-coal industry, whose product once moved by rail. Since then hundreds of millions of tax money have been spent on river and harbor development. Since then the Federal Government has itself become a common carrier competing with the railroads, with its barge lines on the lower Mississippi, which are now to be extended on the upper Mississippi and Missouri Rivers. Since then Federal tax money has laid its ribbons of concrete in nearly every county of the Republic, upon which some 25,000,000 motor vehicles now move daily in the carriage of passengers and freight. Since then aviation has invaded the transportation field, aided by Federal subsidies. Since 1887, when the fourth section was first written, it is computed that the Federal Government alone, exclusive of States, has poured \$4,841,000,000 into these competing agencies and their rights-of-way for which, except for the Panama Canal, they pay nothing. A substantial fraction of that enormous sum has come from railroad taxation. For the Nation as a whole, 14 percent of railroad taxes go to build highways for their competitors to use. Other railroad tax money goes to subsidize rivers and harbors, merchant marine, and aviation. Meantime no aid has been given to the railroads, other than R. F. C. loans, to be repaid with 4-percent interest, to bail them out of the bankruptcy courts into which the Government has itself been pushing them.

It is true that in the early days railroads, particularly the transcontinental lines, were also subsidized by the grant of

lands from the public domain, lands which were worthless both to the Government and the railroads until the railroads themselves made them valuable. But with respect to these old Federal subsidies in aid of railroad development, it is to be pointed out that in consideration of them the railroads entered into perpetual contract with the United States Government to carry troops and munitions of war at half price. But with reference to these other subsidies, the recipients are under no obligation to the Nation. With them it has been more blessed to receive than to give.

We now have five large agencies of transportation, whereas in 1887 the railroads had a practical monopoly. These five are the railways themselves, pipe lines, waterways, highways, and airways. Of the five, the railroads alone are hamstrung with the long- and short-haul section. While they struggle to obtain relief from it, their competitors take their customers from them. They are like fighters in the prize ring, with one fighter's hands tied behind his back while his antagonist is free to cut him to ribbons. Looking, therefore, at the whole national picture rather than the interest of any transportation agency, I submit that the railroads are entitled to have these legislative handcuffs removed in the interest of moving goods from producer to consumer.

Neither the truck-and-bus bill of last summer nor the water-carrier bill now pending puts these competing agencies under the long- and short-haul restriction. It is literally true that a shipload of lumber can be legally moved from Seattle to Boston for less than from Seattle to Portland, if necessary to prevent the railroads from getting the traffic.

Mr. Eastman has suggested that the way to do equity among rails, ships, and trucks is to place them all under the long and short haul. The ships and trucks would object to this violently. Moreover, for trucks and ships the idea is wholly impracticable, for the reason that they are not tied to fixed routes and so could circumvent the law if applied to them.

To carry over the fourth section into the highly competitive transportation conditions of today is a legislative anachronism.

No one, of course, can attribute the plight of the railroads to the fourth section alone. Nor would I give the railroads a single legislative privilege over competing agencies. I would, however, remove the legislative advantage which competing agencies now have over railways, because they are free from the fourth section and the railroads are bound and hampered with it.

As Commissioner Eastman has said, "No public regulation should be provided merely for the purpose of protecting one form of transportation against another."

Despite the remarkable recovery which the Nation as a whole has had since the low point of 3 years ago, the Nation's largest industry is the Nation's sickest industry. You are bound to consider its welfare with the welfare of other interests. The cold hard fact is that more railway mileage went into bankruptcy and receivership in 1935 than in any year in the history of the Republic, not excepting the panic of the early nineties. Their ability to move goods, to buy goods, to employ men, to pay taxes, and to maintain service is a matter of grave concern. The contagion of railway sickness is a slow paralysis that creeps over the entire Nation.

In normal times the railroads buy everything from pins to locomotives. When they are not in the market for goods business and employment stagnate. Twenty-six railroads alone out of 800 buy from 7,816 companies in 1,661 towns in all the States.

The roads normally buy one-fifth of all the coal, iron, steel, and forest products of the Nation. To further itemize their contribution to national welfare the roads are normal buyers of \$2,000,000 worth of linen and cotton sheets. Another \$1,000,000 goes for crockery, another \$2,000,000 for gasoline, and so on for thousands of items. From 1923 to 1934, good years and bad, railways spent for material and supplies \$13,274,211,000, and in the same period for permanent betterments and additions to plant \$7,587,481,000, a total of \$20,861,692,000. All this is exclusive of pay rolls, taxes, and returns to capital, easily twenty-five or thirty billion more.

These expenditures contrast with the relief appropriations with which we are trying to conquer the depression.

The importance of the railways as taxpayers is not to be overlooked. They normally pay for the support of Government \$1,000,000 a day. Forty-six percent of this went to support public schools, 14 percent went to build highways for their competitors to use. Out of every gross dollar of revenue water carriers pay to support Government nine-tenths of 1 percent. Railroads pay 8 cents, or nine times as much.

The repeal of the long and short haul simply places the railroads on terms of competitive equality with other carriers—no more, no less. Other sections of the interstate commerce clause remain in full force and effect to prevent discrimination against shippers, localities, or competing carriers. The burden of proof to justify proposed rates remains on the railroads. But the repeal will give the railroads a chance to fight for their economic lives on an equal field. After that, let the best man win.

It is time to give the roads a chance to put back to work thousands of the best workmen in America, both in transportation and in the durable-goods industries and the coal mines where the bulk of today's unemployment exists.

We have, as President Roosevelt once said, "a human as well as an economic problem." Railroad workers are home owners and community builders. Seven hundred thousand have been dismissed, many of them past the industrial dead line, forbidding their reabsorption in other employment. I speak for them and their families—your neighbors and friends. It is time to see that more of them are not pushed onto the industrial scrap heap because their chance to earn their daily bread has been taken away from them by competing transportation agencies, subsidized from the Public Treasuries, and free to run wild. [Applause.]

We have a duty to consider the welfare of railway workers equally with all other workers. Their record of service and citizenship entitled them to not be the "forgotten man" of recovery legislation.

Let me tell you something. Last year the 800 class 1 railroads of America did not lose the life of a single passenger in a passenger-train accident. That would be remarkable for any one of the 800 roads. For all 800 it is almost incredible, but it is true. It is one of the greatest epics of American business. Because of it a million men are entitled to honor—the man at the throttle, the brakeman, the conductor, the man in the signal tower, the unsung hero in jeans who in sleet and snow and fog and flood kept straight the track for the "iron horse." This was all done under the most adverse circumstances. All roads were in financial difficulty, many in actual bankruptcy, all economizing every cent of shrinking revenues.

At a time when it is popular to charge large-scale enterprise with piling up profits at the expense of human lives, I am glad to say in rebuttal that last year our railroads delivered every one of their passengers safely to their homes.

The total was 18,000,000,000 passenger miles without the loss of a passenger. Let me translate that for you. It is equivalent to carrying every human being on the globe 1 mile and then the inhabitants of eight other planets equally populated, if any. In terms of 1 passenger it would take him to the moon and back 47,000 times, or every day for 130 years.

It is time to stop kicking the railroads around.

While the railroads were making that marvelous record, trucks, busses, and private automobiles sent 36,000 Americans to their graves, many of them killed by drunken drivers who warm up their morning hates by cussing and damning the railroads.

In saying this I wish again to emphasize that we ask no favors for the roads. We ask only for fair play on an equal field. Water carriers and trucks and busses all have an important part to play. Each is fitted to perform some service best. I believe the rails, trucks, and ships will be coordinated as we progress. The trucks can best handle a great deal of short-haul traffic. They will take the place of railroad spurs and branch lines. In fact, 11,000 miles of rail

trackage has already been abandoned—enough to cross the continent three times and more. The rails are now using the trucks for pick-up and delivery service. But for certain forms of transportation, especially long hauls of fast-moving freight, the railroads are indispensable to the prosperity of the entire Nation as well as its defense in time of war. Note page 8 of the report, what the rails would be required to do to protect the west coast if we ever have trouble on the Pacific. In time of emergency it is the rails that "carry on."

It may be asserted that if the bill passes, ancient abuses will reoccur. They cannot under competitive conditions. Again quoting Mr. Eastman, "The ability of the customer to use alternative modes of transportation" imposes a limitation upon railroad rates and practices that cannot be disregarded. Even if there were no law, competition today would free customers of transportation from the necessity to submit to abuses.

Nevertheless, the law against abuses remains in full force and effect. See pages 2, 3, and 4 of the report. I challenge any opponent of this bill to point to any possible abuse for which a legislative remedy is not fully available.

The bill simply gives the roads the right to file proposed rates for all shipments, the same as they now do for every shipment in which the long and short haul is not involved. All rates will be handled in exactly the same way. If there is no objection, the rates go into effect in 30 days instead of waiting months and years for I. C. C. approval—often denied. If there is objection, the bill puts on the rails the burden of proof to justify the proposed rate as fair, just, reasonable, and nondiscriminatory within the other provisions of the Interstate Commerce Act, all of which remain in full force and effect. Even if there is no objection, the Interstate Commerce Commission may suspend the proposed rate on its own motion and may fix maximum and minimum rates as they do in all other cases. The public interest remains fully protected. The Commission will continue to have full power to prevent the rails from doing anything that Congress ever intended they should not do. This is expressly admitted by Mr. Eastman.

Let us give the roads and those who use them a new deal and a square deal from the Government. [Applause.]

The following is a list of large shipping organizations supporting the bill:

American Fruit and Vegetable Shippers Association, Chicago, Ill.
 Utah Coal Operators Association, Salt Lake City, Utah.
 Radio Steel & Manufacturing Co., Chicago, Ill.
 Williams Traffic Service, Inc., New York City (traffic managers for about 500 shippers and receivers of merchandise).
 Indiana Limestone Corporation, Bedford, Ind.
 Furniture Manufacturers Association, Evansville, Ind.
 Winrich Motor Co., Corpus Christi, Tex.
 Two States Fruit Package Co., Texarkana, Tex.
 San Jose Tractor & Equipment Co., San Jose, Calif.
 Valley Meat Co., Marysville, Calif.
 Glass Wholesalers Association of Southern California, Los Angeles.
 West Coast Lumbermen's Association, Seattle, Wash.
 Valley Oil Co., Adrian, N. Dak.
 Transportation Club of Des Moines, Iowa.
 J. I. Case Co., Racine, Wis.
 Oregon Fuel Merchants Association, Portland, Ore.
 Commercial Traffic Managers of Philadelphia.
 Cincinnati Traffic Club, Cincinnati, Ohio (440 members).
 Miami Valley Traffic Club, Dayton, Ohio (275 shippers and railroad men).
 Aaron Ferer & Sons, Inc., Omaha, Nebr.
 Florida Citrus Exchange, Tampa, Fla.
 Pacific States Cast Iron Pipe Co., general office, Provo, Utah (city office).
 Yakima Valley Traffic and Credit Association.
 Wenatchee Valley Traffic Association, Wenatchee, Wash.
 Metropolitan Traffic Association, New York City.
 Traffic department St. Paul Association of Commerce.
 Jacksonville (Fla.) Warehousemen's Association.
 Traffic bureau, Chamber of Commerce, Sioux Falls, S. Dak.
 Tripp (S. Dak.) Commercial Club.
 Chamber of Commerce, Alexandria, Minn.
 Cass Lake (Minn.) Commercial Club.
 Wilcox Produce Co., Portland, Ore.
 Burton-Walker Lumber Co., Ogden, Utah.
 Chamber of Commerce, Needles, Calif.
 Chamber of Commerce, Napa, Calif.
 Hon. Elmer Holt, Governor of Minnesota, "This bill seems to be of the greatest importance."

Horder's, Inc., Chicago (stationery stores).
 Johnson Wholesale Co., Idaho Falls, Idaho.
 Progressive Irrigation District, Idaho Falls, Idaho (600 voters in the district).
 Hillman Packing Co., Salem, Ore.
 Nelson Brokerage Co. (food products), Los Angeles.
 Bullseye Instrument Co.
 W. J. Voit Rubber Co., Inc., Los Angeles.
 Joseph & Katz (factory agents), Los Angeles.
 Findlay Millar Timber Co., Los Angeles.
 Henry-Wrape Co., Paragould, Ark.
 Clafin Clarion, Clarion, Kans.
 Miller Provision & Cold Storage Co., Salina, Kans.
 Adrian Equity Elevator Co., Adrian, N. Dak.
 Turtle Mountain Cooperative Association, Fort Totten, N. Dak.
 Andrews Grain Co., Sykeston, N. Dak.
 The Armand Co., Des Moines, Iowa.
 F. W. Fitch Co., Des Moines, Iowa.
 E. F. Burlingham & Sons (seedsmen), Forest Grove, Ore.
 Amity Seed & Grain Co., Inc., Amity, Ore.
 Spaulding Pulp & Paper Co., Newberg, Ore.
 W. P. Brown & Sons Lumber Co., Louisville, Ky.
 Gladding, McBean & Co., San Francisco, Calif.
 Elmont Lumber Co., Chicago (purchasers of lumber on Pacific coast).
 R. J. Kline, J. P., Butte, Mont.
 Cascade Milling & Elevator Co., Cascade, Mont.
 Hon. W. E. Martin, mayor of Glendive, Mont.
 F. A. East & Co., Hathaway, Mont.
 N. M. Jensen, Lindsay, Mont.
 Fairmont Canning Co., Fairmont, Minn.
 Red Wing Milling Co., Red Wing, Minn.
 Garden Vallet Telephone Co., Erskine, Mont.
 A. Kaiser, president, First National Bank, Bagley, Minn.
 Hon. W. J. Kirkwood, mayor, Crookston, Minn.
 Globe Milling Co., Perham, Minn.
 Farmers Elevator & Trading Co., Eldred, Minn.
 Fostoria Pressed Steel Corporation, Fostoria, Ohio.
 John W. Tuthill Lumber Co., Sioux Falls, S. Dak.
 A. J. Danks (merchant), Lake Andes, S. Dak.
 B. Skidmore (clerk), town of Delhi, La.

The following tables illustrate various phases which I discussed in my speech:

STEAM RAILWAYS OF CLASS I
Purchases of materials and supplies

1923	\$1,738,703,000
1924	1,343,055,000
1925	1,392,043,000
1926	1,559,032,000
1927	1,395,928,000
1928	1,271,341,000
1929	1,329,535,000
1930	1,038,500,000
1931	695,000,000
1932	445,000,000
1933	465,850,000
1934	600,224,000
Total	13,274,211,000

Expenditures for additions and betterments to railway plant

1923	\$1,059,149,000
1924	874,744,000
1925	748,191,000
1926	885,086,000
1927	771,552,000
1928	676,665,000
1929	853,721,000
1930	872,608,000
1931	361,912,000
1932	167,194,000
1933	103,947,000
1934	212,712,000
Total	7,587,481,000

Number of employees

1923	1,857,674
1924	1,751,362
1925	1,744,311
1926	1,779,275
1927	1,735,105
1928	1,656,411
1929	1,660,850
1930	1,487,839
1931	1,258,719
1932	1,031,703
1933	971,196
1934	1,007,702

Employees and wages, 1934

Number of employees	1,007,702
Total compensation	\$1,519,351,725
Average compensation:	
Per hour	\$0.635
Per annum	\$1,508

Rates and fares, 1921 to 1934

	Freight receipts per ton-mile (cents)	Passenger receipts per passenger-mile (cents)
1921	1.275	3.086
1922	1.177	3.027
1923	1.116	3.018
1924	1.116	2.978
1925	1.097	2.938
1926	1.081	2.936
1927	1.080	2.896
1928	1.081	2.850
1929	1.076	2.808
1930	1.063	2.717
1931	1.051	2.513
1932	1.046	2.219
1933	.999	2.013
1934	.978	1.918

Taxes

1920	\$272,061,453
1921	275,875,990
1922	301,034,923
1923	331,915,459
1924	340,336,686
1925	358,516,046
1926	388,922,856
1927	376,110,250
1928	389,432,415
1929	396,682,634
1930	348,553,953
1931	303,528,099
1932	275,135,399
1933	249,623,190
1934	239,624,802

Distribution of railway taxes

	Per cent
Schools	45.8
Highways	13.9
Other purposes	40.3

Car loadings

1929	52,827,925
1930	45,717,079
1931	37,151,243
1932	28,179,952
1933	29,220,052
1934	30,845,960
1935	31,518,372

1935 car loadings

	Per cent
Grain and products	5.0
Livestock	2.3
Coal	19.5
Coke	1.1
Forest products	4.4
Ore	3.1
Merchandise (L. C. L.)	25.8
All other products	38.8

Railway purchase, 1934

Coal and all other fuel	\$217,294,000
Forest products (including ties)	64,271,000
Steel rails	31,107,000
Other iron and steel products	128,651,000
Air-brake materials	9,485,000
Electrical materials	10,545,000
Automotive equipment and supplies	2,851,000
Other metal products	22,482,000
Oils and greases, waste, etc.	13,705,000
Ballast	6,230,000
Cement	1,763,000
Painters' supplies and chemicals	18,062,000
Rubber and leather goods	4,969,000
Stationery and printing	12,884,000
Commissary supplies (dining car, etc.)	11,647,000
Train and station supplies and miscellaneous	44,278,000

Total 600,224,000

Rail- and water-carrier taxes

Taxes per dollar of gross revenue:	Cents
Rail	8
Water	(¹)
Taxes per ton handled:	
Rail	30
Water	5

¹ Nine-tenths of 1 cent.

NOTE.—Authority: Freight-traffic report (1935) of Federal Coordinator Eastman.

(Mr. PETTENGILL asked and was given permission to extend his remarks by inserting the list and tables above referred to.)

The CHAIRMAN. The gentleman from Indiana [Mr. PETTENGILL] has consumed 33 minutes.

Mr. COOPER of Ohio. Mr. Chairman, I yield myself such time as I desire.

The CHAIRMAN. The gentleman is recognized for 1 hour.

Mr. COOPER of Ohio. Mr. Chairman, it would be impossible for me to discuss this measure in the very able way that my colleague from Indiana [Mr. PETTENGILL] has discussed it. I wish I could. I am going to try to express my views on this legislation from the standpoint of a layman—not a lawyer.

I have been a member of the Committee on Interstate and Foreign Commerce for a great many years, and, while I do not know everything about transportation and railroad legislation, yet I do try to inform myself on all these important subjects relating to this question.

Mr. Chairman, I believe we are prone to condemn the railroads for many shortcomings and for their failure to do for themselves those things which might increase their traffic, reduce expenses, and enable them to keep their rates low. We also expect them to get sufficient revenue, out of which they contribute heavily in taxes, to the States and Federal Government, to the extent of about 8 cents per dollar of revenue earned.

We also expect them to employ more than a million workers at good wages under reasonable service and working conditions. We regulate them to the last degree in everything they do. The Federal Coordinator of Transportation, Commissioner Eastman, within the past year has found that water carriers pay taxes representing less than 1 cent per dollar of revenue earned, as compared with 8 cents paid by the railroads per dollar of revenue earned, and that motor transportation contributed in taxes, on the average, of from 2 to 4 cents per dollar of revenue earned. But, out of these low taxes imposed upon motor and water carriers, we provide them with publicly constructed highways and waterways over which they operate.

I have been informed that it costs the railroads more than 30 cents per dollar earned to provide for the maintenance of their tracks and rights-of-way. When we compare this situation confronting the railroads with the benefits which the public gives to water and motor carriers for the few cents they pay in taxes per dollar of revenue earned, this is not an equitable treatment toward the railroads to start with.

It is my opinion that the long- and short-haul clause in the Interstate Commerce Act, to a great extent, prevents the railroads from entering the field of competition with water-carriers who are practically free of rate regulation, and furnished free harbors and many other benefits at the expense of the taxpayer, which the railroads do not receive. At the present time, by reason of the long- and short-haul clause, the railroads are powerless to protect themselves against their subsidized competitors, who are operating, in some degree, on funds out of the Public Treasury. In other words, the law as it now stands, prohibits the railways from fixing a rate that will give them an opportunity to compete with the motor- and water-carriers.

It is true at the present time the Interstate Commerce Commission is given authority to grant relief to the railroads in special cases and under certain conditions. However, the records show that the law is so administered that not only are there long delays, but also relief is not usually granted which will give to the railroads the right to establish competitive rates low enough to enable them to get a fair share of the traffic available. For example, on iron and steel from the Pittsburgh and Youngstown districts to the Pacific coast, the Commission has refused to permit the all-rate routes to put into effect rates that will equalize the rates—including all incidental charges—applicable, via the routes through the north Atlantic ports and thence via the routes of intercoastal water carriers. This is true of iron and steel from interior mills scattered between Pennsylvania and Colorado. I believe my colleague from Colorado will bear me out in this.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman permit me, since he has mentioned Colorado, to interrupt?

Mr. COOPER of Ohio. Certainly.

Mr. MARTIN of Colorado. I expect in my own time to show that the steel mills in my home city of Pueblo, Colo., cannot even get into Houston, Tex., on a direct rail line.

Mr. COOPER of Ohio. I thank the gentleman for his contribution.

In doing so, the Commission has eliminated many of the interior iron and steel mills.

In like manner, the Commission has refused to permit the railroads to establish rates on iron and steel from Pittsburgh, Pa.; Youngstown, Cleveland, Middletown, Ohio; Chicago, Ill.; St. Louis and Kansas City, Mo.; and the steel mills of Colorado, to Texas gulf ports and adjacent points necessary to meet the competition of water-carried steel from other sources of supply, including foreign countries. In doing so, the Commission has eliminated many of the interior iron and steel mills from the business along the Gulf coast which they formerly enjoyed. These are but typical of hundreds of other industries who are in the same situation which was brought to the committee's attention.

And this accounts for the fact that hundreds of interior industries have dried up since the long- and short-haul clause was put into effect. Today representatives of thousands of industries and communities are demanding that the railroads shall again be given an opportunity of exercising their own initiative in establishing rates, subject, of course, to other sections of the Interstate Commerce Act, which require that all rates shall be reasonable, self-sustaining, and nondiscriminatory. The railway people are constantly on the ground with the shippers and are in a better position to determine what rates are necessary to move traffic. Under the long- and short-haul clause, we have gradually stripped the railways of much of the traffic they formerly handled. We have turned large tonnage over to subsidized forms of transportation which if now regulated at all are subject to no such stringent supervision as the railroads are. In practical effect, to some extent, we give to these subsidized forms of transportation a monopoly of the traffic that they choose to transport. Every railroad employee in the country is requesting the passage of the Pettengill bill, which is now before us for consideration. We are aware that there has been a great reduction in the ranks of railroad employees during the period of the last 5 years. Now I do not claim this heavy reduction in the employment of railroad labor is due to motor and waterway competition entirely. There is no question but what the depression of the last 5 years was a very strong factor in reducing railroad employment. It is my opinion, however, that a substantial part of the reduction in railroad labor at the present time is attributable to the competition of motor and water carriers.

I have a very warm feeling in my heart for railroad labor; and if I may be pardoned a personal reference at this time, for 17 years I sat in the cab of a locomotive and was elected from that locomotive cab to Congress. [Applause.] I know the work of a railroad employee. There are no better, higher-class, more intelligent or patriotic workmen in America today than the railroad employees. [Applause.]

I shall never forget how proud I was after firing a locomotive for 4 years when one Saturday afternoon the assistant foreman of engines came to the locomotive I was firing and said to me: "John, you are up for promotion, and we want you to take charge of a locomotive tomorrow. We will call you in a little later on and give you the examination." It was something I had waited for for 4 long years. I wanted to get over onto the right side of the cab. I see my colleague JOHN MARTIN smiling, because he was a locomotive engineer at one time. [Applause.]

Mr. MARTIN of Colorado. If the gentleman will permit an interruption, I just want to say to him that he would wait 14 years now and then some before promotion came.

Mr. COOPER of Ohio. I remember how I hurried home. There were not many automobiles running in those days, and I had to walk about 3 miles. I went into the house and broke the news to my good little wife. It is not necessary for me to tell you she was pleased and proud. Then I

went down town that evening and bought myself a new suit of Sweet-Orr overalls, and a new cap, and a pair of gloves with gauntlets that came way up to my elbows. I got to work an hour before starting time the next morning and put enough oil on that old pot to take it from here to San Francisco and back. [Applause.] Then I went to the telegraph office to get my orders. The operator gave me my orders, and I took them to the engine cab. It was a rule of the company that the fireman had to read the orders out loud to the engineer, so I handed him the orders, and I made him read them to me. That was one of the proudest moments of my life. I have those orders at home. I can tell you what they were. The 31 order was: "277 and 279 will wait at Struthers until 9:10 a. m. for extra 338 east." So you see I have a warm feeling of love in my heart for the railroad workers.

The railway workers are fully aware of the seriousness of competition facing the railroads by other means of transportation, namely, bus, truck, and waterways. They likewise realize that this competition is here to stay, that it is permanent. They have no desire to impose any unfair regulation or the destruction of this competition. I believe in water transportation, it has its place in our economic life. All they request is justice and fair play from Congress and an opportunity to meet their competitors on fair and equal footing and thereby be assured of their positions, which will enable them to make an honest living for themselves and those dependent upon them.

It is time that Congress gave to the railroads, their employees, the shippers, and the communities dependent upon them, a square deal and an equal opportunity to share in the movement of commerce in all parts of our country, and this we can do by providing more equitable and fairer regulation. The enactment of the Pettengill bill, which is now before us, is a step in this direction. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I shall not attempt to vie in eloquence with the distinguished gentleman from Indiana [Mr. PETTENGILL], who would have swept us off our feet by his stirring appeal in behalf of the railroads. I have no quarrel with the railroads. I have no complaint of the workmen on the railroads. I shall not try to take you on a transportation trip to the moon or parts away from this mundane sphere. I want to discuss with you for a little while this bill and the effect of this bill upon the shippers of the country.

I agree with the gentleman from Indiana that the first consideration for the Members of the House is the best interest of the people of the Nation. Regardless of railroads, regardless of railroad employees, regardless of water carriers, and regardless of seamen on the ships, the first and primary consideration here is the best interest of the shippers of this country.

With this point in view, I want you to consider the bill that you are asked to vote on today. It states:

That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act.

In other words, Mr. Chairman, the only limitation imposed by this act is that the through rate shall not exceed the aggregate of the intermediate rates. You may take two terminal points, say A and Z. You can run point B up as high as you please. You can run point D up as high as you please. You can come on down through the line and run them up as high as you please, and the only limitation is when you come to the through rate you shall not exceed the aggregate of all these intermediate rates. There is absolutely no limitation on the minimum that may be charged as a through rate to be recompensed by higher rates on intermediate points. As was stated in connection with the rule, there is another important consideration that you must bear in mind, and that is the burden that is going to rest upon the shippers of this country to defend against higher rates. It is said that the burden still rests upon the carriers to justify the rate in the event of an attack. In other words, if on the intermediate line the

rate is increased, the carriers must justify it. But that is only if a shipper, or community, or the Commission itself attacks the rate. The carriers are under no duty to justify the rate as an initial proposition.

What does that mean? It means that the small town that you represent in the interior has to be represented by highly paid attorneys or skilled experts whose duty will be to watch the railroad rates as they are being filed and determine whether or not they are imposing an undue or an unreasonable burden upon that particular town. In other words, each community must be on guard. The Interstate Commerce need not do that work. It has many other things to do. That Commission is handling thousands of rates. Applications are coming in all the time from every source and of every conceivable character. Before you know it the rates are going to be increased to points in the interior. How are you going to escape that?

The gentleman from Indiana, notwithstanding his eloquence, admitted that a short time ago—I think in 1935—there was more railroad mileage in bankruptcy than at any other time in the history of the country. Are they going to make this up out of the water-borne commerce if they get all of this water-borne commerce? If they do get the \$40,000,000 which is paid for water-borne commerce carried through the Panama Canal, what will that mean? It is not more than a drop in the bucket when we consider the railroads' gross revenue of \$3,000,000,000. How are the railroads going to escape getting in the red and keeping in the red except by raising the rates to intermediate points? Especially is this true if they are going to bring the rates down at the more distant points to meet water-borne competition. That is all there is to this matter. The carriers wish to escape the necessity of justifying these rates when they put them in.

Mr. Chairman, what treatment have they received from the Interstate Commerce Commission? According to the arguments which have been made here today, the bill that is introduced should not be a bill to abolish the long and short haul. It should be a bill to reorganize the Interstate Commerce Commission and remove this agency that they say is imposing upon them these unreasonable burdens. I can state you case after case in which the contrary is true. Take the rates on citrus fruit from Florida. The Interstate Commerce Commission reduced the rates for the railroads to meet the competition of water carriers, even going to the extent of reducing the rates on the day when the vessels of water carriers are at the docks and then increasing the rates on other days. They say themselves that the Commission has ample power now to meet the long- and short-haul provision. Mr. Eastman said, when he appeared before the committee, that relief had been granted in 120 out of 150 cases that had been before the Commission.

Take the case of the rates in the Mississippi Valley. From New Orleans to Chicago the distance is 900 miles; there is water transportation as well as rail transportation. The Interstate Commerce Commission has permitted the rail lines to make a rate on sugar of 34 cents per 100 pounds, or 7.5 mills per ton-mile, from New Orleans to Chicago, while from New Orleans to Kansas City, a distance of 866 miles, the Commission has allowed the rail lines to charge a rate on sugar of 65 cents per 100 pounds, or 15 mills per ton-mile. From New Orleans to Dubuque, Iowa, a distance of 1,000 miles, where there is water transportation, the Commission has permitted the railroads to publish a rate on sugar of 38 cents per 100 pounds, while from New Orleans to Des Moines, Iowa, a distance of 1,016 miles, where no water transportation exists, the Commission has allowed the railroads to charge a rate on sugar of 65 cents per 100 pounds, or 12.8 mills per ton-mile, which is 67 percent higher than the rate to Dubuque. In other words, the railroads are being permitted to meet this water competition. Coordinator Eastman stated that the Interstate Commerce Commission, in 120 cases out of 150 cases brought before it, had granted relief to the railroads because of water competition.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLAND. Mr. Chairman, I wish to call attention to the unemployment of railroad employees and what the trouble is there. The trouble is not with the water-carrier transportation. Railroad employees attach the decline in railroad tonnage and revenues since 1929 to the long and short haul. They disregard the economic depression and inroads made by the motor trucks. They did not complain in 1929 of the long and short haul in the act. Let us look at the figures, as shown on page 700 of the record.

The railroad employees in 1910 numbered 1,699,420. This number increased to 1,785,803 in 1917, or an increase of about 100,000, while they fell back in 1929, the year of our greatest prosperity, to 1,694,042, or 5,000 less than in 1910. The ton-miles of revenue freight carried—in millions—were 255,017 in 1910, 398,263 in 1917, and 450,189 in 1929. The number of ton-miles per employee, measured in ton-miles per employee, increased from 150,000 in 1910 to 223,005 in 1917, and to 265,748 miles in 1929. In other words, while the ton-miles of freight revenue carried almost doubled from 1910 to 1929, the personnel decreased by 5,000. It is obvious that the decline in jobs, the loss of positions, the placing of employees out of work, has not been due to the long and short haul, but to efficiencies in operation and to economies on the part of the railroads.

The number of ton-miles per employee increased from 150,000 in 1910 to 223,005 in 1917, and to 265,000, or an increase of 115,000 miles. Is this due to the long and short haul?

Mr. Chairman, the Interstate Commerce Commission, if it is not sufficiently protecting the railroads, can change its organization, but, as I have said, in 120 cases out of 150 they have granted relief. They have granted it in the steel case; they have granted it in the citrus case; they have granted it along the inland waterways. This measure means not alone the destruction of the carriers on the Panama Canal but it means the destruction also of water-borne commerce on the coast and the inland waterways. Are you willing to trust the railroads, when competition is destroyed, not to increase their rates and return to many of the conditions which existed in 1887? Upon their own confession the railroads are now facing bankruptcy. How is it possible for them now to reduce their rates to the more distant point without increasing their rates to the intermediate points in order to take care of additional losses?

This, gentlemen, is the crucial question before you. Are you willing to saddle upon your respective communities in the interior the burden of watching these schedules as they are submitted by the railroad carriers to see what additional burden is going to be placed upon that community? Are you willing to place upon your district the burden of employing highly paid lawyers or experts to defend you from these burdens? The average lawyer and the average man on this floor will find it about as difficult to read and interpret rate schedules as it would be for him, if he had never studied Greek, to undertake to read the work of Xenophon with only a Greek lexicon before him. [Applause.]

Mr. WOLVERTON. Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I am interested in the passage of this legislation, particularly from the viewpoint of the railroad employee. The loss of business by the railroads to competitive forms of transportation has been so great that the passage of this legislation is a matter of great concern to all railroad employees.

Railroad employment is only one-half of what it was in 1920. Since 1929 there has been a decrease of 600,000 employees. In 1929 there were more than 1,600,000 railroad employees. Today less than 1,000,000 men and women are employed in railroad service. Men who have worked more than 20 years now find themselves out of service because of a lack in volume of business. These men were trained for railroad work and are at a terrible disadvantage in any other field. They are home owners and citizens of good standing. Their monthly pay is highly important in supporting local merchants and the general community. Surely, they are entitled to fair consideration in maintaining their employment and should be protected by their Government.

against unfair trade practices, particularly from the types of competition made potent because their employees on the average receive less compensation for their services and whose labor relations are not regulated.

The class 1 railroads of the United States have modernized their equipment, both plant and rolling, to such a degree that it would be conservative to say that they could handle 40 percent more business than they do at the present time without any material increase in their overhead outside of the increase in pay rolls. Without volume of business, the railroads will never be able to pay a reasonable return upon the valuation of the properties and, certainly, without increased volume of business, there is no way in which railroad unemployment can be relieved.

There is approximately \$26,000,000,000 invested in our railroads. Normally, their gross operating income is more than \$6,000,000,000 annually. But, because of general industrial conditions now existing and unfair competition permitted by Federal statute, that gross revenue has dropped 50 percent, to \$3,271,000,000, for 1934. We find, also, that only about one-half of the plant equipment is being used. We are all hoping and striving for a general reduction in the rail-rate structure. This necessary objective can only be accomplished by restoring to some semblance of normalcy the volume of freight the railroads handle.

The opening of the Panama Canal aggravated the difficulties of our transcontinental railroad carriers. Railroad employees recognize the necessity and the desirability of the Panama Canal, but we do protest against existing laws which make it impossible for transcontinental railroad carriers to compete with intercoastal water carriers, who were made potent as competitors only because they use the Panama Canal. Particularly do we protest when these competitors are in no way under the control of the Federal Government. They go unregulated, they do not have to publish their rates, are free to change them at will without previous notice, may pay rebates, give allowances, provide storage, perform special services, allow special privileges, and otherwise secretly and openly favor individual shippers. The record of the Interstate Commerce Commission clearly indicates that these special privileges representing compensations of several cents per hundred pounds are indulged in to a very considerable extent by the water carriers.

The testimony before the subcommittee clearly discloses that the intercoastal water carriers frankly admit that they have a monopoly upon the traffic between the Atlantic and Pacific coasts. That is made possible by the existence of the so-called long- and short-haul clause in the Interstate Commerce Act, because that statute prohibits the railroads from charging a lower rate for transporting commodities over a long distance than over a shorter distance. The passage of this legislation would still permit the Interstate Commerce Commission to exercise control of rates charged by the railroads, the railroads merely having the right of putting into force rate structures without prolonged and exhaustive hearings being held by the Interstate Commerce Commission prior to their going into effect. However, the Interstate Commerce Commission would still be empowered to suspend the rates if they deemed them unfair and unreasonable and not in the public interest.

Bus and truck transportation, water transportation, air transportation, and pipe-line transportation are not subjected to restrictions such as are carried in section 4 of the Interstate Commerce Act. Why, then, insist upon shackling an industry which has done more than its share to develop this country? An industry which built, maintains, and owns its operating roadbed and signal equipment, in direct contrast to the busses and trucks now, figuratively at least, in possession of highways, which were built and are maintained by the taxpayers; and also in contrast with water and air transportation, a large portion of whose operating cost is actually borne by the Federal Government. Why circumscribe the railroad industry with regulations preventing it from meeting competitors on a real competitive basis? Certainly you have given their competitors enough trade advantages already.

The intercoastal carriers enjoy more than a monopoly of the Atlantic-Pacific coast business. They go far into the interior, with the resultant demoralization of all other transportation. This is possible because section 4 applies to the railroad carriers but does in no way restrict any other form of transportation.

The effect on railroad-freight volume, due to the viciousness of the operation of the long- and short-haul clause is probably best illustrated by the undisputed testimony before the subcommittee of Mr. J. P. Haynes, executive vice president of the Chicago Chamber of Commerce. I quote:

"The Panama Canal record shows that the total tonnage carried by steamship lines between the eastern and western coasts of the United States (excluding east-bound oil in tank ships) increased from 1,961,874 tons of 2,000 pounds each in 1921 to 8,230,697 tons in 1929, which tonnage for the most part was traffic which the railroads had theretofore transported, and which they would now be transporting but for the Panama Canal. This tonnage includes all sorts of traffic, including heavy articles, such as iron and steel products, as well as manufactured articles of every variety, a substantial volume of which moved from points as far inland as St. Paul, Minn., and Moline, Ill., through the Atlantic seaboard and thence by boat. For example, the rate on hoisting machinery, carloads from St. Paul, Minn., to Los Angeles or San Francisco, Calif., all rail, is \$1.83 per hundred pounds, load minimum weight 30,000 pounds, while the rate from St. Paul to Baltimore by rail is 75 cents per hundred pounds, carload minimum weight, 30,000 pounds, and the boat rate from Baltimore to Los Angeles or San Francisco, through the Panama Canal, is 75 cents, making a combination rate via this rail and water route of \$1.50 per hundred pounds, as compared with the \$1.83 per hundred pounds rate via rail direct from St. Paul to these points. This is \$99 per car lower via Atlantic seaboard than via all rail direct. The all-rail rate on agricultural implements from Moline, Ill., to Pacific coast cities is \$1.86 per hundred pounds, minimum weight 24,000 pounds.

These agricultural implements can be carried by rail from Moline to the Atlantic seaboard for 54 cents per hundred pounds, and thence by boat through the Panama Canal to the Pacific coast for 55 cents per 100 pounds, making a total rate of \$1.09 per hundred pounds, a difference of 77 cents in favor of the rail-and-water route through the Panama Canal, or \$184.80 per car."

Certainly this undisputed testimony proves conclusively that the intercoastal water carriers have more than a monopoly of the Atlantic-Pacific business. It is cheaper to ship from St. Paul, Minn., by rail to Baltimore, then by boat to the Atlantic Ocean, down the coast, through the Panama Canal, and up the Pacific coast to Los Angeles or San Francisco than by rail direct, all because, by Federal statute, we have hamstrung the railroad carriers by persisting in not modifying section 4 of the Interstate Commerce Act. [Applause.]

For every ton of freight recovered by the railroads, they would give 2 hours of employment to 1 hour that remained in the transportation service by water.

In addition, the railroads pay approximately 7 percent of their revenue in taxes. The intercoastal water carriers pay less than 1 percent of their revenue in taxes, or about \$9 out of every thousand dollars taken in, while the railroads pay between seventy and eighty dollars per thousand dollars in taxes, or an amount almost nine times greater than the water carriers pay. Surely it is in the interest not only of fairness to the railroad carriers and their employees but likewise in the interest of the American taxpayer that a portion of this business should be restored to a real American industry.

It is generally agreed that the railroads are one of the strongest arms of our national defense. Surely, if we have learned any lesson from the World War, it is that our railroad transportation facilities must be kept in perfect order, particularly since in time of war we can expect the intercoastal water carriers to desert their regular trades for the more profitable foreign trade, as they did during the World War. Mind you, this desertion took place in 1915 and 1916, before the United States entered the World War.

If you measure our coast line and our border line, you will find that we have more land border than we have water border in transcontinental United States, all of which merely emphasizes the necessity of maintaining in a state of good condition not only actual railroad equipment but also skilled personnel who are able immediately to operate trains.

Railroad employees have always responded in emergencies, both to the call of their country and to help the railroad management. An example of this was the voluntary pay reduction of 10 percent taken by all railroad employees in October 1932. In addition to this voluntary pay reduction, the employees, in many instances, liberalized the contracts entered into with the railroad carriers. It is conservative to say that this voluntary pay reduction and the liberalization of said contracts represented a saving to the railroad carriers and ultimately to the consuming public of at least \$200,000,000 annually. Certainly the railroad employee comes to this Congress with clean hands, merely asking that the industry which employs them should be given a fair opportunity to meet cutthroat competition. In doing that I know they are upon a sound premise. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Nevada [Mr. SCRUGHAM].

Mr. SCRUGHAM. Mr. Chairman, my first understanding of the injustices involved in this bill came from a personal incident which happened more than 30 years ago. I was unable to find work in my home town in Kentucky, but secured a job in western Nevada, nearly 3,000 miles away. In moving the household furniture of my family the local freight agent did not have an exact quotation on the point in Nevada but he gave me the San Francisco rate, a point some 250 miles farther west. The amount involved, as I recall, was something like \$200, which I paid in advance. When I went to get my furniture on its arrival in Nevada I found I had to pay an extra charge of nearly \$100—not for any service rendered, but through a device known as the back-haul charge. From that day on I threw myself into a battle to eliminate this pernicious thing.

For 15 years the people of Nevada carried on an expensive and wearying struggle to free themselves from that blighting freight-rate discrimination, the back-haul charge. March 15, 1918, was the great day of victory when the shippers, the producers, the farmers of Nevada learned that we had secured terminal freight rates.

For 18 years we have been free from that discrimination, which by the passage of this bill will be returned.

I certainly have no desire to handicap in any way the hard-pressed management of the railroads of this country in their laudable efforts to create and secure more business. I certainly wish to do everything possible to promote the interests of the railroad employees.

But I cannot conceive of a situation which warrants legislation that will permit the railroads to give the shipper at Chicago the same coastal water rate that applies between New York or Baltimore and San Francisco, and then at the same time forces the consumer or producer at Reno, Winnemucca, or Elko to pay that rate plus the local rate to and from the port.

If Congress believes it the part of wisdom to move the Atlantic Ocean, by legislative action, from New York City back to Chicago, then by the same legislative action let us move the Pacific Ocean back to Reno, Winnemucca, Phoenix, or Salt Lake City. They are equally fair propositions, and we will end our controversy.

The producers, the farmers, the shippers of the West are the same type of American citizens as are those shippers of Chicago, and are entitled to the same treatment.

The Legislature of the State of Nevada, by resolution, has appealed to Congress not to pass this legislation. The State Farm Bureau of Nevada has taken similar action. The farmers, who are located in the interior, and consequently are the middlemen who would pay the proposed discriminatory freight rates, have protested against this legislation through their great national organizations, the National Farmers Union and the National Grange.

Let me quote from the railroad Coordinator's report, recently filed with this Congress, and which report is concurred in unanimously by the Interstate Commerce Commission:

All that they (the railroads) could hope to gain would be an opportunity to obtain additional traffic on a very low-cost basis of rates yielding some slight margin over the so-called out-of-pocket costs. However, such a cost is a fluctuating thing, dependent in part on whether or not it is necessary to operate more

trains to carry the additional traffic. If more trains become necessary, out-of-pocket cost rises sharply. Furthermore, if the railroads are permitted to make rates on this basis the water lines must be permitted to do likewise, and in their case it often happens that it will pay to take on ballast, which pays nothing. The prospects are, therefore, that unrestrained rate warfare will leave the railroads with an out-of-pocket loss and impoverish both groups of carriers.

In my best judgment, the employees and management of the railroads in the State which I represent cannot ultimately benefit except in very slight degree by the passage of this bill, while the business interests of my State would certainly suffer by its passage, through imposition of the blight of the old back-haul charge, with no service rendered, from which we escaped 18 years ago. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, as a Representative from the Middle West I have supported and will support every measure reasonably designed to reduce transportation costs. Years ago, while a member of the Minnesota Legislature, I helped to launch the movement for the construction of the St. Lawrence seaway. Later, as Governor of Minnesota, I appointed a commission to carry on the battle for a 9-foot channel in the upper Mississippi. I opposed an attempted merger of the Great Northern and the Northern Pacific Railroads, for I favor competition in transportation as well as in industry. Last year I voted against the bill placing truck lines under the I. C. C., because I believe it would result in rate increases; and when the bill to subject water rates to Federal regulation comes up, I shall fight it for the same reason.

I am supporting the Pettengill bill today because to me it seems to be the one measure that promises the promptest relief from a condition that for several years has been moving industries out of the Northwest and restricting the markets for its agricultural and industrial products. [Applause.]

Inasmuch as it has become a practice of late to ascribe to public men motives of which they never were aware, let me assure you at the outset that no railroad lobbyist ever asked me to vote for this bill. The persuasion has come from my own conviction that this legislation will be beneficial to the people of Minnesota and the Northwest.

That conviction has been strengthened by resolutions of the Minnesota State Legislature, the Minnesota Railroad and Warehouse Commission, the St. Paul City Council, the Minneapolis Junior Chamber of Commerce, the St. Paul Association of Commerce, the Mankato Chamber of Commerce, the Midway Club of St. Paul, the Northfield Lions Club, the Moorhead Chamber of Commerce, the Northwest Shippers Advisory Board, and other similar organizations.

My course is supported by the Farm Bureau, by the railroad brotherhoods, and a large number of industrial and business leaders who, like myself, view with concern the creeping paralysis that has come upon the economic life of the Northwest since the Panama Canal was built.

That interoceanic channel, projected to serve the needs of national defense, has influenced the business and industry of the country profoundly. It is no exaggeration to say that it has remade the economic map of America. It brought the regions east of the Alleghenies and west of the Rockies closer together, binding them to each other with the ties of cheap water transportation, but it isolated the interior. It placed the people of my part of the country, who had to rely on expensive railroad transportation to reach the seaboard, either to buy or to sell, under a disadvantage they have not been able to surmount. It was in order to remove that disadvantage, at least in part, that they sought water outlets to the sea. It is in order to overcome that handicap that they support this measure.

The effect of the Panama Canal was not felt immediately after its completion, for the war came, taxing the capacity of both railroads and ship lines. But after 1920 there was no more war tonnage to carry. Traffic dropped to normal, and every ton thereafter carried by ships in intracoastal commerce was a ton subtracted from what would otherwise have been hauled over rails.

It came to pass that most of the heavy, slow-moving, non-perishable freight moved from the east coast to the west and from the west coast to the east by water. Fast freight, like fruit from California, continued to move by rail, but most of it was eastbound, so westbound box cars went empty.

Only the interior was dependent on the rails for both fast and slow, perishable and nonperishable freight service. Accordingly, it happened that a larger and larger percentage of the cost of supporting the railroads fell upon the agriculture, industry, and commerce of the Middle West.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. Yes.

Mr. MARTIN of Colorado. The gentleman said a while back that the war period taxed both the land and water transportation. It is my recollection that the record is that the railroads alone carried not only all of the inland but all of the intercoastal traffic of the country during the war period, during which time the vessels ordinarily constituting Canal traffic had gone into European transportation.

Mr. CHRISTIANSON. For the reason that the tonnage carried between the United States and Europe was such as to tax the capacity of all seagoing ships.

Mr. MARTIN of Colorado. My point is that the railroads carried the entire load during the war period.

Mr. CHRISTIANSON. The entire domestic load.

The extent to which the burden of maintaining railroad freight service shifted to agriculture is strikingly indicated in the case of the Southern Pacific. Its receipts for carrying perishable and other agricultural products amounted to 13 percent of its total revenue in 1920 and 40.4 percent in 1932.

While 87 percent of the revenue available for the maintenance of railroad freight service came from nonperishable, nonagricultural tonnage in 1920, only 59.6 percent came from such tonnage in 1932. The Panama Canal had levied toll upon the Middle West.

There have, of course, been several reasons for the increase in railroad rates during the last two decades, but the chief reason was the loss of tonnage to competing forms of transportation. This has not only narrowed the base upon which operating costs and fixed charges, including taxes and interest on bonded indebtedness, had to rest, but it has definitely shifted the base toward that part of the country which is most dependent upon railroads for transportation—the Middle West.

The logical procedure for the railroads when confronted with the new water competition would have been to reduce rates to meet it. But it so happened that a Federal law stood in the way. The Interstate Commerce Act contained what is known as paragraph 1 of section 4, which provides that—

It shall be unlawful for any common carrier . . . to charge . . . any greater compensation . . . for a shorter than for a longer distance over the same line or route in the same direction.

That provision, conceived in the best of intentions, effectively barred any attempt upon the part of the railroads to meet water competition by reducing transcontinental rates, for they could not reduce such rates without also reducing rates between intermediate points correspondingly, and any such reduction would deprive the railroads of the revenue needed for operation on a solvent basis.

Section 4 was adopted before water competition had begun to be felt, while the railroads still had a virtual monopoly. In fact, the whole structure of rate regulation dates back to the period when the roads were in a position to charge all the traffic would bear. If there had been effective competition in transportation at the time the Interstate Commerce Commission was established, the history of rate regulation in this country would probably have been a different story. It was the absence of competition that created need for regulation. That regulation was designed, not to protect one form of transportation against another, but to protect the public against unreasonable rates and against discrimination between persons and communities. This was the general theory of rate regulation prevailing when the act of 1887 was passed.

LXXX—262

Since that time the picture has changed. Seagoing ships and river barges, busses and trucks, airplanes, and pipe lines challenge the railroads on every hand. It has now become necessary not only to protect the public against transportation companies but to protect the different kinds of transportation against each other. The railroads are vital, they are essential to the very existence of the country; they must be protected against such competition as would destroy them.

There is one school of thought which holds that the best way to protect the railroads is to put their competitors under the kind of regulation to which they are subjected. To that proposal I for one object, for it would inevitably lead not to a reduction of railroad rates but to an increase of other rates. The public would be mulcted. I should prefer rather to let the railroads reduce their rates to meet water competition, even if it should lead to the establishment of through rates considerably lower than the aggregate of intermediate rates.

The steamship lines fix any through rates that suit their convenience or their need to meet competition. To leave them free while keeping the railroads hobbled is to invite the destruction of the railroads or, as an alternative, the establishment of intermediate rail rates so high as to strangle the interior of the country, which is already gasping for breath.

The objection has been made that the reduction of through rates would result in losses that would be shifted to the intermediate shipper in that local rates would be increased to supply the revenue to carry the through traffic. Such is not the case, for not only must the through rate be high enough to carry the service but the intermediate rates must be such as the Interstate Commerce Commission would approve as fair and reasonable. The local rate structure is not disturbed by the present legislation. All this measure does is to permit the railroad companies to sell the use of their unused facilities at cost, thus spreading the overhead and passing on to the through shipper a part of the burden that is tending increasingly to be borne by the intermediate shipper.

It is said that the Interstate Commerce Commission can, under existing law, grant "long and short haul" relief, and that therefore there is no necessity for enacting this legislation. That argument is plausible but not sound. At times it takes up to 3 years to get relief, and often by the time it is given the situation has so changed that the order is ineffectual to accomplish its purpose; all the petitioner has to show for his trouble is canceled checks for attorneys' fees.

The better procedure is the one which will be followed when this measure becomes a law. The railroad company will file its long-haul rates and they will become effective unless and until suspended by the Commission.

Minnesota canners, using the products of Minnesota farms, cannot sell their product in Arkansas, Louisiana, Texas, and Oklahoma in competition with canners operating on either the Atlantic or the Pacific seaboard. The railroads are willing to make a through rate that would enable Minnesota to compete, but, although a long time has elapsed since relief was first sought, it has thus far not been obtained. The railroads are losing revenue, the canners have lost an outlet, and the farmers have lost a market for their product.

Minnesota formerly had an extensive paper industry, but today there are only three plants left manufacturing newsprint. New Orleans, Memphis, and St. Louis newspapers can obtain paper from Sweden and Canada at a cost lower than that of the Wisconsin and Minnesota product. After protracted and expensive hearings the Commission finally granted relief, but it was too late—many of our mills had already closed their doors.

Rates on lumber from the Pacific Northwest and from the South move to Minnesota at rates so high that the cost of building is almost prohibitive. Seattle lumber is much cheaper in New York than in Minneapolis, although the distance to New York is twice as great.

A carload of Seattle lumber can be shipped to Indiana by a combined water-rail route through the Panama Canal and an Atlantic seaport at no greater cost than by rail from Seattle direct.

The freight differential is such that Argentine corn can be unloaded at Portland or Seattle at a cost of \$3 per ton less than that of corn from Iowa or Minnesota.

Instances might be multiplied indefinitely, but these are sufficient to prove the case. The landlocked interior needs lower freight rates to overcome its distance from the sea. It needs protection against the new competition brought into existence by the Panama Canal. The people of the interior can secure lower through rates without paying compensatory increases on short hauls. They demand that the artificial handicap to which they have been subjected for 16 years be removed by the repeal of a restrictive provision that can have no proper application to the transportation of today. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Chairman, the railroads should be permitted to reduce their rates to competitive points only upon condition that they do not crucify the people in the interior. The great trouble with the railroads today is their rates to interior points are so high that they do not carry the proper amount of tonnage. The first consideration of a railroad in making money out of its transportation system is to secure volume of tonnage, and they have absolutely choked the interior sections by placing the freight rates so high that the people cannot afford to ship. The remedy is not in this discrimination that they are seeking through the enactment of this legislation. We have heard a great deal said today about fair play, but they do not take into consideration the shipper in speaking of fair play. It is simply a comparison between the transportation systems, and the shipper is left out of the picture. I am here today speaking for the shipper.

This bill would penalize every industry and every citizen in my congressional district. It would penalize every citizen and every industry in all these intermediate sections of the country. It has been said today that the reason why the fourth section was enacted in the first instance was because at the time it was enacted the railroads had practically a monopoly of transportation. How did they get that monopoly? They got it by choking out water transportation both on inland waters and in intercoastal traffic, and that is exactly what they want to do through the enactment of this legislation. That monopoly was secured because they had no interference from the Interstate Commerce Commission or from legislation by Congress. We would revert to that same status if we should enact this piece of legislation. Why was the fourth section enacted in the first instance? It was to prevent the discrimination the railroads had indulged in by giving a lower rate to more distant points than to points intermediate on the same line of transportation. That is discrimination. Nobody can justify discrimination. The fourth section was enacted to prevent that very thing, and today this bill is brought in for the purpose of repealing the fourth section. What would that do? The fourth section today provides:

That it shall be unlawful for any common carrier, subject to the provisions of this act, to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance.

The bill before us would repeal that provision. The fourth section further provides:

That this act shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance.

That provision is repealed by this bill. Then the fourth section further provides:

That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for a longer than for a shorter distance for the transportation of passengers and property.

That section is repealed, because the provision now is that in order to get relief from the fourth section the railroad company must go to the Interstate Commerce Commission with an application and make an affirmative showing that

it is entitled to the relief asked, but under this bill before us today it is provided that the railroad company will not have to do that. That provision is repealed. The railroad company may file its schedule of rates with the Interstate Commerce Commission, and let that schedule remain on file for 30 days, and then, unless someone comes in and protests, it goes into effect automatically without any affirmative showing by the railroad company.

The committee, as an afterthought, proposed an amendment to the bill, as follows:

And provided further, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act.

There is a joker in that committee amendment. It says "in any case." What constitutes a case? It is not simply the filing of the schedule of rates, but a case is made when someone comes in and raises the issue as to the schedule of rates filed.

That means that every small community and every large community that wishes to object to a schedule of rates must have someone qualified to present the case for that community before the Interstate Commerce Commission and raise the issue before there is any burden upon the railroad to justify that schedule. You know and I know, as a practical matter, that traffic experts and rate experts are not to be found in all these communities. The railroads may file one schedule after another and make it absolutely impossible for the rate expert, if one were available in the smaller community, to keep up with the schedules filed. It simply annuls any effort on the part of the Interstate Commerce Commission to hold these railroads within bounds as to these discriminatory practices.

The fourth section also contains a provision that in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from a more distant point that is not reasonably compensatory.

That provision is repealed, and it would permit the railroads to file a schedule of rates for the competing points that would pay not even the out-of-pocket cost, and the railroads must make up what they lose on these competitive rates by placing higher rates upon the interior section. But even if they should not raise the rates on the interior sections, they will discriminate between the interior and the terminal points by lowering the rates to the competitive points.

The fourth section further provides that no such authorization shall be granted on account of mere potential water competition not actually in existence. That provision is also repealed. In fact, this bill repeals the fourth section in toto. It is an absolute repeal of the fourth section, and it places the railroads back where they were in 1887 before there was any Interstate Commerce Act, and under which practice, without regulation, the railroads, in their cutthroat competition among themselves and for the purpose of running the boats off the rivers and the seas, built up that great monopoly about which something was said today. That is exactly what they want to do again.

This is not a theoretical proposition with my section of the country. We are in the status of the burnt child. We operated under those conditions, as the gentleman from Nevada [Mr. SCRUGHAM] told you, until 1918, and we were suffering because of these discriminatory rates. It retarded the growth of our inland communities and cities. It gave a great advantage to the terminal cities on the coast. We know exactly what that means. That is exactly what they want to do now. You can talk until you are black in the face about the railroads not increasing the rates, but we know they will increase the rates. That is why we are opposing this legislation. It is unfair to discriminate against one community in favor of another community. The railroads must get their volume of business from the interior. They are not seagoing craft. If they would build up their

traffic in the interior, they would not need this relief. [Applause.]

Railroad Coordinator Eastman is emphatically opposed to this bill.

The Interstate Commerce Commission is unanimously opposed to this bill.

There is no governmental agency endorsing this legislation.

The National Farmers Union, the National Grange, the National Farm Bureau Federation are all opposed to this bill.

The farmer is the middleman. He lives at the interior or intermediate point. The farmer lives at the noncompetitive point. The farmer is the one man who pays the freight both coming and going. He pays the freight on everything he buys and everything he sells. The farmer is the man who will be subjected to peak of rates. The farmer is the man who will be called upon to finance the railroads in their proposed cutthroat rate war with the boat lines.

When you talk of shipper, the farmer is the real shipper. He is the man who will pay the bill, and he has a right to be considered.

Passage of legislation such as the Pettengill bill will more than ever center population in the big, congested areas. These big, congested centers will be given the preferential freight rates. That is what the bill is for. It will force greater and greater population congestion in the big cities.

[Here the gavel fell.]

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent to extend my remarks by printing in the RECORD a comparative statement as between the fourth section as it now exists and the bill now before the committee.

The CHAIRMAN. Is there objection?

There was no objection.

The statement is as follows:

PRESENT PROVISIONS OF PARAGRAPH 1, SECTION 4, INTERSTATE COMMERCE ACT, CONTRASTED WITH PROVISIONS OF THE PETTENGILL BILL (H. R. 3263)

PRESENT

SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act, but this shall not be construed as authorizing any common carrier within the terms of this act to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section; but in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuitry, granted authority to meet the charges of a more direct line or route to or from competitive points and to

PROPOSED BY PETTENGILL BILL

SEC. 4. (1) That it shall be unlawful for any common carrier subject to the provisions of this act

to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act:

Provided, That the Commission may from time to time prescribe the extent to which common carriers may be relieved from the operation of this section:

PRESENT

maintain higher charges to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is not longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission.

PROPOSED BY PETTENGILL BILL

And provided further, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission:

And provided further, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act.

Mr. SAMUEL B. HILL. Mr. Chairman, I ask unanimous consent further to extend my remarks by printing in the RECORD a letter appearing in the hearings of the committee on this bill at pages 1034 and 1035, written by Mr. W. C. Maxwell, chief traffic officer of the Wabash Railway Co., to Hon. SAMUEL B. PETTENGILL, the author of this bill, showing the interest of the railroads and the author of this bill in this particular legislation, which has not been emphasized in this discussion but which is one of the big considerations back of this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The letter is as follows:

CHICAGO, June 12, 1935.

HON. SAMUEL B. PETTENGILL,

Member, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: When at the plant of the Studebaker Corporation at South Bend, Ind., on the 11th, I was informed that they have arranged to send a representative to the Pacific coast to investigate as to the location there of an assembly plant for the Studebaker Corporation.

I told Mr. Paul Hoffman of the hearings before the judicial committee bearing on modification of fourth-section requirements and urged that they withhold their decision for a limited time, as it seemed certain that relief would be granted. Mr. Hoffman said he would phone you at once, therefore you have no doubt been apprised of the situation.

The erection of an assembly plant on the Pacific coast means an investment of capital that it is not necessary to invest, the throwing out of employment of people at South Bend, and further injury to the carriers. It is certain that there would be no change in the relative situation between manufacturers and dealers at intermediate points but, on the other hand, there would be bad effects to the city of South Bend and Indiana as well as to the carriers.

This concrete evidence which has no doubt been confirmed to you direct by Mr. Hoffman, is simply added evidence of what has been going on for many years—i. e., the location of plants or branch plants on the seacoasts—which, in my opinion, has resulted in material decreases in employment in the entire territory, Buffalo, Pittsburgh, and West, all States to and including the Canadian border, South including Kentucky, and as far west as the Missouri River.

I know of a case at Kansas City where they were obliged to locate a branch plant at Berkeley, Calif.

As to the carriers, the biggest taxpayers and employers of any industry, their purchases of material and supplies for the years 1926 to 1930 averaged \$1,300,000,000. These figures fell to \$450,000,000 in 1932 and 1933.

It must be borne in mind that this stream of lifeblood is poured into all classes of industry and although it formerly furnished livelihood for an army of people, it has been pretty stagnant for the last few years.

It is apropos to ask what the States get in the way of taxes and employment from the water lines.

I wish to direct your attention to the fact that the carriers filed an application with the Interstate Commerce Commission January 6, 1933, to reduce the rate on automobiles, set up, from Detroit, South Bend, and all producing points in the eastern section from \$4.65 to \$3.82 per hundredweight. They have been unable up to this time even to get a hearing on that application.

Yours very truly,

W. C. MAXWELL,
Chief Traffic Officer, Wabash Railway Co.

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, I represent an area which has always been a victim of discrimination as far as transportation rates are concerned. In that respect it is similar to that represented by the gentleman from Washington [Mr. SAMUEL B. HILL], who has just addressed you, and by the gentleman from Nevada [Mr. SCRUGHAM].

Under the provisions of the fourth section as it stands at present, we have suffered less discrimination than was formerly the case. Consequently the shippers and the public generally in the area which I represent are very apprehensive as to what may happen if this section is repealed and we go back to what were virtually the conditions before we had long- and short-haul legislation. It seems to me very obvious that any system which permits a lower charge for a long haul than for a short haul can only be defended as an emergency proposition. There is no more reason ordinarily why a railroad company should charge less for a transcontinental haul of 3,000 miles than for a haul of a few hundred miles than there is that a dry-goods merchant should charge less for 2 yards of goods than for 1 yard of goods. However, we do recognize that there are competitive conditions in the transportation field which have made it seem necessary at times to provide that in an emergency or under unusual conditions a lower rate should be charged for a longer haul. Under our present fourth section there is no railroad in the country that cannot come before the Interstate Commerce Commission, and if it makes out a case and shows that the rate which it proposes to charge is reasonably compensatory, secure fourth-section relief. The report of the Commission for the year ending October 31, 1935, shows that a large number of cases involving the fourth section were heard during that time and that in a majority of those cases relief was granted. The number of applications filed during that period was 349. The number of orders entered in response to applications was 358, of which only 58 were denial orders, 110 were orders granting permanent relief, and 190 were orders authorizing temporary relief. The number of petitions for modification of orders was 345, of which 295 were granted, 20 were denied, 2 were withdrawn, and 28 are still pending. So the railroads have all the remedy they need under the present law when it comes to securing relief under the fourth section.

The situation is bad enough as it is, I think, and constitutes a very great discrimination against the section of the country in which I reside. The rates on California fruit, for instance, are just as great from the Pacific coast to Hutchinson, Kans., as they are to New York City; and this is the situation that exists on a great many articles of commerce that are shipped from coast to coast. This situation is, however, permissible now, and it is not even necessary to go before the Commission to get permission to put into force inequitable rates like that as long as the rates for the longer haul do not exceed those for the shorter.

It is proposed in the pending bill to give the railroads authority to put into effect lower rates for a long than a short haul without any order by the Commission. The shippers in the affected territory, of course, have a right to come in and bring an action under other sections of the Interstate Commerce Act, and ask for relief, but this puts the burden on the shipper, who in many cases may be a small business man who cannot afford to prosecute these actions, and in the meantime, while the action is pending, the discriminatory rates continue. We ought to leave the

burden of justifying these discriminatory rates on the railroad companies themselves, for they are equipped and able to carry it. There is enough discrimination as it is under the best of circumstances in the area which will be most greatly affected by this legislation, the great middle-western farming area, an area which has always suffered so far as freight rates are concerned.

Practically every great farm organization in this country at some time or other has taken a position against the repeal of the fourth section, and some of them have urged that it be strengthened. The National Grange has repeatedly taken this position. The National Farmers Union, through its secretary, appeared before the Committee on Interstate and Foreign Commerce in opposition to this measure. I have here a resolution adopted at a meeting of representatives of every farm organization in my State, the Grange, the Farm Bureau, the Equity Union, the Farmers' Cooperative Grain Dealers' Association, the Farmers' Cooperative Commission Co., the Kansas Cooperative Creamery Association, the Consumers' Cooperative Association, the Farmers' Union Jobbing Association, the Farmers' Union Managerial Association, representing, so I am informed, 90 percent of the farmers of Kansas, urging that the Pettengill bill be not enacted because of the increased discrimination which would result against agriculture.

I have here a letter from the secretary of the Southern Kansas Millers' Club. The milling industry is one of the great industries in our State, perhaps our most important manufacturing business outside of the oil industry. Kansas millers are in a very severely competitive position so far as transportation is concerned and are quite apprehensive as to what may happen if the fourth section is repealed, because they realize that, as the gentleman from Washington told you a while ago, if you repeal the fourth section, you are going to put the railroads back in the same position they were before we had long- and short-haul legislation; you are going to put them in a position where they will be able to increase still further the burden upon this great midwestern territory where we are dependent entirely upon railroad transportation so far as long-distance carrying is concerned.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield at that point?

Mr. HOPE. I cannot yield.

Mr. Chairman, they are going to put again upon this area the discriminatory burdens which we had to carry before the original long- and short-haul legislation was enacted.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 1 additional minute to the gentleman from Kansas.

Mr. HOPE. The farmer is more concerned over transportation conditions in this country than anyone else, because upon him falls the burden of paying the freight both ways. He receives for his product the price at the terminal market less the freight; and when he buys he pays the price of the article plus the freight. He is more interested today in this type of legislation than any other class of our citizenship, and I sincerely hope this committee will not approve a bill further increasing his burden in this respect.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE. Mr. Chairman, I represent a district in the intermountain section of the country which in the old days, before the long- and short-haul clause was the law, felt the evils of the rate-cutting practices of the railroads.

I was very much interested in the statement of one of the eloquent speakers today to the effect that the railroads have received no Government assistance. I know, however, that the great continental railroads were given an empire running through the great States of Minnesota, North Dakota, Montana, and others. The Northern Pacific Railroad, as one instance, was given a land grant which took in every alternate section for 20 miles on each side of its right-of-way.

Today, while I stand here, that railroad company is deriving a great income from oil royalties, from coal royalties, and from the sale of timber and public lands due to the subsidy given them in completing that railroad out there.

Mr. PETTENGILL. Will the gentleman yield?

Mr. WHITE. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Is it not true that the remaining public lands increased in value by the railroad's going through, and is it not also true that the section of the United States that has prospered the least since 1910 is this entire territory? It actually declined in population?

Mr. WHITE. There is a very good reason for that.

Mr. PETTENGILL. Yes; there is.

Mr. WHITE. Mr. Chairman, I want to ask the Members of the Committee if there is any justification for charging more for hauling freight to the intermountain section, Colorado, Idaho, Utah, and Nevada, than to haul freight 300 miles farther to the coast, then charge a back-haul into these intermountain States? For years we tried to get a just rate. The old rate before there was a long- and short-haul section in the Interstate Commerce Act permitted the railroads to charge a rate to the coast and then back again into the intermountain section. This was at the expense of the country I have been talking about and which the gentleman says has not increased in population.

Let me remind the Committee that the traffic which goes to the intermountain section originates not on the Atlantic coast but in the Middle West. We draw our farm implements from Illinois. We draw our corn products from Illinois, our shoes from St. Louis. All this material comes into Idaho, and we are charged more for hauling that freight into Idaho than is being charged to carry it to the coast, and if this bill becomes a law we must pay in addition freight charges back to us again. This bill will make a desert of our country and destroy the business of the great intermountain section of the United States. For that reason we are opposed to any change in the Interstate Commerce Act. The grange in my State, all the farmer organizations, business organizations, and the chambers of commerce are on record opposing this bill. Therefore I ask that the Committee vote against it. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. MAAS].

Mr. MAAS. Mr. Chairman, when the Panama Canal was built there was an understanding in the Middle Western States that there would be a compensation in rail rates to permit the shippers in the Middle West to compete with the Canal. We bore our fair share of the cost of that Canal. But shortly after the Canal was built, which was during the period of the war, particularly when the existing law was enacted, there was no real competition between rail and water at that time, because every ship that was available was being used for service in the Atlantic trade. We needed every inch of shipping space that we could get, both on rail and water; so that the disastrous effects of this revision did not become apparent until after the war.

Mr. Chairman, the situation has changed vastly in the last 20 years. Truck competition, which was then unknown, has sprung up, and in itself is one of the best guaranties against rates becoming too high. They act as a check by the competition which they furnish. The constant breaking down of our railways has had a most unfortunate result in the effect upon the purchasing power of the people, and we feel this particularly in the Middle West. We get a double-barreled effect there. Our industries have been constantly moving away from the Middle West, where they should logically be located on account of its geographical position, to the coasts because they could not compete on transportation costs.

Mr. Chairman, this bill will permit us to simply have a fair basis of competition. It is not discrimination in favor of the Middle West, but, on the contrary, gives us only an even break and an opportunity to continue to do business nationally. Railway labor plays a very important part in stabilizing the wages and therefore the purchasing power of the whole country.

I represent a city which is a very important railway center in this country. As a matter of fact, it was from St. Paul that the transcontinental railroads of the North originated and pushed westward to the Pacific coast. We know the healthy effect of stability of railway labor on the whole labor and industrial structure of this country. Their credit is of the highest order, and because of this their wages turn over at a considerably greater rate than does that, for instance, of the low pay of truck drivers and the uncertain and seasonable pay of those engaged in water-transportation work.

A weakening of the financial structure of our railroads has a very serious and dangerous result in the whole investment and financial field. The stability of all insurance companies, and therefore insurance policies, because of the heavy investment of insurance reserves in railroad securities is threatened. Depositors' money in banks is vitally affected by railway investments. A heavy proportion of people's life savings, trust funds, and institutional endowments is invested in railroad bonds. Therefore the general welfare of the people at large demands the sound economic position of our railroads, and to insure this they must be able to meet on a reasonable basis the rates of competitive transportation systems.

The advocates of water transportation I think are under a misapprehension. I should like to say here that I have always been an ardent advocate of developing our waterways. What I have seen in Europe and the Orient, where they have utilized every possible source of water transportation, convinces me that we will have to do the same thing in this country eventually. I think in just a very few years we are going to strain the railroads to their very limit of capacity in the shipping of the merchandise of this country. I think we are going to use in addition every possible river and waterway that may be developed. As I previously stated, I have always been an ardent advocate of developing our waterways. I still hold to that opinion, but I do not believe that anything which will help business conditions in general is going to hurt the waterways. If we develop industries—and I am talking now particularly of the Middle West—if we develop our industrial life and develop our factories through permitting a larger field of distribution, the water carriers are bound to get their share, and they will prosper in direct proportion to such development. This is not competition in the ordinary sense of the word between rail and the water carriers. This is not going to take business away from them. It is going to create additional business in which they will share. All that this bill really does is to give the railroads an even break with these other competitive forms of transportation that have arisen in recent years and which are unregulated as to rates. They should be brought under exactly the same control as are the railroads. All transportation must be taken as a system, and all of the component parts of that system ought to be under the same regulation. All this bill does is to give the railroads the same opportunity that the water carriers now have. It also puts them in the same position as the trucking concerns.

Let us consider the probable effect of the Pettengill long- and short-haul bill upon the upper Mississippi River, for instance. It should be borne in mind—

First. That the railways could establish rates no lower than absolutely necessary to meet the water competition and obtain a fair share of the available traffic. This would generally mean a rate between water ports via rail somewhat higher than the water-carrier rate, this because of the more frequent and superior rail service. If the railway rate was so low as to jeopardize the water service—such as obtaining all or practically all of the traffic for the railways, then under section 3—the discrimination part of the act and not proposed to be repealed—would come into play because the low rate to the point beyond would be lower than absolutely necessary and the higher rate to the intermediate point would be unjustly discriminatory.

Second. That it is the general practice of the common carriers on the Mississippi—such as the Federal Barge Lines—to make their rates 20 percent less than the rail rates. Except where cutthroat competition occurs between the water

carriers themselves, few of the water rates of common carriers on the inland waterways are made without any reference to those of the rail lines. In those instances where the railways have applied for long- and short-haul relief to meet the competition of rates independently established by the river boats or barges, such rail rates have invariably been on a higher basis than the water rates.

Third. Unless the railways are in a position to promptly readjust their rates between river ports, and contiguous territories, to obtain a fair share of the traffic available, and which is exactly what the water carriers are now freely permitted to do, then it means a monopoly of such traffic for the water lines, except where the railway finds that the loss of revenue to the intermediate points does not offset the gain from the competitive traffic to the points beyond, and therefore does not violate the long- and short-haul rule.

Fourth. There is nothing in the present act to indicate that it was ever the intention of Congress to have such act administered or interpreted so as to legislate the railways out of participation in traffic competitive with water lines through a refusal to permit railways to readjust their rates so as to meet the competition confronting them. On the contrary, the law says that it is the policy to promote in full vigor both rail and water transportation.

This bill is sound, fair, and plain justice. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOUSTON].

THE PETTENGILL BILL TO AMEND PARAGRAPH (1) OF SECTION 4 OF THE INTERSTATE COMMERCE ACT

Mr. HOUSTON. Mr. Chairman, I wish to express my approval of the Pettengill bill to amend paragraph (1) of section 4 of the Interstate Commerce Act, and present some of my reasons therefor.

Samuel O. Dunn, editor of *Railway Age*, recently is quoted as having said that there is very real danger of Government ownership of railways, and that more than one-third of the railroad industry of the United States actually is in bankruptcy, railway operating expenses having increased \$300,000,000 within the last 3 years.

Railroad abandonment in the past 2 years, as authorized by the Interstate Commerce Commission, totaled approximately 5,000 miles. If the railroads are to be abandoned, or taken over by the Government for operation, the first effect will be felt on the farm and by labor, and the final effect on the people of this country as a whole would be a matter of grave concern.

In 1931 the Kansas railways paid in that State taxes amounting to \$8,918,820, of which \$4,648,340, or 52.1 percent, was for public schools; \$1,683,383, or 18.9 percent, was for highways; and \$2,587,097, or 29 percent, was for other governmental purposes. Due largely to decreased traffic and revenues, including the large amounts lost to subsidized water and motor carriers, railway taxes in Kansas had for the year of 1934 dropped to \$6,752,798, but still a very large sum.

Besides contributing heavily to the maintenance of Kansas schools, highways, and other governmental purposes in that State, the railroads employed 30,744 Kansans, the wages of whom amounted to \$51,405,772, and purchases of materials within the State amounted to \$4,896,031. They operated 9,758 miles of road, and their plant and equipment value, or fixed capital, was \$965,470,051.

Their ability to pay taxes, employ people, and purchase materials depends largely upon the amount of traffic they handle and the revenues therefrom. Manifestly, if the Kansas railways are put in a position to again handle traffic which has been lost to competing and subsidized forms of transportation that will be of benefit to all Kansans.

The purpose of the Pettengill bill is to permit the transcontinental rail carriers to compete in some measure with steamship lines operating between the Atlantic and Pacific through the Panama Canal. A substantial volume of railway traffic consists of fruits and vegetables from the West to the East, as well as grain and grain products in the same direction. This results in a very large movement of empty cars from the East to the West. It is very evident that the

railroads should be permitted to fill these empty cars with goods manufactured in the East which are now moving by water to the Pacific coast. Any profit thus acquired would help to bear the burden of operating and maintaining the railway lines which are so indispensable to the vast agricultural interests of the interior country.

It is common knowledge that by far the major part of revenues of the railroads must be used to pay the operating costs, interest, and taxes, and the diversion of traffic to steamships and highways must either result in an increase in freight rates or Government ownership to make up deficits out of taxation.

The amendment to the Interstate Commerce Commission Act will permit the railroads to make such rates as may return to them a considerable volume of the freight traffic which means more tonnage for the railroads to handle, more trains run, more men employed in train service, yards, shops, and track maintenance, and more materials and supplies purchased and used; all of which will work to the advantage of the interior States through which the transcontinental railroads operate.

Some opponents of the Pettengill bill seem to fear that transcontinental railroads may put in effect rates on wheat from the Pacific Northwest which would be detrimental and ruinous to the milling and grain interest of the interior States, but such roads as the Missouri Pacific, Santa Fe, Union Pacific, Rock Island, Southern Pacific, and the northern lines have the greatest investment and enjoy the greatest business in these interior States, and all of them depend largely for their prosperity upon the production of agriculture and agricultural products which originate in the interior territory and general business resulting therefrom, and it seems obvious that to put in effect any rates which would be detrimental and ruinous to the interior country would be a suicidal step; that anything which injured the interior country would at the same time be equally injurious to the carriers serving the territory.

Furthermore, under the terms of the Pettengill bill it will be impossible to institute any rates for transcontinental traffic which would be detrimental to any locality. The Interstate Commerce Commission still has power to prescribe maximum and minimum rates and to see that no railroad shall put into effect at competitive points rates so low as to add to the cost of moving freight to and from interior or intermediate points.

The maritime associations have objected strenuously to the bill, but it has been pointed out that the intercoastal common carriers, which are the object of their solicitude, are shown to have paid only five-hundredths of 1 percent of their revenues in taxes—that is, 50 cents out of each thousand dollars taken in—whereas the railroads pay seventy or eighty dollars per thousand dollars. It will be seen, therefore, that the tax contribution for the support of Government made by the railways per dollar of revenue is approximately 160 times greater than is contributed by the intercoastal common carriers.

It is certain that the intercoastal and other water carriers who have diverted so much traffic from the railways have not made up any part of the loss in taxes in Kansas mentioned at the outset, for such water lines pay but little in the shape of taxes anywhere, and certainly none in the State of Kansas.

I wish to quote excerpts of a letter recently received by me from a resident of Kansas, who, so far as I know, is not connected in any way with the railroads or any other transportation systems, as follows:

I am convinced that the Commerce Act should be amended to relax the very stringent requirements which have worked a hardship on the transcontinental railroads, and thus enable them to increase revenues without harm to the agriculture of the Middle West. Kansas is vitally interested in the railroads and their welfare, and as in the past, this inland country shall have to mainly rely upon them for transportation. You know as well as I, if not better than I, to what extent the products of Kansas are moved to market by the railroads, and it is inconceivable that the volume of our commodities can be handled as satisfactorily and with the dispatch necessary and for the distance required, under any other mode. Hence the ability to render required services is of prime importance to Kansas, and unless the railroads are permitted to

handle all the traffic they can to measurably meet competition and to more fully utilize their facilities in profitable business, their ability to serve the Middle West may be very seriously impaired. As I understand the problem, a certain flexibility as to rates will enable the railroads to increase revenues without detriment to the Middle West, and hence I most earnestly urge that legislation to that end be enacted. Otherwise the prospect seems to be that the Middle West will either have to pay increased tariffs or see the railroads go under Government management, either of which would be calamitous, and both of which may, I believe, be avoided by the exercise of common sense.

These are some of the reasons why I favor the Pettengill bill. I choose the taxpaying railways in preference to the tax-spending water carriers. [Applause.]

Mr. RAYBURN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), had come to no resolution thereon.

THE LONG AND SHORT HAUL FROM THE SHIPPERS' STANDPOINT

Mr. PETTENGILL. Mr. Speaker, in my speech on the long and short haul—CONGRESSIONAL RECORD, page 4126—I spoke of it as primarily a shippers' bill rather than a railroad bill. That, of course, is an accurate description of the bill. The railroads cannot benefit unless the shippers benefit.

It has occurred to me that it will be of interest to list some of the large shippers and shippers' organizations which favor the bill. They come from nearly every State in the Union and represent agriculture, industry, and raw materials.

The attached list is by no means complete, but it is at least representative:

NATIONAL

American Newspaper Publishers' Association.
American Short Line Railroad Association.
Columbian Rope Co.
National Automobile Chamber of Commerce.
Railway Business Association.
United States Chamber of Commerce.
Associated General Contractors of America.
American Association of Railroad Superintendents.
National Lumber Manufacturers Association.
Association of American Railroads.
General chairman, Mutual Association of the O. R. C. of America.
National Advisory Council of Railroad Employees and Taxpayers Associations.
National Industrial Traffic League.
Railway Labor Executives Association, composed of the 21 standard railroad labor organizations, as follows: Brotherhood of Locomotive Engineers; Brotherhood of Locomotive Firemen and Engineers; Order of Railway Conductors of America; Brotherhood of Railroad Trainmen; Switchmen's Union of North America; International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; Sheet Metal Workers' International Association; International Brotherhood of Electrical Workers; Brotherhood of Railway Carmen of America; International Brotherhood of Firemen and Oilers; Brotherhood of Maintenance of Way Employees; Order of Railroad Telegraphers; American Train Dispatchers' Association; International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America; Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees; Brotherhood of Railroad Signalmen of America; Order of Sleeping Car Conductors; National Organization Masters, Mates, and Pilots of America; National Marine Engineers' Beneficial Association; International Longshoremen's Association; International Association of Machinists.

REGIONAL ORGANIZATIONS

Central Freight Association.
Eastern Traffic Executives Association, composed of member lines of Trunk Line Association, New England Freight Association, Central Freight Association.
Intermountain Grain Cooperative, Inc.
Intermountain Grain Growers, Inc.
Iowa-Nebraska Cannery Association.
Pacific Coast Transportation Advisory Board.
Red Cedar Shingle Bureau.
Southern Cypress Manufacturers Association.
Southern Freight Association.
West Coast Lumbermen's Association.
Western Association of Railway Executives.
Western Conference Committee of Standard Railroad Labor Organizations.

ARIZONA

Joint Legislative Board of Transportation Brotherhoods.
Gila County Chamber of Commerce.

Yuma Chamber of Commerce.
Graham County Chamber of Commerce.
Wilcox Chamber of Commerce.
Yuma County Board of Supervisors.
Yuma Kiwanis Club.
Yuma 20-30 Club.
Yuma City Council.
City Council of Safford.
Yuma Veterans of Foreign Wars.
Tucson Trades Council.
Tucson labor organizations and auxiliaries.
Douglas Trades Council.
Douglas Women's Club.
American Legion Posts: Morgan McDermott, No. 7; Vicente Manzo, No. 45; Henry Berry, No. 4; and Louis B. Hazelton, No. 53.
Corporation Commission.
Ray Consolidated Copper Co.

ARKANSAS

Stuttgart Chamber of Commerce.
Pine Bluff Chamber of Commerce.
Little Rock Chamber of Commerce.
Arkansas Rice Traffic Bureau.
Arkansas Rice Growers' Cooperative Association.
Henry Wrape Co.

CALIFORNIA

Farm Bureau Federation.
Bakersfield Chamber of Commerce.
Petaluma Chamber of Commerce.
Sebastopol Chamber of Commerce.
Torrance Chamber of Commerce.
Sierra Madre Chamber of Commerce.
Santa Monica Chamber of Commerce.
Ocean Park Chamber of Commerce.
Willits Chamber of Commerce.
Ukiah Chamber of Commerce.
San Francisco Chamber of Commerce.
California Growers and Shippers Protective League.
California Fruit Growers Exchange, Los Angeles.
California Cattlemen's Association.
California Turkey Growers Association.
California Olive Association.
Western Traffic Conference.
Motor Car Dealers Association of San Francisco.
Colima Vegetable Association.
Pacific Railway Club.
Pacific States Butter, Eggs, Cheese & Poultry Association.
Central California Traffic Association.
Redwood City Chamber of Commerce.
San Mateo Chamber of Commerce.
Menlo Park Chamber of Commerce.
Palo Alto Chamber of Commerce.
Chambers of commerce: Antioch, Berkeley, Brentwood, Calistoga, Concord, Hayward, Martinez, Napa, Oakland, Pittsburg, Richmond, St. Helena, San Leandro, Santa Rosa, Walnut Creek, Salinas, Escalon, Oakdale, Sonoma, Tracy, Atwater, Livingston, Los Banos, Manteca, Modesto, Patterson, Ripon, Salida, Waterford, Turlock, Newman, Crows Landing, Merced County, Madera County, Visalia, Exeter, Auburn, Lincoln, Roseville, Redding, Colusa, Woodland, Chico, Red Bluff, Sutter-Yuba, Corning, Oroville, Willows, Truckee, Alturas, Plumas County, Yreka, Arcadia, Anaheim, Brawley, Burbank, Calexico, Calipatria, Corona, Covina, Downey, El Centro, El Monte, Fillmore, Fullerton, Garden Grove, Glendora, Hawthorne, Heber, Holtville, Long Beach, Lompoc Valley, Monrovia, Palmdale, Placentia, Pomona, Pasadena, Redlands, Riverside, Ventura, Reseda, San Diego, San Gabriel, Santa Ana, Santa Barbara, Santa Maria, San Luis Obispo, San Dimas, San Fernando.
Better Business Bureau.
Spanish-American War Veterans.
Merchants Exchange.
Farmers and Fruit Growers Pacific Electric Lodge No. 912.
Brotherhood of Railway Trainmen.
Oakland Lions Club.
Oakland Rotary Club.
Oakland Kiwanis Club.
California Fuel Retailers Association.
Stockton Potato Growers Association.
San Joaquin Marketing Association.
Milk Producers Association of Central California.
Agricultural Council of California.
Railroad Employees National Pension Association.
Roseville Lions Club.
California Fruit Exchange, Sacramento.
California Lettuce Growers Association.
Celery Growers Association.
University of California at Los Angeles.
Santa Fe Masonic group.
Farmers Educational and Cooperative Union.
California Walnut Growers Association.
Alliance of Retail Dealers.
Wholesale Fruit & Produce Association.
Retail Furniture Association.
Manufacturers Association.
San Jose Tractor & Equipment Co.
Valley Meat Co.
Glass Wholesalers Association of Southern California.
Nelson Brokerage Co., Los Angeles.

W. J. Voight Rubber Co., Inc.
Joseph & Katz, factory agents.
Findlay Miller Timber Co.
Gladding-McBean & Co.

COLORADO

Colorado and New Mexico Coal Operators' Association.
Good Will and Boosters' Organization of Union Pacific system.
Colorado State Federation of Labor.
Mayor Benjamin F. Stapleton, Denver.
Colorado Springs Chamber of Commerce.
Denver Chamber of Commerce.
Denver Trades and Labor Assembly.
Holly Sugar Corporation, Colorado Springs.
American Crystal Sugar Co.
Colorado Fuel & Iron Co.
Great Western Sugar Co.
National Sugar Manufacturing Co.

FLORIDA

Jacksonville Chamber of Commerce.
Tampa Chamber of Commerce.
Jacksonville Warehousemen's Association.
Jacksonville Port Bureau.
Jacksonville Traffic Bureau.
Miami Rate and Traffic Bureau.
Tampa Traffic Association.
Florida Citrus Exchange.

IDAHO

State Horticultural Association.
Nampa Chamber of Commerce.
Shippers' Traffic Association.
Montpelier Chamber of Commerce.
Glenns Ferry Chamber of Commerce.
Shoshone Chamber of Commerce.
Idaho Falls Chamber of Commerce.
Pocatello Chamber of Commerce.
American Falls Chamber of Commerce.
Ontario Chamber of Commerce.
Parma Chamber of Commerce.
Blackfoot Chamber of Commerce.
Weiser Chamber of Commerce.
Payette Chamber of Commerce.
Johnson Wholesale Co.
Progressive Irrigation District (600 voters).
Boilermakers' Union.
State Federation of Labor.
Burley Chamber of Commerce.
Shelley Chamber of Commerce.
New Plymouth Chamber of Commerce.
Rupert Chamber of Commerce.
Downey Chamber of Commerce.
Halley Chamber of Commerce.
Boise Central Trade & Labor Council.
Pocatello Trade and Labor Council.
Lions clubs: Soda Springs, Driggs, Paris.

ILLINOIS

Bloomington Association of Commerce.
Illinois District Traffic League.
Joliet Association of Commerce.
LaSalle Chamber of Commerce.
Chicago Heights Manufacturers' Association.
Quincy Freight Bureau.
Springfield Chamber of Commerce.
Illinois Valley Manufacturers Club.
Decatur Illinois Central Service Booster Club.
Carbondale Illinois Central Service Booster Club.
Illinois State Legislature (S. J. Res. 21, Mar. 19, 1935).
Streator Chamber of Commerce.
Advance Foundry Co., Chicago.
J. W. Butler Paper Co., Chicago.
Borin Art Products Corporation, Chicago.
Candy & Co., Chicago.
Chicago Association of Commerce.
B. Heller & Sons, Chicago.
Illinois Commerce Commission.
Illinois Manufacturers' Association.
Material Service Corporation, Chicago.
Old Monk Olive Co., Chicago.
Peoria Association of Commerce.
Peoria Shippers Conference Committee.
Riley Tar & Chemical Co., Chicago.
John Sexton & Co., Chicago.
Supermaid Corporation, Chicago.
Wyckoff Drawn Steel Co., Chicago.
Zion Institutions & Industries, Inc.
American Steel Foundries.
Campbell Soup Co.
James B. Clow & Sons.
Devos & Reynolds.
Fairbanks, Morse & Co.
General Can Co.
Hercules Powder Co.
Inland Steel Co.
Jones & Laughlin Steel Co.
Liquid Carbonic Corporation.
Pepsodent Co.

Albert Pick & Co.
Ramapo-Ajax Corporation.
Western Railway Supply.
William Wrigley, Jr., Co.
Mattoon Association of Commerce.
American Fruit & Vegetable Association, Chicago.
Radio Steel & Manufacturing Corporation, Chicago.
Horders, Inc., Chicago.
National Hardwood Lumber Association.
Allis-Chalmers Manufacturing Co.
Armstrong Paint & Varnish Works.
Armour Leather Co.
Butler Paper Corporation.
Creamery Package Manufacturing Co.
Central Illinois Public Service Co.
Elmont Lumber Co.
W. F. Hall Printing Co.
Nagel-Chase Manufacturing Co.
Mutual Paper Box Corporation.
United Conveyor Corporation.
Vortex Cup Co.

INDIANA

Fort Wayne Traffic Bureau.
Indiana State Chamber of Commerce.
Muncie Chamber of Commerce.
South Bend Chamber of Commerce.
Terre Haute Chamber of Commerce.
Indianapolis Chamber of Commerce.
Indiana Limestone Corporation.
Furniture Manufacturers Association.
Evansville Chamber of Commerce.
Hubbard Steel Foundry Co.

IOWA

Fairfield Chamber of Commerce.
Fort Madison Chamber of Commerce.
Keokuk Traffic Association.
Des Moines Transportation Club.
The Armand Co.
F. W. Fitch Co.
Western Grocers Co.
Chamber of Commerce of Clinton.
Union Starch & Refining Co.
Noblitt Sparks Industries, Inc.
Council Bluffs Local Freight Agents' Association.
Council Bluffs Chamber of Commerce.

KANSAS

Emporia Chamber of Commerce.
Parsons Chamber of Commerce.
Kansas Farmers' Union.
Trans-Missouri-Kansas Shippers' Board.
Joint Labor Legislative Conference (following represented: Brotherhood of Locomotive Engineers, Brotherhood of Railroad Trainmen, Order Railway Conductors, Brotherhood of Locomotive Firemen and Engineers, State Federation of Labor, Kansas Federation of Labor, Masons and Plasterers, United Mine Workers).
Good Will and Boosters' Organization of Union Pacific system.
Miller Provision & Cold Storage Co.
Garden City Co.

KENTUCKY

Transportation Club of Louisville.
W. P. Brown & Sons Lumber Co.

LOUISIANA

New Orleans Association of Commerce.
Young Men's Business League of Vernon Parish.
New Iberia Chamber of Commerce.
The town of Welsh.
Shreveport Chamber of Commerce.
Shreveport Illinois Central Service Booster Club.
Town Clerk Skidmore, Delhi.
Southern Advertising & Paper Co.

MASSACHUSETTS

Associated Industries of Massachusetts.

MICHIGAN

Owosso Chamber of Commerce.
Amalgamated Association Street Railway Employees.
Ann Arbor System Federation, No. 77.
American Legion, Shiawassee County.
Battle Creek Federation of Labor.
Bay City Federation of Labor.
Central Labor Union of Monroe.
Detroit Board of Commerce.
Detroit and Wayne County Federation of Labor.
Flint Federation of Labor.
Grand Trunk Federation of Labor.
International Brotherhood of Teamsters, etc., No. 332.
International Electrical Workers, Detroit.
Jackson Federation of Labor.
Joint Council Truck Drivers, Detroit.
Michigan Farm Union.
Michigan Federation of Labor.
Michigan Railroad Employees and Citizens League.
Veterans of Foreign Wars, Shiawassee County.
Veterans of Foreign Wars Union Organization, Detroit.

MINNESOTA

St. Paul City Council.
 Willmar Chamber of Commerce.
 Staples Commercial Club.
 Warren Commercial Club.
 Fergus Falls Civic and Commerce Association.
 Crookston Moorhead Elevator Co.
 Morris Kiwanis Club.
 Staples City Council.
 North Branch Civic Club.
 St. Paul Northwest Shippers' Advisory Board.
 State legislature.
 Minneapolis Traffic Association.
 St. Paul Association of Commerce.
 Northwestern Retail Coal Dealers' Association.
 Cokato Association.
 Litchfield Commercial Club.
 Dassel Merchants' and Farmers' Club.
 City Council of City of St. Paul.
 President Kaiser, of First National Bank, Bagley.
 Globe Milling Co.
 Farmers' Elevator & Trading Co.
 Monarch Elevator Co.
 Citizens' Transportation League.
 Briceyn Cooperative Canning Association.
 Alexandria Chamber of Commerce.
 Cass Lake Commercial Club.
 Fairmont Canning Co.
 Red Wing Milling Co.
 Mayor J. W. Kirkwood, of Crookston.
 Farmer-Labor Party of Minnesota.

MISSISSIPPI

Clarksdale Illinois Central Service Booster Club.
 Greenville Illinois Central Service Booster Club.
 P. P. Williams Co.

MISSOURI

Sedalia Chamber of Commerce.
 Good Will and Boosters' Organization of U. P. system.
 Cruden Martin Manufacturing Co., St. Louis.
 Long-Bell Lumber Sales Corporation, Kansas City.
 Mexico Refractories Co.

MONTANA

Miles City Elks Club.
 Miles City Federated Shop Crafts C., M., St. P. & P. R. R.
 Miles City C., M., St. P. & P. R. R. Womens Club.
 Fort Denton Commercial Club.
 Browning Lions Club.
 Great Falls Kiwanis Club.
 Cut Bank Lions Club.
 Shelby Lions Club.
 Harlem Lions Club.
 Glasgow Chamber of Commerce and Agriculture.
 Chinook Lions Club.
 Conrad Lions Club.
 Sweet Grass-Coutts Lions International Club.
 Culbertson Commercial Club.
 Stanford Commercial Club.
 Harlowton Chamber of Commerce.
 Central Montana Chamber of Commerce.
 Columbus Civic Club.
 Big Timber Lions Club.
 Big Sandy Local Activity Club.
 Choteau Lions Club.
 Wolf Point Commercial Club.
 Forsyth Lions Club.
 Miles City Council.
 Baker Commercial Club.
 White Sulphur Springs Rotary Club.
 Helena Commercial Club.
 Ismay Commercial Club.
 Miles City Rotary Club.
 Belgrade Chamber of Commerce.
 Miles City Kiwanis Club.
 Livingston Chamber of Commerce.
 Roundup Rotary Club.
 Custer County Commissioners.
 Havre Chamber of Commerce.
 Workers Protective Union of Forsythe.
 Workers Protective Union of Terry.
 Terry Chamber of Commerce.
 Miles City Trades and Labor Council.
 Workers Protective Union of Miles City.
 Gov. Elmer Holt.
 R. J. Klein, justice of the peace, Butte.
 Cascade Milling & Elevator Co.
 Mayor W. E. Martin, Glendive.
 F. A. East & Co.
 N. N. Jensen.
 Butte and Superior Copper Co.
 Poplar Commercial Club.

NEBRASKA

Good Will and Boosters Organization of U. P. system.
 Omaha Chamber of Commerce.
 Aaron Ferer & Sons, Omaha.

NEVADA

Winnemucca Chamber of Commerce.
 Elko Chamber of Commerce.
 Lyon County Chamber of Commerce.
 Minden Rotary Club.
 Minden Commercial Club.
 Tonopah Rotary Club.
 Nevada Consolidated Corporation.

NEW MEXICO

Alpine Chamber of Commerce.
 Carrizozo Chamber of Commerce.
 Marfa Chamber of Commerce.
 Lordsburg Chamber of Commerce.
 Tucumcari Chamber of Commerce.
 Alamogordo Chamber of Commerce.
 Mimbres Valley Farmers Association.
 Chino Copper Co.
 Gallup American Coal Co.

NEW YORK

Williams Traffic Service, Inc., New York City.
 New York City Metropolitan Traffic Association.
 Elmira Chamber of Commerce.
 Thatcher Manufacturing Co.
 United States Rubber Products, Inc.
 Oneonta Chamber of Commerce.

NORTH CAROLINA

Eastern North Carolina Association, Inc.

NORTH DAKOTA

Brinsmade Business Men's Club.
 Carrington Kiwanis Club.
 Minot Association of Commerce.
 White Earth Commercial Club.
 Williston Chamber of Commerce.
 Valley Oil Co.
 Adrian Equity Elevator Co.
 Andrews Grain Co.
 Turtle Mountain Cooperative Association.
 Farmers Cooperative Association.

OHIO

Cleveland Chamber of Commerce.
 Lima Chamber of Commerce.
 Youngstown Chamber of Commerce.
 Mount Washington Civic Club.
 Walnut Hills Business Club.
 Cincinnati Traffic Club.
 Miami Valley Traffic Club.
 Fostoria Pressed Steel Corporation.
 Procter & Gamble Co.
 Toledo Chamber of Commerce.
 Grinnell Co.
 National Malleable Steel Castings Co.
 Perfection Stove Co.
 Dayton Chamber of Commerce.

OREGON

Chambers of commerce: Albany, Grants Pass, Marshfield, Coquette, Bandon, Carlton, Medford, Ashland, Merrill, Bend, Eugene, Klamath Falls, La Grande, Roseburg, and Tule Lake.
 Rogue River Valley Traffic Association.
 Yakima Freight Association.
 Wenatchee Freight Association.
 Hood River Freight Association.
 Portland Cauliflower Growers' Association.
 Portland Berry Growers' Association.
 Oregon Gardeners' Association.
 Northwest Furniture Manufacturing Association.
 Veterans of Foreign Wars, Post No. 922.
 Pendleton Kiwanis Club.
 Veterans of Foreign Wars, Post No. 2471.
 Veterans of Foreign Wars, Post No. 907.
 E. F. Burlingham & Sons.
 Amity Seed & Grain Co.
 Oregon Fuel Merchants' Association.
 Hillman Packing Co.
 Beaverton Chamber of Commerce.
 Corvallis Chamber of Commerce.
 Dallas Chamber of Commerce.
 Enterprise Chamber of Commerce.
 Estacada Chamber of Commerce.
 Forest Grove Chamber of Commerce.
 Gresham Chamber of Commerce.
 Hood River Chamber of Commerce.
 Independence Chamber of Commerce.
 McMinnville Chamber of Commerce.
 Newberg Chamber of Commerce.
 Oregon City Chamber of Commerce.
 St. Helens Chamber of Commerce.
 Salem Chamber of Commerce.
 Sandy Chamber of Commerce.
 Sheridan Chamber of Commerce.
 Tillamook Chamber of Commerce.
 Warrenton Chamber of Commerce.
 City council, Albany.
 City council, Clatskanie.
 City council, The Dalles.

City council, Enterprise.
 City council, Hood River.
 City council, La Grande.
 City council, St. Helens.
 Amity Commercial Club.
 Clatskanie Kiwanis Club.
 Joseph Commercial Club.
 Ladd & Bush, bankers, Salem.
 Lebanon Commercial Club.
 Multnomah Boosters Club.
 Oregon Lumber Co.
 Oregon Portland Cement Co., Portland.
 Oregon State Teachers Association.
 Oswego District Commercial Club.
 Ranier Commercial Club.
 Railroad Brotherhoods Legislative League of Oregon.
 Spaulding Pulp & Paper Co., Newberg.
 United States National Bank, Newberg.
 Willamette Valley Lumbermen's Association.
 Woodburn Business Men's Club.

PENNSYLVANIA

Pittsburgh Chamber of Commerce.
 Hazleton Chamber of Commerce.
 Pittsburgh Traffic Club.
 Leighton Chamber of Commerce.
 Penn State Chamber of Commerce.
 Wilkes-Barre Chamber of Commerce.
 Pittsburgh Wholesale Lumber Dealers Association.
 Commercial Traffic Managers.
 The Koppers Co.

SOUTH DAKOTA

John W. Tuthill Lumber Co.
 A. J. Danks, merchant.

TENNESSEE

Memphis Illinois Central Service Booster Club.
 Tennessee Furniture Corporation.
 Chattanooga Manufacturers Association.

TEXAS

State legislature.
 Chambers of commerce: Austin, Brewster County, Brownsville, Cameron, Edinburgh, Galveston, Harlingen, Lamar, Lott, Marfa, Marlin, McAllen, Mission, Rosebud, Waco.
 Austin Wholesale Credit Men's Association.
 Cameron Lions Club.
 Dallas Cotton Exchange.
 Galveston Cotton Exchange and Board of Trade.
 Mart Chamber of Commerce and Agriculture.
 Sabine District Traffic Club.
 Texas Citrus Shippers' Association.
 Texas Valley Shippers' Association.
 Traffic Club of Dallas.
 Waco Traffic Club.
 Two States Fruit Package Co.
 Winerich Motor Co., Corpus Christi.
 Texas Railroad Commission.
 Ireland School Board.
 Tyler Chamber of Commerce.

UTAH

Ogden Chamber of Commerce.
 Weber County Board of Commissioners.
 Box Elder County Commissioners.
 Price Rotary Club.
 Helper Kiwanis Club.
 Ogden City Commission.
 Provo City Commission.
 Springville City Commission.
 Utah Copper Co.
 Utah Coal Operators' Association, Salt Lake City.
 Pacific States Cast Iron Pipe Co.
 Burton-Walker Lumber Co.

WASHINGTON

Bellingham Chamber of Commerce.
 Centralia Chamber of Commerce.
 Grays Harbor Chamber of Commerce.
 Auburn Chamber of Commerce.
 Longview Chamber of Commerce.
 Seattle Chamber of Commerce.
 Tacoma Chamber of Commerce.
 Northwestern Fruit Exchange.
 Arlington Commercial Club.
 Sunnyside Commercial Club.
 Wenatchee Valley Traffic Association.
 Yakima Fruit Growers Association.
 Yakima Valley Traffic and Credit Association.

WISCONSIN

State Legislature.
 Milwaukee Association of Commerce.
 J. I. Case Co.
 Oscar Mayer & Co.
 South Superior Civic Club.
 Superior Door Catch Co.

WYOMING

Sheridan Chamber of Commerce.
 Casper Chamber of Commerce.

Guernsey Chamber of Commerce.
 Cheyenne Chamber of Commerce.
 Rawlins Commercial Club.
 Green River Commercial Club.
 American Federation of Labor locals.
 Central Labor Union throughout State.
 Sheridan Miners.
 Casper Midwest Oil Workers.
 Veterans of Foreign Wars, Sheridan.

ANNOUNCEMENTS

Mr. GOLDSBOROUGH. Mr. Speaker, I desire to announce that the Representatives from States in the flooded areas will meet in the caucus room of the old House Office Building on Monday afternoon next at half-past 2. Insofar as possible, they will all receive a written notice of the meeting.

Mr. KNUTE HILL. Mr. Speaker, I wish to announce that on Monday, at 10:45 a. m., there will be the unveiling of the Lief Eiriksson painting in Statuary Hall. We invite all the Members of the House and their families to be present at that time.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that all Members who speak on the bill H. R. 3263 and those Members who do not have an opportunity to speak on it may have 5 legislative days within which to extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some extracts from a statement by the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, this morning when I addressed the House there was objection to my inserting in my remarks some short extracts from newspapers with respect to reciprocal-trade agreements. I have explained them to the gentleman who objected, and he gave me permission to say that he did not object to my including them. I therefore now ask unanimous consent that I may insert these extracts as a part of my remarks.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, to what gentleman does the gentleman from Michigan refer?

Mr. RABAUT. The gentleman from Pennsylvania [Mr. RICH].

Mr. MARTIN of Massachusetts. What about the gentleman from Minnesota [Mr. KNUTSON], who later objected?

Mr. RABAUT. I did not talk with him.

Mr. MARTIN of Massachusetts. I wish the gentleman would withdraw the request, because the gentleman from Minnesota is not present at the moment and I would feel compelled to object in his absence.

Mr. RABAUT. Very well; I withdraw the request, Mr. Speaker.

ELLIS DUKE

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Page 1, line 8, strike out "\$1,750" and insert "\$1,000."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishments; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation, and reaffirming their immunity.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 53 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, March 23, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

729. A letter from the Acting Secretary of the Treasury, transmitting a report of payments of salary, commissions, bonus, or other compensation compiled from income returns as required by section 148 (d) of the Revenue Act of 1934; to the Committee on Ways and Means.

730. A communication from the President of the United States, transmitting a recommendation for an appropriation of \$11,500, or so much thereof as may be necessary, for the expenses of participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy in Rumania in 1937; to the Committee on Foreign Affairs.

731. A communication from the President of the United States, transmitting a report concerning and a recommendation for payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona; to the Committee on Foreign Affairs.

732. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of \$75,000 (H. Doc. No. 432); to the Committee on Appropriations and ordered to be printed.

733. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1936 and 1937, amounting to \$201,865, and draft of a proposed provision pertaining to an existing appropriation for the Department of State (H. Doc. No. 433); to the Committee on Appropriations and ordered to be printed.

734. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1935 and prior years, in the sum of \$180,049.57, and supplemental estimates of appropriations for the fiscal years 1936 and 1937 in the sum of \$1,896,525, amounting in all to \$2,076,574.57, and a draft of a proposed provision pertaining to an existing appropriation for the Department of Justice (H. Doc. No. 434); to the Committee on Appropriations and ordered to be printed.

735. A letter from the Secretary of War, transmitting a draft of a bill to promote the efficiency of the Army Air Corps; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HAINES: Committee on the Post Office and Post Roads. H. R. 10930. A bill to credit laborers in the Postal Service with any fractional part of a year's substitute serv-

ice toward promotion; with amendment (Rept. No. 2215). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. JENCKES of Indiana: Committee on the District of Columbia. H. R. 10717. A bill to provide for the holding of an examination by the Board of Optometry of the District of Columbia for a limited license to practice optometry in the District of Columbia for Welton B. Hutton; with amendment (Rept. No. 2216). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HEALEY: A bill (H. R. 11944) granting the consent of Congress to the State of Massachusetts to construct, maintain, and operate free highway bridges across the Merrimack and Connecticut Rivers to replace those destroyed by floods; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLMES: A bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts; to the Committee on Interstate and Foreign Commerce.

By Mr. CULKIN: A bill (H. R. 11946) to provide for the construction of a Coast Guard vessel designed for ice-breaking and assistance work on Lake Huron and Lake Superior; to the Committee on Merchant Marine and Fisheries.

By Mr. CULLEN: A bill (H. R. 11947) to provide for the conveyance of certain property to the city of New York; to the Committee on Public Buildings and Grounds.

By Mr. DIMOND: A bill (H. R. 11948) to extend the provisions of section 23 of the Independent Offices Appropriation Act, 1935; to the Committee on the Territories.

By Mr. MITCHELL of Tennessee: A bill (H. R. 11949) to create a Federal Foreign Trade Board, to promote the foreign trade of the United States, to authorize the creation of foreign-trade promotion corporations, and for other purposes; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H. R. 11950) to amend the Social Security Act to provide for aid to transients; to the Committee on Ways and Means.

By Mr. McGEHEE: A bill (H. R. 11951) to pay compensation to persons disabled by the use of improperly made Jamaica ginger, and/or to the widows and orphans of such disabled persons; to the Committee on Interstate and Foreign Commerce.

By Mr. DOBBINS: A bill (H. R. 11952) to amend the Foreign Air Mail Act of March 2, 1929, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 11953) to amend the Alaska Mail Service Act of February 21, 1925, as amended, to promote safety and efficiency, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. HILDEBRANDT: A bill (H. R. 11954) to amend the act of February 28, 1925 (43 Stat. 1053), relative to postal rates on third-class mail matter; to the Committee on the Post Office and Post Roads.

By Mr. JOHNSON of West Virginia: Resolution (H. Res. 456) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. RANDOLPH: Resolution (H. Res. 457) for relief of flood-stricken areas in West Virginia; to the Committee on Appropriations.

By Mr. LEWIS of Maryland: Resolution (H. Res. 458) for the relief of the flood-stricken areas in the State of Maryland; to the Committee on Appropriations.

By Mr. DUNN of Pennsylvania: Joint resolution (H. J. Res. 534) to provide at least a billion dollars for the immediate relief of the suffering people in the flooded areas of our country; to the Committee on Appropriations.

By Mr. FULMER: Joint resolution (H. J. Res. 535) to refund taxes collected under the Bankhead Act and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 536) to provide emergency relief for certain flood victims, and the restoration and reconstruction of certain flood areas; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DIMOND: A bill (H. R. 11955) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of the heirs of John Stephens, deceased, or their legal representatives, against the United States; to the Committee on the Territories.

By Mr. KINZER: A bill (H. R. 11956) granting a pension to Frances C. Strickler; to the Committee on Invalid Pensions.

By Mr. WELCH: A bill (H. R. 11957) for the relief of Edith Lewis White; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10569. By Mr. PFEIFER: Petition of the Magnuson Products Corporation, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10570. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10571. By Mr. POWERS (by request): Petition of Mrs. Rafe R. Bickford and others of Princeton, N. J., relative to House bill 8739; to the Committee on the District of Columbia.

10572. Also, memorial of the One Hundred and Sixtieth Legislature of the State of New Jersey, requesting the National Government to accept immediate responsibility for relief and employment of transients; to the Committee on Appropriations.

10573. By Mr. WELCH: Petitions referring to legislation regulating the sardine industry on the Pacific coast; to the Committee on Merchant Marine and Fisheries.

SENATE

MONDAY, MARCH 23, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 20, 1936, was dispensed with, and the Journal was approved.

COORDINATION OF EXECUTIVE AGENCIES

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, which was referred to the Special Committee on Reorganization of the Executive Departments, and ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,

Washington, March 20, 1936.

The Honorable the VICE PRESIDENT OF THE UNITED STATES.

MY DEAR MR. VICE PRESIDENT: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of

making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies or such parts of them as may become more or less permanent into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch, it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate already has established a special committee to consider certain aspects of this same problem, and I write to you to ask that the Senate, through its special committee, cooperate with me and with the committee which I shall name in making this study, in order that duplication of effort in the task of research may be avoided and to the end that it may be as fruitful as possible.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Lewis	Pope
Ashurst	Davis	Logan	Radcliffe
Austin	Dickinson	Loneragan	Robinson
Bachman	Donahay	Long	Russell
Barbour	Duffy	McGill	Sheppard
Barkley	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Black	George	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkley	Glass	Minton	Truman
Bulow	Gore	Moore	Tydings
Burke	Guffey	Murphy	Vandenberg
Byrnes	Hale	Murray	Van Nuys
Capper	Hatch	Neely	Walsh
Caraway	Hayden	Norbeck	Wheeler
Chavez	Johnson	Norris	White
Clark	Keyes	O'Mahoney	
Connally	King	Overton	
Copeland	La Follette	Pittman	

Mr. LEWIS. Mr. President, I announce that the Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor in connection with research work having to do with the so-called Reynolds-Starnes bill.

I also announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. McADOO], and the Senator from Washington [Mr. SCHWELLENBACH] are absent because of illness.

I further announce that the Senator from Washington [Mr. BONE], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. MCCARRAN], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate. I ask that this announcement stand for the day.

Mr. AUSTIN. I announce that the Senator from Wyoming [Mr. CAREY] is necessarily absent.

The VICE PRESIDENT. Seventy-three Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CONTROL OF MISSISSIPPI VALLEY FLOOD WATERS—NOTICE

Mr. POPE. Mr. President, I desire to make an announcement that a subcommittee, consisting of the Senator from Nebraska [Mr. NORRIS], the Senator from Montana [Mr. WHEELER], the Senator from Oregon [Mr. McNARY], the Senator from Washington [Mr. SCHWELLENBACH], and myself, has been appointed by the Senate Agriculture and Forestry Committee to consider the bill (S. 3524) to provide for the control of flood waters in the Mississippi Valley; to improve navigation on the Mississippi River and its tributaries; to provide for the irrigation of arid and semiarid lands; and for other purposes.

The committee expects to commence its hearings on the bill at 10:30 o'clock a. m. Tuesday, March 24, which will be tomorrow. It is the desire of the committee and of the author of the bill that all interested parties be heard. The hearings will be continued until reasonable opportunity to testify has been afforded to everyone interested. I call this to the attention of the Senate in order to secure as much publicity of the matter as possible.

LIEV EIRIKSSON—PRESENTATION OF PAINTING BY NORWEGIAN GOVERNMENT

Mr. BARKLEY. Mr. President, in Statuary Hall in the Capitol at 11 o'clock this morning ceremonies were held at which the Norwegian Minister to the United States and Dr. Bjerkke, a very distinguished Norwegian who made the trip here for that purpose, presented to the Congress of the United States a very beautiful painting which is a copy of a larger painting that hangs in Oslo, Norway, representing the discovery of America by Liev Eiriksson.

As part of that ceremony, the Norwegian Minister presented to me, as a Member of this body and representing it in the exercises, a very beautiful little brochure which is printed by hand on real parchment. It contains the inscription which has been placed on the painting donating it to the Congress, and, on the opposite page, it contains the names of the donors who represent, in part, the official life of the Norwegian Kingdom.

I ask unanimous consent that at this point not only the inscription but the names of the donors may be printed in the RECORD and that the Secretary of the Senate be instructed to place this document in the archives of the Senate for future preservation.

The VICE PRESIDENT. Without objection, the Secretary of the Senate, in accordance with the request of the Senator from Kentucky, is instructed to preserve the document in the archives of the Senate, and the inscription and names of the donors will be printed in the RECORD.

The inscription and names of the donors are as follows:

The painting "Liev Eiriksson Discovers America, A. D. 1000", which was painted by the Norwegian artist Prof. Christian Krohg in 1893 and copied by his son, Per Krohg, in 1935-36, has been presented to the United States Congress and placed in the Capitol Building, Washington, D. C., today March 23, 1936. It is a gift from the undersigned Norwegian friends of the United States of America:

C. T. Hambro, Speaker of the Storting, Oslo; Halvdan Koht, Secretary of State, Oslo; Toh. Ludw. Mowinckel, late Prime Minister, Bergen; Wilhelm v. Munthe, of Morgenstjerne, Norwegian Minister to the United States, Washington, D. C.; Alf Bjerkke, Dr. Fng., Oslo; Gustav Henriksen, president of the N. A. L., Oslo; Fac. S. Worm-Muller, professor of the university, Oslo; Magnus Andersen, captain, Oslo; Anders Fahre, lawyer, Landefjord; International League of Norsemen (Nordmannsforbundet), Oslo; a/s Den Norske Amerikalinje, Oslo; a/s Arendal Smelteverk, Arendal; Chr. Bjelland & Co. a/s, Stavanger, Christiania Spigerverk, Oslo; a/s Greaker Cellulosefabrik, Oslo; Tsdahl & Co. a/s, Bergen; Th. Foh. Kyvik Hagesund; O. Mustad & Son, Oslo; Norske Meieri Eksportlag, Oslo; Fred Olsen & Son, Oslo; Stavanger Preserving Co. a/s, Stavanger; a/s Tofte Cellulosefabrik, Oslo; Westfal-Larsen & Co. a/s, Bergen; a/s Ostlandske Petroleumscampagni, Oslo.

REPORT OF THE COMPTROLLER OF THE CURRENCY

The VICE PRESIDENT laid before the Senate a letter from the Comptroller of the Currency, transmitting, pursuant to law, his annual report for the year ended October 31, 1935 (without the appendix thereto, which will be transmitted later), which, with the accompanying report, was referred to the Committee on Banking and Currency.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the executive committee of the Colorado Bar Association, favoring the enactment of House Joint Resolution 237, for the establishment of a trust fund to be known as the Oliver Wendell Holmes Memorial Fund, which was referred to the Committee on the Library.

He also laid before the Senate a resolution adopted by the United Veterans Association of Miami, Fla., favoring the erection of two suitable monuments in honor of veterans who were killed during the hurricane of September 1, 1935, one at Woodlawn Park Cemetery, Miami, and on the Keys, in the State of Florida, which was referred to the Committee on the Library.

He also laid before the Senate a resolution of the Mayor and City Council of Baltimore, Md., memorializing Congress to enact legislation relating to unemployment of youth, and the needs of students in high schools, vocational schools, and colleges, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from the executive committee of the League of Wisconsin Municipalities, Madison, Wis., praying for the making of an appropriation for the training of municipal employees, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from W. J. Smith, of Vallejo, Calif., praying for the deportation of aliens, which was ordered to lie on the table.

Mr. WALSH presented the petition of the Malden (Mass.) Young Circle Branch, No. 1024, of the Workmen's Circle, praying for the enactment of the so-called American youth bill, which was referred to the Committee on Education and Labor.

He also presented papers in the nature of petitions from Townsend Club, No. 1, of Boston, and Townsend Club, No. 1 (1448), of Fitchburg, in the State of Massachusetts, praying for the adoption of the so-called Townsend old-age revolving pension plan, which were referred to the Committee on Finance.

He also presented the petition of the Central Labor Union, of Boston and vicinity, Mass., praying for the enactment of the bill (H. R. 4340) to restrict habitual commuting of aliens from foreign contiguous territory to engage in skilled or unskilled labor or employment in continental United States, which was referred to the Committee on Immigration.

He also presented memorials of Shrewsbury Grange, No. 101, and Westport Grange, No. 208, Patrons of Husbandry, in the State of Massachusetts, remonstrating against the enactment of Senate bill 1632, regulating commerce by water carriers, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from members of Local Union, No. 2363, United Textile Workers of America, of Fisherville, Mass., praying for the enactment of the so-called Ellenbogen bill, relating to the textile industry, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from the Chelsea (Mass.) Chamber of Commerce, remonstrating against the enactment of Senate bill 3744, amending the Federal Trade Commission Act, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Woman's Christian Temperance Union, of Reading, Mass., favoring the enactment of legislation to eliminate unfair trade practices and promote higher moral standards of production in the motion-picture industry, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the executive board of the Massachusetts Women's International League for Peace and Freedom, Boston, Mass., favoring an increase in good will in relations with foreign nations, and opposing increased armaments by the United States, which was referred to the Committee on Military Affairs.

He also presented a letter in the nature of a petition from the board of directors of the New Bedford (Mass.) Board of Commerce, praying for the enactment of the so-called Tydings-McCormack bill, being a bill to suppress the inciting of enlisted men of the Army and Navy to disobey orders, which was ordered to lie on the table.

REPORTS OF THE JUDICIARY COMMITTEE

Mr. VAN NUYS, from the Committee on the Judiciary, to which were referred the following bills, reported them each without amendment:

S. 3836. A bill to amend the Criminal Code with respect to the manner of inflicting the punishment of death; and

H. R. 10490. A bill to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

Mr. KING, from the Committee on the Judiciary, to which was referred the bill (H. R. 8368) to enforce the twenty-first amendment, reported it with an amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 20, 1936, that committee presented to the President of the United States the following enrolled bills:

S. 2625. An act to extend the facilities of the Public Health Service to seamen on Government vessels not in the Military or Naval Establishment; and

S. 3978. An act relating to taxation of shares of preferred stock, capital notes, and debentures of banks while owned by the Reconstruction Finance Corporation and reaffirming their immunity.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRISON:

A bill (S. 4321) for the relief of G. A. Broadus; to the Committee on Claims.

By Mr. LA FOLLETTE:

A bill (S. 4322) for the relief of Henry A. Behrens; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 4323) to provide for the protection and conservation of equities or rights of the Government resulting from railroad land grants; to the Committee on the Judiciary.

A bill (S. 4324) relating to personal-injury suits by seamen; to the Committee on Commerce.

By Mr. MINTON:

A bill (S. 4325) granting a pension to Margaret Ann Chamberlin (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 4326) granting the consent of Congress to the Department of Public Works of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Northampton, Mass.; to the Committee on Commerce.

By Mr. WALSH and Mr. COOLIDGE:

A bill (S. 4327) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts; to the Committee on Commerce.

(Mr. WALSH and Mr. LONERGAN introduced Senate bill 4328, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. KING:

A bill (S. 4329) to amend the charter of the National Union Insurance Co. of Washington in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GUFFEY:

A bill (S. 4330) authorizing the construction of a system of reservoirs in the Ohio River Basin above Pittsburgh for flood control and other purposes; and

A bill (S. 4331) authorizing projects on the Susquehanna River for flood control and other purposes; to the Committee on Commerce.

By Mr. GIBSON (by request):

A bill (S. 4332) to provide for building up a strong American merchant marine, and for other purposes; to the Committee on Commerce.

By Mr. BARKLEY:

A bill (S. 4333) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of William E. Steen; to the Committee on Claims.

By Mr. MCGILL:

A bill (S. 4334) granting pensions and increases in pensions to certain widows of veterans of the Civil War; to the Committee on Pensions.

By Mr. BULKLEY:

A bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition; to the Committee on Banking and Currency.

By Mr. BYRD:

A joint resolution (S. J. Res. 237) to provide for the appraisal and purchase of certain articles owned by President and Mrs. George Washington; to the Committee on the Library.

RELIEF OF FLOOD SUFFERERS

Mr. WALSH. Mr. President, so many inquiries have been made as to what the various agencies of the Federal Government are really in position to do to help bring relief to those suffering as the result of the recent floods that, at the request of the Massachusetts delegation, I have prepared a statement on the subject, which I request to have inserted in the RECORD.

I also desire at this point to introduce a bill in my own name and that of the senior Senator from Connecticut [Mr. LONERGAN] providing for an amendment to the Reconstruction Finance Corporation Act.

Under existing law, manufacturers and other industrialists, as well as home owners and farmers, may borrow a sufficient amount of money to represent the actual cost of repairs of damage done to their homes or to their factories. There is no provision of law which permits the loaning of money to manufacturers for repairing damage to equipment and machinery and appurtenances.

Furthermore, the present law requires such loans to be made through a nonprofit corporation, and that method has not worked out satisfactorily.

After consulting the Reconstruction Finance Corporation, an amendment has been drafted which removes the necessity of borrowing through a nonprofit corporation and permits loans to be made, under proper limitations, for repairs to equipment and machinery that may have been damaged by reason of the floods; also equipment that farmers may have lost by reason of the floods.

I ask permission to have the statement printed in the RECORD, as well as the bill; and I call the committee's attention to the importance of early action on the subject.

The VICE PRESIDENT. The statement and bill will be printed in the RECORD, and the bill will be referred to the Committee on Banking and Currency.

The statement is as follows:

FEDERAL AGENCIES TO AID FLOOD VICTIMS

The Massachusetts delegation in the Congress met with Senator WALSH at the Capitol today to discuss just what assistance the Federal Government was in a position to render to relieve damage and financial losses suffered as a result of the New England floods. The following report was issued to the press after it was submitted to the congressional delegation:

THE RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation under existing law may make loans to the full amount of the new farm buildings or home dwellings that may be necessary in all cases of injury as a result of the flood.

Furthermore, the Reconstruction Finance Corporation under existing law may make loans to the amount necessary for disbursements for all necessary repairs on houses and farm buildings. The only requirements under existing law being that the land must be free of encumbrances or the owner must be in a position to subordinate his present lien to the new moneys advanced by the Reconstruction Finance Corporation.

The same provision of law applies to factories as applies to private dwellings and farms, namely, all necessary money for reconstruction and repairing is available, providing the manufacturer is in a position to subordinate his previous liens.

The existing law, however, requires that all such loans must be made through nonprofit corporations. Much difficulty has been experienced setting up nonprofit corporations under this law because of conflict between State laws, and the present law also limits loans by the Reconstruction Finance Corporation to the repairing and replacing of buildings and structures.

An amendment will be introduced in the Senate today by Senators WALSH and LONERGAN enlarging the present law by doing away with loans through nonprofit corporations and providing for loans by the Reconstruction Finance Corporation to include equipment, machinery, and other appurtenances necessary for the proper use of the buildings or plants. This proposed change will apply to farmers, home owners, and particularly manufacturing concerns.

The bill introduced would make available \$25,000,000 for this purpose.

THE FEDERAL HOUSING ADMINISTRATION

Senator WALSH reported that the existing Federal Housing Administration law was ample for making rehabilitation loans. However, the provision of title I of the Federal Housing Act expires on April 1, and it will be necessary to continue the present law in order to make rehabilitation loans provided for under title I of this act.

He reported that immediate steps had been taken in both branches of the Congress to pass pending legislation providing for the continuation of title I, which not only permits home owners to borrow for rehabilitation purposes but also manufacturers up to \$50,000.

BRIDGES AND PUBLIC STRUCTURES

There may be some question about the right to rebuild bridges across the Connecticut River and the Merrimac River, which are in part navigable streams, and therefore subject to congressional control.

Congressman HOLMES introduced in the House and Senators WALSH and COOLIDGE in the Senate, a bill providing necessary authority to receive loans for bridges, highways, and public buildings.

Ample funds are available under existing appropriations and will be allotted to State, county, and municipalities for the reconstruction of bridges, highways, and public buildings which have been destroyed by the flood. All Federal allotments to the States for highway purposes may be used by the State authorities for construction of bridges. A \$9,000,000 allotment to Massachusetts is now available for this work.

RELIEF

As to immediate relief, the Red Cross, Public Works Administration, and local authorities are already rendering all possible assistance in every section where there is need, and ample funds will be available.

CLEARING AND REMOVING DEBRIS

Senator WALSH has been assured that ample numbers of P. W. A. workers and young men from the C. C. C. camps will be assigned to do this work immediately, and this will be done without any expense to the owners whose properties have been damaged by the flood. The reports received from the stricken areas commend highly the work that has already been done by these agencies.

The bill (S. 4328) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes, was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the act entitled "An act authorizing the Reconstruction Finance Corporation to make loans to nonprofit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes", approved April 13, 1934, as amended, is amended to read as follows:

"That the Reconstruction Finance Corporation is authorized and empowered, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation sys-

tems damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1933, 1934, 1935, 1936, and 1937, and for the purpose of financing the acquisition of structures, buildings, or property in replacement of structures, buildings, or property destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be economically useful or necessary, said loans to be made upon sufficient security.

"Obligations accepted hereunder shall be collateralized—

"(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private property, by the obligations of the owner of such property, secured by a paramount lien, except as to taxes and special assessments not delinquent, on the property to be acquired, repaired, constructed, reconstructed, or rehabilitated, or on other property of the borrowers;

"(b) In case of loans for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

"(c) In case of loans for the repair, construction, reconstruction, or rehabilitation of property of municipalities or political subdivisions of States or of their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

"The collateral obligations shall have maturities not exceeding 10 years in case of loans made under paragraph (a) of this act, and not exceeding 20 years in case of loans under paragraphs (b) and (c) of this act.

"The Corporation shall prescribe such regulations as will most effectively expedite the repair, construction, reconstruction, and rehabilitation provided for by this act and effectively carry out the emergency-relief purposes of this act.

"Notwithstanding any other provision of law, disbursement may be made at any time prior to January 23, 1939, on any commitment made by the Corporation under the terms of this act, as amended.

"The aggregate of loans made under this act shall not exceed \$25,000,000."

That the title of the said act is amended to read as follows: "An act authorizing the Reconstruction Finance Corporation to make loans for the repair of damages caused by floods or other catastrophes, and for other purposes."

FLOOD CONTROL

Mr. DAVIS. Mr. President, the Pittsburgh area has again experienced high waters which have been above flood stage on an average of once a year for the past 80 years. The vast population of this area, which comprises portions of the three States of Ohio, West Virginia, and Pennsylvania, have suffered annual devastations because of runaway rivers. Millions of dollars' worth of property has been destroyed, lives have been lost, public services have been disrupted, and health has been menaced by these annual inundations. This year the condition has been the worst in half a century. It is unthinkable that we shall permit this tragedy to continue without thoughtful consideration as to how we may best protect the citizens of this country living in this area. Flood protection based on Federal funds and scientific knowledge is now absolutely imperative.

The time to secure adequate flood protection is now at hand. Exhaustive studies and plans made throughout many years by the Army engineers, who have been in charge of our rivers and harbors for over a century, are now available. Heretofore, the interest of the Federal Government in flood control has been concentrated primarily on the lower Mississippi River, but at present considerable interest in flood control has been extended to other localities and streams. The important Tygart Reservoir in West Virginia is a step in this direction. Thirteen additional reservoirs have been studied and recommended in this area by two important Government boards—the Mississippi Valley Committee of the Public Works Administration and the Water Planning Commission of the National Resources Board. This project has also been approved as "meritorious" by the National Rivers and Harbors Congress. With the endorsement of such important scientific agencies, it seems that the time has now come when funds for these additional reservoirs should be allotted and the work begun.

Mr. President, the system of 13 flood storage and navigation reservoirs in the headwaters of the Allegheny, Monongahela, and upper Ohio Rivers, studied by the United States

engineers and included in the report of the National Resources Board, if constructed, will bestow priceless social benefits upon millions of inhabitants of several States who dwell within the watersheds of the uncontrolled streams.

These benefits will consist of more than alleviation of floods. They will include, also, adequate navigation, water supply in periods of low water, great dilution of acids, sewage, and other wastes in domestic water supplies, with consequent betterment of public health, and, in some instances, possible future power development.

Mr. President, the contemplated plan of operation of the Tygart project is, in general, as follows: Beginning at the first of each calendar year the reservoir will be practically empty, from which time on it will be operated solely for flood-control purposes by retention individually of all flood flows when the Pittsburgh gage indicates the approach of a flood stage, and by the prompt release of impounded water from the reservoir when the Monongahela River at Pittsburgh is below the flood stage.

The Tygart River project is one of the public-works projects authorized under the National Industrial Recovery Act, and consequently its value as a means of relieving unemployment and stimulating industry is important. The Tygart project will eliminate floods from the lower Tygart Valley and alleviate flood conditions in the entire reach of the Monongahela Valley. Work on this project has been under way for some time. Its construction is giving steady employment to several thousand men for 2 or 3 years and consuming great quantities of materials, such as sand, gravel, cement, lumber, steel, machinery, and tools, thus indirectly providing additional employment.

Mr. President, there are nine other reservoirs in the initial system as designed by the United States engineers and included in plans of the Flood Commission for the Monongahela and Allegheny watersheds. Four additional reservoirs are planned for the upper Ohio Valley in Kentucky, West Virginia, and western Pennsylvania, making a total of 13 in all.

In its studies for the proposed system of reservoirs in the Allegheny and Monongahela Valleys the Pittsburgh Flood Commission made the following statement on the subject of benefits:

A summary of the minimum benefits calculated by the commission is as follows:

Benefits to property of all classes from flood control	\$65,560,000
Benefit to navigation	5,000,000
Low-water benefits:	
Hydroelectric	750,000
Water supply	1,500,000
Sewage dilution	16,000,000
Total	87,810,000

In addition there is a regional benefit, or removal of restraint to the development of these valleys, which is very real although not readily calculable. Various studies lead to the conclusion that this benefit is at least as great as the combined calculable benefits. The total benefits are therefore approximately twice that stated, or say \$175,000,000.

The report of the Mississippi Valley Committee to the Public Works Administration of October 1, 1934, contains the following statement:

The total estimated cost of these 13 reservoirs is about \$70,100,000. The total annual cost (4 percent on the investment plus annual operation and maintenance cost) is estimated at \$3,000,000. Estimated annual tangible benefits total about \$3,900,000; the ratio of benefits to cost is about 1.3 to 1 without considering the many intangible benefits.

The Federal Government has been interested in these matters not only in flood control but in navigation water supply as well, both being pertinent in connection with navigation improvements on the Ohio River system as well as elsewhere. The United States Army Engineers made various reports, the first being submitted to Congress by the Secretary of War on January 18, 1913. This is contained in House Document No. 1289, Sixty-second Congress, third session.

Mr. President, flood control in this area did not appear to have been actively considered again by Federal agencies for some time, when by an act of Congress, approved May 31,

1924, investigation of the Allegheny and Monongahela Rivers was authorized with a view to control of their floods. This investigation was made in cooperation with the State of Pennsylvania as provided for in the act and a report prepared by the United States Engineer Office, Pittsburgh, Pa., on July 10, 1928.

The latest report on flood control for the Pittsburgh area was submitted by Maj. W. D. Styer, Corps of Engineers, United States Army, district engineer, on August 24, 1933, as a result of a request made by the newly created Federal Emergency Administration of Public Works. Growing out of public hearings on that report, the construction of the Tygart River Reservoir was authorized.

Mr. President, in addition to urging immediate consideration of the construction of reservoirs in accordance with long-standing plans of Army Engineers, I wish to offer an amendment to the Department of Agriculture appropriation bill for 1937, page 48, line 4, to strike out "\$1,099,152", in the amendment reported by the Committee on Appropriations, and to insert in lieu thereof "\$1,125,000." I ask that the amendment lie on the table until the bill shall come before us.

The VICE PRESIDENT. Without objection, the amendment will be received, and will lie on the table and be printed.

BENEFIT PAYMENTS UNDER THE AGRICULTURAL ADJUSTMENT ACT

Mr. VANDENBERG. Mr. President, I desire to submit a resolution for reference to the Committee on Agriculture and Forestry, and I wish to make a brief statement in connection with it.

I am presenting a resolution seeking certain information from the Secretary of Agriculture respecting benefit payments under the Agricultural Adjustment Act. I am asking for the names of all producers receiving benefit payments in excess of \$10,000 per annum in any one year.

It seems to me this information is highly pertinent for study in connection with the new tax bill which must include \$500,000,000 of new taxes to pay new benefits under the new law, as well as \$250,000,000 to pay commitments remaining over from the old law.

These records are not open to inspection. I suppose it is the only existing secret disbursement of premiums, bonuses, or subsidies. We know something about the average benefit payments; but the information is entirely abstract, and except as we know to what extent the general averages are weighted down by large, individual payments, it is impossible to interpret these statistics. Let me make it wholly plain that I am not questioning the integrity of the disbursements. I am asking only for information bearing upon the public policy involved.

Let me illustrate. I understand the average corn-hog benefit payment in Iowa is under \$400. But I know, for example, about one corn-hog contract in another State where the beneficiary was paid \$219,825 in 2 years for not raising 14,587 hogs on 445 acres.

Again, I understand the average cotton contract throughout the South is under \$1,500. But I know, for example, about one cotton contract which paid \$168,000 for not planting 7,000 acres.

Again, I understand the average wheat contract in Kansas runs in the neighborhood of \$800. But I know, for example, of one such contract—although in this instance I know neither the State nor the acreage—which produced 65 checks for a total of \$78,638 in 2 years.

It seems to me that we should have full information regarding all larger payments of this nature. Therefore I submit the resolution calling for reports on payments above \$10,000, and I ask that the resolution be referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution (S. Res. 265) was referred to the Committee on Agriculture and Forestry, as follows:

Resolved, That the Secretary of Agriculture be, and he is hereby, directed to furnish the Senate forthwith the name and address and the amount paid to each producer, exceeding \$10,000, in each calendar year pursuant to the Agricultural Adjustment Act, as amended.

INVASIONS OF RIGHTS OF FREE SPEECH, ASSEMBLY, AND COLLECTIVE BARGAINING

Mr. LA FOLLETTE submitted the following resolution (S. Res. 266), which was referred to the Committee on Education and Labor:

Resolved, That the Committee on Education and Labor is authorized and directed to make an investigation of violations of the rights of free speech and assembly and undue interference with the right of labor to organize and bargain collectively. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendation for the enactment of any remedial legislation it may deem necessary.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses, to employ and to call upon the executive departments for clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

WORKS PROGRESS ADMINISTRATION IN WEST VIRGINIA

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD a report recently made to Hon. Harry L. Hopkins by Mr. Alan Johnstone on charges of political exploitation of the Works Progress Administration in West Virginia, and a release and certain exhibits which accompany the report.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

THE WORKS PROGRAM—WORKS PROGRESS ADMINISTRATION—W. P. A. ADMINISTRATOR HOPKINS FINDS NO IRREGULARITIES IN WEST VIRGINIA

Not a person on relief rolls in West Virginia obtained work through political influence on Works Progress Administration projects, and all appointments to administrative places were made on a basis of merit, over 60 percent of such appointees having no political endorsements. Works Progress Administrator Harry L. Hopkins today wrote Senator RUSH D. HOLT, in transmitting a report of the investigation made at Mr. Holt's request on the conditions governing Works Progress Administration work in that State.

The report of the investigators exonerates Senator NEELY, Mr. Holt's colleague, of the charge that these appointments were used by him to build up a political machine, the investigation having developed that Mr. NEELY was in the Orient on official business during the formative period of the West Virginia organization.

With the report Mr. Hopkins also made public a letter to F. W. McCullough, Works Progress Administrator for West Virginia, sustaining the dismissal of M. S. Holt, Jr., brother of the Senator, and rescinding an order for his reinstatement to the position of district engineer in the Parkersburg area. In this letter Mr. McCullough was further advised to notify W. J. Gates, chairman of a Democratic county committee, to choose between that and his position in the Fairmont district office.

"As the report indicates," Mr. Hopkins wrote, "the charge that relief clients were forced to get their jobs through political sources proved to be totally unfounded. There is no evidence of a single case out of the thousands employed from the relief rolls having secured their work through political influence.

"Likewise, the evidence indicates that the administrative staff have been appointed on merit and on the basis of their qualifications to do the job, and that, while recommendations have been made from political sources, these recommendations have been given only the same consideration that would be given to any other citizen of West Virginia.

"The fact is that over 60 percent of all administrative employees had no recommendation of any sort from any public official or person connected with any political party, and that the administrative staff is made up of competent, able, and efficient workers.

"There is evidence that some attempts have been made to bring political influence to bear upon these workers, and appropriate administrative action has been taken in regard to several minor officials in our office who cooperated in these attempts."

Senator HOLT, in a speech in the Senate, February 26, charged that because he "made a speech against W. P. A. on Monday, my brother was fired out of it on Friday." The report of the investigators shows that 3 days before the Senator made his speech his dismissal had been recommended by Mr. McCullough as the result of an inquiry made into reports of "maladministration in Parkersburg." This inquiry, made by the direction of Wayne Coy, field representative of the Administration, showed that Holt

admits having assumed charge of the Parkersburg area, where the investigators found "(1) prosecution of unapproved projects, (2) overloading of projects with supervisory personnel, (3) improper placing of administrative personnel on project pay rolls."

The investigation further developed that "early in February of this year subscriptions had been solicited and taken from the employees of the Parkersburg office to pay the expenses of broadcasting a speech delivered by Senator HOLT at St. Marys, W. Va., on February 7."

Mr. Hopkins' letters to Senator HOLT and to State Administrator McCullough, sustaining the dismissal of Senator HOLT's brother and advising as to other changes, follow with the report of the investigators:

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., March 10, 1936.

Hon. RUSH D. HOLT,

United States Senate, Washington, D. C.

MY DEAR SENATOR HOLT: I am enclosing a copy of the report of the investigation made in response to your request to me of February 15 and of your charges in your addresses to the Senate relative to the Works Progress Administration in West Virginia.

As the report indicates, the charge that relief clients were forced to get their jobs through political sources proved to be totally unfounded. There is no evidence of a single case out of the thousands employed from the relief rolls having secured their work through political influence. Likewise, the evidence indicates that the administrative staff have been appointed on merit and on the basis of their qualifications to do the job; and that while recommendations have been made from political sources these recommendations have been given only the same consideration that would be given to any other citizen of West Virginia. The fact is that over 60 percent of all administrative employees had no recommendation of any sort from any public official or person connected with any political party, and that the administrative staff is made up of competent, able, and efficient workers.

There is evidence that some attempts have been made to bring political influence to bear upon these workers, and appropriate administrative action has been taken in regard to several minor officials in our office who cooperated in these attempts.

Very sincerely yours,

HARRY L. HOPKINS, Administrator.

WORKS PROGRESS ADMINISTRATION,
Washington, D. C., March 10, 1936.

Mr. F. W. McCULLOUGH,

Administrator, Works Progress Administration,

44 Capitol City Building, Charleston, W. Va.

DEAR MR. McCULLOUGH: Several days ago you dismissed Mr. M. S. Holt, Jr., as district engineer in the Parkersburg, W. Va., district office of the Works Progress Administration. Mr. Aubrey Williams wired you to reinstate him pending investigation of charges made by his brother, Senator RUSH D. HOLT, that his dismissal was an act of political discrimination on your part. This letter is to inform you that on the basis of the investigation made by this Administration your dismissal of Mr. M. S. Holt, Jr., is sustained and the order for his reinstatement is hereby rescinded.

This letter also approves the action taken by you in informing Mr. W. J. Gates, assistant supervisor, division of operations, Fairmont district office, that he will have to give up his position with the W. P. A. or resign as head of the Democratic County Committee. Approval is also given to your request to Mr. Sutton Sharp, administrative assistant, Fairmont district office, that he give up his part-time position with the Fairmont newspaper or resign from his position with the Works Progress Administration. Your action in dismissing Mr. Dorr Tucker, administrative assistant in the Charleston district office, and Mr. M. D. Dean, acting supervisor of the division of finance and statistics in the Parkersburg district office, and in accepting the resignation of Mr. Mose Darst, as administrative assistant in the Fairmont district office, and Mr. Leo Casey, supervisor of labor relations in the Elkins district office, is approved.

Sincerely yours,

HARRY L. HOPKINS, Administrator.

REPORT TO HARRY L. HOPKINS, ADMINISTRATOR, BY ALAN JOHNSTONE, FIELD REPRESENTATIVE, ON CHARGES OF POLITICAL EXPLOITATION OF THE WORKS PROGRESS ADMINISTRATION OF WEST VIRGINIA

In response to the request of Senator RUSH D. HOLT, as contained in his letter of February 15 to you, and in his addresses in the Senate, as reported in the CONGRESSIONAL RECORD for February 17, 24, 25, and 26, and in compliance with your direction, I have just completed an investigation of the Works Progress Administration of West Virginia, with particular reference to Senator HOLT's charges. With three associates I have devoted 10 days to the investigation, 8 of which were spent in the State.

The charges, as stated in the letter and the addresses, may be grouped as follows: That the Works Progress Administration in West Virginia has been subjected to political exploitation and domination; that the administrative and supervisory cost there is unduly absorbing the funds appropriated to provide work for persons on relief; that the State administrator is unfit to hold his office.

I. POLITICAL EXPLOITATION AND DOMINATION

It is charged hereunder that the giving of relief or employment to persons on relief in West Virginia is on a political basis, and that the Works Progress Administration there was organized for certain specific political purposes. I report on these charges in the order stated.

(1) Giving of relief or employment to persons on relief in West Virginia on a political basis.

The Senator's words are:

"If a man goes to get a job from any county, he must get a letter from the named political boss in that county. * * * In other words, it is not to give a person relief, but to put a few politicians into the administration of an act that was not meant for politicians." (CONGRESSIONAL RECORD of Feb. 17, p. 2199.)

"I said [referring to a previous address] that they had county bosses and that a person to get on relief got the O. K. of the county boss." (CONGRESSIONAL RECORD of Feb. 26, p. 2841.)

An examination of the records of the Works Progress Administration of West Virginia and of the National Reemployment Service in the State shows that from the beginning of the program until December 10, 1935, persons were assigned to approved projects by the National Reemployment Service on the requisition of the Works Progress Administration. The assignments were made from a relief roll theretofore established by the Relief Administration of the State of West Virginia. Of the 55,000 persons now employed on approved projects in West Virginia, approximately 40,000 were thus assigned by the National Reemployment Service. Subsequent to the 10th of December 1935, assignments have been made by the Works Progress Administration itself from a list of persons taken from the same relief rolls. This change in procedure was made with the full agreement of the Works Progress Administration and the National Reemployment Service in order to expedite the assignment because the National Reemployment Service was not sufficiently staffed to meet the rush of requisitions. This change was approved by this Administration.

The records do not disclose any political activity or bias in the assignment of relief clients to projects. Conferences held by myself and my three associates in this study with numerous officials, citizens, and relief clients demonstrated beyond question that the assignments were made in accordance with the regulations and that there was an entire absence of political consideration in the process. I file with this report documents and statements from officials of the Works Progress Administration and the National Reemployment Service which furnish irrefutable proof of the absence of political influence in assigning relief clients to work.

(2) Organizations of the Works Progress Administration for certain specified political purposes.

The Senator's words are:

"I charge Mr. McCullough with using the office he holds for nothing more than to try to carry himself to the office of Governor, not for the administration of the Work Relief Act itself." (CONGRESSIONAL RECORD of Feb. 17, p. 2200.)

"I charge that the W. P. A. in the State of West Virginia was built for a factional political machine." (CONGRESSIONAL RECORD of Feb. 26, p. 2843.)

"Here is what the State personnel agent, Mr. Melton Maloney, in charge of all the personnel in the State, said: 'From the very beginning my hands were tied. I was not allowed to do the job I had been drafted to do. Mr. McCullough told me on December 24 that he was powerless to do anything about it because he was being dictated to by Senator NEELY's personal organization in the State.'" (CONGRESSIONAL RECORD of Feb. 26, p. 2842.)

The specifications given under the charges of political exploitation and domination relate to the appointment of administrative personnel by Mr. McCullough on a partisan political basis and to the appointment of supervisory personnel on projects on the same basis.

The Works Progress Administration in West Virginia is organized under a State office in the city of Charleston and six district offices in the cities of Charleston, Lewisburg, Huntington, Elkins, Fairmont, and Parkersburg.

The principal staff members in the State office are a deputy administrator and the director of five divisions. A brief account of the members of this staff, made up from an examination of their personnel records and conferences with them, is revealing.

The deputy administrator, Mr. E. C. Smith, Jr., is a graduate engineer of 27 years' experience, which includes work on the Panama Canal and a distinguished war record. He was appointed by the State administrator after approval by the chief engineer of this Administration, based on a careful examination of his professional career. He had no political endorsement.

The director of finance and statistics, Mr. B. H. Puckett, is a public accountant, certified in Ohio and West Virginia, and has practiced public accounting for 11 years. He was chosen by the regional representative of this Administration in his specialty and appointed on that recommendation alone with no political endorsement.

The director of the division of assignment, Miss Silene Gifford, a social worker of outstanding merit, was assigned to that service in West Virginia by this Administration and is on this staff. No political endorsement.

The director of the division of women's work, Mrs. Dora Garlitz, is a recognized leader in women's activities in the State, and was widely recommended, including recommendations from Senator HOLZ and Senator NEELY.

The Director of Labor Relations, Mr. H. B. Colebank, is a former member of the Marine Corps, a recognized labor leader and was endorsed by the United Mine Workers of America and the Federa-

tion of Labor of the State. He was also recommended by Senator NEELY.

The Director of Educational Projects and of the National Youth Administration, Mr. Glenn Callaghan, was appointed on the recommendation of a former president of the National Education Association, numerous educators, and also of Senators NEELY and HOLZ.

An examination of the personnel data on file in the State office concerning all the administrative employees discloses some interesting facts.

There are 583 employees whose records were reviewed; 114 of them were appointed by their superiors without recommendation from anyone else.

The file contains a record of a total of 1,701 recommendations or endorsements, 379 of which were written by public officials or by officials of the Democratic and Republican Parties.

As to 368 of the employees there were no recommendations or endorsements from public officials or party leaders. Of the entire group, from clerks to department heads, 202 had college training.

Of the 68 engineers employed, 48 were graduate engineers; of the 114 accountants employed, 90 had specialized training and 3 years or more of previous accounting experience.

Individual conferences were had by me and my associates with the 49 heads of divisions of the State and district offices, with approximately 20 of the junior administrative officers and with 39 of the area engineers who are in direct touch with the projects; in all, 108 administrative officials. All of them, except 11, were regarded as highly capable. These latter had individual weaknesses or had become demoralized by forces outside the administration.

The files were thoroughly searched. No record proof was found, letter or memorandum, relating to Mr. McCullough's supposed campaign for Governor. Only two administrative employees under careful questioning said that they had received any instructions or suggestions relating to the subject. They were Mr. Matthew S. Holt, Jr., a brother of Senator HOLZ, and Mr. Dorr Tucker, a former secretary to Senator HOLZ.

Formal statements of all heads of State and district departments and of the area engineers are attached as exhibits to this report.

The charge is made in the statements of Senator HOLZ in his addresses that project supervisors, timekeepers, and foremen were appointed only on the approval of designated political leaders in the various counties. This system, it is charged, was devised and managed by the United States attorneys for the northern and southern districts of West Virginia and by the United States collector of internal revenue in that State. Formal statements of denial from two of these officials are attached as exhibits to this report, and a verbal denial was made to me by the third. An examination of the files of these officials, with their consent, disclosed copies of letters of recommendations for jobs, but disclosed no evidence of any concert or scheme such as is charged to exist. Indeed, there was no evidence of any extensive or continued interest in appointments on the part of any one of these officials, nor of any interest except a proper one.

A bulletin issued by the State administration directed that supervisory personnel should be appointed by the engineering staff in cooperation with the Division of Labor Relations and on the approval of the district directors.

In three of the districts lists of county "advisers" on the employment of supervisory personnel were found. They contained the names of local public officials and members of political parties or factions. They were traced to three minor district employees and to the State personnel director. One of these employees admitted that he had prepared and disseminated the list and the other two denied it. The attempt to so influence appointments failed because it was effectively resisted by the area and district engineers. A study of a group of supervisory personnel taken at random from the files was made, showing the type of superintendents, foremen, and timekeepers actually selected. A memorandum on that study is attached to this report as an exhibit and discloses that these people had had long and qualifying experience for their positions.

There is no evidence that either Senator NEELY or Mr. McCullough countenanced the preparation or dissemination of these lists of "advisers" or that they even know of it except in one instance as to Mr. McCullough. In that instance a county senator, John Green, of Mingo County, one of the "advisers" made an issue with the area engineer, Mr. Butler, on the appointment of superintendents and timekeepers. Butler promptly took the issue to his superior, Mr. Blackburn, the district engineer of the Charleston district, who as promptly took it to Mr. McCullough. The record shows that Mr. McCullough stated that it was the business of the engineers to appoint supervisory personnel, and that that should be done by Mr. Butler without interference from Senator Green.

The statement above quoted of Mr. Melton Maloney, who held the position of assistant director of personnel from July 1 to December 31, 1935, and to the effect that McCullough told him that he had been discharged "because he (McCullough) was being dictated to by Senator NEELY's personnel organization in the State", is denied by Mr. McCullough. Mr. Maloney's employment ended at the time of a reduction in administrative cost ordered by this office. In a statement to me, which is filed as an exhibit to this report, Mr. Maloney said that he had told Mr. McCullough after notice of his discharge that he would do everything in his power to have McCullough discharged from his position.

The proof submitted by Senator HOLZ consists in part of alleged statements made to him by F. W. McCullough, Works Progress Administrator for West Virginia, as follows:

"Mr. McCullough has personally told me, not once but many times, that the W. P. A. would make him Governor. He thought the N. R. A. would make him Governor, but it expired before the campaign." (Senator Holt's letter of Feb. 15 addressed to you.)

"He has told me with his own mouth that the 55,000 people employed in the Works Progress Administration of West Virginia would make him Governor of the State of West Virginia." (CONGRESSIONAL RECORD of Feb. 17, p. 2199.)

"I was asked the other day to say where Mr. McCullough told me he wanted to be Governor. I will tell Senators where he told me. He told me that in the Mayflower Hotel in the city of Washington, and he told me that in the Daniel Boone Hotel at Charleston, W. Va. He said, '55,000 men can make anybody Governor, and they know where they get their jobs.' I challenge him to deny that, and I will tell him the exact date." (CONGRESSIONAL RECORD of Feb. 26, 1936, p. 2843.)

In Mr. McCullough's statement, which is attached to this report as an exhibit, he specifically denies having made this statement to Senator Holt at the places designated or at any other time or place. Whether the statement was made or not is a question of veracity between Senator Holt and Mr. McCullough.

Mr. McCullough, in a statement issued to the Associated Press on February 18, 1936, said:

"I am not a candidate for Governor or any political office in the State of West Virginia. I have only one concern and that is the success of the Works Progress Administration.

"Steadfastly, since my appointment as administrator last June, that has been my ambition."

On the matter of political domination the following statements of Senator Holt are of interest.

On November 8, 1935, the Senator wired Mr. McCullough concerning the Huntington district and its director:

"I have consistently requested John West to cooperate in Mason County, not only once but many times, and I have been informed by my friends that he is not doing so. As you realize, I have tried to accept conditions as they are, but, frankly, I must protest most vigorously against continuation of such practices. I hope that this matter will not have to be taken up again, and I insist that some definite understanding be made."

Another wire of the same date says:

"Will no doubt appeal to officials here about West. Have further information that he has refused to cooperate; therefore must request intervention from Washington. Sorry that Huntington situation forces me to appeal directly to Federal officials here, but it seems as though I cannot get any consideration on matter that is very urgent to me in district. Hate to do this on your account, but must protect administration."

On January 25, 1936, the Senator wired to the director of the Elkins district:

"Information has been given me that you refused to appoint O. L. Hetzel as Hardy County N. Y. A. supervisor and named L. B. McNeil at request of H. N. Calhoun. You not only went over my head but refused to requisition him. Shall take matter up with Mr. Williams here in Washington and see if such practices will be tolerated."

The reference is, of course, to Mr. Aubrey Williams, the Administrator of the National Youth Administration.

In his address to the Senate on February 26, Senator Holt said:

"Now look at my home district. I took responsibility for the Parkersburg district, my home district. But, Senators, I will not have to take it long, because I made a speech on the floor of the Senate against the W. P. A. on Monday, and on Friday my brother was fired out of it." (CONGRESSIONAL RECORD of Feb. 26, p. 2843.)

Mr. M. S. Holt, Jr., the brother of Senator Holt, was appointed district engineer of the Parkersburg office in July 1935. According to his statement, which is attached to this report as an exhibit, he assumed control of that office to the exclusion of the district director.

The record shows that on a visit to West Virginia January 31-February 1 by Mr. Wayne Coy, field representative of this Administration, he received reports of maladministration in Parkersburg.

On February 6-7 he sent members of his staff there to investigate the reports. Their report, which reached him on February 14, showed (1) prosecution of unapproved projects, (2) overloading of projects with supervisory personnel, and (3) improper placing of administrative personnel on project pay rolls. On the same day, February 14, Mr. McCullough wired to Mr. Coy:

"Am convinced and so recommend that nothing short of a complete reorganization in the fourth (Parkersburg) district will solve our particular problems there."

So that at least 3 days before the Senator's speech, and in an effort to correct the results of bad administration in Parkersburg, Mr. McCullough had reached the decision to relieve M. S. Holt, Jr., of duty.

During the course of my investigation in the Parkersburg district I find that early in February of this year subscriptions had been solicited and taken from the employees of the Parkersburg office to pay the expenses of broadcasting a speech delivered by Senator Holt at St. Marys, W. Va., on February 7. I file with this report as exhibits the original subscription lists, the contract with the radio station, and check stubs showing the disbursement. I file also a statement from M. D. Dean, office manager and director of personnel of the Parkersburg district, describing the transaction, and stating that Senator Holt's address related "to National and West Virginia political affairs."

Senator Holt has called attention in the CONGRESSIONAL RECORD that W. J. Gates, an official in the Fairmont district, was chairman of the Democratic Party of his county. Gates was a relief client

who had been elevated to the position of assistant supervisor of projects and planning in the Fairmont district. The matter of his connection with the Democratic Party has already been handled by the State administrator, who has advised him that he must give up one job or the other. A copy of the letter indicating that action is attached to this report as an exhibit. Attention was called by Senator Holt to the fact that Sutton Sharp was an official of the Works Progress Administration at Fairmont and was the editor of the Fairmont Times. I attach to this report as an exhibit a statement from Sharp and the newspaper which establishes the correctness of the Senator's statement. Mr. Sharp's superior and the State administrator state in writing that they did not know of this dual relationship until I called it to their attention, but obviously Mr. Sharp should relinquish one of these positions.

Senator Holt states that Abe Forsythe, the acting director of the Parkersburg district, is a representative of material dealers and is selling goods to the Works Progress Administration; and there are printed in the CONGRESSIONAL RECORD excerpts of a letter written by Forsythe to Senator Holt in July of 1935 wherein Mr. Forsythe appears to make a bid to sell materials and supplies to the State of West Virginia on a political basis. The files show no purchases of materials by the Works Progress Administration in West Virginia from Forsythe or from any company with which he was formerly connected, and the record is clear that Forsythe severed connections with materials companies before he was employed by the State administration. A copy of the full letter from Forsythe to Senator Holt is attached to this report as an exhibit. It should be observed that from October to the middle of December, which roughly represents the formative period of the Works Progress Administration in West Virginia, Senator NEELY was on an official trip to the Orient.

II. ADMINISTRATIVE COST

Attached to this report as an exhibit is a statement taken from the books showing the cost of administration and giving certain other financial data. It discloses that administrative cost of the entire period of operation of the Works Progress Administration in West Virginia is approximately 4 percent. During the formative period, when the personnel was largely engaged in the preparation and submission of projects, it was around 6 percent. For the month of March it is 2.6 percent.

From a record of a group of projects which I examined and which had been criticized it would appear that these projects had been overloaded with supervision. The project forms of these projects show that project numbers had been assigned to certain field personnel employed in inspection without reference to the whole list of projects that they actually did inspect. In conformity with established government forms the salaries of these officials have in fact been prorated on the books against all the projects over which they had supervision.

In certain instances it was found that the salaries of office personnel had been charged to projects. This practice had already been corrected before the date of my investigation.

III. MR. McCULLOUGH'S FITNESS FOR OFFICE

The charges of Senator Holt in this respect relate largely to matters of opinion except as to Mr. McCullough's connection with what is described as a "42-percent loan stock bank" and to certain transactions in connection with the Huntington State Hospital.

On the former matter the facts are clear that Mr. McCullough was employed several years ago to promote the passage in the West Virginia Legislature of the uniform small loans act recommended by the Russell Sage Foundation and intended to provide protection against loan sharks. Until recently he was president of a bank established under that law. The usefulness of such banks is a matter of controversy, but they are approved by a large body of respectable opinion in the United States.

The copies of official records and affidavits relating to the Huntington Hospital matter filed with this report show that there was no impropriety on the part of Mr. McCullough in that matter.

IV. INCIDENTAL FINDINGS AND ACTION

In the course of my investigation of the charges of political exploitation of the Works Progress Administration and on the matter of administrative costs and the fitness of the State Administrator to hold his office, I discovered that at Christmas time subscriptions had been taken from the employees of the State office and the Fairmont and Parkersburg offices for a Christmas present for Mr. McCullough. Similar subscriptions had been taken for Christmas presents for Mr. M. S. Holt, Jr., in the Parkersburg office and also for a wedding present for him on the occasion of his recent marriage. While there were no evidences of coercion and all indications are that these subscriptions were spontaneous on the part of the employees, it represents a practice which ought not to be approved.

A number of alleged abuses on individual projects and certain alleged irregularities were called to my attention by various citizens of the State. They do not indicate a condition that affects the integrity of the Administration. I have offered them to the field representative who represents this Administration in West Virginia for administrative action or reference to the Division of Investigation as the nature of each case may warrant.

ALAN JOHNSTONE,
Field Representative.

MARCH 11, 1936.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House

had agreed to the amendment of the Senate to the bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke.

POWERS, FUNCTIONS, AND DECISIONS OF THE SUPREME COURT—
ADDRESS BY SENATOR MINTON

Mr. NORRIS. Mr. President, on the 4th day of March this year the Senator from Indiana [Mr. MINTON] delivered a very able address before the Federal Bar Association at the Mayflower Hotel in this city. I ask unanimous consent to have that address printed in the RECORD, together with the table attached to it.

There being no objection, the address and table were ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, ladies, and gentlemen, I consider it a privilege to be permitted to speak to you on this occasion, and I congratulate you on your good fortune in having with you this evening the distinguished lawyer, who has the honor to be at this time president of the American Bar Association, Judge William L. Ransom. No one is better qualified to speak for the things he believes in than is Judge Ransom. The judge and I do not agree on many things, but I am sure he joins with me in the sentiment of Voltaire: "I may not agree with what you have to say, but I will fight for your right to say it."

It is difficult for one to speak at the present time on any subject relating to the Supreme Court, its powers, functions, and decisions without being misunderstood. No one can say after 150 years of our experience under our present form of government that the Constitution is obsolete or outmoded, or that constitutional government is a failure. On the contrary, and notwithstanding our partial failures, I assert that our form of government is not a failure, and I know of no one in responsible position today who thinks it is. I have heard some serious indictments of our form of government by very able men. I have heard some statements of very distinguished men that seem to me to be an indictment of our form of government, although not intended to be such by the author.

For instance, Senator BORAH, during the last session of Congress, on the floor of the Senate said: "The situation is rapidly approaching a crisis. We are apparently facing a catastrophe. It was stated a few days ago by one in position to know, that 80 percent of the human family is living below the poverty line. We have millions on relief and millions more living on a low standard, while a vast portion of the people are unable to secure what a decent standard calls for."

If, as Senator BORAH says, 80 percent of the human family is living below the poverty line, when we consider the number of unemployed and the size of the relief rolls at the peak in this country, we would be safe in saying that 40 percent of the human family in this great, rich country of ours was at one time living below the poverty line. Is not that a most serious indictment of our form of government, after 150 years of experience? So when one considers an appraisal of our form of government, his warrant for doing so is the distress of the great masses of the people suffering in the tolls of an unequal distribution of the wealth and power of the country. And so in an emergency of this kind it behooves us to see that our machinery of government is properly coordinated.

No part of our Government should be free from criticism. In my judgment, no part is. Certainly we in Congress and the President of the United States are not only criticized but abused in the strongest and vilest language that public media of communication will carry. But let one raise his voice about the Supreme Court, and the lawyers especially throw up their hands in holy horror, as if a sacrilege had been committed. The Court itself has assumed no such sanctity, and as far as I know has asked no exemption from a critical examination of their record. Indeed, one distinguished member of that Court, Mr. Justice Brewer, in a speech before the Marquette Club in Chicago, in 1898, said:

"It is a mistake to suppose that the Supreme Court is either honored or helped by being spoken of as beyond criticism. On the contrary, the life and character of its Justices should be objects of constant watchfulness by all, and its judgments subject to the freest criticism. The time is past in the history of the world when any living man or body of men can be set on a pedestal and decorated with a halo. True, many criticisms may be, like their authors, devoid of good taste, but better all sorts of criticism than no criticism at all. The moving waters are full of life and health; only in the still waters is stagnation and death."

A great deal is being said at the present time about the power of the Court to declare an act of Congress unconstitutional. That is an academic question. For a century and a third the Court has claimed the power to declare acts of Congress unconstitutional. True there is no specific grant of this power in the Constitution to the Supreme Court to declare an act of Congress unconstitutional. The right is implied from a number of other provisions of the Constitution. The fact that this power is not specifically granted is not very persuasive as an argument that the Court doesn't have the power, for its specific powers are not enumerated in the Constitution. However, I do not think that one who reads the debates of the Constitutional Convention and the discussions attending the adoption of the Constitution can reach any other conclusion than that if this power had been provided in the Constitution it would never have been ratified. During the Constitutional Convention

an effort was made to give the Court revisory or veto power with the Executive over the acts of Congress. This was four times voted down and the veto power was given to the Executive alone.

Whether this was a manifestation on the part of the Convention of its purpose to deny the Court the power to veto the legislation of Congress, or a desire to keep the judges out of the lawmaking business and leave them free to apply the Constitution to the law in the cases that were properly brought into the Court's jurisdiction, is a debatable question. The fact remains that the Court has the power and exercises the power to declare acts of Congress unconstitutional. It has an absolute veto. It is absurd to say the Court doesn't declare the acts of Congress unconstitutional, that it only has the right to render judgment as to whether an act of the Congress is the law of the case or the Constitution.

The plain truth of the matter is that the Court does declare acts of Congress unconstitutional and just as effectively nullifies them as if they were repealed. The distinction between what it is asserted the Court does and what it actually does is too fine for practical purposes. It is much like the old wheeze—that it wasn't the fall from the tenth floor that killed the fellow; it was the sudden stop.

With the right to exercise this power to declare acts of Congress unconstitutional I shall not argue. It is the American system of judicial supremacy, unique in the world of jurisprudence. Not another court in the world exercises such power. It doubtless is a good thing to have a body that has nothing to do with the initiation of legislation, to have the power to act as a check upon the legislative body. The people and the President act as a check upon Congress, and the Court is a double check upon Congress and the people; but who checks the Court? Is it to act unchecked, and by a mere majority, when no one else does?

The members of the Court are human. To that, I am sure, the Court would agree. As such human beings they are infallible and subject to all the influences of training and life work before going on the Bench—environment and the usual amount of prejudices and predilections of the average person. The question naturally arises, Is it wise to place in the hands of five of nine men that constitute the Court the absolute power to veto an act of Congress? The answer to that is—they have the power, but that power is, in my opinion, subject to regulation by Congress. The Court itself has laid down some rules for its own guidance in the review of cases. In the early case of *Briscoe v. The Bank* (8th Peters, 118) the Court declined to pass upon the constitutionality of an act of Congress without a full Court; the Court said: "The practice of this Court is not (except in cases of absolute necessity) to deliver any judgments in cases where constitutional questions are involved unless four judges concur in the opinion, thus making the decision that of a majority of the whole Court."

The right, therefore, to declare an act of Congress unconstitutional by a majority of the Court is a rule of practice laid down by the Court itself. The Court, in the case just quoted from, refers to this rule as a practice of the Court. Another rule of practice laid down by the Court is that the Court will not declare an act of Congress unconstitutional unless the act is clearly unconstitutional beyond a reasonable or rational doubt.

How can it be said that the unconstitutionality of an act of Congress is clear beyond all reasonable doubt when four of the nine distinguished and eminent jurists of the bench are of the opinion that the act is constitutional? Or even three? You cannot convict anyone in a Federal court in this country of a crime until each and every one of the 12 jurors are satisfied beyond a reasonable doubt of the guilt of the defendant. If the triers of fact are to be held to such unanimity of opinion in a field in which they are not experts, but are inexperienced, and where the conviction for the crime may carry a trivial penalty and affect only the defendant, why may not the great jurists upon the bench, who are skilled and trained in their profession, and real experts in their line, be required to exercise as much unanimity of opinion as an inexperienced juror in the box, especially since the matter submitted to the Court affects the daily life of all the people?

But the argument is made that we are a government by the majority, and the Court should be permitted to act by a majority vote. We most certainly are not a government by the majority. Ours is a government of checks and balances with more than a majority of the Congress required in numerous cases for effective action. Let us see if we are a government by the majority. This could happen. An act could pass the House by the unanimous vote of all its 435 Members, pass the Senate by a vote of all 96 Senators, be signed by the President of the United States, and upheld by the district court and the four or five judges of the circuit court of appeals, and upon submission to the Supreme Court, of a case involving the constitutionality of that act, five out of the nine men on the Court could overthrow the House, Senate, the President, the district court, and the circuit court of appeals. Of course, this is an extreme case, but it is possible. But in any case, five men in the Supreme Court can overthrow the judgment of four of their associates, their brothers of the lower courts, the President, and Congress. In every case where an act of Congress is declared unconstitutional the President and Congress are overruled. Congress itself does not always act by a majority vote. Each House may, "with the concurrence of two-thirds, expel a Member." As you well know, the President wields the power of two-thirds of Congress in the veto he holds. He alone is as strong as two-thirds of Congress. His veto is not final, and Congress may pass the act over his veto "if approved by two-thirds of both Houses." This veto was the only veto expressly given by the Constitution. Such veto may or may not be final, and even the people may take a hand, but when the Supreme

Court speaks, its voice is final for all practical purposes, and it takes a constitutional amendment to get around the Court, and on a resolution to amend the Constitution, to get around the decision of five men, two-thirds of both Houses shall approve such resolution, and then three-fourths of the States must ratify it. Thus we see that five, in a country of a hundred and twenty millions, constitute a majority, and for all practical purposes their vote is final. This is majority rule with a vengeance. On the other hand, nothing is final with Congress. Whatever is done at one session of Congress may be undone at the same or any subsequent session.

On impeachment before the Senate "no person shall be convicted without the concurrence of two-thirds of the Members present."

The President may make treaties, which become part of the law of the land, "provided two-thirds of the Senators present concur."

"Congress may, by a vote of two-thirds of each House" remove disability, incurred by participation in insurrection or rebellion.

From these provisions of the Constitution, it is quite evident that we are not a government by the majority. Since we are not a government by the majority, and it is a rule of practice only, laid down by the Court itself, that it acts on the constitutional questions by a majority vote, can Congress change a mere rule of practice and provide that before the Court shall declare an act by Congress unconstitutional more than a majority must concur?

As you know, the Constitution provides: "The judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may, from time to time, ordain and establish."

The next section provides the cases to which the judicial power shall extend, and from these cases confers original jurisdiction upon the Supreme Court in "all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party." "In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make."

There is a difference, not always observed, between power and jurisdiction. Jurisdiction is the limits to power. Webster defines jurisdiction as "sphere of authority, the limits or territory within which any particular power may be exercised." Literally, it means the right to speak. Now, if the right to speak in appellate matters is given the Congress, and no one denies it, and such right to speak is "with such exceptions and under such regulations as the Congress shall make", and no one can deny it, then Congress may prescribe the practice in the form of a limitation upon the exercise of the power. After all, that is what jurisdiction is, the demarcation of the boundaries in which power may be exercised.

If the Court has the power to speak on the constitutionality of an act of Congress, to say that it shall speak by a certain number in such case, is simply to limit the power and define the method under which the power may be exercised and is in the nature of a regulation of the exercise of that power.

The appellate jurisdiction of the Supreme Court is just what Congress gives it, and is exercised under such regulations as Congress shall make. Granting the power of the Court to hold acts of Congress unconstitutional, there seems to be no doubt but what Congress may prescribe the practice in such cases by proper regulation. This does not deny the power, but provides regulations for the exercise of the power.

In *Wiscart v. Dauchy* (3 U. S. 321-327) Chief Justice Ellsworth, the author of the Federal Judiciary Act, speaking for the Court, said: "If Congress has provided no rule to regulate our proceedings, we cannot exercise an appellate jurisdiction, and if the rule is provided, we cannot depart from it. The question, therefore, on the constitutional power of an appellate jurisdiction is simply whether Congress has established any rule for regulating its exercise."

Later, in the case of *Duncan v. The Francis Wright* (105 U. S. 381, 385), the Court, in commenting on the *Wiscart* case, said: "This was the beginning of the rule which has always been acted on since that, while the appellate power of this Court constitutionally extends to all cases within the judicial power of the United States, actual jurisdiction under the power is confined within such limits as Congress sees fit to prescribe. * * * Authority to limit the jurisdiction necessarily carries with it authority to limit the use of the jurisdiction. * * * The general power to regulate implies power to regulate in all things."

In *American Construction Co. v. The Jacksonville Railway* (148 U. S. 372), the Court says: "The Court, therefore, as it has always held, can exercise no appellate jurisdiction, except in the cases and in the manner and form defined and prescribed by Congress."

From these decisions, and many more that may be cited, and the plain language of the Constitution, it seems that the power of Congress is clear. We all know that appeal is not a matter of right, but a privilege granted by the sovereign power. Therefore, when a litigant is granted this privilege of review by the Supreme Court of the United States it is under such exceptions and regulations as Congress shall make. Congress can and should provide that when a litigant challenges an act of Congress on constitutional grounds in the United States Supreme Court, the act of Congress shall determine his right unless he is able to convince at least seven Judges of the Supreme Court that the act conflicts with the Constitution and therefore is invalid. Thus the burden is upon the appellant to establish his right under the Constitution, not by a mere majority, but by seven out of the nine Justices, and thus approach more nearly the rule of the Court, that uncon-

stitutionality must be established beyond reasonable or rational doubt.

Such regulation by Congress is logical and consistent with the mechanics of checks and balances and the philosophy upon which our form of government is constructed. I therefore deny that ours is a government by the majority, and that the Supreme Court is only carrying out the theory of the rule of the majority. I assert that ours is a government of checks and balances, and it is unwholesome and dangerous to place in the hands of five men, however eminent, able, and patriotic, the exercise of so great power in a sphere so remote from the source of all power—the people themselves.

ACTS OF CONGRESS HELD UNCONSTITUTIONAL BY THE UNITED STATES SUPREME COURT, GROUPED AS TO THE VOTE OF THE COURT

UNANIMOUS

1. *Marbury v. Madison*; six sitting (1 Cranch 137).
2. *Reichart v. Felps*; eight sitting (6 Wall. 160).
3. *The Alicia*; eight sitting (7 Wall. 571).
4. *U. S. v. Dewitt*; nine sitting (9 Wall. 41).
5. *The Justices v. Murray*; nine sitting (9 Wall. 274).
6. *U. S. v. Fox*; nine sitting (95 U. S. 670).
7. *Trade Mark Cases*; eight sitting (100 U. S. 82).
8. *Callan v. Wilson*; eight sitting (127 U. S. 640).
9. *Monongahela Navigation Co. v. U. S.*; six sitting (148 U. S. 312).
10. *Wong v. U. S.*; eight sitting (163 U. S. 228).
11. *Jones v. Meehan*; nine sitting (175 U. S. 1).
12. *Rasmussen v. U. S.*; nine sitting; (197 U. S. 516).
13. *U. S. v. Evans*; nine sitting (213 U. S. 297).
14. *Muskat v. U. S.*; nine sitting (219 U. S. 346).
15. *Choate v. Trapp*; eight sitting (224 U. S. 665).
16. *Butts v. Merchants and Miners' Transportation Co.*; nine sitting (230 U. S. 126).
17. *U. S. v. Hvoslef*; eight sitting (237 U. S. 1).
18. *Thames and Mersey Insurance Co. v. U. S.*; eight sitting (237 U. S. 19).
19. *Hill v. Wallace*; nine sitting (259 U. S. 44).
20. *Keller v. Potomac Electric Power Co.*; nine sitting (261 U. S. 428).
21. *Spalding Bros. v. Edwards*; nine sitting (262 U. S. 66).
22. *Trusler v. Crooks*; nine sitting (269 U. S. 475).
23. *Booth v. U. S.*; nine sitting (291 U. S. 339).
24. *Lynch v. U. S.*; nine sitting (292 U. S. 571).
25. *Schechter Poultry Corp. v. U. S.*; nine sitting (295 U. S.).
26. *Louisville Joint-Stock Land Bank v. Radford*; nine sitting (295 U. S. 555).
27. *Hopkins Fed. Savings and Loan Assoc. et al. v. Cleary et al.*; nine sitting (296 U. S. 315).

FIVE TO FOUR

1. *Ex parte Garland* (4 Wall. 333).
2. *Pollock v. Farmers' Loan & Trust Co.* (158 U. S. 601).
3. *Fairbanks v. U. S.* (181 U. S. 601).
4. *Employer's Liability Cases* (207 U. S. 463).
5. *Hammer v. Dagenhart* (247 U. S. 251).
6. *Eisner v. Macomber* (252 U. S. 189).
7. *Knickerbocker Ice Co. v. Stewart* (253 U. S. 149).
8. *Nichols v. Coolidge* (274 U. S. 531).
9. *Burnet v. Coronado Oil & Gas Co.* (285 U. S. 393).
10. *R. R. Retirement Board v. Alton R. R. Co.* (295 U. S. 330).
11. *Newberry v. U. S.* (256 U. S. 232); nine sitting; unanimous decision. White, Chief Justice; Pitney, Brandeis, and Clark, Justices, dissent on constitutional question.

EIGHT TO ONE

1. *Collector v. Day* (11 Wall. 113).
2. *U. S. v. Harris* (106 U. S. 629).
3. *Civil Rights Cases* (109 U. S. 3).
4. *Matter of Heff* (197 U. S. 483).
5. *Bailey v. Drexel Furniture Co.* (259 U. S. 20).
6. *Miles v. Graham* (268 U. S. 501).
7. *Panama Refining Co. v. Ryan* (293 U. S. 388).
8. *U. S. v. Reese* (92 U. S. 214); one dissent; Clifford dissenting on constitutional grounds, concurs in result.

SIX TO THREE

1. *Keller v. U. S.* (213 U. S. 138).
2. *Myers v. U. S.* (272 U. S. 52).
3. *Untermeyer v. Anderson* (276 U. S. 440).
4. *National Life Ins. Co. v. U. S.* (277 U. S. 508).
5. *U. S. v. Butler* (October term, 1935, no. 401); January 6, 1936; 6-3 decision.

SEVEN TO TWO

1. *United States v. Klein* (13 Wall. 128).
2. *Boyd v. United States* (116 U. S. 616).
3. *Hodges v. United States* (203 U. S. 1).
4. *Coyle v. Oklahoma* (221 U. S. 559).
5. *Evans v. Gore* (253 U. S. 245).
6. *Washington v. Dawson Co.* (264 U. S. 219).
7. *Indian Motorcycle Co. v. United States* (283 U. S. 570).

SIX TO TWO

1. *Dred Scott v. Sandford* (19 Howard 393).
2. *United States v. Railroad Co.* (17 Wall. 322).
3. *Pollock v. Farmers Loan & Trust Co.* (157 U. S. 429).
4. *Kirby v. United States* (174 U. S. 47).
5. *James v. Bowman* (190 U. S. 127).

6. *Adair v. United States* (208 U. S. 161).
 7. *Heiner v. Donnan* (285 U. S. 313).
 8. *United States v. Cohen Grocery Co.* (255 U. S. 81). Eight sitting. Pitney and Brandeis concur in result, dissent on constitutional question.
 9. *Weeds, Inc., v. United States* (255 U. S. 109). Eight sitting. Pitney and Brandeis concur in result, dissent on constitutional question.

FIVE TO THREE

1. *Hepburn v. Griswold* (8 Wall. 603).
 2. *United States v. Moreland* (258 U. S. 433).
 3. *Adkins v. Children's Hospital* (261 U. S. 525).

EIGHT TO TWO

1. *Gordon v. United States* (2 Wall. 561).

SEVEN TO ONE

1. *Baldwin v. Franks* (120 U. S. 678).

UNITED STATES OF AMERICA—ADDRESS OF HON. JAMES A. FARLEY

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Hon. James A. Farley before the Charitable Irish Society at Boston, Mass., on March 17, on the subject The United States of America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I esteem it a great honor to address your society on this its one hundred and ninety-ninth anniversary. I feel a personal pride in your organization, in its fine purposes, and its history of accomplishment running back through the years long before the birth of our Nation itself.

It must be a source of pride and satisfaction to know that down through the years some of the outstanding men in American public life have come here to join you and to praise the purposes for which you stand. Your organization has grown and spread its influence far beyond its original geographical limitations. The Charitable Irish Society is nationally known because it deserves to be nationally known.

I was interested, in reading the accounts of your splendid past, to learn that a President of the United States, William Howard Taft, was an honorary member of your organization; that great churchmen, distinguished authors, and men known everywhere for their deeds and character have come here to take rank gladly in your society.

There is a reason why this little society founded by 26 sturdy Irishmen back in the early colonial days has managed to survive and prosper despite the pressure of difficult times and changing events. I think the secret of the Charitable Irish Society lies in the fact that it has perpetuated the essence of those things in the Irish character which are universally loved and respected by all men and women regardless of race or religion. The Irishman throughout history has had a genuine sympathy for the unfortunate and the oppressed; the Irishman has always been willing to pause in the hurly-burly of life or the smoke of battle to lend a helping hand to the chap who is down and needs assistance.

We sons of Erin have had a number of complaints charged against us down through the years—and here in the bosom of our family we can admit that some may have been amply justified—but no one has ever said that we are a cold race or that we are unmoved by human suffering. We have sympathy for the sufferer because we have suffered ourselves.

And so I say what man of Irish race could stand here before you on this occasion and not express warmly to you his gratification that there is such a society and that it has lived so long? You will soon celebrate your two hundredth anniversary. God grant that you may thrive and do your good work and reflect credit on your race as long as the Republic stands.

This is an occasion on which one might be expected to tell the world about the glories of our race, about our great men of letters, our patriots and statesmen, our soldiers and captains of industry. But we all agree that we are a great people, so why repeat the obvious? In any event I'm not so sure that we are as fond of flattery as people sometimes suppose.

We like to give flattery, and in fact the Irish have raised it to such a fine art that the word "blarney" has come to have a place in the language of our country. Perhaps that is the reason why we are always a bit suspicious of flattery when it is handed to ourselves.

No; I would prefer to talk to you about the place of the Irish-American in our national life—the blessings which this land has conferred upon us, and the responsibilities, as I see them, which we have assumed as a part of the birthright of American citizenship.

Patriotism to me is enthusiasm for the public welfare and devotion to the betterment of all our citizens from the lowest even to the highest. Patriotism is not undirected emotionalism. It must have content and purpose; it must be the driving force of progress, for where there is no progress dry rot and decay quickly enter in.

We do not—cannot—stand still as the reactionaries would have us do. We move forward or we perish. That is the rule of life. And yet the reactionary often envelops himself in the cloak of patriotism and, in the name of country, demands a halt to what is in effect a march of civilization. I want none of his brand of patriotism. Nor do I want that of him, who, sympathizing little

with American institutions and understanding little of American history, thinks destruction is a condition of progress. Let us have the Americanism of the best Americans, and not of the worst.

I have never been impressed by flag-waving patriots, because waving and profit too often go together. But like most men of the Irish race, my love of country has always been deep and sincere. You will understand me, therefore, when I say that there is real need today of a revival of true patriotism in this country, and to this no one can make a more effective contribution than the sons of Erin. No racial group that has come to these shores from across the seas owes more to America and appreciates America more than do we. We owe much, I say, to America. We owe so much because America is a land in which the gifts of soul and mind which God has given us find their fullest flowering. America was just made for the Irish, but not quite in the sense that that statement is sometimes uttered.

Our race has had centuries of oppression. Here we have liberty and opportunity and we deeply prize them both. Those talents which were long suppressed have their full play on these shores. We can grow and develop, and those talents of organization and leadership which are ours in a high degree can have full fruition here. We can build our homes and raise our children in a land of equals. We have a voice in public affairs; we can help shape the destiny of this great country, and that we treasure highly. For are we not at heart poets and idealists—and dreamers of dreams? Few people wish more than we do to build a better world. And here is the opportunity—the opportunity to create for America and for ourselves as part of it.

But we need frequently to dedicate ourselves to the task of helping in the true upbuilding of America. That is what I mean by the urgency of a renewal of patriotic zeal. America has done much for us; we must continue to do much for America. All our gifts must go into that task.

You will wish me to be more specific. What is our task? What is the problem? It seems to me it is the maintenance of our democracy, both economic and political, against the forces which continually seek its overthrow. Constant vigilance is the price of liberty. That is equally true of democracy, which is the essential of liberty, as liberty is the essential of democracy. And I do not mean the liberty to exploit, but the liberty of the people to direct their own affairs in the interest of all. The true meaning is often distorted. Today we are amazed to find so many people suddenly becoming "liberal" and burning with fervor for the Constitution. All the "best people" are spending sleepless nights worrying over the dissolution of our democracy, which they profess to believe is fast taking place. Is it not strange that liberty, the Constitution, and our democracy seem to be disappearing every time the Government makes a serious effort to do something for the masses of the people? Would that our friends in heavily financed propaganda organizations did indeed yearn for the liberties of the people—the liberties to live and grow and raise their families in decency and honor; did indeed burn with zeal for the Constitution properly interpreted as an instrument of progress; did indeed want passionately, as they say they do, a democracy in these United States of the sort the fathers dreamed of.

I know, of course, I will be accused of talking demagoguery. I will be accused of appealing to the masses; I will be accused of stirring up class hatred. On the contrary, I am appealing to the conscience, the honor, and the intelligence of the American people. I am appealing in particular to you of Irish blood to keep up the struggle for true liberty, to continue to offer resistance to distorted concepts of the Constitution by self-interested groups, and to continue to work for vindication of the true principles of democracy upon which alone progress can be made.

Every faith, every party, every class of our people, rich or poor, is interested in the eradication of the abuses which privilege, in its various forms, continually develops in our national life. Government must forge the instruments of correction. If it does not, it is sterile. To stand pat, to do nothing, is to fail in the responsibility which the people place in the hands of government. To assume that with the evolution of business and economic life no abuses arise, or that they are self-corrective, is absurd. Did we not have the panic of 1929 and the depression which followed it? Can anyone contend that those troubles, so costly in human values, were not due to causes which in a large measure can be removed? Will anyone contend that, even with the correction of present abuses and evils in our economic system, others will not appear? That is the way life runs. The problem of the relation of Government to business is a difficult one, but there is a relationship, and Government and business together must solve the problems involved. Moreover, there is a continuing relationship; and Government, if it is to perform its function, must be positive, constructive, and legislatively creative. It must guard against the abuses of speculation, the abuses of credit; it must, within its function, seek to bring stability and security into the economic system. It must in an emergency take measures to keep the economic machine running lest people starve. It must, as private business cannot, provide security against old age and unemployment. There is no simple formula to determine where private business ends and Government activity begins.

Surely Government does not belong where private initiative can effectively function; but if private initiative fails, then Government must step in, because the Government's first duty is to the people as a whole. Liberty is not an abstraction; it is a true living thing in the life of the people. The greatest oppression comes from adverse economic conditions. Liberty grows to the degree that such oppression is lifted.

It is my honest conviction that here in America we are experiencing at this moment a notable rebirth of the ideas and prin-

ciples upon which the Republic was founded and through the application of which it has grown to greatness. I sense a growing desire in all parts of the country to surge forward until we eliminate great economic wrongs which have existed in this country for generations and in other countries perhaps for centuries. Why should sweatshops exist? Why should farmers work from sunup to sundown for less than a living wage? Why should child labor be tolerated?

The American people are demanding an answer to those pertinent questions and they are demanding a remedy for those evils. We have succeeded in eliminating a great many of the wrongs inflicted upon the great masses of people in the past and with God's help we are going forward until we eliminate the remainder.

Here in this country, after more than a century and a half of experience we have succeeded in implanting the idea of civil liberty deep into the hearts and minds of our people. We know that in the United States of America, to a degree unknown in most parts of the world, we may enjoy the inalienable blessings of freedom of speech, freedom of assembly, and religious liberty, without restraint or governmental interference. Now, we must go forward until we make the reality of economic freedom equally a part of the heritage of every American boy and girl.

The ideals which I have just enumerated constitute the ultimate objective of those who are now grasping with the tremendous problems confronting our Federal Government. To win victory, we must master complex social, economic, and political forces. We are now well on the way to victory, and as we look about us at the world today, we may appreciate better our own good fortune. We can appreciate the fact that the United States, thank God, is singularly free from the social disturbances, threats of war, and economic chaos which unfortunately afflict many of the unhappy nations of Europe and the Orient. Why are we so favored? No man is able to scrutinize the divine will of Providence, but certainly the United States is losing nothing by remaining true to its own idealism.

Of late we have heard a curious and unusual kind of complaint being uttered against the men who now fill eminent positions in American public life. We hear these men criticized as visionaries, as dreamers, as idealists who are full of righteous anger against old wrongs, and full of zeal to help their fellow men. They are condemned as impractical, although it is my notion that what they have accomplished will rank with the great constructive accomplishments of history.

There is a familiar ring about this faultfinding and this criticism. Where have we heard such talk before? It is the same age-old complaint that has been made against the sons and daughters of old Ireland for centuries. You recognize its source and it is my humble belief that we have very proudly entered a plea of guilty to that charge. We are idealists and dreamers and visionaries and we will remain so until the end of time.

Remember, the accomplishments of today were the dreams of yesterday. Every splendid achievement for the uplifting of humanity and the betterment of the common lot has had its birth in the brain of some man or woman who was looked upon as a starry-eyed theorist.

A laboratory worker conceived the idea of stilling pain in surgical operations and anaesthetics were born. A telegraph operator pondered over the sparks shot off by electric wires—and the electric light was born. A philosopher thought of a state of civilization in which a man could have civil and religious freedom and the right to work out his own destiny according to his own energy and conscience—and liberty was born. I say the dreamer, who knows how to carry out his worth-while dreams, is the most valuable man we have.

Here in Massachusetts and in other parts of New England it has been a custom for many years past to give positions of trust and responsibility to men of Irish birth or extraction. It is such a commonplace that it no longer excites comment. There is hardly a State in the Union or a city of any considerable size in which we do not find men and women of Irish blood occupying positions of influence. They win recognition because they perform their duties with a sense of understanding and loyalty that wins the respect of their fellow citizens.

I wish to call your attention to the fact that, to an extent which never before existed in this country, men of Celtic blood have been called to Federal service in the great task of reconstruction now under way.

They occupy high administrative posts and they are performing their duties in a manner which has won almost universal approbation. These men are bringing honor to their country and honor to the Irish race because they are playing a magnificent part in a great task which must be done.

This is an age vibrant with the thrill of great events about to happen. We sense the fact that, both here and abroad, great forces are ready to start in motion. It is an age for Irishmen to live in because the world needs men who have vision and faith and who employ those two great virtues for constructive purposes.

The Irish have long been proud of America; it is our duty to make certain that America is proud of us.

MERCHANT MARINE—LETTER BY SILAS BLAKE AXTELL

Mr. COPELAND. Mr. President, I have a very interesting letter from Silas B. Axtell, a distinguished attorney of my city, who has represented seamen in various legal controversies. The letter is so important as bearing upon any possible maritime legislation that I ask unanimous consent to have it printed in the Record.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, March 18, 1936.

Hon. ROYAL S. COPELAND,

United States Senate, Washington, D. C.

DEAR SENATOR COPELAND: I quote the following from pages 213 and 214 of the report and record of the preparatory maritime meeting, Geneva, December 1935. The statement is from a speech by J. Hensen, labor delegate from England, member of the Joint Maritime Commission.

"Then we hear a good deal from British shipowners as to the cost of running their ships. Foreign competitors, Government representatives sitting here, and the outside public naturally conclude that British ships must cost more to run than those of any other country. I propose giving you the wage scales of various countries' ships as compiled in 1932 by the International Mercantile Marine Officers' Association, and for comparison take vessels of each country carrying 33 hands, which consist of a master, 3 mates, 4 engineers, 10 deckhands, 10 stokehold hands, and 5 in the catering department. The monthly figures are as follows—and this is the wage bill alone: United States of America, \$889; Holland, \$429; Denmark, \$377; France, \$367; Sweden, \$336; Great Britain, \$335; Germany, \$338; Norway, \$321; Belgium, \$265; Estonia, \$226; Portugal, \$173; and Spain, \$137. On this basis Great Britain comes seventh in the list out of 12, while Holland comes second. The figures of seamen employed in 1933 in the British mercantile marine were 147,000—I am just giving round figures now—consisting of 96,000 British, 7,000 foreign, and 42,000 lascar seamen, the latter of whom form 40 percent of the total employed but who only receive an average wage of £1 8s. per month. So that, if that low average is taken into account with the British rate, we will say, of £8 10s., Great Britain comes down very low indeed in the scale."

This might be interesting to you in connection with the passage of the proposed King bill, too. But it ought to help on the basis of passing your S. 3500 for operating subsidy. It may be that the wages of the men on British and other ships have proportionately increased somewhat since 1932. While I am heartily in favor of the extension of the equalization feature of the La Follette Seamen's Act, I can see no reason why the American shipowner, who is expected to pay higher and higher wages to American seamen—and I want him to do so—should not, in foreign trade, have made up to him the difference in some such subsidy plan as proposed in your bill S. 3500. The amount to be paid under S. 3500 will vary, of course, with voyages and trades.

The more the foreign steamship wages can be forced up, the less amount will have to be paid by the United States Government to make up the difference in operating cost to the American owner. So I feel that S. 3500, if passed, will create more economic force toward the enforcement of the equalizing features of the Seamen's Act than would happen under any other plan that I have heard of.

These views, of course, are my own, but I think they are shared by the great mass of American seamen and officers.

Very truly yours,

SILAS B. AXTELL.

WAR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 11035) making appropriations for the military and non-military activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota [Mr. FRAZIER] to reconsider the vote by which the amendment known as section 4, appearing on page 76, after line 8, was stricken from the bill.

Mr. McNARY. Mr. President I hesitate to ask the Chair to restate the parliamentary situation, but my attention was diverted for the moment. I think the question is on the motion of the Senator from North Dakota [Mr. FRAZIER].

The VICE PRESIDENT. The parliamentary situation is that the Senator from North Dakota [Mr. FRAZIER] has made a motion to reconsider the vote by which section 4, appearing on page 76 after line 8, of House bill 11035 was stricken from the bill.

Mr. COPELAND. Mr. President, the motion of the Senator from North Dakota, if it should be agreed to, would restore lines 9 to 14, inclusive, on the last page of the bill, and place a limitation upon profits on airplanes, and so forth.

I invite the attention of Senators to the fact that this matter was not considered by the committee in the House of Representatives. The language was placed in the bill as an amendment offered on the floor of the House. It was not considered by the House committee. The only comment in the House debate on the provision is found on page 2109 of the CONGRESSIONAL RECORD of February 14. The amendment was offered by Mr. McFARLANE. Without any discussion, Mr. PARKS, chairman of the committee, said:

Is that the same language carried in the Navy bill every year?

Mr. McFARLANE replied:

In substance that is correct.

As a matter of fact that language is not carried in the Navy Department appropriation bill. Under the terms of the Vinson-Trammell Act there is a limitation upon profits in Navy construction. Then Mr. McFARLANE elaborated his first statement, calling attention to the fact that it was not in the Navy bill, but in the general law. It was before this that Mr. PARKS stated that as chairman of the committee he saw no objection to it.

As a matter of fact the retention of this provision would do exactly what the Senator from Michigan [Mr. COUZENS] said the other day it would do. If the motion of the Senator from North Dakota is agreed to, it would drive us back to the cost-plus method of construction which is extremely expensive. The provision under discussion was given full consideration in the subcommittee of the Appropriations Committee. Several pages of testimony relating to it will be found in the hearings. The Assistant Secretary of War and others having to do actually with these purchases appeared before the committee and argued strongly against the provision in a meeting of the subcommittee. Every member of the subcommittee was present, 11 members in all, and the amendment proposing to retain the provision was unanimously rejected. Then the matter came before the full committee, where 23 members were present, and the full committee, presided over by the Senator from Virginia [Mr. GLASS], rejected the amendment. I want Senators to know this.

As the committee sees it, it would be extremely difficult to carry out such a provision. It would not save money. It would not provide any safeguards that do not now exist. It is stated in the hearings that every contract for an airplane, engine, or accessory is audited, and in no case to date has it been found that any airplane manufacturer or engine manufacturer has made anything that might be deemed an excessive profit.

Let me call attention to the fact that when a bid is submitted there must be a full-size sample airplane brought with it. If there were no chance for the competing companies to recoup at sometime the expense of constructing such sample airplanes it would probably result in no bids being submitted.

Mr. WALSH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I yield.

Mr. WALSH. For the information of the Senate, I desire to state that the same proposal is pending before the Committee on Naval Affairs, and the same opposition has been registered by all the officials of the Navy Department, from the Secretary of the Navy to the naval officers in charge of construction. They emphasize very strongly the necessity for repealing this provision as it applies to naval aircraft, as well as Army airplanes. They particularly emphasize the fact that it constitutes a very great disadvantage in obtaining bids for the construction of aircraft. They state that it is customary to ask for sample aircraft to be submitted before the bids are asked for, and that the manufacturers do go to great expense in building models and presenting them for inspection to the Navy Department. When such models are submitted, thereafter bids are asked upon the most desirable types. In the event this provision should continue in the law, the Government, it is alleged, would be placed, as it is now placed, under very great handicap so far as the Navy Department is concerned.

I thought it would be interesting to Senators to know that the same question is now pending before the Committee on Naval Affairs, and some action is desired along the same line by the Navy Department.

Mr. COPELAND. I thank the able Senator from Massachusetts for what he has said. In the War Department the officials ask for full-sized planes as samples.

Mr. WALSH. The Navy Department does also. Of course, it involves very great expense. When the bids were asked, the manufacturers who produce naval aircraft that

are acceptable usually add something in their bids to cover the expense of constructing the models.

Mr. COPELAND. In the Army and Navy Journal for February 22 the statement is made that both Representative VINSON, chairman of the Naval Affairs Committee, and Representative McSWAIN, chairman of the Military Affairs Committee, have indicated their opposition to this provision in the Army bill.

I hope the motion of the Senator from North Dakota will not prevail.

Mr. FRAZIER. Mr. President, when we were discussing this particular motion a few days ago I quoted from a letter from the Comptroller General, being a copy of a letter written to the Secretary of War, in which he recited the fact, in regard to recent airplane contracts entered into by the Army, that the War Department had received bids from three different airplane companies for 20 airplanes. The contract was finally awarded to the highest bidder of the three, which was the Douglass Aircraft Co. The Curtiss-Wright Co. had bid \$20,000 per plane below the Douglass bid, and the Fairchild Aircraft Corporation bid a little lower than that figure. On the 20 planes at the rate of a little more than \$20,000 per plane, the Army paid on that contract a little more than \$400,000 above what it would have paid the low bidder.

Comptroller McCarl stated in his letter to the Secretary of War that the specifications of the low bidder exceeded those required by the Department in asking for bids. Of course, the contract was let under that clause of the law which gives the Secretary authority to accept the bid which he believes will best serve the interests of the Government. The Department gets around the law in that way. It seems to me there should be some provision to limit the profits.

I have a report from the House subcommittee of aeronautics submitted in 1934 containing the minority report by Representative McFARLANE, of Texas. He went into the matter of the contracts quite thoroughly. He showed, in reference to a number of contracts dating from 1926 to 1933, that more than 90 percent of them were let without any competitive bids. Of course, it is all well and good if that is the way a majority of the Senate want these contracts for Army and Navy purposes to be let, but I do not believe it should be the policy of the Government to allow any department to award contracts, running into millions of dollars in many instances, without any competitive bids.

The Assistant Secretary of War, in the hearing before the Senate committee, made the statement that it was their policy to invite several of the airplane companies to experiment and send in bids for supplying the material the Department wanted. That is not what we call the submission of competitive bids by any means, and it seems to me my motion to reconsider should be adopted. If that can be done, I have an amendment which is practically the same as the amendment in the Navy bill which provides for a limit of 10 percent on contracts of \$10,000 or over. It is somewhat improved. It is one that Representative McFARLANE was instrumental in having drawn up. If the motion to reconsider this provision should be adopted, I should move to substitute for the provision put in the bill by the House a provision which is practically the same as the one the Navy Department has imposing a limit of 10 percent.

I have here a copy of another letter from Comptroller General McCarl. It is in regard to a contract let by the War Department for spark plugs. It is what they call a sort of experimental contract. It is for only 1,400 spark plugs. They let without competition a contract for 1,400 spark plugs, at \$2.97 apiece. I am not familiar with the general cost of spark plugs for airplanes. That may not be too high; I do not know; but, at any rate, this contract was let as an experimental contract for 1,400 spark plugs, at \$2.97 apiece, without competition. In my opinion, there should be a general investigation of the contracts let by both the War and Navy Departments, and some legislation should be drafted to limit these profits.

It is said that it is impossible to imagine that there is any collusion between the officials of our Government depart-

ments and the private companies that manufacture and sell these goods. It will be remembered that only a few months ago, when there was complaint made that there had been some collusion and fraud in letting air-mail contracts, a lot of those contracts were canceled. I am not so sure but that there is some collusion and graft in the airplane and other contracts which have been let in recent years.

In the minority report by Representative McFARLANE, of Texas, he gives a table showing the connection between various aviation companies and their industry. He also states in his minority report that the principal contracts for aeronautical supplies are let to about six of the big companies. He presents a little drawing showing the connection between the various airplane companies, showing that they have interlocking directorates, and that the same men are connected with two or more companies.

For instance, the Curtiss-Wright people were connected with at least eight other companies.

The Douglas Aircraft Co. people were connected with at least three other companies.

The Pan American Airways people were connected with at least six other companies.

Mr. President, this table shows that the companies are interlocked, and Representative McFARLANE calls them "one big family." In the building of ships it was brought out by the Munitions Investigating Committee that the shipbuilders apparently would get together and decide which company would take the dreadnaughts, which company would take the cruisers, and which company would take the submarines or some other kind of boat, and then they would bid, and the company that was decided upon would get the contract, because it was the one that was intended to get it. It would seem, from the investigations of the Munitions Committee, as if the men in the Navy Department knew where those contracts were going before the contracts were let.

I am not going to take up the time of the Senate in regard to that matter; but where contracts involving millions of dollars are let without any competition, it seems to me a limitation should be put in this bill. If it does not work out as we think it should work out, it may be amended; but if the provision in this bill limiting profits to 10 percent is stricken out, it is going to mean that before the present session is over we shall be asked to vote to strike out the 10-percent limitation in the Navy bill, too. I understand such an amendment is now pending before the Senate committee.

If it is the wish of the Senate to let the bars down, and let these contracts be made without competition with anyone with whom the Department wishes to make a contract, then let the 10-percent provision as to profits be stricken out. Otherwise the vote by which that amendment was adopted should be reconsidered; and I shall be glad to offer a substitute for that amendment, if the vote is reconsidered, to make the provision along the same line as the provision included in the Navy Act at the present time.

The PRESIDENT pro tempore. The question is on the motion of the Senator from North Dakota [Mr. FRAZIER] to reconsider the vote by which the amendment on page 76 was adopted.

The motion was rejected.

Mr. COPELAND. Mr. President, so far as the Appropriations Committee is concerned, it has no further matters to offer.

Mr. TRUMAN. Mr. President, I desire to bring up the motion which I made last Thursday to reconsider the vote by which the Senate rejected the amendment of the Senator from Florida [Mr. FLETCHER] relating to the Florida ship canal, proposing, on page 69, to insert certain words, and to increase the appropriation from \$138,677,899 to \$208,677,899. I think if the Senate is going to adopt the other projects, the Florida ship canal is perfectly justified. I was not present when the amendment was acted upon, and I should like to have an opportunity to vote upon it.

Mr. VANDENBERG. I ask for the yeas and nays on the motion of the Senator from Missouri.

The yeas and nays were ordered.

Mr. ADAMS. Mr. President, I wish to make a few comments on the brief suggestion of the junior Senator from Missouri [Mr. TRUMAN] made in support of the motion to reconsider. It seems to me—I am only speaking my own opinion—that there is an error in his logic.

The Senator from Missouri [Mr. TRUMAN] says that if we are to allow one of the projects to go through, we should therefore approve the others. My understanding of the position which the Senate took in its vote the other day is that it was a flat stand that the Congress of the United States should not be bound by an allocation by the President of funds for the construction of a project. In other words, the Senate took the position that the authorization of a project was a legislative act; that while the President had full and complete authority to expend upon any type of project he saw fit the relief money put in his hands, the expenditure of that money did not and does not commit the Congress to a continuation of the project. It seemed to me the purpose of the vote was to take the position that Congress had reserved to itself the right to select the projects which it would authorize.

The argument which seems to be made is that if Congress has refused to authorize one project, it must refuse to authorize all other projects; or if it has authorized one project, it must authorize the others. That to my mind is a direct repudiation of the premise upon which the Senate acted. That premise was that Congress should do the selecting. In this case Congress saw fit to say that one project was not approved, but that other projects were approved. I cannot concur in an argument which denies to Congress the right to make the selection, and which says to us, "If you say that one project does not meet the approval of the Congress, therefore you cannot approve others."

The junior Senator from Missouri, who makes the motion, was not present during the argument the other day, but the argument is made by those who favor the motion who were opposed to the Florida ship canal, that the Senate having agreed with them, had no right subsequently to approve another project.

It seems to me that the result of the view of the Senator from Missouri is that, having made a mistake in voting in favor of the three projects, the Senate should reconsider that and make a mistake upon all the projects; in other words, instead of being from that standpoint 50 percent wrong, we should complete the situation and be 100 percent wrong.

The argument which was made by the senior Senator from Missouri [Mr. CLARK] was to me unanswerable. He discussed the Florida ship canal. He said a great principle was involved—that if we should recognize the right of the Executive to make an appropriation for partial construction, to obligate the Congress to complete the project—if it were held that that constituted an authorization, we would obligate Congress, by a slight appropriation of a few thousand dollars, to great constructions running into the billions.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. CLARK. The Senator will agree with me that precisely the same great question and principle is involved in all five projects which was carried in the original Fletcher amendment.

Mr. ADAMS. The Senator has not changed his view, I suppose, that the principle involved in the Florida ship canal project was wrong.

Mr. CLARK. Not in the least degree, and I say it was extremely bad.

Mr. ADAMS. Then, may I ask the Senator, having decided correctly in reference to the Florida ship canal, why should a motion to reconsider as to the case where we decided correctly be made, rather than as to the case where we decided wrongly?

Mr. CLARK. Because the five projects, as I see the matter, are on the same footing. I wish again to call to the attention of the Senate exactly what they are doing when they agree to the other three projects and send the bill to conference with those projects included. Moreover, I think that, so far as the question between the two Houses is concerned, those

who believe in the principle which I advocated here on last Monday against all five projects are in a better position to win in the long run with all five projects included, than with two of them out.

Mr. ADAMS. I was such a thorough convert to the views of the Senator from Missouri that I voted with him against the Florida ship canal, and I voted with him on the point of order, though his position was in conflict with the practices of the Committee on Appropriations, because I felt he was suggesting a sound fiscal policy as to matters of legislation. So I followed the Senator from Missouri.

Mr. CLARK. The Senator was entirely right in that, of course; but he did not follow me far enough. [Laughter.]

Mr. ADAMS. The only thing I am amazed at is that the Senator, having been correct, should support a motion to reconsider a vote when he was correct, rather than to seek to reconsider the vote of the Senate which he feels was incorrect.

Mr. CLARK. Mr. President, if the Senator will yield on that point, I should gladly have made the motion to reconsider on the three projects adopted if I had been permitted under the rules of the Senate to do so. On the vote to which the Senator refers, namely, for the three smaller projects, and which I agree was incorrect, I voted correctly, and therefore was not eligible, under the rules of the Senate, to make the motion; otherwise I would have done so.

Mr. ADAMS. The Senator did not make the motion, but perhaps he persuaded his colleague, who was not here, to make the motion to reconsider.

Mr. TRUMAN. Mr. President, will the Senator yield to me?

Mr. ADAMS. I yield.

Mr. TRUMAN. I have always been very much interested in the Florida ship canal, and I would have made the motion to reconsider under any circumstances.

Mr. ADAMS. I would go a step further; while I voted for the three projects, I would have been very glad to have made a motion to reconsider as to the other project, so that the Senate might have had a chance to hear the Senator from Missouri.

Mr. CLARK. Why did not the Senator do so? He was eligible to do that. Just why he should wait for someone else to do it is a reflection on the Senator's ability to represent his State, which I know to be an incorrect reflection, because he is one of the ablest Members of this body. If the Senator thought a motion ought to have been made, he was the man to make it.

Mr. ADAMS. I did not think it ought to have been made, but would have been willing to afford the Senator the opportunity to seek to correct that which he thought was wrong.

One other word in regard to this: It seems to me that the very foundation of the position which the Congress must take is that we grant to the President the right to expend these great funds as he judges, within the limitations of the act, and he having started the Florida ship canal, and having started three other projects, he cannot and does not deny to the Senate the right to approve one and disapprove the others. In other words, I am not willing that the President, by making an allocation, shall be regarded as having made a legal authorization, nor am I willing to go to the other extent and say that I will vote against every project to which the President makes an allocation, if I think, as I do, that in this group of minor projects are some which should be approved, I exercise my judgment about them; that is, the question is as to the right of Congress to select those projects for which it will make appropriations.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. CLARK. I simply wish to call the attention of the Senator to the fact that the controversy which arose in regard to the point of order which I made did not question in the least degree the right of Congress or the propriety of Congress adopting any project it might see fit to adopt, either after it had been initiated by the President or before. The debate which took place, and the whole theory of the point of order, went to the effect that the initiation of a

project by the President and the making of an estimate for a project did not constitute such an authorization as would make it in order on an appropriation bill under the Senate rules.

The general principle involved in the matter of the five projects and the whole question is whether the initiation of a project by the President under his blanket authority in the \$4,800,000,000 act or the \$3,300,000,000 act was such an authorization of law as would justify the Director of the Budget in making an estimate; not the question whether Congress had a right in substantive legislation to adopt a project or make it eligible for further appropriation, but the question of whether it was eligible for an appropriation in this body as a direct proposition coming from the Committee on Appropriations. The Senate by the two votes proceeded to make fish of one and fowl of the other, although they were on precisely the same footing—apparently on the theory that the three projects which were finally adopted were small projects, chicken feed, although each one of them involved the expenditure of several million dollars, in comparison with the two huge projects, the Florida canal project and the Passamaquoddy project.

Mr. ADAMS. Mr. President, the Senator argues the premise upon which I had agreed with him, but the Senate, having decided against the view of the Senator from Missouri, says to us that an estimate from the Bureau of the Budget is sufficient to authorize the Senate to include in an appropriation bill these items of appropriation. The Senator and I were in the minority upon that question, but I assume that, the Senate having decided the matter, from that point on we discussed the matter upon the theory of parliamentary procedure laid down by the Senate. Consequently, the Senate having said that the Florida ship canal amendment could be offered and that the amendment covering the Conchas Reservoir and the Bluestone Reservoir could be offered, it was then up to the Senate to decide whether or not it would approve these individual projects. In other words, the question as to whether there was a legal authorization had disappeared out of the argument. The estimate of the Bureau of the Budget, under the ruling of the Senate, had come to constitute a legal authorization for an appropriation by the Senate.

In my own judgment I felt that the Florida ship canal could not be approved. I felt that a canal, the absolute and entire cost of which was to be borne by the United States, which would take 10 years to complete, was wholly beyond the scope of any project to relieve unemployment. I was opposed to it because I thought it to be economically unsound. It is proposed that we spend \$200,000,000, though the estimates of the engineers drop to as low as \$143,000,000. My experience with engineers' estimates, however, leads me to make very expansive allowances beyond them.

If the canal shall be constructed the benefits will go only to the shipping which uses it. It is proposed that there shall be no tolls charged; that it shall be a free canal. The shipping companies say, "If there shall be a charge of as much as 8 cents or even 5 cents a ton, we will then not use the canal." Its economic advantage is so slight, even to the shipping companies, that unless the canal is a free canal it will not be used.

It seems to me the Government, in view of its present financial burdens, ought not to spend \$200,000,000 and then assume the burden of a yearly cost of maintenance and interest payments which I think will run between \$7,000,000 and \$10,000,000. I think those from the State of Florida who favor the canal would be gravely disappointed in the results to their State. I think they would find simply a great gash across their State.

As I have looked hurriedly into the effect of the construction of other ship canals, I have failed to find that through traffic tends to build up the country through which it goes. I know that the building of highways does not result in building up communities which border upon the highways at which those using the highways do not stop. The same thing would be true of the Florida ship canal. The ships would go through it; but Florida, in my judgment would

derive little, if any, benefit from the passage of the ships through the canal, regardless of how many ships might go through.

So, Mr. President, we are planning to spend a vast sum of money upon a project initiated as a relief project which would not economically justify the charging of any tolls. Some of the other projects would be completed—and I have better knowledge concerning the project in New Mexico—in probably another year, within the period of need for relief work. In connection with some of the other projects there will be a financial return from power or through assessment on lands benefited. There would be no return, however, upon the money spent in constructing the Florida canal. It runs beyond the need of relief work; it seems to me to be unjustified, and, to my mind, there is a distinction between the projects.

I say to the Senator from Missouri [Mr. CLARK] that if I was wrong in either vote, I was wrong when I voted for the three small projects, and I was not wrong when I voted against the Florida ship canal. Therefore, I do not think the motion to reconsider the part of the vote which in my judgment was unquestionably correct should be sustained.

Mr. FLETCHER. Mr. President, I wish to say just a few words. I do not wish to prolong the debate, but merely to correct some of the assumptions made by the Senator from Colorado [Mr. ADAMS].

The Senator made some reference to the merits of the Florida ship canal. We went into that question the other day, and I shall not review it. The board of review, composed of P. W. A. engineers and Army engineers for rivers and harbors, estimate the benefit to commerce arising out of the canal at \$7,500,000 annually. That estimate results from considering it as a river and harbor project, but does not take in some collateral factors, such as national defense, avoidance of natural hazards, and other items which might be considered.

The Senator says shipping companies will not use the canal. He says they so state. That is an all-embracing statement. The fact is, only a few shipping companies have made statements to that effect in some communications; but the same writers on other occasions have taken the contrary view, and have so stated. Only a comparatively few shipping companies have said they would not use the canal. Not all the shipping companies have made such a statement, as could be implied from the remarks of the Senator. This matter was discussed on the 17th of March.

The Senator from Colorado speaks as if all the shipping companies will not use the canal at all. That is not the case. Only a few shipping companies have written letters to that effect, and they contradict themselves in other letters. The board of review, established by the President, estimated and recommended to the President that if the construction of the canal cost \$160,000,000 the expenditure of that amount would be justified. The cost is now fixed at \$143,000,000, and nobody knows as much about the project as the engineers of the War Department, the engineers of the P. W. A., and the board of review, which combined all the reports and all the data up to the time the recommendation was made. They made their report to the President recommending that the canal be constructed at a cost of \$160,000,000. The cost was finally set at \$143,000,000. No one has any right to name any other figure.

I shall not go into all the details in connection with the canal; but, I will say, as bearing upon the question of its economic justification, that the engineers say it will create benefits to commerce of \$7,500,000 a year.

On the subject of approving the other three projects and not approving the Florida ship-canal project, and the right of the Congress to do so, I will only say, as the Senator from Missouri [Mr. CLARK] has well said, that the Atlantic-Gulf Ship Canal stands upon identically the same footing as the other three projects so far as their authorization is concerned.

The authorization of the other three projects, which have been agreed to by the Senate, was the same authorization by reason of which the work was begun on the Florida ship

canal, and the same recommendation to Congress was made by the same authority. If the other projects were authorized, the Florida ship-canal project was authorized. There is no escape from that conclusion. The only difference is in the amendments involved.

Mr. President, I decline to think that the Senate will tolerate discrimination and unfairness such as would obtain if the Florida ship-canal project were rejected and the other three projects allowed to continue. The other projects stand upon the same footing as the Florida ship-canal project. If they were authorized, the Florida ship-canal project has been authorized and is authorized under the law. Concerning that I have no question whatever in my mind.

My amendment would add the Atlantic-Gulf Ship Canal to the three projects the Senate has approved, and would add \$12,000,000 to the appropriation as recommended by the Secretary of War and the Chief of Engineers, and included in the Budget estimate. The President has submitted all these projects to Congress with his recommendation. These projects were authorized in the same way and stand on the same basis. They were all legally authorized; all were surveyed by the Army engineers; and all are meritorious, and should be treated alike.

Mr. President, I ask that a letter bearing upon this subject which I have recently received from the Port and Waterway Survey of New York City be read at this time.

The PRESIDENT pro tempore. Without objection, the letter will be read.

The legislative clerk read as follows:

PORT AND WATERWAY SURVEY,
New York City, March 18, 1936.

Senator DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This office followed very closely your effort to secure an appropriation for the continuance of the work on the Florida ship canal.

During the World War the railroads were unable to carry the transportation burdens of the country and it was then generally conceded that as a matter of national safety, the construction of strategic inland waterways should be undertaken. France continued the construction of the Marseille canal system during the World War and more recently England has enlarged its inland canal system, and Belgium has extended its system.

May we suggest, therefore, that the construction of the Florida ship canal be again submitted to the Senate, possibly as a part of the burden of providing adequate national defenses?

Very truly yours,

PORT AND WATERWAY SURVEY,
By J. J. O'BRIEN.

Mr. FLETCHER. Mr. President, I ask unanimous consent to insert in the RECORD a statement concerning the Florida ship canal and also an editorial from the Tropical Sun of West Palm Beach, Fla., of the issue of March 20, 1936, under the heading Bad for Florida.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

THE ATLANTIC-GULF WATERWAY

President Roosevelt allocated \$5,400,000 to begin construction of the project, which has been spent or obligated to be spent. The work is under direct supervision of engineers of the War Department and has progressed in a most satisfactory manner. The Chief of Engineers, War Department, recommended to the Director of the Budget that \$12,000,000 be provided for continuing work during the fiscal year 1937. The Director approved that recommendation and submitted it to the President, who also approved and included it in the War Department Budget transmitted by him to Congress.

Therefore, after consideration of all matters involved, the Chief of Engineers, the Director of the Budget and the President approved and recommended that Congress appropriate \$12,000,000 to continue the work.

Opposition to this project comes mainly from persons who are misinformed regarding conditions that exist and benefits that would accrue to the Nation and the State of Florida. Thousands of dollars have been expended by selfish interests, who appear determined to prevent completion of the waterway, irrespective of the benefits that would accrue to them, directly and indirectly.

[From the Tropical Sun, West Palm Beach, Fla., Mar. 20, 1936]

BAD FOR FLORIDA

Last Wednesday was a bad day for Florida.

The defeat of the cross-State canal appropriation means, among others—

That the South is still the stepchild of the Republic in distribution of funds for internal improvements;

That we lose the current benefits to flow from expenditure of \$150,000,000 of public money within the confines of this State;
That we lose the international advertising of the State and its resources which would have necessarily resulted from continuation of the canal work;

That thousands of our fellow citizens who would have found work and wages on the canal will again go hungry and jobless;

That the profits which contractors and materialmen would have reaped from canal contracts will not accrue. * * *

But for their drivel as to canal damage to the State's fresh-water supply by infiltration of salt into our surface and underground water supplies we have and express the utmost contempt.

The facts disprove any such possible damage because—

First. For uncounted thousands of years surplus fresh water from south Florida has been borne into the Atlantic Ocean at Jacksonville by the St. Johns River, some 300 miles from its source.

Second. The tides have carried salt water from the ocean inland as far as Palatka, on the St. Johns, and up other rivers and harbors of the State for unknown ages, without affecting the fresh water at Jacksonville or other adjacent points.

Third. Ocean and Gulf have surrounded Florida ever since it became a peninsula, and Tampa, Miami, and all other centers have had no trouble in obtaining ample fresh-water supplies.

We believe that construction of this cross-State canal would save millions and millions of dollars in freight and transportation charges, to and from Florida, and all other Southern and South-eastern States; and see no reason why the strategic importance of this canal, from a commercial standpoint, should not, comparably, be as great for Florida as the Erie Canal for New York State.

Let the canal issue be kept alive.

Finally, why should good Democrats furnish opponents of the administration with the slogan, "Florida canal folly", which will inevitably follow abandonment of the enterprise?

Mr. VANDENBERG. Mr. President, I do not care to discuss the merits of this problem again unless the vote shall be reconsidered. I totally disagree with the philosophy presented a few moments ago by the senior Senator from Florida [Mr. FLETCHER], and I think I can demonstrate clearly that there is utterly no relationship between the three projects which were approved and the projects which were rejected.

As the Senator from Colorado [Mr. ADAMS] has indicated, the Senate has the right to maintain unto itself its right of selection as between projects which are utterly unwarranted and projects which may have some semblance of economic justification.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. FLETCHER. Does the Senator contend that the three projects which have been approved stand upon a different footing as to their inception and their organization?

Mr. VANDENBERG. No, Mr. President, I do not; but I reject utterly the proposition that simply because the Senate erred in respect to these three projects, it is bound to err in respect to the Florida ship canal. I reject the absurd philosophy that two wrongs make a right.

As I have just said to the Senate, I do not care to take its time upon the subject unless there shall be a reconsideration. Therefore, I take my seat, and suggest that the roll be called.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Missouri [Mr. TRUMAN] to reconsider the vote by which the amendment offered by the Senator from Florida [Mr. FLETCHER] and relating to the Florida ship canal was rejected.

Mr. KING. Mr. President, it seems to me that before the vote is taken there ought to be a quorum called, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Gore	McNary
Ashurst	Clark	Hale	Maloney
Austin	Connally	Hatch	Metcalf
Bachman	Copeland	Hayden	Minton
Barbour	Couzens	Johnson	Moore
Barkley	Davis	Keyes	Murphy
Bilbo	Dickinson	King	Murray
Black	Donahay	La Follette	Neely
Brown	Duffy	Lewis	Norbeck
Bulkley	Fletcher	Logan	Norris
Burke	Frazier	Loneragan	O'Mahoney
Byrnes	George	Long	Overton
Capper	Gibson	McGill	Pittman
Caraway	Glass	McKellar	Pope

Radcliffe
Robinson
Russell
Sheppard

Steiwer
Thomas, Okla.
Thomas, Utah
Townsend

Truman
Tydings
Vandenberg
Van Nuys

Walsh
Wheeler
White

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

The question is on the motion of the Senator from Missouri [Mr. TRUMAN] to reconsider the vote by which the amendment of the Senator from Florida [Mr. FLETCHER] was rejected. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARKLEY (when his name was called). I have a pair with the senior Senator from Delaware [Mr. HASTINGS], who is unavoidably detained. I transfer that pair to the junior Senator from Washington [Mr. SCHWELLENBACH], and will vote. I vote "yea."

Mr. McNARY (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to the senior Senator from Idaho [Mr. BORAH], and will vote. I vote "nay."

Mr. MINTON (when his name was called). On this vote I have a pair with the junior Senator from New York [Mr. WAGNER]. I transfer that pair to the junior Senator from Massachusetts [Mr. COOLIDGE], and will vote. I vote "nay."

Mr. VANDENBERG. On this vote I have a pair with the junior Senator from Florida [Mr. TRAMMELL], who, if present, would vote "yea." I transfer that pair to the junior Senator from North Dakota [Mr. NYE], and will vote. I vote "nay."

The roll call was concluded.

Mr. AUSTIN. I announce a pair between the Senator from Wyoming [Mr. CAREY] and the Senator from Alabama [Mr. BANKHEAD]. If present, the Senator from Wyoming would vote "nay", and the Senator from Alabama would vote "yea."

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. McADOO], the Senator from West Virginia [Mr. HOLT], and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate on account of illness.

The Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from South Dakota [Mr. BULOW], the Senator from Washington [Mr. BONE], the Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], the Senator from New York [Mr. WAGNER], the Senator from South Carolina [Mr. SMITH], the Senator from Virginia [Mr. BYRD], the Senator from Minnesota [Mr. BENSON], and the senior Senator from North Carolina [Mr. BAILEY] are unavoidably detained from the Senate.

The junior Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor, doing some research work in connection with the Reynolds-Starnes bill.

The Senator from Pennsylvania [Mr. GUFFEY] is detained on matters pertaining to the Pennsylvania flood.

The Senator from North Carolina [Mr. REYNOLDS] is paired on this question with the Senator from Nevada [Mr. McCARRAN]. The Senator from California [Mr. McADOO] is paired with the Senator from Rhode Island [Mr. GERRY]. The Senator from Minnesota [Mr. BENSON] is paired with the Senator from Virginia [Mr. BYRD], and the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Colorado [Mr. COSTIGAN]. If present and voting, the Senator from North Carolina [Mr. REYNOLDS], the Senator from California [Mr. McADOO], the Senator from Minnesota [Mr. BENSON], and the Senator from South Carolina [Mr. SMITH] would vote "yea." The Senator from Nevada [Mr. McCARRAN], the Senator from Rhode Island [Mr. GERRY], the Senator from Virginia [Mr. BYRD], and the Senator from Colorado [Mr. COSTIGAN] would vote "nay."

Mr. GLASS. I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]. I have just had word from him that I am released from the pair. Accordingly, I am at liberty to vote, and I vote "yea."

The result was announced—yeas 35, nays 36, as follows:

YEAS—35

Ashurst	Connally	Long	Radcliffe
Bachman	Fletcher	McGill	Robinson
Barkley	George	McKellar	Russell
Bilbo	Glass	Murray	Sheppard
Black	Hatch	Neely	Thomas, Okla.
Byrnes	Hayden	Norris	Thomas, Utah
Caraway	Johnson	O'Mahoney	Truman
Chavez	Lewis	Overtton	Wheeler
Clark	Logan	Pittman	

NAYS—36

Adams	Davis	King	Norbeck
Austin	Dickinson	La Follette	Pope
Barbour	Donahay	Loneragan	Steinwer
Brown	Duffy	McNary	Townsend
Bulkeley	Frazier	Maloney	Tydings
Burke	Gibson	Metcalf	Vandenberg
Capper	Gore	Minton	Van Nuys
Copeland	Hale	Moore	Walsh
Couzens	Keyes	Murphy	White

NOT VOTING—25

Bailey	Carey	Hastings	Shipstead
Bankhead	Coolidge	Holt	Smith
Benson	Costigan	McAdoo	Trammell
Bone	Dieterich	McCarran	Wagner
Borah	Gerry	Nye	
Bulow	Guffey	Reynolds	
Byrd	Harrison	Schwellenbach	

So the Senate refused to reconsider the vote by which Mr. FLETCHER's amendment was rejected.

The PRESIDENT pro tempore. The question now is, Shall the amendments be ordered to be engrossed and the bill to be read a third time?

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDENT pro tempore. The question is, Shall the bill pass?

Mr. FRAZIER. Mr. President, I wish to ask the Senator in charge of the bill a question. On page 14 of the bill, under the heading "Travel of the Army", there is an item with regard to "travel allowances and travel in kind, as authorized by law." There is provision here for mileage. I wish to ask the Senator what is the present allowance for mileage for officers of the Army or Navy, when they travel by train under the law?

Mr. COPELAND. Mr. President, I am frank to say I cannot answer the Senator's question. I do not know.

Mr. FRAZIER. As I recall from the information I have, just after the World War, the railroad rates were raised from 3 to 3.6 cents per mile, and the mileage allowance to Army and Navy officers was increased from 7 to 8 cents per mile. That allowance still remains at 8 cents per mile. Army officers can either take the mileage allowance of 8 cents per mile in lieu of actual expenses, or they can buy a ticket and pay their regular expenses and put in the bill for them; but where they travel long distances, I am informed they usually take the mileage allowance which gives them a little more money for expenses. I have been wondering whether the committee has given any consideration to the matter. Railroad rates are being reduced and, under authority of the Interstate Commerce Commission, at least according to newspaper reports, will ordinarily be less than 3 cents a mile.

Mr. COPELAND. Mileage for the travel of officers is a subject which has received the attention of the War Department. There are fewer transfers now, particularly the long-distance transfers to which the Senator refers. I think it is perfectly safe to assume, in view of the general attitude of the Department regarding long-distance travel, that the Government is fully protected as to this particular item. I may add that I shall call the attention of the War Department to what the Senator has said.

Mr. FRAZIER. There is also a provision whereby contracts for the transportation of troops are considered between representatives of the Army or the Navy and representatives of the railroad companies. According to the information which has come to me, such contracts are so made as to divide the transportation of troops among the various railroads. I am told the departments take regular fares instead of round-trip fares where they make the round trips

oftentimes, and also take regular fares instead of excursion rates or reduced rates of any kind.

Mr. COPELAND. I may say to the Senator that last year we gave consideration to this subject. It was brought out that, in the transportation of large numbers of troops, a car or a train is provided so as to get the very low rates for which the Senator is contending. Subsistence is then arranged for through the efforts and activities of the troops themselves; that is, the same as if they were in the field or in camp. The commissary goes with the troops in order that there may be certainty that there shall not be a large expense involved for subsistence of the troops en route. I think that is very carefully considered by the Departments.

Mr. FRAZIER. On page 26 of the pending bill is an appropriation for horses, draft and pack animals. I have talked with Army officers who have indicated to me that in their opinion horses for the Cavalry and for general purposes in the Army, under the present methods of warfare, are practically useless. It would seem to me that instead of enlarging the appropriation for cavalry purposes it should be reduced. With automobiles, trucks, tanks, and airplanes there is very little use for horses or cavalry in up-to-date, modern warfare.

Mr. COPELAND. The committee had thought to do something for the farmers in relation to this matter and, therefore, provision is made not for an inordinate number of horses and mules but for that number really needed and really necessary for transportation in certain lines where motorization has not as yet been adopted. I thought we were doing something in the interest of agriculture in this matter, many of the horses being bred upon farms.

Mr. FRAZIER. I appreciate the Senator's interest in the farmers.

Mr. COPELAND. That is a never-failing interest, as I am sure the Senator realizes.

Mr. FRAZIER. I fully appreciate the Senator's interest in the farmer. In the appropriation, on page 26, is included \$72,155 for the encouragement of breeding of riding horses suitable to the Army. I take it that means polo ponies.

Mr. COPELAND. I think the Senator is wrong about that. I am sure he would not wish to have the officers of the Army travel on mules. With the increasing use of automobile transportation, there has been a discouragement to the breeding of fine animals suited for this particular purpose. I am quite sure I state the truth when I say this item is not for polo ponies.

Mr. FRAZIER. I am satisfied the breeding of this better grade of horses is for polo ponies. Of course, some of the horses are intended for officers' use. There is a provision likewise to encourage officers to own their own mounts. An officer buys a horse and then, to encourage him to continue to own his horse, I understand he is given a bonus of \$150 a year for owning his own horse, and the Government pays for the feed and keep and care of the horse while he owns it. That is all right, but it costs the Government considerable money that might be saved in these hard times, when the money is needed for other purposes.

Mr. COPELAND. The Senator is speaking about the subsistence of horses. If an officer is willing or can be induced or is inclined to buy his own horse, thereby saving the Government the necessity of investing money to buy the horse, it certainly seems to me subsistence should be furnished, because if the officer did not do this, a horse would have to be provided by the Government, and the subsistence provided as well.

Mr. FRAZIER. As I understand, it involves not only subsistence but \$150 a year bonus for owning the horse. That is the amount paid the Army officer for owning his own horse, as I understand.

Mr. COPELAND. I would not be content to have the Record show such a bonus is paid. I am sure the Senator is mistaken.

Mr. FRAZIER. There are several provisions in the bill carrying appropriations which it seems to me should have been reduced, but I realize it is impossible to have that done. I desire to submit a few remarks on the bill in general.

This appropriation bill for the War Department carries over \$1,000,000 a day for the coming year. That is only for War Department purposes and does not include the river and harbor items contained in the bill. It is one of the largest appropriations we have ever made in peacetimes for the War Department. A still larger appropriation bill is on the way for the Navy Department. It means we are going to spend for the coming year practically \$1,000,000,000 for our war system.

We talk a great deal about world peace and disarmament and that kind of thing, but we continue to appropriate for our war system more money than other nations appropriate for theirs or than we have ever done in peacetimes.

I have here an article by Lloyd George which was published in the Washington Herald of March 1 of this year. It is entitled "Europe Is Girding for War Suicide. Armaments Costs Doubled in 10 Years; Pacts Ignored." In the United States we have doubled our war costs in the last 5 years, and I think if we should go back 10 years it would be much more than that.

Of course, as Lloyd George said, pacts are ignored in Europe. They are not only ignored there, but they are ignored elsewhere. In fact, the United States was responsible for the adoption of the Kellogg Peace Pact by all the great nations of the world, and yet we were the first to increase our appropriations for our Army and our Navy after having entered into the Kellogg Peace Pact, which is supposed to provide for world peace and not for war, for the settlement of disputes by peaceful methods instead of by the war method.

The English statesman to whom I have referred goes on to tell about the conditions existing in the European countries, and that they are preparing for larger armies and larger navies, which means war. I am satisfied that no other conclusion may be drawn from the fact that we are raising a larger Army and Navy and larger air forces, but that it means preparation for war. Lloyd George says it means "girding for war suicide"; and he goes on to show how, under present conditions, with the present scientific methods, a war would mean practically annihilation.

Mr. President, I ask unanimous consent to have part of this article by Lloyd George printed in the RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The statement is as follows:

[From the Washington Herald of Mar. 1, 1936]

LOYD GEORGE VIEWS ARMS RACE—EUROPE IS GIRDING FOR WAR SUICIDE—ARMAMENTS COSTS DOUBLED IN 10 YEARS; PACTS IGNORED
(By David Lloyd George, Prime Minister of Great Britain during the World War)

LONDON, February 29.—The nations of Europe are today feverishly engaged in preparing themselves for the final suicide of war. They are piling up new armaments and seeking out new alliances in readiness for that insensate carnage toward which they are heading.

No calm reasoning, no sane reflection, seems able to deflect them from the path of death. Those who urge speed on the fatal journey are patriots. Those who plead for a halt to deliberate and confer are hopeless cranks.

Ever since the last stupendous world struggle there have been underground fears of another, more destructive, conflict. Fear of war has been whispered incessantly as the years slipped along. But of late the whispers have loudened out into an open clamor.

In every chancellery statesmen sit with whitened faces and irresolute hands, staring hopelessly at the menace of the calamity, seemingly unable to muster the courage and vision of statesmanship to smash the web of strangling suspicion and mutual distrust woven on every international path.

KNOW OF PERILS

They must know the impending perils, but instead of taking the only action that could avert them they are now busily engaged in increasing those perils and adding to their terrors by amassing cannons, tanks, bombing airplanes, and poison gas against the day of reckoning and by seeking to build up hasty alliances based not on mutual trust but common dreads.

Capt. Anthony Eden, British Foreign Secretary, a young minister who has climbed to the most conspicuous position in the British Government by ascending jauntily, rung by rung, on the ladder of the covenant of peace, made a gigantic program of British rearmament the practical objective of his indecisive utterance in the House of Commons last Monday.

I find it difficult to rivet attention on the growing pace at which the nations are rushing toward war.

WAR FUNDS DOUBLED

Ten years have passed since the treaties of Locarno were signed. They were intended to open a new road to universal disarmament. During those 10 years the expenditure of the world on armaments has roughly doubled. This year it will be well on the way to trebling.

In 1928 the Kellogg Peace Pact was adopted by every civilized or semicivilized country, and thereby they pledged themselves to abandon war as an instrument of national policy.

TIMIDITY BLAMED

Since then the armament expenditure has gone up at a much more accelerated momentum. The road to the hell of war is often paved with good intentions.

The Locarno and Kellogg Pacts, instruments which were regarded as milestones on the way to peace, are now paving stones on that track that leads to war.

The timidity and insincerity of the covenantor is largely responsible for this calamitous change in the attitude of mankind. All states which are members of the League of Nations are thereby pledged instantly to come to the assistance of any fellow member that is the victim of aggression.

But failure of them all even to lift a finger when China was attacked by Japan and the futility of their belated, hesitant, and trivial sanctions when Abyssinia was attacked by Italy have left the world with scant faith in the present-day efficacy of the League Covenant to guarantee peace.

As a consequence, the governments are casting around openly and secretly for allies who can be bound by common fear to help them against specific enemies. That is why the danger is so imminent.

AGGRAVATES ALARM

Every such alliance is aimed in fact, if not in open statement, against some suspected enemy and thus aggravates international alarm and ill-will and increases the very jeopardy it is meant to avert.

The recent treaty of conservative France and communist Russia is a startling symptom of the growing despair. When a republican France after the humiliating defeat of 1870 was cowering before victorious Germany she sought for protection under the wing of what was then the greatest and most ruthless autocracy of the world—Czarist Russia.

History is repeating itself in a sinister fashion in France. It is a nation of peasants who own their own land and hoard their savings—nest eggs tucked away in some discreet hiding place or secretly invested in rentes.

The French are a frugal race of small capitalists with a profound respect for property—the last people likely to be swept away by the doctrines of communism.

SLIP TOWARD DISASTER

Yet the statesmen of these countries are slipping helplessly and inevitably down the slope which will land their people in grim, final disaster.

Is there intelligence enough among our statesmen to get them to come together around a conference table where they could be frank and open with each other about the grievances, anxieties, and purposes which they desire to satisfy?

All these troubles could be cleared away without bloodshed. Certainly bloodshed cannot be guaranteed to solve them.

Instead, Europe, Asia, and America are all manufacturing more and more of the arms of wholesale human slaughter.

Mr. FRAZIER. Mr. President, I have here a statement from a former Army officer, who for some time was stationed in the Philippines, Gen. William C. Rivers, retired. One of the headlines is:

General Rivers says Philippine Army, no matter how large, could not defend islands. Also scouts idea that Japan would be anxious to seize Philippines.

General Rivers was stationed in the Philippines for a number of years, and it seems to me his article is well worth considering. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD as part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article is as follows:

[From the Philippine Free Press of Feb. 1, 1936]

FORMER CONSTABULARY CHIEF BERATES DEFENSE PROGRAM—GENERAL RIVERS SAYS PHILIPPINE ARMY, NO MATTER HOW LARGE, COULD NOT DEFEND ISLANDS—ALSO SCOUTS IDEA THAT JAPAN WOULD BE ANXIOUS TO SEIZE PHILIPPINES

That the Philippines cannot be defended by the Philippine Army now being built, no matter how large it may be made, is the opinion of Maj. Gen. William C. Rivers, retired United States Army officer and former chief of the Philippine Constabulary, who now lives in New York.

In a letter to the editor of the Free Press, General Rivers claims that the defense problem of the Philippines is "primarily a naval matter." He goes on to say, however, that there need be no fear of Japan, as the Nippon Empire would never be willing to divide its fleet in order to protect the Philippines, which it would have to do if it took over the islands. In general, he takes an optimistic view of the Philippine future. In his letter, General Rivers says:

DARK PREDICTIONS

"For some months I have enjoyed reading your brilliant paper through the courtesy of a Filipino friend. It gives to the distant reader a vivid picture of the life, improvements, and progress in the islands. The accounts in American newspapers, cabled by the correspondents who were visiting Manila, gave on the whole a gloomy view of the inauguration of the Commonwealth. There seem to have been festivities enough, but the predictions of our visiting correspondents for the future were dark. These accounts came to a climax for us here with the very general assertions that the Japanese Empire would destroy the Republic of the Philippines at the end of the 10-year interim and the fantastic proposal of Roy W. Howard to make another Cuba out of the Philippines. For that is just what the Howard plan would result in. Any plan to annex the Philippines as an integral part of the American Union will hardly meet the approval of the Congress here in the United States. It would simply mean that the United States would be, single-handed, responsible for the immunity of the Philippines.

A NAVAL MATTER

"There is a disposition here, among educated Filipinos and among the wide circle of American friends of the Philippines, to poke a good deal of fun at your elaborate and costly defense preparations. To many a relatively large army of conscripts in the Philippines brings to mind what we are familiar with in the republics to the south of us. Here it seems such an anomaly to most people that the new government at Manila put the plans for defense (wholly secured for 10 years by America) ahead of economic preparations. Annexation of the Philippines will but prolong 'Philippines' uncertainty.' Many here were surprised that there arose no voice of a Filipino Patrick Henry when the Roy Howard plan was unfurled to the oriental breezes.

"A hostile power could send to the Philippines a dozen old warships 10 or more years from now. These would simply anchor in the dozen principal ports, interrupt all shipping of mails and goods, and sit tight until the no matter how large Philippine Army came in to surrender. In other words, defense of the islands is primarily a naval matter.

"There is not a scintilla of evidence that the Empire of Japan will fail to respect the independence of the Republic of the Philippines. The airplane has again brought the Russians to the verge of the northern borders of Japan. The warfare and turmoil in China for a full generation have caused immense loss and suffering in China, and it is dangerous to Japan—so near her borders. Japan is busy aiding the Chinese to put a stop to this and to improve conditions among the Chinese. The Japanese are not likely to take on responsibilities in the Philippines that will cause their own fleet to be permanently divided. Security of the Philippine Republic can be arranged only by the neutralization of the islands. Japan and the half dozen other great countries with interests in the Orient would, I predict, welcome so sensible a plan.

"The tone of the dispatches from Manila about the number of Japanese subjects in the Philippines was on a high key. No correspondent seemed to mention that there were at last accounts only 20,078 Japanese in the whole archipelago and that in the last 4 years of the available record the number decreased by 1,438."

Mr. FRAZIER. Mr. President, the statement is frequently made that our Army, even with the increase which is authorized under this appropriation bill—I mean, authorized by making larger appropriations to provide for more men—is not, at that, very large for a country such as we have; but, of course, the standing Army is not by any means the only war force we have. I have here a statement by Mr. Villard, the editor of the Nation. This article was published in the Atlantic Monthly for February of this year. He sets forth, among other things, the number of men that are included in our war forces at the present time, or, as he says, as nearly up to date as he could get the figures:

Regular Army, officers and men, 177,600.

Navy, officers and men, 103,000.

National Guard, 190,000.

Coast Guard, 10,500.

West Point and Annapolis cadets, 4,400.

Making a total of 485,500 men.

Besides that, there are the Reserve officers, numbering 20,000.

Citizens' training camps, 30,000.

School and college students, approximately 150,000.

Navy Reserves, estimated by the Navy Department at 9,900.

A total of 209,900 in these additional Army forces, which makes a grand total of 695,400 men.

Mr. Villard goes on to say:

Thus, we have a grand total of 695,400 in uniform during the present fiscal year. These figures are obviously unprecedented in our history, and to many will recall, in these days of Fascist dictatorships, the warnings of George Washington and other founders of the Republic, as to the dangers of a large standing army.

Mr. President, the framers of our Constitution and the leaders in the early history of our Nation immediately after the Revolutionary War were very strong in their statements against a large standing army, and many times went on record against it. We now have the largest standing Army we have ever had in peacetimes, the largest Navy, and the National Guard, and these Reserve officers and others that may be included in the Army and the Navy, making a total of 695,400.

A day or two ago I quoted from a statement made in a speech by the present Secretary of War, Mr. Dern, before he became Secretary of War, in which he said that he hoped the argument that preparation for war or making large appropriations for Army and Navy would keep us out of war was discredited by the fact that at the beginning of the World War the nations which were the best prepared were the ones that got into war first. I have quoted several times from Hon. William Jennings Bryan in a speech which he made after the World War started, but before the United States got into it, in which he stated that never again should men who were familiar with history, and who were honest in their viewpoints and statements, say that war preparations would keep us out of war or that appropriations for a larger Army and Navy would keep us out of war. I believe both of those men were correct in their statements. A larger Army and Navy, and these great preparations for war, mean war. They mean preparation for war and not for defense.

Mr. President, in my opinion, no one can logically argue for or defend the proposition that we are appropriating this immense amount of money, amounting to a million dollars a day, for the Army, and more than that for the Navy, for the purpose of defense. These appropriations are for the purpose of war, and it seems to me that fact cannot be denied.

If we are going to set the example to other great nations of larger appropriations for war purposes, and ignore the Kellogg Peace Pact, all well and good; but it seems to me that the voters in general are opposed to this immense expenditure in peacetimes, when we so badly need the money for other purposes. I believe they are opposed to the expenditure of a billion dollars and over, during the coming year, for Army and Navy purposes, or for the so-called war system.

Mr. President, I am satisfied that out through the territory from which I come immense appropriations of this kind cannot be defended by anyone; and I am sure that if this proposal to make these large expenditures and increases for Army and Navy purposes were put to a vote in the Middle West, it would be overwhelmingly voted down.

I realize that there is a world of propaganda for this bill; that the Army crowd and the Navy crowd, including the retired officers, are lobbying all the time for further increases of Army and Navy; and that under present conditions it is impossible to defeat a measure carrying these immense appropriations. I simply wish to call attention, through the CONGRESSIONAL RECORD, to the fact that, in my opinion, this immense appropriation—the largest we have ever had in peacetimes—means that we are preparing for war.

Mr. COPELAND. Mr. President, I ask unanimous consent to reconsider the vote on the item on line 9, page 66, for the purpose of adding \$2,000 to it. It has to do with cemeterial expenses. I presume the Senator from North Dakota [Mr. FRAZIER] will not object to that, because it has to do with the inspection of the tombstones of the dead.

Mr. FRAZIER. Mr. President, I desire to ask the Senator why that increase is needed.

Mr. COPELAND. The matter was overlooked.

The PRESIDENT pro tempore. Without objection, the vote by which the committee amendment was adopted will be reconsidered.

Mr. COPELAND. I move that the figures be changed by the addition of \$2,000.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment will be agreed to; and, without objection, the amendment, as amended, is agreed to.

Mr. KING. Mr. President, during the consideration of the pending bill there have been but a limited number of

Senators upon the floor except when the amendment to construct a Florida canal was under discussion. Appropriation bills carrying a hundred million dollars provoke but little discussion and arouse but slight opposition. We have become so accustomed to speak of millions and hundreds of millions of dollars in connection with governmental expenditures that bills carrying such stupendous sums encounter but little, if any, opposition when brought up for consideration. Measures providing hundreds of millions of dollars for military purposes encounter less resistance than almost any other appropriation bill, no matter the magnitude of the same.

A majority of the American people are opposed to the huge appropriations that Congress has been making for a number of years for the Army and for the Navy. That does not mean that the people of this Republic are pacifists, as that word is so often used, and with the connotation attributed to it. They are a virile people and are ready and willing to make any and every sacrifice demanded by their country. When the American people believed that their rights and the rights of their country were being assailed by Germany, they, with a unanimity almost unparalleled, supported the declaration of war and the requirements for men and money in the prosecution of the conflict to a successful conclusion, but the overwhelming majority of the American people accept the ideals of the Christian faith and seek to incorporate in their lives those teachings and principles which make for economic, moral, and spiritual progress. They are devoted to the policies of peace, and I believe that this Republic should take the lead in promoting world peace. In my opinion they look with profound regret upon militarism or imperialistic adventures or the inauguration of movements calculated to disturb friendly relations among the nations. But perhaps the American people are not different from those found in other lands.

I believe history justifies the statement that most of the wars of the world have been caused by the ambition or madness of a limited number of individuals, greed, jealousy, and lust for power. These ignoble qualities manifested in the lives of a limited number of individuals have driven peoples who wanted peace into sanguinary conflicts. Most of the peoples of the world today are praying for peace and are opposed to the military burdens which are laid upon them and the formulation and execution of policies dangerous to the peace of the world.

President Franklin D. Roosevelt, in his address before the Woodrow Wilson Foundation, said that—

The blame for the danger to world peace lies not in the world population but in the political leaders of that population.

He further said that—

Through all the centuries and down to the world conflict of 1914-18 wars were made by governments. Woodrow Wilson challenged that necessity. That challenge made the people who create and who change governments think. They wondered with Woodrow Wilson whether the people themselves could not some day prevent governments from making war. It is but an extension of the challenge of Woodrow Wilson for us to propose in this newer generation that from now on wars by governments shall be changed to peace by peoples.

Mr. President, Woodrow Wilson, in referring to Germany's part in the World War, differentiated between the militaristic cabal that dominated the state and the German people, and in his efforts to secure peace appealed to the people as against the militaristic machine that dominated the state. He labored to create an international tribunal to which appeals might be made to prevent international conflicts and to settle controversies that might arise between states.

The failure of adherence to the views of Woodrow Wilson contributed to the disturbed condition of the world and added to the military burdens which have been placed upon the people. The contention that big armies and big navies make for peace is refuted over and over again, and the situation in the world today is a further refutation of the false philosophy which has prevailed among many peoples with respect to the necessity of military policies and power-

ful armies and navies. As I have indicated, military armaments which burden the world today are tragic proof of this false philosophy, and constitute compelling arguments in favor of affirmative and positive movements for peace, and should compel an aggressive campaign to ameliorate the fierce and narrow spirit of nationalism. The peoples of the world have a broader horizon than many of the political leaders, and certainly than the preachers of militarism in various parts of the world.

Our Nation is in a position to lead the world. Its impregnable position, its resources, its material strength—to say nothing of what I hope is its spiritual and moral power—should give to it a crown of leadership in a world movement to organize all peoples for peace. There is an obligation resting upon the United States, in view of the important part which it has played in negotiating the Kellogg-Briand Pact to give to it a vitality and binding force among all signatories to the same. That great instrument demands disarmament and the abandonment of nationalistic ambitions which are calculated to disturb international relations. Certainly adherence to the Kellogg-Briand Pact and the support of the League of Nations by members of that world organization would tend to the promotion of peace and the prevention of international conflicts. We have spoken much about the "good neighbor" policy.

That means that our Nation is not an isolationist. This Republic, as I have indicated, is not imperialistic. It has no designs upon any country. It desires that the lanes of the ocean shall be open for the ships of trade and commerce of all lands and that the avenues of truth, of education, science, art, and literature may be freely traversed by the peoples of all lands. This Republic should take the lead in the promotion of disarmament, fearing no foe whatever and carrying high the standard of international fellowship and world peace.

Unfortunately in this, as in some other countries, there are individuals who are strong advocates of stupendous appropriations for military and naval purposes. They follow the teachings of Admiral Mahan and find weapons for their attacks in the teachings of some of the great German and French militarists whose dissertations upon war and the steps necessary to win victories are regarded as unchallengeable orthodoxy.

The Senator from North Dakota [Mr. FRAZIER] referred to propaganda from which our country is not free. There is evidence, as he indicated, of no little efforts by those in military and naval positions to impress upon the American people what they claim as the imperative necessity for a larger Army and for a more powerful Navy.

There are some who question the propriety of military and naval officers devoting any part of their time in traversing the country for the purpose of delivering speeches or addresses in behalf of larger appropriations for the Army and for the Navy.

Mr. President, we are now considering the bill which carries more than \$600,000,000. The bill as reported to the Senate carries an amount of \$603,230,000, and there has been added to the measure a considerable sum.

Mr. COPELAND. There has been an addition of about \$8,000,000.

Mr. KING. This amount should be added to the \$603,000,000 just mentioned.

Mr. COPELAND. Will the Senator yield?

Mr. KING. I yield.

Mr. COPELAND. This is due to the addition of the items covering engineering projects in Wisconsin, New Mexico, and Mississippi.

Mr. KING. The bill as it passed the House carried \$545,226,318. The Senate committee added \$58,004,000, so that the amount reported to the Senate aggregates more than \$603,000,000. The regular estimates for 1937 are \$572,699,305. I might add that the amount of appropriations for the fiscal year ending June 30, 1936, total \$422,896,770. It will be observed that the appropriations carried in the pending bill exceed the appropriations for the fiscal year 1936 by more than \$180,000,000.

Mr. President, I find no justification for these increases; indeed, with the increasing demands made upon the Government for relief and for other governmental purposes the appropriations for the coming fiscal year should be materially less than those for the fiscal year 1936.

I stated a moment ago that the geographical position occupied by this Republic gives to it a strength that renders it impregnable to any attack. Concede the importance of military preparations and military expenditures, the basis for expenditures in other countries is wholly different from those applicable to the United States. The broad Pacific is a protection from any possible attack from oriental powers, and the Atlantic Ocean is an effective guard against any possible invasion from European countries.

There are those who indulge in hysterical statements and attempt to frighten the American people into the belief that our country lacks protection and that our shores invite invasion. These clamorous cries are without merit and call for condemnation.

The United States is not situated as is France or Belgium, or France, or Great Britain. If it be conceded that confused and belligerent conditions are to continue for an indefinite period, the reasons for military expenditures by many other countries, including those just mentioned, do not exist in behalf of the United States. We occasionally hear the statement made that we must protect against any possible assault by Japan. Mr. President, even the suggestion of Japan attempting to invade the United States is, to put it mildly, absurd. Japan's Navy, if joined by all the navies of the world, would be unable to successfully attack the United States. Japan's Navy could not and would not under any possible conditions cross the Pacific to attack the shores of the United States. It needs no naval or military knowledge to combat the statement of a possible Japanese invasion.

What European country is our foe? It is true that we were engaged in a conflict with Germany and Austria. That was a mad adventure upon the part of the Central Powers, and it demonstrated the futility of any European country waging war upon the United States. But Germany seeks no quarrel with the United States. The European nations, one and all, desire the friendship of the United States and recognize the primacy of this Republic, whether in war or in peace. Great Britain and the United States are the exponents of democratic principles; they possess similar political and governmental concepts; they desire the spread of democratic principles and a world united for peace.

Our neighbor, Canada, has the spirit of a good neighbor and the people of Canada and the people of the United States are bound together in more than friendly relations. Mexico and the Central and South American states are our friends. Even the most belligerent militarist suggests no possible conflict between the United States and any or all of the countries of the Western Hemisphere.

So, Mr. President, the demands for stupendous appropriations for a great Army or Navy do not rest upon any substantial grounds. I confess that in the rather confused condition of the world today the United States must maintain a Navy adequate for its defense.

There will be differences of opinion as to the size of such Navy. I have stated upon a number of occasions that our Navy is the equal of any navy in the world. I know that view is challenged by some, but Mr. Hector Bywater, an eminent naval writer, expressed the view a few years ago that our battle fleet of 18 capital ships is the only completely oil-burner fleet in the world, and this gives it an immense advantage over all others in cruising radius and strategic homogeneity. He further added that our battle fleet was the only one of which every pre-Jutland unit has been or is being extensively reconstructed or modernized to embody war experience. He further added that our fleet mounted 192 heavy turret guns as against 166 corresponding guns mounted in the British fleet.

It was not my purpose in taking the floor for a few moments to discuss the comparative size of the battle fleets of the world, or the number of men under arms in the various countries of the world. My purpose rather was and is to

emphasize the fact that this Republic is so situated geographically, strategically, and otherwise as to be invulnerable to attack. I desire to emphasize the fact that among the nations of the world we have no enemy. No nation is building fleets or maintaining armies for the purpose of assailing the United States. All nations desire our friendship. Every nation would be glad to have the United States assume leadership in the promotion of world disarmament and world peace. I am repeating what I have before indicated when I state that the enormous appropriations which we will make this year for military and naval purposes may have a disquieting effect and find repercussions in other countries.

I inquire, Why should the United States expend from one hundred to two hundred million dollars per annum more than any other nation of the world, as we have been doing for a number of years last past? This course has resulted in expressed fears upon the part of other nations. Representatives of Japan have exhibited concern over the enormous sums appropriated by Congress for military purposes. Reference was made in the Japanese legislative assembly to the military expenditures of the United States and questions asked as to the purpose of the same, and these inquiries have been followed by demands that Japan increase its military budget in order to be prepared against any menacing movement upon the part of the United States. It reminds me of the statement of Sir Phillip Kerr, one of the great men of England, who recently stated:

Armaments inevitably produce war. They may give security, but only at the price of war. Armaments, of course, are justified on the ground that they are merely legitimate instruments of national security. But no nation can make itself secure by armaments except by having armaments which will give it victory in the event of war, i. e., by making its neighbors insecure. Hence the perpetual repetition throughout history of competition in armaments ending in periodic war.

Mr. President, the more money that we expend for military and naval purposes the larger will be the expenditures in other countries. When the United States indicated its purpose to carry into execution the naval program of 1915-16, Japanese officials were aroused, and expressed the fear that our Government entertained a hostile purpose against the Japanese Empire. Thereupon plans were prepared for the building of a number of battleships and battle cruisers in order to meet any hostile naval movement upon the part of the United States.

Mr. President, I am opposing the bill under consideration, though I know any opposition will be futile. I am submitting these rather discursive observations because I do not want the view to obtain that the large appropriation carried by this bill met with no opposition in the Senate. Perhaps only a dozen votes will be registered against it, but so far as I am concerned, I desire it to be known that there are some Senators who are not in harmony with a policy that will call for a billion, two or three hundred million dollars for the Army and the Navy for the next fiscal year.

The Senator from North Dakota [Mr. FRAZIER] referred to an article by Mr. Oswald Garrison Villard. This article is an able discussion of the military appropriations for the past fiscal year as well as for the next fiscal year.

Mr. Villard points to the fact that in 1915, when the World War was in progress, there were only 4,701 officers and 101,195 soldiers in the armies of the United States. Now there are more than two and one-half times as many officers. So far as the number of officers is concerned, there has been an increase of 261 percent in 20 years. The number of officers in our standing Army are practically at the maximum figure in the history of the United States, not excepting the World War years, and today we have more officers in the Army than there were officers and soldiers in all the military forces during the entire peace years from 1789 to 1861. My understanding is that today there are 165,000 enlisted men in the Army, but the bill before us increases the number. In the National Guard there are 184,593 officers and men, or a 100-percent increase during the past quarter of a century.

In 1934 there were 13,309 officers and 171,284 men in the National Guard, as contrasted with 8,792 officers and

119,251 men in 1914. Since the federalization of the Guard, Federal payment for each drill attended by members of the Guard, and huge additional appropriations for the State troops, has undoubtedly increased their military efficiency. Since the World War there has been a reserve of officers and men such as never existed before in our entire history. In 1913 as stated by Mr. Villard, there were eight soldiers in the Reserve organization. In 1933 there were 132,773 Reserve officers and 5,028 Reserve enlisted men or 11,000 more Reserve officers than enlisted Regulars. As shown by Mr. Villard, we have three forces—Regulars, Reserves, and National Guard—which totaled 482,000 in 1935.

Mr. Villard states that the total number of Regular and National Guard soldiers, Coast Guard, sailors, and West Point and Annapolis cadets in service during this fiscal year amount to 485,000, and that the number of Reserve officers, citizens' training camps, school and college students, Naval Reserves total 209,000, making a grand total of 695,400 in uniform during the present fiscal year.

In my opinion, there is a lack of economy and a vast amount of overlapping in our military activities. I shall not present the figures in connection with naval appropriations. There will soon be a bill before the Senate carrying hundreds of millions of dollars for the naval expenses for the next fiscal year. We shall have an opportunity then to examine the various items of appropriation and to make such criticism as the facts warrant.

There are persons familiar with Army expenditures who contend if proper economies were observed and duplication avoided, many millions of dollars would be saved to the taxpayers of our country. Maj. Gen. Johnson Hagood, in an article in the Saturday Evening Post, has recently declared that our national-defense system "could and should be four times as effective for the money we spend."

Mr. Villard has referred to the article in *Fortune* which presents a study of the Army situation, and declares that the Army has no less than 67 generals to 165,000 men, whereas Henry Ford has 9 to 125,000 men. It is contended that our Army is proportionately the most heavily over-officered Army of first rank in the world.

Mr. President, a number of years ago I gave some thought to the problem of the unification of our military and naval organizations, and later, in 1925, I offered a bill in the Senate to establish a department of national defense. I reached the conclusion, from the study which I made, that there was unnecessary duplication in the military and naval activities of the Government, and that by unifying all arms of national defense, efficiency could be promoted and tens of millions, if not hundreds of millions, of dollars would be saved annually to the Government and to the taxpayers.

Briefly, the bill which I offered created an executive department to be known as the department of national defense, which was to be under the control and direction of a secretary of defense, to be appointed by the President by and with the advice and consent of the Senate. The bill provided for the appointment of three assistant secretaries, to be known respectively as the assistant secretary for the Army, the assistant secretary for the Navy, and the assistant secretary for the Air Force. These three assistant secretaries were under the control of the secretary of defense, and all of their work and activities were to be coordinated and integrated in order that the national defense might be brought into one rounded-out national organization.

It seemed to me that with the development in aviation there should be an assistant secretary of aviation, who, under the direction of the secretary for national defense, would carry out such policies as would make the aviation organization suitable for, and commensurate with, the military needs of the Government.

The officers of the Army and Navy objected, as I had anticipated, and yet in my opinion the opposition was not valid, and should not have defeated a policy that would have proved advantageous from a military point of view. I might say in passing that the failure to have a unified organization was tragically revealed in the disaster at Gallipoli. There was no proper cooperation between the Army

and the Navy and aviation forces. I might refer to many other examples where a unified system would have brought victory where defeat resulted.

The importance of unified command was demonstrated in the allied forces in the World War. When the situation of the allied forces was dark, if not desperate, they were compelled to place General Foch in charge of all military activities which were being carried on by the Allied Powers. The experience of the United States in Cuba during the Spanish-American War brought satisfactory evidence of the value of unified military forces.

President Harding gave attention to the coordination of various activities and departments of government and appointed a commission for the consideration of this important matter. One of the first recommendations which the President made is found in a report submitted to the Senate in February 1923 by the chairman of the Commission. The report states—

(a) Outline of the reorganization plan recommended by the President and the Cabinet.

(b) Summary of recommendations.

The outstanding recommendations are as follows:

The coordination of the Military and Naval Establishments under a single Cabinet officer as the department of national defense.

Mr. President, when this Commission was functioning I gave some attention to its work, and particularly to the suggestion that a department of national defense be created which would have control over the Army and the Navy and all of the activities connected with aviation.

Maj. Gen. William C. Rivers, a retired officer in the Army, has recently strongly recommended the unification of our military and naval activities. I understand that Gen. Robert L. Bullard, one of the heroes of the World War and a military student of renown, advocates a single department of national defense. My information is that Russia, Italy, Germany, France, and Turkey have combined their military and naval forces into one single department of national defense. Quite recently the British Premier, Stanley Baldwin, stated in a speech in the British Parliament that there would be unification of all military and naval activities under a single minister of defense.

Mr. President, before adjournment there will be other measures before us calling for hundreds of millions of dollars for military and naval purposes. When these measures are under consideration I may take the opportunity of elaborating some of the views which I have so imperfectly expressed. I can only say that I think we are not serving the cause of world peace or the best interests of our country when we are supporting policies that will call for more than a billion two hundred million dollars for the next fiscal year, and perhaps increasing amounts annually for an indefinite period.

Mr. CLARK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. KING. Certainly.

Mr. CLARK. Does not the Senator believe that these enormous appropriations and these tremendous increases in appropriations for military and naval purposes in the United States can only be taken as preparation for another war, and give the lie to every profession that has been made by the American people and the American Government in behalf of disarmament and peace?

Mr. KING. I think the statement of the Senator from Missouri is correct. Such action will be regarded as evidence of insincerity. We will lay ourselves open to the charge of being hypocritical in view of the professions we have made, and the unsatisfactory contribution made to world peace and fellowship. The United States took the lead in securing the assent of 63 other nations to the Kellogg-Briand Pact, under which war as a national policy was renounced and the pledge given that all disputes would be settled by pacific means.

Yet, in the face of those loud affirmations for peace and good will, we are spending more than any other nation in the world for military purposes.

Mr. President, the time has come, it seems to me, when the American people, those who love peace and justice, who

want the United States to become a great world factor for an enduring civilization, should evince their opposition to these enormous appropriations which are being made by the Congress.

We shall soon have before us bills carrying hundreds of millions of dollars—indeed, several billions of dollars—and I believe that before final adjournment the Congress will appropriate or authorize to be appropriated a sum in excess of that appropriated by any nation in the world except during the World War. I believe the authorized appropriations before Congress adjourns will reach the stupendous sum of more than \$10,000,000,000.

Congress is now engaged in drafting a bill to take from the pockets of the people over \$1,000,000,000 in order to meet these lavish expenditures which will be made by this Congress. This will be known as one of the greatest spending Congresses in the history of the United States.

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of the remarks of the Senator from Utah [Mr. KING] a letter from Lt. Col. J. W. Anderson, of the United States Military Academy, West Point, together with a newspaper clipping. The letter and the newspaper clipping have to do with the extension of the grounds at West Point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The letter and newspaper clipping are as follows:

HEADQUARTERS, UNITED STATES MILITARY ACADEMY,
West Point, N. Y., March 13, 1936.

Col. ADNA CHAFFEE,

Office Deputy Chief of Staff, Washington, D. C.

DEAR COLONEL: I am sending you the enclosed clipping from a New York paper merely as a news item of some interest to us which has, if true, an indirect bearing upon the procurement of additional land for West Point.

The route of the proposed road does not run through property which is of great importance to us, though it is included in our third priority. However, this news item is indicative of the fact which we all knew, that land values throughout this section will increase from year to year as such improvements as that noted herein increase the accessibility of this wonderful recreational terrain to the vast population of New York's metropolitan area.

Certain it is that the longer we delay procurement of an adequate watershed and drill area for West Point the more difficult such procurement will be and the more dearly shall we pay for it.

Sincerely,

J. W. ANDERSON,
Lieutenant Colonel, Field Artillery.

PLAN TO SHIFT HUDSON RIVER ROAD SPURS HIGHLANDS REALTY BUYING—ROUTE ALONG INDIAN TRAIL TO BE SWUNG ATOP PEAKS SURROUNDING WEST POINT, CUTTING OFF 12 MILES OF TRAVEL AND RELIEVING THE TRAFFIC CONGESTION

A vast new area of virgin country in the picturesque Hudson River highlands will be opened up for development with homes as a result of the plan of the State public-works department to relocate the course of route 9W, which now follows closely the west bank of the Hudson River.

The old highway, originally an Indian trail and later a military road, is to be swung up on the top of the mountains surrounding West Point, giving the traveler as a result a much more extensive view of the "Rhineland of America", as these highlands are called, and at the same time will clip 12 miles off the road distance between the west end of Bear Mountain Bridge and the old village of Cornwall on the Hudson just north of Uncle Sam's military school. In other words, West Point and old Storm King, that rugged old heritage of the glacial age, are to be pinched out of the route of heavy traffic under the plan of Frederick S. Greene, superintendent, department of public works.

The new boulevard, a six-lane highway, will be from 1 to 3 miles back of the present route whose tortuous contours and the fact that it hugs the river has not aided in the development of this section whose natural architecture marks one of the most beautiful areas in the country.

SYNDICATES BUYING LAND

Although the State department of public works has gone quietly about this undertaking, not attempting to hide its purpose or exploit what it was doing, real-estate interests have appraised the value of the project and, according to stories which have trickled out of the fastnesses of these highlands, there has been extensive buying of lands in the area which this highway will serve. Large syndicates have been active. Whether or not they have secured all the property which reports say has changed hands is not known.

The State department, however, has acquired a strip 4 miles long through Cragston, the old estate of the late J. Pierpont Morgan at Highland Falls, now the property of the Hudson Highlands Country Club. It is to be used as a right-of-way for the new boulevard.

It is from a half to 1 mile west of the present highway. A right-of-way through the rear section of the West Point Military Reservation will carry the highway to the proposed Storm King cut-off planned along the west top of the mountain, sweeping down in long graceful contours into the old village of Cornwall.

A section close to 2 miles, beginning at the entrance to the Bear Mountain Bridge, is now under construction. The project has been designed by James S. Bixby, district engineer for the State highway department, with headquarters in Poughkeepsie. The relief of the road condition in the highlands has been a 25-year-old program. Hope to change the situation by improvements along the present highway was abandoned because of the physical obstacles.

MORGAN CAME IN 1867

It was the suggestion of Mr. Bixby that since that was the case, relocate the road, send it over the top of the mountains virtually in a straight line behind the Military Academy, Crows Nest, Storm King, and Butter Hill.

Real-estate interests believe that long before construction of the new route 9W has been completed the ownership of many old holdings along the new route of travel will have changed hands, and house builders will be active in erecting more houses than have ever covered this entire territory.

The Hudson River highlands have been the land of large estates. The character of the country and the fact that roads into this picturesque section were few allowed the assemblage of vast holdings.

Mr. Morgan began the assemblage of Cragston Manor back in 1867. He owned thousands of acres extending from the river far back into the country. The names of the Pells, the Satterlees, the Fishes, the Stillmans, the Rhinelanders, and the Osborns are associated with property ownership on both sides of the Hudson River in the Highland country.

Several attempts have been made in the last few years to launch small-house developments in the highlands, but they did not succeed because of the lack of adequate arteries of travel into the territory. The construction of the new highway, it is believed, will change the picture.

Mr. COPELAND. Mr. President, I have been greatly touched by the eloquent and earnest words of the Senator from Utah [Mr. KING]. I wish to say that I take second place to no one in my desire to promote peace. This statement may seem inconsistent with the ardor which I have used in attempting to pass this bill.

I should not wish to have any misunderstanding exist as to what this bill means. As a matter of fact, so far as certain military activities are concerned, we reduced the amount of the bill as it came from the House. We did, however, increase it in this respect:

Last year the Congress, after thorough consideration of the question, decided that the minimum standing Army which this great country should have was 165,000 enlisted men and a proportionate number of officers. This number was then stated to be far below what the General Staff thought we should have. General MacArthur pleaded that the number we should have in our standing Army was 280,000 enlisted men and a proportionate number of officers. This year the Chief of Staff and The Assistant Secretary of War made the same declaration—that in order to have a skeleton of an Army, not a great fighting force but a skeletonized Army, there should be 280,000 men, and a corresponding number of officers, for purely training purposes.

We found that this bill, when it came from the House, had reduced the minimum number from 165,000 men and a corresponding number of officers, as determined last year in a bill which passed the Congress and was signed by the President. It seemed to the committee, and it has seemed to the Senate, that we should take 165,000 men as the minimum number in our standing Army.

Mr. President, this number does not provide a fighting force. What could this country do with 165,000 men? As I recall, we trained about 5,000,000 men in the last war. We had 10,000,000 men under call. If this bill shall be enacted into law and carried into effect, we shall have only 165,000 men—not a fighting force; not a force which would be of any account whatever in an offensive war, but a force which would have to do merely with the defense of our country.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Missouri?

Mr. COPELAND. I yield.

Mr. CLARK. If it is necessary for the United States to spend on armaments vastly more than any other nation in the world, and we still have an inadequate naval force and an inadequate military force, how much does the Senator

think it would be necessary for the United States to spend to have an adequate military and naval force?

Mr. COPELAND. Does the Senator mean adequate from my standpoint?

Mr. CLARK. Adequate from any standpoint or standard Congress may set up.

Mr. COPELAND. If the Senator means adequate from the standpoint of military establishments, I should say we should have to have now, according to the testimony given us, at least 280,000 enlisted men.

Mr. CLARK. Would the Senator consider 280,000 men an adequate fighting force? In other words, if we are going into the military business, we have an Army that is vastly too small. If we are not going into the military business, it seems to me we are spending vastly too much on our Army and Navy.

Mr. COPELAND. Mr. President, I think I am in sympathy with what the Senator has in mind. An Army of 165,000 men at best is a skeleton Army. It simply maintains organizations which are at their very minimum. It does not provide for a number which anybody would consider adequate in case of war.

Mr. CLARK. Mr. President, I do not wish to annoy the Senator; but, if he will permit one further question, What is the increase in the appropriation carried in this bill as compared to the amount carried in the military appropriation bill of last year?

Mr. COPELAND. If the Senator will bear with me I will give him those figures, because I had it in mind to give them; but I will give them to him now. The appropriations in this bill exceed the appropriations for the fiscal year 1936 by \$180,000,000.

Mr. CLARK. May I ask the Senator, then, what has taken place in our affairs since the appropriation bill of last year to justify this enormous increase of \$180,000,000?

Mr. COPELAND. Mr. President, if the Senator from Missouri will content his soul in peace for a moment or two, I shall attempt to explain the matter as I understand it.

Mr. CLARK. I shall be glad to do that.

Mr. COPELAND. This amount of money does seem enormous; but first I wish to justify the position of the Senate. Then I shall attempt to reply to the suggested criticism of the Senator from Missouri.

The amount carried by this bill as we now have it ready for passage is about \$64,000,000 in excess of the amount carried by the bill as it came from the House. Immediately the casual observer of figures might say, "Then the Senate is more military minded to the extent of \$64,000,000." But, Mr. President, of this \$64,000,000, \$15,000,000 is involved in the increase of appropriations necessary by reason of our deliberate intention to fix the minimum number of soldiers at 165,000. Then we deduct from that the seven or eight millions having to do with military activities which we cut off from the House bill. Then we add to the bill \$58,000,000, for what? Not for arms and armament; not for the maintenance of an Army; not to develop a military force; not to provide for war. The \$58,000,000 which we have added to the bill had to do with engineering problems of the Board of Army Engineers; it had to do with the improvement of the rivers and harbors of our country, not for the floating and use of naval ships but for the use of our merchant marine, or a merchant marine, or the merchant marine.

This bill as it came from the House had in it \$50,000,000 for engineering projects. We have not yet passed the flood-control bill. At the time we studied this bill there had been no terrible object lessons such as we have had during the past week—lessons which, if properly applied, mean that this country must do far more than it ever before has done to control the rivers and the floods and to preserve the lives and property of the American people.

But we saw fit to add \$50,000,000 to the engineering feature of the bill. We did it for several reasons. In the first place, we are hearing much about unemployment. Twenty-four millions of our people are on relief. Think of it! Almost a quarter of the people of the United States are on relief! In order to make jobs for many of these, we have done what is

called "boondoggling." Is that the name? We have made work.

Mr. CLARK. I will say to my friend from New York that I am not sufficiently familiar with the practice to be an authority on the pronunciation of the word. The Senator will have to ask one of those who have been proponents of the practice.

Mr. COPELAND. Of course, the Senator who is now speaking could not answer, because I have not favored those expenditures.

The PRESIDING OFFICER. Senators will please address the Chair.

Mr. COPELAND. The Chair wishes also to be included in the group. [Laughter.] Are there others who will join? At any rate, Mr. President, some of us who have had to do with making this bill have not favored boondoggling. We have thought that if we must spend millions of the taxpayers' money we should do it in building public works which have a permanent value. So the committee saw fit to add \$50,000,000 to engineering projects. Then we came into the Senate; and, with the able Senator from Missouri assisting, \$8,000,000 was added to the bill for three projects, in West Virginia, Mississippi, and Arizona.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. CLARK. The Senator does not mean to suggest that I was assisting in adding the \$8,000,000; does he?

Mr. COPELAND. I thought I heard the Senator this morning approving the reconsideration of a \$20,000,000 item.

Mr. CLARK. The Senator from New York certainly did hear the Senator from Missouri approving the reconsideration, which was for the purpose of trying to cut out the \$8,000,000 which was put in the other day over my vote and over my protest.

Mr. COPELAND. Of course, I am in the fullest accord with the position the Senator took the other day; but, somehow or other, today, when we reconsidered the \$20,000,000 item, we took out only \$12,000,000 and left \$8,000,000 in. Does the Senator realize that?

Mr. CLARK. That was the purpose of my support of the proposal to reconsider the whole matter, because I wished to take out the \$8,000,000 which I thought had been erroneously put in in the first place; and I should be glad now of an opportunity to vote to take out all the other pork that was originally put in by the Appropriations Committee and not included in the amendment of the Senator from Florida [Mr. FLETCHER].

Mr. COPELAND. I assume that when the Senator speaks of "pork" he is referring to the four or five projects which are in the disputed items of the bill.

Mr. CLARK. I understood the Senator just a moment ago to say that the committee itself had added \$50,000,000 to these engineering projects.

Mr. COPELAND. Yes; but the committee did not add any "pork." I desire to be very definite about that.

Mr. CLARK. Well, that may be a matter of definition.

Mr. President, if the Senator will yield further, let me say that I have great sympathy with his announced opinion that as far as may be, in dealing with unemployment, public funds should be spent on work of construction that will be of some benefit to the country. But it is very difficult for me to believe that the unemployment situation in this country or the relief situation in this country can be handled by the adding of projects to a military appropriation bill. The way to handle the matter is by substantive legislation, appropriations specifically directed to carry out those projects, and not by the Committee on Appropriations reaching down into the barrel and taking out a few projects and including them in an appropriation bill.

Mr. COPELAND. Mr. President, we do not seem to hesitate in Congress to add items to any bill. So long as we get more money, we put the projects wherever we can.

So far as the items in the pending bill are concerned, outside of those which we adopted contrary to the rules of the Senate, as the Senator from Missouri and I believe, we have

projects which have been submitted, first, to the Army Engineers, and approved by the Army Engineers; which received the approval of the two committees of the Congress having jurisdiction; which were brought to the respective Houses of Congress and passed here, and were approved by the President; so those are projects which, in theory, at least, are meritorious, beneficial, and proper.

Mr. President, I have explained that, considering the amount for military activities, pure and simple, which we have taken out of the bill, and the amount which we have added to make the standing Army 165,000; and the amounts for engineering projects, totaling \$58,000,000, those three items, two of addition and one of subtraction, account for every penny added by the Senate. In short, I think the Senate may say that its skirts are clear so far as any effort is concerned to promote or encourage war.

I doubt whether a dozen votes could be found in the Congress to favor an offensive war. So far as my voice may carry, I want it to be proclaimed to the world that we covet no country's possessions, there is nothing outside of our boundaries we want and nothing outside of our boundaries that we will seek to get. This is not a bill in any sense intended to promote or encourage war; it is a bill which relates wholly to our domestic concerns, it has to do merely with our home affairs; and no country in the world, I do not care whether it is European or Asiatic, can point to the pending bill and say that the United States of America has embarked upon a program of war or that there is any intent upon the part of the Congress to have the country engage in war.

Mr. President, I was much interested in what the Senator from Utah said along a line I am not discussing. He spoke about the attitude of the country toward military appropriations. Not one witness appeared before our committee to protest against the general Military Establishment. The protests made before our committee related to the National Guard and largely to the Reserve Officers' Training Corps. It is a remarkable thing that there was no protest or an allegation of militarism on the part of our country, there was no protest against militarism in the main parts of the bill. The protest was against the citizen soldier and the possibility that we were developing in youth the incentive to war, the desire for war.

Mr. President, as I said before—and I want to repeat it, because it has to do with the argument—I have a son, who, during his 4 years in college, was a member of the R. O. T. C.

He became a major, second in command in the university. He went to Plattsburg. He has been out of the university for 5 years now, and in my contacts with him, and through him, with many of his companions, I can say that I have yet to find one young man who, because of his experience in the R. O. T. C., became imbued with the idea of militarism. On the contrary, those men who have had the advantages of the R. O. T. C. have been developed along lines which are useful in peace, making for good citizenship, making for patriotism, making for the desire to see that youth shall have an opportunity to develop, not along military lines but along commercial and industrial lines, along social lines, along those lines which have to do with the welfare of youth and the future welfare and development of our country.

Mr. President, the Senator from Utah spoke about consolidations in the military service. I do not know whether he is right or wrong about that. He may be right; I have no dispute with him about it. But when he came to the matter of aviation he used the same arguments in favor of consolidating the military, the naval, and the commercial departments of aviation under a unified control.

Mr. President, I could not agree to that. I am perfectly willing that aviation, so far as the Army and Navy are concerned, having to do with the military uses of airplanes and airships, shall be under one control, but there is a great commercial use for airplanes, and the problems of commercial aviation are entirely different from the problems of the military uses of aviation. So I could not agree with the Senator regarding that matter.

I do wish to give emphasis to the thought, in closing, that so far as I know, no member of the subcommittee and no member of the full Committee on Appropriations, and I think I may go beyond that and say, so far as I know, no Member of the Senate, is in favor of war, or aggression, or interference with the happiness and contentment of other countries. We are here to take care of our own, to mind our own business, and to proceed in our own way. We are content to have every other country in the world do as it pleases regarding its military activities. So long as other countries do not interfere with us, they may go so far as they please with their own. But we are a country pledged to peace and devoted to peace, and, as I see it, there is not one thing in the pending bill which any candid student of it, any informed person, can criticize, because certainly it is not a bill which makes for war. We believe it is a bill which makes for peace.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. FRAZIER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Keyes	Norris
Austin	Clark	King	Overton
Bachman	Connally	La Follette	Pittman
Bailey	Copeland	Lewis	Pope
Barbour	Couzens	Logan	Robinson
Barkley	Davis	Loneragan	Russell
Bilbo	Donahay	Long	Sheppard
Black	Duffy	McGill	Shipstead
Borah	Fletcher	McKellar	Stefwer
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Maloney	Townsend
Bulow	Gibson	Metcalf	Truman
Burke	Gore	Minton	Tydings
Byrd	Hale	Moore	Vandenberg
Byrnes	Hatch	Murphy	Van Nuys
Capper	Hayden	Murray	Wheeler
Caraway	Johnson	Neely	White

The PRESIDING OFFICER (Mr. Lewis in the chair). At this point the Presiding Officer wishes to make the same announcement with regard to absences of Senators as he made upon a previous roll call.

Sixty-eight Senators having answered to their names, a quorum is present.

The question is, Shall the bill pass?

Mr. FRAZIER. Mr. President, I asked for a quorum call because there were only a few Senators on the floor—perhaps only a dozen at the time—and I do not like to see an appropriation bill carrying over \$600,000,000 passed by so small a representation of the Senate as was on the floor at the time.

Personally I should like to see a record vote on this measure. It seems to me the appropriation is from 25 to 50 percent higher than is necessary. I ask for the yeas and nays, and I hope other Senators will join me in making the request.

Mr. ROBINSON. Mr. President, I do not think the Senator from New York [Mr. COPELAND], in charge of the bill, has any objection to a record vote. For my part, I shall be glad to have a record vote. Let the roll be called.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that if present he would vote as I am about to vote. Therefore I feel at liberty to vote, and vote "yea."

The roll call was concluded.

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily detained from the Senate. If present, he would vote for the passage of the bill, and, as I intend to vote the same way, I am therefore free to vote. I vote "yea."

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS]. As he is not present, I withhold my vote. If he were present and voting, he would vote "yea."

I also wish to announce the necessary absence of my colleague, the junior Senator from Minnesota [Mr. BENSON], who is paired with the junior Senator from New York [Mr. WAGNER]. If present, my colleague would vote "nay" on

this question, and the junior Senator from New York, if present, would vote "yea."

Mr. BARKLEY (after having voted in the affirmative). I voted notwithstanding I have a pair with the senior Senator from Delaware [Mr. HASTINGS]. If present, I understand he would vote as I have voted, and therefore I allow my vote to stand.

Mr. BILBO. I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. I transfer that pair to the junior Senator from Illinois [Mr. DIETERICH], and will vote. I vote "yea."

Mr. GORE. I have a general pair with the junior Senator from North Dakota [Mr. NYE], and therefore withhold my vote.

The PRESIDING OFFICER (Mr. LEWIS in the chair). The Chair wishes to announce that his colleague [Mr. DIETERICH] is necessarily detained from the Senate. If present, he would vote "yea."

The Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from West Virginia [Mr. HOLT], the Senator from California [Mr. McADOO], the Senator from Florida [Mr. TRAMMELL], and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate on account of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Virginia [Mr. GLASS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Massachusetts [Mr. WALSH] are detained in important committee meetings.

The Senator from Minnesota [Mr. BENSON], the Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Mississippi [Mr. HARRISON], the Senator from Nevada [Mr. McCARRAN], the Senator from South Carolina [Mr. SMITH], and the Senator from New York [Mr. WAGNER] are unavoidably detained.

The Senator from Pennsylvania [Mr. GUFFEY] is detained on matters pertaining to the Pennsylvania flood.

The Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor in connection with research work having to do with the Reynolds-Starnes bill.

The present occupant of the chair announces a pair on this question between the Senator from Maryland [Mr. RADCLIFFE] and the Senator from West Virginia [Mr. HOLT]. If present and voting, the Senator from Maryland would vote "yea", and the Senator from West Virginia would vote "nay."

The result was announced—yeas 53, nays 12, as follows:

YEAS—53

Adams	Connally	Lewis	Robinson
Austin	Copeland	Logan	Russell
Bachman	Couzens	Loneragan	Sheppard
Bailey	Davis	Long	Steiwer
Barbour	Donahay	McKellar	Thomas, Utah
Barkley	Duffy	McNary	Townsend
Bilbo	Fletcher	Maloney	Truman
Borah	George	Minton	Tydings
Brown	Gibson	Moore	Vandenberg
Bulkley	Hale	Murray	Van Nuys
Burke	Hatch	Neely	White
Byrnes	Hayden	Norris	
Caraway	Johnson	Overton	
Chavez	Keyes	Pittman	

NAYS—12

Black	Capper	King	Murphy
Bulow	Clark	La Follette	Pope
Byrd	Frazier	McGill	Wheeler

NOT VOTING—31

Ashurst	Dieterich	McAdoo	Schwellenbach
Bankhead	Gerry	McCarran	Shipstead
Benson	Glass	Metcalf	Smith
Bone	Gore	Norbeck	Thomas, Okla.
Carey	Guffey	Nye	Trammell
Coolidge	Harrison	O'Mahoney	Wagner
Costigan	Hastings	Radcliffe	Walsh
Dickinson	Holt	Reynolds	

So the bill was passed.

DECLINE IN NATIONAL-BANK FAILURES

Mr. ROBINSON. Mr. President, it is deemed appropriate to bring to the attention of the Senate a brief Associated Press dispatch, published in the Washington Post of this

date, relating to the decline in the number of national-bank failures during the years of 1934 and 1935.

There has been furnished me a memorandum showing the number of national-bank failures that have occurred in the United States from 1912 until 1935. In the first year mentioned the number was 18; in 1913 there were 5 such failures; in 1914 there were 21; in 1915 there were 12; in 1916 the number of failures was 13; in 1917 it was 7; in 1918 there were 2; in 1919 there was 1; in 1920 there were 6; in 1921 there were 38; in 1922 there were 32; in 1923 there were 51; in 1924 there were 127; in 1925 there were 95; in 1926 there were 91; in 1927 there were 111; in 1928 there were 52; in 1929 there were 71; in 1930 there were 88; in 1931 there were 357; in 1932 there were 322; in 1933 there were 438; in 1934 there was only 1; and in 1935 there were only 4.

The statement to which I have referred as an Associated Press dispatch attributes to the Federal Deposit Insurance Corporation a stabilizing influence. As all Senators understand, deposits in the banks under a maximum of \$5,000 are guaranteed.

I ask leave to have printed in the RECORD the Associated Press dispatch to which reference has been made.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Mar. 23, 1936]

BANK FAILURES DECLINE TO FIVE DURING 1934-35—O'CONNOR REPORTS MARKED DROP DURING OPERATION OF DEPOSIT INSURANCE

In his annual report to Congress, J. F. T. O'Connor, Comptroller of the Currency, yesterday noted a "material improvement" in the banking situation, as reflected in periodic statements of condition.

The report, covering the period ended last October 31, said only five national banks had failed since inauguration of Federal deposit insurance, January 1, 1934.

These five institutions had deposits of only \$5,440,000, compared with a peak of 438 national banks which suspended operations in 1933, involving deposits of \$781,679,000.

"The stabilizing influence of the Federal Deposit Insurance Corporation", the report said, "and its contribution to the general welfare of banking in the Nation, cannot be overemphasized."

"Approximately 52,000,000 depositors are insured in 14,218 banks, and the deposits of approximately 98.5 percent of them are fully insured under the maximum of \$5,000 protection."

Many of the statistics in the report had been made public previously.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN FOREIGN TRADE

Mr. TYDINGS. Mr. President, I ask unanimous consent that a resolution requesting the Secretary of Commerce to furnish the Senate with information concerning ships and shipping policy, which information, I understand, is available in their research department, may be immediately considered.

The resolution was submitted at my request by the Democratic leader, the senior Senator from Arkansas [Mr. ROBINSON], and was referred to the Committee on Commerce. As I have said, the resolution merely asks for information, the Senator who is chairman of the Commerce Committee has no objection to the consideration of the resolution, and I hope that other Members will have none.

Mr. ROBINSON. Mr. President, I ask that the resolution be read for the information of the Senate.

The PRESIDING OFFICER (Mr. POPE in the chair). The clerk will read the resolution.

The Chief Clerk read the resolution (S. Res. 260) submitted by Mr. ROBINSON (for Mr. TYDINGS) on March 19, as follows:

Resolved, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of the most important acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American ship-owners; (4) whether it is the general practice of American ship-owners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American merchant marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of

Great Britain, Germany, France, Italy, and Japan, on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American trans-Atlantic cargo carried by American-flag ships, and the percentage carried by foreign-flag ships; (8) the percentage of American trans-Pacific cargo carried by American-flag ships, and the percentage carried by foreign-flag ships; (9) the profit or loss of the six American lines operating the largest American-flag tonnage for the years 1926, 1928, 1930, 1932, 1934, and 1935; (10) the operating expenses of the same lines for the same years and their gross incomes for such years; (11) how many of such lines held mail contracts, either on a poundage or per-mile basis, and the aggregate amount of money paid to them under such contracts; and (12) what formula do you generally recommend as a matter of United States policy which would deal fairly with all shipping lines, large or small, for the carrying of the mail?

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, the resolution has been referred to the Committee on Commerce. I inquire if that committee has reported the resolution?

Mr. TYDINGS. No; it has not; but I may say to the Senator from Oregon that, inasmuch as the resolution merely requests information, it was my intention to ask its sponsor to submit it and have it lie on the table, from which position I could have called it up, but I found that it had gone to the Committee on Commerce during my absence. I have consulted the chairman of the Committee on Commerce, and, inasmuch, I repeat, as the resolution merely asks for information, I did not think there would be any objection to it.

Mr. McNARY. Mr. President, it is quite unusual to take from a committee a resolution which has been referred to it and to seek action on it without a report from the committee. Secondly, the resolution not only calls for information but calls for the opinion and the judgment of the Secretary of Commerce upon legislation now pending. I object to the resolution being now considered. It must proceed in the orderly way.

The PRESIDING OFFICER. Objection is made.

Mr. COPELAND subsequently, from the Committee on Commerce, to which was referred the resolution (S. Res. 260) requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade, reported it without amendment.

STOCKYARDS AND MEAT PACKING

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas that the Senate proceed to the consideration of a bill, the title of which will be stated.

The CHIEF CLERK. A bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

Mr. CAPPER obtained the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Texas?

Mr. CAPPER. I yield.

Mr. CONNALLY. Is the Senator about to speak on his motion?

Mr. CAPPER. I wish to address the Senate on my motion to proceed to the consideration of Senate bill 1424.

Mr. CONNALLY. Is that the so-called Capper bill?

Mr. CAPPER. It is.

Mr. CONNALLY. Very well.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. CAPPER. I yield.

Mr. LEWIS. I merely seek information from the Senator from Kansas. Is it his purpose to press the bill to consideration, or is it his purpose later to allow the bill to go over, as I understood from some remarks would be done? I desire to know, as I am interested on the opposition side of the bill.

Mr. CAPPER. My motion is that the Senate proceed to the consideration of the bill so as to make it the unfinished business, and then probably it will be laid aside temporarily, and its consideration resumed later.

Mr. McNARY. Mr. President, the situation is about as follows: Some days ago the Senator from Kansas moved that the Senate proceed to the consideration of the certain bill. That motion was entered and is now pending.

The PRESIDING OFFICER. That is the pending question.

Mr. McNARY. The Senator from Kansas desires to have that motion disposed of before proceeding to discuss the bill. Is there any objection by any Senator to that course being pursued?

Mr. CONNALLY. Mr. President, I have no objection to the Senator from Kansas having the bill taken up, but I shall resist any real consideration because I expect to submit a motion to recommit the bill as soon as the Senator from Kansas shall have explained its purposes.

Mr. McNARY. Mr. President, what the Senator from Kansas wants to do is to proceed in the orderly fashion, namely, to take up his motion which he entered a few days ago. If that motion shall be agreed to, then the bill will become the unfinished business of the Senate. At that time he is willing to lay it aside temporarily to have the Senate proceed to the consideration of the Agricultural Department appropriation bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. ROBINSON. Mr. President, I do not believe there should be any objection to the motion which the Senator from Kansas has made. The Senator from Texas [Mr. CONNALLY] has indicated his intention to move to recommit the bill. After the bill has been proceeded with, of course, that motion would be in order. The Senator from Kansas quite naturally would prefer to have the bill before the Senate rather than the mere motion to proceed to its consideration when he makes his address in explanation of the purposes of the bill.

Mr. KING. Mr. President, I do not object, of course, to the Senator moving to take up the bill, but I shall object to its being taken up and shall oppose that action.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas. [Putting the question.] The ayes have it, and the motion is agreed to.

Mr. KING. Mr. President, I believe, if the Chair will pardon me, that the Chair is a little premature. The Senator from Kansas had the floor to address the Senate, as I understood, in behalf of his motion to take up the bill and I indicated that it was my purpose to oppose its being taken up.

Mr. CAPPER. No; Mr. President, I wanted a vote on my motion first, and then to address myself to the bill.

The PRESIDING OFFICER. The motion was agreed to and the Chair so announced.

Mr. KING. May I say in all deference to the Chair that the Chair acted prematurely, but I shall not challenge the ruling of the Chair.

The motion having been agreed to, the Senate proceeded to consider the bill (S. 1424) to amend the Packers and Stockyards Act of 1921, which had been reported from the Committee on Agriculture and Forestry, without amendment.

Mr. CAPPER. Mr. President, I think it will expedite the consideration of the pending bill if I make a brief statement setting forth the purposes of the bill which I have introduced proposing to amend the Packers and Stockyards Act.

Since the enactment of the original Packers and Stockyards Act in 1921, evasion by packers has developed, as shown by evidence before the Senate committee, mainly along three lines:

First, by packers operating private stockyards not subject to the supervision of the Secretary of Agriculture as provided for under the act.

Second, by packers diverting the purchases of livestock formerly made at public stockyards to privately operated concentration points or private stockyards operated by others.

Third, by packers purchasing larger percentages of the livestock slaughtered directly from the livestock producers.

An outstanding example of what the packers are doing to break down the public market is found in Kansas City. When the Packers and Stockyards Act went into effect in 1921 the packers were buying direct from the farmer only a small percentage of their needs. Last year about three-fourths of the hog supply of the Kansas City markets was purchased by the packers direct from the farmers. Only half a million head of hogs were handled through the public market, while 1,500,000 were handled by the unsupervised private stockyards set up by the packers. With almost complete control of the hog supply it is an easy matter for the packers to fix the market price not only at their own private stockyards but at the public stockyards as well.

The amendments proposed to be made by the pending bill—and let me say here that the legislation is proposed in no spirit of hostility to the packing industry—only extend supervision by the Secretary of Agriculture to the acquisition of livestock by packers at packer-owned stockyards and at concentration points or other stockyards where packers annually acquire more than 35,000 head of livestock. This does not extend the jurisdiction of the Secretary of Agriculture to the supervision of direct purchases of livestock by packers from farmers. It does not prohibit any form of livestock purchase by packers, but is wholly regulatory in character. It relates to stockyards and packers operating in interstate commerce and does not in any manner attempt to regulate intrastate operations in the livestock industry.

The power of supervision as to stockyards and market agencies operating on stockyards given to the Secretary of Agriculture by the original act only permits the Secretary to prohibit unjust, unreasonable, and discriminatory rates, practices, and charges by stockyards or market agencies under his supervision engaged in interstate commerce within the definition of the act. It allows him to know the prices paid for livestock in individual transactions on those stockyards.

The exercise of this jurisdiction on the public markets now under regulation has not interfered with or limited the right of the individual owner to buy or sell livestock on his own account at any of the markets under regulation. The seller may sell and the buyer may buy on those markets without the intervention or employment of a market agency or commission firm. It does not require a seller or a buyer to give a bond or register as a dealer if he is the owner of the livestock. At many of the stockyards now under supervision a representative of the Secretary is seldom seen. Action is taken only upon complaint of unfair practice. Thousands of head of livestock now pass through the public markets direct from producer to packer without being consigned to any market agency. Therefore the extension of the supervision of the Secretary to private stockyards, where packers purchase more than 35,000 head of livestock annually, as provided in the bill I am now asking the Senate to pass, will not in any way prejudice or affect honest transactions at those markets carried on directly between packer and producer. The effect will be merely to let in the light of day where now darkness exists and to prohibit price discriminations.

Mr. President, the proposed amendment to the Packers and Stockyards Act does not give the Secretary of Agriculture power to regulate, supervise, or prohibit sales or purchases of stocker or feeder livestock at loading points or concentration points. The power of the Secretary to supervise the interstate transactions of sale or purchase in respect to stocker and feeder livestock is not in any manner to be extended by this amendment. The changes proposed to be made in the law apply only to slaughter livestock sold to packers, and then only where such slaughter livestock is acquired at stockyards not now supervised, but which are either operated by packers or at which more than 35,000 head of livestock are bought by packers annually for slaughter in interstate commerce. The small intrastate packer is not within the provisions of the original act or the amended act now before us.

The act now contains no penalties applicable to violations of its provisions by interstate packers. This amendment authorizes the Secretary to revoke the registration of pack-

ing plants where the packer fails to obey orders lawfully made by the Secretary under the provisions of the act, provides that violations by packers shall be punishable by a fine, and gives to the Secretary the right of access to the books of packers. The present law has been construed by the courts not to give him such right. This decision was made by the Federal Circuit Court of Appeals, Seventh Circuit, in actions to restrain the Secretary, and is reported in Fifteenth Federal Reporter, second series, page 133.

Another provision prohibits the purchase of livestock by interstate packers for the purpose of feeding and fattening them before slaughter. This provision does broaden the authority of the Secretary under the act. It is in line with resolutions of various livestock associations, including the American National Livestock Association, and, under the evidence before the Committee on Agriculture and Forestry, is necessary in order to restrain unfair competition by packers with farmer-feeders and to prevent price manipulation in respect to livestock resulting from packer control of large-scale feeding operations. It is, however, an independent feature of the amendment. The clause proposed is similar to the commodities clause of the Transportation Act, which prohibits railroads transporting property owned by themselves not useful for railroad operations.

This provision has been upheld as to railroads; and inasmuch as Chief Justice Taft, in an opinion of the Supreme Court—Stafford against Wallace—described packers, stockyards, and market agencies engaged in interstate commerce as great national public utilities, it is likely this clause limiting the packers to the processing of livestock and sale of livestock products will meet Court approval.

Another section authorizes the Secretary to establish reasonable rules and regulations relating to the weighing, fill, dockage, or grading of livestock in interstate commerce. A specific provision is inserted in this section denying to the Secretary the right to employ or designate weighers, graders, or dockers of livestock. The only thing he can do under this section is to establish, after hearing, reasonable rules and regulations. Evidence before the committee emphasized the importance of standard and uniform practices in respect to this matter. This is also an independent feature of the bill.

Sections 8 to 13 of the bill relate to administrative features of the original act, and are designed to improve enforcement. They constitute largely a part of the law as now enacted, combining, however, enactments heretofore forming a part of annual appropriation bills with amendments to the act. Section 6 of the bill is wholly a reenactment of the original act, with the incorporation of an amendment thereto, now appearing as a part of the annual appropriation act for the Department of Agriculture. To a large extent this is true of section 9. Section 10 extends to the accounts and records of packers provisions now applicable to stockyards and market agencies, authorizes the Secretary to request annual reports from packers, and gives him access to their records for the purpose of checking these reports. It is similar in form to the provisions long constituting a part of the Interstate Commerce Act, now the Transportation Act, in respect to interstate carriers.

On the whole, except for the prohibition of packer feeding of livestock, the bill relates entirely to administrative improvements in the original act designed to give the Secretary of Agriculture more accurate information about the packing industry. It has been repeatedly endorsed by the American Farm Bureau Federation, the National Grange, and the Farmers' Union, as well as by the National Agricultural Conference at its last two annual meetings in Washington.

If enacted into law, the Capper bill would amend the Packers and Stockyards Act by including additional provisions, as follows:

The bill would—

First. Prohibit operations of unsupervised stockyards by packers, and prohibit packers from engaging in feeding operations. All packer stockyards are now free from Federal supervision under the Packers and Stockyards Act of 1921.

Second. Provide for the registration by packers of all packing plants operated in interstate commerce, and give to the

Secretary of Agriculture the right to require reasonable bonds to cover purchases of livestock.

Third. Provide for penalties to be imposed on packers in the event of violation of provisions of the act in respect to packers.

Fourth. Provide for the establishment of just, reasonable, and nondiscriminatory rates, practices, and charges in respect to all stockyards presently posted, and all others where over 35,000 head of livestock are annually sold to packers.

Fifth. Provide for the establishment by the Secretary, after hearing, of uniform rules and regulations relating to grading, weighing, filling, and dockage of livestock bought by packers in interstate commerce.

Sixth. Provide for access by the Secretary of Agriculture to the books and records of packers.

If enacted into law, the Capper bill—

First. Would not prohibit or restrict direct buying of livestock by packers for delivery direct to the packing plant.

Second. Would not give to the Secretary of Agriculture any right which does not now exist to supervise stockyard operations with respect to stocker and feeder livestock, whether on the open range or through the terminal markets.

Third. Would not provide for the employment of Government weighers and graders of livestock.

Fourth. Would not impose added expense upon the industry, and should result in very little added expense to the Government.

Mr. President, the purpose of the bill I am now asking the Senate to enact is to amend the Packers and Stockyards Act, 1921. The bill in its present form, and as reported favorably to the Senate, is an amended and limited version of no less than seven separate bills introduced in the Senate having the same general object in view, namely, strengthening the act in respect to the authority of the Secretary of Agriculture to regulate interstate commerce in livestock passing through stockyards on its route from the producers in the West and Central West to the meat-consuming centers of the Nation. The printed record of hearings upon these bills held before your Committee on Agriculture and Forestry comprises more than 1,000 printed pages of record.

The first bill on this subject, S. 2094, was introduced in 1923, and extensive hearings were had before the committee in 1924. The evidence before the committee at that time disclosed that the larger packers, immediately upon the passage of the Packers and Stockyards Act in 1921, had commenced very greatly to expand the operation of so-called private stockyards controlled by these packers, and that Attorney General Harry Daugherty had rendered an opinion to the Secretary of Agriculture that such stockyards were not subject to supervision as stockyards by the Secretary under the provisions of title III of the act relating to stockyards.

The original bills introduced in the Senate, and out of which the Packers and Stockyards Act, 1921, was developed—namely, the Kenyon-Kendrick bill and the Gronna bill—so defined the term "stockyards" as to include all stockyards where packers purchased livestock in interstate commerce, irrespective of whether such yards were public or private. It will also be recalled that the Federal Trade Commission, in reporting in 1920 to President Woodrow Wilson upon its investigation of the meat-packing industry undertaken at his request, particularly condemned the arrangements then existing whereby packers "controlled the facilities through which livestock was sold to them." When these packers were threatened with prosecution by Attorney General A. Mitchell Palmer, the famous packers' consent decree was entered by agreement in the District of Columbia. It provided that the national packers affected should divest themselves of all control over and all interest in public stockyards. Unfortunately, the decree contained no provision with reference to the operation of private stockyards. It will also be recalled that the senior Senator La Follette at one time made the charge on the floor of the Senate that the packers had succeeded, by amendments inserted in the original Kenyon-Kendrick and Gronna bills, in practically writing themselves out of the regulation established by the Packers and Stockyards Act, 1921.

No report was made to the Senate by the committee upon Senate bill 2094. If enacted, it would have made unlawful any course of action engaged in by any packer in interstate commerce tending to divert the purchase of livestock slaughtered at packing plants owned by such packer from the competitive markets at stockyards posted by the Secretary under the act. It was a bill not only to control private stockyard operation by packers but to prohibit direct buying by packers for plants located at public markets. The bill was widely endorsed. The Kansas Livestock Association, a party to proceedings brought under the Packers and Stockyards Act as a result of which the Daugherty opinion was rendered, endorsed the bill and demanded its enactment. It was also supported by many other agricultural organizations, but met opposition from certain large producers of livestock in the West who were accustomed to deal directly with packers in the sale of their livestock.

In 1926 there was introduced before this body Senate bill 4387. This measure sought the same objective as the former bill, and in hearings before the committee there were pointed out the extensive increases that had occurred between 1923 and 1927 in the volume of receipts of livestock at private stockyards operated by packers. Particular attention was given to the increased receipts of hogs at the Mistletoe Stockyards, operated by Armour & Co. at Kansas City, in respect to which the total volume of receipts was shown to be rapidly outstripping the volume of receipts at the adjacent public stockyards in Kansas City, one of the largest in the United States under the supervision of the Secretary of Agriculture. Similar situations were shown to have developed in respect of private stockyards operated by the "big four" packers adjacent to the public stockyards at Chicago and East St. Louis. This bill was reported favorably to the Senate, but did not come to a vote.

In 1928 hearings were had upon two bills (S. 2506 and S. 3368) which expanded the definition of the term "stockyard" in the act to include any stockyard where livestock in commerce was sold in sufficient volumes or under such conditions as tended to establish or affect substantially the market value in commerce of livestock of similar character in the territory adjacent to such stockyard. These bills also gave to the Secretary the authority to deny certificates of public convenience to new stockyards seeking to engage in interstate commerce, the operation of which in his opinion would not be in the interest of the public convenience and necessity. These bills also contained a section amending the original act which proposed to give to the Secretary of Agriculture a more complete access to the accounts and records of packers, granting him the same rights in respect to such records as were extended under the original act in respect of stockyard operators and market agencies selling livestock on such stockyards.

In the evidence brought before the committee in 1928, further increases were shown in the volume of livestock acquired by packers through private stockyards. The proportion of the total of livestock slaughtered by packers remaining in the current of commerce regulated by the act was rapidly declining. Widespread endorsement of this proposed legislation by individual stockmen and livestock organizations appears in the record of hearings held in 1928 on those bills. The dangers of the situation and the detrimental effect of the developing practices to producers of livestock, were pointed out in a communication from Secretary of Agriculture Jardine. The endorsements then, as now, included not only the Kansas Livestock Association, whose membership included the production of more than 75 percent by volume of meat animals sold to packers coming from the State of Kansas, but also farm bureaus and individual producers and growers and feeders of livestock in Nebraska, Minnesota, Iowa, and other States.

While these bills received the endorsement of most of the major farm organizations, opposition developed on account of clauses contained in the bills which would have authorized the Secretary to prohibit the acquisition by packers in interstate commerce of livestock through direct and

off-market purchases. No report was made by the committee in respect of these bills.

In 1934 extensive hearings were had upon the three bills—S. 2133, S. 2621, and S. 3064—to amend the Packers and Stockyards Act, as a result of which and in order to relieve the proposed legislation from any possibility of legitimate objections arising from an attempt to extend the power of the Secretary of Agriculture into fields not contemplated by the original act, the present bill, Senate bill 1424, approved by the committee for passage, was substituted. In the last hearings had before the committee the proposed legislation in its present form received the endorsement of the American Farm Bureau Federation, the National Farmers' Union, the American Farm Congress, the National Grange, the United States Livestock Association, the Illinois Agricultural Association, and a great many other farm and livestock associations. Memorial resolutions adopted by the Legislatures of the States of Kansas, Wisconsin, and Nebraska, requesting legislation of this character, were presented to the committee. (CONGRESSIONAL RECORD, p. 470.)

Mr. President, it was pointed out to the Senate committee by competent livestock statisticians that the share of the total sum spent by consumers for pork products received by the hog producers as of the year 1932 had diminished by more than \$400,000,000 from what it would have been had the producer in 1932 received the same percentage of what the consumer paid as he received in 1913. It was shown that consumers were paying approximately the same amount for meat in 1932 as they paid in 1933, and that the producers were receiving approximately one-half as much for their hogs, while packing and retailing margins were approximately twice as large.

It would certainly seem to be true that this matter has been before the Senate for a sufficient length of time to permit a careful consideration in committee of the general subject; that the hearings held by the committee had been attended by representatives of all the interests affected; and that no sound reason can be given for further delay, particularly in view of the limited scope of the measure proposed.

Due to the fact that bills heretofore introduced and considered in committee have been much broader in the controls sought to be established over livestock marketing and processing, misrepresentation—unintentional as well as perhaps intentional—has been current in respect to the provisions of this bill. Although the report on direct marketing prepared by economists in the Bureau of Agricultural Economics at the direction of Secretary Henry A. Wallace inferentially suggests that the authority of the Secretary under the Packers and Stockyards Act be enlarged to permit the employment of graders or weighers of livestock purchased direct, or without supervision by interstate packers, the present bill expressly denies to the Secretary such authority, but does, as suggested in this report, authorize the Secretary after hearing to provide regulations whereby nationally uniform grades may be established in respect to the purchase of livestock by packers.

Mr. President, I have here a large number of telegrams, memorials, and petitions from farm and livestock groups, signed by their officers, speaking for more than a million farmers and stockmen, who ask Congress to enact this proposed legislation.

I have here a telegram signed by L. J. Taber, master of the National Grange, dated March 5, 1936:

CHICAGO, ILL., March 5, 1936.

Senator ARTHUR CAPPER,

United States Senate Office Building, Washington, D. C.:

A majority of the executive committee of the National Grange, in session here today, endorse the fundamental principles of S. 1424, and urge its passage.

L. J. TABER,
Master, National Grange.

A telegram dated March 5, 1936, signed by Edward A. O'Neal, president of the American Farm Bureau Federation, says:

CHICAGO, ILL., March 5, 1936.

Senator ARTHUR CAPPER,

Senate Office Building, Washington, D. C.:

The board of directors of American Farm Bureau Federation, in session in Chicago on March 5, 1935, unanimously endorsed your measure (S. 1424) to give the Secretary of Agriculture authority

to assemble information which will disclose the best methods to be followed in marketing livestock. We recommend that the definition of stockyard contain not less than 35,000 head of livestock handled annually.

EDW. A. O'NEAL, President.

That is the provision of the bill as it is now before the Senate.

Here is another telegram dated Chicago, March 6, 1936, signed by Charles A. Ewing, president, National Livestock Marketing Association:

NATIONAL LIVESTOCK MARKETING ASSOCIATION,
Chicago, Ill., March 6, 1936.

Senator ARTHUR CAPPER,

Senate Office Building:

In regard to amendments to Packers and Stockyards Act as provided in S. 1424. The National Livestock Marketing Association, representing 25 member cooperative livestock marketing associations operating upon 23 public livestock markets, who have handled an average of over 111,000 carloads of livestock annually during past 4 years for approximately 300,000 livestock-producer members and patrons, is vitally interested in above bill and strongly urges its passage.

CHARLES A. EWING, President.

From the report of the proceedings of the National Agricultural Conference, participated in by practically all the leading farm and livestock organizations of the country, which met at Washington, D. C., January 16 and 17, 1936, I quote the following:

We approve the type of legislation contained in the Capper-Hopewearin bills, extending the authority of the Secretary of Agriculture in regard to regulating direct buying of livestock.

I have here resolutions adopted by the Thirty-first Annual Convention of the National Farmers' Union, as follows:

Resolution adopted at the Thirty-first Annual Convention of the National Farmers' Union held at Kankakee, Ill., November 19, 1935, opposing direct buying of livestock

Whereas the big meat-packing industries of the country have organized themselves into an organization for the purpose of furthering the purchasing of livestock direct from the farmers, which is detrimental to the best interests of the livestock producers of the Nation and which makes it possible for the packers to arbitrarily establish the price of livestock to the producer without competition, as well as to fix the price to the consumer; and

Whereas under this method of purchasing livestock the packers are able to defeat the essence of cooperative marketing, which is the power of collective bargaining, by strangling the principle of determining prices by competition at the terminal markets: Therefore be it

Resolved, That we are unalterably opposed to this vicious method of direct buying, and that our officers and directors are hereby instructed to use all means at their command to secure legislation that will give to the producer of livestock the same rights and privileges as are enjoyed by the meat packers, namely, to fix a price for their livestock equal to cost of production.

The National Cooperative Council, in a letter signed by Robin Hood, secretary-treasurer, says:

NATIONAL COOPERATIVE COUNCIL,
Washington, D. C., March 7, 1936.

Hon. ARTHUR CAPPER,

United States Senate, Washington, D. C.

MY DEAR SENATOR CAPPER: In behalf of all cooperatives affiliated with the National Cooperative Council, I desire to urge immediate passage of the bill to amend the Packers and Stockyards Act, which bears your name and which has been favorably reported by the Senate Committee on Agriculture.

The attitude of the council was expressed by the delegates in adopting unanimously the following resolution:

"We endorse the principles of legislation designed to amend the Packers and Stockyards Act to place under the control of that act any stockyards handling 35,000 head or more of cattle each year and having over 20,000 square feet or more of space. Such an amendment is necessary for the protection of the livestock producer."

I am attaching a list of the cooperative groups, about 30 in number, which have committed themselves to the measure by adoption of this resolution.

Very truly yours,

ROBIN HOOD,
Secretary-Treasurer, National Cooperative Council.

The National Cooperative Council, established by farmers' cooperatives to promote their interests, includes 51 cooperative groups with which are affiliated 4,000 farmers' marketing and purchasing cooperatives having 1,450,000 farmer members. These cooperatives did a business in the 1934-35 season of more than \$1,000,000,000.

Citrus and Subtropical Fruit Division: Calavo Growers of California, Los Angeles, Calif.; California Fruit Growers Exchange, Los Angeles, Calif.; Mutual Orange Distributors, Redlands, Calif.

¹ Units also purchase farm supplies cooperatively.

Cotton Division: American Cotton Cooperative Association, New Orleans, La.

Dairy Division: National Cooperative Milk Producers Federation, Washington, D. C.^{1,2}

Deciduous Fruits Division: California Fruit Exchange, Sacramento, Calif.³; American Cranberry Exchange, New York, N. Y.

Grain and Seed Division: American Rice Growers Cooperative Association, Lake Charles, La.; Egyptian Seed Growers Exchange, Flora, Ill.

Livestock Division: National Livestock Marketing Association, Chicago, Ill.⁴

Nut Division: California Walnut Growers Association, Los Angeles, Calif.⁵; National Pecan Growers Exchange, Albany, Ga.; National Pecan Marketing Association, Macon, Ga.

Poultry Division: Idaho Egg Producers, Caldwell, Idaho¹; Northwestern Turkey Growers Association, Salt Lake City, Utah¹; Pacific Egg Producers Cooperative, Inc., New York, N. Y.¹; Utah Poultry Producers Cooperative Association, Salt Lake City, Utah.¹

Processed Fruits and Vegetables: California Prune and Apricot Growers Association, San Jose, Calif.; Hillsboro-Queen Anne Cooperative Corporation, Baltimore, Md.^{1,2}; Sun-Maid Raisin Growers of California, Fresno, Calif.

Purchasing Division: Consumers Cooperative Association, North Kansas City, Mo.; Cooperative G. L. F. Exchange, Ithaca, N. Y.^{2,3}; Eastern States Farmers Exchange, Springfield, Mass.; Farm Bureau Services, Inc., Lansing, Mich.²; Farmers Cooperative Exchange, Raleigh, N. C.; Fruit Growers Supply Co., Los Angeles, Calif.; Indiana Farm Bureau Cooperative Association, Indianapolis, Ind.²; Mississippi Federated Cooperatives, Jackson, Miss.²; Ohio Farm Bureau Service Co., Columbus, Ohio²; Producers Cooperative Exchange, Atlanta, Ga.; Southern States Cooperative, Inc., Richmond, Va.²; Cooperative Farm Services, Clarksburg, W. Va.²

Tobacco Division: Eastern Dark Fired Tobacco Growers Association, Springfield, Tenn.; Maryland Tobacco Growers Association, Baltimore, Md.¹; Northern Wisconsin Cooperative Tobacco Pool, Madison, Wis.; Virginia Dark Fired Tobacco Growers Marketing Association, Farmville, Va.; Western Dark Fired Tobacco Growers Association, Murray, Ky.

Vegetables and Melons Division: Eastern Shore of Virginia Produce Exchange, Onley, Va.¹; National Fruit and Vegetable Exchange, New York, N. Y.^{1,4}

Wool Division: National Wool Marketing Corporation, Boston, Mass.¹; Pacific Wool Growers, Portland, Ore.

Associate members: Agricultural Council of California; Arkansas Council for Agriculture; Farmers Cooperative Council (North Carolina); Idaho Cooperative Council; Mississippi Cooperative Council; Missouri Cooperative Council; Oklahoma Agricultural Cooperative Council; Oregon Cooperative Council; Pennsylvania Association of Cooperative Organizations; Texas Cooperative Council; Washington State Agricultural Council.

I have here a statement made just 2 weeks ago by the Farmers Union organizations at Omaha, Nebr.

RESOLUTION AND STATEMENT OF FARMERS UNION ORGANIZATION AT OMAHA, ON MARCH 14, 1936

At a conference of leaders of farmers' cooperative associations, in an all-day session, to discuss the existing livestock-marketing situation, in which representatives from Denver, Colo.; St. Paul, Minn.; Wichita, Kans.; Kansas City, Mo.; Sioux City, Iowa; St. Joseph, Mo.; East St. Louis, Ill.; and Chicago, Ill., speaking for more than 20,000 livestock producers, were present, William Hirth, of Missouri, was elected chairman of the resolutions committee, and the following resolution was prepared and submitted to be forwarded to Senator CAPPER, to be included in the resolutions that will be filed in support of S. 1424.

In our opinion, the Capper-Hope-Wearin bill, which is now pending in Congress, and which has been favorably reported by the Senate Committee on Agriculture, contains certain provisions and reforms to which our livestock producers are justly entitled, and we feel sure that we voice the overwhelming sentiment of the livestock producers of the great Corn Belt States when we ask Congress to enact this law as speedily as possible.

We concede that the Roosevelt administration has been sincere in its efforts to help agriculture, and, while the price the farmer receives for his livestock and other products is fundamental, yet, unless the machinery through which these products are marketed is free from wrongful practices, a fair price to the farmer is often defeated, and it is in the latter connection that we earnestly request the early enactment of the Capper-Hope-Wearin bill.

We wish to embrace this opportunity to impress upon Congress, and especially upon farmers that, through the process of marketing livestock direct to the packers, our great central competitive markets are becoming mere shadows of their former effectiveness in establishing fair prices, and as a result the packer is more and more getting into a position where he can fix his own price upon the farmers' cattle, hogs, and sheep, and we challenge the truth of any report or finding to the contrary.

So rapidly has direct buying progressed during the last 10 years that today 50 percent of the Nation's hogs and 25 percent of its cattle and 20 percent of its sheep are purchased in this manner.

¹ Units also purchase farm supplies cooperatively.

² Units also market poultry products in quantity.

³ Also markets fresh vegetables.

⁴ Also markets citrus and deciduous fruits.

⁵ Units also market various farm products.

This process is constantly increasing and is losing our livestock producers many millions of dollars annually as against what they would receive if the old competitive central market forces were operative.

In addition to increasing their direct buying, the big packers are consistently buying out or otherwise removing small packers and important order buyers from important market centers in order to remove them as competitive factors and in order that they may more completely control livestock prices in such districts.

In this connection we desire to call attention to the remarkable fact that the freight rate on dressed meats and meat products from the Missouri River to the Pacific coast is 100 percent higher than live animals, while from the Mississippi River to the Atlantic coast the rate on dressed meats is 20 percent lower than on live animals, and the reason for this situation is as clear as it is astounding—the packers buy the animals they need in their Pacific coast killing plants direct from the producer, and hence are interested in a low live-animal freight rate, while through a high freight rate on live animals to the Atlantic coast they are more and more eliminating eastern packers and butchers as buyers in the Corn Belt markets.

We desire to remind Congress and the general public that the livestock producer is today receiving less than one-third of the consumers meat dollar and that in the final analysis livestock is the foundation of American agriculture. There can be no sound general farm condition in the United States that is not based on fair livestock prices.

In conclusion, we consider the existing condition of the livestock industry so precarious that we hereby suggest that during the coming fall the livestock producers of the Corn Belt States come together in a great central mass meeting to discuss this situation, and at the proper time those who have participated in today's conference expect to issue a call for such a meeting. The activities of the United States Department of Agriculture, in seeking to control the production of corn and hogs, also makes a common understanding in these premises increasingly imperative to the end that our farmers may have a greater voice in deciding what shall or shall not be done.

WILLIAM HIRTH, Chairman.

OMAHA, NEBR., March 14, 1936.

Here is a communication from Norman Saylor, director of the United States Livestock Association, Morrill, Kans.:

MORRILL, KANS., March 14, 1936.

HON. ARTHUR CAPPER,

United States Senator, Washington, D. C.:

For sake of livestock industry the adoption of Capper bill, S. 1424, is imperative. Stockmen in great need of protective measures outlined therein.

NORMAN SAYLOR,

Director, United States Livestock Association.

I have also received the following telegrams:

MORRILL, KANS., March 14, 1936.

HON. ARTHUR CAPPER,

United States Senator, Washington, D. C.:

The livestock interests in northeast Kansas will greatly appreciate your full support in the effort of passing Capper bill, S. 1424. The passing of this legislation is vital as to the future of stockmen.

J. B. McKEM.

MORRILL, KANS., March 14, 1936.

HON. ARTHUR CAPPER,

United States Senator, Washington, D. C.:

The future of the livestock industry depends upon the adoption of such legislation as incorporated in Capper bill, S. 1424. I urge your full support.

L. J. SMITH.

MORRILL, KANS., March 14, 1936.

ARTHUR CAPPER,

United States Senator, Washington, D. C.:

I am heartily in favor of the Capper bill, S. 1424, being passed, and I demand you give it your full support.

B. M. BERKLEY.

MORRILL, KANS., March 14, 1936.

ARTHUR CAPPER,

United States Senator, Washington, D. C.:

We urge your unlimited effort in the support of Capper bill, S. 1424. The success of the stockman depends upon the passage of such legislation.

C. G. FRY.

Resolutions adopted by the Legislature of the State of Kansas are as follows:

Resolution adopted by the Legislature of the State of Kansas, January 1934

Whereas since the livestock producers of the United States are in justice entitled to open and competitive markets for the sale of their livestock and since the practice of direct marketing has expanded and is expanding to such an extent that it is seriously interfering with free and open competition of livestock marketing at our public markets; and

Whereas since the principle of maintaining the two systems of marketing livestock at and adjacent to the public markets is

economically unsound and adverse to the best interests of the livestock producers: Be it

Resolved by the House of Representatives of the State of Kansas (the senate concurring therein), That they hereby request and urge the Secretary of Agriculture of the United States to take immediate action and place under Federal supervision all private stockyards adjacent to or within the switching zones of the public livestock markets, and in the event it is determined that the Secretary of Agriculture of the United States is not provided with sufficient authority under the law to regulate such markets: Then be it

Resolved, That we ask the Congress to amend the Packers and Stockyards Act of 1921 so that such authority may be extended to the Secretary of Agriculture of the United States.

I have here a statement from D. M. Hildebrand, president of the United States Livestock Association, received by me within the past week. He says:

I am quite certain that examination of the bill S. 1424 will disclose that these amendments are in the interest of livestock producers as well as in the interest of all packers who desire to conform to reasonable governmental supervision of their operations in purchasing livestock in interstate commerce. The bill does not restrict direct purchase by packers of livestock from farmers. It does place private stockyards, where more than 35,000 head of animals are annually sold to packers in interstate commerce, under the supervision of the Secretary of Agriculture, and subjects such stockyards to the same regulations as now relate to public stockyards throughout the country. These regulations have not proved burdensome to either operators of stockyards or producers patronizing these markets. Many new public stockyards have been established in small cities during the last year. The bill will not make it necessary for western producers who sell direct to packers to change their present practices. It is manifest that Federal regulation of the marketing of livestock in interstate commerce cannot effectively proceed under the present Packers and Stockyards Act with 50 percent or more of the livestock escaping the supervision provided through the operation by packers of private stockyards or concentration points. Continuation of the present trend means the break-down of livestock marketing as organized in the United States of and by livestock producers and turning the marketing function over to the packers or purchasers. Evidence before the Senate committee indicated that the disintegration of marketing facilities operated by representatives of the producer occurring during the past decade paralleled a depression in the percentage of the consumer's meat dollar passed back to the producers of livestock, thus indicating a greatly weakened producer's bargaining power as a result of the disorganized marketing.

I believe this legislation is definitely in the interest of the livestock producer, and that the upbuilding of the bargaining power of farmers in such a manner as to enable them to secure a larger share of what the ultimate consumer pays for farm products is of the utmost importance to agriculture and the national welfare.

Yours very truly,

D. M. HILDEBRAND,

President, United States Livestock Association.

SEWARD, NEBR., March 6, 1936.

I have also a letter from Glenn T. Stebbins, executive secretary of the United States Livestock Association, received by me within the past week. He says:

Packer interests have arranged to block a vote on the Capper bill, S. 1424, by a move to have the bill returned to committee, according to information reaching us this morning.

As you well know, such a move would kill any possibility of action as far as this session of Congress is concerned.

During these past few years while Congress has been voting relief to agriculture, the packers have made money; they have turned profit out of Government contracts and now they have contrived to keep impounded processing taxes to which they have no moral claim and which rightfully belong to producers or consumers, or both.

For 10 years farmers, farm organizations, and stockmen have labored to secure the much-needed relief represented in the Capper amendments. During this time repeated consideration has been given the question by committees and many hearings have been held. There is no valid reason for further delay.

Now, all we are asking is that the Capper bill, S. 1424, be voted on by the Senate at the earliest possible moment. This request is made on behalf of 75,000 members in 42 States and on behalf of the livestock industry in general.

The following resolution was adopted at the annual meeting of the United States Livestock Association at Omaha, Nebr., February 27, 1936.

We urge the passage by Congress of the Capper-Hope-Wearin amendments to the Packers and Stockyards Act of 1921 in the form now presented by Capper bill, S. 1424, pending on the calendar of the United States Senate. The provisions of this legislation restricting the activity of packers in feeding and finishing livestock for slaughter, applying reasonable supervisory rules and regulations of the Department of Agriculture to private as well as public stockyards, and the access given to the Secretary of Agri-

culture to packers' books and records to the same extent as he now has access to the books and records of other agencies engaged in livestock distribution are particularly commended.

That provision of the Capper-Hope-Wearin bills favoring the regulation of country buying and prohibiting the feeding of livestock by packers met with unanimous approval.

I have here a communication from the Central Cooperative Association, of St. Paul, Minn., signed by C. B. Crandall, president, in which it is stated:

The Central Cooperative Association is for the Capper bill, S. 1424. We have in the United States today 93 public markets, posted as such under the Packers and Stockyards Act of 1921. These centralized cash markets for livestock represent the outgrowth of early attempts on the part of producers of livestock to concentrate buying and selling in order to bring supply in contact with demand, so that fair and just prices could be determined. The establishment of price to the producer is still the principal function of the public market. Despite statements made to the contrary, the public markets of the United States have been universally accepted as the machinery set up for the establishment of prices within our livestock industry. The public markets have been developed by and for the livestock producer.

When a processor resorts to "direct buying" to secure his raw materials he does not patronize the method of marketing which producers of the livestock industry have built up for the sale of their products. He avoids the bargaining power which is created at the competitive markets for the producer. He avoids the competition of other buyers. By this method, supply territories frequently become divided among competitors. By this method the trained buyer avoids the skilled salesmen who are the agents of the producer on the public market. "Direct buyers" generally do the weighing, grade, and dock the hogs to suit themselves. In most instances they have the advantage from the standpoint of fill.

In addition to the control of these sale factors, which have a direct bearing on the sale value, the direct buyers generally mark the price ticket. Many farmers are excellent judges of livestock, but in most cases they are not trained to cope with the expert buyer of the packer, and for that reason, under the direct-buying system, the buyer generally handles both sides of the sale transaction.

It is rather interesting to note that when a farmer buys a product the seller names the price. When the farmer sells a product the seller still names the price. Does this appear to be just and fair to the farmer? On the livestock producer's side the problem is now that of securing bargaining power, and this can only be had through centralized control of the sale of his products.

C. B. CRANDALL,

President, Central Cooperative Association, St. Paul, Minn.

I have here a communication from the National Grange, signed by Fred Brenckman, Washington representative, as follows:

The National Grange is heartily in favor of the enactment of S. 1424, amending the Packers and Stockyards Act and sponsored by Senator CAPPER. It seems to us that any legitimate objections to former bills of this nature have been met and that in the interest of the livestock industry as well as the general public the present bill should pass.

The following is a statement from the Farmers' National Union, by Edward E. Kennedy, national secretary, Kankakee, Ill.:

We believe that the Capper bill, known as S. 1424, which is now before the Senate, should be considered and enacted into law.

This bill is an amendment to the Packers and Stockyards Act (U. S. C. 7, ch. 9). Its principal purpose is to extend the jurisdiction of the law to include public markets operated as stockyards which handled more than 35,000 head of cattle, hogs, sheep, and goats during the preceding year—to make some of the discretionary provisions mandatory—the Secretary may require annual reports from packers and/or owners of such stockyards—records, etc., must be accessible to agents of the Secretary—packers are prohibited from purchasing cattle, hogs, and sheep, etc., for fattening before slaughter.

Since the original act was enacted the packers have undertaken to purchase the large portion of their current supplies of livestock for slaughter "direct" at so-called "assembling and concentration yards." This is particularly true in the case of hogs. A similar situation now exists at these "direct buying" yards that existed at the central markets prior to the passage of the original act, viz, monopoly by the packers of buyers, yards, facilities, services, feed. The farmer cannot have sales representation through his own cooperative organization.

The original act was necessary to correct similar monopolistic abuses at the large central markets. The present bill should be enacted now to restrain and regulate the present monopoly of yards, facilities, services, and price at the new market places and to protect the livestock producer and feeder from the irreparable injury and damage resulting from a continuation of this intolerable condition.

The packers cannot logically object to the enactment of this bill, which seeks to regulate the "public market places" at which they purchase all or nearly all of their livestock for slaughter, and at

the same time not object to the original act which regulates the "public market places" at which they buy but a portion of their livestock for slaughter.

We are enclosing a marked copy of the legislative program of the National Farmers Union for your information on this subject.

Respectfully yours,

EDW. E. KENNEDY,
National Secretary.

The following is a telegram I have received from J. H. Mercer, secretary of the Kansas State Livestock Department:

TOPEKA, KANS., March 9, 1936.

ARTHUR CAPPER,
Washington, D. C.:

The Kansas Livestock Association today passed the following resolution with respect to Capper bill: "We urge the passage by Congress of the Capper-Hope-Wearin amendments to the Packers and Stockyards Act of 1921."

J. H. MERCER,
Secretary, Kansas State Livestock Department.

Here is a resolution adopted by the twenty-fourth national convention of the Farmers' Equity Union, with headquarters at Greenville, Ill., which was held in Goodland, Kans., January 30, 1935:

Be it resolved, That we recommend legislation to give the Secretary of Agriculture greater regulatory powers under the Packers and Stockyards Act for the purpose of carrying out its original object.

I have received the following resolution, adopted by the United States Livestock Association at its annual meeting February 23, 1935:

CAPPER-HOPE-WEARIN BILLS ENDORSED

We endorse the Capper-Hope-Wearin bills to amend the Packers and Stockyards Act, which empower the Secretary of Agriculture to regulate and supervise the packing industry, to secure access to packers' books and records, and to assist in the establishment of better organized, more efficient, and fully coordinated system for the open competitive marketing of livestock; and we condemn as prejudicial to livestock producers the attempt of certain interests to arouse opposition to this legislation by misrepresentation of its contents and effect.

CONDEMN PACKER LIVESTOCK FEEDING

The feeding of livestock in large numbers by packers is increasing and represents an attempt by such packers to render themselves independent of the ordinary effect of competition in the acquisition of such livestock on open competitive markets. This practice has heretofore been objected to by livestock producers, and unless the request for its discontinuance are acceded to by packers the officers of this association are instructed to use every effort to secure a legislative prohibition of the practice.

We also direct attention to the recent announcement by packers that they are engaged in the operation of hatcheries and other facilities for the production of poultry. This represents a distinct menace to the home income of almost every farm family in the country and constitutes unfair competition for every farm woman who produces poultry.

The seventeenth annual convention of the American Farm Bureau Federation, held just a few weeks ago, adopted this resolution:

We favor broad, discretionary powers to the Secretary of Agriculture in the administration of the Packers and Stockyards Act, so as to adjust and regulate the handling and marketing of livestock as it moves in interstate commerce to the terminal markets.

We request that the Packers and Stockyards Act should be amended so that such records of processors and packers will be available to the Secretary of Agriculture as are necessary for determining the effects of the several types of marketing methods now in existence upon producers of livestock.

The National Grange at its annual session held at Hartford, Conn., November 14, 1934, adopted the following resolution:

We advocate the amendment of the Packers and Stockyards Act to provide for the more effective regulation by the Department of Agriculture of the marketing of livestock. Direct buying by the packers merely in an effort to evade the law and depress prices must not be further tolerated.

Packers should likewise be prevented from engaging in large-scale feeding projects, either directly or through financial interests.

The Kansas State Board of Agriculture at its recent annual meeting adopted the following resolution:

We approve the principles of the Capper-Hope bill and urge necessary revisions to conform with the practical needs of various phases of livestock marketing, in order to make the measure adapted to all portions of the country.

We also favor that authority be given to the United States Secretary of Agriculture to examine the records of processors and middlemen, that the interests of livestock producers may be protected.

I have here a petition signed by over a thousand producers of the Southwestern States asking for the immediate passage of the measure. The petition reads:

PETITION FOR PASSAGE OF THE CAPPER AND HOPE-WEARIN AMENDMENTS TO PACKERS AND STOCKYARDS ACT

To the Congress:

We, the undersigned, as producers and shippers of livestock in your district, urgently petition and request you to carefully investigate Senate file no. 3064, introduced by Senator CAPPER, of Kansas. This bill is supported by Congressman WEARIN, of Iowa, and Congressman HOPE, of Kansas, with similar bills. These bills are amendments to the Packers and Stockyards Act, 1921. They are for the purpose of regulating direct buying of livestock, especially direct buying of hogs, in the country.

Direct hog buying is freely acknowledged by packers themselves as being a means of lowering hog prices. Farmers generally fully understand the disastrous effects of direct hog buying, but the methods used by packers and the conditions prevailing throughout the livestock territory make it impossible for any single farmer or any group of farmers to effectively stop or curtail the direct hog-buying practices of the meat packers. The only positive means of correcting this evil, which reduced farmer returns for hogs by hundreds of millions of dollars, is through Federal legislation. The Capper and Hope-Wearin amendments are a remedy, approved by every major farm organization in America. We urge your support of this legislation for the benefit of all livestock producers and shippers.

J. A. MURPHY
(And Over 1,000 Stockmen and Farmers of Clay and Marion Counties, in the State of Kansas).

The following is a resolution adopted by the National Farmers Union at its annual meeting declaring for the enactment of the legislation I am sponsoring:

The National Farmers' Union goes on record as being unalterably opposed to the direct purchasing of livestock, such as is being practiced by the big packers at this time, by which they are thwarting the intent and purpose of the open competitive terminal marketing system, where values of livestock are established.

We recommend to our national president, who is our legislative representative at Washington, D. C., to take such steps as are necessary to have the Sherman antitrust law invoked to stop this vicious practice in restriction of trade such as was done by the attorney general of Nebraska in 1929. This unwritten agreement between the large processors of meat in allotting territory in which there is no competition places the producer of livestock at the mercy of the packing industry to establish prices on their commodities.

And we further recommend that our national president exert every effort available at his command to bring to the attention of the United States Senate and Congress the necessity of amending the Packers and Stockyards Act to bring under its jurisdiction all independent packing-plant stockyards and all other livestock markets where a thousand head of livestock is sold daily. We also ask that a copy of this demand be wired President F. D. Roosevelt.

The following is a statement received from E. E. Kennedy, national secretary of the Farmers Union:

The Capper-Hope-Wearin bill (S. 1424) to amend the Packers and Stockyards Act, 1921, brings concentration yards, having an area of more than 20,000 square feet, or which receive and handle more than 35,000 head of cattle, sheep, swine, and goats a year, under the jurisdiction of the Packers and Stockyards Act as a public market.

Under this bill the packers would be prohibited from:

(1) Owning, etc., stockyards facilities, other than receiving pens at the packing plants of packers or stockyards posted under the title III of the act.

(2) Operating packing plants not registered with the Secretary of Agriculture and bonded to secure the performance of financial obligations.

(3) Purchasing, etc., cattle, sheep, or swine for fattening, etc., before slaughter.

The bill gives district courts jurisdiction to issue writs of mandamus to compel compliance with the act and orders issued under it.

Market agents or dealers at "stockyards" are required to give bond to secure the performance of financial obligations. The Secretary may require that all reports, etc., of packers, stockyard owners, etc., be accessible to his agents.

These are the general provisions of the law, and we believe this law should be passed. It strikes at the "direct buying" of livestock by packers and is designed to give "concentration points" the same status regulation and control under the law as is the case now on terminal markets.

Mr. President, I hope we may have this measure enacted. It simply places the private markets, the stockyards, and the packers under the same supervision and Federal regulation provided for the public markets. I hope for speedy action on the bill.

Mr. CONNALLY. Mr. President, I desire to make a motion. I do not care to discuss the motion at this time. I

move that the pending bill be recommitted to the Committee on Agriculture and Forestry.

Mr. BARKLEY. I ask unanimous consent that the pending unfinished business be temporarily laid aside in order that the Senator from Georgia [Mr. RUSSELL] may ask that the Senate proceed with the consideration of the agricultural appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky [Mr. BARKLEY]? The Chair hears none.

APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 11418, the agricultural appropriation bill.

There being no objection, the Senate proceeded to consider the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. RUSSELL. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Without objection, it is so ordered.

The clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Agriculture—Office of the Secretary—Salaries", on page 2, line 7, to increase the appropriation for the Secretary of Agriculture, Under Secretary of Agriculture, Assistant Secretary, and for other personal services in the District of Columbia, and elsewhere, from \$411,311 to \$432,271.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous expenses, Department of Agriculture", on page 5, line 12, after the word "designate", to strike out "\$119,248" and insert "\$120,748", so as to read:

For stationery, blank books, twine, paper, gum, dry goods, soap, brushes, brooms, mats, oils, paints, glass, lumber, hardware, ice, furniture, carpets, and matings; for freight, express charges, advertising and press clippings, telegraphing, telephoning, postage, washing towels; for the maintenance, repair, and operation of one motorcycle and not to exceed three motor-propelled passenger-carrying vehicles (including one for the Secretary of Agriculture, one for general utility needs of the entire Department, and one for the Forest Service) and purchase and exchange of one motor-propelled passenger-carrying vehicle, at a net cost of not to exceed \$1,500, for official purposes only; for official traveling expenses, including examination of estimates for appropriations in the field for any bureau, office, or service of the Department; and for other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, which are authorized by such officer as the Secretary may designate, \$120,748.

The amendment was agreed to.

The next amendment was, on page 7, at the end of line 5, to increase the total appropriation for the office of the Secretary of Agriculture from \$593,559 to \$616,019.

The amendment was agreed to.

The next amendment was, under the subhead "Office of the Solicitor", on page 7, line 9, after the word "expenses", to strike out "\$159,729" and insert "\$188,801", and in the same line, after the word "exceed", to strike out \$134,606 and insert "\$159,001", so as to read:

For the employment of personal services in the District of Columbia and elsewhere, and for other necessary expenses, \$188,801, of which not to exceed \$159,001 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Library, Department of Agriculture", on page 9, line 12, after the word "expenses", to strike out "\$101,806" and insert "\$103,800", so as to read:

Salaries and expenses: For purchase and exchange of books of reference, law books, technical and scientific books, periodicals, and for expenses incurred in completing imperfect series; not to exceed \$1,200 for newspapers, and when authorized by the Secretary of Agriculture for dues for library membership in societies

or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; for salaries in the city of Washington and elsewhere; for official traveling expenses; and for library fixtures, library cards, supplies, and for all other necessary expenses, \$103,800, of which amount not to exceed \$70,520 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Extension Service—Payments to States, Hawaii, and Alaska", on page 14, line 20, after the name "Department of Agriculture", to strike out "\$1,185,000" and insert "\$1,580,000", so as to read:

For cooperative agricultural extension work, to be allotted, paid, and expended in the same manner, upon the same terms and conditions, and under the same supervision as the additional appropriations made by the act of May 8, 1914 (U. S. C., title 7, secs. 341-348), entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving benefits of an act of Congress approved July 2, 1862 (U. S. C., title 7, secs. 301-308), and of acts supplementary thereto, and the United States Department of Agriculture", \$1,580,000; and all sums appropriated by this act for use for demonstration or extension work within any State shall be used and expended in accordance with plans mutually agreed upon by the Secretary of Agriculture and the proper officials of the college in such State which receives the benefits of said act of May 8, 1914.

The amendment was agreed to.

The next amendment was, on page 16, line 10, after the word "purposes" and the comma, to strike out "\$750,000: *Provided*, That for the fiscal year 1937 the Secretary is authorized and directed to so allot this appropriation to the several States that, taken into consideration with the allotments of other Federal funds appropriated for payments to States for cooperative extension work, the total allotment to each State from all funds so appropriated shall not be less than for the fiscal year 1936", and insert "\$1,000,000", so as to read:

Additional cooperative agricultural extension work: For additional cooperative agricultural extension work, including employment of specialists in economics and marketing, to be allotted and paid by the Secretary of Agriculture to the several States and the Territory of Hawaii in such amounts as he may deem necessary to accomplish such purposes, \$1,000,000.

The amendment was agreed to.

The next amendment was, on page 16, at the end of line 19, to increase the appropriation for payments to States, Hawaii, and Alaska for agricultural extension work from \$12,428,918 to \$13,073,918.

The amendment was agreed to.

The next amendment was, on page 18, line 23, to increase the total appropriation for the Extension Service from \$13,330,672 to \$13,975,672.

The amendment was agreed to.

The next amendment was, on page 18, line 25, to increase the grand total appropriation for the office of the Secretary of Agriculture from \$22,054,344 to \$22,752,870.

The amendment was agreed to.

The next amendment was, under the heading "Weather Bureau—Salaries and expenses", on page 21, line 22, after the word "elsewhere" to strike out "\$1,443,789" and insert "\$1,544,389", so as to read:

Aerology: For the maintenance of stations for observing, measuring, and investigating atmospheric phenomena, including salaries and other expenses, in the city of Washington and elsewhere, \$1,544,389.

The amendment was agreed to.

The next amendment was, on page 21, line 23, before the word "of", to strike out "\$3,810,724" and insert "\$3,911,324", so as to read:

Total, Weather Bureau, \$3,911,324, of which amount not to exceed \$518,359 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Animal Industry—Salaries and expenses", on page 24, line 13, after the word "expenses", to strike out "\$758,503" and insert "\$808,503", so as to read:

Animal husbandry: For all necessary expenses for investigations and experiments in animal husbandry; for experiments in animal feeding and breeding, including cooperation with the State agri-

cultural experiment stations and other agencies, including repairs and additions to and erection of buildings absolutely necessary to carry on the experiments, including the employment of labor in the city of Washington and elsewhere, rent outside the District of Columbia, and all other necessary expenses, \$808,503, including \$12,500 for livestock experiments and demonstrations at Big Springs or elsewhere in Texas, to be available only when the State of Texas, or other cooperating agency in Texas shall have appropriated an equal amount or, in the opinion of the Secretary of Agriculture, shall have furnished its equivalent in value in co-operation for the same purpose during the fiscal year ending June 30, 1936.

The amendment was agreed to.

The next amendment was, on page 27, line 13, after the words "cattle ticks", to increase the appropriation for all necessary expenses for the eradication of southern cattle ticks from \$513,940 to \$613,940.

The amendment was agreed to.

The next amendment was, on page 28, line 20, after the word "animals", to strike out "\$658,695" and insert "\$681,174", so as to read:

Inspection and quarantine: For inspection and quarantine work, including all necessary expenses for the eradication of scabies in sheep and cattle, the inspection of southern cattle, the supervision of the transportation of livestock, and the inspection of vessels, the execution of the 28-hour law, the inspection and quarantine of imported animals, including the establishment and maintenance of quarantine stations and repairs, alterations, improvements, or additions to buildings thereon; the inspection work relative to the existence of contagious diseases, and the mallein testing of animals, \$681,174.

The amendment was agreed to.

The next amendment was, on page 29, line 4, after the word "manufacturer", to strike out "\$5,164,253" and insert "\$5,355,135", so as to read:

Meat inspection: For expenses in carrying out the provisions of the Meat Inspection Act of June 30, 1906 (U. S. C., title 21, sec. 95), as amended by the act of March 4, 1907 (U. S. C., title 21, secs. 71-94), as extended to equine meat by the act of July 24, 1919 (U. S. C., title 21, sec. 96), and as authorized by section 2 (a) of the act of June 26, 1934 (48 Stat. 1224), including the purchase of tags, labels, stamps, and certificates printed in course of manufacture, \$5,355,135.

The amendment was agreed to.

The next amendment was, on page 29, line 16, after "(49 Stat., pp. 648, 649)", to strike out "\$381,879" and insert "\$428,779", so as to read:

Packers and Stockyards Act: For necessary expenses in carrying out the provisions of the Packers and Stockyards Act, approved August 15, 1921 (U. S. C., title 7, secs. 181-229), as amended by the act of August 14, 1935 (49 Stat., pp. 648, 649), \$428,779.

The amendment was agreed to.

The next amendment was, under the subhead "Eradication of foot-and-mouth and other contagious diseases of animals", on page 30, line 20, after the word "elsewhere", to strike out "not to exceed \$500,000 of", so as to read:

In case of an emergency arising out of the existence of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious disease of animals, which, in the opinion of the Secretary of Agriculture, threatens the livestock industry of the country, he may expend in the city of Washington or elsewhere, any unexpended balances of appropriations heretofore made for this purpose in the arrest and eradication of any such disease, including the payment of claims growing out of past and future purchases and destruction, in cooperation with the States, of animals affected by or exposed to, or of materials contaminated by or exposed to, any such disease, wherever found and irrespective of ownership, under like or substantially similar circumstances, when such owner has complied with all lawful quarantine regulations.

The amendment was agreed to.

The next amendment was, on page 31, at the end of line 22, to increase the total appropriation for the Bureau of Animal Industry from \$9,944,782 to \$10,358,043.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Dairy Industry—Salaries and expenses", on page 32, line 20, after the word "buildings", to strike out "\$607,099" and insert "\$636,099", so as to read:

Dairy investigations: For conducting investigations, experiments, and demonstrations in dairy industry, cooperative investigations of the dairy industry in the various States, and inspection of renovated-butter factories, including repairs to buildings, not to exceed \$5,000 for the construction of buildings, \$636,099.

The amendment was agreed to.

The next amendment was, on page 32, at the end of line 21, to increase the total appropriation for the Bureau of Dairy Industry from \$675,094 to \$704,094.

The amendment was agreed to.

The next amendment was, under the heading of "Bureau of Plant Industry—Salaries and expenses", on page 34, line 21, after the word "production", to strike out "\$520,721" and insert "\$505,721", so as to read:

Cereal crops and diseases: For the investigation and improvement of cereals, including corn, and methods of cereal production and for the study and control of cereal diseases, and for the investigation of the cultivation and breeding of flax for seed purposes, including a study of flax diseases, and for the investigation and improvement of broomcorn and methods of broomcorn production, \$505,721.

The amendment was agreed to.

The next amendment was, on page 36, line 14, after the word "storage", to strike out "\$1,118,454" and insert "\$1,173,454", so as to read:

Fruit and vegetable crops and diseases: For investigation and control of diseases, for improvement of methods of culture, propagation, breeding, selection, and related activities concerned with the production of fruits, nuts, vegetables, ornamentals, and related plants, for investigation of methods of harvesting, packing, shipping, storing, and utilizing these products, and for studies of the physiological and related changes of such products during processes of marketing and while in commercial storage, \$1,173,454, of which \$3,600 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 39, line 22, after the word "Industry", to strike out "\$4,529,206" and insert "\$4,569,206", and in line 23, after the word "exceed", to strike out "\$1,531,433" and insert "\$1,539,353", so as to read:

Total, Bureau of Plant Industry, \$4,569,206, of which amount not to exceed \$1,539,353 may be expended for departmental personal services in the District of Columbia and not to exceed \$18,825 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Forest Service—Salaries and expenses", on page 42, line 25, after the name "District of Columbia", to strike out "\$532,163" and insert "\$598,300", so as to read:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of the Chief Forester, for the necessary expenses of the National Forest Reservation Commission established by section 4 of the act approved March 1, 1911, and authorized by section 14 of said act, and for other personal services in the District of Columbia, \$598,300.

The amendment was agreed to.

The next amendment was, on page 44, line 18, after the name "South Dakota", to increase the appropriation for administration, etc., in national forest region 1, Montana, Washington, Idaho, and South Dakota, from "\$1,624,925" to "\$1,981,964."

The amendment was agreed to.

The next amendment was, on page 44, at the end of line 24, to increase the appropriation for administration, etc., in national forest region 2, Colorado, Wyoming, South Dakota, and Nebraska, from "\$910,746" to "\$991,222."

The amendment was agreed to.

The next amendment was, on page 45, line 2, to increase the appropriation for administration, etc., in national forest region 3, Arizona and New Mexico, from "\$796,694" to "\$1,132,279."

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 4, to increase the appropriation for administration, etc., in national forest region 4, Utah, Idaho, Wyoming, Nevada, and Colorado, from \$1,142,590 to "\$1,217,547."

The amendment was agreed to.

The next amendment was, on page 45, line 6, to increase the appropriation for administration, etc., in national forest region 5, California and Nevada, from "\$1,528,050" to "\$1,799,130."

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 8, to increase the appropriation for administration, etc., in

national forest region 6, Washington, Oregon, and California, from "\$1,559,029" to "\$1,772,947."

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 11, to increase the appropriation for administration, etc., in national forest region 7, Pennsylvania, Virginia, West Virginia, New Hampshire, Maine, Kentucky, and Vermont, from "\$517,807" to "\$600,807."

The amendment was agreed to.

The next amendment was, on page 45, line 15, to increase the appropriation for administration, etc., in national forest region 8, Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, and Texas, from \$934,010 to \$1,104,597.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 18, to increase the appropriation for administration, etc., in national forest region 9, Michigan, Minnesota, Illinois, Iowa, Missouri, North Dakota, Ohio, Indiana, and Wisconsin, from \$809,401 to \$986,233.

The amendment was agreed to.

The next amendment was, on page 45, at the end of line 19, to increase the appropriation for administration, etc., in national forest region 10, Alaska, from \$102,309 to \$119,609.

The amendment was agreed to.

The next amendment was, on page 45, line 23, to increase the total appropriation for the use, maintenance, improvement, protection, and general administration of the national forests from \$9,925,561 to \$11,706,335.

The amendment was agreed to.

The next amendment was, on page 47, line 15, after the word "elsewhere", to strike out "\$181,935" and insert "\$209,435", so as to read:

Range investigations: Investigations and experiments to develop improved methods of management of forest and other ranges under section 7, at forest or range experiment stations or elsewhere, \$209,435.

The amendment was agreed to.

The next amendment was, on page 47, line 18, after the word "elsewhere", to strike out "\$499,022" and insert "\$1,000,000", so as to read:

Forest products: Experiments, investigations, and tests of forest products under section 8, at the Forest Products Laboratory, or elsewhere, \$1,000,000.

The amendment was agreed to.

The next amendment was, on page 47, line 20, after "section 9", to strike out "\$150,000" and insert "\$250,000", so as to read:

Forest survey: A comprehensive forest survey under section 9, \$250,000.

The amendment was agreed to.

The next amendment was, on page 47, line 22, after "section 10", to strike out "\$81,295" and insert "\$129,295", so as to read:

Forest economics: Investigations in forest economics under section 10, \$129,295.

The amendment was agreed to.

The next amendment was, on page 48, line 3, after the word "lands", to strike out "\$99,152" and insert "\$1,099,152: *Provided*, That not to exceed \$1,000,000 of this appropriation shall be available for necessary expenses in connection with the production of tree and shrub planting stock, and for cooperation with individuals and private and public agencies in the establishment, protection, and care of shelterbelts consisting of plantings of trees and shrubs in strips not exceeding 165 feet wide and of undeterminate length, oriented so as to protect fields and buildings from wind, and located within a zone approximately 100 miles in width between the ninety-seventh and one hundred and first degrees of longitude west of Greenwich and extending from the Canadian boundary to the thirty-second degree of latitude; but the Government shall not contribute more than 50 percent of the cost, and no cooperation shall be undertaken unless the owner of the land makes it available without charge", so as to read:

Forest influences: For investigations at forest experiment stations and elsewhere for determining the possibility of increasing the absorption of rainfall by the soil, and for devising means to be employed in the preservation of soil, the prevention or control of destructive erosion, and the conservation of rainfall on forest or range lands, \$1,099,152: *Provided*, That not to exceed \$1,000,000 of this appropriation shall be available for necessary expenses in connection with the production of tree and shrub planting stock, and for cooperation with individuals and private and public agencies in the establishment, protection, and care of shelterbelts consisting of plantings of trees and shrubs in strips not exceeding 165 feet wide and of undeterminate length, oriented so as to protect fields and buildings from wind, and located within a zone approximately 100 miles in width between the ninety-seventh and one hundred and first degrees of longitude west of Greenwich and extending from the Canadian boundary to the thirty-second degree of latitude; but the Government shall not contribute more than 50 percent of the cost, and no cooperation shall be undertaken unless the owner of the land makes it available without charge.

The amendment was agreed to.

The next amendment was, on page 48, after line 19, to strike out:

No part of the appropriations contained in this act shall be used to continue the establishment of the so-called shelterbelt project of trees or shrubs in the plains region undertaken heretofore pursuant to appropriations made for emergency purposes.

The amendment was agreed to.

The next amendment was, on page 49, line 1, after the word "expenses", to strike out "\$12,200,122" and insert "\$15,723,511", so as to read:

In all, salaries and expenses, \$15,723,511; and in addition thereto there are hereby appropriated all moneys received as contributions toward cooperative work under the provisions of section 1 of the act approved March 3, 1925 (U. S. C., title 16, sec. 572), which funds shall be covered into the Treasury and constitute a part of the special funds provided by the act of June 30, 1914 (U. S. C., title 16, sec. 498).

The amendment was agreed to.

The next amendment was, under the subhead "Forest-fire cooperation", on page 50, line 2, after the word "act", to strike out "\$1,578,632" and insert "\$1,731,382", so as to read:

For cooperation with the various States or other appropriate agencies in forest-fire prevention and suppression and the protection of timbered and cut-over lands in accordance with the provisions of sections 1, 2, and 3 of the act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote continuous production of timber on lands chiefly valuable therefor", approved June 7, 1924 (U. S. C., title 16, secs. 564-570), as amended, including also the study of the effect of tax laws and the investigation of timber insurance as provided in section 3 of said act, \$1,731,382, of which \$62,020 shall be available for departmental personal services in the District of Columbia and not to exceed \$2,500 for the purchase of supplies and equipment required for the purposes of said act in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Acquisition of lands", on page 50, after line 22, to insert:

For the acquisition of forest lands under the provisions of the act approved March 1, 1911 (36 Stat., p. 961), as amended (U. S. C., title 16, secs. 500, 513, 515, 516, 517, 518, 519, 521, 552, 563), \$10,000,000, of which amount the sum of \$5,000,000 shall be available for expenditure immediately upon approval of this act.

The amendment was agreed to.

The next amendment was, on page 51, line 13, after the word "Service", to strike out "\$13,899,333" and insert "\$27,575,472"; and in line 14, after the word "exceed", to strike out "\$33,005" and insert "\$66,010", so as to read:

Total, Forest Service, \$27,575,472, of which amount not to exceed \$66,010 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia, and in addition thereto there is authorized for expenditure from funds provided for carrying out the provisions of the Federal Highway Act of November 9, 1921 (U. S. C., title 23, secs. 21, 23), not to exceed \$15,068 for the purchase of motor-propelled passenger-carrying vehicles for use by the Forest Service in the construction and maintenance of national-forest roads.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Chemistry and Soils—Salaries and expenses", on page 54, line 10, after the word "operations", to strike out "\$48,403" and insert "\$58,403", so as to read:

Agricultural fires and explosive dusts: For the investigation, development, experimental demonstration, and application of methods for the prevention and control of dust explosions and fires during the harvesting, handling, milling, processing, fumigating, and storing of agricultural products, and for other dust explosions and resulting fires not otherwise provided for, including fires in grain mills and elevators, cotton gins, cotton-oil mills, and other structures; the heating, charring, and ignition of agricultural products; fires on farms and in rural communities and other explosions and fires in connection with farm and agricultural operations, \$58,403.

The amendment was agreed to.

The next amendment was, on page 54, after line 10, to strike out:

Naval stores investigations: For the investigation and demonstration of improved methods or processes of preparing naval stores, the weighing, handling, transportation, and the uses of same, \$79,241.

And in lieu thereof to insert:

Naval-stores investigations: For the investigation of naval stores (turpentine and rosin) and their components; the investigation and experimental demonstration of improved equipment, methods, or processes of preparing naval stores; the weighing, storing, handling, transportation, and utilization of naval stores; and for the assembling and compilation of data on production, distribution, and consumption of turpentine and rosin, pursuant to the act of August 15, 1935 (49 Stat., p. 653), \$79,241.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 2, to strike out "\$301,208" and insert "\$381,208", so as to read:

Soil survey: For the investigation of soils and their origin, for survey of the extent of classes and types, and for indicating upon maps and plats, by coloring or otherwise, the results of such investigations and surveys, \$381,208.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 9, to strike out "\$68,081" and insert "\$78,081", so as to read:

Soil chemical and physical investigations: For chemical, physical, and physical-chemical investigations of soil types, soil composition, and soil minerals, the soil solution, solubility of soil, and all chemical and physical properties of soils in their relation to soil formation, soil texture, erodibility, and soil productivity, \$78,081.

The amendment was agreed to.

The next amendment was, on page 55, at the end of line 14, to increase the total appropriation for the Bureau of Chemistry and Soils from \$1,388,272 to \$1,488,272.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Entomology and Plant Quarantine—Salaries and expenses", on page 56, line 24, after the word "services", to strike out "\$162,288" and insert "\$164,288", so as to read:

General administrative expenses: For general administrative purposes, including the salary of chief of bureau and other personal services, \$164,288.

The amendment was agreed to.

The next amendment was, on page 57, at the end of line 4, to reduce the appropriation for the control and prevention of spread of the Japanese beetle from \$400,000 to \$221,000.

The amendment was agreed to.

The next amendment was, on page 58, line 20, after the word "shrubs", to strike out "\$159,415" and insert "\$187,835", so as to read:

Forest insects: For insects affecting forests and forest products, under section 4 of the act approved May 22, 1928 (U. S. C., title 16, sec. 581c), entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture, through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects", and for insects affecting ornamental trees and shrubs, \$187,835, of which \$400 shall be immediately available.

The amendment was agreed to.

The next amendment was, on page 59, line 15, to increase the appropriation for control and prevention of spread of the Dutch elm disease in the United States from \$261,156 to \$3,000,000.

The amendment was agreed to.

LXXX—265

The next amendment was, on page 62, line 10, after the word "entry", to strike out "and/or" and insert "and", so as to read:

Foreign plant quarantines: For enforcement of foreign plant quarantines at the port of entry and port of export, and to prevent the movement of cotton and cottonseed from Mexico into the United States, including the regulation of the entry into the United States of railway cars and other vehicles, and freight, express, baggage, or other materials from Mexico, and the inspection, cleaning, and disinfection thereof, including construction and repair of necessary buildings, plants, and equipment, for the fumigation, disinfection, or cleaning of products, railway cars, or other vehicles entering the United States from Mexico, \$625,956.

The amendment was agreed to.

The next amendment was, on page 64, line 6, to increase the total appropriation for the Bureau of Entomology and Plant Quarantine from "\$5,353,465" to "\$7,943,729."

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Biological Survey—Salaries and expenses", on page 64, line 25, after the name "District of Columbia", to strike out "\$79,595" and insert "\$125,000", so as to read:

General administrative expenses: For necessary expenses for general administrative purposes, including the salary of chief of bureau and other personal services in the District of Columbia, \$125,000.

The amendment was agreed to.

The next amendment was, on page 65, line 24, after the word "structures", to strike out "\$128,149" and insert "\$158,149", so as to read:

Biological investigations: For biological investigations, including the relations, habits, geographic distribution, and migration of animals and plants, and the preparation of maps of the life zones, and including \$15,738 for investigations of the relations of wild animal life to forests, under section 5 of the act approved May 22, 1928 (U. S. C., title 16, sec. 581d), and for investigations, experiments, and demonstrations in the establishment, improvement, and increase of the reindeer industry and of musk oxen and mountain sheep in Alaska, including the erection of necessary buildings and other structures, \$158,149.

The amendment was agreed to.

The next amendment was, on page 66, line 15, after the word "therewith", to strike out "\$279,978" and insert "\$322,978", so as to read:

Protection of migratory birds: For all necessary expenses for enforcing the provisions of the Migratory Bird Treaty Act of July 3, 1918 (U. S. C., title 16, secs. 703-711), to carry into effect the treaty with Great Britain for the protection of birds migrating between the United States and Canada (39 Stat. pt. 2, p. 1702), and for cooperation with local authorities in the protection of migratory birds, and for necessary investigations connected therewith, \$322,978.

The amendment was agreed to.

The next amendment was, on page 67, at the end of line 7, to strike out "\$96,596" and insert "\$165,000", so as to read:

Enforcement of Alaska game law: For the enforcement of the provisions of the Alaska game law, approved January 13, 1925 (U. S. C., title 48, secs. 192-211), and as amended by the act of February 14, 1931 (46 Stat. pp. 1111-1115), \$165,000.

The amendment was agreed to.

The next amendment was, on page 68, line 1, after "sec. 715i)," to strike out "\$300,672" and insert "\$370,872", so as to read:

Maintenance of mammal and bird reservations: For the maintenance of the Montana National Bison Range, the upper Mississippi River Wildlife Refuge, the Bear River Migratory Bird Refuge, the Wichita National Forest and Game Preserve, to constitute and be designated and administered as the Wichita Mountains Wildlife Refuge, and other reservations and for the maintenance of game introduced into suitable localities on public lands, under supervision of the Biological Survey, including construction of fencing, wardens' quarters, shelters for animals, landings, roads, trails, bridges, ditches, telephone lines, rockwork, bulkheads, and other improvements necessary for the economical administration and protection of the reservation, and for the enforcement of section 84 of the act approved March 4, 1909 (U. S. C., title 18, sec. 145), entitled "An act to codify, revise, and amend the penal laws of the United States", and acts amendatory thereto, and section 10 of the Migratory Bird Conservation Act of February 18, 1929 (U. S. C., title 16, sec. 715i), \$370,872.

The amendment was agreed to.

The next amendment was, on page 69, line 3, before the word "authorized", to strike out "\$74,853" and insert "\$84,653", so as to read:

Migratory bird conservation refuges: For carrying into effect the provisions of the act entitled "An act to more effectively meet the obligations of the United States under the migratory-bird treaty with Great Britain (39 Stat., pt. 2, p. 1702) by lessening the dangers threatening migratory game birds from drainage and other causes by the acquisition of areas of land and water to furnish in perpetuity reservation for the adequate protection of such birds; and authorizing appropriations for the establishment of such areas, their maintenance and improvement, and for other purposes", approved February 18, 1929 (U. S. C., title 16, secs. 715-715r), \$84,653, authorized by section 12 of the act, which sum is a part of the remaining \$650,146 of the \$1,000,000 authorized to be appropriated for the fiscal year ending June 30, 1933.

The amendment was agreed to.

The next amendment was, on page 70, at the end of line 8, to increase the total appropriation for the Bureau of Biological Survey from \$1,841,595 to \$2,108,404.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Public Roads—Federal-aid highway system", at the top of page 74, to insert:

The authorization of \$2,500,000 for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, under the provisions of the act of June 24, 1930 (46 Stat., p. 305), provided for by section 6 of the Highway Act of June 18, 1934 (48 Stat., p. 994), for the fiscal year 1937, is hereby canceled for said fiscal year and made applicable to the fiscal year ending June 30, 1938.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Engineering—Salaries and expenses", on page 75, line 25, to strike out "\$385,669" and insert "\$414,669", so as to read:

Agricultural engineering: For investigations, experiments, and demonstrations involving the application of engineering principles to agriculture, independently or in cooperation with Federal, State, county, or other public agencies or with farm bureaus, organizations, or individuals; for investigating and reporting upon the utilization of water in farm irrigation and the best methods to apply in practice; the different kinds of power and appliances; the flow of water in ditches, pipes, and other conduits; the duty, apportionment, and measurement of irrigation water; the customs, regulations, and laws affecting irrigation; snow surveys and forecasts of irrigation water supplies, and the drainage of farms and of swamps and other wet lands which may be made available for agricultural purposes; for preparing plans for the removal of surplus water by drainage; for developing equipment for farm irrigation and drainage; for investigating and reporting upon farm domestic water supply and drainage disposal, upon the design and construction of farm buildings and their appurtenances and of buildings for processing and storing farm products; upon farm power and mechanical farm equipment; upon the engineering problems relating to the processing, transportation, and storage of perishable and other agricultural products; and upon the engineering problems involved in adapting physical characteristics of farm land to the use of modern farm machinery; for investigations of cotton ginning under the act approved April 19, 1930 (U. S. C., title 7, secs. 424, 425); for giving expert advice and assistance in agricultural engineering; for collating, reporting, and illustrating the results of investigations and preparing, publishing, and distributing bulletins, plans, and reports; and for other necessary expenses, including travel, rent, repairs, and not to exceed \$5,000 for construction of buildings, \$414,669.

The amendment was agreed to.

The next amendment was, on page 76, line 1, after the word "Engineering", to increase the total appropriation for the Bureau of Agricultural Engineering from \$423,269 to \$452,269.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Agricultural Economics—Salaries and expenses", on page 76, line 23, to strike out "\$356,580" and insert "\$366,580", so as to read:

Farm management and practice: To investigate and encourage the adoption of improved methods of farm management and farm practice, and for ascertaining the cost of production of the principal staple agricultural products, \$366,580.

The amendment was agreed to.

The next amendment was, on page 77, line 22, after the word "products", to strike out "\$743,654" and insert "\$756,154", so as to read:

Marketing and distributing farm products: For acquiring and diffusing among the people of the United States useful information on subjects connected with the marketing, handling, utilization, grading, transportation, and distributing of farm and non-manufactured food products and the purchasing of farm supplies,

including the demonstration and promotion of the use of uniform standards of classification of American farm products throughout the world, including scientific and technical research into American-grown cotton and its byproducts and their present and potential uses, including new and additional commercial and scientific uses for cotton and its byproducts, and including investigations of cotton ginning under the act approved April 19, 1930 (U. S. C., title 7, secs. 424, 425), and for collecting and disseminating information on the adjustment of production to probable demand for the different farm and animal products, independently and in cooperation with other branches of the Department, State agencies, purchasing and consuming organizations, and persons engaged in the marketing, handling, utilization, grading, transportation, and distributing of farm and food products, and for investigation of the economic costs of retail marketing of meat and meat products, \$756,154.

The amendment was agreed to.

The next amendment was, on page 78, line 10, after the word "agencies", to strike out "\$661,289" and insert "\$686,289", so as to read:

Crop and livestock estimates: For collecting, compiling, abstracting, analyzing, summarizing, interpreting, and publishing data relating to agriculture, including crop and livestock estimates, acreage, yield, grades, staples of cotton, stocks, and value of farm crops, and numbers, grades, and value of livestock and livestock products on farms, in cooperation with the Extension Service and other Federal, State, and local agencies, \$686,289.

The amendment was agreed to.

The next amendment was, on page 79, line 21, before the word "tobacco", to insert "cottonseed", so as to read:

Market inspection of farm products: For enabling the Secretary of Agriculture, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, boards of trade, chambers of commerce, or other associations of businessmen or trade organizations, and persons or corporations engaged in the production, transportation, marketing, and distribution of farm and food products, whether operating in one or more jurisdictions, to investigate and certify to shippers and other interested parties the class, quality, and condition of cotton, cottonseed, tobacco, fruits, and vegetables, whether raw, dried, or canned, poultry, butter, hay, and other perishable farm products when offered for interstate shipment or when received at such important central markets as the Secretary of Agriculture may from time to time designate, or at points which may be conveniently reached therefrom, under such rules and regulations as he may prescribe, including payment of such fees as will be reasonable and as nearly as may be to cover the cost for the service rendered.

The amendment was agreed to.

The next amendment was, on page 80, line 23, before the words "and seeds" to insert "cottonseed," so as to read:

Market news service: For collecting, publishing, and distributing, by telegraph, mail, or otherwise, timely information on the market supply and demand, commercial movement, location, disposition, quality, condition, and market prices of livestock, meats, fish, and animal products, dairy and poultry products, fruits and vegetables, peanuts and their products, grain, hay, feeds, tobacco, cottonseed, and seeds, and other agricultural products, independently and in cooperation with other branches of the Government, State agencies, purchasing and consuming organizations, and persons engaged in the production, transportation, marketing, and distribution of farm and food products, \$1,062,057.

The amendment was agreed to.

The next amendment was, on page 83, line 20, to strike out "\$708,941" and insert "\$723,941", so as to read:

United States Grain Standards Act: To enable the Secretary of Agriculture to carry into effect the provisions of the United States Grain Standards Act, including rent outside the District of Columbia and the employment of such persons and means as the Secretary of Agriculture may deem necessary, in the city of Washington and elsewhere, \$723,941.

The amendment was agreed to.

The next amendment was, on page 84, line 2, to strike out "\$316,665" and insert "\$326,665", so as to read:

United States Warehouse Act: To enable the Secretary of Agriculture to carry into effect the provisions of the United States Warehouse Act, including the payment of such rent outside the District of Columbia and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, \$326,665.

The amendment was agreed to.

The next amendment was, on page 84, at the end of line 3, to increase the total appropriation for salaries and expenses under the Bureau of Agricultural Economics from \$5,903,744 to \$5,981,244.

The amendment was agreed to.

The next amendment was, on page 84, at the end of line 18, to increase the total appropriation for the Bureau of Agricultural Economics from \$5,935,396 to \$6,007,896.

The amendment was agreed to.

The next amendment was, under the heading "Enforcement of the Grain Futures Act", on page 85, line 22, before the words "of which", to strike out "\$196,500" and insert "\$201,640", so as to read:

To enable the Secretary of Agriculture to carry into effect the provisions of the Grain Futures Act, approved September 21, 1922 (U. S. C., title 7, secs. 1-17), \$201,640, of which amount not to exceed \$50,740 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Food and Drug Administration—Salaries and expenses", on page 87, at the beginning of line 9, to strike out "\$1,537,459" and insert "\$2,062,079", so as to read:

Enforcement of the Food and Drugs Act: For enabling the Secretary of Agriculture to carry into effect the provisions of the act of June 30, 1906 (U. S. C., title 21, secs. 1-15), entitled "An act for preventing the manufacture, sale, or transportation of adulterated, or misbranded, or poisonous, or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", as amended; to cooperate with associations and scientific societies in the revision of the United States Pharmacopoeia and development of methods of analysis, and for investigating the character of the chemical and physical tests which are applied to American food products in foreign countries, and for inspecting the same before shipment when desired by the shippers or owners of these products intended for countries where chemical and physical tests are required before the said products are allowed to be sold therein, \$2,062,079.

The amendment was agreed to.

The next amendment was, at the top of page 89, to insert:

Sea-food inspectors: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packaging, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled "An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended", approved August 27, 1935 (49 Stat., p. 871), \$80,000.

The amendment was agreed to.

The next amendment was, on page 89, line 10, after the word "Administration", to strike out "\$1,975,217" and insert "\$2,579,837"; in line 11, after the word "exceed", to strike out "\$595,262" and insert "\$645,796"; and in line 13, after the word "exceed", to strike out "\$15,390" and insert "\$41,150", so as to read:

Total, Food and Drug Administration, \$2,579,837, of which amount not to exceed \$645,796 may be expended for personal services in the District of Columbia, and not to exceed \$41,150 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, on page 91, line 4, after the name "District of Columbia", to strike out "\$475,000" and insert "\$551,250", so as to read:

General administrative expenses: For necessary expenses for general administrative purposes including the salary of the chief of the Soil Conservation Service and other personal services in the District of Columbia, \$551,250.

The amendment was agreed to.

The next amendment was, on page 91, line 13 to strike out "\$1,540,780" and insert "\$2,393,776", so as to read:

Soil and moisture conservation and land-use investigations: For research and investigations into the character, cause, extent, history, and effects of erosion and soil and moisture depletion and methods for soil and moisture conservation, including construction, operation, and maintenance of experimental watersheds, stations, laboratories, plots, and installations, and other necessary expenses, \$2,393,776.

The amendment was agreed to.

The next amendment was, on page 91, line 21, after the word "expenses", to strike out "\$20,453,485" and insert "\$29,554,974", so as to read:

Soil and moisture conservation operations, demonstrations, and information: For carrying out preventive measures to conserve soil and moisture; including such special measures as may be necessary to prevent floods and the siltation of reservoirs, the

establishment and operation of erosion nurseries, the making of conservation plans and surveys, the dissemination of information, and other necessary expenses, \$29,554,974.

The amendment was agreed to.

The next amendment was, on page 91, line 22, after the word "Service", to strike out "\$22,469,265" and insert "\$32,500,000"; in line 23, after the word "exceed", to strike out "\$1,608,640" and insert "\$1,718,640"; and on page 92, line 1, after the word "exceed" to strike out "\$62,500" and insert "\$77,500"; so as to read:

Total, Soil Conservation Service, \$32,500,000, of which not to exceed \$1,718,640 may be expended for personal services in the District of Columbia, and not to exceed \$77,500 shall be available for the purchase of motor-propelled and horse-drawn passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia.

The amendment was agreed to.

The next amendment was, under the heading "Miscellaneous—Forest roads and trails", on page 96, line 14, after the name "District of Columbia", to strike out "\$7,082,600" and insert "\$10,000,000", and in line 17, after the word "and", to strike out "\$3,582,600" and insert "\$6,500,000", so as to read:

For carrying out the provisions of section 23 of the Federal Highway Act, approved November 9, 1921 (U. S. C., title 23, sec. 23), including not to exceed \$95,240 for departmental personal services in the District of Columbia, \$10,000,000, which sum is composed of \$3,500,000, the balance of the amount authorized to be appropriated for the fiscal year 1936, by the act approved June 18, 1934, and \$6,500,000, part of the sum of \$10,000,000 authorized to be appropriated for the fiscal year 1937 by the act approved June 18, 1934.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is before the Senate and open to further amendment.

Mr. RUSSELL. I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 64, line 7, it is proposed to strike out "\$804,321" and insert "\$824,321."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RUSSELL. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 51, after line 3, after the committee amendment heretofore agreed to, it is proposed to insert a colon and the following proviso:

Provided, That not to exceed \$100,000 of the sum appropriated in this paragraph may be expended for departmental personal services in the District of Columbia.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RUSSELL. I was instructed by the Committee on Appropriations to offer from the floor the amendment which I now send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, line 8, after the word "vehicles", it is proposed to insert a colon and the following additional proviso:

Provided further, That hereafter funds available for field work in the Department of Agriculture may be used for the purchase of arms and ammunition whenever the individual purchase does not exceed \$50, and for additional purchases exceeding \$50, when such arms and ammunition cannot advantageously be supplied by the Secretary of War pursuant to the act of March 3, 1879 (20 Stat. 412).

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RUSSELL. I offer another amendment restoring language that was included in the Budget estimate.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 23, line 9, before the word "and", it is proposed to insert the following new matter:

And the Secretary of Agriculture, upon application of any exporter, importer, packer, owner, agent of or dealer in livestock, hides, skins, meat, or other animal products, may, in his discretion, make inspections and examinations at places other than

the headquarters of inspectors for the convenience of said applicants and charge the applicants for the expenses of travel and subsistence incurred for such inspections and examinations, the funds derived from such charges to be deposited in the Treasury of the United States to the credit of the appropriation from which the expenses are paid.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. RUSSELL. I now desire to offer an amendment to the committee amendment at the top of page 89, and in order to do so I ask unanimous consent that the vote by which that amendment was adopted may be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. RUSSELL. I now offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. At the end of the committee amendment, on page 89, after the numerals "\$80,000" in line 9, it is proposed to insert a proviso, so as to make the amendment read:

Sea-food inspectors: For personal services of sea-food inspectors designated to examine and inspect sea food and the production, packaging, and labeling thereof upon the application of any packer of any sea food for shipment or sale within the jurisdiction of the Federal Food and Drugs Act, in accordance with the provisions of an act entitled "An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended", approved August 27, 1935 (49 Stat., p. 871), \$80,000: *Provided*, That on and after July 1, 1937, receipts from fees authorized to be collected by the operations of Public Act No. 356, entitled "An act to amend section 10A of the Federal Food and Drugs Act of June 30, 1906, as amended", shall be covered into the Treasury to the credit of miscellaneous receipts and hereafter appropriations for the operations under said act are authorized to be made annually out of any money in the Treasury not otherwise appropriated.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. RUSSELL. Mr. President, that completes the committee amendments.

Mr. HAYDEN. Mr. President, I desire to offer an amendment.

Mr. McNARY. Mr. President, may I inquire if that is an individual amendment?

Mr. HAYDEN. Yes; it is.

Mr. McNARY. In conference with the acting Democratic leader it was agreed that individual amendments should not be taken up today.

Mr. BARKLEY. It was understood that after all committee amendments had been disposed of no individual amendments should be offered or considered until tomorrow, and that understanding was entered into between myself and the minority leader, after consultation with other Senators.

Mr. RUSSELL. Mr. President, there are a number of Senators interested in amendments which will be offered to the bill, and some of them have absented themselves with the understanding that such amendments would be offered tomorrow and not considered today.

Mr. BARKLEY. That is correct, and I desire to carry out that understanding.

Mr. HAYDEN. The amendment I wish to offer merely proposes to increase an appropriation by \$6,000, the additional sum being for the study of pecans in Arizona. The amendment is fully justified on pages 164 to 167 of the hearings. The amendment was overlooked by me in the committee and I desire now to offer it.

Mr. McNARY. I favor the amendment. However, I stated to other Senators the understanding I had that we were to take up no individual amendments today, and they left the Chamber on the basis of that statement. I suggest that the amendment of the Senator from Arizona be considered the pending amendment when we shall convene tomorrow.

Mr. HAYDEN. That is entirely agreeable to me.

Mr. BARKLEY. I am in accord with that understanding.

BOARD OF SHORTHAND REPORTING—VETO MESSAGE (S. DOC. NO. 189)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was

read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed, as follows:

To the Senate:

I am returning without my approval S. 1453, Seventy-fourth Congress, entitled "An act to create a board of shorthand reporting, and for other purposes."

The bill would establish a national board of shorthand reporting, composed of three members to be appointed by the President, by and with the advice and consent of the Senate, under which would be established a system of examination and certification of Federal certified shorthand reporters. Provision is made for an examination fee of \$25 and for defrayment of the expenses of the board from the fees collected. Sections 9 and 10 of the bill impose the requirement that no one but Federal certified shorthand reporters may be permanently employed for shorthand reporting of oral testimony in the judicial or executive branches or independent agencies of the Government.

I have found in the executive departments and establishments two principal objections to this bill:

First. It provides for the establishment of a distinct and separate organization for the performance of functions that would normally be lodged, insofar as the interests of the Government are concerned, in an already existing agency, namely, the Civil Service Commission.

Second. The provisions of sections 9 and 10 of the bill would involve largely increased expenditures and add materially to the difficulties of office administration through their requirements that no one but Federal certified shorthand reporters may be permanently employed for shorthand reporting of oral testimony in the judicial or executive branches or independent agencies of the Government.

Many hearings are held by agencies of the Government where oral testimony is reported in a sufficiently satisfactory manner for the purposes of such hearings by regular stenographers who receive annual salaries of no more than \$2,000. To require the employment for this work of Federal certified shorthand reporters at the largely increased rates of compensation that would be paid to persons of such qualifications would entail expenditures that could not be justified.

I think that these objections are well taken, and I am, therefore, withholding my approval of this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, March 21, 1936.

SALARIES AND POSITIONS OF CERTAIN SENATE EMPLOYEES

Mr. LEWIS. Mr. President, I ask the attention of the Senator from Oregon [Mr. McNARY] to Senate Resolutions 252 and 253. I can briefly explain them.

In the last legislative appropriation act specific provision was made that each branch of the Congress, the Senate and the House, should for itself make provision for increasing the pay of certain employees. These resolutions seek to increase slightly the pay of some employees of the Sergeant at Arms and of the Secretary of the Senate. My able friend the Senator from Oregon has a similar resolution relating to certain employees. The resolutions recite all there is involved. I ask unanimous consent for the present consideration of the resolutions.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the pending appropriation bill may be temporarily laid aside for the purpose of considering the resolutions.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 252), submitted by Mr. LEWIS on the 12th instant, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to make the following changes in salaries and positions under the supervision of the Secretary of the Senate, to wit:

Assistant financial clerk: Strike out "assistant financial clerk, \$4,200" and insert "assistant financial clerk, \$4,500."

Executive and assistant Journal clerks: Strike out "executive clerk and assistant Journal clerk, at \$3,180 each" and insert executive clerk, \$3,180; assistant Journal clerk, \$3,360."

Library and stationery assistant: Strike out "assistant librarian, and assistant keeper of stationery, at \$2,400 each."

Clerks: Insert "one at \$3,180"; strike out "two at \$2,640 each" and insert "one at \$2,640"; strike out "one at \$2,400" and insert "five at \$2,400 each"; strike out "four at \$2,040 each" and insert "two at \$2,040 each"; strike out "two at \$1,740 each" and insert "four at \$1,740 each"; insert "two at \$1,860 each"; strike out "two assistants in the library at \$1,740 each."

Laborers: Strike out "one in Secretary's office, \$1,680" and insert "two in Secretary's office at \$1,680 each."

Document room: Strike out "first assistant, \$3,360" and insert "first assistant, \$2,640"; strike out "second assistant, \$2,400" and insert "second assistant, \$2,040"; strike out "four assistants, at \$1,860 each" and insert "three assistants, at \$2,040 each."

The PRESIDING OFFICER. The second resolution for which the Senator from Illinois asks consideration will be read.

The resolution (S. Res. 253), submitted by Mr. LEWIS on the 12th instant, was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to make the following changes in salaries and positions under supervision of the Sergeant at Arms and Doorkeeper, to wit:

Deputy Sergeant at Arms and storekeeper: Strike out "\$4,440" and insert "\$5,400";

Clerks: Strike out "one at \$2,640" and insert "one at \$3,180"; strike out "one at \$2,100" and insert "two at \$2,100 each"; strike out "three at \$1,800 each" and insert "four at \$1,800 each";

Janitor: Strike out "\$2,040" and insert "\$2,700";

Laborers: Strike out "three at \$1,320 each" and insert "two at \$1,320 each";

Skilled laborers: Strike out "five at \$1,680 each" and insert "six at \$1,680 each";

Messengers: Strike out "one at card door, \$2,400, and \$240 additional so long as the position is held by the present incumbent" and insert "one at card door, \$2,400 and \$600 additional so long as the position is held by the present incumbent";

Folding room: Strike out "assistant, \$2,160" and insert "assistant, \$2,400";

Telephone operators: Strike out "thirteen at \$1,560 each" and insert "fourteen at \$1,560 each";

Capitol Police: Strike out "captain, \$2,460" and insert "captain, \$3,000."

Mr. McNARY. Mr. President, I have a resolution further carrying out the purposes of the appropriation bill referred to by the Senator from Illinois. I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 249) was read, considered, and agreed to, as follows:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to increase the number of clerks at \$1,800 under the supervision of the Sergeant at Arms and Doorkeeper by one.

EXECUTIVE SESSION

Mr. BARKLEY. Mr. President, with the understanding that consideration of the Agricultural Department appropriation bill will be resumed and followed to its conclusion when the Senate convenes tomorrow, I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. HATCH, from the Committee on the Judiciary, reported favorably the nomination of Arthur D. Fairbanks, of Colorado, to be United States marshal, district of Colorado, vice Charles A. Patton, term expired.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar. If there be no further reports of committee, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. SHEPPARD. I ask unanimous consent that the nominations in the Army may be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc. That completes the calendar.

RECESS

The Senate resumed legislative session,

Mr. BARKLEY. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 24, 1936, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of Feb. 24), 1936

SOLICITOR, DEPARTMENT OF LABOR

Charles O. Gregory, of Illinois, to be Solicitor for the Department of Labor, vice Charles Wyzanski, Jr., resigned.

PUBLIC HEALTH SERVICE

Thomas Parran, of New York, to be Surgeon General of the Public Health Service, for a term of 4 years, vice Hugh S. Cumming, term expired.

COAST GUARD OF THE UNITED STATES

Commander (Engineering) Harvey F. Johnson, of Mississippi, to be Engineer in Chief in the Coast Guard of the United States, for a period of 4 years, to rank as such from December 18, 1935, to fill an existing vacancy.

POSTMASTERS

ARKANSAS

Harris H. Parr to be postmaster at Eudora, Ark., in place of A. V. Cashion. Incumbent's commission expired February 5, 1935.

John W. Goolsby to be postmaster at Hartford, Ark., in place of O. A. Hill. Incumbent's commission expired January 11, 1936.

Dewey J. Howell to be postmaster at McGehee, Ark., in place of G. H. C. Palmer. Incumbent's commission expired January 11, 1936.

Ross M. Harris to be postmaster at Mount Ida, Ark., in place of E. B. Wacaster. Incumbent's commission expires May 26, 1936.

Percy V. George to be postmaster at Ola, Ark., in place of O. J. Harkey, Jr. Incumbent's commission expired February 14, 1935.

CALIFORNIA

Ethelbert T. Stanford to be postmaster at Castella, Calif., in place of L. E. Wickes. Incumbent's commission expired March 17, 1936.

Nannie A. Coleman to be postmaster at Kentfield, Calif., in place of N. A. Coleman. Incumbent's commission expires March 29, 1936.

Grace P. Johnson to be postmaster at Windsor, Calif., in place of G. P. Johnson. Incumbent's commission expired January 22, 1935.

CONNECTICUT

Charles J. Fields to be postmaster at Norfolk, Conn., in place of Ellis Sylvernale. Incumbent's commission expired December 16, 1933.

FLORIDA

Robert L. Horsman to be postmaster at Lake Worth, Fla., in place of R. T. Bevington. Incumbent's commission expired March 2, 1935.

William H. Cox to be postmaster at Palmetto, Fla., in place of W. E. Burch, retired.

GEORGIA

Lois Horton to be postmaster at Guyton, Ga., in place of Lois Horton. Incumbent's commission expired January 7, 1936.

Henry C. Hightower to be postmaster at McDonough, Ga., in place of C. P. Hankinson. Incumbent's commission expired January 7, 1936.

ILLINOIS

Ralph Hawthorne to be postmaster at Galesburg, Ill., in place of G. M. Clark. Incumbent's commission expired March 18, 1934.

George P. Ravens to be postmaster at Kankakee, Ill., in place of R. F. Dusenbury. Incumbent's commission expired February 25, 1935.

Bertha E. Sayre to be postmaster at Orion, Ill., in place of G. P. Wilson, resigned.

INDIANA

Francis P. Gavagan to be postmaster at Chesterton, Ind., in place of R. E. Busse. Incumbent's commission expired January 9, 1936.

IOWA

Ruth A. McMeel to be postmaster at Coggon, Iowa, in place of W. M. Crosier. Incumbent's commission expired January 12, 1936.

Elmer J. Hylbak to be postmaster at Lake Mills, Iowa, in place of M. A. Aasgaard. Incumbent's commission expired January 16, 1934.

Frank W. Baumgardner to be postmaster at Livermore, Iowa, in place of K. J. Baessler. Incumbent's commission expired February 25, 1935.

Byrd S. Clark to be postmaster at Mount Vernon, Iowa, in place of D. H. Mueller. Incumbent's commission expired February 24, 1936.

Daniel C. Norris to be postmaster at Prairie City, Iowa, in place of F. J. Shearer. Incumbent's commission expired December 20, 1934.

Harry F. Lewis to be postmaster at West Liberty, Iowa, in place of L. L. Birkett. Incumbent's commission expired January 12, 1936.

KANSAS

Clarence H. White to be postmaster at Burlington, Kans., in place of C. M. Cellar. Incumbent's commission expires March 23, 1936.

Leif R. Nelson to be postmaster at Chanute, Kans., in place of Wilfrid Cavaness. Incumbent's commission expires April 27, 1936.

John A. Rogers to be postmaster at Cherryvale, Kans., in place of O. E. Utter. Incumbent's commission expires April 12, 1936.

Clarence A. Kirkpatrick to be postmaster at Council Grove, Kans., in place of E. M. Jones. Incumbent's commission expired January 8, 1936.

William P. Yearout to be postmaster at Emporia, Kans., in place of H. A. Osborn. Incumbent's commission expired January 8, 1936.

Henry E. Dunham to be postmaster at Erie, Kans., in place of W. L. Oliver. Incumbent's commission expired January 8, 1936.

Frank Barker to be postmaster at Greensburg, Kans., in place of E. M. Brown. Incumbent's commission expired January 8, 1936.

Howard H. Spear to be postmaster at Leoti, Kans., in place of J. A. Bryan. Incumbent's commission expired January 8, 1936.

Edward N. Sidwell to be postmaster at Natoma, Kans., in place of H. P. McFadden. Incumbent's commission expired February 5, 1936.

Rudolph J. Sharshel to be postmaster at Parsons, Kans., in place of W. E. Burnette. Incumbent's commission expired February 5, 1936.

Gertrude Goddard to be postmaster at Rolla, Kans., in place of E. R. Ipson. Incumbent's commission expired January 8, 1936.

KENTUCKY

Walter B. Sisk to be postmaster at Fleming, Ky., in place of C. V. Bryant, removed.

LOUISIANA

William Z. Lewis to be postmaster at Alco, La. Office became Presidential July 1, 1934.

Duncan D. Morgan to be postmaster at Amite, La., in place of Nettie Sojourner, removed.

Frank B. Kennedy to be postmaster at Cameron, La., Office became Presidential July 1, 1935.

Ella M. Perot to be postmaster at Campti, La., in place of E. M. Perot. Incumbent's commission expired January 9, 1936.

Stephen R. Jackson, Jr., to be postmaster at Cheneyville, La., in place of S. R. Jackson, Jr. Incumbent's commission expired December 20, 1934.

Virgil N. McNeely to be postmaster at Colfax, La., in place of V. N. McNeely. Incumbent's commission expired February 6, 1935.

Jesse L. Beasley to be postmaster at Harrisonburg, La., in place of J. L. Beasley. Incumbent's commission expires April 27, 1936.

Charles I. Davis to be postmaster at Leesville, La., in place of B. F. Cowley, removed.

James L. Reed to be postmaster at Mandeville, La., in place of W. R. Morgan, removed.

Oscar R. Lang to be postmaster at Montgomery, La., in place of L. L. Thompson. Incumbent's commission expired May 20, 1934.

Joseph J. Ferguson to be postmaster at New Orleans, La., in place of W. L. S. Gordon. Incumbent's commission expired May 23, 1933.

Sam H. Campbell to be postmaster at Oak Grove, La., in place of S. H. Campbell. Incumbent's commission expired December 19, 1932.

Otto J. Gutting to be postmaster at Oil City, La., in place of O. J. Gutting. Incumbent's commission expires April 5, 1936.

Robert H. Brooks to be postmaster at Olla, La., in place of J. L. Love. Incumbent's commission expired February 6, 1935.

Frank M. Caldwell to be postmaster at Robeline, La., in place of F. M. Caldwell. Incumbent's commission expired December 20, 1934.

Bertha S. Jarnagin to be postmaster at Rochelle, La., in place of I. H. Boatner, removed.

Lucile M. Harvard to be postmaster at St. Francisville, La., in place of E. J. Barrow. Incumbent's commission expired March 8, 1934.

Eric Brown to be postmaster at Selma, La., in place of J. M. Henley, resigned.

Samuel A. Fairchild to be postmaster at Vinton, La., in place of S. A. Fairchild. Incumbent's commission expires April 5, 1936.

Robert H. Fletcher to be postmaster at Winnfield, La., in place of W. T. Norman. Incumbent's commission expired June 10, 1934.

Blanche E. Tucker to be postmaster at Wisner, La., in place of I. L. Batey, removed.

MAINE

Norman E. Willis to be postmaster at Harmony, Maine, in place of C. C. McLaughlin. Incumbent's commission expired March 10, 1936.

Lula E. Crockett to be postmaster at North Haven, Maine, in place of W. L. Ames. Incumbent's commission expired March 10, 1936.

Spellman C. Marshall to be postmaster at Oakland, Maine, in place of D. P. Macartney. Incumbent's commission expired February 17, 1936.

Ferdinand H. Parady to be postmaster at Orono, Maine, in place of L. H. Ring. Incumbent's commission expired January 22, 1936. Removed without prejudice.

Edward C. Moran to be postmaster at Rockland, Maine, in place of E. R. Veazie. Incumbent's commission expires March 28, 1936.

MASSACHUSETTS

John J. O'Brien to be postmaster at Bridgewater, Mass., in place of Thomas Carroll. Incumbent's commission expired February 9, 1936.

John J. Pendergast to be postmaster at Centerville, Mass., in place of H. E. Bearse. Incumbent's commission expired January 27, 1936.

John F. Kennedy to be postmaster at Chicopee, Mass., in place of W. H. Lilley, transferred.

Louis H. Chase to be postmaster at Norfolk, Mass., in place of L. H. Chase. Incumbent's commission expired January 9, 1936.

James L. Sullivan to be postmaster at Peabody, Mass., in place of W. L. Williams. Incumbent's commission expires April 27, 1936.

Frank M. Merrigan to be postmaster at South Deerfield, Mass., in place of W. G. Rose. Incumbent's commission expired January 27, 1936.

Walter P. Cook to be postmaster at Yarmouth Port, Mass., in place of S. H. Matthews. Incumbent's commission expired January 9, 1936.

MICHIGAN

William P. Mowry to be postmaster at Bronson, Mich., in place of Robert Ryan, retired.

Joseph M. Foster to be postmaster at Charlevoix, Mich., in place of C. B. Meggison. Incumbent's commission expired February 5, 1936.

Paul Doud to be postmaster at Mackinac Island, Mich., in place of R. H. Benjamin. Incumbent's commission expired January 28, 1934.

Clinton Joseph to be postmaster at Quincy, Mich., in place of C. T. Fillmore. Incumbent's commission expired December 20, 1934.

MINNESOTA

John A. Peterson to be postmaster at Belview, Minn., in place of Nelse Monson. Incumbent's commission expired February 25, 1935.

Milton H. Hottinger to be postmaster at Bricelyn, Minn., in place of E. H. Hebert. Incumbent's commission expired December 18, 1933.

MISSOURI

Mary B. Rice to be postmaster at Campbell, Mo., in place of Louis McCutchen, removed.

Florence H. Myers to be postmaster at Cuba, Mo., in place of H. C. Grant, removed.

Sam M. Marsden to be postmaster at Hillsboro, Mo., in place of R. F. Gasche, removed.

Nadine Glascock to be postmaster at Waverly, Mo., in place of J. A. Allison. Incumbent's commission expired January 9, 1936.

MONTANA

Emma M. Minnette to be postmaster at Cut Bank, Mont., in place of M. B. Whetstone, resigned.

NEBRASKA

Oda D. Adkins to be postmaster at Arthur, Nebr., in place of E. W. Meth, retired.

NEW HAMPSHIRE

Mina S. Roberge to be postmaster at Cascade, N. H., in place of M. S. Roberge. Incumbent's commission expires April 27, 1936.

Harriet O. Harriman to be postmaster at Jackson, N. H., in place of H. O. Harriman. Incumbent's commission expired February 5, 1936.

NEW JERSEY

William J. Dugan to be postmaster at Greystone Park, N. J., in place of J. T. Boyd, removed.

NEW MEXICO

Irwin C. Floersheim to be postmaster at Springer, N. Mex., in place of L. C. Dunlavy, resigned.

NEW YORK

Mary R. Rattigan to be postmaster at North Creek, N. Y., in place of L. M. James. Incumbent's commission expired January 28, 1934.

John H. Quinlan to be postmaster at Pavilion, N. Y., in place of J. H. Quinlan. Incumbent's commission expired March 22, 1936.

Clarence A. Lockwood to be postmaster at Schroon Lake, N. Y., in place of C. A. Lockwood. Incumbent's commission expires March 23, 1936.

NORTH CAROLINA

Brevard E. Harris to be postmaster at Concord, N. C., in place of G. E. Kestler. Incumbent's commission expired March 17, 1936.

Edgar S. Woodley to be postmaster at Creswell, N. C., in place of A. W. Starr. Incumbent's commission expired February 9, 1936.

Grady L. Friday to be postmaster at Dallas, N. C., in place of J. P. Hoffman. Incumbent's commission expired January 18, 1936.

Robert B. Mewborn to be postmaster at Grifton, N. C., in place of V. N. Scarborough. Incumbent's commission expires April 12, 1936.

William W. Fleming to be postmaster at Hot Springs, N. C., in place of A. J. Runion, resigned.

John P. LeGrand to be postmaster at Mocksville, N. C., in place of A. T. Daniel. Incumbent's commission expired February 19, 1936.

James H. Ledbetter to be postmaster at Mount Gilead, N. C., in place of C. F. Scarborough. Incumbent's commission expired February 24, 1936.

Spurgeon K. Yelton to be postmaster at Spindale, N. C., in place of S. M. Harper. Incumbent's commission expired February 19, 1936.

NORTH DAKOTA

John W. Campbell to be postmaster at Ryder, N. Dak., in place of J. W. Campbell. Incumbent's commission expires April 27, 1936.

James M. Thomson to be postmaster at Turtle Lake, N. Dak., in place of J. M. Lierboe. Incumbent's commission expired February 6, 1935.

William E. Hinkel to be postmaster at Tuttle, N. Dak., in place of A. A. Sorenson, removed.

OHIO

Rollo C. Witwer to be postmaster at Akron, Ohio, in place of L. D. Carter, resigned.

Francis P. Frebault to be postmaster at Athens, Ohio, in place of H. W. McKinstry, transferred.

Leo V. Walsh to be postmaster at Barberton, Ohio, in place of H. E. Simon. Incumbent's commission expired January 7, 1936.

Charles Wassman, to be postmaster at Bellaire, Ohio, in place of H. M. Snedeker. Incumbent's commission expired February 5, 1936.

Walter M. Dill, to be postmaster at Fredericktown, Ohio, in place of W. C. Foote. Incumbent's commission expired February 5, 1936.

May C. Eldridge, to be postmaster at North Olmsted, Ohio, in place of M. J. Gumbriell, deceased.

Lawrence J. Heiner, to be postmaster at Rutland, Ohio, in place of B. N. Powell, declined.

Harry L. Hines, to be postmaster at Williamsburg, Ohio, in place of E. H. Ruffner. Incumbent's commission expired April 14, 1936.

OKLAHOMA

William R. Marlin to be postmaster at Pawnee, Okla., in place of C. H. Johnson. Incumbent's commission expired March 18, 1936.

OREGON

Floyd B. Willert to be postmaster at Dayton, Oreg., in place of F. C. Matches. Incumbent's commission expired January 26, 1936.

Lemuel T. McPheeters to be postmaster at Hillsboro, Oreg., in place of F. C. Holznagel. Incumbent's commission expired March 10, 1936.

Vinnie B. Lay to be postmaster at Powers, Oreg., in place of G. W. Gamwell. Incumbent's commission expired January 22, 1936.

Von D. Seaton to be postmaster at Yamhill, Oreg., in place of C. R. Tyler. Incumbent's commission expired January 22, 1936.

PENNSYLVANIA

Seth J. Morley to be postmaster at Athens, Pa., in place of E. W. Armstrong. Incumbent's commission expired February 24, 1936.

Ralph M. Dysart to be postmaster at Bellwood, Pa., in place of W. P. Bush. Incumbent's commission expired January 27, 1936.

Howard P. Schaeffer to be postmaster at Bernharts, Pa., in place of H. P. Schaeffer. Incumbent's commission expired January 13, 1936.

Stewart Hefley to be postmaster at Boswell, Pa., in place of K. R. Volk, removed.

Kathryn L. Monahan to be postmaster at Centralia, Pa., in place of C. M. Smith. Incumbent's commission expired January 27, 1936.

Eva S. Schurr to be postmaster at Linfield, Pa., in place of M. V. Clemens. Incumbent's commission expired April 9, 1934.

Samuel C. Green to be postmaster at Mont Alto, Pa., in place of O. R. Moser. Incumbent's commission expired January 27, 1936.

Gordon H. Fish to be postmaster at South Montrose, Pa. Office became Presidential July 1, 1935.

PUERTO RICO

Nicolas Ortiz Lebron to be postmaster at Aibonito, P. R., in place of N. O. Lebron. Incumbent's commission expires March 28, 1936.

Carlos F. Torregrosa to be postmaster at Aguadilla, P. R., in place of C. F. Torregrosa. Incumbent's commission expires April 27, 1936.

Cristina G. Sandoval to be postmaster at Hato Rey, P. R., in place of C. G. Sandoval. Incumbent's commission expires March 28, 1936.

Jose Monserrate to be postmaster at Salinas, P. R., in place of Jose Monserrate. Incumbent's commission expires March 28, 1936.

SOUTH DAKOTA

Kelsey R. Highsaw to be postmaster at Belle Fourche, S. Dak., in place of M. W. Butts, resigned.

Joseph H. Ryan to be postmaster at Madison, S. Dak., in place of A. B. Holien. Incumbent's commission expired January 25, 1936.

Thomas R. Mickelson to be postmaster at Wilnot, S. Dak., in place of C. I. Hougen. Incumbent's commission expired January 25, 1936.

Edd A. Sinkler to be postmaster at Wood, S. Dak., in place of Merrill Kaufman. Incumbent's commission expired January 7, 1935.

TENNESSEE

Elbert D. Corlew to be postmaster at Charlotte, Tenn., in place of E. D. Corlew. Incumbent's commission expires March 28, 1936.

Charles A. Beckler to be postmaster at Ducktown, Tenn., in place of G. P. Hyatt. Incumbent's commission expires March 28, 1936.

William W. Turner to be postmaster at Jasper, Tenn., in place of J. E. Graham. Incumbent's commission expired March 18, 1936.

Luther P. Speck to be postmaster at Monterey, Tenn., in place of George Wilcox, removed.

Leon S. McDowell to be postmaster at Winchester, Tenn., in place of M. M. Huling. Incumbent's commission expired January 25, 1936.

TEXAS

Arvel O. Pickens to be postmaster at Whittenburg, Tex., in place of L. E. Davis, removed.

VIRGINIA

Harold W. Hale, Jr., to be postmaster at Narrows, Va., in place of O. H. Hopkins, resigned.

WASHINGTON

Rose M. Illy to be postmaster at Uniontown, Wash., in place of R. M. Illy. Incumbent's commission expires April 27, 1936.

WEST VIRGINIA

Fred M. Robertson to be postmaster at Matoaka, W. Va., in place of O. J. Garrett, removed.

WISCONSIN

Charles G. Pagel to be postmaster at Brandon, Wis., in place of L. F. Pallister, retired.

George B. Meulemans to be postmaster at Greenleaf, Wis., in place of L. G. Clark. Incumbent's commission expired January 28, 1934.

Anal E. Lennon to be postmaster at Hurley, Wis., in place of E. B. Williams. Incumbent's commission expired February 10, 1936.

WYOMING

Arthur R. Fish to be postmaster at Wheatland, Wyo., in place of H. T. Duffy. Incumbent's commission expired February 9, 1936.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 23 (legislative day of Feb. 24), 1936

APPOINTMENT IN THE REGULAR ARMY

Edwin Stewart Kagy to be first lieutenant, Medical Corps.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Maj. Walter Hitzfeldt to Quartermaster Corps.

Capt. Ernest Arthur DeWitt to Quartermaster Corps.

Capt. George Van Studdiford to Finance Department.

Capt. Roy Judson Caperton to Finance Department.

First Lt. William Charles Hall to Corps of Engineers.

PROMOTIONS IN THE REGULAR ARMY

Walter Raymond Wheeler to be colonel, Infantry.

George Frederick Ney Dailey to be colonel, Infantry.

John Stewart Bragdon to be lieutenant colonel, Corps of Engineers.

George Jacob Richards to be lieutenant colonel, Corps of Engineers.

Silas Warren Robertson to be major, Cavalry.

Donald Van Niman Bonnett to be major, Infantry.

Winfield Rose McKay to be major, Infantry.

Edward John Kallus to be major, Medical Corps.

James Melvin Epperly to be major, Dental Corps.

George William Brower to be lieutenant colonel, Veterinary Corps.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

William Kern Herndon to be major general, National Guard of the United States.

POSTMASTERS

ARIZONA

Jessie Stephens, Camp Verde.

Patrick D. Ryan, Fort Huachuca.

HAWAII

Antone F. Cravalho, Pala.

IDAHO

Frank Dvorak, Aberdeen.

NORTH DAKOTA

Peder T. Rygg, Fairdale.

Leta L. Davis, Lansford.

RHODE ISLAND

Daniel J. Dennis, Tiverton.

WYOMING

Waldo H. Bolln, Douglas.

WITHDRAWAL

*Executive nomination withdrawn from the Senate March 23
(legislative day of Feb. 24), 1936*

POSTMASTER

NORTH DAKOTA

Ronald Keeley to be postmaster at Hazen, in the State of North Dakota.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 23, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, who hath commanded the light to shine out of darkness, shine in our hearts that the excellency of the power may be of God and not of us. Believing in Thy Holy Word and knowing of the pure earthly life of the Master, may we have thoughts that widen and purify the soul. Teach us how to make humility noble, how to make self-respect humble, and how to do justice to all men. Blessed Lord God, there come to our troubled spirits feelings that appall; they throw a strange, dark shadow on our peace and at times stagger our understanding. They remind us of human frailty and the utter weakness of all things material. We most earnestly pray that these days may cause a serious pause throughout our country. Keep it face to face with the virtues and claims of the higher life, realizing the essence of that which is divinely great and abiding. Almighty God, make the waste lands to rejoice; fill desolate dwelling places with comfort and courage; bless richly the children and fill their hearts with gladness, and stimulate man everywhere to be a lover of purity and a builder of happy homes. Through Christ our Savior. Amen.

The Journal of Friday, March 20, 1936, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 234. Joint resolution authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel in connection with certain legal proceedings, and for other purposes.

THE FLOOD SITUATION—HARNESSING OUR RIVERS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the flood situation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, several days ago I introduced a bill for the creation of a Potomac Valley Authority, to develop that historic stream, control its floods, improve navigation, and generate cheap hydroelectric power for the people in the District of Columbia and the surrounding States.

On Thursday last I stood upon the banks of that usually placid river and watched its turbulent waters roaring past in one of the most destructive floods of all time.

I saw bits of furniture, dead animals, and fragments of wrecked homes amid the nondescript debris that went rushing past on its foaming crest.

I saw hundreds of laborers toiling unremittingly to prevent its waters from spreading and inundating public buildings in the Nation's Capital.

As I looked upon those raging waters, turned almost to the color of gold by the soil and sand dragged down from the hills above, impoverishing this country in the years to come, I thought that indeed it might be termed a stream of gold, bearing to the sea its untold wealth of hydroelectric power, as well as carrying away the soil from which future generations must live.

I thought that here we are in the Capital of the greatest Nation on earth, in the midst of our boasted civilization,

when mankind has gained the greatest ascendancy over the forces of nature, and the most complete command of his surroundings ever attained since the world began, letting this stream go on its "mad career of ruin", instead of harnessing it, controlling it, and bending its unmeasured energies to light the homes, reduce the burdens, increase the comforts, improve the health, and do the work and will of man.

I cannot believe that civilized America will stand thus idly by and see this devastation wrought from year to year along the rivers of our country and this unlimited wealth of power run waste and wanton to the sea merely because, forsooth, its development would run counter to certain greedy, selfish interests or the whims of misguided sentimentalists who are afraid its improvement might tend to "mar the scene."

As I gazed upon that "scene" last Thursday and contemplated the loss of human life, the destruction wrought, the devastation done to peaceful homes, the suffering of men, women, and children, all of which could be prevented in the future by the construction and operation of these dams, which in themselves would add to the scenic beauty, I wondered whether or not these selfish interests and silly sentimentalists would be permitted to block this progress in the years to come.

When I realized that this same devastation was being wrought upon other rivers—from the Susquehanna to the James; yes; from Maine to Mexico—and that people on the Ohio and the lower Mississippi were awaiting the inevitable approach of the devastating floods that now race through the streets of Pittsburgh, Pa., and Wheeling, W. Va., I thought that out of these disasters might come an awakening of the American people to the necessity of a national program for the development of our navigable streams, to control their floods, protect our soil, improve navigation, and provide the people of this great country with unlimited supplies of cheap hydroelectric power, to light every American home, and especially every farm home, at rates the people can afford to pay.

This would be one of the greatest steps forward ever taken by any country since time began.

It would pay for itself in a generation.

It would protect lives and property along our rivers, conserve our soil, enable us to electrify every farm home, at rates based upon the cost of production and distribution, and make this the richest, the most independent, the most powerful, the most prosperous, and the most contented country the world has ever known.

TENNESSEE-TOMBIGBEE CANAL

Mr. RANKIN. I also ask unanimous consent to extend my remarks in the RECORD by inserting a resolution adopted by the Legislature of Mississippi.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution adopted by the Legislature of the State of Mississippi:

House Concurrent Resolution No. 8—A concurrent resolution memorializing the President and the Congress of the United States to cut a canal connecting the waters of Bear River and McKeys Creek, thereby turning a portion of the waters of the Tennessee River into the Gulf of Mexico

Whereas by the cutting of a canal connecting the waters of Bear River and McKeys Creek millions of dollars will be saved by the reduction of overflows on the lower Mississippi River; and

Whereas another water inlet and outlet will be opened up, whereby thousands of dollars will be saved on commercial transportation of products of the Tennessee Valley; and

Whereas it is known that there are billions of tons of building stone in Tishomingo County, Miss., and many billions of tons of iron-ore rock in northwest Alabama, and other natural resources of the earth that might be manufactured into useful products if a cheap rate of transportation is provided; and

Whereas thousands of acres of virgin soil will be made suitable for cultivation by taking the overflow water from the Tombigbee River Valley; and

Whereas we believe this canal would be of untold value for military purposes should this country ever become involved in another war with some foreign country: Now, therefore, be it

Resolved by the house of representatives (the senate concurring therein), That we memorialize the President and Congress of the

United States to cut the proposed canal already known as the Tennessee-Tombigbee Canal at as early a date as possible, connecting the waters of Bear River and McKeys Creek; and be it further Resolved, That copies of this resolution be sent to the President and each Member of Congress.

Adopted by the house of representatives February 7, 1936.

F. L. WRIGHT,

Speaker of the House of Representatives pro tempore.

Adopted by the senate March 13, 1936.

J. B. SNYDER,

President of the Senate.

LET US GIVE THE TAXPAYERS A BREAK BY ABOLISHING THE FEDERAL REGISTER

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. LUDLOW. Mr. Speaker, with principles of social justice now established under the leadership of our humanitarian President, and the darkest days of the depression over, I believe a prescription might be written in two words that would do more than anything else to hasten the coming of normal prosperity and universal happiness in this country. My prescription would be—

"Quit spending." When I advocate a cessation of spending I mean, of course, to stop all spending except such as is absolutely required to run the Government operations on a basis of the strictest economy and retrenchment and whatever additional sums may be necessary for direct relief, to keep men, women, and children from starving until regular jobs—God hasten that time—will be available to all who want to work.

My unemployed friends in this depression have been numbered by the thousands upon thousands of as good men and women as ever lived. It is humiliating to them to rake leaves or to labor at other "made work" that has no economic value, and the thought of having to subsist by the cold hand of charity is to them unbearable and unthinkable. My heart goes out to them and I want to do everything I can to help to lift them out of the slough where such things exist. Their cry is for regular jobs so that, in a manner becoming to the dignity of human beings, they may exercise their God-given right to earn a living for themselves and their loved ones.

Whether they get an opportunity to exercise that God-given right—the American Federation of Labor reports that there are still more than 12,000,000 unemployed—depends, I believe, to a large degree, on a restoration of strict economy in governmental affairs. The fear of debt and taxes paralyzes the business and industrial world, destroys initiative, and blocks recovery. When once it is understood that we are going to cut out useless bureaus and personnel and appropriate only for the bare necessities of government, economically administered, we shall see, in my opinion, a wonderful change in national psychology. People will take heart, cheer will displace gloom, confidence will be restored, and we shall then move forward to better times.

It is because I entertain these views that I declined to sign the petition which was designed to force the hand of the President against a reduction in the C. C. C. activity, notwithstanding several of the best friends I have in the House urged me to sign that petition. I believe the C. C. C. organization is one of the best of the New Deal activities, but when my President makes a move toward the retrenchment in government that is so much needed, and tries to bring about economies, I am not going to oppose him. I am going to do everything I can to strengthen his arm.

To my mind there is something grimly humorous in the phraseology of our bills which says that—

there is hereby appropriated from the United States Treasury out of moneys not heretofore appropriated.

If anyone can find in the United States Treasury any moneys not heretofore appropriated many times over he is a better man than I am. And it is amazing to me that in our pell-mell course toward national bankruptcy we Members of Congress do not pause, think of the consequences, and stop a lot of these expenditures before they swell the vast ocean of our national indebtedness.

We have just experienced floods of the most disastrous character in many sections of the Union. In the wake of those floods will come misery and wretchedness indescribable. I am afraid that in the wake of our national spending is going to come more misery and wretchedness than most of us imagine. For this situation and prospect I do not hold the Congress free from blame. We give too much consideration to groups and blocs and not enough to the weal of the Nation as a whole. We need to get away from such dreamy projects as shelter belts for the arid States, where the good Lord will hardly permit a cactus to grow, and cease our efforts to harness the ocean for the benefit of a small section of New England, and we must cease piling up our appropriations mountain high for impractical and visionary objectives.

ECONOMY THROWN OUT OF THE WINDOW

When I say that Congress is not without fault I direct your attention to a concrete example.

The Appropriations Subcommittee, of which I am chairman, spent many long and wearisome weeks paring down the estimates for the Treasury and Post Office Departments for the fiscal year 1937; we cut off every dollar we thought could be eliminated without impairing the vital operations of the Government.

We brought to this House what we thought was a good bill. Certainly it was an economical bill. The House endorsed it and passed it. Then what happened? The body at the other end of the Capitol threw all of our good work into the discard and practically rewrote the bill, restoring the increases of appropriations and personnel which we of our subcommittee believe are indefensible. The bill as it passed the upper branch gives a pale and sickly look to Republican economy pledges and the plank in our last Democratic national platform in which we pledged a 25-percent cut in the normal operating expenses of the Government.

But my purpose in submitting these observations today is not so much to deliver a general homily on economy in government as it is to point out specifically one expenditure which I think should be stopped and stopped immediately, before another dollar is spent on it.

THE FEDERAL REGISTER

That is the expenditure for the publication of what is known as the Federal Register. In my opinion that expenditure should be stopped because it is wasteful and because the Federal Register does not have a value the size of a grain of mustard seed. We have already carried in this year's appropriation bills a total of \$289,760 for this publication.

The cost per annum of publication of just the current governmental orders in this Register, which is to be issued 5 days a week, will be more than a quarter of a million dollars or, to be exact, \$263,320, provided there is no expansion of the present personnel which would be contrary to the usual bureaucratic experience. This includes \$225,000, the cost of printing at the Government Printing Office, and \$38,320, the salary roll of the division now engaged in preparing the copy for the Public Printer.

Now, mind you, this does not include the cost of printing any of the vast accumulation of regulations, orders, proclamations, and so forth, running back for a period of more than 50 years in our country's history. What it will cost to print those only the Lord knows. Mr. Giegengack, the able Public Printer, does not know, for he testified before our legislative subcommittee on appropriations as follows:

It is impossible to give any idea as to what it will eventually cost to print the present accumulation of existing orders, proclamations, and regulations that now have the force and effect of law. It has been stated that there are literally truck loads of them and that the Archivist would need to increase his building 100 percent in order to hold them all.

Yet under the amazing act for the creation of the Federal Register it is directed that this vast accumulation of governmental orders, regulations, etc., shall be published in the Register. What a package that is to hand to the taxpayers of the United States. It would be like publishing all outdoors, and the cost is unfathomable.

It is now proposed to codify the accumulation and publish the codification, instead of the text of the orders, regulations, etc., but the amendment proposed to that effect has not been reported out of committee and even the cost of editing and publishing a codification would be staggering and in my opinion wholly unjustifiable.

A WELL-MEANT BUT MISTAKEN EFFORT

The author of the act creating the Federal Register is a friend of mine. I value his friendship highly, and I admire him for his great ability both as a lawyer and as a legislator. I could not, if I desired to do so, challenge the worthiness of his purposes in introducing this legislation. But I believe he is mistaken and that the best interests of the country require that the publication of the Federal Register be terminated forthwith and that no more money be spent uselessly on it.

The theory back of this enterprise was that there is such a multiplicity of governmental orders and regulations that citizens are likely to violate them and thus incur penalties unwittingly because the particular order which they violate has never been brought to their attention.

I think it is a sufficient commentary to say that even if it is the duty of Government to bring such orders to the attention of citizens, which is a direct reversal of the old legal maxim that *Ignorantia juris non excusat*, the fact remains that it can never be done by publication in the Federal Register. Up to date there are just 69 subscribers to the Federal Register, an inconsequential number among 127,000,000 people.

If these 69 subscribers were yearly subscribers and were to pay the full purchase price of \$10 a year each, the total revenue from subscriptions would be \$690 a year, as against a charge of \$263,320 against the taxpayers, to say nothing of the enormous additional cost if the accumulation of orders is to be printed.

A FLAT PUBLICITY TIRE

It is obvious that with such a limited number of subscribers the Federal Register is going to be a flat tire when it comes to spreading information among the people who might be affected by governmental orders and regulations.

I will venture to say that if a diligent person were to spend an entire day canvassing from door to door, up one street and down another street, or from farmhouse to farmhouse, in any district of any Member of this House, it would be the very rarest exception when he would find any person who had any knowledge whatever of the Federal Register. I believe the answer in at least 99 cases out of 100 would be, "I never heard of it."

In the nature of things this condition will continue as long as the Register is published. It will never make even a dent. It will never serve the purpose intended because the people will never see it. Large business houses probably will see it and find it a convenience and will subscribe for it, but they have their Washington agents to keep them advised in regard to Executive orders and regulations and it is not a justification for its publication to say that it might be some accommodation to them.

A FLOWER OF BUREAUCRACY

This Federal Register does something more which we should not think of doing at the present time by creating a new bureaucratic excrescence to add to our already swollen governmental personnel, known as the Division of the Federal Register, The National Archives. The Director is a presidential appointee and draws a salary of \$4,800 a year.

I asked The National Archives to furnish me the present salary set-up of this new addition to the bureaucratic family and I received the following letter in reply:

THE NATIONAL ARCHIVES,
Washington, D. C., March 19, 1936.

Hon. LOUIS LUDLOW,
House of Representatives,
Washington, D. C.

MY DEAR MR. LUDLOW: In response to your request the titles, grades, and salaries of the employees in the Division of the Federal Register, The National Archives, are listed below:

Title	Grade	Salary
Director.....		\$4,800
Editor (The Federal Register).....	P-4	3,800
Associate attorney examiner.....	P-3	3,200
Do.....	P-3	3,200
Do.....	P-3	3,200
Assistant editor.....	P-2	2,600
Assistant attorney examiner.....	P-2	2,600
Do.....	P-2	2,600
Do.....	P-2	2,600
Clerk-stenographer.....	CAF-4	1,800
Assistant clerk-stenographer.....	CAF-3	1,620
Junior clerk-stenographer.....	CAF-2	1,620
Do.....	CAF-2	1,440
Do.....	CAF-2	1,440
File clerk.....	CAF-4	1,800
Total number of persons, 15.....		38,320

I hope this is the information you desire.
Very truly yours,

THAD PAGE,
Administrative Secretary.

Of course, if we go into the business of publishing all of the accumulated orders and regulations we may expect a rapid expansion of this division's personnel and a thriving new addition to the bureaucratic family of governmental pay-rollers.

PLEA FOR MR. COCHRAN'S BILL

On February last our colleague, Hon. JOHN J. COCHRAN, of Missouri, introduced a bill to repeal the act creating the Federal Register. In my judgment it is a wise measure and it ought not to die in committee.

I think the Committee on the Judiciary has a duty to report this repealing measure to the House so that we may take it up on the floor, in friendly spirit and with credit to the good intentions of everybody concerned, and let us have a determination and a show-down as to whether, in the judgment of the House, this publication should be continued.

PERMISSION TO ADDRESS THE HOUSE

Mr. DIES. Mr. Speaker, I ask unanimous consent to address the House for 12 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Speaker, ladies and gentlemen of the House, a few days ago I charged that the Mexican consul at Laredo was organizing Mexican aliens and Mexican citizens into Mexican labor unions or associations, either under the jurisdiction of or affiliated with the Mexican Government.

The Consul General of Mexico has denied that in a news story and challenged me to give the evidence on which I base the charges.

The issue of the Laredo Times of Sunday, March 15, which is presumably sympathetic with the Mexican Government, has this article—

Mr. BLANTON. Mr. Speaker, this speech my colleague is making is a most important one and Members ought to hear it. I make the point that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point that no quorum is present. Evidently there is no quorum present.

Mr. O'CONNOR. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 43]

Adair	Clark, Idaho	Frey	Lehibach
Allen	Connery	Fulmer	Lesinski
Amille	Cooley	Gambrill	Lord
Berlin	Cox	Gingery	Lucas
Bolton	Culkin	Gray, Ind.	Lundeen
Brennan	Daly	Greenway	McGroarty
Brewster	Darrow	Hartley	McLeod
Brooks	Dear	Hobbs	Marcantonio
Buckbee	Dempsey	Hoepfel	Marshall
Buckley, N. Y.	Dorsey	Kee	Mason
Bulwinkle	Duffey, Ohio	Keller	Miller
Cannon, Wis.	Eckert	Kennedy, Md.	Montague
Casey	Eicher	Kociakowski	Moritz
Cavichia	Evans	Lambeth	Oliver
Claiborne	Fenerty	Lee, Okla.	Owen

Perkins	Romjue	Short	Treadway
Pittenger	Rudd	Steagall	Underwood
Rabaut	Sadowski	Taylor, S. C.	Wood
Rayburn	Sandlin	Thomas	Zioncheck
Richards	Scrugham	Tinkham	
Robison, Ky.	Secrest	Tobey	
Rogers, Okla.	Seger	Tonry	

The SPEAKER. Three hundred and forty-five Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, the article from the Laredo Times, to which I referred, is as follows:

In a meeting presided over by Mexican Consul Juan E. Richer, of Laredo, between 150 and 200 laborers met Friday night at Obreros Hall, where various speakers advocated organization of a labor union to be composed of both alien and naturalized Mexicans in this area.

At this meeting laboring conditions in this country were discussed, and the attitude of President Roosevelt, the immigration department, American business interests, the Laredo Times, and other persons and agencies were severely criticized.

It was decided to continue the meeting Sunday morning at 9 o'clock at Juarez Hall for the purpose of organizing the Confederacion de Obreros Mexico-American y Mexicanos.

The meeting scored the way alien Mexicans are being treated in the United States, particularly in regard to relief.

Consul Richer, as chairman of the meeting, said:

"My object in being here tonight is to unionize all the laboring elements. The Mexican Government is controlling the labor situation very well at the present time. There is no reason why there should be any labor problems here. The laboring class must act and resolve their social conquests.

"I believe you can borrow the columns of Laredo Times in trying to form this association which you plan to organize, for it is very advantageous to all of you. The Laredo Times is always willing to help plans of this nature. It is a newspaper that has always been a friend to the Mexican people and has truthfully presented conditions in Mexico as they have occurred.

"The union is very important, because it is a better way to apply your rights, to better conditions, raise salaries, and there will be more understanding between the people. The doors of the Mexican consulate are always open to you whenever you need assistance."

Joe Jacobs, Laredo photographer, speaker, praised President Cardenas, of Mexico, saying "The only government that is for the laboring class is that of the present regime in Mexico, that of Gen. Lazaro Cardenas."

Jacobs then turned to score the United States Government by continuing: "People have claimed that the President is a great man, but, in truth, he has not done one-tenth of what could be done for the laboring class. He came out with his N. R. A., and the only ones who were benefited were the rich people. There is no need why the Mexican laboring class should be afraid of being deported to Mexico, because the Government has no right to deport them."

Jacobs then paid his respects to the immigration officials of the United States: "Whenever one of these so-called immigration officers, or other officer, call you in the street and tell you that you are wanted in his office you have a right to demand a warrant of arrest. Many people are arrested without warrants, and that is not right. We should organize for the purpose of sending a committee of about 20 or 30 or more to the immigration official that has arrested one of our own. He may get scared, and this committee can report him to Washington, and for that reason he may turn our comrade loose."

Jacobs then scored the Laredo Times as being not in sympathy with the laboring classes and for failure to put labor's side of the question in its news columns. "Take the recent building strike in New York for example. The Times had only short accounts under small headlines", he declared.

MARTINEZ NEXT

Another speaker was Emilio Martinez who admitted he is an alien. He praised Consul Richer for being present and said "up to this time the Mexican consulate has been useless in Laredo."

The speaker then spoke of relief matters in which aliens of Mexico in this country were affected. "Take for example the relief office. Most of the time we are denied relief on the ground that we are Mexican citizens and for that reason they tell us we have no rights at all. We cannot go on living on the present minimum wage standard they have imposed upon us now. We have to do something and that is to organize a union.

"There is only one government in the whole world that is protecting the rights of the laboring class and that is

the Government of Gen. Lazaro Cardenas of Mexico", Martinez said.

A man by the name of Cruz made a short speech and said the union strike last year had failed but urged the people to make a second strike and more until their demands were fulfilled.

The other speaker was Maximino Jaurez who told of how a similar organization had been organized in San Antonio as proposed here. This was for all Mexicans, alien and naturalized, to band together to get better wages in this country and to otherwise relieve what he termed were unbearable economic and social conditions.

Mr. MAVERICK. And it was the Mexican Consul who said that?

Mr. DIES. A Mexican Consul presided over this meeting. I am reliably informed that this Consul stated to the meeting that he was acting upon instructions received by him from his Government. I have received letters from American citizens there inquiring why it is possible for a Mexican Consul to be in the United States organizing Mexican aliens and Mexican citizens, to make it possible for them to affiliate with the Mexican labor unions. The following letter is very apropos, coming from a citizen from Laredo, whose name I will not divulge for obvious reasons:

DEAR CONGRESSMAN DIES: I am writing to call your attention to some incidents that are being promulgated by aliens in this land of ours. I also will state that all red-blooded Americans, citizens of this part of the State, are in full accord with your immigration bill, and you may rest assured of receiving their loyal support.

May I ask by what right has the Mexican consul (as per Laredo Times I mailed you) here to organize the Mexican alien labor, and that along communistic lines. He says it is "to fight for their rights." Do we not have rights as American citizens? Should not ours be first so considered? Who pays the bill?

Enclosed you will also find some very fine clippings by Lieutenant Colonel Waugh, who gives something worth while. With this and the other in consideration, may I suggest as a further aid to us working people (if such can be done) that all immigration be suspended as well as naturalization to those with more than 2 to 5 years' residence in our country who have made no effort to obtain their papers of citizenship. If this can be done, it will prevent millions of undesirables from taking out papers in order to escape deportation.

Why cannot a law be enacted similar to the labor laws of Mexico whereby they favor their own nationals? Why cannot we have a law giving 90 percent of all labor to our citizens? More than 60 percent of the population in Laredo are Mexican aliens, and they always get preference by many of the employers, for they work them cheaper. Also, these employers stand for seasonal immigration, because they pay from one-half to one-third less, yet it takes bread out of the mouth of the Mexican-American and the American citizen because they cannot work for the price.

We have several hundred aliens who commute daily from Nuevo Laredo and work in our stores. The aliens on this side are on the relief and tell us we have to take care of them. (According to Mr. Russell's article in a recent Saturday Evening Post, 70 percent of our relief are aliens.) Let me see you get anything across the Rio Grande. We have them on jobs from which they are prohibited, but little attention is paid when this is shown the authorities in charge here. Anything you can do will be appreciated.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. BLANTON. We have been in session continuously now since January 3. March is almost gone. Why is it the gentleman's bill cannot get action in the Committee on Immigration and Naturalization?

Mr. DIES. Evidently because the committee is not favorable to the bill. That is the reason I put the bill on the Clerk's desk, asking the membership to sign it so that we can get consideration. Another reason is because the House has passed two of my immigration and deportation bills which died in the Senate. Many Members feel like it is futile to continue to pass these bills when they are sidetracked in the other body.

Mr. BLANTON. And that is the only way you ever will get consideration of it here in the House. That requires 218 Members to sign the gentleman's petition, and I hope that they will sign the petition to help us get it out of the committee.

Mr. STUBBS. Mr. Speaker, will the gentleman yield?

Mr. DIES. Yes.

Mr. STUBBS. I have introduced an alien employment bill that will do the very thing that the man who wrote that letter asks. I have also introduced a bill to amend the Immigration Act of 1920, which will do the work that we are after.

Mr. BLANTON. But we are not going to get any bill out of that committee unless the Members of the House take it up in the way of a petition.

Mr. DIES. I call the attention of the House to these further facts, which appear in the Washington Herald of Sunday, February 9, 1936:

Representative Kent H. Redwine, of California, declares that the cost to Los Angeles County alone of unemployed and unemployable aliens is \$6,000,000 a year, and he adds that "3,000 Mexicans are being kept on charity rolls only 5 miles north of the border of their own country."

The magazine Today found 3,000 Mexicans on relief in Imperial Valley alone. In Kern County, Calif., there are twice as many Mexicans as all other nationalities, and almost all aliens. In 1933, the California Joint Immigration Commission found 1,000,000 Mexicans living in that State.

It has cost the Government \$400,000 to support 2,500 Mexicans in Ray, the Miami-Globe district, and Superior, Ariz., since mines there closed permanently in 1932. They could have been deported for \$5 a head, or \$12,500.

During the depression of 1921, the Harding administration sent 6,000 Mexicans home from this district, and 40,000 from Arizona as a whole. Now with conditions 10 times as bad, the Government taxes the people of the State to carry this unwanted alien burden.

Half of all relief in Arizona goes to Mexicans. In Laredo, Tex., three-quarters of those on relief were Mexicans.

Mexico has a population of 16,000,000. More than 2,000,000 Mexicans get their living in dollars, in jobs or on relief. No wonder President Cardenas could boast, "No hay depression en Mexico!"

Mr. Speaker, I think the State Department ought to call upon the Mexican Government for an explanation of the fact that a consul of the Mexican Government is in the State of Texas organizing Mexicans, both citizens and aliens, along communistic lines. I want to inquire by what right the Mexican Government comes into the State of Texas or into the State of California or any other State to organize Mexican citizens or Mexican aliens at meetings where speakers criticize the Government of the United States and the manner in which we are administering relief? It is said that aliens are not properly being cared for. There are 1,500,000 aliens on public and private relief in the United States. When they talk about the American Government not being fair to aliens, they fail to take into account that the other countries of the world refuse to permit any of our citizens to be on their relief rolls, and under the laws that exist in these countries American citizens now are not permitted to work anywhere within their borders until the employer who proposes to employ American citizens can prove that he has more jobs than he has native citizens to fill them. That is the law of France, of Germany, of England, of practically every country. The Mexican Government requires 90 percent of all labor on a given job to be native Mexican citizens, and yet that same government, with its communistic leanings, has the audacity to come to the United States and undertake to put into effect the communistic and subversive doctrines and principles they are establishing in the Mexican Republic. [Applause.]

It does seem to me, while I am not in favor of interfering with the internal affairs of Mexico, this is a case where the Mexican representative is taking advantage of our hospitality. President Cardenas, who has been praised so much recently, said, "We have no unemployment problem in Mexico." It is no wonder. We have 2,500,000 Mexican aliens and citizens in the Southwest who are earning their livelihood from jobs that Americans should fill and would fill if we had the same laws they have.

The SPEAKER. The time of the gentleman from Texas [Mr. Dies] has expired.

FLOOD CONTROL

Mr. WALLGREN. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WALLGREN. Mr. Speaker, the past week with its devastating floods should awaken Congress to the need of Federal action immediately not only to minimize the losses that might be sustained in the future through a recurrence of a major flood catastrophe but to reduce flood losses that occur regularly in every section of the United States.

It would be foolish to say that all of the loss that has been sustained through floods of the past week could have been prevented. However, there is no question in my mind that had we embarked on a flood-control program a few years ago, the resulting damages would have been minimized to a considerable extent.

The House of Representatives, during the closing hours of the last session, passed a flood-control bill covering projects in every section of the United States. Sponsors of these projects, who are sincere in their desires, were forced to listen to arguments branding the bill as a "pork barrel" measure. Members of Congress from districts affected by floods know the seriousness of the problem, and naturally resent the implications that they are sponsoring projects without merit.

During the debate on this measure it was noticed that provisions were made for the control of floods on streams that had never been brought to the attention of Congress. These same streams today are swollen and breaking their banks to cause great property damage along with the subsequent soil erosion which takes place as the waters subside.

Heretofore the War Department has only considered flood control when incidental to navigation improvement. The Mississippi River and some others have received attention on their flood problems. Now, however, what we need is a comprehensive program which will regulate the floodwaters in many localities.

When cities the size of Pittsburgh are pitched into darkness, when transportation and industry are paralyzed, when lives are lost, when damages run beyond possibility of estimate, when we see disease and pestilence follow in the wake of flood—then, and not till then, do we think of precautionary measures. This Congress must adopt a comprehensive flood-control policy for the protection of lives and property and national resources. No project should be ignored where steps can be taken to prevent such loss.

The President, in his acceptance speech at Chicago, and many times since, has shown his recognition of this problem. Congress, however, has taken a "let George do it" attitude. We have spent billions on projects that cannot measure up in constructive merit with such a program. We have manicured highways, raked leaves, and done other similar work to relieve the distress of the unemployed. Why not spend this money in a more constructive manner? The unemployed are here, the need is here to protect life and property.

The House has done its part in passing last year the \$300,000,000 flood-control bill after careful consideration of each project by the Flood Control Committee, of which I am a member. This bill is now before the Senate for consideration.

There has been some question in this past as to whether or not full responsibility for the control of these rivers should be placed upon the Federal Government. The present policy of giving Federal aid to relieve unemployment takes care of that question.

We find today that the War Department through the Corps of Engineers has made 74 miscellaneous flood-control investigations in all parts of the country. On the other hand, we find that only five flood-control projects have been adopted by Congress and that two of these are in Alaska.

This appears to be rather a futile attack on our flood-control program. It seems apparent that some 74 rivers are in need of flood control. How are we going to meet this obviously presented question?

It is my belief that we should work out a plan where the Federal Government would match money in a cooperative effort with the individual States. A plan similar to the one now in effect with our road-building program.

This may be the final solution. However, I wish to call the attention of the House to the fact that we have passed

a bill that now awaits Senate action. Its passage would go a long way toward flood control as well as unemployment relief. [Applause.]

Mr. BLANTON (interrupting the remarks of Mr. WALLGREN). Mr. Speaker, this flood-control question is so important that I think the absent Members ought to know about it; hence I make a point of no quorum.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-one Members are present, not a quorum.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 44]

Adair	Dorsey	Kennedy, Md.	Romjue
Allen	Duffey, Ohio	Kocialkowski	Rudd
Amble	Eaton	Kvale	Sanders, La
Berlin	Eckert	Lambeth	Sandlin
Bolton	Evans	Lehibach	Sears
Brennan	Farley	Lewis, Md.	Secrest
Brooks	Fenerty	McGroarty	Seger
Buckbee	Fish	McLeod	Short
Buckley, N. Y.	Fulmer	McMillan	Sisson
Bulwinkle	Gambrell	McSwain	Smith, Conn.
Cannon, Wis.	Gasque	Marcantonio	Stack
Casey	Gingery	Mason	Steagall
Cavichia	Goldsborough	May	Stewart
Claiborne	Gray, Ind.	Merritt, Conn.	Taylor, S. C.
Clark, Idaho	Gray, Pa.	Montague	Thomas
Clark, N. C.	Greenway	Moran	Tinkham
Cochran	Hancock, N. C.	Moritz	Tobey
Collins	Hartley	Oliver	Tonry
Cross, Tex.	Higgins, Conn.	Pearson	Treadway
Culkin	Hill, Samuel B.	Perkins	Underwood
Daly	Hobbs	Pettengill	Wolcott
Darrow	Hoepfel	Risk	Wood
Dear	Kee	Robison, Ky.	Zioncheck
DeRouen	Keller	Rogers, Okla.	

The SPEAKER. Three hundred and thirty-five Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

COMMITTEE ON THE JUDICIARY

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have permission to sit during the sessions of the House this week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ARMY AIR CORPS AND FLOOD CONTROL

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. Mr. Speaker, I have just prepared and expect to submit to the House today a unanimous report of the Committee on Military Affairs on the bill H. R. 11140, to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States. I ask the Members of this House, Mr. Speaker, to thoroughly examine that report and see the situation that the Army Air Corps is in today. I also ask you to consider something that you will not find in that report, but as you look at the newspaper this morning, on the front page of the Washington Post you will see a picture of a fine young man, a captain in the Army of the United States—Capt. Samuel P. Mills, of the Army Air Corps. On last Friday he started for New Hampshire with my colleague from New Hampshire [Mr. TOBEY], who is now serving his second term as a member of the Flood Control Committee. Captain Mills took the gentleman from New Hampshire [Mr. TOBEY] to Boston, and on his return yesterday his machine went wrong, he crashed, and was killed. He was only 42 years of age, and he leaves a widow with two children, 10 and 7 years of age.

On the 1st day of this month I went to New Hampshire in an Army plane. It took several hours to get that machine in condition to take off at Bolling Field. This ship in which

Captain Mills crashed and was killed I find, after inquiry, to have been an O-38-B observation Douglas plane—a 1931 airplane. Army experts say that when planes get to be 5 years of age they are no good for military purposes; yet today, with only approximately 20 to 25 planes in the Army Air Corps at Bolling Field, we have from 90 to 100 pilots operating those planes. How under heaven, with the best mechanical force in the world, could those machines be kept in proper condition when there are 100 pilots operating a score of planes?

I ask you to have these things in mind when you consider that bill which I am now reporting unanimously from the Committee on Military Affairs.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of New Hampshire. Very briefly.

Mr. RANDOLPH. Is it not a fact also that the chairman of the Committee on Military Affairs of this House, with several members of that committee, on their recent trip to the funeral of the late General Mitchell, former Chief of the Army Air Corps, were forced down at Winchester, Va., on account of poor equipment?

Mr. ROGERS of New Hampshire. I understand that to be the fact. The Assistant Secretary of War, the Honorable Harry H. Woodring, told a subcommittee of the House Committee on Appropriations on January 16 that under our present policy of appropriations the Army Air Corps will have approximately 777 planes in its possession on July 1 of this year.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield briefly.

Mr. TABER. Is the fault on account of some failure to act on the part of Congress, or is it the fault of the executive personnel of the War Department?

Mr. ROGERS of New Hampshire. It was once very largely the fault of the executive personnel of the War Department, but I say to my distinguished friend that we in the Military Affairs Committee believe that we have corrected that fault, and that today the trouble lies in the fact that there are so many in the Air Corps personnel without sufficient machines for them to use, because we do not give them the money with which to get the machines.

Mr. TABER. Why?

Mr. ROGERS of New Hampshire. Because the Congress has long failed to appropriate sufficient funds with which to get the machines.

Mr. TABER. Why, if my colleague will yield further, if the executive end is what it should be, should they allow planes to go out that are not in proper condition?

Mr. ROGERS of New Hampshire. Because planes 5 years old are supposed to be fit to run, but not for military purposes; and as I say we see in a condition like this, with planes 4 or 5 years old, a demonstration that they are not only unfit for military purpose but are not fit to be used at all with reasonable assurance of safety. The sooner we give them money to get new planes which can be safely used the sooner we will begin saving the lives of American citizens.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of New Hampshire. I yield for a brief question.

Mr. BLANTON. From Hawaii last September my committee sent a telegram to the Public Works Administration calling attention to the fact that the terrain at Luke Field was so rough to all Army planes landing there that it was costing us \$120,000 a year in damage to planes alone, not considering human life. We asked the Administrator to allot money there to put proper all-weather aprons down, and stop this great damage and menace to human life, but not a single dollar did he allot. Instead he spent it here for tin-can starling-scaring operations in Washington.

Mr. ROGERS of New Hampshire. Mr. Speaker, I refuse to yield further. I have just started on this proposition. I will discuss it more fully on the bill, which I am about to report, and for which we ask your support to provide sufficient new planes for the Army Air Corps.

There were two matters which I desired to present to you this morning briefly; one is the problem of national

defense, as reflected in the Army Air Corps, and the other is national flood control. This plane in which Captain Mills was killed was sent north—and I think perhaps under the circumstances of the desire of my colleague from New Hampshire to get home, they perhaps would send out a plane that under some circumstances would not have been permitted to leave the ground; but even so, this poor pilot is dead.

Coming now to flood control, what happened not only throughout New England, but in many other States of the Nation? We find millions of dollars of wreckage in the city of Manchester and State of New Hampshire. The largest textile plant in the country is wrecked and washed out, bridges are gone, mills are gone, houses, stores, and schools are gone because of the ravages of the Merrimack River throughout the State of New Hampshire.

Over a year ago, on February 27, 1935, I introduced a bill in this House known as H. R. 6233 to provide for flood control of the Merrimack River. My law office is on the shore of the Merrimack. I know the conditions of this river; and when my attention was called to the report made to the Secretary of War, Patrick J. Hurley, back in 1930, by the Office of the Chief of Engineers of the Army, I knew then how much chance I stood to get any favorable action on that bill. Let me show you, Mr. Speaker, how things are done in situations of this kind. Here is the Merrimack going over its banks through New England, destroying millions of dollars' worth of property with homes, mills, bridges, and highways complete washouts; yet in 1927 we had a flood there and an inspection was made by the Office of the Chief of Army Engineers in 1927, and report submitted in 1930, known as House Document No. 308 of the Sixty-ninth Congress. What is said of the Merrimack River? I will read extracts from it to you:

The Merrimack River has its source in central New Hampshire, flows south into Massachusetts, and thence east through the northeastern corner of that State, and enters the Atlantic Ocean at Newburyport, Mass.

Floods of a damaging nature are rare, the river overflowing its banks only about once in 20 years. The unusual flood of 1927 was the most destructive of record, the damages being estimated at \$2,365,000.

Bearing in mind the millions of dollars of damage done there at this time I call your attention to the following:

The Merrimack River, the fourth largest stream in New England, begins at Franklin, N. H., and is formed by the junction of the Pemigewasset and Winnepesaukee Rivers. The former rises in the White Mountains, where the headwaters elevation is about 2,000 feet, and the latter is the outlet of the Winnepesaukee Lake system. From Franklin the Merrimack flows south through New Hampshire for about 65 miles to the northern boundary of Massachusetts, where it turns abruptly to the east and flows parallel to this boundary and a few miles distant from it until it reaches tide-water about 2 miles above Haverhill.

Now I come to the important part of this document which we are asked to consider. I ask you to give it your conscientious and careful attention:

The disastrous flood of November 1927, due to the mutual interference of two storms, seems to have been without parallel in the records of western New England as regards rapid precipitation.

[Here the gavel fell.]

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. ROGERS of New Hampshire. I continue reading from this report, and ask your careful attention to the following:

The investigation has gone far enough to indicate that on a basis of the limited data available a similar rainfall may not happen on an average oftener than once in 500 years, and under certain assumptions not oftener than once in 1,000 years.

This is the type of report we got from the Army engineers after their examination of the river. We who live near it know it overflows and that such a statement cannot be based on accurate information; and the proof of it is what we see in the papers this morning and what we saw in the papers last week.

The Chief of Engineers of the Army further said:

The probabilities for an extreme flood throughout the whole valley appear, therefore, to be remote.

May I say that, knowing the conditions elsewhere and appreciating the language employed in this report, I asked the Chief of Engineers to have another survey and another report made and received a promise from him that such a survey and report would be made. In the face of conditions now existing in New Hampshire and New England, Mr. Speaker, I do not fear what that report will be. May I ask that we work together for a system here that will provide for examination of all these flood areas and that the Federal Government cooperate with the States in order to prevent such future damage?

[Here the gavel fell.]

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include certain parts of a small article which appeared in the New York Times of Sunday, March 22, by Senator ROBERT F. WAGNER, with reference to this flood-control situation.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

The matter referred to is as follows:

By ROBERT F. WAGNER, Senator from New York

WASHINGTON, March 21.—The floods now devastating the country lend a costly and tragic emphasis to the need for Federal flood control. While our first thought naturally is to relieve the suffering and distress of the emergency, there must be no delay in effecting a coordinated system of flood control for the Nation.

Floods pay no attention to jurisdiction. They are no respecters of States' rights. Nor do they consider the capacity to pay of the man whose house or factory they invade.

This problem of flood control has the compelling insistence of emergency. Not because of the present disaster—that horse is stolen from the barn—but because, until adequate control works are constructed, these many areas are danger zones and a large number of our people are in jeopardy.

The agency to meet an emergency, where there is any question of responsibility, should be selected on the basis of efficiency. Where the physical problem transcends the boundaries of local governments or States the Federal Government stands as the logical agent.

In flood control the interstate course of the water combines with the interstate scope of the damage done, through the halting of public services and the interruption of traffic and communication, to invoke Federal action. This is strikingly illustrated today in the Pittsburgh tie-up.

HELD A PUBLIC-WELFARE NEED

Because of the multiple uses of water, for power, for transportation, for industry, for sanitation, and consumption, and because of the complex and far-reaching results when its control is neglected, the public welfare demands that this problem be promptly and comprehensively met.

In practice and by the terms of the Constitution, the Federal Government is accountable for the general welfare. It is also true that Federal action in this matter requires full cooperation on the part of the States and local governments.

New forms of regional agencies are being tried to achieve this coordination—the New England Council, the Ohio River Board of Health, the Port of New York Authority. Flood-control problems vary with the physical, social, and economic characters of the regions affected, and methods of achieving Federal, State, and interstate cooperation may be suited to the special problems involved. The principle remains, however, that the Federal Government should act.

Now is the acceptable time. Much has already been done in engineers' surveys, in planning, and in P. W. A., where, as of January 1, 1936, \$12,176,533 has been granted to projects aimed at flood control. The Mississippi River and its tributaries have long been the object of Federal flood-control efforts.

Planned national conservation is the stitch in time. Money spent now on public works, even if the Government must borrow and pay interest thereon, will earn for the citizens of the country freedom from these sudden and devastating losses. In a few tragic days many times the cost of control works can be washed from the taxpayers' pockets and swept downstream.

RELIEF ANGLE CALLED TIMELY

Conservation is making steady progress as our approved public policy. Now its extension to water in the form of flood control should be given the attention of the American people, who already heartily endorse the forest and wildlife conservation activities of the Government.

Flood control is not relief, not a temporary means of providing employment, not the rebuilding of destroyed public works. It is the construction and maintenance of certain works, dams, levees, channel improvements, and reservoirs, according to plans which consider the ultimate maximum development of the affected areas,

their waters, and their lands, for the benefit of their people, present and future.

Indirectly, of course, such works do provide employment and consume materials, which is not to be overlooked in these times. These works will provide relief, relief from the danger of repetition of the present disaster.

But it cannot be too plainly stated that the Federal program of flood control which I am urging is no temporary expedient, no stopgap, but a most proper action of the Federal Government in meeting its responsibilities to the American people. With the experience of the past, the sad emphasis of the present catastrophe, and the avowed interest of the administration in public works, surely now is the time to adopt a comprehensive program of flood control for the Nation.

WHY THE 10-PERCENT-PROFITS LIMITATION AMENDMENT SHOULD REMAIN IN THE WAR DEPARTMENT APPROPRIATION BILL

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include some statistics and data with regard to aircraft construction and our system of procurement at the present time.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, the Members of the House, I am sure, have listened with much interest to the remarks of the gentleman from New Hampshire [Mr. ROGERS] and his description of the unfortunate accident that occurred yesterday in the crash of Capt. Samuel P. Mills on his return from Boston to Washington in an Army plane.

We should not, however, become confused by these continuous crashes of Army planes. We remember these crashes occurred regularly when the Army made a feeble effort to carry the air mail, and unfortunately they have continued since then. We should look carefully to the cause of these crashes and then remedy the cause if we are to be able to stop so many unfortunate accidents. The cause of these crashes is due largely to faulty equipment and faulty procurement methods in securing this equipment.

TEN-PERCENT-PROFITS LIMITATION AMENDMENT

The Senate today has just voted to take out of the House War Department appropriation bill, H. R. 11035, the 10-percent-profits limitation amendment unanimously inserted in this bill on the floor of the House on February 14 while this bill was being considered in the House. The principle reason urged for the elimination of this amendment is that we already have keen competition in our procurement methods of aircraft and that further limitation of profits would jeopardize our aircraft-procurement method. The best answer to these statements is to look at the record and see what it shows.

NINETY-TWO PERCENT OF AIRCRAFT PURCHASED WITHOUT COMPETITION

According to the contracts on file in the Comptroller's office, of both Army and Navy for all aircraft and accessories purchased from 1926 to 1934, the Comptroller's records show that 92 percent of these contracts on file in his office were let without competitive bids. The Army covering this period purchased \$57,346,098, of which \$3,336,664 was purchased with competitive bidding, or 92 percent purchased without competitive bidding. The Navy purchased \$53,026,614, of which \$5,901,051 was purchased through competitive bidding, or 91.3 percent of the Navy's aircraft equipment was purchased without competitive bidding.

The decisions by the Judge Advocate General's Departments of both Army and the Navy since the Aircraft Act of 1926 became effective to date have continuously held that section 10K of this act, through which most of the violations occur, requires competition in procurement, yet the procurement division has almost continuously disregarded the aircraft law on procurement. From July 1926 through December 1933 the Army bought 4,245 engines and 1,857 planes. According to the Comptroller's office, only two of these engines were purchased through proper competitive methods. Covering the same period, the Navy bought 3,158 engines, 103 through competition, and 1,076 airplanes; of this 4,245 engines purchased by the Army 2,492 were bought from the Pratt & Whitney Co., 1,740 from Wright Aeronautical, and only 13 engines from all other engine manufacturers in the United States. The Navy purchased 2,149 engines from

Pratt & Whitney Co., 973 from Wright Aeronautical, and 36 from all others. In all fairness to both the Army and the Navy, since our investigations and reports were made it may be said that since December 1933 both Departments have purchased a few engines from others than the two principal engine-manufacturing concerns of the United States as above shown.

THE PROCUREMENT LAW

So that you may understand the procurement methods involved, and how the War Department is violating same let me quote the law, then the testimony of the Department officials, and then the decisions of the Comptroller's Department showing violation of the law.

The Aircraft Act of 1926, which has been repeatedly violated since its enactment on procurement, reads as follows:

SEC. 10. (a) That in order to encourage the development of aviation and improve the efficiency of the Army and Navy aeronautical matériel the Secretary of War, or the Secretary of the Navy, prior to the procurement of new designs of aircraft, or aircraft parts, or aeronautical accessories, shall, by advertisement for a period of 30 days in at least three of the leading aeronautical journals and in such other manner as he may deem advisable, invite the submission in competition, by sealed communications, of such designs of aircraft, aircraft parts, and aeronautical accessories, together with a statement of the price for which such designs in whole or in part will be sold to the Government.

(b) The aforesaid advertisement shall specify a sufficient time, not less than 60 days from the expiration of the advertising period, within which all such communications containing designs and prices therefor must be submitted, and all such communications received shall be carefully kept sealed in the War Department or the Navy Department, as the case may be, until the expiration of said specified time, and no designs mailed after that time shall be received or considered. Said advertisement shall state in general terms the kind of aircraft, parts, or accessories to be developed and the approximate number or quantity required, and the Department concerned shall furnish to each applicant identical specific detailed information as to the conditions and requirements of the competition and as to the various features and characteristics to be developed, listing specifically the respective measures of merit, expressed in rates per centum, that shall be applied in determining the merits of the designs, and said measures of merit shall be adhered to throughout such competition. All designs received up to the time specified for submitting them shall then be referred to a board appointed for that purpose by the Secretary of the Department concerned and shall be appraised by it as soon as practicable and report made to the Secretary as to the winner or winners of such competition. When said Secretary shall have approved the report of said board, he shall then fix a time and place for a public announcement of the results and notify each competitor thereof; but if said report shall be disapproved by said Secretary, the papers shall be returned to the board for revision or the competition be decided by the Secretary, in his discretion, and in any case the decision of the Secretary shall be final and conclusive. Such announcement shall include the percentages awarded to each of the several features or characteristics of the designs submitted by each competitor and the prices named by the competitors for their designs and the several features thereof if separable.

(c) Thereupon the said Secretary is authorized to contract with the winner or winners in such competition on such terms and conditions as he may deem most advantageous to the Government for furnishing or constructing all of each of the items, or all of any one or more of the several items of the aircraft, or parts, or accessories indicated in the advertisement, as the said Secretary shall find that in his judgment a winner is, or can within a reasonable time become, able and equipped to furnish or construct satisfactorily all or part, provided said Secretary and the winner shall be able to agree on a reasonable price. If the Secretary shall decide that a winner cannot reasonably carry out and perform a contract for all or part of such aircraft, parts, or accessories, as above provided, then he is authorized to purchase the winning designs or any separable parts thereof if a fair and reasonable price can be agreed on with the winner, but not in excess of the price submitted with the designs.

(d) After contract is made, as authorized by any provision of this section, with a winner in such design competition for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories in accordance with his designs and payment is completed under said contract, and after the purchase of and payment for the designs or separable parts thereof of a winner, as authorized herein, with whom a contract shall not have been made for furnishing or constructing aircraft, aircraft parts or aeronautical accessories in accordance with his designs, then in either case any department of the Government shall have the right without further compensation to the winner to construct or have constructed according to said designs and use any number of aircraft or parts or accessories, and sell said aircraft or parts or accessories according to law as condemned material: *Provided*, That such winner shall, nevertheless, be at liberty to apply for a patent on any features originated by him, and shall be entitled to enjoy the exclusive rights under such patent as he may obtain as against all other persons except the United States Government or its assignee as aforesaid.

(e) The competitors in design competition mentioned in this section shall submit with their designs a graduated scale of prices

for which they are willing to construct any or all or each of the aircraft, aircraft parts, and aeronautical accessories for which designs are submitted, and such stated prices shall not be exceeded in the awarding of contracts contemplated by this section.

(f) If the Secretary of War or the Secretary of the Navy shall find that in his judgment none of the designs submitted in said competition is of sufficient merit to justify the procurement of aircraft, aircraft parts, or aeronautical accessories in accordance therewith, then he shall not be obligated to accept any of such designs or to make any payment on account of any of them. If the Secretary of the Department concerned shall decide that the designs submitted by two or more competitors possess equal merit or that certain features embodied in the designs of any competitor are superior to corresponding features embodied in the designs of any other competitor and such features of one design may be substituted in another design, the said Secretary shall in his discretion divide the contracts for furnishing and manufacturing the aircraft, parts, or accessories required equitably among those competitors that have submitted designs of equal merit, or he may select and combine features of superior excellence in different designs in such manner as may in his judgment best serve the Government's interests and make payment accordingly to the several competitors concerned at fair and reasonable prices, awarding the contract for furnishing or constructing the aircraft, parts, or accessories to the competitor or competitors concerned that have the highest figures of merit in said competition.

(g) In case the Secretary of War or the Secretary of the Navy shall be unable to make contract as above authorized with a winner in said completion for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories covered by the whole or part of the designs of such winner, or shall be unable to agree with a winner in the competition on a reasonable purchase price for the design of such winner with whom a contract may not be made, as aforesaid, he may retain such designs and shall advertise according to law for proposals for furnishing or constructing aircraft, or parts or accessories, in accordance with such designs or combinations thereof as aforesaid and, after all proposals are submitted, make contract on such terms and conditions as he may consider the best in the Government's interests, with the bidder that he shall find to be the lowest responsible bidder for furnishing or constructing the aircraft, parts, or accessories required, but the said Secretary shall have the right to reject all bids and to advertise for other bids with such other and different specifications as he may deem proper.

(h) If within 10 days after the announcement of the results of said competition any participant in the competition shall make to the Secretary of War or the Secretary of the Navy a reasonable showing in writing that error was made in determining the merits of designs submitted whereby such claimant was unjustly deprived of an award, the matter shall at once be referred by the Secretary of the department concerned to a board of arbitration for determination and the finding of such board shall, with the approval of the said Secretary, be conclusive on both parties. Such board of arbitration shall be composed of three skilled aeronautical engineers, one selected by the said Secretary, one by the claimant, and the third by those two, no one of whom shall have been a member of the board of appraisal in that competition.

(i) Any person, firm, or corporation that shall complain that his, their, or its designs hereafter developed relating to aircraft or any components thereof are used or manufactured by or for any department of the Government without just compensation from either the Government, or any other source, may within 4 years from the date of such use file suit in the Court of Claims for the recovery of his reasonable and entire compensation for such use and manufacture after the date of this act.

(j) Only citizens of the United States, and corporations of which not less than three-fourths of the capital stock is owned by citizens of the United States, and of which the members of the boards of directors are citizens of the United States, and having manufacturing plants located within the continental limits of the United States shall be eligible to be awarded any contract under this section to furnish or construct aircraft, aircraft parts, or aeronautical accessories for the United States Government, except that a domestic corporation whose stock shall be listed on a stock exchange shall not be barred by the provisions of this section unless and until foreign ownership or control of a majority of its stock shall be known to the Secretary of War or the Secretary of the Navy, as the case may be, and no aliens employed by a contractor for furnishing or constructing aircraft, or aircraft parts, or aeronautical accessories for the United States shall be permitted to have access to the plans or specifications or the work under construction or to participate in the contract trials without the written consent beforehand of the Secretary of the Department concerned.

(k) The Secretary of War or the Secretary of the Navy may at his discretion purchase abroad or in the United States with or without competition, by contract, or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and if as a result of such procurement new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may enter into contract, subject to the requirements of paragraph (j) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provisions of paragraphs (a) to (e), inclusive, hereof.

(l) The manufacturing plant, and books, of any contractor for furnishing or constructing aircraft, aircraft parts, or aeronautical accessories for the War Department or the Navy Department, or such part of any manufacturing plant as may be so engaged, shall at all times be subject to inspection and audit by any person designated by the head of any executive department of the Government.

(m) All audits and reports of inspection, made under the provisions of this section, shall be preserved by the Secretary of War or the Secretary of the Navy, as the case may be, for a period of 10 years, and shall be subject to inspection by any committee of Congress, and the said Secretaries shall annually make a detailed and itemized report to Congress of all the departments' operations under this section, the names and addresses of all competitors, and of all persons having been awarded contracts and the prices paid for aircraft purchased and the grounds and reasons for having awarded such contracts to the particular persons, firms, or corporations, and all such reports shall be printed and held subject to public distribution.

(n) Every vendor of designs to the War Department or the Navy Department under the provisions of this section, and every contractor for furnishing or constructing for the War Department or the Navy Department, or both, aircraft or aircraft parts or aeronautical accessories, shall deliver to the Secretary of War or Secretary of the Navy, or both, when required by either or both, a release in such form and containing such terms and conditions as may be prescribed by the Secretary of War, the Secretary of the Navy, or both, of claims on the part of such vendor or contractor against the United States arising out of such sale or contract, or both.

(o) All or any appropriations available for the procurement of aircraft, aircraft parts, or aeronautical accessories, for the War Department or the Navy Department shall also be available for payment of the purchase price of designs and the costs of arbitration as authorized by this section.

(p) Any collusion, understanding, or arrangement to deprive the United States Government of the benefit of full and free competition in any competition authorized by this section, or to deprive the United States Government of the benefit of a full and free audit of the books of any person, firm, or corporation engaged in carrying out any contract authorized by this section, so far as may be necessary to disclose the exact cost of executing such contract, shall be unlawful, and any person, firm, or corporation that shall, upon indictment and trial, be found guilty of violating any of the provisions of this section shall be sentenced to pay a fine of not exceeding \$20,000 or to be imprisoned not exceeding 5 years, or both, at the discretion of the court.

(q) In the procurement of aircraft constructed according to designs presented by any individual, firm, or corporation prior to the passage of this act, which designs have been reduced to practice and found to be suitable for the purpose intended, or according to such designs with minor modifications thereof, the Secretary of War or the Secretary of the Navy, when in his opinion the interests of the United States will be best served thereby, may contract with said individual, firm, or corporation at reasonable prices for such quantities of said aircraft, aircraft parts, or aeronautical accessories as he may deem necessary: *Provided*, That the action of the Secretary of War or the Secretary of the Navy in each such case shall be final and conclusive.

(r) A board to be known as the patents and design board is hereby created, the three members of which shall be an Assistant Secretary of War, an Assistant Secretary of the Navy, and an Assistant Secretary of Commerce. To this board any individual, firm, or corporation may submit a design for aircraft, aircraft parts, or aeronautical accessories, and, whether patented or unpatentable, the said board, upon the recommendation of the National Advisory Committee for Aeronautics, shall determine whether the use of such designs by the Government is desirable or necessary, and evaluate the designs so submitted and fix the worth to the United States of said design, not to exceed \$75,000. The said designer, individual, firm, or corporation may then be offered the sum fixed by the board for the ownership or a non-exclusive right of the United States to the use of the design in aircraft, aircraft parts, or aeronautical accessories, and upon the acceptance thereof shall execute complete assignment or nonexclusive license to the United States: *Provided*, That no sum in excess of \$75,000 shall be paid for any one design.

(s) The terms "winner" or "winners" as used in this section shall be construed to include not more than three competitors having the highest figures of merit in any one competition.

(t) Hereafter whenever the Secretary of War or the Secretary of the Navy shall enter into a contract for or on behalf of the United States for aircraft, aircraft parts, or aeronautical accessories, said Secretary is hereby authorized to award such contract to the bidder that said Secretary shall find to be the lowest responsible bidder that can satisfactorily perform the work or the service required to the best advantage of the Government; and the decision of the Secretary of the Department concerned as to the award of such contract, the interpretation of the provisions of the contract, and the application and administration of the contract shall not be reviewable, otherwise than as may be therein provided for, by any officer or tribunal of the United States except the President and the Federal courts.

You will note from reading the above law that sections 10a to 10e accurately provide open competition in procurement of new designs of aircraft and accessories through

advertisement in aeronautical journals for a period of not less than 30 days. It provides further methods of purchase and payment by the Government for such designs through competition. Section k provides how the Government may purchase for experimental purposes such aircraft, and so forth, if necessary. This section has been one of the most controversial of the entire Aircraft Act because of the large number of purchases and large amounts of such purchases made for experimental purposes. Then, under section q, all aircraft concerns having patents on same which they can show were reduced to practice and found suitable prior to July 2, 1926, when the Aircraft Act became effective, have a governmental patent monopoly; and no one, of course, can compete with them on their products. Under section t, which usually works closely in connection to section k—after the experimental stage is supposed to have passed—the Secretary of War or Navy are allowed to purchase such aircraft or accessories in quantity lots from what they term the lowest responsible bidder, and the decisions of each Secretary for the Department is final. Time has sworn that section t has been the most important section of the Aircraft Act insofar as change and procurement methods are concerned, for it has taken out from under the Comptroller's office the right to finally pass upon the legality of all such contracts and has turned over to the Secretary of War and the Secretary of the Navy the final right to say whether or not the provisions of the contract have been complied with.

The fears of the gentleman from Tennessee [Mr. BYRNS], who vigorously opposed this section in 1926 when the bill was enacted, have been proved well founded, for these two Departments, as shown from the records above quoted, have had very little regard for careful competition in aircraft procurement.

GENERAL CRAIG AND ASSISTANT SECRETARY WOODRING TESTIFY

In the hearings before the Senate Appropriations Committee on March 3, 1936, in testifying against the 10-percent profits limitations this colloquy occurred:

Senator COPELAND. Have you any objection to the provision as carried in the Navy bill, the same language that is in the Navy bill; is the same language that is in the Navy bill satisfactory to you here, or would that be satisfactory?

General CRAIG. I personally do not think so, sir, because the Navy has a totally different problem from us; a totally different problem from us, and they at present are unable to state whether or not it is satisfactory to them. . . .

The proposed section would stifle research and development in the industry insofar as military airplanes are concerned. At present the War Department system places research and development squarely on the shoulders of the industry, where we think it belongs. . . .

It may starve the industry for the reason that if an aircraft corporation is always to be limited to an absolute maximum of profit on a contract, it has no means of recouping the losses which it inevitably takes on some contracts, particularly those of an experimental nature. This might tend to wreck the smaller firms and put all the business into the hands of a few strong ones. If the industry is crippled, the Government would have to go into business. . . .

Section 10 of the act approved July 2, 1926, provides a most careful system of procurement of aircraft. The War Department's auditors go carefully into every cost before a contract is awarded, and are in the factory during the life of the contract. The Department is zealous in its administration. To complicate it by adopting further law without mature consideration is highly dangerous to national defense. . . .

The administration of this provision will be very expensive. Our auditing force would have to be greatly increased and would require greatly increased travel and per-diem allowance. Much of economy sought might be eaten up this way.

Thus we find General Craig opposed to 10-percent excess-profits limitation because: First, it would stifle research and development; second, it would starve industry, and thus force the Government into business; third, the War Department already has auditors who carefully check every cost in every contract; and, fourth, limiting the profit to 10 percent would tremendously increase the auditing force to check such contracts. We find Mr. Woodring testified as follows:

In looking up the law some 2 years ago I found that we were not carrying out the law, the Defense Aircraft Act of 1926, in the method in which we were procuring our aircraft, and as you know—you have heard a lot about it—we changed from a negotiated contract to a competitive bidding basis, which I think conscientious opinion holds is according to law.

The second thing that I have in mind was that we would, in changing to a competitive method of procurement, that we would transfer from the Government bureau, from a Government bureau, and Government civil service, and Army men, at Wright Field, we would transfer from them the development in engineering, designing, and possibly construction of airplanes over to industry, where I think it rightfully belongs.

I am against the Government being in business, in the manufacture of any of this business, especially of airplanes. The competitive method of doing business puts the responsibility of design and progress of military aircraft in the hands of the industry. . . .

The second phase of my change was to put this procurement responsibility and the progress of military aviation upon industry.

Further, in explanation of the procurement policy installed, Mr. Woodring said:

The House Military Affairs Committee have conducted a detailed investigation into Army aircraft procurement over this same period and my office in collaboration with this committee have worked out a policy of procurement which has been in effect some 20 months and is definitely producing the desired results.

. . . . Now the system is becoming effective, and this year we will have over 500 modern airplanes delivered, and they, I want to say to you, are the finest airplanes that any country has in military aviation. I believe they are 2 years in advance, in progress, of any other military arm of government.

So that now Mr. Woodring describes his procurement system built up as follows:

The bidder is required to submit with his bid a completed airplane on the line for test, as he submits his bid, and these airplanes are thoroughly tested and contracts awarded to the manufacturer who has produced the finest performing airplane, after we have evaluated all the planes in competition.

To insure the reasonableness of the cost a careful financial audit is made of the cost figures of the manufacturer, after we make an award. This policy is resulting in a constant striving on the part of the manufacturers to offer better and better performing aircraft. It places squarely on the shoulders of industry, where it logically belongs, the necessary research and development work and gives the Government the active use and benefit of all the brains of the industry.

For instance, we will send out invitations for bombers for delivery in 10 or 12 months, and probably 3 different concerns scattered well over the United States to bid on bombers. Certainly under that kind of a system the companies are going, with their engineering and designing and researching departments, are going to try and build, develop and build, and deliver on the line the finest bomber in order to win the competition and therefore get the business.

And further commenting upon his record of procurement built up, he says:

Assistant Secretary WOODRING. I think that I could elaborate more on that by saying that in this connection there have been many statements made in the past few years ago as to the relative performance ability of military aircraft produced in this country and those of foreign countries.

Unbiased reports indicate very definitely that the airplanes now being obtained for the Army Air Corps are the finest being produced anywhere in the world.

While I hope this is true, the latest information I have comparing our war-plane aircraft with other European war-plane aircraft I find our performance and position in the different classifications have not materially changed from the aircraft charts shown on pages 10034 to 10064, Seventy-third Congress, second session, comparing practically every known war-plane engine and their latest known performance in the world. These charts showed up much weaker than several other countries in all the different kinds of war planes but bombers.

When the Army or Navy desire to carry on any research or experimental work under the above-quoted law they advertise for open design competition and for such experimental work. The Congress the last 10 years has made the following appropriations for the Navy:

Fiscal year:	Amount
1926	\$1,674,277
1927	1,664,364
1928	1,640,844
1929	1,966,113
1930	1,807,034
1931	1,991,092
1932	2,107,971
1933	1,985,975
1934	2,197,558
1935	1,820,597
1936 (to Mar. 16, 1936)	1,591,827
Total	20,447,652

And, as said by the Navy Department:

The bulk of these funds is spent for experimental aircraft, from which are selected sample or prototype airplanes around which the specifications are drawn for quantity contracts for aircraft to be used for equipping operating squadrons.

WAR DEPARTMENT EXPERIMENTAL WORK

We find the War Department spent for experimental and development work in 1935, \$4,541,799; in 1936, \$4,865,293; and for previous years back to 1926 similar amounts. So, contrary to the above-quoted testimony, it seems that under the law ample appropriations have been made annually to carry on such experimental and development work at the expense of the Government, and such moneys have been so expended annually and industry has not been called upon to carry this experimental and development work. Under the law, section 10a to 10e, it is the duty of the Government to pay for such experimental and development work, and the appropriations show how well the Government has paid. In answer to Mr. Woodring's testimony as to the kind and character of procurement had in the Air Corps, let me quote from the report of the subcommittee of the House Military Affairs Committee in 1934 the testimony of Brigadier General Westover, now Chief of the Air Corps, who testified regarding the then system of aircraft procurement, corroborating General Foullois' testimony:

This testimony was corroborated by the evidence of Brigadier General Westover, who testified in part as follows:

"Mr. ROGERS. Was it the intention of the Air Corps at that time to purchase by competitive bidding or negotiated contract?"

"General WESTOVER. It was the intention to purchase by negotiated contract and recommendations.

"Mr. ROGERS. That being in accordance with the usual practice?"

"General WESTOVER. That being in accordance with the practice that had existed since about 1927 or 1928, when the Air Corps Act of 1926 was actually put in practice.

"Mr. ROGERS. That was in accordance with the understanding of the meaning of the Air Corps Act of 1926?"

"General WESTOVER. I have studied the Air Corps Act quite frequently, and I have never had any reservations about concluding that the negotiated contracts were entirely within the law and probably intended by that act.

"Mr. JAMES. Have you ever read any decision of the Judge Advocate General?"

"General WESTOVER. I have.

"Mr. JAMES. Do you see any that corroborate your view?"

"General WESTOVER. No, sir.

"Mr. JAMES. Do you see others that were the exact opposite of what you state?"

"General WESTOVER. I have, sir.

"Mr. JAMES. All you have seen have been the decisions of the Judge Advocate General stating that what you were doing was in violation of the law; isn't that true?"

"General WESTOVER. I believe that is right.

"Mr. JAMES. As a sworn officer of the Government, you know that the Judge Advocate General has ruled that you can't purchase planes in quantity under (k) don't you?"

"General WESTOVER. I have understood that decision; yes, sir.

"Mr. JAMES. You know that is so, don't you?"

"General WESTOVER. I don't get your point, Mr. James?

"Mr. JAMES. You know that the Judge Advocate General has rendered a decision that you cannot purchase planes in quantity under (k), don't you?"

"General WESTOVER. I know that; yes, sir."

On being further pressed as to whether or not he had approved contracts for purchases under section 10 (k), Brigadier General Westover stated that he had approved no contracts, that he had nothing to do with the approval of contracts, and that "when and if it becomes my duty to approve those I will be fully informed. I am talking about my casual knowledge at the present time."

Realizing on reflection that the testimony so given was contrary to the documentary evidence available to the committee, Brigadier General Westover, by letter dated April 9, 1934, wrote this subcommittee as follows:

"With reference to corrected testimony on page 451 to the effect that 'I have never approved any contracts for aircraft', it should be understood that at times, as Acting Chief of the Air Corps in the absence of General Foullois, it becomes my duty to recommend to The Assistant Secretary of War approval or disapproval of contracts in accordance with established procedure and the policy of the Chief of the Air Corps. . . ."

An inspection of the chart of purchases annexed to this report and marked "Exhibit A" will disclose the many instances in which Brigadier General Westover approved contracts for the procurement of aircraft and accessories and the value thereof.

It should be noted here that in the purchase of Army airplanes no performance guaranty whatsoever other than weight and balance is required from the successful vendor, a deplorable condition which would not be tolerated in private industry and which is not permitted in other branches of our National Government.

But Mr. Woodring now says within the last 20 months they have agreed to correct this. Let us see if he has done so.

M'CARL SAYS NO COMPETITION

On February 19, 1936, Hon. J. R. McCarl, Comptroller, wrote the Secretary of the Navy fully, in answer to his report of December 16, 1935, as to why the Douglas Aircraft Co. had been given a contract for 20 airplanes on a bid of \$49,500 when all three other bidders were much lower. In this letter the Comptroller General said:

The abstract of bids shows that the Douglas Aircraft Co., Inc., which received the award for the delivery of 20 airplanes, submitted a bid of \$49,500 each for the skeleton airplanes; the Curtiss-Wright Airplane Co. submitted a bid of \$29,500 each; the Fairchild Aircraft Corporation submitted a bid of \$29,150 each; and the Bellanca Aircraft Co. submitted a bid of \$17,424 each. That is to say, the bid of the Douglas Aircraft Co., Inc., for \$49,500 was more than \$20,000 each in excess of the bids submitted by the Fairchild Aircraft Corporation and by the Curtiss-Wright Airplane Co. for delivery of airplanes within the specifications as advertised. You report that the bid of the Bellanca Aircraft Co. was not considered because of failure to supply an airplane for tests.

There was no competition with respect to price, and as hereinbefore stated there was a difference of approximately \$20,000 per plane, or \$400,000 for the 20 planes contracted for (about 94 percent), between the offering by the Douglas Aircraft Co., Inc., which was accepted, and that by the Fairchild Aircraft Corporation, yet the offering of the latter far exceeded the minimum requirements of the specifications.

The plan having provided no method of translating difference in "figures of merit" into terms of money, it would have been possible thereunder for the Douglas Aircraft Co., Inc., or other bidder, whose offering exceeded only to the extent of a few "points" the offerings by competitors, to have obtained an award even though its bid exceeded even in greater amount the bids of competitors than the approximately 94 percent actually appearing here.

There can be no proper evaluation of offerings, except perchance in certain design competitions, where price is totally disregarded and comparison is solely on the basis of design, construction, and performance. Obviously uses of public moneys appropriated for defense would not be justified in paying an amount possibly three or four times actual value, and much in excess of a bid offering an airplane far exceeding the minimum requirements, just because the offering of the high bid outscored the offering of the lower bidder by a few points—and this perchance, with respect to elements not necessarily of the exact value or importance accorded in the evaluation table.

In the instant matter while it was stated in the request for bids that award would be made under subparagraph (t) of section 10 of the act of July 2, 1926, which subparagraph is applicable to awards for quantity production of particular designs theretofore determined pursuant to law to be best for the needs of the United States, the plan specified for determining the offering to receive the award clearly discloses that no particular design had been so determined to be best for the needs of the United States in that such competition as there was in the matter went only to such elements as design, construction, and performance—competition as to price was wholly lacking.

As has several times been stated by this office in decisions to both the Secretary of War and the Secretary of the Navy, with respect to uses of appropriations under the act of July 2, 1926 (44 Stat. 788), the law contemplates that there be design competition for the purpose of determining the airplanes best suited for the needs of the United States, and that after it has been so determined what designs of airplanes are best suited for the needs of the United States there shall be advertising, on the basis of such designs, for quantity production, with award under subparagraph (t) of section 10 of said act. While the War Department has contended for other procedures and has operated in such manner as to make it difficult for the accounting officers of the Government to give reasonable effect to the law as so interpreted by decisions as to the legal availability of the appropriations involved, and yet avoid drawing the lines too sharply on administrative effort, and there have been numerous and extended investigations and hearings by committees of the Congress, yet the law as so interpreted has remained unchanged and the instant transaction was had in the light thereof. In such circumstances the accounting officers may not properly, and without limit, continue to overcome the effects of faulty administration by setting up safeguards around particular transactions, apparently sufficient in the circumstances to protect the Treasury. Then, too, bidders have interests that are for respecting.

The procedure was not as authorized by the act of July 2, 1926, supra, for quantity production and so as to obligate the appropriation proposed to be utilized accordingly, and while it has characteristics of a design competition, as provided for by said act, such a competition does not contemplate purchase of 20 airplanes, as was contracted for, but rather 1 or possibly 2—with advertising for quantity production after there has thus been determined the particular airplane best suited to the needs of the United States.

In view of all the circumstances appearing, however, including the appearance of some improvement in administrative methods, it may be stated that if there exists such serious need for early delivery and use as to negative in the public interest cancellation of the contract and advertising for quantity production of such airplane as has been determined to be best suited to the needs of the United States, as contemplated by the act of July 2, 1926, supra, and such facts are made of record here, it would seem this office might be justified in withholding objection to uses of the appropriation in making payments—but only to the extent of

established reasonable and necessary costs to contractors in manufacturing the airplanes as contracted for, plus reasonable profit—and within the price as stated in the contract. This, of course, because of total lack of competition as to price and the wide difference between the amount of the high bid, accepted, and the lower bids offering airplanes showing merit far in excess of the minimum requirements, and which were rejected.

So thus we see that the War Department is still pursuing their same old tactics of omitting open competition and are continuing to purchase on a quantity basis for what is supposed to be experimental planes. In this particular case, for example, the Fairchild Aircraft Corporation bid \$20,350 per plane less than the Douglas Aircraft Co., and their bid was considerable over the minimum requirements of the War Department, and yet they failed to receive any contract, and this is under the late improvements in procurement carried on about which Mr. Woodring says he is so proud. It would be of interest to find out—which is probably impossible under the present order of things—what kind and character of procurement the Government would receive if they advertised for bids as required under section 10a to 10e, where all people would have a chance to know what is going on and to bid on same, and then follow the procurement system as outlined in the law, so that after the design competition is completed that all would have an opportunity to bid on production contracts. If we could amend the law and place this matter back under the Comptroller's department, where it rightfully should have always stayed, we would have our procurement methods complied with instead of ignored, as shown from the above-quoted testimony and records.

SPARK PLUGS COME HIGH

On March 20, upon my request, I received a copy of the letter of the Comptroller General, Hon. J. R. McCarl, to the Secretary of War, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, March 20, 1936.

The Honorable the SECRETARY OF WAR.

SIR: There has been received your letter of February 6, 1936, as follows:

"Reference is made to your letter of January 16, 1936, file A-68803, relating to contract W 535 ac-7574, dated April 16, 1935, with the Hurley-Townsend Corporation, for the delivery of 1,400 spark plugs at a total cost of \$4,158, and containing the statement that appropriated moneys may not legally be charged with the purchase of the spark plugs in question for reasons cited in said letter.

"This purchase was approved by direction of the Secretary of War under the provisions of section 10 (k) of the Air Corps Act of July 2, 1926, after an opinion of the Judge Advocate General of the Army that approval could lawfully be given if in the judgment of the Secretary of War the spark plugs were necessary for experimental purposes as a procurement under the authority of said section 10 (k) of the act of July 2, 1926, and such approval would ratify and validate the contract in question. A photostatic copy of the entire correspondence in connection with the approval of the contract, with the endorsement containing the opinion of the Judge Advocate General, is enclosed herewith in explanation of the transaction.

"With regard to your statement that 'it is not understood why it should be necessary to purchase 1,400 spark plugs at a cost of \$2.97 each, or a total cost of \$4,158 for experimental purposes, and why a much smaller number of such spark plugs would not have been sufficient for such experimental purposes', a copy of procurement policy governing the procurement of aircraft engine spark plugs, dated February 7, 1935, is forwarded herewith, wherein provision is made for the procurement of spark plugs for service test purposes in a quantity not to exceed 2,000 under the provisions of paragraph (k), section 10, of the Air Corps Act approved July 2, 1926. The quantity of spark plugs purchased in this instance was the minimum quantity required to determine by actual use by tactical units whether the item would prove to be satisfactory in service.

"Your statement that 'it is not understood why spark plugs in accordance with standard Government specifications and drawings may be considered as experimental' is answered by stating that the spark plugs in question were of the contractor's design and reference was made to specification 95-28017-E, since this is a specification covering the general requirements on spark plugs and is applicable regardless of the quantity or status of spark plugs; that is, experimental, service test, or standard. Such a general specification is necessary in order to secure spark plugs of contractor's detailed design that will meet the general requirements of the Air Corps.

"Since the spark plugs in question were required for the purpose of conducting a formal service test on the latest type of shielded spark plugs manufactured by the Hurley-Townsend Corporation, and since procurement for the purpose intended is authorized under the provisions of section 10 (k) of the Air Corps Act, and in view of the opinion of the Judge Advocate General of the Army that ratification and approval of the contract might lawfully be given by The Assistant Secretary of War if, in the

judgment of the Secretary of War, the spark plugs were necessary for experimental purposes as a procurement under the authority of said section 10 (k) of the Air Corps Act, it is recommended that the matter be reconsidered with a view to authorizing payment."

The referred to section 10 (k) of the act of July 2, 1926 (44 Stat. 787), provides that:

"(k) The Secretary of War or the Secretary of the Navy, at his discretion, purchase abroad or in the United States, with or without competition, by contract or otherwise, such designs, aircraft, aircraft parts, or aeronautical accessories as may be necessary in his judgment for experimental purposes in the development of aircraft or aircraft parts or aeronautical accessories of the best kind for the Army or the Navy, as the case may be, and if as a result of such procurement new and suitable designs considered to be the best kind for the Army or the Navy are developed, he may enter into contract, subject to the requirements of paragraph (j) of this section, for the procurement in quantity of such aircraft, aircraft parts, or aeronautical accessories without regard to the provisions of paragraphs (a) to (e), inclusive, hereof."

While said section authorizes purchases without competitive bidding, for experimental purposes, such designs, aircraft, aircraft parts, or aeronautical accessories as the Secretary may consider necessary in the ascertaining of the aircraft or aircraft parts or aeronautical accessories best for the needs of the Army, it provides no authority for quantity purchases without competitive bidding. Such designs or types of aircraft, parts, or accessories as in the judgment of the Secretary are worthy of consideration and tests may be purchased without competitive bidding, but only to the extent necessary for experimental purposes. With respect to quantity purchases there are applicable other provisions of law, particularly subsections (j) and (t) of the act of July 2, 1936. In this connection there is reason for pointing out that the procurement policy mentioned in the above-quoted letter, and apparently relied upon as authority for what appears to have been a quantity purchase without the safeguard of competitive bidding, was merely a creature of administration and could supply no authority beyond that conveyed by the act of July 2, 1926.

No facts have been supplied showing a need for as many as 1,400 spark plugs for purely experimental purposes, and there seems room for serious doubt whether any such quantity was actually or even reasonably necessary.

While, on the present record, and in view of a possible misunderstanding of the limitations upon purchases under subsection (k), no further objection appears necessary to uses of the appropriation in making otherwise proper payments in connection with this particular purchase, but prompt administrative action should be taken to prevent any attempted purchase under subsection (k) except in such quantity as clearly is necessary for experimentation.

Respectfully,

J. R. MCCARL,
Comptroller General of the United States.

Thus, it is seen how the War Department is now purchasing 1,400 spark plugs at a total cost of \$4,158, or \$2.97 each, under section 10 (k), claiming that it is necessary to so purchase them for experimental purposes. Had such spark plugs been purchased through open competitive bidding, there is no doubt but what they could have been purchased for much less money. There was no emergency shown and no satisfactory reason given why such a large number of spark plugs should be purchased without competition as provided by law. This is a fair example of what Mr. Woodring evidently means when he said, as above quoted, that he has "devoted a great deal of time and energy the past 2 years to the development of a procurement policy."

TEN-PERCENT PROFITS LIMITATIONS FOR NAVY

The 10-percent profits limitation was placed on the Vinson-Trammell Naval Act in March 1934 and has not proven cumbersome or unsatisfactory. The following regulations have been worked out to administer this act by the Treasury and Navy Departments:

The method of ascertaining the amount of excess profit to be paid to the United States in respect of contracts entered into under the Vinson Act shall be as follows:

"The excess profit shall be determined on each contract separately upon the completion or other termination of the contract. The amount of such excess profit shall be the amount of the profit on the contract in excess of 10 percent of the total contract price. The amount of the profit on the contract shall be the difference between the total contract price and the cost of performing the contract. The cost of performing the contract shall be the direct costs, such as material and labor, incurred by the contractor in performing the contract, plus a reasonable proportion of any indirect costs (including overhead or general expenses) appertaining to the contract which are not usually directly allocated to the cost of performing the contract. No general rule may be stated for ascertaining the reasonable proportion of the indirect costs to be allocated to the cost of performing a contract which would be applicable to all cases. The proper proportion of the indirect costs to be applied to the cost of performing a particular contract depends upon all the facts and circumstances relating to the performance of the particular contract. The contractor shall include

as a part of the report required to be made to the Secretary of the Navy upon the completion or other termination of the contract a statement explaining the manner in which such indirect costs were determined and allocated to the cost of performing the contract."

A copy of the report relating to the contract required to be made to the Secretary of the Navy shall, immediately upon completion or other termination of the contract, be filed by the contractor with the collector of internal revenue for the collection district in which the contractor's Federal income-tax returns are required to be filed. The contractor shall pay any excess profit disclosed in such report to the collector of internal revenue at the time such report is filed.

The duty of determining the profit and the excess profit, if any, on contracts entered into under the Vinson Act is hereby delegated to the Commissioner of Internal Revenue.

If the Commissioner determines in respect of any contract entered into under the Vinson Act that there is an excess profit in an amount exceeding the excess profit, if any, shown upon the copy of the report filed with the collector of internal revenue and already paid, or, in case no such copy is filed and/or no excess profit is paid, the Commissioner finds and determines that the contract has been completed or otherwise terminated and that an excess profit has been received, the Commissioner may proceed to collect such unpaid excess profit under the usual methods employed under the internal-revenue laws to collect Federal income taxes.

The same satisfactory amendments can and should be provided for aircraft, ordnance, and procurement for the War Department, and I recommend to the free conference committee the following amendment be inserted in lieu of the amendment adopted by the House, which I am sure will secure the necessary results without working any hardship from an administrative standpoint on either Department:

SEC. 4. No appropriations herein, heretofore, or hereafter made shall be available to make any payment under any contract for the quantity purchase (exceeding two of each kind for experimental purposes) of any aircraft, ordnance material, automobiles, or trucks, or for any construction work under the control of the War Department, unless the contractor agrees—

(a) To make a report, as hereinafter described, under oath, to the Commissioner of Internal Revenue upon the completion of the contract.

(b) To pay into the Treasury profit, as hereinafter provides shall be determined by the Treasury Department, in excess of 10 percent of the total contract price as increased by incidental changes, if any, such amount to become the property of the United States: *Provided*, That if such amount is not voluntarily paid the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may collect the same under the usual methods employed under the internal-revenue laws to collect Federal income taxes.

(c) To make no subdivision of any contract or subcontract for the same or similar articles for the purpose of evading the provisions of this act, but any subdivision of any contract or subcontract involving an amount in excess of \$10,000 shall be subject to the conditions herein prescribed.

(d) That the manufacturing spaces and books of its own plants, affiliates, and subdivisions shall at all times be subject to inspection and audit by any person designated by the Secretary of War, the Secretary of the Treasury, and/or by a duly authorized committee of Congress.

(e) To make no subcontract unless the subcontractor or material man agrees to the foregoing conditions.

The method of ascertaining the amount of excess profit to be paid into the Treasury shall be determined by the Secretary of the Treasury in agreement with the Secretary of War and made available to the public. The method initially fixed upon shall be determined before June 30, 1936, but the terms of this act shall not apply to any contract actually signed as provided in section 3744, Revised Statutes, prior to the approval of this act: *Provided*, That for purposes of costs in determining excess profits under this act salaries and wages paid by a contractor after securing a contract with the War Department shall not be increased more than 10 percent over the amount paid to the officers and employees prior to obtaining such contract, and overhead allowed as a part of the cost shall not exceed the amount customarily allowed on the books of similar contractors and manufacturers. The determination of the Commissioner of Internal Revenue shall be final and conclusive on the contractor for the purposes of this proviso: *And provided further*, That in any case where any excess profit may be found to be owing to the United States in consequence hereof the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall allow credit for any Federal income taxes paid or remaining to be paid upon the amount of such excess profit.

The contract or subcontracts referred to herein are limited to those where the contract price exceeds \$10,000.

WAR DEPARTMENT AUDITS

In one breath General Craig testified the War Department auditors go carefully into every cost before a contract is awarded, and are in the factory during the life of the contract and in the next breath he states the administration of this provision will be very expensive and the auditing force

would have to be greatly increased. As a result of our hearings before our committee investigating naval aircraft procurement, it was made plain that the Navy has no adequate system of checking overhead costs in aircraft factories. General Craig makes the same admissions as above shown, which is confirmed by existing facts in the lack of complete supervision of overhead costs in aircraft concerns selling all War Department equipment.

CONCLUSION

I trust that the membership of the House will insist upon ample time being given to the debate of the profits now being made on aircraft and other procurement so that we may go carefully into the merits and into the arguments advanced by the War Department as to reasons why no profits-limitation provisions should be placed upon the War Department appropriation bill. Every ex-service men's organization since the war has demanded that profits be taken out of war. Recent disclosures made by the Senate Munitions Committee, as well as disclosures made as shown by my minority report, clearly show the existence of an Air Trust and the total lack of any accurate system of checking overhead costs on Naval and War Departments aircraft procurement in determining proper division of costs between commercial and Government contracts convinces me that a 10-percent-profits limitation should be applied. The above letters from the Comptroller's Department clearly show a necessity for such a profits limitation.

PERMISSION TO ADDRESS THE HOUSE

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, it seems to me that we ought to dispose of the District business if we are going to this afternoon, and then let these speeches come along afterward.

Mr. GREEN. I just want to ask permission to revise my remarks.

Mr. DIRKSEN. This District of Columbia bill is in the air, and I shall insist on the reservation until I can learn just what the program is going to be.

Mrs. NORTON. I may say to the gentleman from Illinois that I have no objection to the request.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker, I have been very much interested in statements made by persons in Washington who desire the right to vote. I find in 40 or 41 States of the Union a method is provided for the registration of absentee voters, which would enable them to vote. It seems to me it may be of interest to the people of the District of Columbia to know that they now are qualified to vote in States of their actual residence, provided they avail themselves of the statutes that exist in those various States.

What is needed by the people of the city of Washington is not necessarily local franchise; they should exercise their existing voting rights by availing themselves of the absentee voters' laws of their respective States. I urge them to qualify and vote.

In the news of the world we read of the happenings in other climes. The chief issues of the day seem to be war and turmoil and uprising. Witness the conditions of strife-torn Europe; of torrid and darkest Africa; of the Far East and Mongol Asia; of the continent to the south of us; and even in our neighboring sister, Mexico, where the chief executive on retiring knows not whether his party will be in power when he arises to greet the sunrise of the coming day. We are fortunate, my friends, in living in a peace-loving Nation where all men are equal and every man has his equal voice in the Government. In the group of nations I have named "voice of the people" is not always registered—class distinction has prevented this—but in our own United States class distinction is eliminated and the voice of the poorest citizen can be heard along with that of the most wealthy. We are a free Nation; we are a liberty-loving people; and

the voice of the people expressed in the ballot expresses the will of the Nation. In no other country of the world are the citizens as free and peace loving as in our great and powerful United States.

The ballot, my friends, is the symbol of freedom. The proper use of your ballot is not only a right of citizenship but is a privilege exercised only by free men. The ballot insures the perpetuation of our God-given American liberties. That all men shall be equal and have an equal voice is a guarantee of the Constitution. Compare this with the conditions existing in other countries, and you will find that the line of demarcation is the open privilege of franchise.

The ballot, my colleagues, is the dividing line between strife and peace. In this our general-election year every conscientious citizen should express his voice at the polls. The general election to be held on November 3 of this year should reflect the sentiment of the entire electorate of our Nation. Polls will be open on that day in every hamlet and village, and the citizenry, by following the proper procedure, may avail themselves of this inalienable privilege of free men. To be eligible to cast a ballot a person must, first of all, be a citizen of the United States, which is an honor I cherish even above that of being a Member of this body. He must also be a citizen of one of the States of our Union, of his county, and of a particular voting district. In most of our States he must be registered at various intervals, depending, of course, upon the laws of the particular State. In many of the States a capitation or poll tax is assessed against and must be paid by every voter. This registration, this payment of capitation or poll tax, this marching to the polls, this casting of the ballot involves a certain amount of sacrifice. It may take minutes, it may take an hour, it may cost you a few dollars; but in the end, when you have completed your duty, you can look any man in the face and say, "I am an American citizen; I have cast my ballot as a true and loyal citizen."

It so happens that many of our citizens have strayed far from the polling places in which they hold residence and are unable to return to register or vote. Forty of our States have made provisions for these absent voters. They are no longer in the rolls of absent voters, for, no matter where they may be, if they follow the provisions of their State's statutes, their franchise is available.

In order that the absentee voter of any State may have the full facilities for exercising his franchise, an absentee voter's bureau has been established on the mezzanine floor of the District National Bank Building, 1406 G Street NW., Washington, D. C., where the proper forms, information, and free notarial service may be obtained to assist the voter in expressing his voice in the governmental affairs of his State and Nation. This bureau is operated by the Women's National Council, a volunteer group of loyal women whose efforts are unceasing and whose faith in American principles is unflinching. The absentee voter's bureau is open daily, except Sunday, from 9 a. m. until 10 p. m.

My own State of Florida, in checking its citizenry, finds that thousands of its eligible voters have by circumstances and for business reasons found it necessary to drift to the various corners of our Nation. Over 2,000 are temporarily residing in Washington and vicinity. These citizens are now enfranchised and will be able to cast their ballots in all future elections, providing they make the necessary sacrifice of time and effort. In the 1935 session of the Florida Legislature, my State joined the other progressive States and made provisions for these absentee voters by enacting the Florida absentee registration law and the Florida absentee voting law, the text of which appears below. The Florida absentee laws are a model for the remaining States of the Union which have not as yet granted absentee privileges to its citizens. It is with pardonable pride that I give credit for the passage of these bills to Hon. Dan Kelly, representative from Nassau County, one of the smallest, though one of the most progressive counties of my district. Another of my constituents, Dan P. Mularkey, was the author of Florida's absentee laws. I commend him for his foresight in this wonderful service he has rendered the people of Florida.

I am pleased herewith to make available the following information on Florida absentee registration and voting and other information of interest to Florida absentee voters.

Election dates: Date first primary, June 2, 1936; date second primary, June 23, 1936; date general election, November 3, 1936.

ABSENTEE REGISTRATION INFORMATION

Time to apply for absentee registration: For primary elections, between March 1 and April 30, inclusive; for general election, between June 4 and October 10, inclusive. Persons registering for primary election will be qualified for following general elections.

Where to apply: Absentee Voters Bureau, Washington, D. C., in person, or apply by letter to supervisor of registration of your home county requesting absentee registration blanks. As the Absentee Voters Bureau has all information, forms, and notarial service, I would suggest that citizens apply there personally and save correspondence. No charge for notarial service.

Apply for your registration blanks as early as possible so that there will be no last-minute delay, and also to avoid double work to the volunteer workers who will have the responsibility of absentee-voting applications during the last few weeks of the registration period. Apply for absentee registration before April 15, if possible.

Counties of Florida in which a reregistration of voters is required in 1936: Alachua, Broward, Charlotte, Columbia, Dade, De Soto, Dixie, Duval, Escambia, Gilchrist, Hardee, Highlands, Hillsborough, Lafayette, Leon, Levy, Liberty, Madison, Monroe, Okeechobee, Orange, Palm Beach, Pinellas, Polk, St. Johns, Sarasota, Seminole, Suwannee, Volusia, and Walton.

In all other counties of the State, if you have registered and voted within recent years, you are still registered. To avoid any difficulty, I would suggest that if you have not voted since 1930, to file an absentee registration application.

Floridians temporarily residing in Washington—or in any State—who have not registered in any other State since temporarily removing from Florida, are eligible to register and vote.

POLL-TAX INFORMATION

No person shall be permitted to vote at any election who shall have failed to pay, on or before May 16, his or her poll taxes for the 2 years next preceding the year in which such election shall be held. Poll taxes for 1934 and 1935 are now due. Mail poll taxes to tax collector of your home county before May 16.

PERSONS EXEMPT FROM PAYMENT OF POLL TAXES

First. Persons becoming of age during election year—1936—shall not be required to pay poll taxes for the years in which he or she was not of age.

Second. If you were 55 years of age on January 1, 1934, you are exempt from all poll tax. If you were 55 on January 1, 1935, you will be required to pay for 1 year only.

Third. Disabled war veterans are exempt, but must exhibit a certificate of such disability to supervisor of registration.

Fourth. A person who has been a resident of Florida for only 1 year previous to any general election shall not be required to pay more than 1 year's poll tax.

Poll tax in Florida is \$1 per year. To vote in any 1936 elections, including general election, poll taxes must be paid before midnight, May 16.

APPLICATION FOR ABSENTEE BALLOT—TIME TO APPLY

For primary absentee ballot: Application for absentee primary ballot must be in hands of county judge of your county before midnight of May 26. To avoid duplication of work, call at the absentee voter's bureau between April 15 and May 15 for your application for ballot.

In the case of the second primary applications for ballots must be made before June 16.

In the case of the general election application must be before October 27.

Official ballots must be marked and be in the hands of the county judge by midnight of the day on which the election is held.

Florida absentee laws also include provisions for any municipal elections.

All applications for absentee registration, applications for absentee ballots, and the ballot are required to bear a notary's seal. Notaries are on hand at all times at the bureau.

Remember the four steps in casting your absentee ballot: (1) Application for absentee registration; (2) payment of poll taxes, if required; (3) application for absentee ballot; (4) mailing the absentee ballot.

That an absentee Florida citizen should neglect any one of the above steps and thereby fail to cast his or her ballot means failure in this personal test of good citizenship.

It gives me great pleasure to list herewith the text of the Florida absentee registration law, the Florida absentee voting law, and the newly enacted redistricting law, which created another congressional district—the fifth—from parts of the first and fourth districts.

TEXT OF FLORIDA ABSENTEE REGISTRATION LAW

Chapter 16987 (no. 216) (house bill no. 89), an act providing for registration of qualified electors from without the State in any primary, general, school, municipal, or special elections; and providing procedure in connection therewith, determining residence in connection therewith, and providing for a penalty for violations of any part of this act

Be it enacted by the Legislature of the State of Florida:

SECTION 1. That any person entitled to vote at any primary, general, school, municipal, or special election, who is absent from the State or county in which he or she maintains his or her legal residence, and is entitled to vote, may, within the time prescribed by the registration laws of Florida in effect at the time, make application in writing to the supervisor of registration of the county of his or her legal residence to have his or her name entered upon the registration books of the precinct of said residence, by mailing to and filing with said supervisor of registration his or her application and affidavit in the following form:

I, _____, being first duly sworn, on oath say that I am a citizen of the United States and a legal voter, or eligible to become a legal voter, in the State of Florida; that my legal residence is _____ Street (or Avenue) in the _____ election precinct, or the _____ ward in the city (town) of _____, county of _____; that I have not been and will not be able to register personally for the reason that _____; that I am not a registered voter in any other State, other than the State of Florida; that I desire to be registered in such _____ precinct; that my full name is _____; I was born on _____ at _____; that I am _____ feet _____ inches in height; that my legal residence is and has been in the State of Florida for 12 months last past and of the county _____ for 6 months last past; that my occupation is _____; that my party affiliation is _____; that I desire registration certificate mailed to me at _____.

(Signature) _____

Sworn to and subscribed to before me this _____ day of _____, 19____.

Upon the filing of said application with the supervisor of registration, he shall enter the name of such person upon the registration book and shall forward said applicant a certificate of registration.

SEC. 2. That the place of residence for registration purposes, so far as the same shall apply to the provisions of this act, shall be construed to be the place at which he last resided prior to his or her temporary removal from the State, which necessitated his being absent from his or her home county upon such election day, as stated in section 1 of this act.

SEC. 3. That any person who shall make or transmit or deliver, or cause to be made, transmitted, or delivered, any false statement or affidavit with the intent that the same be used under any provision of this act, or violate any provision of this act, shall upon conviction be punished by a fine not to exceed \$1,000 or by imprisonment not to exceed 1 year, or by both such fine and imprisonment.

SEC. 4. That all laws or parts of laws in conflict herewith are hereby repealed.

SEC. 5. That this act shall take effect immediately upon its becoming a law.

Approved May 16, 1935.

Filed in office secretary of state May 16, 1935.

TEXT OF FLORIDA ABSENTEE VOTING LAW

Chapter 16980, no. 215 (house bill no. 88), an act providing for absentee voting from without the State of Florida in primary, general, school, municipal, or special elections; providing the procedure to be followed; providing the duties of officials in connection therewith; providing for a penalty for violations of any part of this act, and repealing all laws in conflict herewith

Be it enacted by the Legislature of the State of Florida:

SECTION 1. That any qualified elector who is required to be absent from the State of Florida for a period of more than 15 days next prior to and including the day of any primary, general, school, municipal, or special election, may make written request by mail to the county judge of the county of his or her legal

residence, or to the clerk of the municipality, in case of municipal elections, for an official ballot to be used at his or her voting precinct or ward at such election in the following form, to wit:

State (district) of _____
County of _____

I, the undersigned, do hereby solemnly swear that I am a citizen of the United States; that I am a legal resident of the State of Florida and have been such for 1 year last past, and of the county of _____, city or town of _____ for 6 months last past; that I am a duly qualified voter in precinct (or ward) no. _____ of said county or municipality; that I am a qualified elector under the laws of the State of Florida; that I have not voted in any State other than the State of Florida within the last 12 months; that I am not a registered voter in any State other than the State of Florida; that I expect to be absent from the State of Florida on the occasion of the _____ election to be held in _____ on the _____ day of _____, A. D. 19____; that I will have no opportunity to vote thereat personally, will not attempt to do so, and request that an official ballot be mailed to me at no. _____ street, avenue, city of _____, State of _____.

_____, *Elector.*

Such oath or affidavit shall be taken and signed before an officer duly qualified to administer oaths under seal.

It is hereby made the duty of all county judges in this State, and of the several clerks of the municipalities in the State in case of municipal elections, to mail, not more than 15 days nor less than 6 days next prior to such election, one such official ballot to each elector so applying.

Such elector upon receipt of ballot shall mark same as required by law, and after folding the ballot in a plain envelope to be furnished by such county judge or municipal clerk, such elector shall take and subscribe to the following oath or affidavit which is to be printed upon the front of a large envelope furnished by the several county judges or municipal clerks for that purpose, to wit:

State of _____
County of _____

I, the undersigned, do hereby solemnly swear that I am a citizen of the United States; that I am a legal resident of the State of Florida and have been such for 1 year last past and of the county of _____, city or town of _____ for 6 months last past; that I am a duly qualified voter in precinct or ward no. _____ of said county or municipality; that I am a qualified elector under the laws of the State of Florida; that I expect to be absent from the State of Florida on the occasion of the _____ election to be held in _____ on the _____ day of _____, A. D. 19____; that I will have no opportunity to vote thereat personally and will not attempt to do so; that I have not voted in any State other than the State of Florida during the past 12 months; that that I am not a registered voter in any State other than the State of Florida.

_____, *Elector.*

Upon the back and across the flap of the outside envelope shall be written or printed the form as provided in section 2 of chapter 11824, Laws of Florida, Acts of 1927.

Such ballots so marked and sealed shall thereupon be transmitted by registered mail to, and received by such county judge or municipal clerk as the case may be, whose duty it is hereby made to receive, accept, and preserve the ballot in his possession, and shall thereafter handle the same as provided in section 2 of chapter 11824, Laws of Florida, Acts of 1927.

SEC. 2. That it shall be the duty of the county judge or municipal clerk, as the case may be, to receive and handle all absentee voters' ballots received by him until midnight of said election day. Ballots received by such county judge or municipal clerk after midnight of such election day shall be voided, and such ballots destroyed by canvassing board of the county in which received.

SEC. 3. That any person who shall make or transmit or deliver, or cause to be made, transmitted, or delivered, any false statement or affidavit with the intent that the same be used under any provision of this act shall, upon conviction, be punished by a fine not to exceed \$1,000, or by imprisonment not to exceed 1 year, or by both such fine and imprisonment.

SEC. 4. That all laws or parts of laws in conflict herewith are hereby repealed.

SEC. 5. That this act shall take effect immediately upon its becoming a law.

Approved May 16, 1935.

Filed in office secretary of state, May 16, 1935.

TEXT OF FLORIDA REDISTRICTING LAW OF 1935

Redistricting law (house bill no. 267), an act dividing the State of Florida into five congressional districts, and prescribing and setting forth the territorial limits and boundaries of each district

Be it enacted by the Legislature of the State of Florida:

SECTION 1. That the State of Florida be, and the same is hereby, divided into five congressional districts, same to be numbered and designated as District No. 1, District No. 2, District No. 3, District No. 4, and District No. 5.

SEC. 2. The counties of Charlotte, De Soto, Glades, Lee, Hendry, Pasco, Hardee, Highlands, Hillsborough, Manatee, Pinellas, Polk, Hernando, and Sarasota shall constitute and compose the First Congressional District.

SEC. 3. The counties of Alachua, Baker, Bradford, Clay, Columbia, Dixie, Duval, Gilchrist, Hamilton, Lafayette, Levy, Nassau, Suwannee, Madison, Taylor, and Union shall constitute and compose the Second Congressional District.

Sec. 4. The counties of Bay, Calhoun, Escambia, Franklin, Gadsden, Gulf, Holmes, Jackson, Jefferson, Leon, Liberty, Okaloosa, Santa Rosa, Wakulla, Walton, and Washington shall constitute and compose the Third Congressional District.

Sec. 5. The counties of Broward, Collier, Dade, Indian River, Martin, Monroe, Okeechobee, Palm Beach, and St. Lucie shall constitute and compose the Fourth Congressional District.

Sec. 6. The counties of Brevard, Citrus, Flagler, Lake, Marion, Orange, Osceola, Putnam, Seminole, Sumter, St. Johns, and Volusia shall constitute and compose the Fifth Congressional District.

Sec. 7. That when any new counties are created, such new counties shall compose a part of the congressional district out of which the territory for such new county is located.

Sec. 8. That all laws or parts of laws in conflict herewith are hereby expressly repealed.

Sec. 9. This act shall take effect at the expiration of the terms of office of the Congressmen now serving from this State, provided that at the general election to be held in 1936, a Congressman shall be elected from each district as by this act created.

Approved May 28, 1935.

Filed in office, secretary of state, May 29, 1935.

GENERAL STATEMENT ON ABSENTEE REGISTRATION AND ABSENTEE VOTING PROVISIONS IN THE LAWS OF VARIOUS STATES

States in which absentee registration provisions have been made: Arizona, Arkansas, California, Colorado, Connecticut, Florida, Idaho, Illinois (Presidential election years), Iowa, Kentucky, Michigan (Federal employees only), Minnesota, Mississippi, Missouri (in cities over 100,000 population only), Nebraska (only in cities of less than 7,000 population), Nevada (Federal employees only), New Mexico, New York (in cities of less than 5,000 only), Oregon (State and Federal employees only), Pennsylvania (in boroughs and townships of less than 5,000 only—registration is possible by affidavit presented in person on general-election day), South Dakota, Tennessee, Texas, West Virginia (Federal employees only), Wisconsin, Wyoming.

States in which absentee-voting provisions have been made: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana (Federal employees only), Maine, Massachusetts, Michigan, Minnesota, Montana, Nebraska, Nevada, New Hampshire (general election only), New Mexico, New York (general election only), North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Carolina (primary only), South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

As my time and space does not permit me to go into the laws affecting the various States, it is suggested that any person who is eligible to register or vote in any of the above-named States and desires information as to eligibility, procedure, or any other data may call at the Absentee Voter's Bureau, where such will be gladly given on request. Persons not residing in their home State and not in the vicinity of Washington will be given the proper information upon written request. The address of the Absentee Voter's Bureau is District National Bank Building, 1406 G Street NW., Washington, D. C.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GREEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include therein a short excerpt from the Florida statutes relative to voting, and so forth.

Mr. SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. SNELL. Mr. Speaker, reserving the right to object, I have no objection to these speeches, but if we are going to do any business this afternoon I propose to have it come up first. May I ask someone on that side what the program is going to be?

Mrs. NORTON. Mr. Speaker, reserving the right to object, sometime ago the gentleman from Oklahoma came to

me and asked if he might have 3 minutes. I promised him I would not object to his securing this time, but this is the last speech that I will not object to.

Mr. SNELL. May I ask further if it is the intention to take up anything else this afternoon besides the District business and the speeches that are desired to be made at this time?

The SPEAKER. That will depend on the time the House adjourns. I do not know how long the House will be in session.

Mr. SNELL. I understand there is no other business to come before the House. What I had in mind particularly was whether the long- and short-haul bill was to be taken up further this afternoon?

The SPEAKER. The Chair is not advised about that matter.

Mr. SNELL. May I ask the gentlemen on the other side if it is the intention to take up any other business this afternoon?

Mr. BANKHEAD. Mr. Speaker, it is not the intention to take up any other legislative business except the call of the District Committee.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. BLANTON. Mr. Speaker, will the gentleman yield so that I may propound a unanimous-consent request?

Mr. NICHOLS. I yield to the gentleman for that purpose.

Mr. BLANTON. Mr. Speaker, on the 16th I secured permission to date my remarks on March 20, which on March 3, I got permission to extend my remarks in the RECORD and to include some excerpts from hearings and data which I am securing from the departments here in Washington. I find I will not be able to get all this data before Friday, and I therefore ask unanimous consent to extend the time for the extension of my remarks until next Friday, instead of the 20th.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. NICHOLS. Mr. Speaker, I asked for this time in order that I might have the opportunity to read to the Members of the House an order recently issued relative to C. C. C. camps, which I am sure will be of interest to every Member. This letter is directed to Hon. Robert Fechner, Director of Emergency Conservation Work, Washington, D. C., and reads as follows:

HON. ROBERT FECHNER,
Director of Emergency Conservation Work,
Washington, D. C.

MY DEAR MR. FECHNER: In reviewing the Emergency Conservation Work program for the period ending March 31, 1937, at which date the emergency conservation work will terminate according to existing law, I have determined that the present number of Civilian Conservation Corps camps shall be maintained unless such camps are reduced as a result of the completion of the work now being performed by the enrollees of any such camps, or the reduction through discharges, separations, or other causes in the number of enrollees to approximately 163 in any one camp.

I have also determined that the total number of enrollees for the Civilian Conservation Corps should be gradually reduced to about 350,000 and this number maintained through March 31, 1937.

It is appreciated that no hard-and-fast rule can be laid down. You are therefore authorized to take such measures as may be necessary to carry out this general program as nearly as may be practicable.

Additional funds not to exceed \$6,825,000 will be allotted to you as and when needed from the appropriation contained in the Emergency Relief Appropriation Act of 1935 for the balance of this fiscal year, and steps will be taken to secure the necessary funds for the fiscal year 1937.

Very truly yours,

Mr. Speaker, this simply means that the present number of camps will be maintained as they are until the 31st of March 1937, which is the time limitation in the original act. Since the purposes for which the recent petition calling a Democratic caucus have been accomplished, this caucus will not be called. [Applause.]

Mr. JOHNSON of Oklahoma. Will the gentleman yield?

Mr. NICHOLS. I yield to my colleague from Oklahoma.

Mr. JOHNSON of Oklahoma. I want to express my appreciation to the gentleman for the splendid work he has done in aiding the retention of the C. C. C. camps until March 1937, and to tell him that those of us who were closely associated with him in the courageous and successful fight made by the gentleman keenly appreciate the efforts of the chairman, who played a very important role in getting this job done.

Mr. NICHOLS. I thank the gentleman.

Mr. RANDOLPH. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I also join with my colleague the gentleman from Oklahoma in his words of appreciation. However, may I express the further thought that the civilian conservation workers of the United States have been of splendid assistance in the stricken flooded areas and have met the emergency well.

[Here the gavel fell.]

Mr. FULLER. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 1 additional minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GREEVER. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. GREEVER. I want also to add to what has been said here my appreciation of what the gentleman has done along this line, because the C. C. C. camps have done a great work in the West in connection with the parks and forests and grazing areas, as well as in other places, and this action of the President is indeed gratifying.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. BLANTON. As one of the enlisted men I also want to commend the gentleman for his splendid work.

Mr. NICHOLS. I want to thank every Member of the House for his cooperation and for the assistance which the membership has given me in this fight. [Applause.]

NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (H. R. 11689) to amend title I of the National Housing Act, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ELECTRIC HOME AND FARM AUTHORITY

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is this bill?

Mr. GOLDSBOROUGH. It is a bill to extend the Electric Home and Farm Authority.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, will that report be available for a hearing before the Rules Committee tomorrow?

Mr. GOLDSBOROUGH. Yes; it will be filed tonight.

Mr. O'CONNOR. If it is not filed until midnight tonight, it might not be printed in time to be available.

Mr. GOLDSBOROUGH. As a matter of fact, it is ready now, and will be filed right away.

Mr. McFARLANE. Reserving the right to object, Mr. Speaker, how does this bill differ from the Rural Electrification Authority?

Mr. GOLDSBOROUGH. It is a different Authority. This has more to do with urban homes than rural homes.

Mr. McFARLANE. I am in favor of it if it will help to whip the Power Trust.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

INFORMATION CONCERNING BENEFITS AVAILABLE TO VETERANS AND THEIR DEPENDENTS UNDER LAWS ADMINISTERED BY THE VETERANS' ADMINISTRATION AND OTHER GOVERNMENTAL AGENCIES, INCLUDING THE WAR DEPARTMENT AND CIVIL SERVICE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, May 15, 1934, I prepared a statement in regard to veterans and their dependents. Several hundred thousand of these statements in pamphlet form were purchased by Members of Congress and different veterans' organizations and distributed widely over the country. Many referred to this pamphlet as the "veterans' bible."

With the assistance and cooperation of Mr. Earl D. Chesney, liaison representative of the Veterans' Administration on Capitol Hill, and with the full and complete cooperation of Gen. Frank T. Hines and the Veterans' Administration, I have prepared another pamphlet, which is more complete and comprehensive than the one of May 15, 1934. It has been prepared to provide helpful information to persons who have served in the armed forces of the United States in time of war or peace and to the dependents of such veterans regarding the rights to monetary and other benefits which may be obtained by applying to the Veterans' Administration, the agency established to administer existing laws relating to these matters.

The purpose sought to be attained is to state in a general way the different benefits and the most essential requirements which must be met by a claimant with respect to each. No effort has been made to provide detailed technical information on constructions and interpretations of the veterans' acts, such as would be essential in the adjudication of claims. The statement also includes information concerning veterans' preference to civil-service employment, burial in national cemeteries, headstones, and benefits given by States.

Nothing of its kind has ever before been presented by any Government department or veterans' organization.

I therefore ask unanimous consent to insert this information in the Record, together with such extracts from the laws and regulations as may be necessary.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Veterans' Administration was established on July 21, 1930, as the result of an act of Congress (Public 536, 71st Cong.) passed on July 3, 1930, which authorized the consolidation into one Federal establishment of those agencies created for or concerned in the administration of laws relating to the relief and other benefits provided by law for former members of the Military and Naval Establishments and their dependents. These agencies were the Bureau of Pensions, the National Home for Disabled Volunteer Soldiers, and the United States Veterans' Bureau. As one result of the consolidation the entire subject of veterans' relief, and especially the inequalities and inconsistencies existing in the measure of relief granted to veterans and their families, were brought into greater prominence. This, together with the inception of a severe economic depression and other reasons, occasioned the enactment into law on March 20, 1933, of a law known as Public Law No. 2, Seventy-third Congress. This act did not disturb monetary benefits based upon service prior to the beginning of the Spanish-American War on April 21, 1898, except to provide for a percentage reduction in pension based upon service prior to that time for wartime veterans and their dependents, and this reduction has since been eliminated. The law did repeal, however, the laws granting the following major benefits, but authorized their continuation in modified form:

1. Medical and hospital treatment and domiciliary care.
2. Payment of pension and other allowances to Spanish-American War veterans and their dependents.
3. Payment of pension and other allowances to former members of the military or naval service who served on or after April 21, 1898, and their dependents.

4. Compensation, emergency officers' retirement pay, and other allowances to World War veterans and their dependents.

The act of March 20, 1933, also authorized the President of the United States to prescribe, by regulation, and within certain limitations stipulated in that act, the conditions under which persons who served in the armed forces of the United States on or after April 21, 1898, and their dependents may be granted benefits. The same act provided that the regulations issued by the President which were in effect 2 years from the date of the act on March 20, 1933, should continue in effect without further change or modification except by the Congress.

In addition to the veterans' regulations issued by the President, the Congress has enacted legislation since March 20, 1933, which liberalized and in large measure restored benefits payable to war veterans who served on or after April 21, 1898, and their dependents. The result is that many veterans may be entitled to benefits under more than one act of Congress. For this reason, when the benefits available to persons who served on or after April 21, 1898, are described, it will be indicated whether the benefits are authorized under the act of March 20, 1933, or by other legislation.

From the above it will be seen that April 21, 1898, is a highly significant date in the present development of veterans' legislation, and for this reason this pamphlet endeavors to explain the functioning of the Veterans' Administration and the laws which it administers by presenting the subject matter under the following four parts:

I. Functions and location of the Veterans' Administration and its field stations.

II. Monetary benefits available to veterans and their dependents based upon service in the armed forces of the United States prior to April 21, 1898.

III. Pension and compensation available to veterans and their dependents based upon service in the armed forces of the United States on or after April 21, 1898.

IV. Hospital and domiciliary care and other benefits.

PART I

FUNCTIONS AND LOCATION OF THE VETERANS' ADMINISTRATION AND ITS FIELD STATIONS

The Veterans' Administration, under the Administrator of Veterans' Affairs, maintains a central office located in the Arlington Building, Washington, D. C., and 108 field stations located in the various States and Territorial possessions. There are in addition two supply depots, one located at 1749 West Pershing Road, McKinley Park Station, Chicago, Ill., and the other at Perry Point, Md. In addition to the supervision of all the field stations the central office is solely responsible for the administration of the laws pertaining to Government life insurance and the adjudication of claims for benefits thereunder, except in litigated cases; the issuance of adjusted-service (bonus) certificates and the adjudication of claims in reference to adjusted compensation; the adjudication of pension claims based upon service in the Army, Navy, and Marine Corps, except for such service between April 6, 1917, and July 2, 1921; the adjudication of pension and compensation claims on account of the death of veterans; the adjudication of all emergency officers' retirement benefits; and the adjudication of claims of veterans and their dependents who reside in foreign countries. Central office is also responsible for the final consideration and disposition of appeals to the Administrator of Veterans' Affairs. These appeals involve pension, compensation, emergency officers' retirement benefits, Government insurance, adjusted compensation, death benefits of all kinds, incompetency, and mixed appeals, such as forfeiture of rights, recoveries, relationship, and so forth.

THE FIELD ORGANIZATION OF THE VETERANS' ADMINISTRATION

All of the following field stations are in charge of managers who are directly responsible to the Administrator of Veterans' Affairs. These stations are located throughout the United States and are classified as follows: Veterans' Administration regional offices, Veterans' Administration facilities having regional-office functions in addition to hospital and domiciliary activities, Veterans' Administration facilities having only hospital and domiciliary activities.

VETERANS' ADMINISTRATION REGIONAL OFFICES

The Veterans' Administration has 25 regional offices and 28 facilities having regional-office activities. The principal functions of regional offices, as regards veterans residing within their respective areas, are generally:

1. Contacts with and assistance to claimants and beneficiaries or their representatives in relation to all benefits provided by law and administered by Veterans' Administration facilities or regional offices in the field.

2. Preparation and adjudication of all claims for compensation, pension of veterans who served between April 6, 1917, and July 2, 1921, and for other benefits awardable by Veterans' Administration facilities or regional offices.

3. Guardianship activities, including the determination and certification and legality of the appointment of guardians or other fiduciaries.

4. Making of medical examinations of claimants and beneficiaries for benefits.

5. Rendering out-patient relief, including medical, surgical, and dental treatment, social work, and orthopedic and prosthetic appliances. The area assigned to each regional office and facility having the above functions is conditioned upon the service to be rendered and distribution of the veteran population.

The following is a list of cities in which Veterans' Administration regional offices are located, the street address, if any, and area assigned to each:

Baltimore, Md., Fort McHenry: Maryland.

Boston, Mass., post-office building: Massachusetts (with the exception of cities and towns in Bristol County, not including the towns of Mansfield and Easton; Dukes, Nantucket, Barnstable Counties; and the towns of Lakeville, Middleboro, Carver, Rochester, Mattapoisett, Marion, and Wareham in Plymouth County, which are allocated to the Providence regional office).

Burlington, Vt., 203 College Street: Vermont.

Charlotte, N. C., 212 South Tryon Street: North Carolina.
Cincinnati, Ohio, 1015 Vine Street: The following counties in Ohio: Adams, Athens, Auglaize, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Delaware, Fairfield, Fayette, Franklin, Gallia, Greene, Guernsey, Hamilton, Hardin, Highland, Hocking, Jackson, Lawrence, Licking, Logan, Madison, Meigs, Mercer, Miami, Monroe, Montgomery, Morgan, Muskingum, Noble, Perry, Pickaway, Pike, Preble, Ross, Scioto, Shelby, Union, Van Wert, Vinton, Warren, Washington. The following counties in Kentucky: Boone, Campbell, Kenton. The following counties in Indiana: Dearborn, Franklin, Ohio, Ripley, Switzerland, Union.

Cleveland, Ohio, post-office building: The following counties in Ohio: Allen, Ashland, Ashtabula, Belmont, Carroll, Columbiana, Coshocton, Crawford, Cuyahoga, Defiance, Erie, Fulton, Geauga, Hancock, Harrison, Henry, Holmes, Huron, Jefferson, Knox, Lake, Lorain, Lucas, Mahoning, Marion, Medina, Morrow, Ottawa, Paulding, Portage, Putnam, Richland, Sandusky, Seneca, Stark, Summit, Trumbull, Tuscarawas, Wayne, Williams, Wood, Wyandot.

Dallas, Tex., Cotton Exchange Building: The following counties in Texas: Anderson, Andrews, Angelina, Archer, Bailey, Baylor, Borden, Bosque, Bowie—excluding the city of Texarkana in Bowie County, which is allocated to the Little Rock regional office—Brown, Callahan, Camp, Cass, Cherokee, Clay, Cochran, Coke, Coleman, Collin, Comanche, Concho, Cooke, Cottle, Coryell, Crane, Crosby, Dallas, Dawson, Delta, Denton, Dickens, Eastland, Ector, Ellis, Erath, Fannin, Fisher, Floyd, Foard, Franklin, Falls, Freestone, Gaines, Garza, Glasscock, Gayson, Gregg, Hale, Hamilton, Hardeman, Haskell, Harrison, Henderson, Hill, Hockley, Hood, Hopkins, Howard, Houston, Hunt, Irion, Jack, Johnson, Jones, Kaufman, Kent, King, Knox, Lamb, Lamar, Leon, Limestone, Loving, Lynn, Lubbock, Marion, Martin, McLennan, Midland, Mills, Mitchell, Montague, Morris, Motley, Nacogdoches, Navarro, Nolan, Palo Pinto, Panola, Parker, Rains, Reagan, Red River, Rockwall, Runnels, Rusk, Sabine, San Augustine, Scurry, Shackelford, Shelby, Smith, Somervell, Stephens, Sterling, Stonewall, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Trinity, Upshur, Upton,

Van Zandt, Ward, Wichita, Wilbarger, Winkler, Wise, Wood, Yoakum, Young. Remainder of counties allocated to San Antonio-Oklahoma City-Albuquerque facilities.

Denver, Colo., Old Custom House: Colorado.

Detroit, Mich., Federal Building: Michigan.

Jackson, Miss., Federal Building: Mississippi.

Kansas City, Mo., 406 West Thirty-fourth Street: The following counties in Missouri: Andrew, Atchison, Barry, Barton, Bates, Benton, Buchanan, Caldwell, Carroll, Cass, Cedar, Chariton, Christian, Clay, Clinton, Dade, Dallas, Daviess, De Kalb, Douglas, Gentry, Greene, Grundy, Harrison, Henry, Hickory, Holt, Howell, Jackson, Jasper, Johnson, Lafayette, Lawrence, Linn, Livingston, McDonald, Mercer, Newton, Nodaway, Oregon, Ozark, Pettis, Platte, Polk, Putnam, Ray, Saline, St. Clair, Stone, Sullivan, Taney, Texas, Vernon, Webster, Worth, Wright. The remainder of the counties are allocated to the Jefferson Barracks facility. The following counties in Kansas: Atchison, Brown, Doniphan, Douglas, Jackson, Jefferson, Johnson, Leavenworth, Nemaha, Wyandotte.

Little Rock, Ark., Federal Building: Arkansas (plus the city of Texarkana, Tex.).

Louisville, Ky., Sixth Street and Broadway: Kentucky (excepting Boone, Campbell, and Kenton Counties, which are allocated to the Cincinnati regional office). The following counties in Indiana: Clark, Crawford, Dubois, Floyd, Harrison, Orange, Perry, Scott, Washington.

Manchester, N. H., Federal Building: New Hampshire.

Nashville, Tenn., Cotton States Building: Tennessee.

New Orleans, La., 333 St. Charles Street: Louisiana.

New York, N. Y., new parcel-post building: The following counties in New York: Albany, Bronx, Clinton, Columbia, Delaware, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Kings, Montgomery, Nassau, New York, Orange, Otsego, Putnam, Queens, Rensselaer, Richmond, Rockland, Saratoga, Schenectady, Schoharie, Suffolk, Sullivan, Ulster, Warren, Washington, Westchester. The remainder of counties are allocated to the Batavia facility.

Oklahoma City, Okla., Federal building: Oklahoma and the following counties in Texas: Armstrong, Briscoe, Carson, Castro, Childress, Collingsworth, Dallam, Deaf Smith, Donley, Gray, Hall, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Sherman, Swisher, Wheeler.

Philadelphia, Pa., new customhouse: The following counties in Pennsylvania: Adams, Bradford, Berks, Bucks, Cumberland, Chester, Columbia, Carbon, Dauphin, Delaware, Franklin, Fulton, Juniata, Luzerne, Lycoming, Lehigh, Lebanon, Lancaster, Lackawanna, Montour, Monroe, Montgomery, Northumberland, Northampton, Pike, Perry, Philadelphia, Sullivan, Schuylkill, Susquehanna, Snyder, Tioga, Union, Wyoming, Wayne, York, and the entire State of Delaware. Remainder of Pennsylvania is allocated to the Pittsburgh facility.

Phoenix, Ariz., 242 West Washington Street: Arizona.

Providence, R. I., 40 Fountain Street: Rhode Island and the following territory in Massachusetts: Cities and towns in Bristol County (not including the towns of Mansfield and Easton), Dukes, Nantucket, Barnstable Counties, and the towns of Lakeville, Middleboro, Carver, Rochester, Mattapoisett, Marion, and Wareham in Plymouth County.

Reno, Nev., Federal Building: Nevada, with the exception of the counties of Lincoln and Clark, which are allocated to the Los Angeles facility, and the following counties in California: Alpine, Lassen, Modoc, and Mono.

San Antonio, Tex., Smith-Young Tower: The following counties in Texas: Aransas, Atascosa, Austin, Bandera, Bastrop, Bee, Bell, Bexar, Blanco, Brazoria, Brazos, Brewster, Brooks, Burleson, Burnet, Caldwell, Calhoun, Cameron, Chambers, Colorado, Comal, Crockett, De Witt, Dimmit, Duval, Edwards, Fayette, Fort Bend, Frio, Galveston, Gillespie, Goliad, Gonzales, Grimes, Guadalupe, Hardin, Harris, Hays, Hidalgo, Jackson, Jasper, Jefferson, Jim Hogg, Jim Wells, Karnes, Kendall, Kenedy, Kerr, Kimble, Kinney, Kleberg, Lampasas, La Salle, Lavaca, Lee, Liberty, Live Oak, Llano, Madison, Mason, Matagorda, Maverick, McCulloch,

McMullen, Medina, Menard, Milam, Montgomery, Newton, Nueces, Orange, Pecos, Polk, Real, Refugio, Robertson, San Jacinto, San Patricio, San Saba, Schleicher, Starr, Sutton, Terrell, Travis, Tyler, Uvalde, Val Verde, Victoria, Walker, Waller, Washington, Webb, Wharton, Willacy, Williamson, Wilson, Zapata, and Zavalla. (Remainder of counties allocated to Dallas, Oklahoma City, Albuquerque offices.)

Seattle, Wash., Federal Office Building: Washington—with the exception of the following counties which are allocated to the Portland, Oreg., facility: Clarke, Cowlitz, Klickitat, Skamania, Wahkiakum—and the Territory of Alaska.

Sioux Falls, S. Dak., Federal building: South Dakota.

VETERANS' ADMINISTRATION FACILITIES HAVING REGIONAL OFFICE FUNCTIONS IN ADDITION TO HOSPITAL AND DOMICILIARY ACTIVITIES

The offices of the Veterans' Administration known as facilities furnish hospital, medical care, and treatment to veterans, and in addition perform the functions of regional offices as herein previously designated. Though limited domiciliary care may be given, those facilities marked asterisk (*) also have major domiciliary activities; that is, are used as soldiers' homes.

The following is a list showing the cities in which Veterans' Administration facilities are located, indicating the area assigned to each for the purpose of regional-office functions:

Albuquerque, N. Mex.: New Mexico, and the following counties in Texas: Culberson, El Paso, Hudspeth, Jeff Davis, Presidio, Reeves.

Atlanta, Ga.: Georgia.

Batavia, N. Y.: Following counties in New York: Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Cortland, Erie, Genesee, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Schuyler, Seneca, Steuben, St. Lawrence, Tioga, Tompkins, Wayne, Wyoming, Yates. (Remainder of counties allocated to New York City regional office.)

* Bay Pines, Fla.: Florida.

Boise, Idaho: Idaho.

Cheyenne, Wyo.: Wyoming.

Columbia, S. C.: South Carolina.

Des Moines, Iowa: Iowa.

Fargo, N. Dak.: North Dakota.

Fort Harrison, Mont.: Montana.

Hines, Ill.: Illinois and the following counties in Indiana: Lake, La Porte, Porter.

Huntington, W. Va.: West Virginia, with the exception of the following counties, which are allocated to central office: Berkeley, Grant, Hampshire, Hardy, Jefferson, Mineral, Morgan, Pendleton, and with the exception of the following counties, which are allocated to the Pittsburgh facility: Brooke, Hancock, Marshall, Ohio.

Indianapolis, Ind.: Indiana, with the exception of the following counties, allocated to the Louisville regional office: Clark, Crawford, Dubois, Floyd, Harrison, Orange, Perry, Scott, Washington, and with the exception of the following counties allocated to the Cincinnati regional office: Dearborn, Franklin, Ohio, Ripley, Switzerland, Union, and with the exception of the following counties allocated to the Hines Facility: Lake, La Porte, and Porter.

Jefferson Barracks, Mo.: The following counties in Missouri: Adair, Audrain, Bellinger, Boone, Butler, Callaway, Camden, Cape Girardeau, Carter, Clarke, Cole, Cooper, Crawford, Dent, Dunklin, Franklin, Gasconade, Howard, Iron, Jefferson, Knox, Laclede, Lewis, Lincoln, Macon, Madison, Maries, Marion, Miller, Mississippi, Moniteau, Monroe, Montgomery, Morgan, New Madrid, Osage, Pemiscott, Perry, Phelps, Pike, Pulaski, Ralls, Randolph, Reynolds, Ripley, Schuyler, Scotland, Scott, Shannon, Shelby, St. Charles, St. Francois, St. Louis, Ste. Genevieve, Stoddard, Warren, Washington, and Wayne. (Remainder of counties allocated to Kansas City regional office.)

Lincoln, Nebr.: Nebraska.

* Los Angeles, Calif.: The following counties in California: Imperial, Inyo, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara,

and Ventura; Remainder of counties allocated to San Francisco Facility and Reno regional office; and the following counties in Nevada: Lincoln and Clark.

Lyons, N. J.: New Jersey.

* Milwaukee, Wis.: Wisconsin.

Minneapolis, Minn.: Minnesota.

Newington, Conn.: Connecticut.

Pittsburgh, Pa.: The following counties in Pennsylvania: Allegheny, Armstrong, Beaver, Bedford, Blair, Butler, Cambria, Cameron, Center, Clarion, Clearfield, Clinton, Crawford, Elk, Erie, Fayette, Forest, Green, Huntingdon, Indiana, Jefferson, Lawrence, McKean, Mifflin, Mercer, Potter, Somerset, Venango, Warren, Washington, Westmoreland. (Remainder of counties allocated to Philadelphia regional office.) Following counties in West Virginia: Brooke, Hancock, Ohio, Marshall.

Portland, Oreg.: Oregon, and the following counties in Washington: Clarke, Cowlitz, Klickitat, Skamania, Wahkiakum.

Roanoke, Va.: Virginia, with the exception of the following counties allocated to the central office: Arlington, Clark, Culpeper, Fairfax, Fauquier, Frederick, Greene, Loudoun, Madison, Page, Prince William, Rappahannock, Shenandoah, Stafford, Warren.

Salt Lake City, Utah: Utah.

* San Francisco, Calif.: California—with the exception of the following counties allocated to the Los Angeles facility: Imperial, Inyo, Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Ventura; and with the exception of the following counties allocated to the Reno regional office: Alpine, Lassen, Modoc, Mono.

* Togus, Maine: Maine.

Tuscaloosa, Ala.: Alabama.

Wichita, Kans.: Kansas, with the exception of the following counties allocated to the Kansas City regional office: Atchison, Brown, Doniphan, Douglas, Jackson, Jefferson, Johnson, Leavenworth, Nemaha, Wyandotte.

VETERANS' ADMINISTRATION FACILITIES HAVING ONLY HOSPITAL AND DOMICILIARY ACTIVITIES

These facilities furnish hospital, medical care, and treatment to veterans but do not perform the functions of a regional office. Though limited domiciliary care may be given, those facilities marked with an asterisk also have major domiciliary activities, that is, are soldiers' homes:

Alexandria, La.: American Lake, Wash.; Augusta, Ga.; *Bath, N. Y.; Bedford, Mass.; *Biloxi, Miss.; Bronx, N. Y.; Camp Custer, Mich.; Canandaigua, N. Y.; Castle Point, N. Y.; Chillicothe, Ohio; Coatesville, Pa.; Danville, Ill.; *Dayton, Ohio; Dwight, Ill.; Excelsior Springs, Mo.; Fayetteville, Ark.; Fort Bayard, N. Mex.; Fort Lyon, Colo.; Gulfport, Miss.; *Hot Springs, S. Dak.; Knoxville, Iowa; Lake City, Fla.; Legion, Tex.; Lexington, Ky.; Livermore, Calif.; Marion, Ind.; Memphis, Tenn.; *Mountain Home, Tenn.; Muskogee, Okla.; Northampton, Mass.; North Chicago, Ill.; North Little Rock, Ark.; Northport, Long Island, N. Y.; Oteen, N. C.; Outwood, Ky.; Palo Alto, Calif.; Perry Point, Md.; *Roseburg, Oreg.; Rutland Heights, Mass.; San Fernando, Calif.; Sheridan, Wyo.; St. Cloud, Minn.; Sunmount, N. Y.; Tucson, Ariz.; Tuskegee, Ala.; *Wadsworth, Kans.; *Kecoughtan, Va.; Waco, Tex.; Walla Walla, Wash.; Washington, D. C., 2650 Wisconsin Avenue; Whipple, Ariz.

The following area is allocated to the central office, Arlington Building, Washington, D. C., where duties similar to those of a regional office are performed for veterans residing in the area.

District of Columbia, plus the following counties in Virginia: Arlington, Clark, Culpeper, Fairfax, Fauquier, Frederick, Greene, Loudoun, Madison, Page, Prince William, Rappahannock, Shenandoah, Stafford, Warren; plus the following counties in West Virginia: Grant, Berkeley, Hampshire, Hardy, Jefferson, Mineral, Morgan, Pendleton; and the following Territory and insular possessions: Guam, Hawaii, Panama Canal Zone, Philippine Islands, Puerto Rico, Samoa, Virgin Islands; and all foreign countries.

PART II

MONETARY BENEFITS AVAILABLE TO VETERANS AND THEIR DEPENDENTS, BASED UPON SERVICE IN THE ARMED FORCES OF THE UNITED STATES PRIOR TO APRIL 21, 1898

SERVICE PRIOR TO THE CIVIL WAR

There are no beneficiaries of the Veterans' Administration, either veterans or dependents of the War of the Revolution surviving.

Since the beneficiaries of Federal pension, based upon service in the War of 1812 and the Mexican War, are comparatively few, due to the lapse of time since these conflicts, it is deemed unnecessary to include herein a description of the nature and extent of benefits granted to the dependents of persons who served in those wars. There are no veterans of these wars now living.

PENSION FOR DISEASES, WOUNDS, OR INJURIES INCURRED IN SERVICE PRIOR TO APRIL 21, 1898 (GENERAL LAW)

Veterans: Any officer or enlisted man of the Army, Navy, or Marine Corps of the United States, including regulars, volunteers, and militia, who served during the Civil War, or who served in any campaign against hostile Indians and under certain specified conditions, whether regularly mustered into the service or not, and any person who was regularly enlisted in the Army, Navy, or Marine Corps and discharged therefrom, whose service was not rendered during time of war, and who is disabled by reason of wounds or injuries received, or disease contracted, in the service and in line of duty, may be entitled to a pension, according to the degree of disability shown or, in the case of permanent specific disabilities, to the amounts fixed by law or under legal authority for these disabilities, as shown in the tables which follow:

SERVICE-CONNECTED DISABILITIES

TABLE I.—Amounts payable for various degrees of disabilities

Degree disabled:	Per month
10 percent.....	\$6
15 percent.....	8
20 percent but less than 25 percent.....	10
25 percent but less than 35 percent.....	12
35 percent but less than 50 percent.....	14
50 percent but less than 75 percent.....	17
75 percent but less than 100 percent.....	24
100 percent (total disability).....	30

TABLE II.—Amounts payable for degrees of deafness

	Per month
Nearly total deafness of one ear.....	\$6
Total deafness of one ear.....	10
Slight deafness of both ears.....	6
Severe deafness of one ear and slight of other.....	10
Nearly total deafness of one ear and slight of other.....	15
Total deafness of one ear and slight of other.....	20
Severe deafness of both ears.....	22
Total deafness of one ear and severe of other.....	25
Deafness of both ears existing in a degree nearly total.....	27
Total deafness.....	40

TABLE III.—Amounts specified by law for certain disabilities

	Per month
Loss of sight of both eyes.....	\$125
Loss of both hands.....	100
Total disability of both hands.....	80
Loss of both feet.....	100
Total disability of both feet.....	80
Loss of one hand and one foot.....	100
Total disability in one hand and one foot.....	100
Loss of one hand or one foot and a portion of the other hand or foot.....	85
Loss of one hand or one foot.....	80
Total disability of one hand or one foot.....	80
Loss of both arms or both legs.....	125
Total disability of both arms or both legs.....	125
Loss of an arm at or above the elbow, or a leg at or above the knee.....	90
Total disability of arm or leg.....	90
Regular aid and attendance (first grade).....	72
Frequent and periodical aid and attendance (intermediate grade).....	50

*For veterans of the Spanish-American War, Boxer Rebellion, and Philippine Insurrection, the amount is \$100.

TABLE IV.—Amounts for specific disabilities authorized by law

	Per month
Ankylosis of ankle.....	\$12
Ankylosis of wrist.....	12
Loss of sight of one eye.....	12
Loss of one eye.....	17
Loss of palm of hand and all the fingers, the thumb remaining.....	17
Loss of thumb, index, middle, and ring fingers.....	17

TABLE IV.—Amounts for specific disabilities authorized by law—Con.

	Per month
Loss of thumb, index, and middle fingers.....	\$17
Loss of thumb and little finger.....	15
Loss of thumb, index, and little fingers.....	17
Loss of thumb and index finger.....	15
Loss of thumb.....	12
Loss of thumb and metacarpal bone.....	15
Loss of all the fingers, thumb and palm remaining.....	17
Loss of index, middle, and ring fingers.....	17
Loss of middle, ring, and little fingers.....	15
Loss of index and middle fingers.....	12
Loss of little and middle fingers.....	12
Loss of little and ring fingers.....	10
Loss of ring and middle fingers.....	10
Loss of index and little fingers.....	10
Loss of index finger.....	6
Loss of all the toes of one foot.....	15
Loss of great, second, and third toes.....	12
Loss of great toe and metatarsal.....	12
Loss of great and second toes.....	12
Loss of great toe.....	8
Compart's amputation of foot, with good results.....	17
Pirogoff's modification of Syme's.....	17
Inguinal hernia which passes through the external ring.....	15
Inguinal hernia which does not pass through external ring.....	12
Double inguinal hernia, each of which passes through the external ring.....	17
Double inguinal hernia, one of which passes through the external ring and the other does not.....	15
Double inguinal hernia, neither of which passes through the external ring.....	12
Femoral hernia.....	15

Such pension is subject to reduction to \$15 per month when the veteran has neither wife, child, nor dependent parent and is in receipt of hospital, institutional, or domiciliary care from the Veterans' Administration.

Application for these benefits should be made on V. A. Form 5009 in the case of Civil War veterans, V. A. Form 5029 in the case of veterans of Indian wars, V. A. Form 526 in the case of peacetime veterans, and such applications should be sent to the Veterans' Administration, Washington, D. C.

WIDOWS, MINOR CHILDREN, AND DEPENDENT PARENTS OF VETERANS WHO DIED FROM DISEASE OR INJURY INCURRED IN SERVICE PRIOR TO APRIL 21, 1898

The widows, minor children, and certain dependent relatives of any person who served in the Army, Navy, or Marine Corps of the United States, who died in the service, or whose death resulted from disability incurred in the service in line of duty between March 4, 1861, and April 20, 1898, inclusive, regardless of character of discharge, may be entitled to a pension. The rate of payment ranges from \$12 to \$30 per month, depending upon the time the service was rendered and the rank of the veteran at the date he contracted his fatal disability, with \$2 for each of his children under the age of 16 or helpless. This pension is payable to the veteran's survivors in the following order of preference:

1. To the widow regardless of the date of her marriage to the veteran or her financial condition.
2. If there is no widow entitled to payment, then to the veteran's child or children under age of 16 or helpless.
3. If there is no widow or child entitled to take and the mother is without adequate means of support other than her own manual labor and the contributions of others not legally bound for her support, then to such dependent mother of the veteran.
4. If there is no widow, child, or mother entitled to payment, then to the father, except that his earnings are considered in determining whether he is dependent.
5. If there is no widow, child, mother, or father entitled to payment, then to the orphan brothers and sisters under 16 years of age.

Applications by widows should be made on V. A. Form 5016, and by children on V. A. Form 5018, and by dependent parents on V. A. Form 535, and the forms should be sent to the Veterans' Administration, Washington, D. C.

SERVICE PENSIONS (FOR NON-SERVICE-CONNECTED DISABILITY), CIVIL WAR VETERANS

The Civil War period extended from April 12, 1861, to August 20, 1866, but enlistments must have been prior to April 13, 1865, in the Army, or July 1, 1865, in the Navy, unless part of the veteran's service was rendered in a State consid-

ered disloyal or, in the case of naval service, in waters adjacent to such considered disloyal States.

Any veteran who served 90 days or more in the Army, Navy, or Marine Corps of the United States during the Civil War and was honorably discharged from all enlistments during that period, or who, having served less than 90 days, was discharged for a disability incurred in the service and in line of duty, may be entitled to a pension of \$75 per month. Any such veteran who is now or hereafter may become, by reason of age or physical or mental disability, helpless or blind, or so nearly helpless or blind as to require regular aid or attendance of another person, is entitled to a pension of \$100 per month.

Any veteran who was honorably discharged from his last enlistment in the service during the Civil War will be held to have been honorably discharged from all previous enlistments, provided the last contract of service was for not less than 6 months, and provided that his entire service during this last period was faithful and that he did not receive, by reason of this last enlistment, any bounty or gratuity other than from the United States in excess of what he would have been entitled to had he served faithfully through all previous periods of service during the Civil War. He may be entitled to pension in the amounts shown in the paragraph immediately preceding.

Any veteran who was not regularly mustered into the service of the United States but who served honorably for 90 days or more during the Civil War, in any of the organizations granted a pensionable status by special legislation, may be entitled to pension at the rates of \$75 or \$100 as the case may be. These organizations were: The Missouri State Militia, the Provisional Enrolled Missouri Militia, the Pennsylvania Emergency Militia, the First Regiment Ohio Light Artillery, Capt. David Beaty's company of Independent Tennessee Scouts, Capt. Goldman Bryson's company of North Carolina Mounted Volunteers.

Any woman who was employed by the Surgeon General of the Army as a nurse, under contract or otherwise, during the Civil War, or who was employed as a nurse during such period by duly recognized authority, and who rendered actual service as a nurse in any hospital of the Army of the United States for 6 months or more, and was honorably relieved of such service, may be entitled to a pension of \$50 per month.

Service pension for a Civil War veteran is subject to a reduction of \$25 monthly while he is in a State soldiers' home, or the United States Soldiers' Home, Washington, D. C., or while he has dependents and is in receipt of hospital, domiciliary, or institutional care from the Veterans' Administration. If he has no dependents and is receiving hospital, domiciliary, or institutional care from the Veterans' Administration his pension is reduced to \$15 a month. Service pension for Civil War veterans will commence from the date of filing claim with the Veterans' Administration which should be made on V. A. Form 3-026 and it should be sent to the Veterans' Administration, Washington, D. C. No formal claim is required for increased pension, it being sufficient for the veteran or someone acting in his behalf to file a request for the additional amount and to forward at the same time a statement from a physician showing the veteran's physical or mental condition.

WIDOWS AND MINOR CHILDREN OF CIVIL WAR VETERANS, SERVICE PENSION (FOR NON-SERVICE-CONNECTED DEATH OF THE VETERAN)

The widow and minor children of any person who served in the Army, Navy, or Marine Corps during the Civil War for 90 days or more, and was honorably discharged therefrom, or, regardless of the length of service, was discharged for or died in the service of a disability incurred in the service in line of duty, may be entitled to a pension.

The rate of pension is \$30 per month plus \$6 for each of the veteran's children under the age of 16. The pension is payable in the following order of preference:

1. To the widow, provided she was married to the veteran prior to June 27, 1905, and without regard to her financial condition.

2. If there is no widow entitled to pension, then to the veteran's child or children under the age of 16 or helpless.

The pension of a widow of such a veteran, who was the wife of the veteran during the period of his service in the Civil War, is \$50 per month regardless of her financial condition.

A widow who was married to a Civil War veteran prior to June 27, 1905, and has attained the age of 70 years, may be paid a pension of \$40 per month plus \$6 for each helpless child entitled to a pension.

The term "widow" of a Civil War veteran includes the widow of such a veteran who, having remarried once or more than once after the death of the veteran, can show that the subsequent remarriage or remarriages have been dissolved either by death of the husband or husbands or by a divorce on any ground except adultery on her part.

Application for pension by the widow of such a Civil War veteran should be made on V. A. Form 5022, but if the widow has remarried should be made on V. A. Form 3-012.

Application by the minor child or children of a Civil War veteran should be made on V. A. Form 3-010.

The executed application forms should be sent to the Veterans' Administration, Washington, D. C.

INDIAN-WAR VETERANS—PENSION FOR NON-SERVICE-CONTINUED DISABILITY

Any person who served for the duration of a campaign cited in the act of March 4, 1917, or who served 30 days or more in a military organization in any Indian war or campaign, or in connection with or in the zone of active hostilities in any of the States or Territories of the United States from January 1, 1817, to December 31, 1898, inclusive, and whose service was honorably terminated, may be entitled to a pension in the following amounts if it is shown he is suffering from mental or physical disabilities not the result of his own vicious habits which incapacitate him from the performance of manual labor:

	Per month
10-percent incapacitated.....	\$20
25-percent incapacitated.....	25
50-percent incapacitated.....	30
75-percent incapacitated.....	40
100-percent incapacitated.....	50

In lieu of this pension for disability the veteran may be entitled for age alone in the following amounts:

Upon reaching the age of—	Per month
62 years.....	\$20
68 years.....	30
72 years.....	40
75 years.....	50

Such payments to Indian-war veterans without dependents are subject to reduction to \$15 per month if the veteran is in receipt of hospital, institutional, or domiciliary care within a Veterans' Administration facility.

It is not necessary that an Indian-war veteran be regularly mustered into the service of the United States. If he was a member of a company organized under the authority of a State or Territory for the purpose of protecting life and property against Indian depredations and served at least 30 days, or for the duration of the particular campaign, he may be entitled to pension insofar as his service is concerned. V. A. Form 5029 is to be used in making application for original service pension for Indian-war veterans. A formal claim is not required for increase in pension. It is sufficient for the veteran to file his own statement, together with the statement of a physician showing his present physical or mental condition. Increase in pension by reason of age alone may be granted on a letter from the veteran inviting attention to his attainment of the requisite age, provided his date of birth has been previously established. All claims for service pension affecting Indian-war veterans should be sent to the Veterans' Administration, Washington, D. C.

WIDOWS AND MINOR CHILDREN OF INDIAN-WAR VETERANS; SERVICE PENSIONS (FOR NON-SERVICE-CONNECTED DEATH OF THE VETERAN)

The widow and minor children of any soldier who rendered 30 days' or more service in any military organization, whether regularly mustered into the service of the United States or

not, but whose service was under the authority or by the approval of the United States or any State or Territory in any Indian war or campaign, or in connection with or in the zone of any Indian hostilities in any of the States or Territories of the United States, from January 1, 1817, to December 31, 1898, inclusive, and who was honorably discharged or released under honorable conditions from such service, may be entitled to pension upon proof of the veteran's death without proving the death to be the result of his service.

The rate of pension is \$30 per month plus \$6 per month for each minor child under the age of 16 or helpless. The pension is payable in the following order of preference:

1. To the widow regardless of financial condition.

2. If there is no widow entitled to pension, then to the veteran's child or children under the age of 16.

The term "widow" means the person who was married to the veteran prior to March 4, 1917, and includes the widow of such a veteran who, having remarried once or more than once after the death of the veteran, can show that the subsequent remarriage or remarriages have been dissolved either by the death of the husband or husbands or by a divorce without fault on her part.

Application for pension by the widow of an Indian-war veteran should be made on V. A. Form 5030; application by a widow who remarried should be made on V. A. Form 3-031; application by a child or children should be made on V. A. Form 5031; all forms should be filed with the Veterans' Administration, Washington, D. C.

HELPLESS CHILD

In accordance with a law passed on June 27, 1890, and amended on May 9, 1900, pension may be continued on account of a minor child who is insane, idiotic, or otherwise physically or mentally helpless after it becomes 16 years of age, during the life of said child or during the period of such disability. This applies to all pensions granted under any statute before or after June 27, 1890, for service rendered between March 4, 1861, and April 20, 1898, inclusive. The helplessness of the child must have originated prior to attaining the age of 16 and must be shown prior to allowance. The pension so allowed commences from the date of filing a valid application therefor which may be filed by the next friend or guardian of the child. The rates of pension are the same as those allowed to minors under the various laws covering service during this period. V. A. Form 5025 should be used in making application and should be sent to the Veterans' Administration, Washington, D. C.

PART III

PENSION AND COMPENSATION AVAILABLE TO VETERANS AND THEIR DEPENDENTS BASED UPON SERVICE IN THE ARMED FORCES OF THE UNITED STATES ON OR AFTER APRIL 21, 1898

PENSION PAYABLE ON ACCOUNT OF DISABILITY OR DEATH INCURRED IN SERVICE DURING PEACETIME ENLISTMENT

Veterans: Under the act of March 20, 1933, and the Executive orders issued pursuant thereto any person who is disabled by reason of wounds or injuries incurred in or aggravated by active service and in line of duty, other than in time of war, may be entitled to pension if he was honorably discharged from such service. The amounts payable in such cases for the various degrees of disability are:

	Per month
10 percent disabled.....	\$6
20 percent disabled.....	9
30 percent disabled.....	13
40 percent disabled.....	18
50 percent disabled.....	22
60 percent disabled.....	27
70 percent disabled.....	31
80 percent disabled.....	36
90 percent disabled.....	40
Totally disabled.....	45

There are rates of benefits payable for certain specific disabilities, such as extensive anatomical loss or loss of use, helplessness, or blindness, and so forth, ranging as high as \$125 per month.

Federal employment at a salary or compensation in excess of \$1,000 per annum, computed monthly, for a single person

and of \$2,500 per annum, computed monthly, for a married person or a person with minor children bars the right to pension except (1) for injury received in combat with an enemy of the United States and (2) to those persons so employed who were receiving pension for directly service-connected disability on March 19, 1933, in which event \$6 per month is payable.

The pension is reduced to \$15 per month when the veteran has neither wife, child, nor dependent parent and is in receipt of hospital, institutional, or domiciliary care from the United States or any political subdivision thereof.

How to apply: The form to be used in making application for this benefit is V. A. Form 526, and if service began with an enlistment entered into after November 10, 1918, and prior to July 2, 1921, the claim should be filed with the appropriate field office having regional-office activities, depending for this benefit is V. A. Form 526, and if service began with upon the residence of the veteran making application. If enlistment was entered into at any other time subsequent to April 20, 1898, so as to constitute peacetime service, claims should be filed with the Veterans' Administration, Washington, D. C.

Dependents of peacetime veterans: The surviving widow, child or children, and dependent mother or father of any deceased veteran who died as the result of injury or disease incurred in or aggravated by active military or naval service as provided immediately above under the caption "Veterans", may receive pension at the monthly rates specified as follows:

Widow under 50 years of age, \$22.

Widow 50 years to 65 years of age, \$26.

Widow over 65 years of age, \$30.

Widow with one child, \$7 additional for such child up to 10 years of age, increased to \$11 from age 10 (with \$6 for each additional child up to 10 years of age, increased to \$9 from age 10).

No widow but one child, \$15.

No widow but two children, \$24 (equally divided).

No widow but three children, \$34 (equally divided) (with \$6 for each additional child; total amount to be equally divided).

Dependent mother or father, \$15; or both, \$11 each.

The total pension payable under this paragraph may not exceed \$56.

Where such benefits would otherwise exceed \$56 the amount of \$56 may be apportioned as the Administrator of Veterans' Affairs may prescribe.

However, the widow, as described immediately below, or the surviving widow of any person who died as a result of injury or disease incurred in or aggravated by active military or naval service or Coast Guard service in line of duty and who was, on March 20, 1933, being paid, except by fraud, mistake, or misrepresentation, a pension under the general or service pension laws existing prior to that date, at a rate in excess of the rate authorized herein, may be entitled until death or remarriage to be paid a pension at the rate authorized prior to March 20, 1933, under prior laws, provided it may not exceed \$30 per month.

For the purpose of this benefit the term "widow" of a peacetime veteran means a person who was married to the veteran prior to the expiration of 10 years subsequent to his discharge from the enlistment during which the injury or disease, on account of which claim is filed, was incurred.

The term "child" for the payment of benefits described herein means a legitimate child or a child legally adopted, unmarried, and under the age of 18 years, unless prior to reaching the age of 18 the child becomes permanently incapable of self-support by reason of mental or physical defect, except that the payment of pension may be further continued after the age of 18 years and until completion of education or training in an approved school, but not after such child reaches the age of 21 years.

In making application for this benefit, V. A. Form 534 should be used by widows or children and V. A. Form 535 should be used by parents, all such applications to be sent to the Veterans' Administration, Washington, D. C.

SPANISH-AMERICAN WAR

PENSION FOR VETERANS OF THE SPANISH-AMERICAN WAR, INCLUDING THE PHILIPPINE INSURRECTION AND BOXER REBELLION, FOR DISABILITY INCURRED DURING SUCH WAR SERVICE

Act of March 20, 1933

Under the act of March 20, 1933, and the Executive orders which followed it, veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, who were in the active service and honorably discharged, and including contract nurses, and who were disabled in the service or whose preexisting disabilities were aggravated by service, may be paid pension according to the degree of disability shown.

The rates range from \$10 to \$100 per month in 10 steps and there are special rates payable for certain specific disabilities, such as extensive anatomical loss or loss of use, helplessness, blindness, and so forth, ranging as high as \$250 per month. These disabilities are based as far as practicable upon the average impairments of earning capacity resulting from such disabilities in civil occupations. Advantages are extended to veterans of this class in making determinations of service connection in cases where proof of service connection is not possible when the circumstances in the individual case reasonably warrant that service connection may be presumed. Pension in these cases may not be paid for disability on account of a veteran's own misconduct.

Federal employment at a salary or compensation in excess of \$1,000 per annum computed monthly for a single person and of \$2,500 per annum computed monthly for a married person or a person with minor children bars the right to pension except (1) for an injury received in combat with an enemy of the United States or for disabilities resulting from an explosion of an instrumentality of war, and (2) to those persons so employed who were receiving pension on March 19, 1933, in which latter event \$6 per month is payable.

If a veteran has neither wife, child, nor dependent parent and receives hospital, institutional, or domiciliary care from the United States or a political subdivision thereof, the amount of pension is reduced to \$15 per month.

A Spanish-American War veteran in order to be entitled to service-connected benefits under the act of March 20, 1933, as described immediately above, must have served during one of the following periods:

Spanish-American War: An enlistment entered into or extending into the period beginning April 21, 1898, and ending August 12, 1898, both dates inclusive.

Philippine Insurrection: An enlistment entered into or extending into the period from August 13, 1898, to July 4, 1902, both dates inclusive, provided the person actually participated in the insurrection, or was en route thereto for the purpose of participating. In the event such persons served with the military forces engaged in hostilities in the Moro Province the termination date of the insurrection is extended to July 15, 1903.

Boxer Rebellion: An enlistment entered into or extending into the period from June 20, 1900, to May 12, 1901, both dates inclusive, provided the person actually participated in the rebellion.

Act of August 13, 1935

Under the laws reenacted by the act of August 13, 1935 (Public, No. 269, 74th Cong.), a veteran of the Spanish-American War, including the Philippine Insurrection and the Boxer Rebellion, may also be entitled to a pension (but not both at the same time) if he is disabled by reason of wounds or injuries received or disabilities contracted in the service in line of duty. The pension is payable according to the degree of disability shown or in the case of permanent specific disability is payable in the amounts fixed by law or otherwise for disabilities as shown in the tables.

Pension, under the law reenacted August 13, 1935, is not subject to reduction by reason of the veteran's employment by the Federal Government, as is the pension which is payable under the act of March 20, 1933, but is reduced to \$15 per month if the veteran has neither wife, child, nor dependent parent, and is furnished hospital, institutional, or domiciliary care by the Veterans' Administration.

Under the laws reenacted by the act of August 13, 1935, the periods of war service are as follows:

Spanish-American War: Period of the War with Spain was from April 21, 1898, to April 11, 1899, inclusive.

Philippine Insurrection: The Philippine Insurrection was from April 12, 1899, to July 4, 1902, inclusive, unless the person served in the Moro Province, in which event the termination date of the Philippine Insurrection is July 15, 1903. Participation in the insurrection is not required under this law.

Boxer Rebellion (China Relief Expedition): The period of the Boxer Rebellion was from June 16, 1900, to May 12, 1901, inclusive, provided the person actually participated therein.

Application for this pension should be made on V. A. Form 526 and sent to the Veterans' Administration, Washington, D. C.

DEPENDENTS OF SPANISH-AMERICAN WAR VETERANS, INCLUDING THE PHILIPPINE INSURRECTION AND BOXER REBELLION FOR DEATH ON ACCOUNT OF SUCH WAR SERVICE

Act of March 20, 1933

Under the provisions of the act of March 20, 1933, the surviving widow, child, or children, and dependent parents of a deceased veteran of the Spanish-American War, including the Philippine Insurrection and Boxer Rebellion, who died as the result of injury or disease incurred in or aggravated by active military, or naval service, may be entitled to receive pension at the monthly rates prescribed as follows:

Widow under 50 years of age, \$30.

Widow 50 years to 65 years of age, \$35.

Widow over 65 years of age, \$40.

Widow with one child, \$10 additional for such child up to 10 years of age, increased to \$15 from age 10 (with \$8 for each additional child up to 10 years of age, increased to \$13 from age 10).

No widow but one child, \$20.

No widow but two children, \$33 (equally divided).

No widow but three children, \$46 (equally divided) (with \$8 for each additional child; total amount to be equally divided).

Dependent mother or father, \$20 (or both, \$15 each).

The total pension payable under this law may not exceed \$75. Where such benefits exceed \$75 the amount of \$75 will be apportioned.

The term "widow" of a veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection for the payment of benefit described herein means a person who was married to the veteran prior to September 1, 1922.

The term "child" for the payment of benefit described above means a legitimate child or a child legally adopted, unmarried, and under the age of 18 years, unless prior to reaching the age of 18 the child becomes permanently incapable of self-support by reason of mental or physical defect except that the payment of pension may further continue after the age of 18 years and until completion of education or training in an approved school but not after such child reaches the age of 21 years.

Act of August 13, 1935

Under the act of August 13, 1935 (Public, 269, 74th Cong.), all the pension laws in effect March 19, 1933, which granted pensions to veterans of the Spanish-American War, Philippine Insurrection, and the Boxer Rebellion, and their dependents, were reenacted in their entirety.

Under the general law or act of July 14, 1862, as amended and reenacted, the surviving widow, child, or children of dependent relatives of veterans of the Spanish-American War, Philippine Insurrection, or Boxer Rebellion who served between April 21, 1898, and July 4, 1902, both dates inclusive, may be paid a pension, providing the veteran died in the service or died from a disability incurred in the service in line of duty and regardless of the character of his discharge. The rate of payment ranges from \$12 to \$30 per month, depending upon the kind of services rendered and the rank of the veteran at the time he contracted his fatal disability, with \$2 for each of his children under the age of 16, which pension may be continued after age 16 to or for a helpless child. The minimum rate for the widow of a veteran of the Spanish-American War or Philippine Insurrection is \$25.

This pension is payable to the veterans' dependents in the following order of preference:

1. To the widow, regardless of the date of her marriage to the veteran or her financial condition.

2. If there is no widow entitled to payment, then to the veteran's child or children under age of 16 or helpless.

3. If there is no widow or child entitled to take and the mother is without adequate means of support other than her own manual labor and the contributions of others not legally bound for her support, then to such dependent mother of the veteran.

4. If there is no widow, child, or mother entitled to payment, then to the father, except that his earnings are considered in determining whether he is dependent.

5. If there is no widow, child, mother, or father entitled to payment, then to the orphan brothers and sisters under 16 years of age.

Under the act of May 1, 1926, as reenacted, the surviving widow and minor children of a veteran of the Spanish-American War, Philippine Insurrection, or Boxer Rebellion who died in the service of a disability incurred in line of duty may be entitled to a pension of \$30 per month plus \$6 additional for each minor child under 16 years of age.

How to apply: For service-connected death pension for widows and children of veterans of the Spanish-American War, including the Philippine Insurrection and Boxer Rebellion, application should be made by the use of V. A. Form 534 and for dependent parents V. A. Form 535, and should be filed with the Veterans' Administration, Washington, D. C.

PENSION FOR VETERANS OF THE SPANISH-AMERICAN WAR, INCLUDING PHILIPPINE INSURRECTION AND BOXER REBELLION, FOR DISABILITIES NOT INCURRED DURING SUCH WAR SERVICE

In addition to pensions payable for disability resulting from diseases or injuries incurred in or aggravated by service, veterans of the Spanish-American War, including the Philippine Insurrection and the Boxer Rebellion, may be entitled to pensions for disability resulting from diseases and injuries which cannot be shown to be due to their war service. Such veterans may be entitled to a pension under one of several acts of Congress.

Act of March 20, 1933

Under the act of March 20, 1933 (Public, No. 2, 73d Cong.), and the Executive orders which followed it, a pension of \$30 per month may be paid for permanent and total disability, providing the disability is not the result of the veteran's own misconduct and was not incurred in any period of military or naval service. To be eligible to this pension, the veteran must have served 90 days or more in the active military or naval service during the Spanish-American War, the Philippine Insurrection, or Boxer Rebellion, and must have been honorably discharged, or, having served less than 90 days, must have been discharged for disability incurred in the service in line of duty. He must be shown to have been in the active service before the cessation of hostilities.

If such a veteran is not permanently and totally disabled, but is 50 percent disabled, he may receive a pension of \$15 per month.

Any such veteran over 62 years of age may be entitled to receive a pension of not more than \$15 per month because of such age.

This pension is not payable if the disability is the result of the veteran's own misconduct, nor if his income, if unmarried, exceeds \$1,000, or if married or with minor children exceeds \$2,500, except that the \$15 pension to veterans over 62 years of age is payable irrespective of income.

If the veteran receives hospital, institutional, or domiciliary care from the United States or a political subdivision thereof, and has neither wife, child, nor dependent parent, this pension is reduced to \$6 per month.

Act of August 13, 1935 (service pension)

Under the act of August 13, 1935 (Public, 269, 74th Cong.), all the pension laws in effect March 19, 1933, which granted pensions to veterans of the Spanish-American War, Philippine Insurrection, and Boxer Rebellion were reenacted in their entirety, and under these laws such a veteran may be entitled to a pension for a disability resulting from diseases

or injuries not connected with his war service, or because of age. Under the laws reenacted by the act of August 13, 1935, the periods of war service are as shown herein.

Any person who served 90 days or more during such war, insurrection, or rebellion, and was honorably discharged from such service, or if he served less than 90 days and was discharged for disability incurred in the service in line of duty, may be paid a pension on account of disability or age. A pension may also be paid for disability or age to those persons who served 70 days or more but less than 90 days during such war, insurrection, or rebellion.

The rates of pension for disability not due to service are shown below:

Amount disabled	90 days or disability discharge	70 days
	Per month	Per month
$\frac{1}{16}$	\$20	\$12
$\frac{1}{8}$	25	15
$\frac{3}{16}$	35	18
$\frac{1}{4}$	50	24
Total.....	60	30

In lieu of pension for disability, the veteran may be entitled to a pension on account of age, payable at the following rates:

Age	90 days or disability discharge	70 days
	Per month	Per month
62 years.....	\$30	\$12
65 years.....	40	18
72 years.....	50	24
75 years.....	60	30

It is provided that if such a veteran, who served 90 days, or if he served less than 90 days, was discharged for disability incurred in service in line of duty, is so helpless, or blind, or so nearly so as to require the regular aid and attendance of another, \$72 per month is payable. If such a veteran served 70 days, but less than 90 days, \$50 per month is payable.

Disability because of misconduct of a veteran is not a bar to pension under this act.

Pension payable to all such persons is subject to reduction to \$6 per month when the veteran has neither wife, child, nor dependent parent, and is in receipt of hospital, institutional, or domiciliary care from the Veterans' Administration. Such pension is also subject to reduction to an amount not to exceed \$50 per month while the veteran is a member of the United States Soldiers' Home, Washington, D. C., Naval Home, Philadelphia, Pa., or of any State soldiers' home, even though the veteran has a wife, child, or dependent parent.

How to apply: Application for non-service-connected pension by veterans of the Spanish-American War, including the Philippine Insurrection and Boxer Rebellion, regardless of whether the pension is authorized by Public, No. 2 of the Seventy-third Congress, or Public, No. 269 of the Seventy-fourth Congress, as described herein, should be made on V. A. Form 526 if application has not already been made, and the claim should be forwarded to the Veterans' Administration, Washington, D. C.

DEPENDENTS OF SPANISH-AMERICAN WAR VETERANS INCLUDING PHILIPPINE INSURRECTION AND BOXER REBELLION WHOSE DEATH WAS NOT CAUSED BY SUCH WAR SERVICE

As is the case with veterans, the widows and children of veterans of the Spanish-American War, the Boxer Rebellion, and the Philippine Insurrection whose death did not result from diseases or injuries incurred or aggravated by military service may be entitled to a pension under the act of March 20, 1933, or under the pension acts which were reenacted by the act of August 13, 1935.

Act of March 20, 1933

Under the act of March 20, 1933, the surviving widow and children of any deceased person who served in the active military or naval service during the Spanish-American War,

Boxer Rebellion, or Philippine Insurrection may be entitled to a pension at the following rates:

Widow but no children, \$15 per month.

Widow and one child, \$20 per month (with \$3 monthly for each additional child).

No widow but one child, \$12 per month.

No widow but two children, \$15 (equally divided).

No widow but three children, \$20 (equally divided; with \$2 monthly for each additional child, total amount to be equally divided.)

The total pension payable cannot exceed \$27 monthly. Where such benefits would otherwise exceed \$27 monthly the amount of \$27 may be apportioned.

Act of August 13, 1935

Under the act of August 13, 1935, there was reenacted the act of May 1, 1926, Public, No. 166, Sixty-ninth Congress, under which widows and minor children under 16 years of age or helpless of a person who served in the Spanish-American War, Philippine Insurrection, or Boxer Rebellion may be entitled to a pension at the rate of \$30 per month, plus \$6 additional for each minor child under the age of 16, which pension may be continued after age 16 to or for a helpless child. The veteran must have served 90 days or have been discharged for disability contracted within service in line of duty within the following periods:

Spanish-American War: Period of the War with Spain was from April 21, 1898, to April 11, 1899, inclusive.

Philippine Insurrection: The Philippine Insurrection was from April 12, 1899, to July 4, 1902, inclusive.

Boxer Rebellion (China Relief Expedition): The period of the Boxer Rebellion was from June 16, 1900, to May 12, 1901, inclusive, provided the person actually participated therein.

The veteran must have been honorably discharged from all contracts of service during the period of the war, insurrection, or rebellion. No period of service rendered prior to April 21, 1898, nor subsequent to July 4, 1902, may be counted in computing the 90 days, nor can short periods of service in two or more designated periods be combined to create the 90 days required.

The term "widow" means a person who was married to the veteran prior to September 1, 1922, and includes such a widow who has been remarried once or more than once if her subsequent or successive marriage or marriages has or have been dissolved either by the death of the husband or husbands, or by divorce on any ground except adultery on the part of the wife.

In case of death, remarriage, or forfeiture of the pension by the widow, the child or children stand in the place of the widow and receive the full pension she would receive. The term "child" means a legitimate child under 16 years of age.

Use V. A. Form 534 and send it to the Veterans' Administration at Washington, D. C.

HALF PENSION PAYABLE TO WIFE OR CHILDREN OF A VETERAN

Under the act of March 3, 1899, which is among the laws reenacted on August 13, 1935, it is provided that one-half of the pension due any veteran, who is a resident of the United States, who served prior to April 21, 1898, or to any veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection, may be paid to his wife or children under the following conditions:

1. If the veteran deserts his wife for more than 6 consecutive months and his wife is of good moral character and in necessitous circumstances, or if there is no wife entitled to this pension, deserts his legitimate child or children under 16 years of age or his permanently helpless and dependent child or children; or

2. If such a veteran enters the United States Soldiers' Home, the Naval Home, or a State home, one-half of his pension which accrues during his residence therein may be paid to his wife, she being a woman of good moral character and in necessitous circumstances, or to his children unless they are also in a home provided for wives and children of soldiers and sailors.

Applications should be made by the veteran's wife on V. A. Form 5015 and be accompanied by sufficient proof to establish

a prima-facie case of desertion and that the wife is of good moral character and in necessitous circumstances, and should be sent to the Veterans' Administration, Washington, D. C. Where there is no wife, the veteran's child or children should use V. A. Form 5014.

WORLD WAR

DISABILITY COMPENSATION FOR VETERANS OF THE WORLD WAR FOR DISABILITIES INCURRED IN OR AGGRAVATED BY SUCH WAR SERVICE

Act of March 20, 1933

Under the act of March 20, 1933 (Public, No. 2, 73d Cong.), a veteran of the World War whose disability was incurred in or aggravated by actual service and in line of duty, may be paid disability compensation according to the degree of disability shown. This disability compensation carries the same rates as those shown for Spanish-American War veterans, ranging from \$10 to \$250 per month, and payments thereof are subject to the same provisions with respect to Federal employment and the receipt of hospital, institutional, or domiciliary care from the United States or a political subdivision thereof.

To be entitled to disability compensation under this provision of law the veteran must have served during an enlistment or employment entered into or extending into the period from April 6, 1917, to November 11, 1918, inclusive, and have been honorably discharged. The disability must have occurred in or have been aggravated by service during such enlistment and prior to July 2, 1921, and must not have resulted from misconduct. For those who served in the military forces in Russia the terminating date of the World War period is extended to and includes April 1, 1920.

Draftees: Also entitled to disability compensation is any person who on or after April 6, 1917, and prior to November 12, 1918, applied for enlistment or enrollment in the active military or naval forces and who was provisionally accepted and directed or ordered to report to a place for final acceptance into such military service, or who on or after April 6, 1917, and prior to November 12, 1918, was drafted and after reporting pursuant to the call of his local draft board and prior to rejection, or who on or after April 6, 1917, and prior to November 12, 1918, after being called into the Federal service as a member of the National Guard but before being enrolled for the Federal service suffered an injury or disease in line of duty and not the result of his own misconduct. A draftee is one who was called but for some reason not accepted, and therefore did not receive a discharge from military service, only receiving a discharge from the draft.

Act of March 28, 1934

World War veterans may be entitled to compensation under the provisions of another act of Congress known as Public, No. 141, Seventy-third Congress, dated March 28, 1934, which reenacted many of the provisions of the World War Veterans' Act, 1924, as amended, which had been repealed by the act of March 20, 1933. Under the provisions of the act of March 28, 1934, rates range from \$8 to \$275 per month, and disabilities are evaluated as far as practicable upon the handicap the particular disability would cause to the average individual in the veteran's pre-war occupation. Under this act disability compensation is payable for temporary disabilities as well as for permanent disabilities, and many diseases causing disability which cannot be shown to be due to service under the provisions of the act of March 20, 1933, may be compensable through the reenactment of certain sections of the World War Veterans' Act—which presumed certain diseases shown to have existed to a 10-percent degree by January 1, 1925, for example, to be due to the person's military or naval service during the World War. This act also provides for the continuation of payments at the rates being paid on March 19, 1933, to those persons who were in receipt of disability compensation prior to the act of March 20, 1933, for directly service-connected disabilities, unless their disabilities were the result of their own misconduct and except where payments were being made because of fraud, misrepresentation of a material fact, or unmistakable error. This act also provides for the continuation of 75 percent of the rate being paid on March 19, 1933, to those whose disability is reestablished under the presumptive pro-

visions referred to above. The protection of the rates being paid March 19, 1933, does not apply where there is a change in physical condition.

Under this provision of law, however, Federal employment of the veteran does not result in reduction of the monthly rate of compensation, but the receipt of hospital, institutional, or domiciliary care from the United States or a political subdivision thereof causes a reduction to \$15 per month if the veteran has neither wife, child, nor dependent parent.

To be entitled under this act the veteran must have entered the active military service on or before November 11, 1918, unless the veteran served with the United States military forces in Russia prior to April 2, 1920, in which event he may have entered the active service after November 11, 1918.

How to apply: World War veterans should use V. A. Form 526 and send it to the proper field office of the Veterans' Administration.

DEATH COMPENSATION FOR WIDOWS, CHILDREN, AND DEPENDENT PARENTS OF WORLD WAR VETERANS WHOSE DEATH RESULTED FROM SERVICE

Act of March 20, 1933

Under the provisions of the act of March 20, 1933 (Public, No. 2, 73d Cong.), the surviving widow, child or children, and dependent parents of deceased veterans of the World War who died as a result of injury or disease incurred in or aggravated by active military or naval service are entitled to receive death compensation at the same rates prescribed for dependents of Spanish-American War veterans.

The term "widow" of a veteran of the World War means a person married to the veteran prior to July 3, 1931, and who has not remarried.

The definition of the term "child" likewise applies to children of a World War veteran.

The term "mother" or "father" means the natural mother or father of the veteran or the mother or father of the veteran through legal adoption.

Act of March 28, 1934

Under the provisions of the act of March 28, 1934 (Public, No. 141, 73d Cong.), payments being made to widows, children, and dependent parents of World War veterans prior to the passage of the act of March 20, 1933, are continued and protected, with the result that the surviving widow, child, and dependent parents who might not be entitled under the provisions of the act of March 20, 1933, continue to receive payments at the rates in effect March 19, 1933, which were:

1. If there is a widow but no children, \$30 per month.
2. If there is a widow and one child, \$40 per month (with \$6 per month for each additional child).
3. If there is no widow but one child, \$20 per month.
4. If there is no widow but two children, \$30 per month.
5. If there is no widow but three children, \$40 per month (with \$5 per month for each additional child).
6. If there is a dependent mother or dependent father, \$20 per month, or both, \$30 per month.

The amount payable cannot exceed the difference between the total amount payable to the widow and children, and the sum of \$75 per month, except when there is both a dependent mother and a dependent father, in which event the amount payable to them is not less than \$20 per month.

The definition of "child" applies to benefits payable under this provision of law.

The terms "mother" and "father" include stepmothers and stepfathers, mothers and fathers through adoption, and persons who have stood in the relationship of a parent for a period of not less than 1 year prior to the veteran's entrance into the service.

How to apply: Claims by widows and children should be made on V. A. Form 534 and claims by dependent parents on V. A. Form 535 and all such applications filed with the Veterans' Administration, Washington, D. C.

PENSION FOR VETERANS OF THE WORLD WAR FOR DISABILITIES NOT INCURRED IN OR AGGRAVATED BY WAR SERVICE

Any World War veteran who served in the active military or naval service for a period of 90 days or more and was honorably discharged or who having served less than 90 days was discharged for disability incurred in the service in line

of duty and who was in the service before November 11, 1918, or if he served with the United States military forces in Russia, was in the active military service prior to April 2, 1920, may be entitled to receive a pension of \$30 per month for permanent and total disability if not the result of his own misconduct and if not shown to have been incurred in any period of the military or naval service.

This pension is not payable if the veteran's income if unmarried exceeds \$1,000, or if married or with minor children exceeds \$2,500, and is reduced to \$6 per month when a veteran who has neither wife, child, nor dependent parent, is in receipt of hospital, institutional or domiciliary care from the United States or a political subdivision thereof.

Applications should be made on V. A. Form 526 and sent to the proper field office of the Veterans' Administration.

COMPENSATION TO WIDOWS AND CHILDREN OF WORLD WAR VETERANS WHO DIED FROM DISABILITIES NOT INCURRED DURING THEIR WAR SERVICE

Act of June 28, 1934

On June 28, 1934 (Public, No. 484, 73d Cong.), a law was passed which authorized the payment of compensation to the unmarried widow and children of a person who, while receiving monetary benefits for disabilities directly incurred in World War service, or has died from a disease or disability not service connected and not the result of the veteran's own misconduct.

Service must have been rendered after April 6, 1917, and prior to November 12, 1918, or if the veteran served in Russia, before April 2, 1920.

Such veteran must have been receiving or entitled to receive at the time of his death compensation or retirement pay for a disability directly incurred in or aggravated by service in the World War, rated to the extent of 30 percent or more.

No such widow or child is entitled to receive compensation during any year following a year for which not exempt from the payment of a Federal income tax.

The monthly rates of compensation for widows and children are as follows:

Widow with no children, \$22 per month.

Widow and one child, \$30 per month (with \$4 for each additional child).

No widow but one child, \$15 per month.

No widow but two children, \$22 (equally divided).

No widow but three children, \$30 (equally divided) (with \$3 for each additional child, total amount to be equally divided. The total compensation may not exceed \$56 per month).

Payments of this character commence from June 28, 1934, in all cases where the death of the veteran occurred prior to that date. In all other cases payment commences from the date of filing claim with the Veterans' Administration.

The widow must have been married to the veteran prior to July 3, 1931, and must not have remarried.

The term "child" means a person unmarried and under the age of 18, unless prior to reaching the age of 18 the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, who is a legitimate child, a child legally adopted, a stepchild if a member of the man's household, an illegitimate child, but, as to the father only, if acknowledged in writing signed by him or if he has been judicially ordered or decreed to contribute to such child's support, or has been judicially decreed to be the putative father of such child. The payment of compensation may be continued after age 18, and until completion of education or training in an approved school but not after such child reaches the age of 21 years.

Application for this benefit should be made on V. A. Form 534 and sent to the Veterans' Administration, Washington, D. C.

WHEN THERE IS ENTITLEMENT UNDER MORE THAN ONE LAW, THE LAW GRANTING THE GREATER BENEFIT IS APPLIED

In the administration of the laws granting benefits to veterans of the armed forces of the United States and to their dependents, when such persons are entitled to benefits under more than one law the greater benefit is paid. For example, a widow of a Civil War veteran who was the wife of the

veteran while he was in the service during the Civil War and who lost his life during such service, may be entitled to \$30 or less per month as the widow of that deceased veteran, based upon the service-connected death. However, it has been pointed out that under ordinary conditions she would be entitled to \$50 per month service pension on the basis of non-service-connected death of the veteran. In such case she would be awarded the greater benefit. And again, a Spanish-American War veteran, meeting the requirements for a pension based upon non-service-connected disability under the provisions of the act of March 20, 1933, and the Executive orders which followed it, may be entitled to \$30 per month because of a permanent and total disability, but under the laws reenacted August 13, 1935, he may be entitled to \$72 per month, in which event the greater amount would be awarded.

DISABLED EMERGENCY OFFICERS' RETIREMENT PAY

On May 24, 1928, a law was enacted which provided, among other things, that all persons who have served as officers of the Army, Navy, or Marine Corps of the United States during the World War, other than as officers of the Regular Army, Navy, or Marine Corps, who during such service have incurred physical disability in line of duty, and who have been, or may within 1 year after passage of this act be rated in accordance with law at not less than 30-percent permanently disabled, for such disability, resulting directly from such war service, shall, from the date of the receipt of application, be placed upon, and thereafter continued on, a retired list at 75 percent of the pay to which they were entitled at the time of their discharge from their commissioned service, with certain exceptions. It was provided in that law that a claim for this benefit, in order to be valid, must have been made within 1 year from the date of the enactment of that law.

The act of March 20, 1933, repealed this law, but made provision for the continuation of the emergency officers' retirement pay under certain conditions, among which are the following: First, that such officer was employed in the active commissioned service between April 6, 1917, and November 11, 1918; second, that the disease or injury, or aggravation of the disease or injury, on account of which retirement benefits were being paid directly resulted from the performance of military or naval duty during such service; third, that such persons must otherwise meet the requirements of the Veterans' Regulations, issued under the provisions of the act of March 20, 1933.

PART IV

HOSPITAL AND DOMICILIARY CARE AND OTHER BENEFITS

DOMICILIARY OR HOSPITAL CARE, INCLUDING MEDICAL TREATMENT

The Veterans' Administration is authorized to furnish domiciliary or hospital care, including medical treatment, within the limits of its facilities, to persons who served in the armed forces of the United States and are in need of such care, and under the conditions hereinafter enumerated.

The term "its facilities", as used when referring to the granting of hospital or domiciliary care, means those facilities of the Veterans' Administration; those other Government institutions under contract with the Veterans' Administration; those private institutions under contract either for the care of veterans with certain service-connected disabilities, for the care of woman veterans of any war, or for the care of veterans in the United States, Territories, and possessions.

Admissions to Veterans' Administration facilities are granted the following classes of applicants in the specified order of preference:

(1) Hospital treatment for (a) veterans who served during the period of any war who are honorably discharged from their last period of war service and who are suffering with injuries or diseases incurred in or aggravated in line of duty in the active military or naval service and are in need of hospital treatment for such injuries or diseases; and (b) persons who on or after April 6, 1917, and prior to November 12, 1918, applied for enlistment or enrollment in the active military or naval forces and who were provisionally accepted and directed or ordered to report to a place for final acceptance into such military service, or who on or after April 6, 1917,

and prior to November 12, 1918, were drafted and after reporting pursuant to the call of the local draft board and prior to rejection, or who on or after April 6, 1917, and prior to November 12, 1918, after being called into the Federal service as members of the National Guard but before being enrolled for the Federal service suffered injury or disease in line of duty and not the result of their own misconduct, for which they are receiving disability compensation and for which they are in need of hospital treatment.

(2) Hospital treatment for persons who were honorably discharged from the United States Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty, or are in receipt of pension for a service-connected disability, and who are suffering with injuries or diseases which were incurred or aggravated in the active service and are in need of hospital treatment for such injuries or diseases.

(3) Hospital or domiciliary care, including emergency or extensive hospital treatment, for veterans who served during a period of war who (a) have an honorable discharge from their last period of war service; (b) served in the active military or naval service for 90 days or more, or who, having so served for less than 90 days, were discharged for disability incurred in line of duty; (c) are suffering with a permanent disability, tuberculous or neuropsychiatric ailment, or such other conditions requiring emergency or extensive hospital treatment; and (d) are incapacitated from earning a living and have no adequate means of support.

(4) Hospital or domiciliary care, including emergency or extended hospital treatment, for persons honorably discharged from their last period of active military or naval service in the United States Army, Navy, or Marine Corps—or honorably discharged from their last period of service in the United States Coast Guard—for disability incurred in line of duty or who are in receipt of pension for service-connected disability; who are suffering with a permanent disability or tuberculous or neuropsychiatric ailment, or such other conditions requiring emergency or extensive hospital treatment; and who are incapacitated from earning a living and have no adequate means of support.

(5) Hospital or domiciliary care for veterans who served regardless of length of service during a period of war who (a) were not dishonorably discharged from their last period of war service; (b) swear that they are unable to defray the expenses of hospitalization or domiciliary care, including the expense of transportation to and from a Veterans' Administration facility; and (c) are suffering with a disability, disease, or defect which, being susceptible of cure or decided improvement, indicates need for hospital care, or which, being essentially chronic in type and not susceptible of cure or decided improvement by hospital care, is producing disablement of such degree and of such probable persistency as will incapacitate from earning a living for a prospective period, and thereby indicates need for domiciliary care.

(6) Hospital treatment for retired officers and enlisted men of the United States Army, Navy, Marine Corps, or Coast Guard—Regular Establishment—who served in a period of war and who are suffering with a disease or injury for which hospital treatment is needed. This class of persons can be furnished hospital treatment only in those facilities referred to. The term "period of war" means the Spanish-American War, Philippine Insurrection, or Boxer Rebellion, as defined on page 4215 hereof; the World War, as defined on page 4216 hereof, or any war prior to the Spanish-American War. (See "Retired Officers and Enlisted Men".)

Application for Domiciliary or Hospital Care (V. A. Form P-10) should be executed by the applicant or nearest relative, guardian, or representative and forwarded to the nearest Veterans' Administration facility. If the veteran is found to be eligible for admission he will be promptly notified, and if he cannot be admitted the veteran will be so informed and the reason stated.

TRANSPORTATION

Provided prior authority is granted by the Veterans' Administration, transportation may be supplied at Government expense to those applicants accepted for hospital treatment of service-connected diseases or injuries and to applicants

for hospitalization or domiciliary care, making a sworn statement on the application (V. A. Form P-10) that they are unable to defray transportation expenses. When such a veteran is regularly discharged from hospitalization or domiciliary care, return transportation to the place from which he entered the facility (or to some other point if no additional expense is included) may be supplied by the Veterans' Administration.

CLOTHING

Veterans who are receiving domiciliary or hospital care in Veterans' Administration facilities may be supplied with clothing at Government expense or may have it altered or repaired when both of the following conditions are met:

(1) When necessary for the protection of health or for sanitary reasons, and

(2) When the beneficiary is in receipt of less than \$10 per month from any source, or the manager of the facility previously authorizes the clothing, repairs, or alterations because of some special need in an individual case.

PROSTHETIC APPLIANCES

Artificial limbs and prosthetic appliances may be furnished during hospitalization under the following conditions:

(1) When the disability requiring an artificial limb or appliance is service-connected.

(2) When required as adjunct to a service-connected disability.

(3) When the condition for which hospitalized, itself requires a prosthetic appliance or is associated with another disease or injury necessitating such appliance.

When receiving domiciliary care, artificial limbs and orthopedic and prosthetic appliances, including necessary repairs and clothing made necessary by the wearing of such appliances, will be furnished when required as an incident to the care or treatment furnished.

RETIRED OFFICERS AND ENLISTED MEN

In accordance with the practice of hospitals of the United States Army and Navy, retired officers and enlisted men who are furnished hospital treatment by the Veterans' Administration will be charged a per diem rate for such treatment to cover the cost of subsistence. The rate per day is as follows:

When under treatment for tuberculosis, \$1.50 for retired officers and \$1 per day for retired enlisted men.

When receiving treatment for general medical or surgical disabilities or psychoses, \$1 per day for retired officers and 65 cents a day for retired enlisted men.

OUT-PATIENT TREATMENT

Veterans whose disabilities are connected with their military service may in addition to hospitalization and domiciliary care receive out-patient, medical, surgical, and dental services for their service-connected diseases or injuries. Treatment may be given at a Veterans' Administration facility or regional office, or be authorized to be given by a physician or dentist in the applicant's home community and, where necessary, treatment may be authorized at the applicant's place of residence.

No application form is required to secure treatment for a service-connected condition, but request for the treatment should be addressed to the appropriate field office of the Veterans' Administration.

Persons adjudged in need of and authorized to report for out-patient medical, surgical, or dental services may be furnished transportation and necessary meal and lodging requests.

BURIAL OF VETERANS WHO DIE WHILE RECEIVING DOMICILIARY OR HOSPITAL CARE

The bodies of beneficiaries who die while receiving domiciliary or hospital care in Veterans' Administration facilities may be transported at Government expense to the place of residence or to the nearest national cemetery or to such other place as the next of kin may direct where the expense so incurred is not greater than the ascertained cost of transportation to place of residence. When the ascertained cost of transportation to a place directed by the next of kin exceeds the cost to place of residence, the amount it would have cost to place of residence is available for reimbursement or partial payment. Burial in a national cemetery

may be permitted only when the deceased veteran was honorably discharged from his last period of military or naval service.

Exclusive of cost of transportation, the maximum allowance for burial and funeral expenses, including preparation of the body, is \$100. Not to exceed \$100 will be allowed for a local burial, including all necessary services; and not to exceed \$80 for the casket, embalming, and clothing will be allowed when the body is shipped. The remaining \$20 is available for secondary services and expense at the place of interment. If it is found impossible to secure the necessary services within the \$80 limitation, the central office in Washington may authorize an expenditure of a sum not to exceed \$100.

PAYMENT OF BURIAL EXPENSES OF DECEASED WAR VETERANS

For the purpose of paying burial, funeral, and transportation expenses incurred in behalf of deceased veterans, the term "veteran of any war" includes the following persons:

Civil War: An honorably discharged member of the active military or naval service of the United States who served during the Civil War subsequent to April 11, 1861, and prior to May 27, 1865, including those persons who served as members of State organizations participating in the Civil War, for whose services the State has been reimbursed by the United States Government, and including any person who, at the time of his death, was receiving a pension as a veteran of the Civil War.

Indian Wars: A veteran of any Indian War, or a person who, at the time of his death, was receiving a pension in accordance with the provisions of the laws governing the payment of a pension as a veteran of an Indian war.

Spanish-American War: An honorably discharged officer or enlisted man who was in the active military or naval service of the United States on or after April 21, 1898, and before August 13, 1898, including those women who served as Army nurses under contract during this period, and including any honorably discharged person who served in the military or naval service of the United States between August 13, 1898, and July 4, 1902, both dates inclusive, and who left the continental United States under orders for military or naval service in Guam, Cuba, or Puerto Rico between such dates.

Philippine Insurrection: An honorably discharged officer or enlisted man employed in the active military or naval service of the United States who actually participated in the Philippine Insurrection on or after August 13, 1898, and before July 5, 1902, including those women who served as nurses under contract during this period, except that if the person was serving in the United States military forces engaged in hostilities in the Moro Province the ending date is July 15, 1903.

Boxer Rebellion: An honorably discharged officer or enlisted man employed in the active military or naval service of the United States who actually participated in the Boxer Rebellion on or after June 20, 1900, and before May 13, 1901, including those women who served as Army nurses under contract.

World War: An honorably discharged officer, enlisted man, member of the Army Nurse Corps (female), Navy Nurse Corps (female), who was employed in the active military or naval service of the United States on or after April 6, 1917, and before November 12, 1918: *Provided, however,* That if the person was serving in the United States military forces in Russia the dates herein are extended to April 1, 1920.

When an honorably discharged veteran of any war or a veteran of any war in receipt of compensation or pension dies, the Veterans' Administration may pay for burial and funeral expenses and transportation of the body (including preparation of the body) to place of burial a sum not exceeding \$100, providing the veteran's net assets at the time of death, exclusive of debts and accrued pension, accrued compensation, or accrued insurance due at death, do not equal or exceed the sum of \$1000. No deduction will be made from the sum allowed because of any contribution toward the burial and funeral (including transportation) which is made by a State, county, or other political sub-

division, lodge, union, fraternal organization, society or beneficial organization, insurance company, workman's compensation commission, State industrial accident board, or employer, but the aggregate of the sums from all sources should not exceed the actual cost of the burial and funeral (including transportation).

No payment or reimbursement for burial, funeral, and transportation expenses can be allowed unless a claim therefor is filed within 1 year subsequent to the veteran's death and perfected within 6 months from the date the Veterans' Administration requests supporting evidence.

Claim for reimbursement of burial, funeral, and transportation expenses of deceased veterans should be made on V. A. Form P-91 and sent to the Veterans' Administration, Washington, D. C.

BURIAL FLAGS

Burial flags may be issued by any county-seat post office or field office of the Veterans' Administration on application made on V. A. Form 2008 by relatives or undertakers who desire to secure an American flag with which to drape the casket of an honorably discharged veteran, and afterward will be given to the next of kin. Flags will not be issued subsequent to the burial of the deceased except where circumstances rendered it impossible for relatives or the undertaker to secure a flag to drape the casket and then only to the widow, child, or parent. In such event full explanation must appear upon the application form 2008. Reimbursement will not be made for burial flags privately purchased by relatives, friends, or other parties, nor will flags be issued to undertakers, organizations, or individuals to replace flags loaned or donated by them.

INSURANCE

During the World War, in order to give every commissioned officer and enlisted man, including Army and Navy nurses, in the military or naval forces of the United States greater protection for themselves and their dependents, the United States upon application and without medical examination granted insurance against the death or total permanent disability of any such person in any multiple of \$500 and not less than \$1,000 or more than \$10,000. This insurance, known as yearly renewable term insurance, war-risk insurance, was taken by the vast majority of World War veterans. This insurance ceased on July 2, 1927, except when death or total and permanent disability had occurred before that date and in some few additional instances.

Officers and enlisted men now entering the active service under the War or Navy Department or Coast Guard are entitled to apply for insurance in multiples of \$500, not less than \$1,000 or more than \$10,000, within 120 days from date of enlistment or entrance into the active service and before retirement, discharge, or resignation. Reserve officers on active duty for 16 days or more may apply for Government life insurance within 120 days from entrance upon active duty and before release from such duty.

Total-disability insurance, providing for the payment of benefits in the event the insured is totally disabled as the result of disease or injury for a period of 4 consecutive months or more, may be included with any of the plans of insurance provided, upon application, proof of good health satisfactory to the Administrator of Veterans' Affairs, and the payment of the necessary premium. This additional insurance may also be included in policies now in force, and is independent of any disability clauses contained in such policies.

Veterans of the World War who served in the military and naval forces of the United States at any time from October 6, 1917, to July 2, 1921, who have heretofore applied or been eligible to apply for yearly renewable term—war-risk—insurance, or United States Government life—converted—insurance may now be granted insurance in multiples of \$500, not less than \$1,000 or more than \$10,000, upon application, proof of good health satisfactory to the Administrator of Veterans' Affairs, and payment of the required premium. The maximum amount of insurance available is \$10,000, including any amount now in force or previously surrendered for cash, or paid-up insurance.

If application is made for Government insurance within 120 days after the applicant enters the service, no medical examination is required. Veterans of the World War applying for Government insurance must undergo a complete medical examination. This applies also to all applicants for the total-disability insurance.

There are seven different plans of insurance provided by the Government: Ordinary life, 20- and 30-payment life, 20- and 30-year endowment, endowment at age 62, and 5-year level premium term insurance. The policies participate in dividends and the premiums are based on the net rate and do not include any extra charge to cover the cost of administration and no additional premium is charged for the total permanent disability benefits, which feature is not limited as to the age when total permanent disability may occur.

United States Government life insurance is free from restrictions as to residence, travel, occupation, military or naval service; further, an insured may designate any person, firm, corporation or legal entity as the beneficiary under his policy, either individually or as trustee.

There is no legal reserve level premium participating insurance, providing equal benefits with an equal guaranty of safety, offered at a premium rate as low as the Government rate.

Additional information and application forms may be obtained from the Veterans' Administration at Washington, D. C.

WORLD WAR ADJUSTED COMPENSATION WORLD WAR ADJUSTED-COMPENSATION ACT

Under the World War Adjusted Compensation Act any veteran, except as hereinafter indicated, who was a member of the military or naval forces of the United States, any time after April 5, 1917, and before November 12, 1918, who was honorably discharged, may be entitled to an adjusted-service certificate. The amount of the adjusted-service certificate is based upon the age of the veteran at the date of issuance and the amount of the adjusted-service credit. In computing the adjusted-service credit an allowance was made of \$1.25 for each day of overseas service, and \$1 for each day of home service in excess of 60 days in the military or naval forces of the United States after April 5, 1917, and before July 1, 1919, but the total amount of the credit of a veteran who performed no overseas service cannot exceed \$500 and the amount of credit for a veteran who performed any overseas service cannot exceed \$625. In computing the credit no allowance is made to any commissioned officer above the rank of captain in the Army or Marine Corps, lieutenant in the Navy, first lieutenant in the Coast Guard, or past assistant surgeon in the Public Health Service, or any person who received the pay or allowances of any officer superior in rank to any of such grades, or to any commissioned or warrant officer performing home service not with troops and receiving commutation of quarters or subsistence for the period of such service; or to members of the S. A. T. C., cadets of the United States Military or Coast Guard Academies, or midshipmen at the Naval Academy. The time granted individuals for farm furloughs and other purposes is not counted in computing the service credit.

Where the amount of the adjusted-service credit amounts to \$50 or less the veteran is entitled to receive that sum in adjusted-service pay, that is, cash. If the amount is greater than \$50 the veteran may receive an adjusted-service certificate.

Application for adjusted-service certificates or adjusted-service pay should be made to the Secretary of War or the Secretary of the Navy, depending upon the branch in which the veteran served, and should be made on or before January 2, 1940, on Form W. W. C. 1.

The adjusted-service certificates are essentially 20-year-endowment insurance policies, the face value of which is found by increasing the amount of the individual's adjusted-service credit by 25 percent and determining the amount of 20-year endowment insurance that amount would purchase at his age on the birthday nearest the date of the certificate if applied as a single net premium with interest of 4 percent compounded annually.

Upon the death of a veteran who has not applied for settlement under the Adjusted Compensation Payment Act, 1936, the beneficiary should apply to the Veterans' Administration for the proceeds of the certificate, using V. A. Form 582.

If a veteran died before making application for an adjusted-service certificate, or, if entitled to receive adjusted-service pay, has died after making application but before he has received payment of the adjusted-service pay, then the amount of his adjusted-service credit is payable in 10 equal quarterly installments to his dependents in the following order of preference:

1. To the unmarried widow, if otherwise entitled.
2. If no widow entitled to payment, then to the children under the age of 18 at the time of the veteran's death, or incapable of self-support by reason of mental or physical defect prior to January 2, 1940, share and share alike.
3. If no widow or children entitled to payment, then to the dependent mother.
4. If no widow, children, or mother entitled to payment, then to the dependent father.

No other person, not even a brother or sister, is eligible to receive it.

Application should be made to the Secretary of War or the Secretary of the Navy upon Form W. W. C. 1.

ADJUSTED COMPENSATION PAYMENT ACT, 1936

Under the act of January 27, 1936, veterans who have been issued adjusted-service certificates may exchange them for bonds of the United States in \$50 denominations with a value up to the face amount of their adjusted-service certificates, less any loans which have been made thereon and any interest on such loans up to October 1, 1931. Any unpaid interest which has accrued after October 1, 1931, is forgiven or canceled. No provision is made, however, for refunding any interest which has been paid. Odd amounts over and above the highest multiple of \$50 in the amount due on the certificate will be paid by check.

The United States bonds with which the adjusted-service certificates will be redeemed are not of the ordinary type, but have several unusual features which make them extremely valuable. They may be redeemed at any time at their face value, but if held for 1 year from the date of issue they may be redeemed at any time thereafter not only at their face value but, in addition, 3-percent interest annually. Thus, holders of these bonds are fully protected against any fluctuation in value. They are nontransferable, nonassignable, are not subject to attachment, levy, or seizure under any proceedings, and the veteran is assured of getting the money himself. No one can take these bonds from him.

Bonds will be dated June 15, 1936, and will run to June 15, 1945. Bonds will be redeemable by the United States Treasury at such places, including post offices, as the Secretary of the Treasury may designate.

Application for payment: Application for payment of adjusted-service certificates by these bonds should be made on V. A. Form 1701. Application forms are available throughout the country at the various offices of the Veterans' Administration and at posts or other comparable units of the various service organizations. Applications for exchanging the adjusted-service certificates for bonds may be filed anytime prior to the date of the maturity of the certificate, but if the veteran has not applied for the certificate his application must be made before January 2, 1940.

Veterans who have loans outstanding against their certificates should send their applications to the office from which the outstanding loan was made. Veterans who have made loans from banks should send their applications to the Veterans' Administration, Washington, D. C. Veterans who have no outstanding loans upon their certificates should send their applications, together with certificates, to the Veterans' Administration regional office or facility with regional office activities nearest the place of their residence. Veterans who are mentally incompetent should have the application made in their behalf by a legally authorized representative.

If a veteran dies after he has made out application (form 1701) for payment of his adjusted-service certificate but

before the application has been filed, the application may be filed by any person, and if it is filed before payment is made to the beneficiary named in the adjusted-service certificate, it will constitute a valid application for payment in bonds.

If a veteran dies after he has made and filed his application (form 1701), payment will not be made to the beneficiary named in the adjusted-service certificate but will be made to the estate of the veteran.

The veteran who has not applied for an adjusted-service certificate and who desires to obtain settlement under the Adjusted Compensation Payment Act, 1936, with payment in Government bonds, should use application Form WWC 1 and send it to the War or Navy Departments, Washington, D. C., depending upon whether he served in the Army or Navy. He should take no further action until he is informed by the War or Navy Department or the Veterans' Administration of the action taken on his application.

If the veteran is entitled to an adjusted-service certificate, it will be mailed to him by the Veterans' Administration, and if the veteran desires to obtain the bonds, he should properly execute application form 1701, attach the certificate to the application, and forward both to the office of the Veterans' Administration facility having regional office activities, nearest the place of his residence.

When the veteran has a guardian, custodian, or conservator, and it is desired to apply for settlement, the fingerprints of the veteran must be placed upon the application (form 1701) when this is possible. The fingerprints of the guardian or other representative of the veteran would be of no value in establishing the veteran's identity.

Exemption from attachment, etc.: A sum payable under the Adjusted-Compensation Act, or the Adjusted Compensation Payment Act, 1936, the proceeds of any loan, and the bonds received in settlement of an adjusted-service certificate are not subject to attachment, levy, or seizure, or to National or State taxation, and are exempt from the claims of creditors.

PENSION OR COMPENSATION FOR DISABILITY OR DEATH RESULTING FROM TRAINING, HOSPITALIZATION OR MEDICAL OR SURGICAL TREATMENT

Where any veteran is suffering or has suffered from an injury or the aggravation of any existing injury as the result of training, hospitalization, or medical or surgical treatment or as the result of having submitted to an examination under authority of the War Risk Insurance Act, or the World War Veterans' Act, 1924, as amended, and not the result of his own misconduct, he may be awarded compensation or pension in the same manner as if such disability, aggravation, or death was connected with his military service.

Application for benefits under this paragraph must be made on V. A. Form 526a within 2 years after the injury, aggravation, or death occurred, or within 2 years after March 28, 1934, whichever is the later date.

COMPENSATION, PENSION, OR RETIREMENT PAY DUE AND UNPAID AT DEATH

When any person receiving compensation, pension, or emergency officers' retirement pay dies, the balance not paid during his or her lifetime may be paid by the Veterans' Administration:

(1) Upon the death of a veteran, to the widow, and if there is no widow then to the child or children under the age of 18 at his death, except when the payments were being made under laws reenacted on August 13, 1935, by Public No. 269, Seventy-fourth Congress, or to a person who was receiving pension on account of service rendered prior to April 21, 1898.

(2) Upon the death of a widow, to her children under the age of 18 at her death, unless the payments were being made under laws reenacted on August 13, 1935, by Public No. 269, Seventy-fourth Congress, or to a person who was receiving pension on account of service rendered prior to April 21, 1898, in which event the balance is payable to the child or children under the age of 16, or unless payments were being made under Public No. 484, Seventy-fourth Congress, dated June 28, 1934.

(3) Upon the death of a person receiving an apportioned share of money payable to a veteran, to the veteran.

(4) If there are no survivors as indicated above, no payment may be made except as reimbursement of burial expenses and in some cases as reimbursement of expenses incurred during the last illness and burial.

Claims and evidence in support of claims for amounts due under any laws reenacted on August 13, 1935, or on account of service rendered prior to April 21, 1898, may be filed at any time, but claims other than these must be filed within 1 year from the death of the person entitled and evidence in support of such claims must be submitted within 6 months after the Veterans' Administration requests it. Claims filed under laws reenacted on August 13, 1935, or based upon service prior to April 21, 1898, which were pending at the time of death, may be completed and any amounts due thereunder paid as accrued pension. Additional information and application forms may be obtained from the Veterans' Administration, Washington, D. C.

APPEALS

Claimants may appeal from a decision rendered in any claim (except in those claims involving simultaneously contested claims) within 1 year from the date of the mailing of the notice of the result of the initial review or determination. Appeals, or application for review, as they are known, must be filed with the office which made the denial. If no application for review or appeal is filed within 1 year, the action taken on the initial review or determination will become final and the claim will not thereafter be reopened except upon the basis of new and material evidence. When a veteran appeals he is allowed 1 year for the perfection of his appeal. Any application for review on appeal filed with the office which made the denial and which is postmarked prior to the expiration of the 1-year period will be accepted as having been filed within the time limit.

In simultaneously contested claims (e. g., where husband or wife contends that desertion has or has not occurred) where one is allowed and one rejected, the time allowed for filing application is 60 days instead of 1 year from the date of mailing notice. In such cases all parties other than the applicant, whose interest may be adversely affected by the decision will be notified and allowed 30 days from the date of the mailing of such notice within which to file a brief or argument in answer thereto.

Application for review on appeal must be made in writing by the claimant, his legal guardian, or such accredited representative or authorized agent as may be selected by him, but not more than one recognized organization or agent will be recognized at any one time in the prosecution of a claim. The application must clearly identify the benefits sought and should contain specific assignments of the alleged statements of facts or errors of law in the adjudication of the claim.

EVIDENCE—PROOF OF RELATIONSHIP, DEATH, ETC.

As a prerequisite to the obtaining of benefits under laws pertaining to veterans and their dependents a proper application or claim must be filed with the Veterans' Administration unless otherwise provided. All questions on the application form must be clearly and completely answered. If the answer is not known, the applicant should so state, and if more space is required, blank paper should be used and attached to the application form. Accompanying the form should be a copy of the veteran's discharge and any affidavits or other papers necessary by reason of the nature of the claim made.

Proof of marriage: Proof of marriage should be shown by the best evidence obtainable, as stated below in the order of importance:

1. By duly certified copy of the public or church record of marriage; or
2. If not obtainable, a statement of the reason for the non-production and the affidavit of the clergyman or magistrate who officiated; or
3. If such affidavit is not procurable, by the production of the original marriage certificate accompanied by proof of its genuineness and the authority of the person to perform the marriage; or
4. By the affidavit of two or more eye witnesses to the ceremony.

In jurisdictions where common-law marriages are recognized, proof may be made by affidavit of one or both parties to the marriage, if living, supplemented by affidavits of two or more witnesses who know that the parties lived together as husband and wife and were so recognized, and stating how long to their knowledge such relationship continued, and so forth. Since the laws of the State in which the marriage was consummated governs, all marriages must be proved valid according to the law of such State.

Proof of birth: To prove the birth or date of birth of an individual, a certified copy of the public record of birth or church record of baptism, certified to by the legal custodian of such records, should be obtained. If neither of these records is obtainable, the reason for its nonproduction should be stated and an affidavit secured from the physician or midwife in attendance at the birth, or the affidavits of two or more disinterested persons who should state their ages, and the name, date, and place of birth of the person whose birth or age is being established, and that from their own knowledge the person is the child of such parents, naming the parents.

Proof of death: Proof of death should be established by producing:

A copy of the public record of the State or community in which death occurred, certified to by the custodian of such records or by a duly certified copy of a coroner's report of death, or by verdict of a coroner's jury of the State or community where death occurred, provided such report properly identifies the deceased. If this evidence is not obtainable, the reason must be stated. The fact of death may be established by the affidavit of a person having personal knowledge thereof and who viewed the body of the deceased and knew it to be the body of the person whose identity is being established, setting forth all the facts and circumstances concerning the death, including the place, date, time, and cause thereof.

In adjusted-compensation cases and pension where the cause of death is not a factor, and where satisfactory evidence is produced establishing the fact of the continued and unexplained absence from his home and family for a period of 7 years during which period no intelligence of his existence has been received, the death of such individual as of the date of the expiration of such period may be accepted as sufficiently proved.

Affidavits: To be of value an affidavit should clearly and concisely set forth the facts sought to be proved. The use of legal headings and phraseology should be avoided unless prepared by an attorney. If the affiant is a layman, have him set forth the facts as simply as possible, in chronological order, and with due regard to any necessary details. All affidavits from physicians should state whether the evidence is furnished from office records or from memory. Such affidavits should specifically show the symptoms and findings rather than merely a diagnosis, since the former are facts and the diagnosis is an opinion.

Foreign affidavits: Affidavits or other documents from foreign countries in which the United States has consular representatives must be executed before a United States consular officer in that country or by or before an official of that country having authority for that purpose. In the event the execution is by or before a foreign officer, the signature of that official must be authenticated either by the United States consular officer in that jurisdiction or by the Department of State, except that documents submitted through and approved by the Deputy Minister of Pensions and National Health, Ottawa, Canada, will be accepted without being authenticated in such manner.

Where there is no consular representative, the signature and seal of the official of the country may be authenticated by a diplomatic or consular officer of a friendly country, or the documents may be forwarded to the nearest American consul for a certificate concerning its authenticity.

GUARDIANSHIP

Guardianship is necessary:

1. When a Veterans' Administration beneficiary is under legal disability. In some instances when the sum payable is small and when family conditions are acceptable, arrange-

ments may be made for payment of monetary benefits to a custodian.

2. When the veteran or other beneficiary is mentally incompetent the appropriate field office of the Veterans' Administration will furnish full instructions to interested relatives or friends in the event a guardian is needed.

DISCLOSURE OF INFORMATION

All files, records, reports, and other papers and documents pertaining to any claim are confidential and no disclosures thereof can be made except:

1. To a claimant or duly authorized representative as to matters concerning himself alone when such disclosures would not be injurious to the physical or mental health of the claimant;

2. When required by process of a United States court to be produced in any suit or procedure;

3. When required by any agency of the United States Government;

4. In all proceedings in the nature of an inquest into the mental competency of a claimant;

5. In any judicial proceedings where such disclosure is deemed necessary and proper.

The amount of pension or compensation being paid may be made known to any person who applies for such information.

The address of a claimant is privileged and confidential and will not be disclosed except to duly constituted police or court officials upon proper request and the submission of a certified copy either of the indictment returned against the claimant or of the warrant issued for his arrest.

COPIES OF RECORDS

Any person entitled to and desiring a copy of any record in the custody of the Veterans' Administration should make written application to the Veterans' Administration office where the record is located, stating specifically the particular record, paper, and so forth, a copy of which is desired, whether certified or uncertified, and the purpose for which such copy is desired to be used. The approximate cost of such copies must accompany the application. The fees charged are:

	Cents
Written copies per 100 words.....	25
Photostat copies per sheet.....	25
Certifications.....	25

RECOGNITION OF ATTORNEYS, AGENTS, AND ORGANIZATIONS IN THE PRESENTATION OF CLAIMS

The Administrator is authorized to recognize representatives of the American Red Cross, the American Legion, the Disabled American Veterans of the World War, the Grand Army of the Republic, the United States Spanish War Veterans, Veterans of Foreign Wars, and such other organizations as he may from time to time approve to present claims. Any organization desiring recognition must agree and certify that neither the organization nor its representatives will charge a claimant any fee or compensation for its services. The organization must submit a copy of its constitution or charter and bylaws, together with a written statement setting forth the manner in which ex-service men and their dependents would be benefited by such recognition.

The form of application for recognition is V. A. Form P-21.

Before an organization may be recognized in an individual claim there must be filed with the Veterans' Administration a form duly executed by the claimant and specifically conferring upon the organization the authority to represent the claimant in the presentation of the claim and to receive any information in connection therewith. The form used for this purpose is V. A. Form P-22.

The organizations recognized in the presentation of claims make no charge for their services and do not limit their assistance to their members. The Veterans' Administration in its central office and in its regional offices and facilities throughout the country employs skilled persons whose duties are to assist claimants in the preparation and presentation of their claims. While it has long been recognized that a claimant should not be denied the right to employ his own attorney or agent to assist him, and while the laws and Veterans' Regulations provide for the payment of fees under certain limita-

tions, it is not necessary for any person to incur any expense for services in the preparation and presentation of claims under laws administered by the Veterans' Administration.

Any person who is an attorney at law in good standing, or any competent person who is not an attorney at law, may, if not prohibited by law, be admitted to practice as a pension attorney or pension-claims agent, respectively, provided he is a citizen of the United States or has declared his intention to become a citizen and is of good moral character and in good repute. Before any person admitted to practice as an attorney or agent can represent a claimant there must be filed with the Veterans' Administration a duly executed power of attorney.

The power of attorney must be signed by the claimant or his guardian in the presence of two witnesses, neither of whom is the agent or attorney, and be acknowledged before an officer duly authorized to administer oaths for general purposes. No paper in a claim can be executed before the attorney therein without resulting in the forfeiture of the attorneyship rights.

Relatives or friends of a claimant may, at the written request of the claimant, be recognized to represent gratuitously the claimant in a specified case.

BENEFITS NOT SUBJECT TO TAXATION OR SEIZURE, ACT OF AUGUST 12, 1935

Payments of benefits due or to become due are not assignable, and such payments made to, or on account of, a beneficiary under any of the laws relating to veterans are exempt from taxation, are exempt from the claims of creditors, and are not liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. This provision does not attach to claims of the United States, nor does the exemption as to taxation extend to any property purchased in part or wholly out of such payments. This act does not prohibit the assignment by any person, to whom converted insurance may be payable under title III of the World War Veterans' Act, 1924, of his interest in such insurance to any other member of the permitted class of beneficiaries.

PART V

INFORMATION CONCERNING VETERANS' PREFERENCE TO FEDERAL CIVIL SERVICE EMPLOYMENT, BURIAL IN NATIONAL CEMETERIES, HEADSTONES, AND BENEFITS GIVEN BY STATES

VETERANS' PREFERENCE FOR FEDERAL CIVIL SERVICE EMPLOYMENT

Preference, according to present laws and Executive orders governing, does not apply to the unclassified service but only to the classified. Preference is granted in connection with unclassified laborer positions where labor regulations apply, but under special regulations approved by the President, and preference is granted by Executive order of July 12, 1933, to persons taking examinations for Presidential postmasterships, which positions also are not in the classified service.

Preference, according to present laws and orders, is not limited to veterans, their widows, or the wives of disabled veterans of any war or because of wartime service. Preference is also granted to all veterans, including peacetime veterans, their widows, and the wives of veterans disabled because of service-connected disabilities.

Preference in examination, rating, and appointment

The statutory provision is covered in the deficiency act approved July 11, 1919 (41 Stat. 37), which provides as follows:

That hereafter in making appointments to clerical and other positions in the executive branch of the Government in the District of Columbia or elsewhere, preference shall be given to honorably discharged soldiers, sailors, and marines, and widows of such, and to the wives of injured soldiers, sailors, and marines, who themselves are not qualified but whose wives are qualified to hold such positions.

The Executive orders of March 3, 1923, March 2, 1929, April 24, 1931, and January 18, 1932, stipulate and define benefits granted to veterans pursuant to the act of July 11, 1919. The benefits are as follows:

(1) Veterans are given five points in addition to their earned rating and need only earn a rating of 65, the five points giving them a total rating of 70, all that is necessary to have their names entered on the register.

(2) Disabled veterans (having present existence of a service-connected disability), the widows of veterans, and the wives of veterans who because of service-connected disability are themselves not qualified, are granted 10 points and need only earn a rating of 60, a total rating of 70 being all that is necessary to have their names entered on the register, their names being placed above all others on the register.

(3) A veteran to establish disability preference must show that it is service-connected and of present existence. This is done through the official records of the Veterans' Administration and also of the War or Navy Department or of the Coast Guard.

(4) Veterans over 55 years of age in claiming disability preference, whether service-connected or not by reason that they draw pension or compensation under existing laws, must furnish a statement from the Veterans' Administration showing that they are entitled to pension or compensation. Wives of such veterans who claim preference due to their husband's disability must furnish such evidence.

(5) In examinations where experience is an element of qualification, time spent in the service of the United States during the War with Spain or the World War is credited where the applicant's actual employment in a similar vocation to that for which he is applying was interrupted by such military or naval service but was resumed after discharge.

(6) Persons granted preference may be released from age limitations by regulations of the United States Civil Service Commission with the approval of the proper appointing officer, except for positions of policeman and fireman of the District of Columbia and those established by the retirement law.

(7) Physical requirements may be waived by the United States Civil Service Commission in the case of a disabled veteran.

(8) Height and weight requirements may be waived in the case of a person granted preference, except for policeman, guard, and watchman, private in the District of Columbia fire department, game warden, traveling hospital attendant, assistant lay inspector, and any other position in connection with which the examination announcement specifies the height or weight, or both.

(9) Persons granted preference are certified without regard to apportionment in the apportioned departmental service at Washington, D. C.

(10) Quarterly examinations are held for the benefit of persons entitled to 10-point preference (disability preference), for which there are existing registers of eligibles, maintained by the United States Civil Service Commission, the names of these 10-point preference eligibles being entered at the head of the existing registers along with those of other such eligibles. This does not apply to examinations for Presidential postmasterships.

(11) The name of a preference eligible on a register may not be passed over by the appointing officer and a person not granted preference selected with the same or lower rating unless the United States Civil Service Commission is furnished with a statement as to reasons for so doing.

(12) Former classified employees entitled to preference in appointment may be reinstated without time limit.

NOTE.—(a) According to special regulations approved by the President, the names of veterans, their widows, and wives of veterans disqualified by injuries received in service and line of duty are placed at the head of unskilled-labor registers in the order of their earned ratings. Eligibility for reinstatement to an unskilled-laborer position is without time limit in the case of a person entitled to preference.

(b) The Executive order of July 12, 1933, which authorized the holding of examinations for Presidential postmasterships grants five points for addition to earned ratings, whereupon certification is in accordance with relative standing thus acquired, in the cases of veterans of the World War, of the Spanish American War, or of the Philippine Insurrection; age limitations are waived for such candidates, and the time they were in service during such wars may be reckoned in making up required length of business experience. Five points also are given to their widows or their wives if they are disqualified on account of service-connected disability or if they are over 55 and are entitled to pension or compensation because of disability.

Preference in reduction of force

Statutory provision is covered in act of August 23, 1912 (37 Stat. 413), which provides in part:

That in the event of reductions being made in the force in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

The Executive order of March 3, 1923, provides that an employee entitled to military preference in appointment shall not be discharged or dropped or reduced in rank or salary when a reduction in force is being made if his record is good, or (further provided by Executive order of Mar. 21, 1929) if his efficiency rating is equal to that of any employee in competition with him who is retained in the service. In making selections, according to competition, grade and character of work are considered.

NOTE.—Under section 213 of the act of June 30, 1932 (Economy Act), a veteran whose spouse is also in the service of the United States or of the District of Columbia, would in the event of a reduction in force be dismissed before employees who are not married, or whose husbands or wives are not in the service. The act of June 30, 1932, takes precedence over veteran-preference laws in conflict with its provisions. To this extent, preference status as a veteran is nullified. Likewise, the act of June 30, 1932, nullifies preference status in connection with appointment.

BENEFITS GIVEN BY STATES

In addition to the various benefits granted by the Federal Government, the veterans may be entitled to additional benefits from the State in which they live. Some States maintain homes and hospitals for veterans of the State. Some grant pensions. Many have passed "bonus" bills granting veterans State bonuses. Some grant exemption from taxes or assist veterans by making loans for homes and farms. Preference in State civil-service appointments and on State work projects is generally given to veterans. All inquiries regarding State laws concerning veterans should be made to the field offices of the Veterans' Administration in the particular State or to the State service officer.

REGULATIONS FOR THE GOVERNMENT OF NATIONAL CEMETERIES**Paragraph 90:**

All officers, cadets, and enlisted men of the Army, Navy, Marine Corps, and Revenue Cutter Service, and Army and Navy paymasters, clerks who died in the Regular or Volunteer service of the United States, or who died after having been mustered out or honorably discharged, are entitled to burial in any national cemetery free of cost. The same rights will be accorded to Army nurses who are honorably discharged or pensioned. The presentation of the commission, warrant, or honorable discharge of the deceased officer, enlisted man, or Army nurse, or the letter of appointment of the deceased Army or Navy paymaster clerk, signed by the Secretary of War or Navy, as the case may be is sufficient authority for the interment.

Paragraph 92:

If the honorable discharge is not available as evidence of service, the interment may be made upon presentation of a pension certificate. If neither an honorable discharge nor a pension certificate can be produced, superintendents will communicate with the Quartermaster General, by telegraph if immediate burial is desired, for verification of the alleged service.

Paragraph 97:

The deceased wife of a commissioned officer of the Army, Navy, Marine Corps, and Revenue Cutter Service of the United States Regular or Volunteer forces may be interred prior to the death of her husband upon presentation of his commission signed by the President. This applies also to the wife of a warrant officer of the Navy, provided such warrant is signed by the President, but does not apply to the wife of a warrant officer of the Revenue Cutter Service, as such warrants are signed by the Secretary of the Treasury and the rank of these men is assimilative with that of a noncommissioned officer of the Army. The wife of an Army or Navy paymaster's clerk, upon presentation of his letter of appointment signed by the Secretary of War or Navy, is entitled to the same benefits. If the commission, warrant, or letter of appointment is not available, the superintendent will communicate with the Quartermaster General by telegraph if immediate burial is desired, giving the name of the husband and the approximate date of the alleged services for verification, and await instructions. A petty officer of the Navy being an enlisted man, his wife will not be interred in a national cemetery until after the burial therein of her husband and then only in the same grave.

Paragraph 100:

The wife of an enlisted man may be interred in a national cemetery, but only after the burial therein of her husband and in the same grave. This applies to the wives of enlisted men of the

Army, Navy, and Marine Corps; to the wives of petty officers and those warrant officers of the Navy whose warrants are signed by the Secretary of the Navy; and to the wives of enlisted men and warrant officers of the Revenue Cutter Service whose warrants are signed by the Secretary of the Treasury. * * *

Paragraph 116:

The creation of private monuments, headstones, or footstones will not be permitted until both the proposed design and the inscription have been approved by the Quartermaster General.

Persons "discharged from draft" cannot be interred in national cemeteries. This class includes only those who were drafted for service, but for some reason were not accepted for military service.

HEADSTONES

Upon application to the Quartermaster General, United States Army, Washington, D. C., headstones will be furnished for unmarked graves of soldiers, sailors, marines, and Army nurses who served in the Army or Navy of the United States—including the Revolutionary War and service with the military forces of the Confederate States of America—whether regular or volunteer, and whether they died in the service or after muster out or honorable discharge. The headstones for Civil and Spanish War soldiers are of American white marble, 39 inches long, 12 inches wide, and 4 inches thick; for the World War, 42 inches long, 4 inches thick, and 13 inches wide. Headstones will be shipped freight prepaid by the Government, only to the nearest railroad station or steamboat landing.

POLITICS NOT A FACTOR

Any veteran may receive advice, counsel, and assistance in regard to his case by a representative who is paid by the Government, at every hospital and every regional office. The representative will help the veteran by suggesting the kind of evidence that will be necessary to assist him in his case, assist him in preparing all the necessary forms, and do such other things as may be necessary to the proper presentation of his case to the Veterans' Administration.

Many veterans ask the question: "I have submitted all the proof I can and have been turned down; what shall I do now?" Of course, every question involving expenditure of public funds must be determined by some person, court, board, or tribunal. Someone must have the responsibility of passing upon the sufficiency of the evidence presented to authorize the payment of public funds. It is the same way in regard to civil rights. If one brings suit against a person, firm, or corporation for damages to person or property, certain proof must be presented to the court and the jury in order to win. Although the injured person feels that he has presented sufficient proof, if the court or jury decides against him he can appeal his case, and if the higher courts affirm the judgment there is nothing further for him to do; he has lost. In a similar way, a veteran may appeal for review of his claim if he can show error in the decision, but once the Board of Veterans' Appeals has rendered its decision he cannot again have the case reviewed unless he can submit new and material evidence.

Pensions and benefits are made in accordance with actual laws and regulations and not through favoritism, "political pull", or other means.

HELPFUL QUESTIONS AND ANSWERS

Information under this heading obtained from American Legion, Veterans of Foreign Wars, Disabled American Veterans, and Spanish-American War Veterans. (These questions are typical of those that are generally asked)

1. Q. How can I get a prompt reply to my letters to the Veterans' Administration?

A. In communicating with the Veterans' Administration be sure to include your claim number. If you do not remember your claim number, give enough information to identify yourself, such as your rank and organization, date of enlistment, date of discharge, and date and place of birth. (There are over 65,000 veterans listed in the Veterans' Administration with the name of Smith. There are over 5,000 John Smiths listed.)

2. Q. In case of the death of a veteran, what action should be taken by the widow?

A. The widow should immediately notify the regional office nearest home, enclosing with the letter a copy of the death

certificate. She should also request information as to any rights she may have concerning compensation, adjusted compensation, and insurance. If there are minor children, the same questions should be asked concerning their rights.

3. Q. Is it too late to apply for compensation for disability incurred during the World War?

A. No. Application should be made to the office of the Veterans' Administration nearest the veteran's home, with a brief description of the disability and place of incurrence. Such a letter will bring the necessary information from the Veterans' Administration as to how to proceed.

4. Q. What war veterans who were not disabled in the service are entitled to hospitalization?

A. Any veteran of any war or military expedition, not dishonorably discharged, is entitled to free hospitalization in Government facilities provided he will certify that he is unable to meet the cost of such treatment. Hospitalization for non-service-connected disabilities is not a right which the veterans can claim or demand, but it is a privilege extended only when facilities are available.

5. Q. Are monetary benefits paid to any World War veterans other than those disabled in the war?

A. Yes. If the disability is not the result of misconduct and is rated permanent and total, the veteran is entitled to \$30 per month, provided the veteran had 90 days' service and his annual income, if unmarried, does not exceed \$1,000, or if married or with minor children does not exceed \$2,500.

6. Q. When are increases in compensation granted?

A. When a medical examination conducted by the Veterans' Administration indicates increased disability. An informal application by the veteran supported by medical evidence is required before the Veterans' Administration can reexamine veterans not actually in Veterans' Administration hospitals.

7. Q. When are dependency allowances granted?

A. World War veterans receiving compensation for disabilities rated on a temporary basis only are entitled to additional allowances for established dependents. Veterans receiving permanent ratings are not entitled to dependency allowances.

8. Q. Will compensation or pension of a World War veteran be reduced during hospitalization in a Veterans' Administration hospital?

A. If a beneficiary upon entering a Veterans' Administration facility is found to be without dependents, his compensation cannot exceed \$15 per month, or if receiving pension or peacetime monetary benefits, the maximum is \$6 monthly.

9. Q. When a claim for monetary benefits is denied, what recourse is open to the veteran?

A. An appeal may be filed with the office denying the claim within 1 year from the date of receipt of denial. Only one appeal is allowed under existing law.

10. Q. Does a veteran have the right of representation in the prosecution of his claim?

A. Yes. The Disabled American Veterans, the American Red Cross, the Veterans of Foreign Wars, and the American Legion have skilled claims personnel to assist any beneficiary in the prosecution of claims for benefits. Their services are gratis.

11. Q. Where are appeals heard and decided?

A. All appeals are considered by the Board of Veterans' Appeals of the Veterans' Administration at Washington, D. C.

12. Q. Should I come to Washington on my appeal?

A. It has been generally accepted that personal appearances before appeals boards are not generally required or necessary. The expense for such travel must be borne by the person appealing. It is believed advisable for the appellant to be guided by the advice of the representative designated to handle the claims.

13. Q. Does the Government provide burial for deceased veterans?

A. Yes. Apply at nearest Veterans' Administration office, where full information can be obtained. Claim for reimbursement for burial must be made within 1 year of the death of the veteran.

14. Q. When is compensation apportioned?

A. When the established dependents of a veteran are living separate and apart from the veteran. The Veterans' Administration may apportion the monthly monetary benefits according to the circumstances as provided by regulations.

15. Q. Is a doctor's affidavit, setting forth his diagnosis alone, considered good evidence?

A. No. The doctor should set forth the dates of treatment, the diagnosis, and complete findings in support of the diagnosis. It is essential to set forth the findings, as they show an accurate diagnosis has been made; also, indicate the degree of disability, which is essential for rating purposes.

16. Q. Should a letter be addressed to the office that disburses compensation checks with reference to a claim?

A. No. Checks are made through the fiscal offices of the Treasury Department. Letters with reference to compensation and pension should be addressed to the office having claims file.

17. Q. Where should inquiries be made with reference to veterans' laws and benefits?

A. Communicate with the nearest Veterans' Administration office.

RENT COMMISSION IN THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, the proponents and opponents of the bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes, have come to the agreement that, as it is plainly evident this bill cannot be finished today, the bill shall be the unfinished business on the next District day, which is 3 weeks from today; that upon that day no time shall be extended for anything other than District business; that the filibustering carried on today shall not be continued and that the bill shall be discussed with 2 hours for general debate limited to the bill, one-half of which shall be controlled by the opponents and one-half by myself, after which it shall be read for amendment, and the House shall stay in session until a vote is had on the final passage of the bill.

Mr. Speaker, this agreement has been entered into by the opponents and the proponents of the bill.

Mr. BLANTON. Mr. Speaker, that is the agreement with the exception of two errors mentioned by the gentlewoman from New Jersey. One is her reference to a filibuster. First, nothing has been done in this House today except that which in accordance with the rules of the House may be done to stop a bad bill, and in the second place, there are 40 minutes of debate which the gentleman from Texas, myself, already controls under the rules of the House, which I duly reserved from the hour then allotted to me, and which I have promised to certain Members on the Democratic side of the House to be used by them in the debate against the bill, and it is understood that within the 2 hours limitation of time mentioned by the gentlewoman from New Jersey, 40 minutes shall be controlled by me to yield to the other Democratic Members referred to. This time I reserved under the rules of the House on the former District day when there was consideration of the bill.

Mr. COX. Mr. Speaker, if the gentleman will permit, how does the committee figure an agreement between the advocates and the opponents of this bill will be binding upon the membership of the House?

Mr. BLANTON. The agreement has to do only with the chairman and the gentleman from Pennsylvania [Mr. ELLENBOGEN] on the one side, and the gentleman from New York [Mr. TABER], and myself, who have been pursuing our rights under the rules of the House in doing everything possible to defeat this bad bill, and binds only us, the gentlewoman from New Jersey [Mrs. NORTON], and the gentleman from Pennsylvania [Mr. ELLENBOGEN]. Of course, we cannot bind other Members, but we are binding ourselves by this agreement.

Mr. COX. Is it expected to try to bind those who are not within this exclusive circle?

Mr. BLANTON. No; of course not, except as to limiting the time for debate, but the gentleman from New York [Mr. TABER] and myself have been pursuing our rights as Representatives under our oath of office, and under the rules of the House, in doing everything within our power to prevent this unconstitutional, bad bill from passing.

The SPEAKER. The Chair will state the request as the Chair now understands it.

The gentlewoman from New Jersey asks unanimous consent that the bill (H. R. 11563) be now laid aside for consideration on next District day, which will be 3 weeks from today, and that general debate shall be limited to 2 hours, when the bill is taken up, one-half to be controlled by herself and one-half by the opposition.

Mr. BLANTON. With the understanding that 40 minutes of the hour in opposition I have already reserved and it is mine to yield to other Members, under the rules of the House, and the other 20 minutes will be controlled by the gentleman from New York [Mr. TABER], the gentleman from Illinois having already been heard in debate.

The SPEAKER. The Chair suggests that the time be fixed now so there will be no misunderstanding about it.

Mr. BLANTON. That was the understanding we had, because I have reserved to me 40 minutes from the last District Day, and I have promised to yield it to Democratic Members on my side of the aisle in debate against the bill.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object—

The SPEAKER. Let us get the unanimous-consent agreement clearly in mind now.

Mrs. NORTON. Mr. Speaker, the allotment of time suggested by the gentleman from Texas [Mr. BLANTON] is perfectly agreeable. Forty minutes of time remains to the gentleman from Texas and 20 minutes to the gentleman from Illinois [Mr. DIRKSEN].

The SPEAKER. Does that mean 40 minutes in addition to the 2 hours?

Mrs. NORTON. No; 1 hour, in all, for the opposition.

The SPEAKER. The gentlewoman from New Jersey asks unanimous consent that the bill (H. R. 11563) be laid aside for consideration on next District day, 3 weeks from today, and at that time general debate shall be limited to 2 hours, 1 hour to be controlled by herself, 40 minutes by the gentleman from Texas [Mr. BLANTON], and 20 minutes by the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Reserving the right to object, the request was that the opposition should control one-half of the time. I am opposed to the bill, and I think one-half of the time should be controlled by the minority.

The SPEAKER. The request was that the lady from New Jersey should control one-half of the time, the gentleman from Texas [Mr. BLANTON], 40 minutes, and the gentleman from Illinois [Mr. DIRKSEN] 20 minutes.

Mr. BLANTON. The reason for that was that on the former District day, when this bill was last considered, I was recognized by the Chairman for 1 hour. I used 20 minutes and reserved the balance of my time. I have that 40 minutes of time allotted to me, and I have promised to yield it to my Democratic colleagues who desire to speak against this bill, and the chairman of the committee has recognized my right, and I could not be deprived of it unless she were to pass a motion to have the time controlled by another.

Mr. DIRKSEN. Further reserving the right to object, I have no objection to the time allotted for the minority. I am opposed to the bill and would have no objection to its being parceled out.

Mr. BLANTON. I have promised that time to my Democratic colleagues who want to speak against this bill.

Mr. MAPES. Reserving the right to object, there was a good deal in the announcement by the lady from New Jersey that is not put in the Speaker's request. The request is to divide the time three ways. The Committee on Rules has reached the conclusion that it is better policy to confine the

control of general debate on a bill to the chairman of the committee reporting the bill and the ranking minority member of the committee. I have no objection to putting the bill over for special consideration 3 weeks from today and giving 2 hours for debate, to be controlled by the lady from New Jersey and the ranking Republican member of the District Committee. If that request is made, I shall not object, but I think we should not go any further than that. As the gentleman from Georgia has indicated, I do not see how two or three Members can bind the House, and certainly they cannot agree that the House will stay in session until a vote is taken on the passage of the bill.

The SPEAKER. That was not in the request put by the Speaker.

Mr. MAPES. I understand that, but I thought, in view of what has been said, that it should be clearly understood that the agreement did not go any further than the Speaker's request.

The SPEAKER. The request put by the Chair would control.

Mr. MAPES. I think, in justice to all, that that should be definitely understood.

Mr. MICHENER. Mr. Speaker, I reserve the right to object. Does not the trouble arise because when this bill was under consideration, when last considered by the House, numerous Members were recognized for 1 hour each, and the Chair held at that time that these men who were recognized, regardless of the number, would each have 1 hour, and that they might parcel out that hour as they saw fit? That is where our trouble comes. It seemed to me at the time that that was an erroneous ruling. Under that ruling the gentleman from Texas [Mr. BLANTON] would be entitled to what he has left of his hour to distribute, and anyone else who is recognized under the rules would also have the right to parcel out the remaining time of the hour. I hope the Chair will clarify that rule.

The SPEAKER. The Speaker did not occupy the chair at the time the ruling was made. The Chair is informed that only two Members were recognized when the bill was under consideration 2 weeks ago, the lady from New Jersey [Mrs. NORTON] and the gentleman from Texas [Mr. BLANTON].

Mr. MICHENER. There was some discussion about the rule. I talked to the Parliamentarian at the time, and, as I understand, the opinion of the Parliamentarian and of the occupant of the chair at the time was that anyone recognized would be entitled to an hour.

The SPEAKER. Undoubtedly.

Mr. MICHENER. Two Members were recognized, and that there might as well have been more than two.

Mr. McFARLANE. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is called for. In order that the House may understand the request of the gentlewoman from New Jersey, the Chair will state it again. As the Chair understands it, it is that this bill (H. R. 11563) be laid aside until the next District day, which is 3 weeks from today, and that at that time it be taken up and general debate be limited to 2 hours, 1 hour to be controlled by the gentlewoman from New Jersey, 40 minutes by the gentleman from Texas [Mr. BLANTON], and 20 minutes by the gentleman from Illinois [Mr. DIRKSEN]. Is there objection?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I should like to know just how this committee can make an agreement that the House will stay in session until a vote is had.

The SPEAKER. The Chair did not include that in his statement. The request submitted by the Chair controls. That was not included in that request.

Mr. MAPES. I object to the division of time three ways.

Mr. McFARLANE. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is called for. Is there objection?

Mr. O'MALLEY. Mr. Speaker, I object.

Mr. MAPES. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present. We are considering an important matter, and I think we ought to have a quorum.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present. Evidently there is not.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 45]

Adair	Dingell	McGroarty	Sanders, La.
Allen	Dorsey	Schneider, Wis.	Secrest
Amle	Eaton	McLeod	Seger
Andresen	Eckert	McSwain	Sisson
Brennan	Ekwall	Maloney	Stack
Brooks	Evans	Marcantonio	Steagall
Buckbee	Farley	Marshall	Taylor, S. C.
Buckley, N. Y.	Fenerty	Mason	Thomas
Bulwinkle	Fernandez	May	Thurston
Carmichael	Fish	Meeks	Tinkham
Casey	Ford, Calif.	Montague	Tobey
Cavichia	Fulmer	Montet	Tonry
Claborne	Gingery	Moran	Treadway
Clark, Idaho	Gray, Ind.	Moritz	Underwood
Clark, N. C.	Hartley	Mott	Wearin
Cochran	Hennings	Nichols	Weaver
Cooley	Hobbs	Oliver	White
Crowther	Hoeppel	Perkins	Wilson, La.
Cummings	Kee	Rabaut	Withrow
Daly	Kocialkowski	Risk	Wolcott
Darrow	Kvale	Robsion, Ky.	Wood
Dear	Lambeth	Romjue	Zioncheck
DeRouen	Lehlbach	Ryan	
Dietrich	Lundeen	Sadowski	

The SPEAKER. Three hundred and thirty-six Members are present, a quorum.

Mr. BANKHEAD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mrs. NORTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia, creating a rent commission for the District of Columbia, prescribing powers and duties of the commission, and for other purposes; and, pending that, I ask unanimous consent that general debate be limited to 2 hours, 20 minutes to be controlled by the gentleman from Illinois [Mr. DIRKSEN], 40 minutes by the gentleman from Texas [Mr. BLANTON], and 1 hour by myself.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. MAPES. Mr. Speaker, reserving the right to object, I think it is bad practice to divide the time among individuals, and for that reason I object.

Mrs. NORTON. Mr. Speaker, I move that general debate on the bill H. R. 11563 be limited to 2 hours, one-half the time to be controlled by the ranking minority member [Mr. DIRKSEN] and one-half by myself.

The SPEAKER. The question is on the motion of the gentleman from New Jersey that general debate on the bill be limited to 2 hours, one-half to be controlled by herself and one-half by the ranking minority member.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Under the rules of the House, while in the Committee of the Whole, in accordance with a custom running back to the time when the memory of man runneth not to the contrary, I was recognized by the Chairman for 1 hour. I used 20 minutes of that time and I reserved 40 minutes, and agreed to yield it to other Members. If the motion now made by the gentleman from New Jersey should prevail, will that interfere with that situation?

The SPEAKER. The Chair believes it will.

Mr. BLANTON. Then the effect of her motion is to prevent my opposing her bill in debate. I think it would be unfair if such a motion as that prevailed, and I hope it will be voted down. However, regardless of the vote on her motion, I know how to get time to oppose the bill.

The SPEAKER. The question is on the motion of the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 112 and noes 6.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 264, nays 31, not voting 135, as follows:

[Roll No. 46]

YEAS—264

Andrew, Mass.	Driver	Kennedy, Md.	Rayburn
Andrews, N. Y.	Duffey, Ohio	Kenney	Reece
Arends	Duffy, N. Y.	Kinzer	Reed, Ill.
Ayers	Duncan	Kloeb	Reed, N. Y.
Bankhead	Dunn, Miss.	Kniffin	Relly
Barden	Dunn, Pa.	Knutson	Richards
Barry	Eagle	Kramer	Richardson
Beam	Eicher	Lambertson	Robinson, Utah
Beiter	Ekwall	Lamneck	Rogers, Mass.
Bell	Ellenbogen	Lanham	Rogers, N. H.
Berlin	Engel	Lea, Calif.	Rogers, Okla.
Biermann	Englebright	Lea, Okla.	Russell
Binderup	Farley	Lesinski	Sauthoff
Blackney	Ferguson	Lewis, Colo.	Schaefer
Bloom	Fiesinger	Luckey	Schneider, Wis.
Boehne	Fletcher	McAndrews	Schuetz
Boiton	Focht	McClellan	Schulte
Boykin	Ford, Calif.	McCormack	Scott
Brewster	Ford, Miss.	McFarlane	Sears
Brown, Ga.	Frey	McGehee	Shanley
Brown, Mich.	Gambrill	McGrath	Shannon
Buck	Gearhart	McKeough	Short
Buckler, Minn.	Gehrman	McLaughlin	Sirovich
Caldwell	Gifford	McLean	Sisson
Cannon, Mo.	Gilchrist	McLeod	Smith, Conn.
Cannon, Wis.	Gildea	McMillan	Smith, Va.
Carlson	Gillette	McReynolds	Smith, Wash.
Carpenter	Goodwin	Maas	Smith, W. Va.
Carter	Granfield	Mahon	Snell
Cartwright	Gray, Pa.	Main	Snyder, Pa.
Cary	Green	Mapes	South
Chandler	Greenway	Martin, Colo.	Spence
Chapman	Greever	Martin, Mass.	Starnes
Christianson	Gregory	Massingale	Stefan
Church	Griswold	Maverick	Stewart
Citron	Guyer	Mead	Stubbs
Colden	Gwynne	Michener	Sullivan
Cole, Md.	Haines	Millard	Sutphin
Cole, N. Y.	Halleck	Miller	Sweeney
Collins	Harlan	Mitchell, Tenn.	Taylor, Colo.
Colmer	Hart	Monaghan	Taylor, Tenn.
Cooper, Ohio	Harter	Moran	Terry
Cooper, Tenn.	Healey	Nelson	Thom
Costello	Hess	Nichols	Thompson
Cox	Higgins, Conn.	Norton	Tolan
Cravens	Higgins, Mass.	O'Brien	Turner
Crawford	Hildebrandt	O'Connor	Turpin
Creal	Hill, Ala.	O'Day	Umstead
Crosby	Hill, Knute	O'Leary	Utterback
Crosser, Ohio	Hill, Samuel B.	O'Malley	Vinson, Ga.
Crowe	Hoffman	O'Neal	Vinson, Ky.
Crowther	Hollister	Owen	Wallgren
Cullen	Holmes	Palmisano	Walter
Curley	Hope	Parks	Wearin
Daly	Huddleston	Parsons	Welch
Deen	Hull	Pearson	Werner
Delaney	Imhoff	Peterson, Fla.	Whelchel
Dempsey	Jacobsen	Peterson, Ga.	Whittington
Dirksen	Jenckes, Ind.	Peyser	Wigglesworth
Dobbins	Jenkins, Ohio	Pittenger	Wilcox
Dockweiler	Johnson, Tex.	Polk	Williams
Dondero	Johnson, W. Va.	Powers	Wilson, Pa.
Doughton	Jones	Ramsay	Wolverton
Doutrich	Kahn	Ramspeck	Woodruff
Doxey	Keller	Rankin	Young
Drewry	Kelly	Ransley	Zimmerman

NAYS—31

Ashbrook	Fish	Murdock	Tarver
Bacharach	Hancock, N. Y.	Patman	Thomason
Bacon	Johnson, Okla.	Patterson	Thurston
Blanton	Kleberg	Pettengill	Tinkham
Castellow	Larrabee	Pierce	Wadsworth
Dies	Ludlow	Rich	West
Disney	McGroarty	Sanders, Tex.	Wolfenden
Faddis	Mitchell, Ill.	Taber	

NOT VOTING—135

Adair	Boylan	Burch	Claborne
Allen	Brennan	Burdick	Clark, Idaho
Amle	Brooks	Burnham	Clark, N. C.
Andresen	Buchanan	Carmichael	Cochran
Bland	Buckbee	Casey	Coffey
Boileau	Buckley, N. Y.	Cavichia	Connery
Boland	Bulwinkle	Celler	Cooley

Corning	Gingery	Mansfield	Sabath
Cross, Tex.	Goldsborough	Marcantonio	Sadowski
Culkin	Gray, Ind.	Marshall	Sanders, La.
Cummings	Greenwood	Mason	Sandlin
Darden	Hamlin	May	Scrugham
Darrow	Hancock, N. C.	Meeks	Secrest
Dear	Hartley	Merritt, Conn.	Seger
DeRouen	Hennings	Merritt, N. Y.	Somers, N. Y.
Dickstein	Hobbs	Montague	Stack
Dietrich	Hoeppe	Montet	Steagall
Dingell	Hook	Moritz	Summers, Tex.
Ditter	Houston	Mott	Taylor, S. C.
Dorsey	Kee	O'Connell	Thomas
Driscoll	Kennedy, N. Y.	Oliver	Tobey
Eaton	Kerr	Patton	Tonry
Eckert	Kocialkowski	Perkins	Treadway
Edmiston	Kopplemann	Pfeifer	Underwood
Evans	Kvale	Plumley	Warren
Fenerty	Lambeth	Quinn	Weaver
Fernandez	Lehlbach	Rabaut	White
Fitzpatrick	Lemke	Randolph	Wilson, La.
Flannagan	Lewis, Md.	Risk	Withrow
Fuller	Lord	Robertson	Wolcott
Fulmer	Lucas	Robison, Ky.	Wood
Gasque	Lundeen	Romjue	Woodrum
Gassaway	McSwain	Rudd	Zioncheck
Gavagan	Maloney	Ryan	

So the motion was agreed to.

The Clerk announced the following pairs:
General pairs:

Mr. Woodrum with Mr. Darrow.
Mr. Boland with Mr. Lehlbach.
Mr. Greenwood with Mr. Ditter.
Mr. Bland with Mr. Marshall.
Mr. Fuller with Mr. Thomas.
Mr. Oliver with Mr. Tobey.
Mr. Robertson with Mr. Robison of Kentucky.
Mr. Gavagan with Mr. Perkins.
Mr. McSwain with Mr. Hartley.
Mr. Warren with Mr. Cavicchia.
Mr. Dingell with Mr. Buckbee.
Mr. Flannagan with Mr. Eaton.
Mr. Cochran with Mr. Allen.
Mr. Bulwinkle with Mr. Fenerty.
Mr. Connery with Mr. Lord.
Mr. Fernandez with Mr. Merritt of Connecticut.
Mr. Fitzpatrick with Mr. Risk.
Mr. Mansfield with Mr. Treadway.
Mr. Lambeth with Mr. Mott.
Mr. Maloney with Mr. Culkin.
Mr. Kerr with Mr. Andresen.
Mr. Fulmer with Mr. Plumley.
Mr. Boylan with Mr. Seger.
Mr. Weaver with Mr. Wolcott.
Mr. Buchanan with Mr. Burnham.
Mr. Sabath with Mr. Marcantonio.
Mr. Burch with Mr. Burdick.
Mr. Pfeifer with Mr. Lemke.
Mr. Cross of Texas with Mr. Amlie.
Mr. Rudd with Mr. Lundeen.
Mr. Corning with Mr. Kvale.
Mr. Montague with Mr. Boileau.
Mr. May with Mr. Withrow.
Mr. Celler with Mr. Montet.
Mr. Cooley with Mr. Buckley.
Mr. Zioncheck with Mr. Tonry.
Mr. Lewis of Maryland with Mr. Dear.
Mr. Randolph with Mr. Adair.
Mr. Gasque with Mr. Brooks.
Mr. Hamlin with Mr. Quinn.
Mr. Hennings with Mr. Brennan.
Mr. Rabaut with Mr. Hobbs.
Mr. Gingery with Mr. Sandlin.
Mr. Kennedy of New York with Mr. Clark of Idaho.
Mr. Steagall with Mr. Somers of New York.
Mr. Dickstein with Mr. Dietrich.
Mr. White with Mr. Mason.
Mr. Evans with Mr. Meeks.
Mr. O'Connell with Mr. Carmichael.
Mr. Hancock of North Carolina with Mr. Romjue.
Mr. Patton with Mr. Hook.
Mr. Casey with Mr. Kee.
Mr. Secrest with Mr. Cummings.
Mr. Taylor of South Carolina with Mr. Driscoll.
Mr. Wood with Mr. Eckert.
Mr. Summers of Texas with Mr. Scrugham.
Mr. Darden with Mr. Ryan.
Mr. Houston with Mr. Goldsborough.
Mr. Gray of Indiana with Mr. Claiborne.
Mr. Merritt of New York with Mr. Stack.
Mr. Clark of North Carolina with Mr. Dorsey.
Mr. Wilson of Louisiana with Mr. Sadowski.
Mr. DeRouen with Mr. Coffee.
Mr. Edmiston with Mr. Saunders of Louisiana.

The result of the vote was announced as above recorded.

The doors were opened.

Mr. TABER. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 52, noes 86.

Mr. TABER. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair does not think it requires a quorum to adjourn.

Mr. TABER. But it does not to adjourn.

I demand the yeas and nays, Mr. Speaker.

Mr. BLANTON. Mr. Speaker, a point of order. I make the point of order that, where the House refuses to adjourn, in order for it to transact business it does require a quorum, and that is the point of order which the gentleman from New York made.

The SPEAKER. The Chair overrules the point of order.

Mr. TABER. I demand the yeas and nays, Mr. Speaker.

The yeas and nays were refused.

So the House refused to adjourn.

The SPEAKER. The question is on the motion of the gentlewoman from New Jersey that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11563.

The question was taken and on a division (demanded by Mr. BLANTON) there were ayes 116 and noes 11.

Mr. BLANTON. Mr. Speaker, I object to the vote, because there is no quorum present, and I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 263, nays 32, not voting 134, as follows:

[Roll No. 47]

YEAS—264

Andresen	Dies	Hildebrandt	Millard
Andrew, Mass.	Dirksen	Hill, Ala.	Miller
Arends	Ditter	Hill, Knute	Mitchell, Tenn.
Ashbrook	Dobbins	Hill, Samuel B.	Monaghan
Ayers	Dockweiler	Hoffman	Moritz
Bankhead	Dondero	Holmes	Mott
Barden	Dorsey	Hook	Murdoch
Barry	Doughton	Hope	Nelson
Beam	Doutrich	Houston	Nichols
Belter	Drewry	Huddleston	Norton
Bell	Driscoll	Hull	O'Brien
Biermann	Driver	Jacobsen	O'Connell
Blackney	Duffey, Ohio	Jenkins, Ohio	O'Connor
Bland	Duffy, N. Y.	Johnson, Okla.	O'Leary
Bloom	Duncan	Johnson, Tex.	O'Malley
Boehne	Dunn, Pa.	Johnson, W. Va.	O'Neal
Boland	Eagle	Kahn	Owen
Bolton	Eaton	Keller	Palmisano
Boykin	Edmiston	Kelly	Parks
Boylan	Eicher	Kennedy, Md.	Parsons
Brewster	Ekwall	Kennedy, N. Y.	Pearson
Brown, Ga.	Ellenbogen	Kenney	Peterson, Fla.
Brown, Mich.	Engel	Kloeb	Peterson, Ga.
Buck	Englebright	Kniffin	Peyser
Buckler, Minn.	Ferguson	Knutson	Pfeifer
Cannon, Mo.	Fiesinger	Kopplemann	Pierce
Cannon, Wis.	Fish	Kramer	Pittenger
Carlson	Fitzpatrick	Lambertson	Plumley
Carpenter	Fletcher	Lamneck	Polk
Carter	Focht	Lanham	Powers
Cartwright	Ford, Calif.	Lee, Okla.	Ramspeck
Cary	Ford, Miss.	Lewis, Colo.	Randolph
Castellow	Fuller	McAndrews	Rankin
Celler	Gambrill	McClellan	Ransley
Christianson	Gavagan	McCormack	Reece
Church	Gearhart	McParlane	Reed, Ill.
Colden	Gehrmann	McGehee	Reilly
Cole, Md.	Gifford	McGrath	Richards
Cole, N. Y.	Gillette	McGroarty	Richardson
Collins	Goodwin	McKeough	Robinson, Utah
Colmer	Granfield	McLaughlin	Rogers, Mass.
Cooper, Tenn.	Green	McLean	Rogers, N. H.
Corning	Greenway	McLeod	Rogers, Okla.
Costello	Greenwood	McMillan	Russell
Cravens	Greever	McReynolds	Sauthoff
Creal	Gregory	Maas	Schaefer
Crosby	Griswold	Mahon	Schneider, Wis.
Crosser, Ohio	Guyer	Main	Schuetz
Crowe	Gwynne	Mansfield	Schulte
Crowther	Halleck	Mapes	Scott
Cullen	Hamlin	Martin, Colo.	Sears
Curley	Harlan	Martin, Mass.	Shanley
Daly	Hart	Massingale	Shannon
Deen	Harter	Maverick	Sirovich
Delaney	Hennings	Mead	Sisson
Dempsey	Higgins, Conn.	Merritt, N. Y.	Smith, Conn.
Dickstein	Higgins, Mass.	Michener	Smith, Wash.

Smith, W. Va.	Stubbs	Turpin	Whelchel
Snell	Sullivan	Umstead	Whittington
Snyder, Pa.	Sutphin	Utterback	Wigglesworth
Somers, N. Y.	Taylor, Tenn.	Vinson, Ga.	Wilcox
South	Terry	Vinson, Ky.	Williams
Spence	Thom	Wallgren	Woodruff
Starnes	Thompson	Walter	Woodrum
Stefan	Tolan	Wearin	Young
Stewart	Turner	Werner	Zimmerman

NAYS—32

Andrews, N. Y.	Hess	Patterson	Thomason
Bacharach	Hollister	Pettengill	Thurston
Bacon	Kleberg	Rich	Tinkham
Blanton	Larrabee	Robertson	Wadsworth
Caldwell	Lord	Sanders, Tex.	West
Dunn, Miss.	Ludlow	Short	Wilson, Pa.
Faddis	Mitchell, Ill.	Smith, Va.	Wolfenden
Hancock, N. Y.	Patman	Tarver	Wolverton

NOT VOTING—134

Adair	Darden	Kerr	Robson, Ky.
Allen	Darrow	Kinzer	Romjue
Amie	Dear	Kocialkowski	Rudd
Berlin	DeRouen	Kvale	Ryan
Binderup	Dietrich	Lambeth	Sabath
Boileau	Dingell	Lea, Calif.	Sadowski
Brennan	Disney	Lehibach	Sanders, La.
Brooks	Doxey	Lemke	Sandlin
Buchanan	Eckert	Lesinski	Scrugham
Buckbee	Evans	Lewis, Md.	Secrest
Buckley, N. Y.	Farley	Lucas	Seger
Bulwinkle	Fenerty	Luckey	Stack
Burch	Fernandez	Lundeen	Steagall
Burdick	Flannagan	McSwain	Sumners, Tex.
Burnham	Frey	Maloney	Sweeney
Carmichael	Fulmer	Marcantonio	Taber
Casey	Gasque	Marshall	Taylor, Colo.
Cavicchia	Gassaway	Mason	Taylor, S. C.
Chandler	Gilchrist	May	Thomas
Chapman	Gildea	Meeks	Tobey
Citron	Gingery	Merritt, Conn.	Tonry
Claborne	Goldsborough	Montague	Treadway
Clark, Idaho	Gray, Ind.	Montet	Underwood
Clark, N. C.	Gray, Pa.	Moran	Warren
Cochran	Haines	O'Day	Weaver
Coffee	Hancock, N. C.	Oliver	Welch
Connery	Hartley	Patton	White
Cooley	Healey	Perkins	Wilson, La.
Cooper, Ohio	Hobbs	Quinn	Withrow
Cox	Hoeppel	Rabaut	Wolcott
Crawford	Imhoff	Ramsay	Wood
Cross, Tex.	Jenckes, Ind.	Rayburn	Zioncheck
Culkin	Jones	Reed, N. Y.	
Cummings	Kee	Risk	

So the motion was agreed to.

The Clerk announced the following additional pairs:
Until further notice:

Mr. Rayburn with Mr. Darrow.
Mr. Lea of California with Mr. Seger.
Mr. Kerr with Mr. Treadway.
Mr. Jones with Mr. Lehibach.
Mr. Connery with Mr. Cooper of Ohio.
Mr. Steagall with Mr. Kinzer.
Mr. Cox with Mr. Marshall.
Mr. Taylor of Colorado with Mr. Robson of Kentucky.
Mr. Doxey with Mr. Thomas.
Mr. Fulmer with Mr. Andrew of Massachusetts.
Mr. Patton with Mr. Crawford.
Mr. Flannagan with Mr. Perkins.
Mr. Lambeth with Mr. Reed of New York.
Mr. Chapman with Mr. Welch.
Mr. Disney with Mr. Taber.
Mr. Clark of North Carolina with Mr. Risk.
Mr. Haines with Mr. Lemke.
Mr. Taylor of South Carolina with Mr. Kvale.
Mr. Healey with Mr. Gilchrist.
Mr. Frey with Mr. Montet.
Mr. Brennan with Mr. Lesinski.
Mr. Adair with Mr. Carmichael.
Mrs. Jenckes of Indiana with Mr. Moran.
Mr. Binderup with Mr. Gildea.
Mr. Sweeney with Mr. Ramsay.
Mr. Berlin with Mr. Luckey.
Mr. Chandler with Mr. Quinn.
Mr. Stack with Mr. Imhoff.
Mr. Mahon with Mr. Kocialkowski.
Mr. Clark of Idaho with Mr. Dietrich.
Mrs. O'Day with Mr. Farley.
Mr. Sanders of Louisiana with Mr. Gassaway.
Mr. Houston with Mr. Gray of Pennsylvania.

The result of the vote was announced as above recorded.
The doors were opened.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia, creating a rent commission for the District of Columbia, prescribing powers and duties of the commission, and for other purposes, with Mr. DIES in the chair.

The Clerk read the title of the bill.

Mrs. NORTON. Mr. Chairman, I regret more than I can say that the Members of the House, many of whom are engaged in very important business in committees, have been brought here five times today to answer roll calls. I want it to appear in the RECORD that the chairman of this committee regrets the time it has taken the Members to come here and record their votes. It does not seem quite fair, as I said 2 weeks ago when this bill was before the House, to filibuster. It is perfectly all right with the chairman of the committee and with the Committee on the District of Columbia to debate a bill and vote on its merits, whether the outcome be favorable to the committee or otherwise, but it is deeply regretted that filibustering tactics are continually employed against bills brought out by the Committee on the District of Columbia.

Work of the Committee on the District of Columbia is probably more arduous than on any other committee of the House, with the exception, of course, of the major committees, and I do not think that even the major committees spend as much time holding hearings or have as many bills before them—bills that are of no interest to their districts. The Members who serve on the Committee on the District of Columbia, therefore, are doing a patriotic service for the whole country; and, Mr. Chairman, it does not seem quite fair that this committee should be treated in the fashion it has been treated today or was treated 2 weeks ago. Apart from this, however, I think it has helped the bill very considerably because of the publicity the bill has received in the papers. We of the District Committee have been receiving hundreds of letters from people all over the District telling us of the frightful conditions prevailing with regard to rents; and may I say to you that this bill does concern every Member of this House. Members on the Committee on the District of Columbia must necessarily do a great deal of work in which their constituents are not directly interested, but in this instance we are presenting a bill for the benefit of our friends and yours. There is probably not a Member of Congress who does not have constituents paying rent in Washington. We believe this bill is to their interests, especially to those who are receiving salaries of \$1,260, \$1,440, \$1,680, \$1,800, and \$2,000, and whose rents are entirely out of proportion to their incomes.

Since this bill has been before the House, Mr. Chairman, I have had a great many Members of the House tell me that the rents they themselves have to pay are outrageous, and certainly they are in better position to pay high rents than these Government employees, who, if they want to live decently, are compelled to pay rents out of all proportion to their incomes.

I have here a petition with 10,000 signatures in favor of this District of Columbia emergency rent bill. I have also a list of the grievances and the results of a questionnaire circulated by the Washington Central Labor Union in collaboration with the Resettlement Administration. The Central Labor Union in the District of Columbia, Mr. Chairman, is very much interested in this bill. They have been coming to my office continually, asking that something be done about it.

Last year when this bill was before the House I was away, very ill. It was considered at that time, however, and no determination was made upon the bill. A filibuster prevented further action on it. This is the second day it has been before the House this session, with not much better result.

Mr. Chairman, I am making my plea for the people of the District of Columbia who are oppressed by the high rents some of the rent gougers in this city are charging. There are many fair-minded landlords and many fair-minded real-estate people. Some time ago we tried to get them together to see if they themselves could not bring about a better condition before we decided to legislate, but to the present time we have had no results whatsoever, so we were obliged in all fairness to the people of the District who depend on us for an equitable adjustment of such matters to bring this bill before the House.

All we ask, Mr. Chairman, is fair consideration of the bill. If it is a good bill, let us vote for it. If the Members, after the House has fully considered it, feel it is a bad bill, all

right; we will vote it down; but, at least, in all justice and fairness, let us have a full and honest debate on the merits of this bill so we may be able to do something about the sad condition the people of this District are in at the present time as a result of one-half of 1 percent of vacancies. Certainly nobody can say that this is not an emergency.

Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN], the author of the bill, who has held hearings on the bill, who wrote the report on the bill, and who is familiar with each and every part of it. [Applause.]

Mr. ELLENBOGEN. Mr. Chairman, I shall use the time allotted to me by the gentlewoman from New Jersey, distinguished chairman of the Committee on the District of Columbia, to explain the bill now under consideration. The bill creates a commission of three members for the purpose of fixing fair and equitable rentals in the District of Columbia.

This legislation is temporary, made so expressly, as you will see by the language of the bill appearing in line 4 of page 2, that the powers of the commission established under this legislation shall terminate in 3 years from the passage of this act. We are hopeful that by the end of this 3-year period, if not before, the emergency existing in the District of Columbia with regard to housing will have passed.

Each of these three commissioners is to receive a salary of \$5,000 per annum payable semimonthly. When the bill was last under consideration certain Members objected that this salary was excessive. Mr. Chairman, in order to administer this law we must secure competent men, men who have had experience in life and who can judge the values of real estate and assess equities between landlords and tenants.

Surely that charge of an excessive salary was not made in earnest. I am certain if you can find competent men to administer this law, and those are the only men who should administer this law, you will not say a salary of \$5,000 a year for such men is excessive.

The commission is also given power to appoint a secretary who shall receive a salary of \$3,000 a year. This means \$250 a month. Surely that salary is not excessive.

The counsel for the commission shall receive a salary of \$3,500 a year, which is a little less than \$300 a month. Certainly that salary is not excessive.

The commission is also given the power to appoint such examiners, employees, and attorneys as are necessary in the performance of its duties. This provision was greatly objected to the last time the bill was up for consideration, but if my colleagues will turn to section 19, page 21, line 24, they will find that the entire appropriation for this commission is limited to \$50,000. If this commission will do what I believe it will do, what the experts believe it will do, and what it is intended it shall do, it will be worth not only \$50,000 to the taxpayers of the District of Columbia, but 10 or 20 times that much. Let me remind my colleagues that this \$50,000 is not placed upon the taxpayers of the United States, but upon the taxpayers of the District, just as it ought to be, because this appropriation has to come out of District funds.

In addition to the three commissioners, the assessor of the District of Columbia, who knows more about the facts pertaining to real property in the District than any other person, is made an ex-officio member of the commission, and for his services he is to receive the sum of \$500 in addition to the salary which he now receives. Mr. Chairman, that is the set-up of the commission.

What is the commission to do? The commission is charged by law with the duty, upon complaint or upon its own initiative, to inquire into rentals that are charged tenants in the District of Columbia. When the commission receives such a complaint or when it acts upon its own initiative, it is then charged with the duty of inquiring into various factors.

What are these factors? It has to inquire into the value—not "water" value, but the value today—of the piece of real property involved. It has to inquire into the expenses connected with that piece of property, the taxes, the services that are necessary, such as light, heat, elevator and janitor service, and so forth, whatever that may be; then the com-

mission has to fix a rental that will be fair and reasonable to both tenant and owner of the property. It must allow to the owner a return upon the value of his property which is just and fair. We could not provide anything else, because if we did it would be taking private property without due process of law and without just compensation therefor. So that a landlord who is fair should not object to this bill.

The commission must hold open hearings, upon notice to the owner or agent collecting rents, to determine whether the rent or other conditions of a lease are fair and reasonable. The commission must make known its determination fixing the fair and reasonable rent and services to be furnished in any rental property or unit thereof within 60 days from the date of the filing of the complaint.

The commission may, and if requested shall, file with its determination the fair and reasonable value of the whole property, the net return to the owner, and such findings of fact as the commission deems proper and as the act requires on the evidence presented.

Any court of the United States or the District of Columbia in any suit involving landlord and tenant relations shall determine the rights and duties of the parties in accordance with the determinations of the commission relevant thereto.

The bill provides that despite the expiration of the term fixed by the lease the tenant may continue in possession and may not be evicted if he performs the conditions of the lease. The landlord may, upon notice given as required, secure possession of the property either for personal occupancy, or to make material repairs, or erect a new building, or if the tenant commits waste, nuisance, or breach of peace upon the premises. The tenant shall pay rent to the owner in accordance with the terms of the lease during the period between the service of the notice and the final decision in the proceeding for the recovery of possession. The rights of the tenant under this section shall cease if the tenant fails to pay rent.

The bill provides that the Commission's determination shall not be stayed during the pendency of the appeal. If the Commission increases the rent, it shall be paid to the landlord, or to the Commission, or a bond given to guarantee payment, if sustained on appeal. If the rent is decreased by the Commission and is set aside on appeal, the unpaid difference shall be added to future rent payments or sued for in the Municipal Court of the District of Columbia.

The bill provides that a change in the ownership of "rental property" shall not affect the determination of the Commission.

The fact is that rents today in many instances—in the majority of instances—in the city of Washington are excessive. It is a shame and a disgrace that people who come here from all parts of the United States for the purpose of serving their Government and our Government are held up and must pay excessive rentals before they are permitted to live here. Not only that but we found upon investigation that several thousand Government employees who work in the Government offices in the city of Washington cannot find quarters in Washington at rentals which they can afford to pay. They are, therefore, forced to go outside of the city limits, in many cases as far as 40 miles away. If it is necessary for an employee to travel some 40 miles to go to his place of work in the morning and then return to his home 40 miles in the evening, it will impair the efficiency of his work, it will undermine his health, and deteriorate the service which he would like to give and which he ought to give to the Government.

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Our friend the gentleman from Pennsylvania is making such an enlightening speech that we ought to have a quorum present to hear him. I, therefore, make the point of order that a quorum is not present.

Mr. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ANDRESEN. I make the point of order that the gentleman from Texas is employing dilatory tactics in obstructing legislation.

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDRESEN] does not state a point of order.

The gentleman from Texas makes the point of no quorum. Evidently there is not a quorum present. The Clerk will call the roll.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 48]

Adair	Dingell	Kee	Quinn
Allen	Disney	Keller	Rabaut
Amle	Ditter	Kennedy, Md.	Ramsay
Barden	Driscoll	Kerr	Ransley
Bland	Duffey, Ohio	Kocalkowski	Richards
Bolleau	Duncan	Kvale	Risk
Brennan	Eaton	Lambeth	Robison, Ky.
Brooks	Eckert	Lehlbach	Rogers, N. H.
Buckbee	Ekwall	Lesinski	Romjue
Buckley, N. Y.	Evans	Lewis, Md.	Rudd
Bulwinkle	Fenerty	Lucas	Sadowski
Burch	Ferguson	Luckey	Sanders, La.
Burnham	Fernandez	Lundeen	Secrest
Caldwell	Fish	McGehee	Seger
Cannon, Wis.	Fitzpatrick	McLean	Smith, Va.
Carmichael	Flannagan	McLeod	Smith, Wash.
Carter	Ford, Calif.	McMillan	Somers, N. Y.
Casey	Fulmer	McSwain	Stack
Cavichia	Gambrill	Maloney	Steagall
Chandler	Gassaway	Marcantonio	Sumners, Tex.
Citron	Gifford	Marshall	Sweeney
Claiborne	Gilchrist	Mason	Taylor, S. C.
Clark, Idaho	Gildea	May	Taylor, Tenn.
Clark, N. C.	Gingery	Meeks	Thomas
Cochran	Goldsborough	Merritt, Conn.	Thompson
Coffee	Gray, Ind.	Montague	Thurston
Cole, Md.	Gray, Pa.	Montet	Tobey
Collins	Greenway	Moran	Tonry
Connery	Haines	Mott	Treadway
Cooley	Hancock, N. C.	Murdock	Underwood
Cooper, Ohio	Hartley	O'Day	Werner
Culkin	Healey	Oliver	White
Cummings	Hobbs	O'Neal	Wilson, Pa.
Darrow	Hoepfel	Palmisano	Wolcott
Dear	Hoof	Patton	Wood
Deen	Imhoff	Perkins	Zioncheck
DeRouen	Jenckes, Ind.	Peterson, Fla.	
Detrich	Johnson, W. Va.	Pierce	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DIES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11563) declaring an emergency in the housing condition in the District of Columbia; creating a rent commission for the District of Columbia; prescribing powers and duties of the commission, and for other purposes; and finding itself without a quorum, he had directed the roll to be called, and 280 Members answered to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its session.

The Committee resumed consideration of the bill (H. R. 11563) with Mr. DIES in the chair.

Mr. ELLENBOGEN. Mr. Chairman, this proposed legislation is not new in our history. It is modeled after a bill which was passed by this Congress on October 22, 1919, and which applied, just as this bill does, to the District of Columbia. The District of Columbia rent law was amended on August 24, 1921, amended on May 24, 1922, and again on May 17, 1924.

It is also modeled after similar legislation which was enacted in the State of New York and which was passed by the Assembly of the State of New York on September 27, 1920.

Mr. Chairman, I would like to show you and the members of the Committee that the rent emergency which exists today in the District of Columbia is far greater than it was in 1919 when we passed a similar bill.

There were in the District of Columbia during 1920, which was the first year that the Rent Commission functioned, 90,000 Federal employees; in 1921, while the Commission was still functioning, there were only 79,000; in 1922 there were only 70,000; in 1923 there were 66,000; and in 1924 there were 64,000. As compared with the last number of 64,000, on January 31, 1936, there were 112,349 Federal employees in the District of Columbia.

Mr. Chairman, this figure does not include the 12,000 or 13,000 employees of the government of the District of Columbia; neither does it include about 3,000 employees in the legislative branch located in the District of Columbia or about

500 employees employed in the judicial branch and located in the District of Columbia.

Anyone who has examined these figures, showing an increase of nearly 75 percent in the number of employees of the Federal Government located in the District of Columbia, must surely admit that we are faced today with an emergency and with an influx of people into the city such as we have never had before.

Not only this, but today the number of vacancies available in the District of Columbia as compared with the number of apartments and homes existing in the District of Columbia is limited to one-half of 1 percent, whereas the normal vacancies would approximate 5 to 10 percent. We cannot speak of the functioning of the law of supply and demand unless we have vacancies approximating from 5 percent to 10 percent.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I am sorry I cannot yield at this time.

Mr. Oliver S. Metzertott, the chairman of the former Rent Commission, testified before our committee; and in order to answer the claim that has been made against the bill that the former Rent Commission increased rents he showed us the report of the Commission—that it had decreased rents. He said to the subcommittee:

I believe there is just as much reason for the regulation of rental property as there is in regulating other things that are used by the public. In one Supreme Court case the Court very carefully pointed out that it is no more unreasonable to regulate the terms or the rent from real estate than it is to pass certain laws; in fact, it said that they thought certain laws were less unreasonable. I believe that the owner of real estate who is holding that property in a jurisdiction where a properly conceived rental board is in existence is not injured, but in the long run will be benefited by it.

The report of the previous Rent Commission, which was made to President Coolidge on May 22, 1925, pointed out at pages 10 and 11 that building construction was not affected by rent legislation. Mr. Metzertott signed that report as chairman of the Commission, which contained a number of recommendations and conclusions, among which was the following:

The only effective protection for tenants of the District is rent regulation by an administrative body created by Congress * * *

Mr. Chairman, the Utilities Commission in the District of Columbia has shown the need for this legislation.

The 1934 report of the Public Utilities Commission on rents and housing conditions in the District of Columbia showed:

That from 1932 until the depression was well under way rentals in the District of Columbia showed a continual increase.

That many cities showed decreases long in advance of those in the District.

That rents decreased less in Washington than in any other city.

That at the time the report was made, January 30, 1934, rents were still 20 percent above the average for the entire country.

That recent arrivals invariably find Washington rents higher, and frequently considerably higher, than they are elsewhere.

In this report on rent and housing conditions in the District of Columbia it was said:

* * * There is certainly a shortage of small houses carrying rents which the lowest paid workers and middle classes can afford.

These conclusions regarding regulation and housing are not new and should not be considered in any sense as merely the result of temporary or emergency conditions. In the report of the Public Utilities Commission of January 30, 1934, it was said in discussing the experience under the Rent Commission legislation:

Emergency hardly seemed the proper word to apply to a condition which for the wage earner and the man of moderate income had become chronic. The only real basis for rent legislation is under the police power inherent in Congress to regulate rentals of properties held out to the public and thereby affected with a public interest. Shelter, if not the prime necessity of life, is at least one of the most essential requisites. Regulation of this sort is essential to the welfare of the community.

The existence of this emergency is shown by the conclusion of the Public Utilities Commission in its report, where it is said:

Great need exists for the regulation of the housing business in Washington. * * * The problems of the landlord and the tenant cannot be met satisfactorily except by establishment of a proper public office made self-sustaining by license or registration fees, which would have as its business the inspection and arbitration of landlord and tenant complaints, the licensing or registration of all landlords and tenants, the keeping of complete housing records, and the establishment of minimum standards for housing in the District of Columbia.

The report of the Public Utilities Commission contained the following significant statement:

Restoration of rents to predepression levels would force Government workers, in the absence of a regulatory law, to adopt one of two unpleasant alternatives to the payment of such rents: To "double up", as they recently did, or to engage in the bitterness and injustices of a general rent strike. No one would gain if either course was followed. The Commission believes that the public would express its resentment at any general rent increases at this time.

The aim of this bill is to prevent such "doubling up", because it results in undesirable health conditions where people are so crowded together that they cannot eat, sleep, and live in a decent manner. Secondly, the aim of this bill is to prevent unnecessary "doubling up", because in the long run it only is disadvantageous to the landlords. As the Commission stated, no one gains from such action. This bill would protect both landlord and tenant in this connection.

The aim of the bill, therefore, is not only to prevent unreasonable and unjust rental increases which result in voluntary or involuntary removals, but to guarantee to the tenant, if he pays a reasonable rent and meets his just obligations, the occupancy of his living quarters.

The bill makes every effort to protect the tenant in this emergency situation but does so not in any manner unfair or unreasonable to the owner of any rental property. By creating an administrative agency to hear and determine complaints there will be guaranteed equity to both tenant and owner. By making it necessary for the commission to consider what the return on the owner's investment will be on the basis of the commission's determination, every protection is given the owner of a just and reasonable return on his property.

The fact that there are and have been abuses in the housing situation was brought out by the statements of Mr. Leroy Halbert, director of research of the Emergency Relief Division of the Board of Public Welfare in his testimony before the Senate District Subcommittee on Rental Investigation in 1932. Mr. Halbert said in speaking of the relief situation then:

I would like to call attention to one thing I consider an abuse. There are landlords who issue an eviction notice every month to keep people scared. Some of them have been paying their rent along for a year who have had an eviction notice every month, and the cost of that is charged up to them on top of their rents because the landlords think that is a good way to keep them keyed up to pay their rents.

This legislation aims to prevent and correct the existence or possibilities of such abuses as these. It aims to give employees, both Federal and non-Federal, the safeguard that during this period of great emergency they will have shelter at reasonable and just rates.

Now, let me give you some figures and facts that I think will interest you. Nearly 55 percent of the homes in the United States in 1930 rented for less than \$30 per month, while in the city of Washington only 22 percent were available for less than \$30 per month. The average in the country was 55 percent in 1930, but in the city of Washington it was only 22 percent.

Let me give you some further information, and this information was prepared by the United States Department of Labor. This Department showed that from June 1929 to December 1933 the rents decreased less in Washington than in any other of the 32 cities for which they collected data. While rents decreased on an average of 32.3 percent in all the 32 cities, in Washington this decrease amounted to only 12 percent.

Mr. Chairman, I now want to show you who is opposing this proposed legislation.

The investigation by the Senate committee showed that the 23 firms in the District of Columbia represented 17,816 dwelling units out of the 70,000. These 23 firms are engaged in a conspiracy to increase the rents in the District of Columbia. These 23 firms are the ones that are trying to kill this legislation.

Mr. BLANTON. Will the gentleman yield?

Mr. ELLENBOGEN. No; I cannot at this time. Not only that, but the Senate committee shows that of these 23 firms, 12 representing 14,845 in the District of Columbia, and that means that the 12 firms control nearly 40 percent of the available dwelling units in the District.

The hearings before a subcommittee of the Senate District Committee on Senate resolution 248, at page 507, show the data presented by Mr. O. H. Brinkman, counsel to the committee, with the data presented from which I have just quoted.

Number of apartments and houses controlled

	Apartment-ments	Houses
H. L. Rust Co.	2,022	500
B. F. Saul Co.	2,016	1,550
H. G. Smithy Co.	1,127	
Wardman Real Estate Properties Co.	869	
Real Estate Mortgage & Guaranty Corporation	541	
Weaver Bros.	539	
Moore & Hill	340	
Charles E. Tribby's Sons	328	
Higbie, Richardson & Franklin, Inc.	190	
Washington Loan & Trust Co.	494	
American Security & Trust Co.	249	
Francis E. Blundon Co.	238	
L. E. Breuninger & Sons, Inc.	329	
Thomas J. Fisher Co.	1,211	
National Mortgage & Investment Corporation	165	
Randall H. Hagner & Co.	1,265	300
T. F. Schneider, Jr., Corporation	590	
Stone & Fairfax	194	
J. C. Weedon Co.	268	
Shannon & Luchs Co.	392	
Boss & Phelps	583	299
Cafritz Co.	806	133
Fidelity Storage Co. (Karrick)	278	
Grand total, houses and apartments	15,033	2,782
Total of 12 leading firms	14,845	

Here is what Mr. Brinkman, who was the investigator for the Senate, said at page 508 of the Senate hearings on Senate Resolution 248 of the Seventy-third Congress:

From the foregoing it will be seen that there were in existence and working in close harmony a number of organizations of real-estate agents, owners of apartment properties, and bankers and mortgage loan agents, all having as their common object the "stabilization" of the notoriously high rentals of the District of Columbia and the high prices of Washington real estate.

This closely knit and interlocking combination of building and financial interests has had complete control over probably the majority of apartment houses and mortgaged single dwellings in the District of Columbia.

So the Senate in 1932 found there was an unlawful conspiracy existing in the District of Columbia; and I say on this floor, Mr. Chairman, on my responsibility as a Member of Congress, that it is an unlawful conspiracy that is today trying to thwart the will of the people and kill this legislation without a hearing. [Applause.]

Mr. Brinkman made a careful examination of the minutes and other records of the Washington Real Estate Board, and Mr. Brinkman's conclusions are found, beginning on page 494 of the 1932 Senate investigation hearings, as follows:

These records clearly show upon even casual examination, confirmed by close study, the existence of a combination unlawful in its nature and purpose and oppressive to home buyers and tenants in the District of Columbia, as well as in suburbs adjacent to the District.

Mr. Brinkman showed that the purpose and effect of this combination of real-estate owners and agents was to—

1. Use concerted effort to prevent rent reductions or even slight concessions to tenants.
2. Agree upon and fix minimum and excessive scales of commission for loans upon real estate. * * *

6. Restrained and restricted the giving of free rent as inducement to tenants to sign leases.

7. Held meetings of agents at which it was agreed that rent reductions and repairs of apartments were not "advisable."

8. Establishment by unpublished or unwritten rule of a "black-list" of tenants who had leases with other members of the combination who were unwilling to release them so that they might move, even in cases of dire necessity.

9. Continued effort to restrict apartment properties to the control of one agent only, so that there would be no competition between agents who were members of the board in renting apartments in the same building.

10. Agreeing and fixing of a "standard" minimum commission of 5 percent for the collection of rentals and the management of apartment properties, thus limiting and preventing the benefit of competition for management business, which previously had been handled for 3 percent in many cases.

11. Concerted effort by the Washington Real Estate Board, through a governing committee, to influence judges of the municipal court not to extend leniency in eviction cases to tenants who were about to be moved out into the street without shelter.

12. Attempt to influence newspapers of Washington not to print real-estate advertisements containing such statements as "no agents or brokers need apply."

Mr. Brinkman concluded:

The effect upon landlords and tenants of the unlawful combination was to increase expenses. Not only were the owners of apartment houses burdened with excessive financing charges . . . they were obliged by concerted action and price-fixing activities of board members to pay 5-percent commission—an additional expense which was bound to have an influence in curtailing rent reduction.

In order to protect the interest of the public rents must be regulated in the District. Such regulation must be founded upon protection to all parties concerned. The tenant must be given living quarters for a fair and reasonable rental; the landlord must be paid a rental that will enable him to make a fair and reasonable return on fair investment; the public must be protected from unhealthy and insanitary conditions. H. R. 11563 will accomplish all these purposes.

Now, Mr. Chairman, what about the constitutionality as the basis for this legislation. The act which was passed in 1919 by Congress for the District of Columbia about a year after the war came before the Supreme Court of the United States in *Block v. Hirsh* (256 U. S. 135)—that law was held constitutional.

A similar law passed in the State of New York came before the Supreme Court and was held constitutional.

Then, there is the case of *Marcus Brown Holding Co. v. Feldman* (265 U. S. 170) establishing a rent commission to fix fair and reasonable rents was held justified under the police powers during the period of the emergency. It held that Congress and the State legislature had a right to pass such legislation.

The Supreme Court held further that such legislation was not invalidated because it deprived the owner of a jury trial on the question of the right to possession and declared that compelling the owner to furnish services to the tenant did not constitute an imposition of involuntary servitude in violation of the thirteenth amendment.

Authority to legislate for the District of Columbia is to be found in the Constitution. The bill modeled after the District of Columbia rent law and the New York rent law of September 27, 1920, is valid, according to the case of the *Chastleton Corporation v. Sinclair* (264 U. S. 543 (1924)) so long as the emergency continues.

The influx of Government employees into Washington, which created the emergency considered the basis for the constitutionality of the earlier legislation, applies with equal force to present conditions occasioned, as the statement of public policy in the bill declares, by the war against the depression.

During the life of the legislation which was adopted in the District of Columbia and New York after the war the courts in a number of decisions passed upon different phases of the acts and held valid provisions which authorized the commission upon its own initiative and without complaint to fix the reasonable rent, fix the fair return for rental property, compensate the tenant for inconvenience in connection with his occupancy, permit possession after the expiration of the lease if the tenant continued to pay rent as provided in the

lease, and limited review by an appellate court to errors of law.

Unless the Supreme Court departs radically from the principles pronounced in the cases which have been referred to, the legislation being considered may not be challenged on the ground of constitutionality.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ELLENBOGEN. May I have 5 minutes more?

Mrs. NORTON. Mr. Chairman, I yield 5 minutes more to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. Mr. Chairman, I call attention of the Committee to a resolution passed by the District Committee of the Senate of the United States in June 1932, which reads as follows:

Whereas it has been brought to the attention of the committee that a combine between property owners and agents exists, the effect of which is to maintain an exorbitant charge for living quarters in the District of Columbia.

Resolved, . . . That it is the sense of the committee that rental properties, apartments, and hotels are affected with a public interest. This policy was formulated in July 1919, and it may well be that prevailing economic conditions justify a revival of the Rent Commission. . . .

That resolution was passed by the District Committee of the Senate of the United States.

In Senate Resolution 248, adopted by the Senate itself at the Seventy-second Congress, first session, it was stated, in part:

. . . the public of the District is paying high rents based upon inflated and fictitious values of rental properties. . . . the Committee on the District of Columbia believes the health and general welfare of the people of said District to be imperiled by the exorbitant demands of landlords. . . .

Is not this statement ample testimony that an emergency has and does exist here in the District of Columbia?

During and as a result of the entire investigation brought about by this Senate resolution, Mr. O. H. Brinkman, counsel to the subcommittee which held the hearings, presented the following as his last point in a series of 11 recommendations to the subcommittee:

11. That Congress declare that a condition of emergency as to housing exists in the District of Columbia, and further declare that housing is a public utility, vesting authority in a housing division of the Public Utilities Commission to regulate rents during a period of 2 years, and to regulate other matters relating to housing in the District.

Mr. Brinkman concluded:

So-called private initiative since the termination of the rent commission has failed utterly to provide the Capital of the Nation with decent and reasonably priced housing accommodations for employees of the Government and thousands of others necessarily living in the District of Columbia. For that reason it would seem reasonable and proper for the Government to exercise its power, based on duty, to protect the welfare of the people.

Mrs. John Boyle, Jr., chairman of the Consumers' Council of Washington, D. C., representing 150,000 consumers in the District of Columbia, working under the general direction of the National Emergency Council, presented this resolution that was adopted by the Consumers' Council to the subcommittee:

Whereas housing conditions in the District of Columbia are such as to injure the public health, welfare, morals, comfort, and convenience in that—

- (a) A scarcity of rental housing persists and is becoming more serious; and
- (b) Rents have been increased in many instances as a result of this scarcity. . . .; and
- (c) The housing of low-income families presents numerous conditions which are socially and economically undesirable; and
- (d) Private enterprise is not meeting the housing needs of the public: Therefore, be it

Resolved by the Executive Board of the Consumers Council of Washington, D. C., That the Congress be requested to take such steps as may be necessary to secure to the public of the District of Columbia at the earliest possible time, effective alleviation of the conditions complained of. . . .

Do not these statements show that something must be done by Congress to alleviate the emergency which exists here?

I should like to have had another half hour to go into this bill, but since my time is so short and has nearly expired I wish to take a few minutes now to answer certain charges against the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes.

Mr. PATMAN. How many members of the Board are provided in the bill?

Mr. ELLENBOGEN. Three.

Mr. PATMAN. Where will these members reside?

Mr. ELLENBOGEN. These members are to be appointed by the President and they may reside anywhere in the United States. They are to be appointed by the President and confirmed by the Senate.

Mr. PATMAN. Since almost anyone here in the District will have an interest directly or indirectly, would the gentleman agree to an amendment which would permit the appointment of the Board from people living entirely outside the District?

Mr. ELLENBOGEN. I should be glad to agree to that amendment.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. For a short question.

Mr. BLANTON. Will the gentleman agree to an amendment that the other employees will be taken from outside the District.

Mr. ELLENBOGEN. They may be, under this bill, but I should be very glad to agree to such an amendment.

Mr. BLANTON. The gentleman admits that they may do that?

Mr. ELLENBOGEN. Under this bill they may certainly be taken from outside. I think it is clear in the bill, but if the gentleman thinks it is not clear I would agree to such an amendment.

Mr. BLANTON. I thank the gentleman for his admission. That is what I was trying to get him to admit.

Mr. HOFFMAN. But if you bring all these employees in from the outside would not that make the housing conditions worse?

Mr. BLANTON. Certainly.

Mr. ELLENBOGEN. Oh, you will not need so very many employees.

Mr. HOFFMAN. How many thousands of employees would administer the law?

Mr. ELLENBOGEN. Oh, not thousands at all, not even hundreds; just a few.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I shall be glad to when I have finished. The charge has been made that this Commission will not decrease but will increase rents. If this Commission would increase the rents, why does the real estate ring in Washington oppose it? Everyone knows that if this Commission would increase and not decrease rents there would be no opposition from the real-estate interests in Washington; in fact, they would be here lobbying for it.

Mr. GREEN. Has the gentleman found any opposition to the bill except from the real-estate men who are interested, and are they not the only ones who are opposing the bill?

Mr. ELLENBOGEN. None other than I know of. It is also charged by some Members of the House that the cost would be excessive. That charge is answered by the fact that the bill limits the expenses to \$50,000. It has been charged that it would take 10 years to get rid of the Commission, a charge that is absurd in the face of the fact that the bill itself limits it to 3 years, and that it can be repealed by Congress at any time, but could not be extended beyond 3 years without a further act of Congress.

Let me answer some of the arguments that have been made by the gentleman from Illinois [Mr. DIRKSEN] against this bill, and I ask his attention for a moment. Before I go into this I must inform the House that on February 1, 1935, the gentleman from Illinois [Mr. DIRKSEN] introduced House Joint Resolution 150, in which he tried to accomplish a similar thing at that time. Evidently the gentleman was convinced that rents in the District of Columbia were far too high and that they needed regulation. Let me read you section 2 of that resolution:

It is hereby declared that the provisions of this resolution are made necessary by conditions resulting from the sudden and great expansion of activities of the Federal Government during the present acute economic emergency, which, in connection with other circumstances arising in such emergency, have resulted in a shortage of housing space in the District of Columbia and in rental conditions in the District of Columbia dangerous to the public health and burdensome to public officers and employees whose duties require them to reside within the District of Columbia, and other persons whose activities are essential to the maintenance and comfort of such officers and employees, and thereby embarrassing to the Federal Government in the transaction of public business.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. ELLENBOGEN. Mr. Chairman, will the gentlewoman from New Jersey give me 5 minutes more?

Mrs. NORTON. I am sorry, but my time is entirely taken.

Mr. ELLENBOGEN. Will the gentlewoman give me 2 minutes more?

Mrs. NORTON. Mr. Chairman, I yield the gentleman from Pennsylvania 1 minute more.

Mr. ELLENBOGEN. I must answer the charge made by the gentleman from Illinois [Mr. DIRKSEN]. The gentleman from Illinois pointed out the fact that my bill contains a provision that new buildings in course of construction when the act was passed, or to be constructed hereafter, are excepted from the bill and that that would be discrimination, which would make the bill unconstitutional.

Any doubt as to the validity of the type of classification effected by the inclusion of the provision exempting from regulations houses in the course of construction or whose construction is to be commenced subsequent to the effective date of the act, is easily resolved. The New York emergency rent law passed in 1920 (c. 944, Laws of 1920, amending c. 136, Laws of 1920), contained a provision, as follows:

10. This act, as hereby amended, shall not apply to a new building in the course of construction at the time this amendment takes effect or commence thereafter, and shall be in force until November 1, 1922.

It will be observed that the provision in the New York law was to all intents and purposes identical with section 21 of H. R. 11563. The validity of the provision in the New York law came up for consideration by the Supreme Court in the case of *Marcus Brown Holding Co. v. Feldman et al.* (256 U. S. 170 (1921)). In that case the brief of the appellant as digested on page 180 of the United States Reports argued:

Assuming that the State has the power, directly or indirectly, to subsidize new buildings either by cash payments or by remission of taxes, it has no power to discriminate between existing buildings and the owners of buildings to be erected, in respect to their compensation for the use of their property.

In answer to this contention, Mr. Justice Holmes, speaking for the Court, stated on page 198:

It is said, too, that the laws are discriminatory, in respect of the cities affected and the character of the buildings, the laws not extending to buildings occupied for business purposes, hotel property, or buildings now in the course of erection, etc. But as the evil to be met was a very pressing want of shelter in certain crowded centers, the classification was too obviously justified to need explanation beyond repeating what was said below as to new buildings, that the unknown cost of completing them and the need to encourage such structures sufficiently explain the last item on the excepted list.

This case is a direct and unimpeachable constitutional precedent for the inclusion of section 21. In the face of this authority, how can it be argued that the provision is unconstitutional? The power of Congress to select the subjects of its regulation or taxation in legislation has been recognized in numerous cases decided by the Supreme Court. The only limitation upon such classification is that imposed by the due-process clause of the fifth amendment to the Constitution. Due process requires that the classification be not arbitrary and capricious and that it have some reasonable relation to the purpose of the legislation.

Such reasonable relation is easily discernible in the classification attempted by section 21 of H. R. 11563 in that the object of the statute is to relieve oppressive housing conditions. Legislation which discourages building activities tends to intensify the conditions sought to be alleviated;

legislation which favors and encourages building activities is one direct means of achieving the purpose of the statute.

Hence a provision which exempts houses under construction at the time of the effective date of the act or commenced thereafter has a reasonable relation to the purposes of the legislation and does not constitute an invalid classification.

I invite the gentleman's attention to the opinion of the Supreme Court, which discussed the New York law, which contained the same provision. The Supreme Court said that such a clause would not be discriminatory, but was proper classification because it was in the interest of providing additional apartments and houses. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mrs. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SCHULTE], a member of the committee.

Mr. SCHULTE. Mr. Chairman, the rules of the House prevent me from using the language that was used by a great many Members coming here answering six roll calls this afternoon, owing to the fact that several Members have undertaken to chastise the entire House by filibustering on a bill of this kind. We members of the committee resent the attack that has been made upon our chairman in doing everything they possibly could to stop us from legislating for the best interests of the people of the District of Columbia. I want to say, as one member of this committee, that I am not going to allow anyone to stand in my way, irrespective of who he may be or what he thinks of me.

Just think of what has happened, and the time that has been lost in six roll calls. Very important committees are meeting right at this moment on flood control. They have had to stop six times to come here and answer roll calls. Members of the Committee on Appropriations, six times; members of the Ways and Means Committee, six times; members of the Committee on the Judiciary have had to come here six times. For what? Owing to the fact that one or two men want to carry on a filibuster, opposed to the people of the District of Columbia receiving some relief. They are today being gouged by real-estate men. I wonder if the sinister influences are working to the best interests of these gentlemen.

Mr. BLANTON. Mr. Chairman, I ask that the gentleman's words be taken down.

Mr. SCHULTE. I want the gentleman to wait.

Mr. BLANTON. I ask that the gentleman be made to sit down and that his words be taken down.

Mr. SCHULTE. The gentleman cannot make me sit down.

Mr. BLANTON. I can do it. I ask that the gentleman be made to take his seat.

The CHAIRMAN. The gentlemen will take their seats.

Mr. BLANTON. A point of order, Mr. Chairman. I ask that the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

I wonder if the sinister influences are working to the best interests of these gentlemen.

Mr. BLANTON. Mr. Chairman, I want the full reference there; I want sufficient of the words taken down to show that the reference was to the gentleman from New York [Mr. TABER] and myself, who caused these roll calls to be made.

The CHAIRMAN. The Clerk will read the words objected to.

The Clerk read as follows:

Mr. SCHULTE. Owing to the fact that one or two men want to carry on a filibuster, opposed to the people of the District of Columbia receiving some relief. They are today being gouged by real-estate men. I wonder if the sinister influences are working to the best interests of these gentlemen.

The CHAIRMAN. The Committee will rise.

The Committee rose; and the Speaker having resumed the chair, Mr. DIES, Chairman of the Committee of the Whole House on the state of the Union, reported that that Com-

mittee, having had under consideration the bill H. R. 11563, certain words used in debate were objected to, which, on request, were taken down and read at the Clerk's desk, and that he reported the same herewith to the House.

The SPEAKER. The Clerk will report the words objected to in the Committee of the Whole House on the state of the Union.

The Clerk read as follows:

Mr. SCHULTE. Owing to the fact that one or two men want to carry on a filibuster, opposed to the people of the District of Columbia receiving some relief. They are today being gouged by real-estate men. I wonder if the sinister influences are working to the best interests of these gentlemen.

The SPEAKER. The Chair is ready to rule.

There is no reference in the language to just who is carrying on a filibuster, if one has been carried on during the day. [Laughter.] The Chair is not in position to say that there has been a filibuster carried on. We have had a number of roll calls. The Chair is not going to say officially that there has been an actual filibuster. No reference is made to any particular Member of the House in the remarks of the gentleman from Indiana.

The Chair fails to see anything objectionable in the language referred to, and so holds.

The Committee will resume its session.

The Committee resumed consideration of the bill H. R. 11563, with Mr. DIES in the chair.

Mr. BLANTON. Mr. Chairman, I move that the gentleman proceed in order.

Mr. O'CONNOR. Mr. Chairman, there is no necessity for that motion. The remarks of the gentleman from Indiana have not been ruled out of order. The motion itself is not in order.

The CHAIRMAN. The gentleman will proceed in order.

Mr. O'CONNOR. The gentleman has not been ruled out of order.

The CHAIRMAN. The Chair did not rule that he was.

Mr. SCHULTE. Mr. Chairman, it is unfortunate that these conditions do arise, especially so when there is a little relief in sight for the poor souls who are being oppressed. A bitter fight has been waged on this particular piece of legislation, a piece of legislation that is going to benefit every man that is here in the District of Columbia and the constituents of every Member of the House as well. They are trying to make this a model ordinance, a model law, that will show to the universe that we are trying to help someone by giving an opportunity to some of the other States to relieve those who are being oppressed.

Think of the situation of these low-paid employees. Here is a little stenographer, earning perhaps not over \$120 a month, whose rent is \$65 or \$70 a month, if he or she is fortunate enough to secure a flat or a one-room apartment at that figure.

There is no question in the mind of anyone here but what if this bill is enacted into law it will afford relief to these people whom we are trying to help and protect in spite of the men who are trying to block this legislation.

Mrs. NORTON. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I am glad to yield to the chairman of our committee.

Mrs. NORTON. On the point of roll calls, I sent an inquiry to the Congressional Library and I find that the roll calls today have cost the taxpayers of this country \$3,324. It is estimated that a roll call costs \$54, and that the value of the Members' time taken in a roll call amounts to \$500.

So that the six roll calls have cost the taxpayers of the country \$3,324. In speaking of the time of the Members taken from the various committees, I think that should be put in to make the record complete.

[Here the gavel fell.]

Mr. ANDREWS of New York. Mr. Chairman, I move that the Committee do now rise.

The question was taken; and on a division (demanded by Mr. ANDREWS of New York) there were—ayes 17, noes 56.

So the motion was rejected.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I have not forgotten the oath that I took as a Representative of the people of this Nation to support the Constitution of the United States.

Whenever I find a bill before this body that I believe is unconstitutional, from now on you will find me opposing it. I voted for some measures during the depression that I felt were unconstitutional. You could not stop them by a point of order, because under our rules that is a matter for the House to decide by its vote. It is a matter for the Supreme Court ultimately to decide under our system of a three-branch Government, all separate and distinct from each other.

I realized that the President of the United States was elected by the people to carry out a certain program of economic recovery. I felt that our President was entitled to have a chance to put his policies into effect. When bills have been brought up here by the administration during this depression period that I felt convinced were unconstitutional, I voted for them nevertheless, giving the President the benefit of every doubt, but I am not going to do it any more. The time has come when Members must vote in accordance with their oaths and in accordance with their judgment on these bills, and that is exactly what I expect to do in the future.

I have no apologies to make to anybody for doing anything and everything that is known to parliamentary skill to stop this bad bill, because I know that it is unconstitutional. Talk about expense to the Government in a roll call. That is foolish. We Members are here to answer all necessary roll calls, and all roll calls needed to stop a bad bill are necessary. Why, I would have 50 roll calls if it were necessary, and if it would stop this bill. What is more important about our service than to answer a necessary roll call? We would save thousands and thousands and even hundreds of thousands of dollars ultimately, provided we could stop this bad bill from passing and keep it from becoming a law.

Mr. Chairman, who has been fair about this business? They talk about a filibuster. The gentleman from New York [Mr. TABER] has been here a long time. He is one of the most valuable Members on the other side of the House. There is not a more valuable legislator who ever sat on the floor of this House than the gentleman from New York [Mr. TABER]. He has done what he thought was his duty under his oath to stop this bad bill, whether it took roll calls or not. We Members who have been here a long time, and who know the business of this House, know that these roll calls have cost nothing. All of us here get regular salaries. All of us are paid for our full time. We are paid to answer roll calls. What is a roll call when it is a question of passing an unconstitutional measure and one that is against the very fundamental principles of the Constitution of the United States?

Mr. Chairman, when this matter first came up we went to the gentleman from Pennsylvania [Mr. ELLENBOGEN] and tried to have a fair division of time in order properly to discuss this measure. We could not get an agreement out of him. That is the reason we filibustered to stop this bad bill. It was our only recourse. We were determined that this bill should be fully and properly debated on this floor.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. BLANTON. No. I am sorry I cannot yield now.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. Mr. Chairman, again today we tried to get a reasonable agreement for proper debate. Under the rules of the House I was recognized heretofore by the Chairman. Under the rules I was entitled to 1 hour. I used 20 minutes of my time and, under the rules, reserved the balance of my time, which gave me the right to yield it to others. When I reserved that 40 minutes of time the rules gave me the right to yield to Members on the floor here who are against this bill and to whom I promised that time.

Did I not have the right to do that under the rules of the House? Certainly, I did, and who was unfair? Who made a motion to keep me from doing this? The chairman of the committee [Mrs. NORRIS] made a motion that prevented me from having the 40 minutes to which I was entitled under

the rules of the House, and which 40 minutes she knew I had promised to eight other men who are against this bill, because I had told her about it, and in our agreement she had admitted I was entitled to it. Who was unfair about it?

Regarding the speech of the gentleman from Indiana [Mr. SCHULTE] I will put my work here against his as to whether or not it is constructive, as to whether or not it has been beneficial to the people of the United States, as to whether or not it is free from every kind of "ism" you can think of except Americanism, as to whether or not it is absolutely free and untrammelled by any kind of interest. What interest has ever controlled me since I have been on this floor for 20 years? Not one. Talk about real-estate interests! Where is the real-estate interest that in any way influences me in this matter? Why, I do not know the real-estate men in Washington who may be interested against this bill and have not spoken to one in 10 years, to know it.

I am against this bill for three reasons. First, I know it is unconstitutional. You talk about an alleged acute housing situation. Why, get your Washington Star of yesterday and look at the great number of apartments now for rent, look at the great number of residences now for rent in Washington. Vacant residences and apartments without anybody in them; and then talk about a shortage of housing here. There is no such shortage in Washington. That is a farce on its face. The Supreme Court would knock this bill out so quick, if it were to pass, that it would make your head swim, provided it ever got the chance. The trouble about it is that this bad bill would be in effect for at least 2 years before it could ever reach the Supreme Court, and you would have all the evil effects from it for 2 years before it could be annulled.

I made the gentleman from Pennsylvania [Mr. ELLENBOGEN] admit that every one of this army of employees—and they will have an army of high-salaried employees—they had an army of them before and it took us years and years to get rid of that expensive bureau—every one of them could be taken from outside of Washington, both officials and employees, and what effect would this have? It would increase and intensify the rental situation in Washington. You would have extra employees and officials coming in here and it would make the demand for apartments greater and the rents would go up.

Why, the very minute you would pass this bill and have a little old rent commission interfering and sneaking around into other people's private business and have this complaint after that complaint made against these apartment houses and other rental places, they would have to employ high-priced lawyers to protect their interests, and you would find rents, just like they did when we passed the other bill, going up at least 20 percent, for the extra expense would be passed on to the people who rent. When they passed the other bill my rent immediately went up \$20 a month, and I had to pay this for several years. This is what will happen again if you pass this bill.

Besides its being unconstitutional and besides its not doing what they think it will do, but just the opposite, I want to show you what a useless, wasteful, expensive bureau it will create. I quote from the bill:

Each commissioner shall receive a salary of \$5,000 a year, payable semimonthly.

The gentleman from Pennsylvania says that is not a high salary. He says that somebody suggested \$3,000 and he says \$3,000 is too little. I will guarantee that there are some high officials in Washington who never drew as much as \$3,000 a year in their life until they got a job with the Government.

Mr. ELLENBOGEN. Mr. Chairman—

Mr. BLANTON. Mr. Chairman, I do not yield now. I may yield later, but I want to continue my own remarks now.

The CHAIRMAN [Mr. UMSTEAD]. The gentleman declines to yield.

Mr. BLANTON. After all, \$3,000 is a pretty big salary. There are mighty few people in the United States, comparatively, who get over \$3,000. Did you know that?

Do you know that in several States there are circuit judges now who try men for their lives, who try cases involving millions of dollars of property rights, who try domestic rights of families, who do not get much over \$3,000? Do you know there are some governors who do not get much over that? The Governor of Texas gets only \$4,000 per year salary.

And yet the gentleman wants to pay these little old rent commission members \$5,000 a year. It is like one of our friends who is so sympathetic and big hearted with other people's money, the public money, that when the flood came he immediately introduced a bill or suggested one to appropriate a billion dollars for relief.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. BLANTON. Congress has been appropriating money in such big sums that some do not know what a billion dollars means.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. BLANTON. Of course I will yield to the gentleman, who is one of the biggest-hearted men in the House with other people's money.

Mr. DUNN of Pennsylvania. Did not the gentleman vote for a \$3,000,000 appropriation for the Texas centennial? That was public money, too.

Mr. BLANTON. That was to celebrate the centennial for a republic that brought into the Union immense landed territories that now constitute a great part of the United States. If my friend from Pennsylvania will go to Texas this year and get imbued with the principles that surround San Jacinto, where my mother's uncle, James Monroe Hill, happened to be with Gen. Sam Houston when General Santa Anna was captured, if he will go down around the Alamo and old Gonzales, and other places, he will get \$3,000,000 worth of information and pleasure. [Laughter.]

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. BLANTON. I am sorry, I cannot yield further. Let me quote section 4, and show you what is in this bill:

Sec. 4. Each commissioner shall receive a salary of \$5,000 a year, payable semi-monthly. The commission shall appoint a secretary, who shall receive a salary of \$3,000 a year, and an attorney who shall receive a salary of \$3,500 a year payable in like manner; and subject to the provisions of the civil-service laws, it may appoint and remove such other officers, examiners, engineers, appraisers, attorneys, employees, and agents and make such expenditures for rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and other supplies and expenses as may be necessary to the administration of this act.

Do you know that eventually the above expensive new Bureau could cost us several hundred thousand dollars, if this bill should pass, before we could get it abolished? Why, like the last Commission, it could be extended and extended before the Supreme Court would get a chance at it.

Do you think the Secretary should receive \$3,000? Do you think the regular attorney should receive \$3,500? And notice that besides appointing officers, without limit, and examiners without limit, and engineers without limit, and appraisers without limit, the commission is given the carte blanc authority to appoint any number of extra attorneys without limit. The gentleman from Pennsylvania thinks they will be limited by the appropriation mentioned in this bill. When he has been here as long as I have he will know that if a bureau is given legislative authority to appoint officers, engineers, and lawyers, and employ people, without limitation as to numbers, and at a salary, not definitely fixed, and make contracts, Congress is going to pay for it. No Congress would turn down those contracts. I have seen it done many, many times, where a big bureau has been established, authority given to employ clerks and attorneys, Congress has always come in and made those contracts good.

I want you to notice again that this bill, in section 4, gives these commissioners carte blanc authority to employ any number "of officers, examiners, engineers, appraisers, attorneys, employees, and agents", without any limitation whatsoever, and that also without any limitation, this bill gives them carte blanc authority to make any amount of expenditures, with the blue sky as a limit, that they want to, for

rent, printing, telegrams, telephone, law books, books of reference, periodicals, furniture, stationery, office equipment, and to cap it all, any other supplies and expenses as it may deem necessary.

It could spend \$50,000 for rent. It could spend \$50,000 for law books. It could spend \$100,000 for furniture. It could spend \$25,000 for office equipment. Because, if it executed Government contracts for same, Congress would have to pay the bills, because this legislation gives the carte blanc authority.

Under Civil Service rules and the 1923 Classification Act I know officials here in the District of Columbia who get \$9,000 a year, who before the act of 1923 was passed received only \$5,000 per annum. I know an auditor here who gets \$9,000 a year. I know a chief of police here under the said 1923 act who gets \$8,000 a year and a fire chief here in the District of Columbia, under the same bill referred to, who gets \$8,000. I know a superintendent of schools here who gets \$10,000 a year, the biggest salary that any superintendent of schools gets in any comparable city in the United States. I know of numerous officers here who get \$7,500 a year plus some of their expenses. Some of them just give part time. Lots of them are selling their services to other people on the outside.

Under this bill you could have an army of officers and employees here with big salaries, and we would have to pay for them, and that is what I am fighting against; that is why we had these absolutely necessary roll calls. I do not want this unconstitutional measure to pass. I do not want to see it become a law and have to go to the courts and run the gamut at the expense of our constituents and be held unconstitutional in the end at the expense of the people.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Not now. I regret I have not the time. You are not just authorizing the appointment of an army of officers. Remember that under this bill they can appoint examiners, engineers, appraisers, attorneys, employees, and agents, just as many as they may want, without any limitation whatsoever.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DIES. I call the gentleman's attention to the fact that section 24 of the bill gives Congress the right "to alter, amend, or repeal any provision of the act."

Mr. BLANTON. That is the most absurd, ridiculous provision I ever saw in a bill. That is absolutely childish; and if this high-class committee which the gentleman from Indiana [Mr. SCHULTE] talks about will stop bringing in fool measures like this, we will not have to filibuster to stop their passage. The idea of Congress reserving the right "to alter, amend, or repeal the act"! That is something fundamental under the Constitution of the United States. That is a right Congress already has, which Congress cannot take away. You can pass any kind of a law, and the next or the succeeding Congress, or any other Congress, could hold it null and void by passing a law repealing it or changing it in any way that it sees fit. We have no control on any future Congress.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment, if I should have time. Regarding the attorneys, without limit as to number, who, under this bill, this commission may appoint, their salaries are not fixed. Do gentlemen know that for one little bureau down here we have a lawyer who gets \$16,500 a year? Do you know that at one time the Veterans' Bureau had 876 lawyers? Some were lawyerettes, but they got lawyers' salaries. That is what I am trying to stop. The people whom I represent in Texas do not believe in that sort of extravagance and waste.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. The people I represent must not be like the people from the three districts in New Jersey or Indiana or Pennsylvania that are trying to put over this bad bill. I yield to my friend from New York, who has aided me materially in thus far stopping this bill.

Mr. TABER. Does the gentleman believe that any \$16,500 lawyer drew this bill?

Mr. BLANTON. No. I think the lawyer who drew this bill would not be able to earn 30 cents. A justice of the peace could draw a better bill than this.

Mr. O'MALLEY. Was the bill drafted by the legislative drafting service?

Mr. BLANTON. I do not think that could be possible. It comes here by the Ellenbogen route from a part of Pennsylvania. Mr. Chairman, we functioned here a long time before the distinguished gentleman from Pennsylvania [Mr. ELLENBOGEN] arrived, and we passed some pretty good laws before he came here, and we will pass some pretty good laws after he leaves.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mrs. NORTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UMSTEAD, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 11563, and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. DIES. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and insert the remainder of the two news articles I read from.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BETTER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and disposition of matters upon the Speaker's table, I be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, some of us are hopeful that we will be able to finish the Pettengill bill tomorrow and have a vote on it. Unless the gentleman from New York has some very good reason why he should speak tomorrow, I think I would be obliged to object.

Mr. BETTER. I will state that I desire to speak tomorrow on the Public Works Administration.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

VETERANS' BENEFITS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, this morning I asked permission to insert in the RECORD a statement in regard to veterans' benefits, a statement that has required months to compile. It will answer every question that any veteran or dependents of veterans can ask. It is similar to a statement I prepared 2 years ago, of which several hundred thousand copies were printed and distributed to veterans' organizations. It is more full and complete. It is very much needed. There is not anything like it in existence now. It has been carefully prepared. It brings all laws and regulations down to date. It may be referred to as the "veterans' bible" on veterans' benefits and privileges. I believe it will answer 98 percent, if not more, of all questions that are usually asked on this subject. It will be a great benefit to veterans, their dependents and beneficiaries, veterans' organizations and representatives, and to Members of Congress. Mr. Earl D. Chesney, liaison representative of the Veterans' Administration, has assisted in its preparation. The Veterans' Administration has cooperated in its preparation and has gone over it carefully. It contains valuable information, and is as full and complete as it is possible to make it without quoting all laws and regulations. It includes not only pensions and benefits to veterans, but it also includes other benefits, including civil-service rights, and

explains very fully every law relating to veterans. I hope to have it printed in pamphlet form in order that it may be made available to all interested parties. It will be about 48 pages, pamphlet size, and will likely cost \$69.94 for the first thousand and \$14.03 for each additional thousand. After the first thousand the cost will be less than 1½ cents each. No one will make any profit out of it, except the Government, on printing.

I ask unanimous consent, since the Printer has returned it with an estimate of cost, because it is more than two pages, that it be inserted in the RECORD, notwithstanding it has been returned under the rule requiring an estimate of cost. I have shown it to a number of Members, and the estimate of cost, and they all agree that it is a valuable compilation and should be inserted.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FLOOD RELIEF

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to insert in the RECORD as a part of my remarks, a telegram from the New England Council, regarding reconstruction as a result of the terrible flood in Massachusetts.

I also ask unanimous consent to insert, as a part of my remarks at this point, a radio speech I made to my people in Lowell, praising them for their wonderful courage during this recent disaster.

I earnestly hope, Mr. Speaker, that the House of Representatives, the President, and the entire country, will help us in our hour of great need.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BANKHEAD. Reserving the right to object, Mr. Speaker, and I shall not object, in connection with the last statement made by the gentleman from Massachusetts, I want to call her attention to the fact that the President of the United States has already set aside the sum of \$43,000,000 to be devoted exclusively to rehabilitation services in connection with the flood disaster.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I realize that; but I also realize that we are going to need a great deal more than \$43,000,000. We need more money and more men to clear up the debris. The work must be done immediately or we shall have an epidemic.

Mr. BANKHEAD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The matter referred to is as follows:

[Telegram]

HON. EDITH NOURSE ROGERS,
United States House of Representatives,
Washington, D. C.:

We feel that next to relief of human distress in flood areas the resumption of operations by all industries is most important objective. We anticipate that many smaller industries may need financial assistance in repairing plants and reemploying workers, and we have already directed attention to loaning powers of Federal Reserve Bank and Reconstruction Finance Corporation. Suggest some definition of policy or broadening of authority by those two agencies might be helpful. We also urge necessary legislative and administrative actions to insure execution of pending river survey projects and creation of necessary State and interstate authorities so that our States can work together in execution of effective and coordinated program of interstate flood-control works.

DUDLEY HARMON,
Executive Vice President, New England Council.

RADIO ADDRESS OF HON. EDITH NOURSE ROGERS OVER STATION WLH,
LOWELL, MASS., SATURDAY, MARCH 21

First of all I want to say how immensely proud I am of the people of Lowell. You who have suffered such tremendous losses in this great catastrophe have made me proud by the way in which you have stood up under disaster. You who have risen to this emergency and have devoted your time and money to relief also make me proud that I belong to Lowell. I tried to

fly from Washington yesterday so that I could be with you last night. All the airports at the Capital are under water, so I had to take the train, delaying my arrival until today.

There is not praise enough that I can offer the Red Cross for its work in this emergency. Not only the generals of the Red Cross have worked tirelessly but the privates have thrown themselves into the spirit of the emergency. Red tape has been cut; people have been fed, housed, and clothed to relieve any actual suffering. Homes have been thrown open. Churches have been placed at the disposal of refugees. Doctors and nurses have cooperated in long and arduous hours of duty. Women sewers of the W. P. A. have risen to the occasion and along with volunteers made the sandbags that saved the city from even worse damage. The women here worked from 12 noon until 4:30 the following morning—some being notified as they worked that their homes were lost and swept away. Telephone operators, the police, and firemen have worked without rest or relief. City workers and the W. P. A. men have remained on the firing line hour after hour without relief and for long periods, with no food or a chance to get dry clothing. The Legion veterans, of course, were on the job from the first moment of danger. They always are.

It is the same wartime spirit that dominated America when we faced the world crisis in 1917. But now it is mobilized as a peacetime cooperation to help and assist our neighbors and friends. I am tremendously proud of the way my home city has responded.

I have gone through the flooded areas and visited many of the refugee stations established by the Red Cross. We face a huge task of rehabilitation. It is my hope that much of the rebuilding and repair work on the homes damaged and destroyed can be done as a relief project. I shall press that matter on the President and relief heads on my return to Washington on Monday. I have already done so by telephone and telegram. Some assistance must be given our citizens who have lost their lifetime savings through no fault of their own. It will certainly be more constructive than some of the projects on which Federal funds have been expended.

Red tape must be cut. There can be no wasted time. Today I was able, fortunately, to expedite matters in several instances for the Red Cross and W. P. A. authorities. I might say here that the operators in our Lowell telephone exchange were of great assistance, getting my emergency calls through to the Capitol and to the White House.

I intend also to urge a larger share of the flood appropriation for New England. Also, I shall urge that funds available for increased W. P. A. activities in connection with the flood be released at once. Mr. Paul Edwards, State administrator of the W. P. A., has promised every cooperation possible.

Today I talked with the Washington W. P. A. headquarters in an effort to have emergency regulations that will permit the purchase of shoes and clothing, blankets, sheets, etc., locally. That would help industry and shops, as well as save time.

At my request, Mr. Paul Edwards came to Lowell this afternoon. Together we went over the flood situation, and I assure you he is heart and soul for any measures that will aid us here in Lowell. He is a fine, honorable, and able gentleman, deeply interested in this relief work. I feel sure of his cooperation in whatever is best for the Lowell district.

Today also, I have gone over the situation with Walter Relly, Theodore Reed, Dr. Marshall Alling, and William G. Spence of the Red Cross. We in Lowell owe them a tremendous debt of gratitude for the way they have taken hold in this emergency. Their great need at this moment is funds. I know Lowell will, as usual, be generous and give them the money to work with. It will be expended wisely and well, with not a wasted penny. The manner in which the whole city is taking hold and carrying on gives one a thrill and pride beyond expression. It has been estimated that there are 5,000 people homeless here. You and I know that they will be cared for.

Monday I will introduce enabling legislation to permit reconstruction, as an emergency measure, of Central Bridge, as part of the Federal highway system. This has been approved by Commissioner Callahan, of the State department of public works. This will provide work and Federal funds in the district.

I have also been in conference with your good mayor. He is about exhausted with lack of sleep and long hours of devotion to his city. He has given everything he had to prevent greater disaster and relieve the suffering. I have again offered him my cooperation in every movement to expedite rehabilitation of our city and relief for the victims.

I want, again, to tell you how wonderful you are in good times and in disaster. There are not words enough to say in praise of the spartan spirit of the disaster victims. You are already planning on a fresh start. I can see no reason why our Government should not help you with it. I know you will win through, as you always have. Your courage and fortitude are too great for words. Those who have given up their private interests to give their services to this relief—you, too, are too fine for words. The newspapers have done everything possible. Our Lowell radio station has united families, found lost members, assisted the police and relief agencies, and altogether made us happy to have WLH in our midst. Lowell will always be grateful to the neighboring towns, which sent men, provisions, boats, and other forms of assistance.

I shall carry back to Washington with me a picture of a great disaster, but also of a great city which has taken disaster as great Americans, already helping each other and planning for the future together as neighbors and friends.

SPECIAL COMMITTEE TO STUDY ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that the Clerk may read a letter from the President of the United States addressed to the Speaker of the House.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD].

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, March 20, 1936.

HON. JOSEPH W. BYRNS,

The Speaker, United States House of Representatives.

MY DEAR MR. SPEAKER: Last October I began holding some conversations with interested and informed persons concerning what appealed to me as the necessity of making a careful study of the organization of the executive branch of the Government.

Many new agencies have been created during the emergency, some of which will, with the recovery, be dropped or greatly curtailed, while others, in order to meet the newly realized needs of the Nation, will have to be fitted into the permanent organization of the executive branch. One object of such a study would be to determine the best way to fit the newly created agencies or such parts of them as may become more or less permanent into the regular organization. To do this adequately and to assure the proper administrative machinery for the sound management of the executive branch, it is, in my opinion, necessary also to study as carefully as may be the existing regular organization. Conversations on this line were carried on by me during November and December, and I then determined to appoint a committee which would assist me in making such a study, with the primary purpose of considering the problem of administrative management. It is my intention shortly to name such a committee, with instructions to make its report to me in time so that the recommendations which may be based on the report may be submitted to the Seventy-fifth Congress.

The Senate has named a special committee to consider aspects of this general problem, and I respectfully suggest that the House of Representatives also create a special committee of a similar character through which the House of Representatives could cooperate with me and with the committee that I shall name in making this study in order that duplication of effort in the task of research may be avoided and to the end that this study may be made as fruitful as possible.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent, but may in a moment withdraw the request, for the immediate consideration of a resolution I have prepared to carry into effect the President's request in reference to this matter.

In this connection, in order to save time, it is a somewhat lengthy resolution, I think it proper for me to state that I conferred with the minority leader about the matter, and I understood that he felt that under all the circumstances he would be constrained to object.

Mr. SNELL. Mr. Speaker, I feel it is rather unusual to ask unanimous consent to consider such an important resolution as has been suggested by the majority leader. This matter has been before the Executive for 3 years. I do not see that he has taken any especially constructive steps along this line. This is a matter of great importance. It should be considered by the Rules Committee. Bearing in mind the fact it has gone over for 3 years, I do not think it would delay the matter very much if it went over a few days longer, and I shall be obliged to object to the last request of the gentleman from Alabama.

Mr. BANKHEAD. Mr. Speaker, I ask that the resolution may be placed in the basket for consideration.

CALENDAR WEDNESDAY BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to read a very short letter from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. I think this will be interesting to some Members of the House. This is a letter I received from one of my constituents:

TOWNSEND CLUB, No. 4,
Long Beach, Calif., March 16, 1936.

Hon. BYRON M. SCOTT,
Washington, D. C.

DEAR MR. SCOTT: As a good Democrat, a representative of the common people, why don't you try and get Congress to have a \$50,000 investigation of the Republican National Committee and have them stop the racket they have started to sell to us doddering, deluded Republicans, worthless pieces of paper at a dollar a throw, for the purpose of paying the big bosses big salaries to try and defeat you loyal Democrats for office?

I believe us Republicans should be protected from these racketeers.

Yours for action—a lifelong Republican.

Yours truly,

A. H. PARSONS.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WOLCOTT, for 1 week, on account of illness in his family.

To Mr. HOBBS, indefinitely, on account of important official business.

To Mr. ZIONCHECK (at the request of Mr. BYRNS), indefinitely, on account of important business.

To Mr. SIROVICH, for 1 week, on account of sickness.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 234. Joint resolution authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel in connection with certain legal proceedings, and for other purposes; to the Committee on the Judiciary.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 24, 1936, at 12 o'clock noon.

COMMITTEE HEARING

PUBLIC LANDS

The Committee on the Public Lands will hold a hearing Tuesday, March 24, 1936, at 10:30 o'clock a. m., in room 328, House Office Building, to consider various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

736. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal years 1936 and 1937, amounting to \$1,410,000, together with a draft of a proposed provision pertaining to an existing appropriation, for the Department of Commerce (H. Doc. No. 435); to the Committee on Appropriations and ordered to be printed.

737. A letter from the Comptroller of the Currency, transmitting, in accordance with section 333 of the Revised Statutes as amended, a copy of the Text of the Annual Report of the Comptroller of the Currency for the year ended October 31, 1935; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLER: Committee on the Judiciary. H. R. 9244. A bill providing for the establishment of a term of the District Court of the United States for the Northern District of Florida at Panama City, Fla.; without amendment (Rept. No. 2217). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 1152. An act relating to the carriage of goods by sea; with amendment (Rept. No. 2218). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. S. 3483. An act to provide for rural electrification, and for other purposes; with amendment (Rept. No. 2219). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 11689. A bill to amend title I of the National Housing Act, and for other purposes; with amendment (Rept. No. 2220). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 10623) granting a pension to Ida M. Reed, and the same was referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 11958) to provide for the control of flood waters of the Missouri Valley, to improve navigation of the Missouri River, to provide for irrigation of arid and semiarid lands, divert the flood waters of the Missouri River to receding or receded natural lake beds, to provide for the restoration and preservation of the water level of the Missouri Valley, to protect the fertility of the soil of the Missouri Valley; to provide for the generation, distribution, and sale of electricity, and for other purposes; to the Committee on Flood Control.

By Mr. LANHAM: A bill (H. R. 11959) to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926 (44 Stat. 630), as amended; to the Committee on Public Buildings and Grounds.

By Mr. LUCKEY: A bill (H. R. 11960) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. McREYNOLDS: A bill (H. R. 11961) authorizing an appropriation for the payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco in the State of Arizona; to the Committee on Foreign Affairs.

By Mr. MAAS: A bill (H. R. 11962) to give the rank and pay of brigadier general to that officer of the Marine Corps detailed as director of aviation, Headquarters Marine Corps, while so serving, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 11963) to amend an act entitled "An act to regulate the strength and distribution of the line of the Navy, and for other purposes", approved July 22, 1935; to the Committee on Naval Affairs.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 11964) granting the consent of Congress to the Commonwealth of Massachusetts, Middlesex County, and the city of Lowell, Mass., or any two of them, or any one of them to construct, maintain, and operate a free highway bridge across the Merrimack River at Lowell; to the Committee on Interstate and Foreign Commerce.

By Mr. RUDD: A bill (H. R. 11965) providing for the appointment of additional deputy marshals in the eastern district of New York; to the Committee on the Judiciary.

By Mr. CRAWFORD: A bill (H. R. 11966) to provide for building up a strong American merchant marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GRANFIELD: A bill (H. R. 11967) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; to the Committee on Banking and Currency.

By Mr. KOPPLEMANN: A bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; to the Committee on Banking and Currency.

By Mr. McSWAIN: A bill (H. R. 11969) to promote national defense by organizing the Air Reserve Training Corps; to the Committee on Military Affairs.

By Mr. SANDLIN: A bill (H. R. 11970) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial at Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion at Shreveport, La., on June 9, 10, 11, and 12, 1936; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 11971) to promote the efficiency of the Army Air Corps; to the Committee on Military Affairs.

By Mr. RAMSPECK: Resolution (H. Res. 459) for granting a special rule for the consideration of H. R. 5051; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H. Res. 460) creating a select committee to investigate executive agencies of the Government with a view to coordination; to the Committee on Rules.

By Mr. CONNERY: Joint resolution (H. J. Res. 537) to provide emergency relief for victims of the flood in the Merrimack River Valley and region; to the Committee on Appropriations.

By Mr. McREYNOLDS: Joint resolution (H. J. Res. 538) to provide for participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy in Rumania in 1937; and to authorize and request the President of the United States to invite the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939, and to invite foreign countries to participate in that congress; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the legislature of the State of New Jersey, memorializing Congress regarding the Works Progress Administration; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 11972) granting a pension to Edna P. Welsh; to the Committee on Invalid Pensions.

By Mr. DISNEY: A bill (H. R. 11973) for the relief of Bell Oil & Gas Co.; to the Committee on Claims.

By Mr. HEALEY: A bill (H. R. 11974) for the relief of Raymond Joseph Cormier; to the Committee on Naval Affairs.

Also, a bill (H. R. 11975) for the relief of William H. Rouncevill; to the Committee on Military Affairs.

Also, a bill (H. R. 11976) for the relief of Antonio Masci; to the Committee on Claims.

Also, a bill (H. R. 11977) for the relief of Fred J. DeRibas; to the Committee on Military Affairs.

By Mr. DIMOND: A bill (H. R. 11978) for the relief of J. W. Meyers; to the Committee on Claims.

By Mrs. JENCKES of Indiana: A bill (H. R. 11979) granting an increase of pension to Claude E. Maxwell; to the Committee on Pensions.

By Mr. KELLY: A bill (H. R. 11980) granting a pension to Annie Hickman; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 11981) granting a pension to Ben H. Buttry; to the Committee on Pensions.

Also, a bill (H. R. 11982) for the relief of George W. Fortner; to the Committee on Claims.

Also, a bill (H. R. 11983) granting a pension to Elizabeth F. Booher; to the Committee on Invalid Pensions.

By Mr. SHORT: A bill (H. R. 11984) for the relief of Oda Herbert Plowman; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10574. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, opposing enactment of House bill 9072, National Textile Commission bill; to the Committee on Interstate and Foreign Commerce.

10575. By Mr. JOHNSON of Texas: Petition of Mrs. J. E. Lambert, president, Parent-Teachers' Association Council of Freestone County, Teague, Tex., favoring House bill 6472, to abolish block booking of motion pictures; to the Committee on Interstate and Foreign Commerce.

10576. By Mr. LAMNECK: Petition of Mrs. B. F. Baughman, president, and Mrs. Karl R. Ausenheimer, secretary, Hesperian Club, 484 Wrexham Avenue, Columbus, Ohio, urging early hearings on the motion-picture bills now in Congress; to the Committee on Interstate and Foreign Commerce.

10577. By Mr. McCORMACK: Resolution of the Department of the District of Columbia, the American Legion, unanimously approving House bill 6427 and Senate bill 2253; to the Committee on Military Affairs.

10578. By Mr. PFELFER: Petition of the Milwaukee Blind Post, No. 8, Disabled Veterans of the United States, favoring the enactment of House bills 9475 and 11503; to the Committee on World War Veterans' Legislation.

10579. By Mr. RISK: Resolution of the General Assembly of the State of Rhode Island, relative to the retention of the U. S. S. *Constellation* at Newport, R. I.; to the Committee on Naval Affairs.

SENATE

TUESDAY, MARCH 24, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 23, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Byrd	George	Lonergan
Ashurst	Byrnes	Gibson	Long
Austin	Capper	Glass	McGill
Bachman	Caraway	Gore	McKellar
Bailey	Chavez	Guffey	McNary
Barbour	Clark	Hale	Maloney
Barkley	Connally	Hatch	Metcalf
Bilbo	Copeland	Hayden	Minton
Black	Couzens	Johnson	Moore
Borah	Davis	Keyes	Murphy
Brown	Donahey	King	Murray
Bulkley	Duffy	La Follette	Neely
Bulow	Fletcher	Lewis	Norbeck
Burke	Frazier	Logan	Norris

Nye
O'Mahoney
Overton
Pittman
Pope
Radeliffe

Robinson
Russell
Sheppard
Shipstead
Smith
Steiner

Thomas, Okla.
Thomas, Utah
Townsend
Truman
Tydings
Vandenberg

Van Nuys
Wagner
Walsh
Wheeler
White

Mr. LEWIS. I ask to have the RECORD show that the Senator from Rhode Island [Mr. GERRY], the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. TRAMMELL], the junior Senator from Washington [Mr. SCHWELLENBACH], and the Senator from California [Mr. McADOO] are absent from the Senate because of illness; that the senior Senator from Washington [Mr. BONE], the Senator from Mississippi [Mr. HARRISON], the Senator from Massachusetts [Mr. COOLIDGE], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Minnesota [Mr. BENSON], the Senator from Nevada [Mr. McCARRAN], the Senator from West Virginia [Mr. HOLT], and the Senator from Colorado [Mr. COSTIGAN] are necessarily detained from the Senate, and that the Senator from North Carolina [Mr. REYNOLDS] is detained in the Department of Labor on official business. I ask that the announcement made by me stand of record for the day.

Mr. AUSTIN. I announce that the Senator from Wyoming [Mr. CAREY] and the Senator from Iowa [Mr. DICKINSON] are necessarily absent from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present.

SENATOR CARTER GLASS

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Owensboro (Ky.) Messenger, of Friday, March 20, 1936, relative to our esteemed friend the senior Senator from Virginia [Mr. GLASS]. It is a very admirable editorial, commenting upon his life and his public service, and I think it is entitled to a place in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Owensboro (Ky.) Messenger of Mar. 20, 1936]

CARTER GLASS

Virginia's masterful Senator, whose 78 years have been filled with the romance of achievement, is about to add another chapter to his inspiring record as he faces an open field in his candidacy for a fourth term in the upper House of Congress.

Born in historic Lynchburg, he grew to manhood in the stirring days that survived the reconstruction era, and was 41 years old when he quit the editorial chair to enter the political arena as a member of the State senate. He served also as a member of the constitutional convention before entering Congress in the Fifty-seventh session.

For 18 years the fighting Lynchburg editor—he owns both morning and evening newspapers in his home city—made history in the National House of Representatives. He resigned in December 1918 to become President Woodrow Wilson's Secretary of the Treasury.

From the Cabinet it was but another step into the United States Senate, where he is now serving his third term. Ambitious Democrats have threatened to oppose him as election time draws near, but the candidates always fail to reach the starting place. He declined to surrender his toga to be President Roosevelt's Secretary of the Treasury, preferring to sit in the hall of contention, where his voice is heard whenever the principles of democracy are assailed.

As Representative and Senator, CARTER GLASS has labored with undiminished energy in the forum of banking and currency and for the farmers of the Nation. His Lynchburg newspapers occupy a commanding place in Virginia journalism, and the veteran editor uses them unsparingly to carry forward his political ideals, while he labors in the Senate, fearing naught but the rebukes of his own conscience.

A debater whose words cut like a rapier, he lacks the oratorical polish of a fellow citizen of Lynchburg, Senator John W. Daniel, but the glowing periods of "the lame lion of Lynchburg" were no more effective in his day than are the sharper sentences of GLASS, 14 years younger than Daniel, who died while in the Senate a few years before GLASS' first election.

CARTER GLASS is a Democrat among Democrats, who neither looks to the right nor left as he hews his way, steeled to any encounter with the fortifying power of confidence in his own ability. His own party honors him as a leader, and the Republicans are slow to kindle his ire as the ablest on that side of the Chamber have learned to their regret.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Commission Council of the City of New Orleans, La., favoring the enactment of legislation extending the time for completing the bridge across the Mississippi River between New Orleans and Gretna, La., which was referred to the Committee on Commerce.

He also laid before the Senate a letter in the nature of a petition from Donald W. Ballew, of Hill City, S. Dak., praying for the creation in each House of Congress of a committee on civil aviation, which was referred to the Committee on Rules.

He also laid before the Senate a memorial of sundry citizens, being officers, members, and friends of Liberty Council, No. 16, Junior Order United American Mechanics, of Baltimore, Md., remonstrating against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

Mr. CAPPER presented memorials of Elsmore Grange, No. 1670, of Bronson, and Wide Awake Grange, No. 1913, of Liberal, in the State of Kansas, remonstrating against the enactment of Senate bill 1632, regulating commerce by water carriers, which were ordered to lie on the table.

He also presented a petition numerous signed by sundry citizens of White City, Kans., praying for the enactment of the so-called Robinson-Patman anti-price-discrimination bill, which was ordered to lie on the table.

Mr. WALSH presented a resolution adopted by the Rectifiers Club of Massachusetts and Rhode Island, at Boston, Mass., favoring a change of the definition contained in regulation no. 5, class 2 (b) of the Federal Alcohol Administration, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from the Lawrence (Mass.) Harugari Hall Association, remonstrating against the imposition of an additional tax on malt beverages, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial from Rev. J. K. Jones, president, Atlantic Union Conference of Seventh Day Adventists, South Lancaster, Mass., remonstrating against the enactment of legislation imposing a tax on land acquired after January 1, 1936, by literary, benevolent, charitable, and scientific institutions, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Central Labor Union of Northampton, Mass., favoring the enactment of the so-called Ellenbogen bill, relating to the textile industry, which was referred to the Committee on Interstate Commerce.

He also presented letters in the nature of petitions from the Animal Rescue Leagues of Boston and New Bedford, Mass., praying for the enactment of the bill (S. 2726) to prevent cruelty to animals during their transportation in interstate commerce and to repeal the act of Congress approved June 29, 1906 (34 Stat. 607; U. S. C., title 45, secs. 71-74), which were referred to the Committee on Interstate Commerce.

EMPLOYMENT OF UNITED STATES CITIZENS ON RELIEF PROJECTS

Mr. WALSH. Mr. President, I present resolutions adopted by the Massachusetts General Court memorializing the Congress relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds, which I ask may be printed in the RECORD and appropriately referred.

The resolutions were referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolved, That the General Court of Massachusetts urges the Congress of the United States to enact legislation or otherwise to take appropriate action to require that preference shall be given to citizens of the United States in employment on unemployment relief projects financed in whole or in part by Federal funds; and be it further

Resolved, That the secretary of the Commonwealth forthwith transmit copies of these resolutions to the President of the United States and to the Senators and Representatives in the Congress of the United States from Massachusetts.

REPORTS OF COMMITTEES

Mr. ASHURST, from the Committee on the Judiciary, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 4197. A bill relating to the admissibility in evidence of certain writings and records made in the regular course of business (Rept. No. 1716); and

H. R. 11098. A bill to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa. (Rept. No. 1717).

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 230) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, reported it without amendment.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes, reported it without amendment and submitted a report (No. 1718) thereon.

Mr. JOHNSON, from the Committee on Naval Affairs, to which was referred the bill (S. 4020) to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, reported it without amendment and submitted a report (No. 1719) thereon.

INVESTIGATIONS BY COMMITTEE ON BANKING AND CURRENCY

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the resolution (S. Res. 251), submitted by Mr. FLETCHER on the 12th instant, authorizing the Committee on Banking and Currency to investigate matters within its jurisdiction, reported it without amendment, and the resolution was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 4336) to extend the provisions of section 23 of the Independent Offices Appropriation Act, 1935; to the Committee on Education and Labor.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 4337) to allow deduction of certain amounts spent on homes in computing net income for income-tax purposes; to the Committee on Finance.

By Mr. NYE:

A bill (S. 4338) to amend the act of May 25, 1933 (48 Stat. 73); to the committee on Military Affairs.

By Mrs. CARAWAY:

A bill (S. 4339) granting a pension to Lillie R. Willmore; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 4340) to authorize the President to designate an acting High Commissioner to the Philippine Islands; to the Committee on Territories and Insular Affairs.

By Mr. ASHURST:

A bill (S. 4341) to give precedence to certain proceedings to which the United States is a party, and for other purposes; to the Committee on the Judiciary.

By Mr. COPELAND:

A bill (S. 4342) to create a division of stream pollution in the Bureau of Public Health Service, and for other purposes; and

A bill (S. 4343) to provide for the allocation of funds for flood-control projects and emergency measures for protection against floods; to the Committee on Commerce.

By Mr. McKELLAR:

A joint resolution (S. J. Res. 238) to extend the time within which contracts may be modified or canceled under

the provisions of section 5 of the Independent Offices Appropriation Act, 1934; to the Committee on Post Offices and Post Roads.

MISSOURI WILLIAMS

Mr. ASHURST submitted the following resolution (S. Res. 267), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1935, to Missouri Williams, widow of the late Octavius Augustus Williams, an employee of the United States Senate, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SCOPE OF W. P. A. ACTIVITIES IN FLOOD RELIEF

Mr. WALSH. Mr. President, in view of many inquiries being made as to what funds are available and what Federal agencies are at work in extending relief in the flood-afflicted areas, I should like to give to the Senate some information which I have obtained in that direction.

Yesterday I placed in the *RECORD* a statement of just what governmental agencies were able to do in the way of loans and financial assistance to home owners and farmers and manufacturers. Today I should like to call attention to what the W. P. A. is doing and what it can do in connection with relief in the flood areas.

I am informed that the W. P. A. have nothing to do with food and clothing or supplying funds therefor. W. P. A. work is reestablishing communications and engaging in repair work to streets and bridges.

By Presidential letter just issued the States are asked to submit projects to W. P. A. for replacing bridges and buildings and making permanent repairs to streets.

W. P. A. is carrying on projects with funds made available to other projects sometime ago, thus putting this emergency work ahead of ordinary projects.

In the case of rehabilitation work, the President has authorized the expenditure of \$25,000,000, to be used for repairs and reconstruction of publicly owned structures, meaning those owned by Federal, State, city, and town governments. This money has been allocated tentatively to the various States affected by the floods.

Telegraphic instructions have gone out to State administrators advising them how to make application for such relief. In these instructions it was stated that the localities were expected, within their ability, to contribute toward this work of the W. P. A. or to contribute part of the work themselves.

It is my purpose in making this statement to inform Senators just what the W. P. A. is doing and is capable of doing in the present emergency.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. WALSH. Certainly.

Mr. ROBINSON. The Senator made reference to the fact that the W. P. A. is not supplying food or clothing to those in distress on account of the flood. That is being handled by the Red Cross, of course?

Mr. WALSH. Yes; and admirably handled by the Red Cross and by the local agencies. I am sure, if it were necessary, the W. P. A. would respond.

ACTION OF THE PRESIDENT IN ALLEVIATING SUFFERING CAUSED BY FLOODS

Mr. GUFFEY. Mr. President, on Friday last I placed in the *RECORD* an editorial from the Chicago Tribune.

I now desire to place in the *RECORD* a newspaper account which discloses the prompt manner in which President Roosevelt acted to relieve the suffering and misery caused by the recent floods.

This clipping is from the Washington Post of Sunday, March 22. It shows that the Chief Executive allocated \$43,000,000, to be expended by the Works Progress Administration in the stricken areas.

I think President Roosevelt's action might well be contrasted with the position taken by the Chicago Tribune, a leading organ of the Republican Party, in a recent editorial. The Tribune said the flood victims were responsible for their

own plight and that little money or sympathy should be "wasted" upon them. The Tribune, in effect, said, "Let the flood sufferers drown." It is fortunate that we have in the White House a man who does not believe that relieving the victims of Nature's wrath is "wasted money."

I ask unanimous consent that the article from the Washington Post to which I have referred may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Mar. 22, 1936]

ROOSEVELT ALLOTS \$43,000,000 TO W. P. A. AS FLOOD RELIEF FUND—DISEASE OFFERS MAJOR THREAT—PRESIDENT AGAIN DELAYS TRIP—ACTS TO REBUILD STRICKEN AREAS—FOOD, CLOTHING RUSHED TO VICTIMS—NURSES TO GO TO DANGER ZONE

President Roosevelt yesterday allocated \$43,000,000 for W. P. A. aid to those who have suffered from the recent flood. This sum was almost as much as the flood-stricken States were asking.

An Associated Press survey showed that 300,000 persons were homeless and that the damage in the various flood areas totaled \$300,000,000.

Included in the sum allocated by the President is \$18,400,000 set aside last February 29 for flood rehabilitation. The White House announced the money would be used "to fight the threat to health which has arisen in many quarters where the waters have receded."

Mr. Roosevelt's action came after he had received further reports from the flood centers and once more postponed his departure for Florida on a fishing trip. He made arrangements to leave today if conditions in the stricken areas improve, however.

Rescue work still is necessary in New England and Kentucky. Secretary of War Dern and Admiral Cary T. Grayson, chairman of the National Red Cross, told the President.

DISEASE CHIEF MENACE

The swollen turbulent rivers have subsided elsewhere along the eastern seaboard. The specter of disease—principally typhoid fever—now is the chief menace.

More than 37,000,000 pounds of foodstuffs have been rushed into the stricken States to be distributed among victims. The supplies have been sent from the Federal Surplus Commodity Corporation.

In announcing the movement of food the Corporation added that more than 1,000,000 pieces of bedding and clothing made by W. P. A. workers and donated for relief purposes are available for distribution.

An appeal was made by Representative ELLENBOGEN (Democrat), of Pennsylvania, to the President for an appropriation of \$50,000,000 for flood relief.

"People in Pittsburgh are standing in long lines and many hundreds are asking for food and many of them are going hungry", ELLENBOGEN said in a message to the Chief Executive.

"Blanket authority" was given W. P. A. Administrator Harry L. Hopkins to restore highways, roads, streets, bridges, sewers, water and electric plants, and other properties on which the floods spent their destructive force.

PUT 250,000 TO WORK

Hopkins reported to Mr. Roosevelt that he could put 250,000 W. P. A. men to work immediately at rehabilitating the 10 States where property losses and human suffering are the heaviest.

These States are Maine, Massachusetts, Vermont, New Hampshire, Connecticut, New York, Pennsylvania, Maryland, West Virginia, and Ohio.

The threat of disease is "exceedingly grave," Dr. William F. Draper, Acting Surgeon General, announced after studying the situation.

Sanitary engineers have been rushed into Pennsylvania and West Virginia to establish chlorination systems where the mucky flood waters have reached public water supplies.

Response to President Roosevelt's plea for Red Cross funds has been "extremely generous," Grayson told the Chief Executive.

If the flood situation allows, the President probably will leave Washington shortly after noon today and proceed directly to Winter Park, Fla., where he will receive an honorary degree from Rollins College tomorrow.

Journeying then to the west coast of Florida, he will board the Presidential yacht *Potomac*, putting out to sea late tomorrow on a fishing cruise.

He plans to return to the White House by way of Warm Springs, Ga., where originally he intended to stop for a day on his way South.

The situation in the various States affected by the flood, as described by the Associated Press, follows:

Pennsylvania: Governor Earle asking the Federal Government for \$10,000,000 flood reconstruction appropriation. Heat, gas, and light still crippled in many eastern Pennsylvania sections. Workmen digging the mud out of houses in several towns.

Johnstown, hit by repetition of historic inundation, seeks \$10,000,000 fund for own needs.

Connecticut: More than 2,000 W. P. A. workers sent into flooded areas to help strengthen dikes and bridges and for rehabilitation work as cities and towns direct. Method of financing rehabilitation not yet arranged. State highway department working on plans to restore roads.

Massachusetts: Governor asks \$8,000,000 Federal appropriation for flood relief and \$6,000,000 bond issue for reconstruction of roads

and bridges. Food, clothes, and medicine being provided from \$750,000 voted today. Force of 20,000 to 30,000 W. P. A. men now fighting flood ready to turn to reconstruction.

New York: Immediate expense of reconstruction estimated at \$5,000,000. Will be financed partly by \$2,000,000 flood fund of up-State W. P. A. and in Binghamton area by \$55,000 Red Cross money, \$26,000 private contributions, and \$116,000 W. P. A. fund. State expects to spend up to \$500,000 repairing roads and bridges, a force of 5,000 men repairing highways and moving flood fugitives back into homes.

Ohio: Senator A. V. DONAHAY, of Ohio, asserts Congress should provide at least \$10,000,000 to aid flood victims in Ohio and other States. Rehabilitation plans for Ohio River Valley not yet definite. Mills, mines, potteries between East Liverpool and Bellaire estimate must spend 10 days cleaning out debris before compute damage.

Potomac Valley: Clean-up starts, preliminary to reconstruction; \$5,000,000 sought from Federal funds; \$1,500,000 flood-sufferers appropriation and \$3,200,000 for roads and bridges pending in Maryland State Legislature.

ADMINISTRATION OF JUSTICE IN THE VIRGIN ISLANDS

Mr. TYDINGS. Mr. President, I hesitate to take the time of the Senate at this juncture, but I think it important to have the RECORD straight. All of us will recall that when the recent Virgin Island investigation was taking place, and just prior thereto, numerous articles were printed in the newspapers about "star-chamber proceedings" and "high-handed methods" in the conduct of the United States court in the Virgin Islands, which grew out of the case of one McIntosh, who had made a confession of larceny in the use of certain funds, and then repudiated his confession and went to trial. The case was taken to the United States Circuit Court of Appeals for the Third Circuit, and an opinion thereon has just been handed down. The opinion is not long, and I am going to take the liberty of reading from it. I read first the concurring opinion of Judge Davis:

Davis, circuit judge, concurring.

Two questions arise here: (1) The determination of the department under which the trial court operated, and (2) the fairness of the trial.

The President intended to transfer, and did transfer, the District Court of the Virgin Islands from the jurisdiction of the Department of the Interior to the Department of Justice. Thereafter the court, with its officers, functioned, and could only function, under the Department of Justice, and was free from any control whatever of the Department of the Interior. We heard the representative of the Department of the Interior at the argument of this case purely as a matter of courtesy, for, as a matter of right and law, it was a stranger to the proceedings and had no standing or proper place in the court.

The case was listed for trial and the appellant, with his attorney, appeared before the court for trial. No question had been raised, nor has any since been raised, as to the regularity and sufficiency of the charges made against him in the criminal information. The appellant was charged with committing a misdemeanor and was tried before the court without a jury in accordance with the law of the Virgin Islands. When it was called for trial the appellant's attorney answered that he was ready for trial, but the district attorney, who had been instructed by the Department of the Interior to have a nolle prosequi entered in the case, refused to appear. In this situation the trial judge had to decide whether or not he would stop the trial or, with the consent or acquiescence of the appellant, proceed without the district attorney. He chose the latter and questioned the appellant concerning the charges against him. The questions asked were so fair and proper that appellant's counsel did not at any time raise a single objection or take a single exception. There was nothing unfair or prejudicial in the whole trial on the part of the judge in either manner or matter. He was calm, impartial, and simply tried to ascertain the truth.

On the entire evidence, that elicited by the judge and that elicited by appellant's attorney, there can be no real question about appellant's guilt. He was not denied a single right guaranteed to him by the Constitution or any law. A trial cannot be called unfair because the trial judge, in order to ascertain the truth, with the consent of the defendant, asks fair and proper questions.

Under the peculiar and unusual circumstances of this case, the trial cannot be called unfair, and the judgment should be affirmed.

Mr. President, I do not want to indulge an effort to extend the controversy over the Virgin Islands. Perhaps the persons interested are assumed to have acted in the manner they thought wise and just and fair, but it is important that Judge Wilson and the United States district attorney should have printed in the RECORD the fact that their conduct has been exonerated by the circuit court of appeals. I refer to the attorney who held office prior to the conduct of the case which I have just read.

Newspaper accounts emanating from various sources, indicating that there were star-chamber methods and high-handed and unjust and unfair practices in the court in the Virgin Islands, seem to have been completely set aside, and the position of the investigating committee has been fully and wholly sustained.

Mr. McIntosh, on the other hand, has not only been convicted in the courts of the Virgin Islands, but the conviction has been upheld by the United States Circuit Court of Appeals. So the question of the guilt of Mr. McIntosh, who certain departments seemed to think was not guilty, has been overwhelmingly proven to have been well-founded in the conduct of the trial in the Virgin Islands.

For the sake of the record, I ask unanimous consent that the opinion of the court in the case tried before Judges Buffington, Davis, and Thompson, of the United States circuit court of appeals, may be printed in the RECORD in full.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

In the United States Circuit Court of Appeals for the Third Circuit. No. 5799. October term, 1935. *Leonard Walter McIntosh, defendant-appellant, v. People of the Virgin Islands, plaintiff-appellees*. Appeal from the District Court of the Virgin Islands of the United States, subofficial district of St. Thomas and St. John.

OPINION

(Filed Mar. 14, 1936)

Before Buffington, Davis, and Thompson, circuit judges.
Buffington, J.

At the threshold of this case—an appeal from a criminal conviction in the United States court in the Virgin Islands—we are confronted by a conflict between two branches of the United States Government, to wit, the Department of the Interior and the Department of Justice. The Department of the Interior appears before us, by its Solicitor, and, confessing error, asks that the judgment below be vacated and the convicted man discharged. On the other hand, the Department of Justice appears by its Assistant Attorney General and asks that if this court has jurisdiction in this appeal, the judgment below be affirmed. Both sides have been heard on this question of territorial control. In our judgment, we are relieved from deciding that delicate question by the President of the United States, who has issued an Executive order as follows:

"The United States Court for China, the District Court of the United States for the Panama Canal Zone, and the District Court of the Virgin Islands of the United States are transferred to the Department of Justice."

This order establishes the control of the Department of Justice. Assuming for present purposes this court has jurisdiction over the appeal, we pass on to the merits.

In this case it appears that Leonard Walter McIntosh, hereafter called appellant, contends he was unjustly convicted and sentenced in the court below on three counts of an indictment charging him with violation of section 46, chapter 10, title IV, of the Code of the General and Special Laws of the Virgin Islands for the Municipality of St. Thomas and St. John, which provides:

"Every person who knowingly and designedly, by false or fraudulent representation or pretenses, defrauds any other person of money or property is punishable in the same manner and to the same extent as for larceny of the money or property so obtained."

On entry of a judgment that he pay a fine of \$200, he took this appeal.

A study of the record shows the appellant was chief clerk or chief bookkeeper of the local department of public works. In the spring of 1934 he was building a house for himself and a public garage and ran out of needed material. As he then owed the Lockhart lumberyard several hundred dollars and he was apprehensive it would not give him more credit, he resorted to getting the needed lumber from the public works department of the island. His method of doing so is thus stated by himself:

"My carpenters were working—I do not remember whether it was ceiling, the parlor, or the dining room—and they ran out of ceiling lumber, and as I had owed Lockhart quite a lot of money, I do not remember how much, but around that time it was close to \$700 or \$800, and I could not see my way to keep on purchasing to make my house a bit more comfortable. The idea just struck me that why not get a couple hundred feet of ceiling lumber from the lumberyard and charge it to the public-works department. This I did in the following manner:

"I accordingly issued a requisition on Lockhart's lumberyard and sent a requisition to the lumberyard.

"Q. By whom did you send the requisition?

"A. I do not remember. But I remember this, that I called a truck, which driver's truck number I also do not remember, but I called a Government truck and sent it to the lumberyard and told them to fetch me the lumber from the lumberyard to my home. The quantity of lumber I do not remember, but I do not think it was in excess of 500 feet—I do not think so. It was rush time, working night and day, so I was hard pressed.

"Q. This lumber, you say, Mr. McIntosh, was ordered from Lockhart's lumberyard on a regular requisition form of the public-works department and signed by you?

"A. Yes.

"Q. This lumber, however, never reached the public-works department, but went direct, according to your instructions, to your house via the public-works truck. Is that correct?

"A. That is correct.

"Q. Mr. McIntosh, when did this happen?

"A. I cannot exactly remember the month. If you have any information, I would appreciate your refreshing my recollection.

"(Mr. Baer then read to Mr. McIntosh the statement dated July 6, 1934, signed by Alphonse Callwood, and remarked that the time was about March of this year, and after reading this statement Mr. McIntosh said Callwood was right; that he did tell him to wait at Judge Jensen's house for the truck.)

"Q. Is there anything else connected with it?

"A. I do not remember the date, but I should be able to determine that from the pay-roll records. It may have been Ebenezer Degout, because he is one of the public-works drivers.

"Q. Mr. McIntosh, do you recall having Alfred Heidman, a driver for the public-works department, deliver to your house during about the month of March of this year any cement?

"A. I do. He delivered, I do not know how many sacks, but more or less 10 sacks of cement, which cement was the property of the public-works department. Mr. Heidman received this cement upon my verbal instructions; he took it from the public-works storehouse. This cement was used in my office. He did not receive the instructions from me.

"Q. Who from?

"A. He got the instructions from Reese.

"Q. Who told Reese?

"A. I told Reese."

It also appears that appellant, instead of using his own truck, had a Government truck sent to the Lockhart lumberyard to get the lumber. He told his chauffeur to put the lumber under the house so no one would see it, and, to quote the words of the chauffeur, "He told me to go along with Ebenezer Dugout (the driver of the Government truck) and get the lumber and put it away because he got it from the public works." The lumber was used in building appellant's house.

Without going into details, the proofs also show he got nails and a considerable quantity of cement from the public-works department and told his chauffeur "to put it away so that nobody should see it." The proofs further show that the day after appellant's arrest, he came to Mr. Baer, the then United States district attorney, and said "he wanted to make a confession of the charges filed against him." The testimony of Baer is: "I told Mr. McIntosh immediately that he need not make any statement to me at all; that whatever he said to me may be held against him, and that he should employ counsel. Mr. McIntosh told me he did not want counsel. He said that what he wanted to do was to make a clean breast of everything; he wanted to tell me everything connected with the charges against him with reference to the public-works department." The appellant's statement was taken down stenographically and was produced at the trial and is quoted above. For what happened subsequently, we quote from the brief of the Assistant Attorney General:

"The written confession was never completed. The appellant, in his statement of facts, states that the prosecution nowhere explains why McIntosh was never given an opportunity to complete it. Eli Baer, the Government's attorney to whom the confession was made, stated (R. 54):

"I didn't take any further testimony from Mr. McIntosh because of instructions I received from the Secretary of the Interior. I was ordered to suspend my investigation for a while."

"Mr. Baer's connection with the Government was later severed, and he was replaced by George S. Robinson who, before conferring with any witnesses for the prosecution, stated to the trial judge informally that he desired to nolle prosequi the case against McIntosh (R. 15) and then later made a formal motion in open court for a nolle prosequi (R. 13)."

As noted above, the new district attorney moved for leave to enter a nolle prosequi, which motion was refused and thereupon the case went to trial, the appellant being represented by counsel who stated "Ready for trial." The new district attorney did not attend and no objection was made by appellant's counsel to his not being present. The situation was unusual and the judge, being confronted by a situation where the district attorney absented himself and did not act, and the former district attorney having made the sworn-to information as to the offense with which the appellant was charged, we find no impropriety in the judge proceeding with the trial when the counsel for appellant stated they were "ready for trial." No exceptions were taken to the admission or refusal of testimony and the evidence adduced, if believed, warranted a conviction of the appellant, who was denied no constitutional protection.

Upon careful consideration of all questions involved, we are of opinion the court's judgment should be affirmed. The conduct of the judge in the trial of the case is strongly censured, but a study of the record satisfies us that in this somewhat unusual situation the judge acted with fairness to the accused. He was represented by counsel, who expressed themselves as ready to proceed and who agreed the case was one which could be tried by the judge without a jury. No demurrer was filed, no motion made for a new trial or in arrest of judgment, and no exceptions were taken to any rulings of the judge, to his conduct, nor were any procedural questions raised before him. Notwithstanding the lack of exceptions and the existence of warrant for the appeal, we have carefully studied the record and have reached the opinion that the proofs warranted a finding of the appellant's guilt. Not only was there a formal confession by him, but on several subsequent occasions he

admitted to the then district attorney his guilt. His own testimony, explaining away his previous admissions, the evidence of fellow employees that what he did was done by their consent, was given on his behalf; he was allowed postponements of his case; the money fine imposed was less than the money fine and imprisonment that could have been imposed. And these are facts which show there was nothing of ill will, prejudice, or unfair conduct on the part of the judge. Without discussing in detail all of the questions here involved, all of which have had due consideration, we are of opinion the judgment below should be, and is, affirmed and, in justice to the trial judge, we do not feel he acted as a prosecutor, but in accord with judicial duty and in keeping with the standards laid down in many cases.

FLORIDA SHIP CANAL—LETTERS FROM JOHN L. BOGERT

Mr. FLETCHER. Mr. President, I ask unanimous consent to have printed in the RECORD letters addressed to me by Mr. John L. Bogert, editor of the Marine News, in reference to the Atlantic-Gulf Canal project in Florida.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE MARINE NEWS,
New York, March 23, 1936.

HON. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: You are at liberty to use my letters in any way that will further the interests of water transportation in the United States.

I am proposing to run an editorial showing the absurdity of the claim that the cutting of the Florida canal would adversely affect the agricultural value of the section traversed.

The utter absurdity of any such claim ought to arise in anyone's mind when they ponder on the history of "brave little Holland", whose fertile land reclaimed from the North Sea is all well below the upper sea level, and yet where does one find richer, more productive soil?

If the critics of the Florida canal were hydrographically correct in their animadversions, the "hollow lands" of Holland would be much worse off than the land in Florida adjacent to the path of the proposed canal, since the Florida lands are above the water level, while the "hollow lands" are below.

But why go further into this matter? As the United States engineers have well pointed out, the fresh water which is always falling from the clouds and sinking down into the soil constantly exerts an overflow, outward-flow pressure, and salt water is being pushed away from the substratum of the coast; it never gets a chance with normal rainfall to permeate the soil. Rain will always keep the soil sweet where the region is not arid. Cutting the canal may reduce the outward flow of fresh water along the coast line, but it will not reverse the flow and permit salt water to permeate the soil. It will simply divert the outflow of fresh water from the coast line to the canal. Water of outflow follows the line of least resistance.

Very truly yours,

JOHN L. BOGERT, Editor.

THE MARINE NEWS,
New York, March 18, 1936.

HON. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I share your grief at the action of the Senate yesterday in refusing to appropriate the necessary funds to carry on the Florida canal.

I am with you in this matter 100 percent. My paper is at the service of all canals and waterways in the land.

Every issue I propose to fight for water transportation. I have pointed out more than once that the big bankers who are heavily interested in the securities of the railroads, having bought into our shipping lines, compel the shipping executives to testify that their lines will not use the canal if dug.

Of course, to the uninformed legislator, that is an unanswerable argument against the digging of what he imagines will be an unused ditch. It was in that way that the railroads killed the trans-Jersey canal.

As you can possibly guess, I have generally been a Republican in national politics, but I am for what I consider the best interests of my State and country before all things.

I am asking a favor of you now. I am anxious to get the names of those Senators who opposed the Florida canal, but last year voted for deepening the St. Lawrence waterway and ratifying the treaty with Great Britain that gave to that foreign country the joint control of the water of our Lake Michigan. Please let me have that list, or rather, the two lists. I want to place them side by side and write as stinging an editorial as I can for our next issue.

As I said before, I am for the Florida canal 100 percent, and against the expenditure of American money to divert from the ports of the Atlantic coast and from New Orleans the exports and imports that belong to this country.

The Mississippi is the natural route of the commerce of the West, and the ports of the Atlantic coast are the natural distributing points for 50 percent of the population of our Nation. Tell them in Washington that you have only just begun to fight.

Yours truly,

JOHN L. BOGERT, Editor.

ADDRESS BY ARTHUR MEIGHEN ON INTERNATIONAL SITUATION

Mr. BARKLEY. Mr. President, on the 8th of February, before the Canadian Society of New York, Rt. Hon. Arthur Meighen, former Premier of Canada, and now a senator in the Parliament of Canada, delivered a very able address on the international situation.

Without regard to whether or not anyone may agree with all the statements made by Senator Meighen, the address contains so much valuable information with respect to international matters that I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I hasten in these opening words to express on behalf of the Dominion from which I come how much we have been touched in recent weeks by the high courtesy of your people as evidenced in the many manifestations of sympathy which they have exhibited following the death of our late beloved King. From one end to the other of this tremendous country public bodies of all kinds—legislatures and even business institutions—have seen fit to mark in one form or the other their appreciation of a great and good man and a righteous King, though of another land, and have tendered to us British people tokens of sympathetic regard which have impressed us much and which we will long remember. King George V was a wise counselor, a man of world-wide interests, and held in his heart nothing but sincere good will for all nations. He concerned himself actively and earnestly with the well-being of all classes of his people, and especially of the unfortunate and afflicted. His character was as noble as his rank, and he was universally beloved. Nothing you could have done would have evoked from us in Canada a response so spontaneous and wholehearted and a sense of gratitude so lively and abiding.

It is with some anxiety that I now venture to address you. We in Canada feel so close and friendly to the people of the United States that we are apt sometimes to forget when over here that we are in another country, and the restraints which that fact imposes. I want to say something on a subject which is, to my mind, common to us both. It touches on your relations and our relations with the world outside and has to do with what might be described as the policy of isolationist neutrality now under consideration or in effect in this Republic. I am sincerely and keenly anxious to keep within bounds of courtesy and good taste and will, indeed, be a victim of remorse if in this respect, under the ardor of earnest conviction, I should fail.

No matter what may be the forms of expression used, it must be understood once and for all that I am speaking only for myself. I am now a member of no government and leader of no party. I may undertake to give at times the generally accepted view of the Canadian people, but whether I give it correctly or not is entirely my own responsibility.

We in the Dominion always assume that you know a great deal about us and understand our ways of looking at matters international, and we think we ourselves enjoy similar advantages with respect to the people of the United States. We assume, rightly or wrongly, that you will listen to us more charitably and more generously than you will to others who are farther away.

The neutrality policy now described as isolationist is not the same character of neutrality policy which has usually been followed in this and other lands. Legislation passed by Congress in August 1935, in anticipation of troubles then brewing across the Atlantic, reflected a decision on the part of the United States to retreat at some distance, as it were, from that stern adherence to neutral rights which has characterized United States neutrality in other years. A firm resolve to keep out of foreign wars has led to a belief that it is better to sacrifice rights and sacrifice interests—individual and national—than to hazard the alternative of being involved in war. Your intention is, therefore, to recede from insistence on rights, privileges, and interests heretofore asserted and usually enjoyed, in the hope that this very receding will take you farther from the scene of conflict and more certainly insure the blessings of peace.

With the object which you have in mind, certainly no one can find fault. The same object is just as precious to us and just as universally desired.

In proceeding to discuss the implications of this policy and how far the goal sought is likely to be attained, I want to lay down at the outset some very simple postulates.

First—and this one is so simple as hardly to need stating—everyone must recognize that the decision is entirely your own. You have a right to make it as you may feel in the best interests of your country, and no one can complain.

Second. We all recognize without the least reservation that the United States has nothing in mind but peace and the triumph of peace. Whatever your policy may lead to, we know for certain the objective to which you intend it to lead. We in Canada make no question whatever of the good faith of this American Republic. Your chairman has just referred to our one hundred and twenty-five years of friendly and intimate relationship; to our unfortified border over thousands of miles. That unfortified border has never caused us concern. Indeed, we recognize that the credit for its existence and for the long era of peace and friendship which has reigned between us is much more yours than ours. You have been the powerful Nation of these years, and we could never, even if we had the ambition, possess adequate means of defense. We cordially

grant you full credit for this achievement and have all the reasons that can be furnished by twelve decades of happy neighborhood for trusting in your good faith.

The question I want to put is this: Is a policy of isolationist neutrality likely in the end to contribute to your well-being and your freedom from war?

Obviously an isolationist attitude is not new. It is a natural state of mind into which nations fall who are tired of the turmoil and follies of competing international ambitions. Over and over again it has appealed to statesmen of different countries as a sane and proper refuge after years of tiresome entanglements and strife, but even in days when the world was bigger and nations were farther apart than they are now, all plans designed on the idea of isolation have one by one been abandoned. At least it can be said that no great nation has been able to pursue that happy course for long.

There must be some reason and some very powerful reason why this has been the case.

An eminent citizen of this country, Mr. Charles Warren, Assistant Attorney General of the United States at the time of the Great War, has lately given the world an analysis of the experiences of his country during that conflict, while it was pursuing with all the steadfastness of which it was capable a policy of neutrality. Mr. Warren's recollections of those years and his long study given the subject brought him to the conclusion that the security of the United States is best promoted by friendly co-operation with other nations on this globe; by seeking tranquillity for itself along the path of world tranquillity; by helping to secure collective decisions and collective action in the maintenance of peace. Mr. Warren has set down no less than twelve conditions which must, in his judgment, be lived up to if any alternative policy of isolationist neutrality is to be pursued. Most of these conditions involve sacrifice of neutral rights. I am not arguing that such a sacrifice is not wholly capable of defense and indeed might not be worth while if by that means the larger goal could be reached. Peace is an ideal, noble and worth while. In this age of vast mechanisms and appalling scientific discoveries it is an ideal vital to the world, and it is worth a lot of sacrifice. What I call attention to is that the conditions set out in Mr. Warren's catalog are not likely to get you very far in steering this or any country away from the maelstrom of war. They provide for definite resolutions to be taken by the American Nation; for statutes to be passed forbidding this, that, and the other thing. Submarines are not to be allowed to enter American ports; enemy aircraft must be forbidden to land on American territory or fly over lands or waters under American jurisdiction; ships are not to be allowed to carry implements or provisions of war to vessels of belligerent countries wherever they may be; passengers are not to be protected if traveling on belligerent ships or on any ships equipped even for self-defense. All these things are to be done so that dangerous situations may be avoided.

When the last war was raging great nations were fighting for their lives. They were grasping at every means to crush the enemy and save themselves. They were impinging here and impinging there and more and more on neutral rights, going in every case just as far as they dared to go in order to help themselves survive. None of them wanted to incur the enmity of other lands—least of all the enmity of the United States. None of them were so foolish as to seek to add to the numbers of their foes, but the very necessities of war drove them in one direction today and another direction tomorrow; encroachment followed encroachment; nation after nation was dragged into the fire, and finally your great Republic decided that if the name of honor was to mean anything to the United States this country, too, had to vindicate its honor on the field of battle. Have you any reason to believe that human nature will have changed when the next war begins? Have you any reason to believe that, however far you recede in your abnegation of rights, a belligerent country battling for its existence will not press you back to the very last concession and away back beyond that concession if it thinks it can save its life by some advantage? You point then to your statute which refuses to submarines an entry into American waters. You point to your prohibitions against belligerent aircraft flying over your territory. You point to your warnings against traveling in dangerous seas, but you wake up and find the submarine has come; you find the aircraft has landed and even refueled on your shores in spite of your prohibitions. What then are you going to do? You learn some morning that a big passenger liner without ammunition and without even a place for a gun has been sunk in the darkness of the night and that American citizens have been torpedoed by thousands into eternity. At such a point what will be the value of your statutes? At such a point people of this great land will reflect that this only is what has occurred time and again in the long history of mankind.

Do you tell me that after such an event you will still be at peace? Do you tell me that after a succession of such events you will be quietly exploring in what direction you can still farther withdraw? Do you tell me that after humiliation follows humiliation your people will still be flocking to the banner of isolationist neutrality? Forgive me if I speak plainly. I know you will do nothing of the sort. This country never has behaved in that manner and never will.

Again I ask you: Is there any reason to believe that the spirit of war and the practice of war in this ever-narrowing world is going to be more merciful and more considerate in days to come than it has been in the past? Is it not about as certain as anything can be that the very contrary will be the fact—that ever-expanding and ever-spreading methods of transport, accompanied

by ever-widening and intertwining interests of all big countries in the four quarters of this globe will bring every one of them within the compass of a great conflict, no matter where it starts? What the British Empire has had to decide and what this country will have to decide is whether the way to keep out of war is to help peace-loving nations wherever they may be to see that there is no war. With every respect I beg the liberty of suggesting that the true path to tranquillity for this Republic is the path of world tranquillity and that all other paths are vain.

A feeling prevails that all these disputes over which nations seem determined to fight in other parts of the world are really no concern of yours and ours. Even if it be true that they are not, the result, nevertheless, is much the same to us as if they were our concern. The cause of the conflict matters little, but its consequences fall everywhere on the just and the unjust as soon as the conflict is on. But is it really true that we on this continent—either Canada or the United States—have any right to look in scornful mien across the Atlantic or the Pacific and conclude that people who battle over these things which don't seem to concern us are inferior people, people with whom we cannot agree and whom we cannot help to keep out of trouble? Let us look just now at Italy and Ethiopia.

What one has to do if he really seeks an enlightened view of the interest of other nations in that conflict is to penetrate to the actual causes of its outburst and see whether or not other nations have an interest in those causes. Wars may be started by an incident, a mere spark may light the flame, but behind the incident there is always a background which accounts for the aggressor taking upon himself the frightful risk of war.

Italy talks about injustices to her citizens in Africa; she talks about her mission to extend the borders of civilization; but, surely, everyone knows that deep down in the hearts of leaders of the Italian people is a determination to extend Italian territory, to enlarge Italian resources, and to open up opportunities for the crowded masses of Italian subjects. I make no excuses for the conduct of Mussolini. He has not scrupled to flout the honorable engagements of his country. He has broken its bond in the Kellogg-Briand Pact. He has violated the covenant of his country with the League of Nations. He has ignored his special agreements with Ethiopia and launched a heartless attack on an almost defenseless people, and he has done all this against the warnings of a well-nigh united world. But what is the lesson to be learned? The lesson is that if there are powerful basic underlying necessities, if there are urgings that grip the very soul of a nation, these things either have to be met and satisfied or they are going to break out in bloodshed, which only a united world, armed for the purpose, can restrain.

Italy finds herself with a congested population; she finds herself bereft of those vital resources which enable a congested population to exist; she has forty-odd millions of people on a narrow strip of land—most of it unproductive—three hundred and sixty to the square mile. Industry depends upon raw material; commerce depends upon certain definite and all-essential resources, and with these Italy is sparsely endowed. She has six tons of coal per unit of her people against over seventy thousand tons which we have in Canada and against a vastly more impressive total in quality, if not in quantity, which you have in the United States. Of iron ore she has only a pittance, one-fifth of a single ton for each person. We in Canada have fifty-eight, and in the United States you have huge reserves, and of finer grade than ours. Italy is not only without iron and without coal, but without cotton, without oil, without copper, without wool, without nickel, without lead, and without either rubber or tin. There are, of course, those who say these things can be bought. On certain conditions they can, but even then the buyers lose the advantage of possession and production. But these people cannot buy without money or without purchase of their own products by us. Italy's revenues from outside sources have been cut in half through exclusion of her emigrants by other countries and by virtual prohibition of her exports in the tariffs of other nations. Her tourist income has gone down. Her population expands, increasing four hundred thousand per year. Her standard of living is only two-thirds the standard of France, one-half the standard of Germany, and one-quarter the standard of England. It just cannot be compared with the standard in either Canada or the United States. About 1,900,000,000 human beings inhabit this planet. Statisticians tell us that on the scale on which the average man lives on this continent there is room only for 1,000,000,000, but that on the lower standard of Europe and Asia there is room for 2,500,000,000. We cannot afford to look down with scorn upon the reflections of great nations who live on these lower standards and who do not think it quite right that conditions which compel them to do so should be regarded as eternal and not subject to alteration either by reason or by force.

I don't for a moment believe that thinking people in this country can feel themselves without any concern in these formidable and elemental causes of world unrest. You are happy here in the possession of a domain of hemispheric dimensions. Your numbers, though great, amount to only thirty-eight people per square mile. You have a geological heritage enormously rich in essential metals, both precious and base. Your soil for the most part is fertile. You have everything, or nearly everything, that Nature can contribute to industry and the fruits of industry. We in Canada are similarly endowed, and our population is sparse. How can it be said that we have no interest or that you have no interest in those gigantic facts and forces which throw out of balance the scales of racial and national advantage, and as a result threaten from time to time the peace of nations?

There are scores of millions of mankind, virile, valiant men, some of them congregated in the Orient, others crowded together on the northern shores of the Mediterranean, all of them denied by geography and the innate selfishness of men an outlet for their energy and their enterprise, an access to those unused and abundant stores with which Nature has blessed the fortunate inhabitants of newer lands. I said a moment ago that these powerful and restless countries cannot be despised because they are not content that this state of affairs should be considered as crystallized forevermore. They are not to be despised because they look for a solution of their troubles around the council table of reason or on the battlefield of force.

I am not contending that in all respects Italy has reason on her side or that Japan has reason on her side. Mussolini discourages emigration and extols the virtues of war. What I am contending is that there are forces fundamental and tremendous disturbing the minds of these peoples, and bound to disturb their minds through the years which are ahead of us, and that in these forces we in Canada and you in the United States have a vital and even a predominant interest; that in the ultimate we have the most to lose; and that whether we like it or not we have to address ourselves to the task of meeting the situation by contact, conference, and compromise, or by resistance in arms.

Do I hear someone say, "These things are not the real causes and motives which bring on war"? What actually happens, it is said, is that ruthless, bold men in positions of power are moved by thirst for glory; they want to secure for their country and for themselves a place in the sun; they dare everything to attain that end. Suppose we grant that this is the truth—and without doubt sometimes it is—is not the consequence just the same? Is not the necessity for prevention just the same; and is there any means of prevention in this tough old world of ours except by bringing to bear a collective will and showing in united phalanx a collective power, of which alone these glory seekers are afraid?

Whichever path we choose, we ought surely to move together and move collectively rather than separately and in conflict. We cannot assume any role of exalted unconcern. We cannot be content in the complacent assumption that others will solve these matters for us and that all we have to do is look on. If we like the path of reason best and not the path of force, we ought then to sit down and reason together with other powers in other parts of the globe and try with them to find a way out. If we cannot, then we ought to stand together with other powers in other parts of the globe and prepare to resist the upsurge of bereft and discontented or reckless nations with whom we cannot agree.

This is the message which I dare to bring. There was a time when the six score millions of this Republic were more favorable to the thought I have tried to expound than they are today. There was a time right in the wake of the Great War when, if overwhelming evidence is to be believed, these forty-eight United States felt much as we do now. This was on the morning after the war. Since then memories have faded and old habits of mind have returned. I venture to ask you to reflect that fading memories do not alter facts, and habits of mind must be made to conform with the world as it is today.

There seems to be an idea prevalent in this Republic that Great Britain has immense territories which can be used for purposes of adjustment and allocation, and that it is Great Britain who should open the gates to the thronging overflow of populations of other lands, and thus restore something like a balance of possessions. This idea has been taken up in certain academic circles of this country, and books have gone out driving the suggestion home. It seems impossible to get other nations to realize that British Dominions are masters in their own households; that Canada is not the possession of Great Britain but the possession of the Canadian people; that the same applies to Australia, New Zealand, and South Africa, and in all essential features to India; and that the very might and glory of the British Empire arises from this very truth. If there is to be any compromise affecting Canadian soil, we are the people who have to be dealt with. The problem is ours; it is not the problem of England. The same is true of every dominion; and, indeed, it is true of every colony whose lands any others would want. We have to get over the habit of assuming that the responsibility lies on the shoulders of old England, where eight hundred people are gathered already on every square mile and who already assumes a share of the white man's burden unequalled in the family of nations.

Canada is a peace-loving country. Why wouldn't it be? The United States is a peace-loving country. Why wouldn't it be? But don't let us think that we have a monopoly of this aspiration. Don't let us think that in our interests, in our hopes, in our common sense we are all alone in this world. The Frenchman can think as well as we can. He is just as good a man as the Anglo-Saxon and no better. Do you imagine the Frenchman doesn't know that all he needs is to be left alone? We accord you, the people of Britain accord you, with unreserved sincerity, a genuine dependable purpose of peace, a determination ever to live in amity with all countries. The British people don't look with envy on your strength; they rejoice in your strength. They don't want at any time curtailment of your arms except insofar as curtailment can be made to contribute to world disarmament. No article of British policy, no shilling of British expenditure has any relation to the God-forbidden idea that there could ever again be war between these nations. Does anyone doubt the sincerity of Great Britain in her herculean efforts to hold the world steady at this time? If so, I am sorry for such a man; there are fantasies too irrational to be worth discussion. And Britain, France, the United States, British Dominions, even all these are not alone on

the side of peace. There are others—many others—all over the planet, just as earnest in this cause as we are.

I am not even remotely in the councils of any government, but I know there is a floodtime in the affairs of men which it is perilous to neglect. Look around, I beg of you; look around! Can there be any question in the mind of serious people that that very floodtime is now? At this hour when the sky is dark, at this hour when already in two sectors of our globe there is heard the thunder of alien arms, at this hour when there gleams before the shuddering gaze of distraught and wasted humanity nothing plain but the way of blood, surely this is the time when all who love peace, not part only, but all, should do something to bring it about. Surely, this is the time when the resourcefulness of every nation should be summoned and the united action of every nation invoked to find a way of life.

There is not an intelligent reflecting mind anywhere that is not even now overwhelmed with distress. Are we going to have to wait until another terrible price is paid, another more ghastly, more crushing, more ruinous than the last? Are we going to have to wait until the young manhood of another generation has been ground out under the guns, until the ghoulsh devices of destruction and pestilence have spread fire and death through home and nursery, field, and factory, and bleached the face of the earth? No. We cannot dare to give up hope. It is hope we cling to, hope for a getting together of hearts and brains and unselfish might, to the end that sanity may yet prevail, hope that the chords of confidence, cooperation, and good will may soon be struck and another chance given mankind. For this, I fear, we cannot much longer delay.

APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE

The Senate resumed the consideration of the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

Mr. RUSSELL. Mr. President, before proceeding with the consideration of the amendment offered by the Senator from Arizona I should be glad if the Senator would temporarily withdraw that amendment in order to permit the Senator from New York [Mr. COPELAND] to offer an amendment which he was requested and directed by the Committee on Appropriations to offer.

Mr. HAYDEN. I withdraw temporarily the amendment submitted by me.

The VICE PRESIDENT. The Senator from Arizona withdraws his amendment.

Mr. COPELAND. Mr. President, I am authorized by the Committee on Appropriations to offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 21, line 25, after the name "Columbia", it is proposed to insert:

Provided, That the Secretary of Agriculture, in his discretion, is authorized to detail annually not to exceed 10 employees of the Weather Bureau for training, at civilian institutions, in advanced methods of meteorological science; *Provided further*, That such employees shall continue to receive their regular salaries during the period of training and shall not lose their individual status or seniority rating in the Weather Bureau during such period; *Provided further*, That not to exceed \$4,500 annually may be used from any appropriation of the Weather Bureau to cover tuition and traveling expenses incident to such training.

Mr. COPELAND. Mr. President, the purpose of this amendment is to permit the Weather Bureau to do what the Army and Navy and certain other departments do, namely, to send an occasional employee to some technical school to ascertain what advances have been made in weather reporting and meteorology. It was brought out in the hearings before the Committee on Safety in Aviation that we are not so progressive in this country as we should be in providing means of protection against accidents due to bad weather. Competent witnesses, including the Chief of the Weather Bureau, indicated very clearly to us that it was important to have the privilege proposed to be provided, and, therefore, the amendment is offered.

Mr. KING. Mr. President, I make the point of order that the amendment proposes legislation on an appropriation bill.

Mr. COPELAND. Mr. President, before the Senator from Utah urges his point of order, let me make clear to him exactly what is intended by the amendment.

There are sections of the country, including the Senator's own State and other portions of the West and Northwest, where the reporting done by the Weather Bureau is very deficient, by reason of the absence of stations. That is particularly true as regards the area between Salt Lake City and Los Angeles over Death Valley. There is an utter lack of Weather Bureau protection in that region. We have to do one of two things: We have to limit aviation and ground the planes or else provide safety for them so far as we can. A rather absurd situation exists in the long stretches of open spaces in the West where the weather reports in many instances are given by farmers who are locally wise in their knowledge of weather conditions. Of course, that is a most unscientific and unsafe procedure. If we are going to advance in commercial aviation it is necessary to have ample protection. That has been provided for by an amendment offered on the floor and adopted.

Further, it was brought out in the beginning by Mr. Guggenheim, son of the Mr. Guggenheim who founded the Aviation Institute and who has put millions of dollars into the study of aviation, that our meteorological methods are far behind those of other countries. He advanced the idea that some of the experts ought to visit other countries with a view to gaining the knowledge which other countries have in this direction. The Chief of the Weather Bureau made it clear to us that at the Massachusetts Institute of Technology and other institutions in our own country courses are offered and training to be had quite the equal of anything offered abroad.

The amendment is offered in the interest of safety. The maximum charge that can be made against the Government is \$4,500 in 1 year.

Mr. KING. May the charge become progressively greater?

Mr. COPELAND. No; it cannot become progressively greater because the amendment itself limits the number of those who may receive training for the purpose in mind. The appropriation proposed is merely to pay the traveling expenses and tuition of those who may be selected. The amount cannot become progressively greater.

I am sure, from our studies in the committee, that it is a very necessary thing to do. If it were to involve \$50,000 or \$60,000 a year, or if it could increase to a large amount, I should not favor it, but it is definitely limited to the expenditure of \$4,500 a year. I sincerely believe it is a very important thing to be done and that the amendment ought to be adopted.

Mr. KING. Mr. President, I am still persuaded that the point of order is well taken, but I appreciate the vital importance of doing all we can for the protection of commercial aviation. It may be that the amendment which has been offered may improve the situation and may be advantageous not only to those engaged in commercial aviation, but to those engaged in the protection of the United States and our coastal defense.

I withdraw the point of order.

The VICE PRESIDENT. The point of order is withdrawn. The question is on agreeing to the amendment offered by the Senator from New York in behalf of the committee.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 36, line 14, in the committee amendment, it is proposed to strike out "\$1,173,454" and insert in lieu thereof "\$1,179,454."

The VICE PRESIDENT. The amendment is in the nature of an amendment to a committee amendment which has been agreed to. It will be necessary first to reconsider the vote by which the committee amendment on page 36, line 14, was agreed to.

Mr. HAYDEN. I ask unanimous consent that the vote may be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered. The amendment of the Senator from Arizona will be stated.

The CHIEF CLERK. On page 36, line 14, it is proposed to amend the committee amendment by striking out "\$1,173,454" and inserting in lieu thereof "\$1,179,454", so as to make the paragraph read:

Fruit and vegetable crops and diseases: For investigation and control of diseases, for improvement of methods of culture, propagation, breeding, selection, and related activities concerned with the production of fruits, nuts, vegetables, ornamentals, and related plants, for investigation of methods of harvesting, packing, shipping, storing, and utilizing these products, and for studies of the physiological and related changes of such products during processes of marketing and while in commercial storage, \$1,179,454, of which \$3,600 shall be immediately available.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 95, line 16, it is proposed to strike out "\$17,500,000" and insert in lieu thereof "\$25,228,000", so as to make the paragraph read:

ELIMINATION OF DISEASED CATTLE, DEPARTMENT OF AGRICULTURE

For carrying into effect the provisions of section 37 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (49 Stat. pp. 750-793), \$25,228,000 of the unobligated balance of the funds appropriated by Public Resolution No. 27, Seventy-third Congress, and reappropriated by said section 37 of the act approved August 24, 1935, together with any unobligated balance of the appropriation made for the same purposes for the fiscal year 1936 by said section 37, which balances are hereby continued available for obligation during the fiscal year 1937, for the elimination of diseased dairy and beef cattle, including cattle suffering from tuberculosis or Bang's disease, for payments to owners with respect thereto, and for other purposes, as authorized by said section 37, including the employment of persons and means in the District of Columbia and elsewhere, printing and binding, the purchase, maintenance, operation, and repair of passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia, and other necessary expenses.

Mr. LA FOLLETTE. Mr. President, Senators will no doubt recall that provision has been made in several acts of Congress at past sessions for the eradication of bovine diseases. The purpose of the amendment which I have offered is to continue the programs for the eradication of Bang's disease, otherwise known as contagious abortion and mastitis, at the same levels at which they have been carried on during this year.

I should like to emphasize at the outset that the amendment does not propose an appropriation of new money. It merely provides for a reappropriation of funds which have already been appropriated by Congress during past sessions. The authorization to use these funds, which are in the Treasury, appropriated and set aside for these purposes, will expire on the 1st of July next unless the amendment shall be adopted.

I desire also to point out that \$17,500,000 plus \$3,000,000 reappropriated from these funds, as provided in the bill when it passed the House and as to which the Senate committee made no change, the break-down as presented to the House of Representatives and the Senate committee is somewhat as follows:

Out of the \$20,500,000 proposed to be reappropriated, \$11,350,000 would be available for the continuation of the Bang's disease eradication program; \$7,500,000 for the purchase of dairy products; \$1,500,000 for the continuation of the program for the eradication of bovine tuberculosis; and \$150,000 for experimental purposes in connection with bovine diseases.

The estimates which have been furnished to me indicate that in the fiscal year 1935-36 there will be expended \$18,467,825 for Bang's disease and \$610,000 for mastitis, making a total of \$19,077,825 which will have been spent by the first of June 1936 for these programs for the eradication of the two bovine diseases I have mentioned.

It is apparent that under the reappropriation as provided in the House bill, only \$11,350,000 is provided for Bang's disease. Therefore, if it is the desire—as I hope it is—on the part of a majority of the Senate to continue this very valuable work for all those interested in the production of cattle and in dairying, it will be necessary to increase this \$20,500,000 of reappropriation recommended by the House and by the

Senate committee to the extent of \$7,728,000, which is the amount my amendment provides.

Mr. McKELLAR. Mr. President, I was not in the Chamber when the Senator read his amendment. If it is not long, would he mind reading it again?

Mr. LA FOLLETTE. It simply changes the figures \$17,500,000, found on page 93 of the bill as it passed the House and was reported from the committee, to \$25,228,000, or an increase of \$7,728,000; and I will say to the Senator from Tennessee that I was trying to make it clear that this is not an appropriation of new money. These funds have already been appropriated at past sessions of Congress. They are available for the purposes set forth in the Jones-Connally Act and in section 37 of the amendments to the Agricultural Adjustment Act which passed at the last session of Congress. The total of funds that were appropriated and that will expire on the 1st of July, if no reappropriation were to be made at all, is approximately \$32,000,000.

I am not suggesting that all of the unexpended balances be reappropriated. All I am urging is that the Senate shall take action which will ultimately result in the continuation of the Bang's disease program and the mastitis program at the same level at which the programs have been carried on during this fiscal year, instead of following the recommendations of the House and the Senate committee, which would provide for a reduction of \$6,500,000 in the Bang's disease program and an entire abandonment of the program for the eradication of mastitis.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McKELLAR. I have a great deal of sympathy with the proposal of the Senator; but I wish to call his attention to the fact that the bill not only appropriates \$17,500,000 but it also appropriates and reappropriates about \$3,000,000 more, making the amount about \$20,500,000.

Mr. LA FOLLETTE. Yes, Mr. President; that is true. As I pointed out, however—I think before the Senator came into the Chamber—the breakdown of this total appropriation, as given to both committees, indicates that only \$11,350,000 will be available for the continuation of Bang's disease eradication, and no provision is made for the continuation of the mastitis-eradication program. It will, therefore, be necessary to provide an additional \$7,228,000 out of these funds that have already been appropriated if we desire to continue these campaigns at their present level of activity.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Oregon?

Mr. LA FOLLETTE. I yield.

Mr. McNARY. Will the Senator state how much money was available for the current fiscal year for this commendable work?

Mr. LA FOLLETTE. The amount which will be available for this fiscal year is \$18,467,825. By saying "available" I mean that is the amount that it is estimated will be expended during this year for the eradication of Bang's disease, and the Department will have spent about \$610,000 for mastitis during this year. There would be a balance, if none of these funds were reappropriated, of approximately \$32,000,000 remaining out of the past appropriations which Congress has provided for this work; and I reiterate that all my amendment would provide is a continuation of the Bang's disease and the mastitis programs at the same level of activity at which they have been carried on during the past year.

Mr. President, Bang's disease, or contagious abortion among cattle, is one of the most serious diseases that confront the producers of cattle and dairy products in the United States. Over 10 years ago Dr. Mohler estimated that the loss from Bang's disease to the cattle and dairy producers of this country was approximately \$50,000,000 annually. Other authorities have estimated that the annual loss to the dairy farmers and to the cattle producers of this country reaches the staggering total of some \$130,000,000 annually.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON. Is the Senator prepared to supply the Senate with information as to the progress that has been made in the treatment of these two diseases?

Mr. LA FOLLETTE. I am going to come to that.

Mr. ROBINSON. Very well. The Senator may take up the matter when he is ready.

Mr. LA FOLLETTE. For just a moment I desired to emphasize the terrific loss which is being sustained by both the producers of dairy products and the producers of cattle products.

Numerous studies on this subject have been carried on by competent authorities at various agricultural experiment stations. When all summed together, they indicate that Bang's disease reduces milk production 22.5 percent; that it reduces the calf crop 40 percent; that Bang's disease decreases calving efficiency by 40 percent. These investigations further show that Bang's disease-free herds calve on the average every 11½ months, whereas herds infected with Bang's disease calve only every 20 months.

Bang's disease is also a contributing factor in producing mastitis and joint trouble among cattle. These investigations further show that one out of every five cows which have become infected with Bang's disease, and have aborted, become sterile.

When this matter was before the Senate at the last session of Congress, I presented to the Senate excerpts from letters received from the official State agencies. I shall not at this time trespass upon the patience of the Senate further than to recapitulate a list of the States which have officially indicated their keen interest and desire for the continuation of this very invaluable and important campaign:

Alabama, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Louisiana, Maryland, Maine, Michigan, Minnesota, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, and Wisconsin.

Mr. President, the Senator from Arkansas [Mr. ROBINSON] has desired information concerning the progress of this campaign, and whether it is holding out any fair prospect for the elimination of this dread disease among cattle.

In this connection I wish to refer to official information which has been furnished me by the Wisconsin Department of Agriculture and Markets, the State organization which has had to do with the supervision of this campaign in my own State.

Mr. ROBINSON. Mr. President, will the Senator yield for another question before he proceeds with that answer?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON. What is the approximate area affected by these diseases; and has the Senator information as to where the areas are located?

Mr. LA FOLLETTE. Mr. President, this disease is prevalent in every State in the Union where cattle are produced. I have just concluded reading a list of the States which have officially expressed their vital interest in the continuation of this program.

Referring further to the question of whether or not this program is proving successful, I desire to read briefly from this report:

Thirty-three thousand five hundred and seventy herds, which were given the initial test, disclosed 15,538 infected herds in the State of Wisconsin. On the first retest of inspected herds 70 percent of the initially infected herds went clean.

In other words, after the first test had been given to these herds and the reactors or animals demonstrated to have had the dread disease had been eliminated, on a second test 70 percent of those herds were clean of the disease.

Only 30 percent of the herds showed any reactors whatsoever on the second test. Subsequent retests of the still remaining infected herds continued to show a further decline in herd infection.

At this point I desire to quote from the testimony of Dr. Mohler, who is at the head of the Bureau of Animal Industry of the Department of Agriculture, which has served under this Federal program as the directing agency for its

conduct. Speaking of the country generally, Dr. Mohler said:

The first test showed over 40 percent of all the herds in 28 States affected, and it showed the percentage of animals in those herds as between 14 and 15 percent infected. In the second test that percentage was cut down to around 5 percent, and on the third test it was further reduced to 3 percent.

Showing conclusively, I think, that if this campaign is carried on it will serve to eliminate one of the greatest handicaps, from an economic standpoint, which today confronts the producers of cattle, including the producers of dairy products.

Mr. ROBINSON. Mr. President, may I ask the Senator a further question?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON. When were these diseases first made known, and when was the first effort to check them made by Federal authorities?

Mr. LA FOLLETTE. Mr. President, Bang's disease, or contagious abortion, has been known in this country for a great many years. The first reference to the disease which has been brought to my attention was contained in an article printed many years ago in a publication called *The Cultivator*, in Albany, N. Y., in June 1843. Of course, I would not say that at that time they knew as much about the disease as we now know, as to its infectious character, and what caused it, but this article in 1843 dealt with the manifestations of the disease and the danger which it would ultimately present to the dairy and cattle industries unless it were checked.

The first efforts on a large, national scale, supported by the Federal Government, were undertaken as the result of an amendment which was attached to the so-called Jones-Connally Act, which the Senator will remember was passed by the Congress during the session before last.

In Wisconsin there are approximately 180,000 herds of cattle. Ninety-seven thousand of those herds are now free from the disease. One test will free an additional 58,000, which means that 155,000 of our 180,000 herds can be placed in the clean column with one test. Then there would be only 25,000 infected herds to be coped with.

It is recognized that the control and eradication problem in the remaining 25,000 herds is more difficult than it was in the herds which went clean of the disease on one test. However, the number becomes so small that, with a large organization at hand concentrated effort could be placed on these herds, which would result in their ultimate clean-up.

The program has progressed sufficiently to point the way to ultimate success in this work without the expenditure of unreasonable amounts of money. It is estimated in Wisconsin, in the light of the latest figures, that if the toll which Bang's disease takes for a period of 5 years were applied to the control and eradication of this disease, it would reduce the Bang's problem to an insignificant basis. The cattle industry would then be in a position to carry on without paying annually the millions of dollars which this disease costs the industry.

One moment, now, for the justification of Federal activity in this field. It is hardly necessary to emphasize the point, since Congress has already inaugurated the program; but it is a fact familiar to every Senator giving me his attention that it has been quite a common practice upon the part of the Federal Government to recognize the necessity for Federal support for the eradication of diseases among livestock where the problems become too difficult for the States or the producers to cope with them. Federal appropriations to carry on a number of disease-control or eradication programs are carried in every agricultural appropriation bill.

In some instances these programs have been carried on by the Federal Government where they had no relation whatever to diseases which were transmittable to human beings. For example, we spent large sums of money for the eradication of hog cholera, when there is no indication that hog cholera is communicable to human beings. We have spent large sums of money for the eradication of ticks in Texas, which produce the so-called Texas fever, but there is very little danger, although there is some, that it may be trans-

mitted to human beings. To combat foot-and-mouth disease we have spent sums of money; yet the incidence of human infection from that disease has not been alarming.

So that upon any basis it seems to me we are justified in urging a continuation of these programs, because in this instance we have evidence from the highest authorities that it is taking a toll of at least \$50,000,000 a year from the cattle and dairy producers. Furthermore, there is evidence that it is becoming more and more recognized by the medical profession that this disease is communicable to human beings, and is responsible in some instances for undulant fever. There are some communities in the United States today which have adopted health ordinances providing that the dairy products within their jurisdiction must come from Bang's-free herds.

Mr. President, I should like to point out to Senators who are interested a table which I inserted in the record of the subcommittee of the Senate Committee on Appropriations dealing with this measure, found on page 152 of the hearings—A Summary of the Bang's Disease Control Program, July 1, 1934, to January 31, 1936. In this connection I wish to point out that there are shown in the last column of this table figures as to the cattle on the Bang's test waiting list on January 31, 1936, in the various States of the Union. I shall not take the time of the Senate to read many of these, but I should like to mention that in Indiana there are 67,427 cattle waiting the opportunity to take this test; in Oklahoma, 118,092; in Texas, 150,000; and so on.

One further word. When a campaign of this kind is inaugurated progress is made in eliminating the disease from certain herds, but since the disease is highly contagious, unless the program is carried on at the same approximate level, there is grave danger of reinfection and loss of ground in the direction of eradicating the disease as well as a sacrifice of the money which has already been invested in carrying on the program.

Mr. ROBINSON. Mr. President, may I ask the Senator in that connection whether he anticipates that it will be necessary to make an annual appropriation of approximately \$18,000,000 for the purpose of checking these diseases?

Mr. LA FOLLETTE. Mr. President, in that connection I can give the Senator the testimony of Dr. Mohler, who stated he thought it would be necessary for a number of years. He stated no definite figures, and I suppose it would be impossible to do so; but, judging by our experience in the program for the eradication of bovine tuberculosis, it may take a number of years.

We have already, as the Senator well knows, for a long period carried on a program for that purpose, and we have now reached the point where the Department is recommending the appropriation of only \$1,500,000 for its continuance, although in past years the sums required have, according to my information, been much greater.

Mr. ROBINSON. Mr. President, may I ask the Senator what is the measure and the nature of cooperation between the Federal agencies and State or local agencies?

Mr. LA FOLLETTE. So far as the local cooperation is concerned, Mr. President, if the Senator means the enthusiastic response of breeders and producers and the activity on the part of the State agencies which have had charge of this program, I think I can say that in all my experience here I have never known of a program to receive more enthusiastic response or more wholehearted cooperation.

If the Senator means how much money have the States themselves contributed to the program, I can say that not many of the States have acted, for the simple reason that, as the Senator well knows, many of the States have been in a very difficult situation so far as their financial problems were concerned.

This program was inaugurated in a measure as a means of affording relief for the carrying out of this program during this period of economic distress, when States were not in a position to cooperate on a 50-50 basis. However, there are several States which have taken action in the matter. I understand that in the Legislature of the State of New York there is now pending a bill for an appropriation providing for a substantial sum of money—my recollection is that it is something over a million dollars—for the State's

cooperation, and adding money to that which the Federal Government will provide. I feel confident if this appropriation is provided and the program is continued that, as the financial situations of the States improve, we shall find them wholeheartedly willing not only to cooperate with the Federal Government but to assume a portion of the burden of the campaign from a financial standpoint.

Mr. ROBINSON. Mr. President, will the Senator yield for one further question?

Mr. LA FOLLETTE. I yield.

Mr. ROBINSON. What service or assistance do those States or local units and agencies which have not made appropriations in any sum perform in connection with the work?

Mr. LA FOLLETTE. They perform the service of supervising, through their State veterinary organizations, the giving of these tests. They arrange with the herd owners for the application of the tests to the herds. The Senator will realize that this program is not a compulsory program. It is one based on the voluntary action of the producer and to that extent, in my opinion, has demonstrated overwhelmingly the interest and the desire of the producers for this service, because there has been no compulsion in it whatsoever.

Mr. GLASS. Is it not compulsory?

Mr. LA FOLLETTE. No.

Mr. GLASS. Is it not compulsory in that no one can ship cattle alleged to be infected by the so-called Bang's disease from one State to another if there is a reaction?

Mr. LA FOLLETTE. No, Senator. Such regulations have never been issued. It is my information that no such regulations have been issued, and it is also my information that there is absolutely no compulsion insofar as this program is concerned. Only those herd owners who desire to have the test applied have had it applied to their herds. The fact that all this work is on a voluntary basis demonstrates the remarkable interest and desire of the herd owners, because so many thousands of them have voluntarily responded to the opportunity to have the test made.

Mr. GLASS. Mr. President, I will say to the Senator that my own experience has led me to believe that it is practically compulsory, because one is not permitted to ship in interstate commerce any animal which has reacted to the so-called Bang's disease test. Four years ago, as I recall—I will not be exact as to the date—I had a sale of a part of my dairy herd, which now numbers, I think, about 125 cows—all high-bred Jerseys. As I recall the circumstances, four of the cows reacted to the so-called Bang's disease test, which I think is a medical vagary. There had not been a case of abortion in my herd for 7 years, and there has not been one since, making the period 11 years.

As I recall the circumstances, I had to withdraw from the sale four cows which were reported by the veterinarians to have reacted to the so-called Bang's disease test. Two of the more mature cows had been regular producers before they were withdrawn from the sale, and all four of them have calved each year since they were withdrawn from the sale.

One notable fact in connection with my personal experience was that the best cow in my herd, I am glad to say, was withdrawn from the sale. Last year she had twin heifer calves and this year had twin bull calves. That has been my experience with the alleged Bang's disease.

After a certain inquiry into the whole business, and after having spent \$5,000 in litigation—which I won—my experience has caused me to become thoroughly convinced that this miserable slaughter of animals alleged to be affected with tuberculosis has cost the farmers of this country an inestimable sum of money and has produced nine-tenths of the abortion which the so-called Bang's disease test undertakes now to specify in the examinations by veterinarians.

Mr. LA FOLLETTE. Mr. President, the experience of the Senator from Virginia is entirely contrary to that of the overwhelming majority of producers of dairy cattle and cattle generally in this country, and his statement controverts all the expert testimony which is available upon this subject.

Mr. GLASS. The trouble is there is no really expert testimony available.

Mr. LA FOLLETTE. Mr. President, that may be the Senator's opinion about it, but the fact remains that in those States which have carried on this voluntary program great success has been achieved, as the official records of those States show, in the elimination of Bang's disease in cattle.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield to the Senator from Oregon.

Mr. McNARY. First, I wish to refer momentarily to the statement of personal experience made by the able Senator from Virginia [Mr. GLASS]. I recall on other occasions the Senator has given us his very interesting experience as a dairyman. At such times I thought the Senator was speaking of tuberculosis in cattle and not of abortion. I did not know that the Senator's herd was ever tested for abortion.

Mr. GLASS. Oh, yes.

Mr. McNARY. I thought the test was wholly for tuberculosis.

Mr. GLASS. Yes; the herd was tested for abortion, and my contention is that it is compulsory, because one cannot ship animals in interstate commerce if they react to the alleged Bang's disease test. I never have come in contact with an intelligent veterinarian or even with an ignorant one who has ever seen any Bang's disease evidence.

Mr. McNARY. Mr. President, I asked the Senator from Wisconsin to yield, which he did, for the purpose of supplementing the inquiry made by the Senator from Arkansas [Mr. ROBINSON] as to the matter of cooperation. As I understand, the cooperation that affects Bang's disease or abortion is that after a blood test is made at the laboratory—and, by the way, some of the States maintain such laboratories at their own cost—and the animal is found diseased the animal is then slaughtered and the owner gets the carcass, which is salable for meat purposes. It is as edible as any other animal, because the disease only affects the genital organs. The Government pays not more than \$25 for a grade animal and \$50 for a purebred animal. That is the extent of the Federal allowance, and that is the cooperation of the owner. The State's cooperation consists in making the test and maintaining the laboratory.

Mr. LA FOLLETTE. Mr. President, I should like to say that it is my information that the statement made by the Senator from Virginia [Mr. GLASS] that cattle which are infected with Bang's disease are prohibited from being shipped in interstate commerce is erroneous. It may be that some States to which it was desired to ship his cattle may have enacted statutes preventing importation of such cattle, but I know that the statement was made to me, upon what I believe to be entirely reliable authority, that there is no regulation which prohibits the shipment of Bang's disease infected cattle in interstate commerce, although there is a provision that they may not be imported into the United States.

Mr. GLASS. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Virginia.

Mr. GLASS. The same thing is accomplished in another way. The Bureau of Animal Industry of the Agricultural Department goes to the agricultural authorities in each State and causes them to become active, so that they go to their respective legislatures, that do not know anything more about it than does the man in the moon, and prevails upon the legislatures to prohibit the importation into the particular State—the Senator from Wisconsin read a great long list of them—of any cow that has reacted to the so-called Bang's test, which practically makes it impossible for anybody to ship from one State to another State animals which have reacted to the Bang's test.

Mr. LA FOLLETTE. Mr. President, the list which I read was not of States that have enacted legislation against the importation of Bang's infected cattle. The list I read was of States whose official departments had indicated at the last session of Congress a vital interest in the continuation of this program. If there is any State that prohibits the importation of Bang's infected cattle, it has not been brought to my attention; but I suggested that as the only possible explanation of the Senator's statement, because so far as I

know—and I think I have official information—the Agricultural Department has never issued any regulations prohibiting the transportation in interstate commerce of Bang's infected cattle.

Mr. COPELAND. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from New York?

Mr. LA FOLLETTE. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, may I ask the Senator from Wisconsin if this amendment applies to mastitis as well as to Bang's disease?

Mr. LA FOLLETTE. It does. It provides for the continuation of the mastitis program at the same level at which it is being carried on during the present year.

Mr. COPELAND. I may say, then, that regardless of what controversy there may be about Bang's disease there can be no doubt that mastitis in cattle is a disease which has been brought to the attention of the public-health administrators and has an important relationship to human health. Farmers are naturally conservative; they do not like to have officials come in and deplete their herds under compulsion, whether they are gentleman farmers or industrial or private or commercial farmers.

Mr. GLASS. Why does the Senator look at me when he makes any such statement as that? [Laughter.]

Mr. COPELAND. Of course, in the Senator's case he is both a gentleman farmer and a commercial farmer. I looked at him with both types in mind.

Mr. GLASS. Does the Senator mean a gentleman farmer is a man who uses his money instead of his hands?

Mr. COPELAND. A gentleman farmer is a man who makes money on the outside in order to operate his farm. That is the distinction I make.

Mr. President, I say the attitude of the farmer, regardless of whether he is a gentleman farmer or any other type of farmer, is conservative, just as conservative as is the Senator from Virginia. I find that the dairy farmers in my State, which next to Wisconsin is the greatest dairying State, are very eager about this program, not eager about it because they are going to make any money, for the amount of money they get for condemned animals is far below the value of similar animals not diseased; but I have here a letter from the dairymen's league, composed, I think, of something like 75,000 farmers in New York State, who are very eager to have this action taken. As the Senator from Wisconsin has said, there is pending now in the Legislature of New York a bill providing a generous appropriation to help carry on the work in connection with the Federal Government.

If I had no other evidence of the necessity for this work than the testimony of Dr. Mohler I should be quite content. Dr. Mohler's work in connection with the foot-and-mouth disease stands out as one of the great contributions to the welfare of the farmer and the welfare of humanity. Dr. Mohler is very insistent that we ought to go forward with this work. I mean "insistent" in the sense that he strongly advocates it within the limitations of the Budget. He is not permitted to say all he would like to say, I dare say, but the fact that he so strongly recommends this action is quite convincing, so far as I am concerned. Then, when I have his opinion reinforced by the desire of the great dairying interests of my State that the Congress should do as the Senator from Wisconsin suggests, I am happy to add whatever little influence I have to the adoption of the amendment by the Senate.

Mr. LA FOLLETTE. I thank the Senator from New York for his statement.

Mr. DUFFY. Mr. President—

Mr. LA FOLLETTE. I yield to my colleague.

Mr. DUFFY. Does my colleague know of any group of dairying interests or dairy farmers anywhere who do not thoroughly approve of the program for the eradication of Bang's disease?

Mr. LA FOLLETTE. On the contrary, so far as I know, not only the dairying interests but the cattle producers as well are very enthusiastic about this program, and many of

them have gone on record in favor of its maintenance at the present level and in support of the particular amendment which is now pending.

Mr. DUFFY. The reason I asked the question was that was my opinion. I suppose that the State of Wisconsin has perhaps had more experience with dairy matters than have many other States, and I know that all those interested in the success of the dairy farmers of my State seem to be unanimous in their approval of the program for the eradication of both Bang's disease and mastitis.

Mr. LA FOLLETTE. I hold the same opinion.

Mr. RUSSELL. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from Georgia.

Mr. RUSSELL. Does the Senator from Wisconsin know of any other instance in which the Federal Government has sought to combat a disease of this nature in connection with which it has been expected that the Federal Government would defray all the expenses of the investigation and also the payments to the owners of the animals? I understand the great importance of the treatment of tubercular cattle, which is something that vitally affects the human beings who purchase the milk or the meat of the cattle that have tuberculosis, but never more than \$6,000,000 have been appropriated in 1 year for that purpose. The State or the county was expected to pay one-third of the expense of the animal that was destroyed, the dairy farmer who was so materially affected by the destruction of the animal was to lose one-third of its value, and the Federal Government was to pay the other third. In this case, while it is true that much larger sums were spent in previous years, those expenditures were in the nature of relief or emergency appropriations, and in fact, in part were relief appropriations. In this case the Federal Government defrays all the expense, pays \$25 for grade cattle, \$50 for the purebred cattle, and permits the owner to have the carcass of the animal, which, evidence shows, is valued at approximately \$20 in every case. Does not the Senator from Wisconsin think that some State other than New York or Virginia should manifest some interest in this movement and make some appropriation therefor? I understand that Virginia has already made a small appropriation to assist this work and that there is a bill pending in the New York Legislature for the same purpose, but that no other State has incurred any similar expense, and that is in the face of the fact that the revenues of every State of the Union I think showed an increase in the last year over the previous year or two.

Mr. LA FOLLETTE. While that is true, I may say to the Senator that there are many States in the Union which are today not in a position to make financial contributions to this program; and I state confidently that if the program is carried on the time will come when the States will make such contributions, and thus help to relieve the Federal Government of the burden.

My point is that, having launched this program and having demonstrated its feasibility and the possibility of its success, it would be tragic to reduce the program at this time and to lose the ground which has been won in part toward the eradication of the disease and thereby to jeopardize the past appropriations used for these purposes.

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Virginia?

Mr. LA FOLLETTE. I yield.

Mr. GLASS. Just a word in reference to what the Senator from New York [Mr. COPELAND] had to say about Dr. Mohler. I have no criticism to make of Dr. Mohler. The fact is that I have had personal contact with him repeatedly. I have a very high regard for him, but I do not understand that Dr. Mohler is an expert in the matter of alleged Bang's disease. He evidently believes in the findings of people who pretend to be experts, but I do not believe there is any real expert in the matter. I think nine-tenths of the abortions are produced by the tuberculin test; and I have the highest authority—and it is a public record here—of men of international reputation in the health department for my statement that the poisonous stuff used in the application of the

tuberculin test has created abortions in herds. I do not believe there is any such thing as Bang's disease, because my own experience has refuted the theory completely.

Mr. LA FOLLETTE. Mr. President, I hope that this work, which is of such vital interest to the cattle industry, including the dairying industry, will not be prejudiced because of the experience of the Senator from Virginia in connection with the campaign for the eradication of bovine tuberculosis. I think every Senator is familiar with the attitude of the Senator from Virginia toward that program and toward this program. Nevertheless, nearly every farmer interested in dairying and every cattle producer in the United States disagrees with the Senator from Virginia as to the efficacy and value of the program for the eradication of bovine tuberculosis.

I wish to emphasize what I said in reference to a further suggestion made by the distinguished Senator from Virginia, that this program is absolutely voluntary; no dairy farmer, no cattle producer, who does not desire to have this test made upon his herd is required to do so. In this respect the Bangs and mastitis programs differ from the campaign for the eradication of bovine tuberculosis.

Since the Senator made the suggestion that there is a prohibition against the transportation of Bangs infected cattle in interstate commerce, I have had an opportunity to check up with the Department of Agriculture, and they in-

form me again at this moment, as they have informed me on several previous occasions, that no such regulations have been issued by the Federal Government. It is true there is a regulation prohibiting the importation into continental United States of Bang's infected cattle as well as cattle suffering from a number of other diseases.

Mr. GLASS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Virginia?

Mr. LA FOLLETTE. I yield.

Mr. GLASS. As I have said to the Senator, the same thing has been accomplished in a different way. The Department here has prevailed upon nearly all the States to prohibit interstate commerce in cattle alleged to be affected with the alleged Bang's disease.

Mr. LA FOLLETTE. Mr. President, it is my information that there are very few States which have taken any such action and that as a matter of fact Bang's disease infected cattle can enter transportation in interstate commerce throughout the United States.

Mr. President, I sincerely hope the amendment will prevail. I ask unanimous consent that the table to which I referred earlier in my remarks may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Summary of Bang's disease control program, July 1, 1934, to Dec. 31, 1935, conducted by Bureau of Animal Industry in cooperation with the various States

State	Agglutination blood tests completed during 18-month period		Results of agglutination blood tests during 18-month period						Number of cattle under supervision Dec. 31, 1935		Cattle on waiting list Dec. 31, 1935
			Containing infection			Negative					
	Herds	Cattle	Herds	Cattle	Reactors	Herds	Cattle	Herds	Cattle	Cattle	
Alabama	1,391	109,472	1,058	89,868	12,564	333	19,604	602	39,528	3,496	
Arizona	637	13,856	222	8,198	1,091	415	5,658	259	12,899	2,500	
Arkansas	9,523	90,061	1,697	42,959	7,898	7,826	47,102	8,818	77,783	9,000	
California	52	3,096	26	1,999	324	26	1,097	30	2,100	82	
Colorado	144	7,891	81	5,963	641	63	1,838	78	4,182	2,506	
Connecticut	339	10,794	198	7,027	1,119	140	3,767	161	5,227	78	
Delaware	833	16,377	343	8,423	1,478	490	7,954	303	5,415		
Florida	3,083	109,906	1,575	85,045	15,272	1,508	24,861	1,662	45,254		
Georgia	1,062	43,185	575	31,125	4,355	487	12,060	966	36,987		
Idaho	9,800	114,518	2,660	45,472	7,917	7,140	69,046	7,609	114,523		
Illinois	7,842	135,539	4,135	86,279	19,483	3,707	49,250	6,212	95,637	6,900	
Indiana	14,850	193,273	6,677	108,304	21,605	8,173	84,969	10,073	128,457	5,763	
Iowa	8,471	160,044	5,160	117,061	26,725	3,315	42,983	8,644	161,533	68,327	
Kansas	2,780	79,298	1,855	64,015	13,671	925	15,283	798	25,394	17,266	
Kentucky	17,193	187,191	4,234	74,622	14,806	12,959	112,569	13,716	135,974		
Louisiana	1,317	40,636	571	30,129	4,492	746	10,507	379	10,161	4,000	
Maine	1,765	26,944	738	15,163	3,104	1,027	11,781	1,765	26,944	1,689	
Maryland	2,749	46,279	1,234	26,975	5,083	1,515	19,304	1,307	21,353	394	
Massachusetts	131	4,245	81	2,786	519	50	1,459	84	2,975	249	
Michigan	12,324	163,167	4,382	75,469	16,048	7,942	87,698	10,210	119,560	8,451	
Minnesota	45,205	710,022	18,195	359,301	70,325	27,010	350,721	32,877	416,422	5,030	
Mississippi	1,744	50,232	1,156	41,214	6,189	588	9,018	1,755	50,591		
Missouri	23,475	308,687	8,227	151,993	28,374	15,178	156,094	16,716	198,243	57,000	
Montana	3,257	77,184	1,125	46,831	8,359	2,132	30,353	2,289	53,101	6,883	
Nebraska	2,766	51,043	1,140	29,981	5,604	1,617	21,062	584	12,515	8,697	
Nevada	1,010	22,887	474	16,161	1,990	536	6,728	678	17,060	370	
New Hampshire	754	14,880	335	8,202	1,507	419	6,678	618	12,372	2,816	
New Jersey	445	26,533	290	23,210	1,622	155	3,323	154	6,512	257	
New Mexico	1,603	47,758	439	23,489	2,071	1,164	24,269	1,602	45,565	9,000	
New York	3,302	83,495	1,821	59,296	6,791	1,381	24,199	1,302	30,378	8,104	
North Carolina	4,249	97,148	1,886	57,414	7,018	2,363	39,734	2,239	41,516	660	
North Dakota	4,784	75,471	1,060	23,492	5,254	3,724	51,979	4,252	65,230		
Ohio	26,192	297,837	8,524	123,202	30,146	17,668	174,635	20,724	228,490	9,801	
Oklahoma	13,661	319,704	8,119	248,743	39,360	5,542	70,961	14,067	380,192	105,652	
Oregon	32,528	321,593	6,609	125,136	22,948	25,919	196,459	32,628	321,595		
Pennsylvania	12,676	199,499	3,238	81,933	14,759	9,438	117,566	12,565	166,192	17,775	
Rhode Island	21	903	11	543	57	10	360	15	496	19	
South Carolina	1,729	45,485	644	26,138	3,027	1,085	19,347	1,137	27,218	5,000	
South Dakota	102	3,876	73	3,308	785	29	508	78	3,201	8,235	
Tennessee	5,041	105,504	3,284	83,065	13,643	1,757	22,439	2,620	59,378	2,567	
Texas	3,898	164,708	2,319	131,811	24,851	1,579	32,897	2,629	90,514	75,000	
Utah	4,713	46,978	1,535	25,718	3,886	3,178	21,260	4,334	47,513	26,640	
Vermont	630	19,888	341	12,775	2,383	289	7,113	266	8,478	223	
Virginia	36,262	288,525	5,374	113,999	15,444	30,888	175,126	26,010	157,583	50,000	
Washington	15,773	159,162	4,123	78,968	14,952	11,650	80,194	15,773	144,210		
West Virginia	13,819	112,528	2,016	32,494	5,675	11,803	80,034	11,881	78,828	4,700	
Wisconsin	62,797	1,112,237	22,005	488,163	102,381	40,792	624,074	33,511	573,564	68,560	
Wyoming	188	7,600	61	4,594	538	127	3,006	185	7,371		
Total	418,813	6,327,051	142,005	3,347,516	618,134	276,808	2,979,535	317,165	4,316,214	603,660	

Figures from Bureau of Animal Industry records.

Mr. RUSSELL. Mr. President, the committee examined this matter very carefully and felt that the bill provided quite generously for investigation of the diseases of cattle. In the item which the Senator from Wisconsin seeks to amend, \$20,500,000 is appropriated for expenditure in the next fiscal year under the Jones-Connally Act for the treat-

ment of the diseases of cattle and to provide for payments to owners when such cattle are destroyed.

In the past, it is true, during the time when appropriations for relief purposes were reaching almost astronomical figures in dealing with the terrible situation throughout the Nation, larger funds have been expended in combating the Bang's

disease; but the committee felt, and still feel, after examining the question, that the States and the individual farmers should manifest more interest in the matter than merely wiring and writing to Washington and asking their Senators and Representatives to appropriate more money for these purposes.

In the treatment of a disease as serious as is tuberculosis in cattle, affecting vitally the men, women, and children of the country, the Federal Government never did undertake to defray all the expenses of purchasing the cattle condemned and necessarily destroyed. In the current year the Federal Government will spend more than \$15,000,000 for cattle afflicted with Bang's disease. The Government pays outright \$25 for grade cattle and gives the farmer the carcass. It is not like tubercular cattle, because the beef is not affected. The average value of those carcasses was \$25. That would make \$45 the farmer would get, and every nickel of it from the Federal Government, for the grade cattle necessary to be destroyed, and approximately \$70 per head for purebred and registered cattle. It has not been long since purebred cattle could be purchased for that figure.

Mr. President, the committee feel that very generous provision to combat the disease has been made in the bill, and I hope the amendment offered by the Senator from Wisconsin will be rejected.

Mr. LA FOLLETTE. Mr. President, I ask for the yeas and nays on my amendment.

Mr. AUSTIN. Mr. President, New England is very much interested in the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE]. Vermont is especially interested. For many years Vermont has produced approximately three-fourths of all the fluid milk that is sold in the Boston milk market. For many years, or since 1920, Vermont has been improving her herds with a view to improving the quality of fluid milk. The curve has been downward in Vermont where it has been upward generally in the United States with reference to the number of cattle affected by such diseases as are mentioned in this portion of the Agricultural Department appropriation bill.

I desire to read into the RECORD an excerpt from a communication from the Department of Agriculture of the State of Vermont, which shows some evidence of cooperation by the State. I read from a letter to me from the commissioner of agriculture, Mr. E. H. Jones, in which he says:

May I take this opportunity to impress upon you the importance of Bang's disease control work among the dairy herds of Vermont. With bovine tuberculosis eradication drawing to its close, our attention is directed to the insidious disease above captioned, which causes more damage to the dairy industry in Vermont, directly and indirectly, than did bovine tuberculosis. A laboratory has been established within this department by the State, which is being operated wholly under Federal funds. This cooperation has enabled us to make an excellent showing in Bang's disease control work. Upward of 8,000 cattle are now under supervision.

That is signed, as I said, by E. H. Jones, commissioner of agriculture of Vermont.

I should like permission to insert in the RECORD a telegram from W. P. Davis, general manager of New England Dairies.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BOSTON, MASS., March 24, 1936.

HON. WARREN C. AUSTIN,

Senate Office Building:

Representing 23,000 New England dairies farmers, we urge your active support to La Follette amendment to agricultural appropriation bill providing increased funds for Bang's disease and bovine mastitis.

W. P. DAVIS,

General Manager, New England Dairies.

Mr. AUSTIN. Of course, to anyone considering the amendment the question occurs why should we not apply economy at this point in order to be consistent with claims we make that the Government should cut down expenses. My answer to that question is that this type of service must be continuous or the money appropriated for it and already expended will be lost. We must keep ahead of the disease. Both of the diseases referred to are extremely contagious, and unless the work were continued until the diseases were

eradicated, it would be an uneconomic undertaking. In other words, true economy as applied to the situation would require a sufficient appropriation of funds to keep the work ahead of the spread of the disease and far enough ahead of it ultimately to eradicate it.

As to the particular time of application I call attention to the testimony of Dr. Mohler, at page 157 of the House hearings, where he said:

The need for intensive investigation of infectious abortion of cattle and swine, both from economical and human health standpoints was never greater, if the most practical, efficacious, and economical means for controlling the disease are to be developed, the danger to human health accurately evaluated, and adequate measures taken to eliminate it.

Again I quote from the statement of Donald Kane, attorney for the National Cooperative Milk Producers Federation, who was a witness. I read from page 333 of the Senate hearings, where he said:

Bang's disease is a very contagious disease, and we are hopeful that we can clean it up rapidly, because it will not cost as much money if we clean it up rapidly. If you do not work rapidly on Bang's disease you lose the value of much of your work. If you test a first time, and then test them again, if you do not keep right after it, if the money is not appropriated until it is eradicated, and there is a lapse of time between the first and second tests for infection it may do no good, because of the fact that there may be a reinfection in the meantime.

Mr. President, I wish to insert in the RECORD a letter from this witness, which I requested him to write to me, with particular reference to conditions in New England. I call attention in passing to the fact that two of the States of New England not only maintain laboratories, but appropriate funds wherewith to indemnify cattle owners whose cattle are destroyed because of the effort to eradicate this disease. That is, they pay a sum in addition to that paid by the Federal Government for this purpose, and by that contribution they increase the speed of eradication of these diseases.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a letter from this witness, Donald Kane.

The PRESIDENT pro tempore. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., March 23, 1936.

HON. WARREN R. AUSTIN,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR AUSTIN: Reference is made to our conversation the other afternoon relative to Senator LA FOLLETTE's amendment to the agricultural appropriation bill increasing the appropriation for the eradication of bovine diseases for the fiscal year 1937.

At the present time the Department of Agriculture is spending at the rate of one and one-half million dollars per month for Bang's disease work throughout the United States. This makes a total of \$18,000,000 a year necessary for this work. The appropriation bill contains only \$11,350,000 for the fiscal year 1937, and it is thus nearly \$7,000,000 less than the minimum amount necessary to carry on this work.

During the last year \$610,000 was used for the eradication of animals suffering from mastitis, and no provision is made in the appropriation bill for a continuation of this work during the fiscal year 1937.

So far as the New England States are concerned, the following figures will no doubt be useful to you in considering the problem:

As of January 31, 1936, in the State of Vermont 21,044 cattle had been tested for Bang's disease since the program began; 8,571 cattle were under supervision as of January 31, and 361 cattle were on the waiting list; 2.6 percent of all the cattle in the State of Vermont are under supervision for Bang's disease.

In Massachusetts 4,817 cattle have been tested since the program went into effect, of which 3,032 were under supervision as of January 31, 1936, and 178 cattle were on the waiting list; 1.9 percent of the cattle in Massachusetts are under supervision for Bang's disease.

In Rhode Island 904 cattle have been tested since the program went into effect; 496 cattle are now under supervision for Bang's disease, and 18 cattle are on the waiting list as of January 31, 1936; 2.1 percent of all the cattle in Rhode Island are under supervision for Bang's disease.

In Connecticut 11,813 cattle have been tested since the program went into effect, 5,315 cattle are now under supervision, and 43 cattle are on the waiting list; 3.9 percent of all the cattle in Connecticut are now under supervision for Bang's disease.

These four States are quite a bit behind Maine and New Hampshire in Bang's disease work, principally because the legislatures of Maine and New Hampshire have made money available to pay State indemnities for cattle destroyed in addition to the Federal indemnities.

The Federal Government is now paying \$25 indemnities for grade cows and \$50 indemnities for purebreds. Because of the high cost of replacements, however, these indemnities, plus the salvage, are not high enough to permit the farmer to replace his diseased cattle without loss to himself. It is anticipated that just as the States make available funds for a joint program of the Federal Government on TB they will also provide for the indemnities for Bang's disease. If this were done in the four New England States mentioned there is no question but that the number of cattle tested would increase by leaps and bounds.

For instance, in Maine, which pays State indemnities in addition to Federal indemnities, 29,894 cattle have been tested since the program went into effect, of which the whole number are still under supervision and 1,424 cattle are now on the waiting list, with 14.1 percent of all of the cattle in Maine under supervision for Bang's disease.

In New Hampshire, which likewise makes State funds available in addition to Federal funds, 17,743 cattle had been tested since the program went into effect; 13,906 cattle are still under supervision; and 2,517 cattle are on the waiting list, with 12.1 percent of all of the cattle in New Hampshire under supervision for Bang's disease.

With the exception of the marketing agreement and license for milk in the Boston milkshed, the program for the eradication of diseased cattle is the only assistance which dairy farmers in the New England States have received from the Federal Government. The program is one which is popular with farmers, is economically sound, and is to the best interests of the farmers and consumers both because it is aimed at the eradication of dangerous bovine diseases detrimental to the public health.

Bang's disease is of such a transmissible character that the only way to really stamp the disease out is by a vigilant and determined examination and reexamination of the herds affected. With the appropriation cut down as it now is, the tests and retests which are so necessary if this disease is to be cleaned up will not be able to be made, and I am afraid that a large percentage of the gains which we have made in the control of this disease may be lost.

I trust that we may have your support and the support of other Senators from the New England States in our efforts to obtain adequate appropriations for this work for the coming year.

Very truly yours,

DONALD KANE,
Attorney, the National Cooperative
Milk Producers' Federation.

Mr. AUSTIN. Mr. President, I hope the amendment may be adopted.

Mr. LA FOLLETTE. I call for the yeas and nays on the adoption of the amendment.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McGILL in the chair). The absence of a quorum being suggested, the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	La Follette	O'Mahoney
Austin	Couzens	Lewis	Pope
Bachman	Davis	Logan	Radcliffe
Bailey	Duffy	Loneragan	Robinson
Barbour	Fletcher	McGill	Russell
Bilbo	Frazier	McKellar	Sheppard
Black	George	McNary	Shipstead
Borah	Gibson	Maloney	Thomas, Utah
Brown	Glass	Metcalf	Townsend
Bulkley	Gore	Minton	Truman
Bulow	Guffey	Moore	Tydings
Burke	Hale	Murphy	Vandenberg
Byrnes	Hatch	Murray	Wagner
Capper	Hayden	Neely	Walsh
Chavez	Keyes	Norris	Wheeler
Clark	Kling	Nye	White

The PRESIDING OFFICER. Sixty-four Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. MURPHY. Mr. President, I rise at this time merely to express the hope that the amendment offered by the Senator from Wisconsin will be adopted. In fighting Bang's disease and mastitis, we are fighting plagues; and, rather than reduce the appropriations to fight them, we should increase the appropriations.

Nothing I could say would add to the able presentation of the facts made by the Senator from Wisconsin. At this time, when the program is well under way, instead of repressing the program and defeating the benefits that will be gained by accelerating its motion, which defeat would be accomplished by a reduction of the appropriation, I submit that we should be better employed in providing the additional amount of money sought by the amendment of the Senator from Wisconsin.

Mr. LA FOLLETTE and Mr. McNARY called for the yeas and nays, and they were ordered.

Mr. POPE. Mr. President, I ask unanimous consent to have inserted in the RECORD three brief telegrams which I have received from citizens of my State bearing upon this amendment. I may say that they are very strongly in favor of the amendment. The telegrams are typical of various other telegrams I have received from my State.

The PRESIDING OFFICER. Without objection, the telegrams will be printed in the RECORD.

The telegrams are as follows:

CALDWELL, IDAHO, March 23, 1936.

HON. JAMES P. POPE,

United States Senate:

Please support LA FOLLETTE's amendment increasing money eradicate Bang's and mastitis.

DAIRYMEN'S COOPERATIVE CREAMERY OF BOISE VALLEY.

JEROME, IDAHO, March 22, 1936.

Senator JAMES P. POPE,

Washington, D. C.:

Urge that you support needed appropriation for eradication of Bang's disease and mastitis in cattle in line with amendment to be introduced Monday by Senator LA FOLLETTE. Senate Appropriation Committee recommendation is short \$7,000,000 needed to properly carry on this disease-eradication work.

ROY D. SMITH,

General Manager, Jerome Co-op Creamery.

IDAHO FALLS, IDAHO, March 22, 1936.

Senator JAMES POPE,

Washington, D. C.:

Understand Senate Appropriations Committee refused same appropriation for Bang's disease and mastitis as last year. Our cattle almost half tested. Great danger losing benefit money already expended. Farmers in favor of testing program by large majority and will appreciate your efforts behalf same appropriations as last year. UPPER SNAKE RIVER VALLEY DAIRYMEN'S ASSOCIATION.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE]. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I transfer that pair to my colleague the junior Senator from Oregon [Mr. STEIWER] and vote "yea."

The roll call was concluded.

Mr. McNARY. I desire to announce that my colleague the junior Senator from Oregon [Mr. STEIWER] is absent. If present, he would vote "yea."

I also wish to announce that the Senator from South Dakota [Mr. NORBECK] would, if present, vote "yea."

Mr. AUSTIN. I announce the necessary absence of the Senator from Delaware [Mr. HASTINGS]. He has a general pair with the Senator from Kentucky [Mr. BARKLEY].

Mr. BULKLEY. I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the Senate. Not knowing how he would vote, I withhold my vote.

Mr. BILBO. I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. I am informed by the author of the pending amendment that if present the Senator from Iowa would vote "yea", so I am at liberty to vote. I vote "yea."

Mr. SHIPSTEAD. My colleague the junior Senator from Minnesota [Mr. BENSON] is necessarily absent from the Senate. I have been unable to get a pair for him. If present and voting, he would vote "yea."

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from California [Mr. McADOO], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

The Senator from Arizona [Mr. ASHURST], the Senator from Kentucky [Mr. BARKLEY], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Texas [Mr. CONNALLY], the Senator from Ohio [Mr. DONAHAY], the junior Senator from Louisiana [Mrs. LONG], the Senator from Nevada [Mr. PITTMAN], the Senator

from Oklahoma [Mr. THOMAS], and the Senator from Indiana [Mr. VAN NUYS] are detained in important committee meetings.

The Senator from Washington [Mr. BONE], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Illinois [Mr. DIETERICH], the Senator from Mississippi [Mr. HARRISON], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. McCARRAN], the senior Senator from Louisiana [Mr. OVERTON], and the Senator from South Carolina [Mr. SMITH] are unavoidably detained from the Senate.

The Senator from North Carolina [Mr. REYNOLDS] is absent on official business at the Department of Labor, doing some research work in connection with the Reynolds-Starnes bill.

The result was announced—yeas 45, nays 18, as follows:

YEAS—45

Adams	Couzens	McGill	Sheppard
Austin	Davis	McKellar	Shipstead
Bachman	Duffy	McNary	Thomas, Utah
Barbour	Frazier	Maloney	Townsend
Bilbo	Gibson	Minton	Vandenberg
Black	Guffey	Moore	Wagner
Borah	Hatch	Murphy	Walsh
Brown	Keyes	Murray	Wheeler
Bulow	La Follette	Neely	White
Capper	Lewis	Norris	
Clark	Logan	Nye	
Copeland	Lonergan	Pope	

NAYS—18

Bailey	George	King	Russell
Burke	Glass	Metcalf	Truman
Byrnes	Gore	O'Mahoney	Tydings
Chavez	Hale	Radcliffe	
Fletcher	Hayden	Robinson	

NOT VOTING—33

Ashurst	Connally	Holt	Schwellenbach
Bankhead	Coolidge	Johnson	Smith
Barkley	Costigan	Long	Stelwer
Benson	Dickinson	McAdoo	Thomas, Okla.
Bone	Dieterich	McCarran	Trammell
Bulkley	Donahay	Norbeck	Van Nuys
Byrd	Gerry	Overtton	
Caraway	Harrison	Pittman	
Carey	Hastings	Reynolds	

So Mr. LA FOLLETTE's amendment was agreed to.

Mr. CLARK. Mr. President, I ask unanimous consent that the vote by which the amendment, on page 57, line 4, was agreed to be reconsidered. It is the amendment having to do with the control of the Japanese beetle.

I may say, in explanation of my request, that yesterday when this amendment was agreed to I was necessarily absent at a meeting of the Committee on Commerce, and did not anticipate that enough progress would be made with the bill so that the amendment would be reached by that time.

The PRESIDING OFFICER. The Senator from Missouri asks unanimous consent that the vote by which the amendment, on page 57, line 4, was agreed to be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 57, line 4, to strike out "\$400,000" and to insert in lieu thereof "\$221,000", so as to read:

Japanese beetle control: For the control and prevention of spread of the Japanese beetle, \$221,000.

Mr. CLARK. Mr. President, this amendment has to do with the reduction in the amount appropriated by Congress for the control and prevention of the spread of the Japanese beetle. The Japanese beetle is an insect which, it is believed, was originally imported into this country around the roots of certain nursery stock imported from the Orient. The beetle has proved to be a most destructive pest, not only to fruit but also to grain.

Because of the activities of the Department of Agriculture in the last few years the spread of the Japanese beetle has been almost completely checked except in certain sporadic instances and isolated localities. In the last year or two there have been a few areas in the United States, notably one in the State of Missouri and the State of Illinois almost immediately surrounding the city of St. Louis, and another area, I believe, in the State of Michigan, in which there have been new outbreaks of the Japanese beetle.

I believe it is of the highest importance to American agriculture—not only to the producers of fruit but to the producers of various grains—to have this pest isolated and its spread checked. During the last year the Department of Agriculture expended on this item \$350,000. This year they estimated \$350,000 as the minimum requirement for the control of the beetle in the old areas and the isolation and extermination in the new areas which have developed. For reasons best known to itself, the House increased the item to \$400,000.

The Senate committee has proposed an amendment reducing the amount from \$400,000, as shown in the bill as it passed the House, to \$221,000, which, according to the officials of the Department of Agriculture, is a sum absolutely inadequate to carry on the work. There is a danger that it would be impossible to carry on the work in an adequate manner with the smaller appropriation, and the work might be practically abandoned entirely.

One of the great dangers to agriculture would be that we might be thrown back on the system of State quarantine, one State against another, which has not been resorted to during the period of Federal control of this plague. We might be thrown back to the situation which existed, unhappily, a few years ago between the State of Georgia and the State of Florida. The State of Georgia was compelled by State regulation practically to quarantine every agricultural product of the State of Florida.

I submit, Mr. President, that the least that should be done in this matter is the adoption of the minimum recommendation of the Department of Agriculture. Personally, I am not willing to ask to have the Senate restore the \$400,000 appropriation inserted in the bill by the House of Representatives, but I do move that the committee amendment be amended so as to strike out the numerals "\$221,000" and to insert the numerals "\$350,000."

The testimony of the officials of the Department of Agriculture appearing in the hearings on the agricultural appropriation bill before the subcommittee of the House Committee on Appropriations abundantly demonstrates the comprehensive quality of this work, the success which has attended the efforts of the Department, and the necessity for those efforts.

With regard to the spread of the Japanese beetle, the testimony shows that in the district in which it has unfortunately been carried in some manner the efforts of the Department in the last fiscal year, with the appropriation afforded for that year, have resulted in a diminution of the infested area, and in a diminution of the number of beetles existing in the infested area.

Mr. President, I submit that in the interest not only of the fruit growers of the United States but of all agriculturists of every sort, it is desirable to restore this appropriation to the amount recommended by the Department.

Mr. RUSSELL. Mr. President, the Committee on Appropriations was not so optimistic as is the Senator from Missouri in regard to the control of the Japanese beetle.

The first appropriation for this work was made in the year 1928, when this insect first made its appearance on the Atlantic seaboard. In that year \$515,000 was expended in an effort to check and control the ravages of the insect. From that year down to the present time, substantial appropriations have been made from year to year; and if anything at all has been accomplished in the way of actual control, it is that there has been a slight slowing up of the progress of the insect as it has moved westward across the continent.

The Senate Committee on Appropriation feels that the appropriation contained in the bill is adequate to carry on the investigations in an effort either to discover some insect which will destroy the Japanese beetle, or, through research, to develop some direct method of control.

The committee had very little faith in the practice of stationing young men on the sides of roads to flag down all those who may be traversing the roads in automobiles, and cause them to come to a halt, and ask whether or not they

are carrying any shrubbery or bushes which may contain the Japanese beetle, when that beetle can easily fly right past the young men without being seen.

I think the Senate amendment should be agreed to, and I hope the motion of the Senator from Missouri will not prevail.

Mr. CLARK. Mr. President, I do not desire to detain the Senate very long on this matter; but I do wish to read from the testimony of Mr. Strong, in charge of the Bureau of Entomology, before the subcommittee of the Committee on Appropriations of the House.

After describing in detail various methods by which the spread of this pest has been controlled—that is, by trapping beetles to determine distribution, by scouting sections adjacent to nurseries and greenhouses, by trapping control, by farm-products inspection and quarantine, and by vehicular inspection, which is only one of the various methods adopted to stop the spread of the pest, by transit inspection and by tests for the treatment of regulated products—Mr. Strong sums up the necessity for the appropriation in these words:

There has been the normal natural spread of the Japanese-beetle infestation, as there will be every year. There is not any hope of preventing the natural spread, and there has been some infestation that we found to exist outside of the infested area, some at some considerable distance.

I should say that the previous testimony of Mr. Strong makes it plain that when he speaks of the normal spread of the infestation he means within the infested area, rather than outside, but some new areas of infestation have developed at a distance.

These things are bound to occur. There are so many ways in which the Japanese beetle can be moved out of an area that it is impossible to control every possible avenue of movement.

The method we use is to impregnate the soil with arsenate of lead and then spray the plants with a repellent wherever possible. We also use traps with which to trap the beetle. The section around Erie is a grape-producing area, and we have felt justified, in cooperation with the State of Pennsylvania, in carrying on eradication measures.

We have also had an infestation in the past 2 years in St. Louis, which is the farthest infestation we have had from the generally infested area.

In connection with this St. Louis infestation we have carried on work there by using arsenate of lead treatment in the soil in the past 2 years, in cooperation with the authorities in Missouri and the city authorities in St. Louis.

The number of beetles caught this year was less than the number caught last year.

This insect spends 8 or 9 months in the soil, so it is almost impossible to determine the exact limits of the infestation.

We have reduced the number of beetles in St. Louis by our traps.

It seems to me, Mr. President, that no case whatever has been made for this very drastic reduction over the figures in the House, and no reason whatever has been assigned for the selection of this item as against the other items in the bill for such a drastic cut.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Missouri [Mr. CLARK] to the committee amendment. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 57, line 4, in the amendment of the committee, it is proposed to strike out "\$221,000" and to insert in lieu thereof "\$350,000."

On a division, the amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. HATCH. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 48, line 4, it is proposed to strike out "\$1,099,152" and to insert in lieu thereof "\$1,599,152."

Mr. HATCH. Mr. President, I wish to make a brief statement concerning the amendment I have just offered. It relates primarily to the study of forest and range lands. It provides an additional appropriation of approximately \$400,000 for those purposes.

I am informed that the Department requested that this sum be allotted and set aside for the purpose requested, but that the Director of the Budget eliminated the item from the request, and it was not transmitted, and is not contained in the House bill.

The amendment I have just offered was sent to the Senate Committee on Appropriations. The committee considered it and rejected it. The amendment is an important one, and relates to very important work, especially in the West and the Southwest.

It will be noticed, on page 48 of the bill, as it now reads, that there is an increase of \$1,000,000 over the amount contained in the House bill. I am informed that the \$1,000,000 increase relates to the tree shelterbelt and does not apply to the problem with which my amendment deals.

I send to the desk a statement on this subject, which I ask to have read.

The PRESIDING OFFICER. Without objection, the statement will be read.

The legislative clerk read as follows:

FOREST INFLUENCES

This amendment will provide for studies of the relationship of forest and range cover to flood control, erosion control, and other phases of watershed protection on forest and range lands. One-third of the land area of the United States is now in forest, and over one-third is in range. Thus the research which this amendment would cover would have application to over two-thirds of the Nation's land area.

The extreme losses which have occurred from floods in the last week throughout the East bring forcibly to the fore the need for following every means available in reducing flood danger and damage. Forest and range cover has already been shown to be an important factor in causing absorption of rainfall and checking run-off. In the East much of the forests has been severely cut, leaving scrub forest or brush which is inadequate to check hard rains such as have done the damage of the last week. In the West there are enormous areas of untimbered land on which herbaceous and shrubby vegetation must serve to check run-off, hold the soil in place, and cause rains to be absorbed.

The problem is of such magnitude and of such importance that a thoroughly adequate program should be under way to determine how forest and range lands can be readily restored to serve effectively in all phases of watershed protection, the extent to which such lands can be used without impairing the watershed values, and what other means can be used to make forest and range lands of greatest service in the control of floods and erosion.

The appropriation bill already adequately provides for such research on agricultural lands under the Soil Conservation Service. This amendment would provide for such studies on forest and range lands in the Forest Service, where the responsibility has been placed by the Secretary of Agriculture. Much of this work in the Forest Service is now being carried with emergency funds which will not be available in the next fiscal year, so that this amendment does not provide an actual increase in new work but simply provides for continuance of these important studies.

Mr. HATCH. Mr. President, I desire to call attention to the last statement, which is that the work contemplated by the amendment is now actually going on but is being provided for out of emergency funds. When those funds are exhausted the work necessarily will have to cease.

I desire to read to the Senate a letter from the American Farm Bureau relating to this amendment:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., March 23, 1936.

Senator CARL A. HATCH,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR HATCH: The agricultural supply bill, now pending before the Senate, contains little in the way of investigations on forest influences. The amount of water absorbed by soils near the place where it falls, the amount of annual run-off, what constitutes effective soil coverages, methods of control of headwaters, and other aspects of forest influences cannot be undertaken in the way of research activities with the very modest appropriation which is now carried in the agricultural supply bill.

Items of investigation which properly fall under the general title "forest influences" are particularly needed in our Southwestern States. There are some peculiar and somewhat regional features of forest studies which, if pursued elsewhere in the Nation, might not be applicable in our southwestern area. This being true, it is all the more desirable to secure adequate research funds for this particular project so that the funds will be large enough to permit at least some additional investigations being conducted in such States as New Mexico and Arizona.

May I suggest that an amendment sponsored by yourself, in an amount approximating \$400,000 or \$500,000 for the next fiscal year, would be helpful in calling the attention of the Senate to the importance of this particular line of research in forestry matters.

I understand that Senator JOHNSON, of California, appeared before the Appropriations Committee of the Senate and advocated \$400,000 for this work.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER A. GRAY,
Washington Representative.

I, too, understand the Senator from California appeared and requested a similar allotment.

I think, Mr. President, that is all I care to say on the subject. The amendment is important and should be adopted.

The PRESIDING OFFICER. The Chair will state that, in order that the Senator's proposed amendment may be considered, the vote by which the committee amendment was agreed to will have to be reconsidered.

Mr. HATCH. Then I ask unanimous consent that the vote by which the committee amendment was adopted be reconsidered for the purpose of having action upon the amendment offered by me.

Mr. RUSSELL. Mr. President, I regret to object to the amendment of my good friend from New Mexico, but I feel constrained to object to the reconsideration of the vote by which the committee amendment was adopted.

The PRESIDING OFFICER. The Senator from Georgia objects.

Mr. HATCH. I move that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico to reconsider the vote by which the committee amendment on page 48 was adopted.

Mr. RUSSELL. Mr. President, the committee considered this question at some length and finally decided that the appropriation contemplated by the amendment of the Senator from New Mexico would not be justified. It is over and above the Budget estimate; and I wish to point out that the committee and the Senate have already increased the items for the Forest Service by a total of \$13,676,139 above the bill as it came to the Senate from the other House.

Mr. President, a number of surveys are being conducted at the present time. A glance through the appropriation bills for the Department of Agriculture and the Department of the Interior will disclose that a great many surveys are now being conducted. The Forest Service is already doing work of this nature, and the amendment merely proposes to expand that work and to make what is now proposed a permanent part of the forestry program.

Now I wish to point out to the Senator from New Mexico an item that appears in the pending appropriation bill for the first time. On page 91, in the appropriation for Soil Conservation Service, we find this item:

Soil and moisture conservation and land-use investigations: For research and investigations into the character, cause, extent, history, and effects of erosion and soil and moisture depletion and methods for soil and moisture conservation, including construction, operation, and maintenance of experimental watersheds, stations, laboratories, plots, and installations, and other necessary expenses, \$2,393,776.

I submit, Mr. President, we cannot justify carrying on two parallel surveys, one by adding \$500,000 to the already substantial additions made to the appropriation bill for the Forestry Service and another, which is, at least, closely parallel, of \$2,400,000 for the Soil Conservation Service that will properly handle this work. I hope that the motion to reconsider, made by the Senator from New Mexico, will be voted down.

Mr. HATCH. Mr. President, in explanation of the item which has just been read to the Senate by the Senator from Georgia, I wish to say that, as was pointed out in the statement read by the clerk, the item does appear in the bill but it relates to agriculture. It does not relate to forest and range lands. More than a third of the lands of the United States are in forest lands and more than a third of them are in range lands. Ample provision is made for agricultural lands, but I am informed there is no provision whatever for forest and range lands. The purpose of the amendment is to make provision where the bill itself is deficient, and I am advised, while it was generally considered in the beginning that the amendment referred to by the Senator from Georgia

and the shelterbelt amendment of \$1,000,000 would cover the work I have in mind, it is now known that they do not include the survey and study of forest and range lands. The item to which the Senator from Georgia has called attention is not applicable to forest and range purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from New Mexico to reconsider the vote by which the committee amendment on page 48 was agreed to. The motion was rejected.

Mr. DAVIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In the amendment reported by the committee and adopted, on page 48, line 4, it is proposed to strike out "\$1,099,152" and insert "\$1,125,000."

The PRESIDING OFFICER. The Chair will state to the Senator from Pennsylvania that, in order to have his amendment considered, the vote by which the committee amendment was adopted will have to be reconsidered, and a motion for that purpose has just been rejected.

Mr. DAVIS. I ask unanimous consent to reconsider the vote by which the committee amendment was rejected.

Mr. RUSSELL. Mr. President, I regret to object to the request for unanimous consent, but this item of the bill was considered and adopted yesterday, and I feel that my responsibility to the committee compels me to object to the request for unanimous consent.

The PRESIDING OFFICER. Objection is made by the Senator from Georgia.

Mr. DAVIS. Then, I move that the vote by which the committee amendment was agreed to be reconsidered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania that the vote by which the committee amendment on page 48 was adopted be reconsidered.

Mr. RUSSELL. Mr. President, one motion to reconsider has just been voted down by the Senate.

Mr. DAVIS. Mr. President, my amendment covers only 4 States, while the amendment offered by the junior Senator from New Mexico [Mr. HATCH] covers the entire 48 States. My amendment involves a different proposition altogether. It proposes an addition to the appropriation for the Forest Service, under the section Forest research, and subsection, Forest influences, for investigations by the Allegheny Forest Experiment Station, first, of the influence of the forests of Pennsylvania, New Jersey, Delaware, and Maryland on the run-off of precipitation; and second, of forest management to prevent erosion, floods, and the silting of reservoirs and navigable rivers, and to promote equitable flow of streams or underground waters used for domestic and manufacturing purposes.

The money proposed to be appropriated by the amendment would be expended under authority of sections 1 and 2 of an act entitled "An act to insure adequate supplies of timber and other forest products for the people of the United States, to promote the full use for timber growing and other purposes of forest lands in the United States, including farm wood lots and those abandoned areas not suitable for agricultural production, and to secure the correlation and the most economical conduct of forest research in the Department of Agriculture through research in reforestation, timber growing, protection, utilization, forest economics, and related subjects", approved May 22, 1928 (U. S. C., Supp. VII, title 16, secs. 581a, 581f-581i).

Mr. President, I ask unanimous consent to have inserted, following my remarks on this particular subject, a statement, which was given to me at my request by Mr. R. D. Forbes, entitled "Studies of Forest Influences on Stream Flow and Erosion in the Central Atlantic States."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STUDIES OF FOREST INFLUENCES ON STREAM FLOW AND EROSION IN THE CENTRAL ATLANTIC STATES

Two studies of the influence of forests on the regimen of streams are urgently needed in the States of Delaware, Maryland, New Jersey, and Pennsylvania.

One investigation should be centered within the Allegheny National Forest, Pa. This national forest was established as the result of the disastrous Pittsburgh flood of 1907, to which the Allegheny River contributed. It is the universal practice on private lands in the upper Allegheny watershed to cut the forests clean, and to rely chiefly upon a sprout growth of hardwoods for successive crops of wood. What effect this practice has upon run-off in subsequent storms is unknown, but the drying up in summer of streams coming from watersheds so heavily burned as to bear only aspen and fire cherry is common knowledge in the region. Twenty-five thousand dollars is needed annually for critical comparisons of run-off from watersheds clear-cut, clear-cut and burned, and cut selectively, both with respect to volume and species. The original mixture of hemlock and hardwoods will be compared as a watershed protection with the nearly pure stand of hardwoods which has replaced it over very wide areas. Such comparisons require studies both of entire watersheds and of all of the complex factors involved—interception of precipitation by tree crowns, evaporation from forest-covered soils, water use by the trees, retardation of snow melt, percolation rates, etc. Both the volume and the silt load of the streams require measurement, and soil and geologic factors must be weighed before any valid conclusions may be drawn.

A second study should be located on the watershed of streams draining into the Atlantic Ocean. Some of these, like the Delaware, are navigable; the Federal Government has spent over \$30,000,000 in recent years for improvement and maintenance of a channel in the Delaware. Others have been intensively developed for domestic and industrial water supplies. Among the acute municipal water-supply problems is that of furnishing water to the great manufacturing cities at tide level, and of obtaining literally vital supplies for the smaller cities of the anthracite-coal region, where forest denudation by fire and ax is appallingly complete. Periodic floods on such rivers as the Passaic and Schuylkill cause spectacular damage; the steady silting of reservoirs for power production on such other streams as the Susquehanna and Patapsco may in the long run be as disastrous. The forests on the watersheds of the Atlantic drainages differ from those of the upper Allegheny River, as do the geologic and soil conditions. There are no data whatever on the relative value for stream-flow regulation of forest stands of the different species native to the region, or of lesser vegetation. Yet even inadequate knowledge, applied to critical watersheds, might save millions of dollars in the height of dams now building or projected, or in damages currently suffered from inequable stream flow. The same type of studies is needed here as on the Allegheny River watershed, and the cost will be approximately the same—\$25,000 yearly.

Studies of forest influences in the Central Atlantic States should be assigned to the Allegheny Forest Experiment Station of the Forest Service, United States Department of Agriculture.

Mr. McNARY. Mr. President, I merely wish to make a parliamentary inquiry. Is the motion of the Senator from Pennsylvania in order?

The PRESIDING OFFICER. Although one such motion has been voted down, the Chair holds that the motion of the Senator from Pennsylvania [Mr. Davis] to reconsider the vote by which the amendment on page 48 was adopted, for the purpose of offering amendments to it, is in order.

The question is on the motion of the Senator from Pennsylvania.

The motion was rejected.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendment, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF NATIONAL HOUSING ACT

Mr. BULKLEY. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes.

Mr. McNARY. Mr. President, of course the request is quite proper. We would not want to displace the unfinished business. However, I do not know what the bill is to which the Senator from Ohio refers.

Mr. BULKLEY. The primary purpose is to extend the time of the operation of title I of the National Housing Act for 1 year.

Mr. NORRIS. Mr. President, before consent is granted, may I ask what the position of the Senator from Kansas [Mr. Capper] is with reference to laying aside the unfinished business?

Mr. ROBINSON. Mr. President, I can answer that question and so can the Senator from Oregon [Mr. McNary]. The Senator from Kansas has an understanding with the Senator from Wyoming [Mr. Carey], who is absent, and I think the Senator from Texas [Mr. Connally] has the same understanding, that the Senate will not proceed with the unfinished business until the return of the Senator from Wyoming.

Mr. McNARY. Yes. He is expected to return on Thursday.

Mr. NORRIS. The understanding is that the unfinished business will not be taken up until Thursday?

Mr. ROBINSON. Yes. It is my expectation at the conclusion of today's business to ask the Senate to take a recess until Thursday.

Mr. McNARY. Is it the intention of the Senator from Ohio to present his matter at this time?

Mr. BULKLEY. So far as I know, there is no opposition to it. It is unanimously reported by the committee.

Mr. WALSH. Mr. President, may I remind the Senator from Oregon [Mr. McNary] that the bill has now assumed emergency proportions in view of the recent floods? People who have been the victims of floods and whose homes have been destroyed would be prevented from taking advantage of title I of the Federal Housing Act if the bill of the Senator from Ohio should not be enacted before April 1. There are many who desire to borrow money from the Government for the purpose of rehabilitating their homes and farms. It is very important that favorable action be had at once.

Mr. McNARY. I am not discussing the merits of the measure, though I am very glad to have the observation of the Senator from Massachusetts. However, the request coming at a rather late hour and unexpectedly, I want to know the reason why the bill should be brought up at this time. Has the bill passed the House?

Mr. BULKLEY. No; it has not passed the House, but it has been reported favorably by the House Banking and Currency Committee. The present authority of the Administrator to make loans under title I of the Housing Act will expire April 1. Consequently he would like to have the measure passed as soon as may be.

Mr. COUZENS. Mr. President, I concur in the request of the Senator from Ohio and express my belief that the bill ought to be considered and passed now.

Mr. McNARY. I understand it has received consideration by the Senate Committee on Banking and Currency and has received unanimous approval by that committee?

Mr. BULKLEY. That is correct.

Mr. McNARY. That being true, I have no objection to the request of the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio [Mr. BULKLEY] has asked unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 4212. Is there objection?

There being no objection, the Senate proceeded to the consideration of the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BULKLEY. Mr. President, the primary purpose of the bill is to extend for 1 year the operation of title I of the National Housing Act, providing for the so-called renovation loans. Under existing law the authority to make those loans will expire April 1, and the bill as reported from the committee proposes to extend that time until April 1, 1937.

Some \$315,000,000 has been thus far insured under this title, creating a Government liability of something over \$60,000,000. It is proposed by the bill to reduce the amount of insurance from 20 percent of the loan to 10 percent of the loan. It is proposed to reduce the total amount available for insurance in the hands of the Administrator from \$200,000,000 to \$100,000,000. Inasmuch as more than \$60,000,000 has already been committed, this will leave only about \$40,000,000 more available for the Administrator.

However, with the liability reduced from 20 percent to 10 percent, the remaining \$40,000,000 will make available about \$400,000,000 of additional insurance, which is more than the total amount of insurance that has been written up to date.

There are two or three minor amendments proposed. The bill would restrict the loans to owners of real property or tenants having leases for not less than 1 year. It would facilitate the handling by the Administrator of claims acquired against borrowers. It would make it unnecessary for those claims to be handled through the Procurement Division of the Treasury.

I think I have stated the principal amendments. As I have already said, the bill has the unanimous recommendation of the Committee on Banking and Currency. I do not know of any opposition to the bill from any source.

Mr. ROBINSON. Mr. President, may I ask the Senator from Ohio if the bill is recommended by the Housing Administrator?

Mr. BULKLEY. Yes; it is recommended by the Housing Administrator. He appeared before the committee and testified in its behalf.

The PRESIDING OFFICER. The amendment reported by the committee will be stated.

The CHIEF CLERK. The committee proposes to strike out all after the enacting clause and to insert:

That section 2 of title I of the National Housing Act, as amended, is amended, effective April 1, 1936, to read as follows:

"Sec. 2. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building-and-loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them on and after April 1, 1936, and prior to April 1, 1937, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available, for the purpose of financing alterations, repairs, and additions upon improved real property, and the purchase and installation of equipment and machinery upon such real property, by the owners thereof or by lessees of such real property under a lease for a period of not less than 1 year. In no case shall the insurance granted by the Administrator under this section to any such financial institution on the loans, advances of credit, and purchases made by such financial institution for such purposes on and after April 1, 1936, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance heretofore and hereafter granted under this section shall not exceed in the aggregate \$100,000,000.

"(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title, and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, or improved by some other structure which is to be converted into a structure of any of the types herein enumerated, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000.

"(c) Notwithstanding any other provision of law, the Administrator shall have the power, under regulations to be prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection."

Sec. 3. Section 3 of title I of the National Housing Act, as amended, is hereby repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes."

OPERATION OF FOREIGN AND AMERICAN SHIPS IN FOREIGN TRADE

Mr. TYDINGS. Mr. President, Senate Resolution 260, asking for information from the Department of Commerce, has been favorably reported by the committee; and I understand that the Senator from Oregon [Mr. McNARY] now has no objection to it. However, the Senator from Pennsylvania [Mr. GUFFEY] asked that information for 3 more years than the original resolution contained be asked for, and I have requested the information for those years also.

Mr. McNARY. Mr. President, I objected to the consideration of the resolution yesterday because it had been referred to a committee, and the committee had not reported. Now the report is here, and it is unanimous, so I have no objection to the consideration of the resolution at this time.

Mr. BLACK. Mr. President, I desire to state that I was informed by the Senator from Missouri [Mr. CLARK] that it was his intention to move to have the resolution recommitment to the committee. I understood from him that the resolution was voted out when he was not there, and that he thought it should be given further consideration by the committee. I do not think the resolution should be taken up in his absence.

Mr. TYDINGS. I do not wish to have the Senate take up the resolution in his absence. Does the Senator from Alabama realize that all the resolution does is to ask for information? It has been almost a matter of courtesy of the Senate that if any Senator desired information for the Senate, usually the resolution was acted on the day it was submitted. This resolution has no legislative feature at all.

Mr. BLACK. It is my understanding that the resolution asks for information all of which has been testified to before the committee, and that the resolution would simply bring up to the Senate at this time, when a subsidy bill is about to be considered, a statement from the Secretary of Commerce on matters which it would be proper for witnesses to testify to under oath, when they could be interrogated as to their qualifications, but matters which some believe should not appear in answer to a resolution.

Mr. TYDINGS. I cannot see any reason why the opinions and the facts available in a department should not be available to the Senate of the United States. Whether or not the committee has gone into this question is a matter of debate. I venture to say there are many things in the resolution which the committee has not in its report; and if we are going to pass on legislation, certainly all the information we can get ought to be made available.

I have no predilection on the matter. I do not know but that the Senator and I may have a lot in common on it; but I should like to have information on which I may form an opinion. Certainly I can see no harm in a Senator requesting that there be made available to the Senate of the United States information which is in the possession of one of the departments having to do with an important subject.

Mr. BLACK. I will state to the Senator that so far as I am concerned, I did not rise to object to the consideration of the resolution. I determined yesterday, when I heard it read for the first time, that if the resolution should come up for consideration I should ask for amendments which would require the Department of Commerce to give the authority for each separate statement made as to a matter alleged to be a fact in connection with the subject.

Mr. TYDINGS. I think I can point out something to the Senator. The Department of Commerce has a research division. I have not communicated with the Secretary of Commerce, but I have asked if certain information is there. What that information is I have no means of knowing. I have never asked for it; and I should like to get it from the research department so that other Senators and I may read it. The information may be injurious to the proponents or the opponents of the bill; I do not know as to that. All the resolution does is to ask for data which, I

understand, the Department can furnish very quickly, and which we ought to have, and which is factual—not matters of opinion, but information which I understand is factual.

Mr. BLACK. I may state to the Senator that I heard the resolution read; and certain information is asked for as a matter of fact about which, in my judgment, it is impossible for the Department of Commerce to have accurate knowledge.

Mr. TYDINGS. Only one; and I have no objection to having that clause stricken out.

Mr. BLACK. I do not think anyone could accurately figure the difference in the cost of production here and abroad and the difference in the cost of operation here and abroad.

Mr. TYDINGS. If the representatives of the Department cannot do that, let them say so. If they think they can, let them say so.

Mr. BLACK. I will state to the Senator frankly that I do not know what they would say—whether they would say they could or could not do so.

Mr. TYDINGS. I do not know, either.

Mr. BLACK. But the Senator from Missouri [Mr. CLARK] told me he intended to move to send the resolution back to the committee, and I was sure the Senator from Maryland did not know it. It seems to me, therefore, that it would be proper to suggest the absence of a quorum before the resolution comes up. It is my understanding that the Senator from Missouri is now at a meeting of the Commerce Committee, and I am sure the Senator from Maryland would not want to have the Senate consider the resolution during his absence.

Mr. TYDINGS. I do not wish to take advantage of the Senator's absence. The Senator from Missouri may submit, at any time he wishes, a resolution calling for additional information. Why should I be deprived of getting information which I require, or which other Senators may wish? That would not bar the Senator from Missouri from submitting a resolution at any time he may see fit, calling for the information he may desire to have. Certainly, however, the Senator from Missouri will not take the position that other Senators, who may or may not agree with him, are not entitled to the information they wish to have.

All I am asking for is information. I do not know what the information will be. I have never seen any tables on the subject. I do not know whether the information will be pro, con, or in the middle; but I should like to have it.

Mr. BLACK. I think I can inform the Senator about what it is likely to be, judging from the testimony which has been given before the committee.

Mr. TYDINGS. Then, if the Senator from Alabama already has that information, there can be no harm in reproducing it. What would be the harm in having the information if it is already there?

Mr. BLACK. If the Senator desires to discuss the merits of the matter with me, I shall be glad to enter upon the discussion.

Mr. TYDINGS. No; I do not wish to do that.

Mr. BLACK. As I stated in the beginning, I rose because the Senator from Missouri had informed me he intended to move to have the resolution sent back to the committee. He made certain statements to the effect that he was not present in the committee when the resolution came up; and, as I understood him, he said he did not know it was to come up.

Mr. TYDINGS. I do not wish to take any advantage of the Senator from Missouri; but so long as the resolution asks only for information, I do not see how I could be taking any advantage of the Senator from Missouri in having it considered.

Certainly a Senator is entitled to information. I could write for the information privately and get it and put it in the RECORD, but I should much rather have the weight of authority thrown around it, so that whatever might be said would be considered more authoritative.

Mr. BLACK. If the Senator is going to ask that the resolution come up at this time, I shall suggest the absence of a quorum.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Maryland that he withdraw the request for the present.

Mr. TYDINGS. Very well. I will withdraw my request, then, until I can confer with the Senator from Missouri.

PERSONNEL OF MEMPHIS OFFICE OF HOME OWNERS' LOAN CORPORATION

Mr. McKELLAR. Mr. President, several days ago I wrote a letter to the Federal Home Loan Bank Board, in which I asked for certain information about the regional office at Memphis, Tenn. Mr. Fahey, the chairman of the Board, wrote me a letter, which I received this morning, in which he declined to give the information.

I now submit a resolution, which I ask unanimous consent to have printed in the RECORD, directing Mr. Fahey to give the information to the Senate. I also ask that my letter to Mr. Fahey and his reply to me, and my rejoinder, be published immediately after what I have just stated.

The PRESIDING OFFICER. Without objection, the resolution and letters will be printed in the RECORD.

The resolution (S. Res. 268) is as follows:

Whereas the question of regional offices established by the Federal Home Loan Bank in addition to State offices is a question to be dealt with by the Congress; and

Whereas it is desired by the Senate to have information concerning such regional offices for the purpose of proposed legislation: Therefore be it

Resolved, That the Federal Home Loan Bank Board furnish to the Senate, at the earliest practicable moment, the number of regional offices, the number of persons employed in each, the names and addresses of the various officials and employees of such offices, when they were appointed, the salary of each, the general duties of such offices, and for what reasons, if any, regional offices were established in States where there are State organizations or set-ups.

The letters are as follows:

MARCH 6, 1936.

HON. JOHN H. FAHEY,

Federal Home Loan Bank Board,

Washington, D. C.

MY DEAR MR. FAHEY: I would be very glad if you will furnish me the list of names of the officers and employees at the regional office at Memphis, giving the post-office addresses of each on the date of their appointment, and the dates of their appointment.

Very sincerely yours,

KENNETH McKELLAR.

FEDERAL HOME LOAN BANK BOARD,

Washington, March 16, 1936.

Re: Personnel lists—Home Owners' Loan Corporation.

HON. KENNETH McKELLAR,

United States Senate, Washington, D. C.

DEAR SENATOR McKELLAR: I am in receipt of your letter of March 6 in which you request a list of names of the officers and employees of the regional office in Memphis, together with other data concerning them.

I regret that I do not see how it is possible for us to supply this list in response to your request. From time to time the Corporation receives from Members of Congress, the press, and others requests for information regarding personnel matters, such as names and salaries of employees in the Washington and field offices, also lists of names of applicants for loans, those to whom loans have been granted, those rejected, and many other similar questions dealing with the details of the operations of this Corporation. Along with this type have come many other requests for information of a statistical nature bearing upon applications received, loans closed, etc.

All such information as is compiled by our statistical department and is available in the Washington office we are, of course, able to supply promptly to Members of Congress. Information which we do not regularly compile and which would have to be prepared at great expense to the Corporation we do not feel we have the authority under the law to prepare or supply. We have felt that it was the plain intent of the law that the money provided for the Corporation was to be used for the benefit of distressed home owners and that we had no right to expend it for the preparation of special information which would not be compiled for the purposes of the Corporation. We do not have personnel records in the form in which you desire them.

The Corporation at present has nearly 20,000 employees, and almost that many attorneys and appraisers on our approved list of appointees. To work up statistics and informative data from among this large number of names would take a long time to copy, the services of many employees, and the expenditure of a very considerable sum of money. There is no reason why the Corporation should compile such lists in the form suggested for its own purposes.

I am sure you will agree that if the Board felt that it had the authority to assign the necessary employees to this special work and approved the expenditure at the request of one Member of Congress, it must do the same thing for any Member who makes a similar request. It certainly has no right to discriminate or a desire to do so.

If, therefore, the Corporation departed from what it believed to be the purpose of the act in connection with one request of this kind, it must do so in all cases. Such a course would involve widespread disturbance of the work of the Corporation, aside from the expense involved. We would, of course, respond as promptly as possible to any congressional resolution calling for information which would not only authorize us to compile it but provide for any additional expenditures which would be made necessary. Information of this nature was published by the Government Printing Office under a Senate resolution which may now be found in pamphlet form, known as Senate Document No. 146, Seventy-third Congress, second session.

Please understand that we are ready at all times to assist you or any other Member of Congress in supplying material which we have already available as to particular and general activities of the Corporation. Our difficulty is when we are presented with requests for material which we do not compile for our own purposes and the preparation of which was not contemplated by the act.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

MARCH 24, 1936.

Hon. JOHN H. FAHEY,

Federal Home Loan Bank Board, Washington, D. C.

DEAR MR. FAHEY: Your letter of March 16 has been received. It is an exceedingly surprising communication.

It would not have taken you nearly as long to have furnished me this list of employees at Memphis with their names, salaries, and addresses as it did to write me your extended reply to my letter.

Yours truly,

KENNETH MCKELLAR.

Mr. McNARY. Mr. President, does the Senator ask for immediate consideration of the resolution?

Mr. McKELLAR. No; but at the next meeting of the Senate I should like to have it taken up.

Mr. McNARY. Is the resolution to be referred to a standing committee?

Mr. McKELLAR. No; it merely asks for information, and I imagine there will be no objection to it.

The PRESIDING OFFICER. The resolution will go over under the rule.

STATUE OF ALBERT GALLATIN

Mr. BARKLEY. Mr. President, some years ago Congress passed an act providing for the erection of a statue of Albert Gallatin, former Secretary of the Treasury, at some point to be decided upon by the Fine Arts Commission, the Joint Committee on the Library, and so forth, with a proviso that the authorization should expire within a certain period unless the Albert Gallatin Memorial Association should be able to raise the money to erect the statue. The time elapsed, and they were not able to raise it. They have since raised the required amount.

From the Committee on the Library, I report back favorably, without amendment, Senate Joint Resolution 215, authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C., and I ask for the present consideration of the joint resolution, in order to carry out the intention of Congress originally enacted.

Mr. McNARY. Mr. President, the majority leader, the Senator from Arkansas [Mr. ROBINSON] has proposed that we have a call of the calendar on Thursday. I suggest to the Senator from Kentucky, as well as to several other Senators, that perhaps we should postpone action on their measures until that time.

Mr. BARKLEY. Very well; I will wait.

ORDER FOR RECESS AND CONSIDERATION OF CALENDAR

Mr. ROBINSON. Mr. President, I desire to submit a request in somewhat unusual form.

Because of the prolonged illness of the beloved Chaplain of the Senate, I do not desire to move an adjournment; but it seems to me the Senate should be afforded the opportunity of transacting routine morning business.

Therefore, I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon of Thursday next; and that when the Senate meets on Thursday it proceed first to the consideration of routine morning business; and when that order shall have been disposed of, that the Senate proceed to the consideration of unobjected bills on the calendar.

LXXX—270

The PRESIDING OFFICER. Is there objection to the unanimous-consent request made by the Senator from Arkansas? The Chair hears none, and the order is entered.

BUSINESS PROSPERITY UNDER THE NEW DEAL

Mr. ROBINSON. Mr. President, I ask leave to have published in the RECORD as a part of my remarks a memorandum, which is believed to be accurate, making a comparison for the years 1932, 1934, and 1935 of the deficits and profits of certain recognized and well-known business organizations in this country. This memorandum will be interesting to all Senators, since it discloses very marked improvement in the condition of the business organizations to which it relates.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. McNARY. By whom was the memorandum prepared?

Mr. ROBINSON. The memorandum was compiled by the Democratic National Committee, and for that reason I can assure the Senator it is authentic and reliable. The figures, however, were taken from the financial report of the business concerns referred to, and from press reports which from time to time have been published. It is merely a compilation of data which have already been published.

Mr. McNARY. It does not bear the stamp of authenticity of any governmental agency? It is just an assembling of facts and figures by a Democratic organization?

Mr. ROBINSON. Compiled largely from Republican press reports. [Laughter.]

I also ask, in the same connection, to have printed in the RECORD three brief articles from the New York Herald Tribune. I do not assume that the Senator from Oregon would require any substantiation of financial reports contained in that great Republican newspaper.

The three articles to which reference is made include one from Mr. Bert Pierce, automobile editor. The article summarizes very clearly and forcefully comparisons which have been made showing the condition of the automobile business generally.

The second article is from another staff correspondent of the New York Herald Tribune, Mr. Harvey E. Runner. It relates to industrial affairs generally, the headline being as follows:

Mills, factories, retail trade gird for big business gains. Petree declares spring sales have started in such proportions as to assure 12-percent increase for March and better in April.

The third article is from the Herald Tribune bureau, and from that I have eliminated certain paragraphs which have only remote relation to the subject matter being presented. The headline of this article is—

Retail sales rise despite flood. St. Louis leads with 32-percent gain.

New York stores show 9-percent increase for week; Boston, 14; Philadelphia, 8; and Cleveland expects advance of 10 to 25 for month.

Mr. McNARY. Mr. President, may I make an inquiry?

Mr. ROBINSON. Certainly.

Mr. McNARY. Have these offerings been referred to the Joint Committee on Printing in order to determine the cost?

Mr. ROBINSON. They do not need to be. According to my estimate, they would cover less than two pages, and may be printed in accordance with my request; but if the Senator's anticipations are realized, I shall be glad, when the estimate has been submitted, to renew the request.

Mr. McNARY. I am not at all captious—

Mr. ROBINSON. Certainly not; the Senator never is.

Mr. McNARY. But there is a rule about matter inserted in the RECORD I have attempted to have enforced in every instance, one I have always respected, and when I respect a rule, I expect others to do likewise.

It occurred to me, from the Senator's reference, that the amount of printed matter he presented was far in excess of the privilege of a Senator to have matter printed without reference to the Committee on Printing. I am willing to accept the estimate of the Senator from Arkansas, and his statement that if the matter shall run over the amount allowed, he will observe the rule.

Mr. ROBINSON. I have no intention of doing anything else. I tried to say that to the Senator awhile ago.

Mr. McNARY. The Senator did not say it, if he did try.

Mr. ROBINSON. I will try to do so now to the satisfaction of the Senator.

Let me explain to the Senator that when such requests as this are presented they are referred to the Public Printer, and if his estimate shows that the matter will cover more than two pages of the RECORD the printing is not done except after the approval of the chairman of the Joint Committee on Printing and when a second request is submitted.

Now, Mr. President, with that statement I ask unanimous consent for the printing in the RECORD of the articles to which I have referred.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LEADING INDUSTRIAL CORPORATIONS' DEFICITS CONVERTED INTO BIG PROFITS UNDER NEW DEAL

Enough of the leading American industrial corporations had issued their annual reports by the middle of March to show that the enormous gains in net earnings during 1935 over 1934 indicated by the first few reports have applied to all lines of manufacturing and trade. Of 32 major corporations in 13 industrial classifications, only 2 showed deficits in 1935, 1 of which reduced its 1932 deficit of \$1,668,287 to \$1,083,197 in 1934 and to only \$95,387 in 1935; the other from \$7,910,149 in 1932 to \$3,670,672 in 1934 and to \$398,716 in 1935.

Of the 32 reporting corporations, 22 reported deficits in 1932 and 7 in 1934, 2 in 1935. The total profits of the 10 that remained out of the red in 1932 was \$38,389,107, of which \$26,234,779 in net profits was reported by E. I. du Pont de Nemours & Co. The net earnings reported by the same 10 corporations in 1935 reached the substantial total of \$887,523,643, of which \$62,085,410 was reported as clear profit by the great Du Pont parent company. The largest earnings of any one company in 1935 were reported by the General Motors Corporation, of which the Du Ponts are heavy stockholders, amounting to one hundred and sixty-seven millions as compared with only one hundred and sixty-five thousand in 1932.

The statements issued by the 32 corporations for the years 1932, 1934, and 1935 were as follows:

	Profit (+) or deficit (-)		
	1932	1934	1935
Building materials:			
United States Gypsum Co.....	+\$1,593,416	+\$2,155,369	+\$4,038,806
Johns-Manville.....	-2,829,062	-693,511	+2,151,570
Certain-Teed Products.....	-1,600,077	-851,563	+259,978
Glass:			
Pittsburgh Plate Glass.....	-60,737	+5,763,684	+11,398,739
Owens-Illinois Co.....	+2,067,886	+6,496,359	+7,883,496
Mall-order houses:			
Montgomery Ward.....	-5,686,784	+2,227,957	+9,161,054
Sears-Roebuck.....	-2,543,651	+11,249,295	+15,020,551
Chemicals:			
E. I. du Pont de Nemours Co.....	+26,234,779	+46,701,465	+62,085,410
American Cyanamid Co.....	+349,725	+5,732,718	+7,738,825
Monsanto Chemical Co.....	+1,012,698	+2,771,629	+4,009,827
Communications: Western Union.....	-842,596	+2,243,084	+5,258,078
Heavy machinery:			
Fairbanks Morse.....	-2,547,231	+503,847	+1,465,799
Briggs Manufacturing Co.....	-1,798,470	+3,121,626	+9,258,046
Worthington Pump Co.....	-1,668,287	-1,083,197	-95,387
Mesta Machine Co.....	+327,871	+1,517,249	+3,114,527
Farm implements:			
International Harvester.....	-7,582,879	+3,948,636	+19,618,238
J. I. Case Co.....	-2,611,082	-699,922	+1,804,835
Deere & Co.....	-5,167,104	+379,734	+6,105,452
Amusements: Radio-Keith-Orpheum.....	-10,695,503	-310,574	+665,297
Steel:			
United States Steel Corporation.....	-71,175,705	-21,667,780	+1,064,917
Crucible Steel Co.....	-3,613,616	+75,157	+1,268,176
National Steel Co.....	+1,662,920	+6,050,772	+11,136,000
Jones & Laughlin Corporation.....	-7,910,149	-3,670,672	-398,716
Other metals:			
Anaconda Copper Co.....	-7,571,946	+1,960,093	+11,181,348
American Smelting & Refining Co.....	-4,506,175	+7,583,202	+13,768,153
Motors:			
Chrysler Corporation.....	-11,254,232	+9,534,000	+34,975,000
General Motors Corporation.....	+165,000	+94,769,000	+167,000,000
Oils:			
Phillips Petroleum Co.....	+775,766	+5,757,309	+13,421,703
Sun Oil Co.....	+4,198,046	+6,650,464	+7,100,293
Electrical supplies: Westinghouse Electric.....	-8,615,398	+189,562	+11,963,380
Textiles:			
American Woolen Co.....	-7,269,822	-5,458,494	+2,740,598
Ludlow Manufacturing Associates.....	-400,632	+1,141,285	+1,509,045

[From the New York Herald Tribune of Mar. 22, 1936]

MILLS, FACTORIES, RETAIL TRADE GIRD FOR BIG BUSINESS GAINS—PETREE DECLARES SPRING SALES HAVE STARTED IN SUCH PROPORTIONS AS TO ASSURE 12 PERCENT INCREASE FOR MARCH AND BETTER IN APRIL

By Harvey E. Runner

With mills and factories working at top speed and with retail trade showing steady improvement, manufacturers and merchants

are looking forward to the best Easter season in several years, according to views of industrial and merchandising leaders given yesterday to the New York Herald Tribune. Optimism is general throughout the country for a substantial increase in spring business, the only exceptions being in the flood areas, where conditions are at present disorganized and views decidedly conflicting.

March, virtually all factors agree, is proving an exceptionally good business month. Manufacturing industries report orders well above a year ago, with some markets, like the women's coat and suit industry, virtually sold through to Easter, and many mills, especially those dealing in wool goods, being compelled to withdraw some fabric lines, due to oversold conditions.

The retail trade is enjoying the effects of spring buying much earlier this year. Warmer weather following an unusually severe winter seemed all that was necessary to make the consumer think of new clothes.

STORE SALES UP

Even New York City, which a year ago had a poor spring season, is reporting much improved business. Department store sales in the first half of the month showed an increase of 10.6 percent in New York and Brooklyn and a gain of 11.1 percent in the metropolitan area.

Neil Petree, president of the Retail Dry Goods Association of New York and also president of James McCreery & Co., said yesterday that spring business had started in earnest, and that merchants in the city were hopeful of at least a 12-percent gain for March and that up to the middle of April the improvement should continue at the rate of between 10 and 12 percent.

Apparel departments, according to store executives, are already busier than usual at this time of the year, and merchandise is moving faster than it did a year ago. One leading department store said that its women's coat and suit business in March was better than a year ago by 25 percent, that men's clothing was moving more than 30 percent better, and that children's wear was enjoying a 50-percent gain.

The quickened pulse of consumer buying, which got under way late in February, was almost immediately felt in manufacturing and wholesale markets. Store stocks generally have been very low, so that any market pick-up in sales at retail was soon bound to be reflected in manufacturing centers.

GAY COLORS PREDOMINATE

New and gay colors in apparel, much brighter than those of the last several years, have helped to develop interest in spring merchandise. All indications, both merchants and manufacturers agreed, point to the 1936 Easter parade being the most colorful in some time.

Manufacturers who went into new colors and high shades were generally reported to be doing a better business than those who held to more conservative colors. This was particularly true in the handbag trade.

A. Mittenthal, director of the national authority for the ladies' handbag industry, in reporting that business generally was very good, said that those producers who had gone in for high colors had booked orders for spring approximately 25 percent larger than they had a year ago. The increase in business, with manufacturers making up regular lines, amounted to about 10 percent, he said.

The demand for color has been so great and varied so extensively as to shade that handbag producers, he said, have had difficulty in making up the merchandise as rapidly as it was wanted by merchants.

COLOR IN COATS

New spring coats will also be more colorful, according to Samuel Klein, executive director of the Industrial Council of Cloak, Suit, and Skirt Manufacturers, Inc., who said that whereas a year ago only about 20 percent of the dressy coats were in the bright shades, this spring at least 40 percent would be in gayer colors.

In sport coats colors, he said, will indeed become riotous, with gay plaids and Indian-blanket effects much in vogue.

The coat industry, which is working at full speed, is enjoying its best spring season in 6 years, Mr. Klein said. Orders have piled up on the books, materials are hard to get, with woolen yardage fairly well cleaned out at the mills, and as a result deliveries to stores are proving the big problem.

One indication of the high pressure of activity in the coat and suit industry was seen in the announcement that in a single day last week New York City manufacturers called for 151,000 of the labels provided by the Coat and Suit Industry Recovery Board. This was a new high record for any one day.

The Merchants' Ladies' Garment Association, in a bulletin to members yesterday, said the market "apparently was sold up through Easter."

"No new orders can be taken with promise of delivery before Easter, because production is now at its maximum peak," the bulletin warned.

The dress trade is also doing well, according to Samuel Zahn, president of the International Dress Co. and chairman of the Dress Creators League of America, who said that members of his organization were enjoying a 15 to 25 percent gain in pre-Easter business. He reported that prints were in the forefront of the fabric picture, with light brown tones leading the color parade.

BETTER DRESSES IN DEMAND

Morris Kolchin, executive director of the Affiliated Dress Manufacturers, Inc., also told of the improvement in the dress industry, holding, however, that much of the demand was being concentrated on the better type goods. The market is decidedly active, he said, with retailers placing emphasis on higher priced goods.

Louis Rubin, executive director of the Popular Priced Dress Manufacturers Group, Inc., said that the planned production of 6,000,000 dresses in March by the 300 members of his group had been reduced by 1,000,000 dresses because of the floods, but that he was hopeful that the production would be more than made up in April.

The planned production of 6,750,000 dresses selling up \$4.75 wholesale in April will most likely be exceeded by more than 1,000,000 garments, he believed. He foresaw an increased demand for goods next month from the now stricken flood areas, which would boost production considerably.

Ward Melville, president of the National Council of Shoe Retailers, Inc., felt that the rapidity with which the sections now suffering from floods get back to normal will have an important bearing on Easter shoe sales. Mr. Melville, who is also head of the Melville Shoe Corporation, the operating company for the Thom McAn and John Ward stores, believed, though, that in the nonflood areas sales of shoes should beat last year's Easter business by from 12 to 15 percent.

SHOE—VOLUME GAINS

In shoe manufacturing circles it was estimated that February production, which was for spring and Easter selling, would exceed the volume of a year ago. While the actual figures have not been announced as yet, manufacturers were of the opinion that they would better January's total of 32,000,000 pairs and go ahead of February a year ago by 5 or 6 percent.

Max H. Zuckerman, executive secretary of the United Infants' and Children's Wear Association, said that manufacturing activity was much greater than a year ago in the industries which his association serves. Business booked for spring and Easter on children's cotton dresses was up by 10 percent, he said, and on silk dresses by a like amount.

In children's coats, he estimated orders at about 15 percent greater, with a distinct demand for better goods, which, he said, were hard to obtain at the present time. Headwear and knit-wear production, he added, were about on a par with last spring.

On children's underwear, however, manufacturing activity, he said, was between 20 and 40 percent greater. On boys' wear the increase was about 10 percent.

[From the New York Herald Tribune of Mar. 22, 1936]

FIFTEEN-PERCENT RISE IN SPRING MOTOR SALES OVER LAST YEAR IS FORECAST BY MANUFACTURERS IN DETROIT—ALL REPORT LARGE INCREASES FOR MARCH, WITH PRODUCTION STEPPED UP, USED-CAR STOCKS MOVING—TRUCKS SHARE RISING DEMAND WITH PASSENGER CARS—INDUSTRY'S LEADERS SEE SUMMER GAINS

By Bert Pierce, automobile editor

DETROIT, March 21.—Out of the chill mists marking the departure of a hard winter there has emerged a mighty volume of spring buying that indicates a new record in motor-vehicle sales. From all sections of the country are demands for new cars, with the Middle West and eastern sections leading in calls for immediate deliveries. Automotive manufacturers throughout this area, including Dearborn, Pontiac, Flint, and Lansing, have increased production, and it is expected that capacity output will be under way before April 1.

The upswing of motor-vehicle purchases is widespread in range, with products in all price brackets sharing the attention of a public eager to travel in 1936 models. General business has joined in the clamor for new units, with sheafs of orders for trucks and commercial carriers, while farmers are calling for transportation units needed in agriculture.

BUYERS SEND SALES ROARING

Although there was a temporary lull in automotive sales during January and February, attributed to adverse weather conditions, when heavy snows in some sections of the country sealed routes to showrooms and customers, the inrush of buyers has sent the total of gains soaring. Forecasts, based upon present increases, assert that the spring volume will be at least 15 percent greater than last year and may exceed the output of a similar period in 1929, which is used as a standard yardstick in measuring output achievement.

In a survey of trade inventories the manufacturers show that the usual accumulation of used cars, common to winter, is melting away like the snows of that season. A heavy demand for these vehicles has developed within the last few weeks, and there is a belief that the stocks will be lower than the normal average before the end of May.

Views of some of the automotive leaders on plans and expectations follow:

BUICK BOOSTS PRODUCTION

A second boost in Buick's March production schedule was cited by Harlow H. Curtice, president, Buick Motor Co., as an example of the spring business strides being made. The output for the month is expected to exceed 14,000 units. The production schedules now equal those of last fall, when the new models were announced.

"The velocity of the upturn this spring as compared with previous years of Buick history is significant," said Mr. Curtice. "While a great many circumstances enter into the picture, including general business conditions and selling influences, such as adverse weather and other factors, it is noteworthy that Buick's gain this year was more than 89 percent, as against a best previous gain of 48 percent for the like period in 1926."

"The increase in sales for the period ended March 10 of 1,531 units over the first 10 days of February compared with an average

for the last 10 years of 733 cars. Thus both on relative gains and actual deliveries Buick is experiencing the most pronounced spring upturn in its history."

Employment will be maintained at the high current levels of approximately 14,000 workers as the result of the increased activity. While there has been but little fluctuation from this figure throughout the winter months, Mr. Curtice said that this same force will be placed on increased working schedules during March with a corresponding gain in total pay rolls. The manufacturing divisions of the company are operating 5 days a week with two and three shifts in some departments. Domestic retail deliveries for the first 10 days of the month were the largest retail volume for this period since 1928.

CHEVROLET SEES RECORD SPRING

That the policy emphasized by W. E. Holler, vice president and general manager of Chevrolet Motor Co., "Never forget a customer: never let him forget you", is bringing huge returns to the organization is proved by the record volume of spring business.

Chevrolet expectations, based on output for the first 3 weeks of March, are that deliveries will exceed those of any similar month in the history of the company.

"There has been such an increase in demands for our products that we are facing a car shortage at the present time," said Mr. Holler. Chevrolet production has been stepped up from 100,000 to 115,000 units a month in an effort to meet the demands of dealers in all of our nine regions from coast to coast. Orders are rolling in from all sides, in excess of our most optimistic estimates."

With the advent of 1936 the Chevrolet Co. set the yearly sales quota at more than 1,000,000. Reports received to March 10 showed that 530,000 cars and trucks have been built for the domestic and foreign markets. January established a record in sales for any January since the company began the manufacture of vehicles. Despite the bad weather, February was the best in 7 years.

CADILLAC SALES SPURT

Marked gains in sales for cars in the higher priced brackets were revealed by Don E. Ahrens, general sales manager of Cadillac Motor Car Co. He declared some of the biggest increases were registered in several of the more important eastern centers.

"In New York, Boston, and Albany, to select a few cities at random, our sales during January and February of this year reveal an average increase of 101 percent over the retail deliveries made at these points in the first 2 months of 1935."

"Our increased sales, both in the East and throughout the entire United States, appear particularly significant because they were achieved despite two adverse factors, either of which might have been expected to exert a strongly retarding influence," Mr. Ahrens continued. "One was the fact that our 1936 cars were introduced early in October 1935, and thus by the first of the year they had been on the market for nearly 3 months. Doubtless a great many fine car buyers who had been waiting for the 1936 models made their purchases during this 3-month period prior to January 1."

"The other factor was the unusually severe weather, which until recently made prospective buyers reluctant to accept demonstrations."

DODGE WIDENS MARKETS

With orders pouring in and reports from abroad emphasizing the good acceptance of Dodge and other Chrysler products, there is definite assurance that business is on the upswing, according to K. T. Keller, president of Chrysler Corporation and president of the Dodge division of Chrysler. That the spring buying will continue above average is indicated by the steady increase in the demand for cars and trucks, he believes.

"Our weekly reports, received from all over the country and which serve as guides in our production schedules, have shown a rising trend that would indicate there is a solid volume of business pressing forward. There seems to be no doubt that it will carry onward into the summer," he said. "I believe the buying means that there is substantial gain in general business."

An increased value is being placed on style, providing economy of operation is not sacrificed for appearances, according to L. G. Peed, vice president of the De Soto division, Chrysler Corporation.

"Spring buying has commenced earlier than usual. Our sales executives, who returned last week from a Nation-wide tour of De Soto dealers, report a brisk public response to the new models. A large part of the public is reacting to the recent severe winter by purchasing new cars and taking to the road once more."

FORD RURAL SALES INCREASE

That the volume of automotive business this spring will equal, if not exceed, that of last year's season was the belief of Edsel B. Ford, president, Ford Motor Co. Increases in sales which have been blocked by the snow and ice of January and February already are apparent. The upswing in demand has affected both Ford and Lincoln car outputs that have been stepped up to meet the growing call for vehicles throughout the country. This is particularly true of the rural districts, where the winter severity had placed a blight on deliveries, according to Mr. Ford.

"There has been a steady growth over a period of years in the sales of our products in the agricultural regions, and we in turn are attempting to extend the uses of farm products," said Mr. Ford. "We feel that through the research department of the Ford Motor Co. the farmer has been drawn nearer to market, not only by transportation furnished, but new utility discovered for materials which hitherto were regarded as of little or no value. We shall continue in this line of endeavor, and I think that the benefits shared by the farmers in the future will be even greater than those of the past."

HUDSON VALUE RISES

"While early spring buying might be attributed to the handicap placed by heavy snows in February, I feel confident that the real reasons are that there is a definite influx of purchases due to the eagerness of the public to obtain new vehicles and an increase in general business," said A. Edward Barit, president, Hudson Motor Car Co. "Our factory sales now are at a higher point than at any time in 1935. There has been a steady gain in volume during the last 3 weeks.

"This spring season forms the first unbiased test of the motorist's desire to own a new vehicle when compared with any similar period in many years. Previously there was reflection of the new models offered at the shows, which began in January, to accelerate the activities of prospective customers. That influence has been dimmed by the passage of time, as the public viewed these products in November, 2 months earlier than usual. So it seems fair to assume that the inrush of automotive business is the result of a widespread urge rather than a stimulated effort. Furthermore, there are indications that the steady tide of buying will increase."

Mr. Barit pointed out that there are four times as many new Hudson and Terraplane cars on the streets and highways than there were a year ago comparing day for day. Then he presented records which showed that the company had built up the strongest selling organization in many years.

[From the New York Herald Tribune of Mar. 22, 1936]

RETAIL SALES RISE DESPITE FLOOD; ST. LOUIS LEADS WITH 32-PERCENT GAIN—NEW YORK STORES SHOW 9-PERCENT INCREASE FOR WEEK, BOSTON 14, PHILADELPHIA 8, AND CLEVELAND EXPECTS ADVANCE OF 10 TO 25 FOR MONTH

WASHINGTON, March 21.—Practically all divisions of trade and industry were seriously disorganized throughout large areas of the East as the result of the floods, the Department of Commerce said today in its report on business conditions in 32 cities. During much of the week both retail and wholesale activities were brought to a virtual standstill in the Pittsburgh area as well as in large sections of Maryland, Virginia, New England, and some other parts of the East.

With plants inundated, industrial production, too, was greatly curtailed during the week.

The vigor of seasonal influences, however, accelerated the upward trend of retail buying in substantially all regions of the country that escaped the devastating floods. Spring weather and Easter buying both became a stimulating factor.

New York reported a continuation of the gains of recent weeks with department-store sales running 9 percent ahead of last year. Philadelphia reported steady expansion with department-store sales 8.1 percent higher than last year. Retail sales in Boston advanced 14 percent over the 1935 week. Cleveland department-store sales felt the effect of early Easter buying, and gains for the month were expected to run from 10 to 25 percent ahead of last year. St. Louis department stores reported a gain of 32 percent over last year.

All business in Pittsburgh was practically at a standstill due to flood conditions and the inundation of most of the business section. For the week ended March 14, however, department-store sales were 17.2 percent higher than the same period last year, and for the 4 weeks' period ended on that date the gain was 23.8 percent.

Chicago reported constant improvement in retail trade with pre-Easter sales of apparel reaching normal strides and retail sales running 12 percent to 15 percent ahead of last year. Sharper gains over 1935 were reported by west-coast cities, also Wilmington, Houston, Memphis, Atlanta, Charleston, Louisville, and Minneapolis. Kansas City reported a new high in volume for several years.

Reports from the 12 Federal Reserve cities follow:

Boston: Retail sales advanced about 14 percent in value over the same week a year ago. Accumulation of surface water, augmented by rainfall, resulted in floods throughout New England which caused heavy property damage, disrupted transportation by railroad and motor, and necessitated closing, for 2 or 3 days, a number of industrial establishments alongside rivers, particularly in the Merrimack and Connecticut Valleys. Even in some larger cities surface-water flooding caused considerable damage and retarded automotive and pedestrian movement.

Trading in cotton goods moderate and a little scattered. Prices of raw cotton were fairly steady, and this stability in face of Government holdings of spot cotton was considered a hopeful sign. Sales of raw domestic wool have been very light, with volume insufficient to establish prices, although quotations remained unchanged. More favorable weather has stimulated retail sales of footwear, and this, combined with the stronger hide market, has improved sentiment appreciably. Buying interest has broadened and new business is reported slightly larger.

Demand for leather has shown irregular improvement, with inquiries broader and strength in hides giving leather prices firmer tone. Hide markets last week were very active and turnover exceeded 200,000 hides. Demand from tanners and traders for native cows was keen at 10½ cents, and strength in this selection helped establish a firmer price for steers.

New York: Continuation of gains over a wide range marked trade in the metropolitan district during the week. Despite some bad spells of weather, department stores, with few exceptions, outstripped 1935 results. Dollar sales were 9 percent ahead of the same week last year. Home furnishings again in wide demand,

although furniture was disappointing. Apparel was good, and most ready-to-wear accessories did very well. Shoes, however, were only fair.

Wholesale centers were active. Resident buying offices reported a steady flow of reorders from other parts of the country. Dresses, coats, and suits in strong demand, with local manufacturers finding the press of orders beyond expectations. Buying that was held back in February is now coming on the market. Millinery demand exceptionally heavy, with manufacturers delayed on delivery and prices stronger.

Philadelphia: Business activity continued its steady expansion. Compared with previous week, gains were registered by all major indices except real-estate transactions. New construction, stimulated by the advent of mild weather, made the best showing. Retail trade continues to improve, with department-store sales 8.1 percent better than last year.

Cleveland: Stimulated by Easter purchasing, department-store sales for the first week in March ran 16 percent ahead of the same period last year. Retail trade in northern Ohio continued to run ahead of the national average, and merchants were heavily stocked for the anticipated rush. Steel operations moved past the 1935 peak, with the Cleveland rate advancing 11 points to 75 percent, attributed to larger orders from the automobile industry. More than 160,000 people attended the General Motors show and bought \$1,000,000 worth of automobiles and electric refrigerators during the 8 days.

Richmond: Business in the fifth reserve district showed symptoms of healthy momentum, with bank debits at Richmond rising to the highest point in several weeks. The \$30,992,000 compared with \$23,942,000 last week and \$29,609,000 in the same week last year. Trade reacted favorably to the advance of the spring season and the attendant Easter buying tendency.

Atlanta: Retail sales moved forward for a gain of 8 percent over last week and 10 percent over the comparable 1935 period. The rise spread to wholesale with dry goods, hardware, and groceries moving to higher levels than last year.

Chicago: Retail trade marked by constant improvement, with sales running from 12 to 15 percent ahead of the same period last year. Not only were pre-Easter sales of apparel reaching normal strides but house furnishings of all kinds were producing good sales volume. Wholesalers reported an increase of purchases, long delayed by February cold spell. Steel-ingot output in the Chicago district during last week increased 0.5 to 63.5 percent of capacity, compared with advance of 4 points to 61 percent of capacity for entire United States. Illinois soft-coal production for February was reported at 5,441,982 tons, an increase of 1,099,709 tons over February and highest production of any February since 1930.

St. Louis: Department stores reported very successful sales week, with 32 percent gain over same week last year. Continued improvement in wholesale lines.

Minneapolis: Twenty retail stores showed 20 to 30 percent increase over similar period last month and average of 20 percent over similar period last year. Similar conditions shown in country stores. Activity reflected in wholesale lines. Flour sales, 52 percent; actual production, 47 percent. Reported twice as many farms selling as in similar period last year at fair prices.

Kansas City: Retail trade during week reached new seasonal high for several years; ready-to-wear lines reporting business 35 percent ahead of a year ago. Department stores, furniture, and other lines were held to 15 percent above this time last year. Wholesale trade likewise experienced a broad expansion, due to additional spring demands.

Dallas: Retail trade failed to maintain the pace of the previous week, but in a majority of cases the gain over last year was well sustained, the average rise being 24.4 percent. Refrigerator distributors reported sales of past month 35.6 percent greater than last year.

San Francisco: Retail trade continued on the upgrade and substantially ahead of last year. Spring buying was reflected more impressively in wholesale trade, which was considerably more active than last week.

FORESTRY FIRE PROTECTION

Mr. ROBINSON. Mr. President, when the agricultural appropriation bill was under consideration I submitted an amendment very materially increasing the amount made available under the report of the committee for forestry fire protection. The amendment that was offered contemplated an increase in the amount carried in the bill as it passed the House from \$1,578,632 to \$2,500,000, which is the authorization of the act commonly known as the McNary-Clarke Act.

The subcommittee of the Senate Committee on Appropriations having charge of the agricultural appropriation bill made an effort to reduce the aggregate amount carried in the bill and to keep down the appropriations. Notwithstanding those efforts, as a result of the action of the committee and the action by the Senate over the recommendations of the committee, there has been an increase in the amount carried by approximately \$38,000,000 when compared with the amount carried in the bill as it passed the House.

The Senate committee modified the amendment which I offered and raised the appropriation for forestry fire protection \$152,750, which was in accordance with the Budget estimate. For some reason which I have not been able to

understand the committee and the House reduced the appropriation for forestry fire protection below the Budget estimate. The Senate committee saw fit to increase the appropriation carried in the bill, as I have already stated, to the amount estimated for by the Budget.

While this increase will not be sufficient to afford fire protection to all the forest areas which require it, it will be helpful in accomplishing the very laudable purpose of protecting the forest resources of the United States, of the States, and of private organizations and citizens from waste and destruction by fire.

The total area of State and privately owned forest lands approximates 426,000,000 acres. Of this area, 237,000,000 acres now have some form of organized protection under the control of State forestry departments. Thus an area of approximately 189,000,000 acres of forest land is lacking in protection; and the statistics show that one-third of this area—more than 60,000,000 acres—is burned over every year, as compared with 1 percent of the area within the protected forests.

There are other figures which I think of sufficient importance to bring before the Senate.

During the fiscal year 1936 the Federal appropriation for forest-fire protection was \$1,578,632. The State and private fund available was \$4,800,024. The amendment I offered would have brought to the maximum authorized by law appropriations for this very laudable purpose.

Mr. President, I neglected to state, and wish to add, that it was my conclusion that I would not be justified in urging at this time the increase to the full amount carried in the amendment referred to, although I believe every dollar of it could be used in a very helpful and advantageous way in the conservation of resources which are of the greatest value to this and the coming generations.

SALARIES AND POSITIONS OF CERTAIN SENATE EMPLOYEES

Mr. TYDINGS. Mr. President, on behalf of the Committee on Appropriations, as well as myself, I enter a motion to reconsider the votes by which Senate Resolutions 249, 252, and 253 were agreed to yesterday.

Briefly speaking, these resolutions direct the Committee on Appropriations to increase certain salaries of the personnel of the Senate. The resolutions were agreed to without any reference to the committee; and, therefore, when the committee studies the appropriation bill, it finds that some of the recommendations are worthy and ought to be incorporated in the bill, but some of them would accentuate the difference in the pay scale between comparable employees. Therefore we should like to have the vote by which the resolutions were agreed to reconsidered, and the resolutions referred to the committee, so that equity may be done all the employees of the Senate.

It is unusual for the Senate virtually to appropriate money without any consideration by any committee; and because, in some cases, we cannot carry out the will of the Senate without doing greater injustices than those sought to be corrected, I enter a motion for reconsideration of the votes by which the three Senate resolutions were agreed to.

The PRESIDING OFFICER (Mr. BURKE in the chair). The motion will be entered.

Mr. ROBINSON. Mr. President, I make no objection to the action taken by the Senator from Maryland; but I point out the fact that under a new rule adopted by the body at the other end of the Capitol it is impossible—it will be, to say the least, impracticable—for the Senate to have considered any increase in the number of its employees or agencies, or any increase in their compensation, unless and until the Senate shall have considered and acted upon resolutions authorizing such increases.

I have no objection, of course, to the Committee on Appropriations considering the resolutions. The Senator from Illinois offered two of the resolutions, and I do not understand that the Senator from Maryland expects to have any action taken on his motion in the absence of the Senator from Illinois.

Mr. TYDINGS. I will say to the Senator from Arkansas that what he has said is correct; and it is not the intention

of the Appropriations Committee to disregard the resolutions. We should like to consider them and report them back so that the Senate may then agree to them if it cares to do so, and we may make the increases where they are wise; but unless some committee considers the resolutions before they are agreed to by the Senate it can readily be seen that greater injustices may occur than those we now may have.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

POSTMASTERS IN ARKANSAS

Mr. McKELLAR. I also report favorably from the Committee on Post Offices and Post Roads the nominations of two postmasters in Arkansas. Because there has been a delay in this matter, I ask unanimous consent that these two nominations may be immediately considered and confirmed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and the clerk will state the nominations.

The legislative clerk read the nomination of James F. Rieves to be postmaster at Marion, Ark.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Gladys L. Hobgood to be postmaster at Monette, Ark.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. McKELLAR. I ask unanimous consent that the President be notified of the confirmation of the two nominations of postmasters in Arkansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Arthur D. Fairbanks to be United States marshal, district of Colorado.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

That completes the calendar.

RECESS TO THURSDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate carry out the order previously made and take a recess until 12 o'clock noon on Thursday next.

The motion was agreed to; and (at 2 o'clock and 55 minutes p. m.) the Senate, under the order previously entered, took a recess until Thursday, March 26, 1936, at 12 o'clock meridian.

CONFIRMATIONS

*Executive nominations confirmed by the Senate March 24
(legislative day of Feb. 24), 1936*

UNITED STATES MARSHAL

Arthur D. Fairbanks to be United States marshal, district of Colorado.

PROMOTIONS IN THE NAVY

Joseph J. Broshek to be captain.
Samuel R. Shumaker to be commander.
Joseph H. Seyfried to be lieutenant commander.
George W. Mead, Jr., to be lieutenant commander.
Harry D. Power to be lieutenant commander.
James H. Doyle to be lieutenant commander.
Charles L. Surran to be lieutenant commander.
Norman S. Ives to be lieutenant commander.
Thomas J. Kimes to be lieutenant.
James V. Query, Jr., to be lieutenant.
Warren B. Sampson to be lieutenant.
Earl T. Hydeman to be lieutenant (junior grade).
Bernard H. Faubion to be assistant dental surgeon.
Jack H. Sault to be assistant dental surgeon.
John H. Paul to be assistant dental surgeon.
Carl A. Schlack to be assistant dental surgeon.
Benjamin W. Oesterling to be assistant dental surgeon.
Galen R. Shaver to be assistant dental surgeon.
Frank M. Kyes to be assistant dental surgeon.
Eric G. F. Pollard to be assistant dental surgeon.
Lloyd W. Colton to be assistant dental surgeon.
James R. Justice to be assistant dental surgeon.
Elmer S. Boden to be assistant dental surgeon.
Gerald L. Parke to be assistant dental surgeon.
Thomas O. Dillard to be assistant dental surgeon.
William M. Fowler to be assistant dental surgeon.
Edward J. Holubek to be assistant dental surgeon.
Kenneth O. Turner to be assistant dental surgeon.
John J. Flaherty to be assistant dental surgeon.
Arthur R. Frechette to be assistant dental surgeon.
Stanley W. Brown to be assistant dental surgeon.
Lewis H. Daniel to be assistant dental surgeon.
Robert S. Snyder, Jr., to be assistant dental surgeon.
Rush L. Canon to be assistant dental surgeon.
Frank E. Jeffreys to be assistant dental surgeon.
George R. Tucker to be assistant dental surgeon.
Aloysius C. Grosspietsch to be assistant dental surgeon.
William H. Snyder to be assistant dental surgeon.
John P. Crampton to be assistant dental surgeon.
Stephen T. Kasper to be assistant dental surgeon.
Kenneth M. Broesamle to be assistant dental surgeon.
Reimers D. Koepke to be assistant dental surgeon.
Walter W. Crowe to be assistant dental surgeon.
Ralph Bates to be assistant dental surgeon.
Louis J. Shapard to be chief carpenter.
Charles W. Harvey to be chief pay clerk.
John Peak to be chief pay clerk.

POSTMASTERS

ARKANSAS

John W. Goolsby, Hartford.
James F. Rieves, Marion.
Dewey J. Howell, McGehee.
Gladys L. Hobgood, Monette.
Ross M. Harris, Mount Ida.
Percy V. George, Ola.

MICHIGAN

William P. Mowry, Bronson.
Joseph M. Foster, Charlevoix.
Paul Doud, Mackinac Island.
Clinton Joseph, Quincy.

MISSOURI

Leonard Moore, California.
Susan T. Fulbright, Doniphan.
Sterling H. Bagby, Huntsville.
Arch B. Young, Perry.
Dora H. Weber, Tipton.

NORTH CAROLINA

Woodrow McKay, Lexington.
Lonnie W. Jacobs, Pembroke.

TENNESSEE

Elbert D. Corlew, Charlotte.
Charles A. Beckler, Ducktown.
William W. Turner, Jasper.
Luther P. Speck, Monterey.
Leon S. McDowell, Winchester.

VIRGINIA

Hattie C. Barrow, Dinwiddie.
Henry A. Storm, McLean.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 24, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord our God, we thank Thee for the sunlight which has arisen and poured its abundance over the wide earth. Inspire us, we beseech Thee, by the passionate love of the truth; help us to make every sacrifice to follow it in all its ways. In the familiar circle of life and duty may we be found using the gifts of wise judgment and honest discrimination. Do Thou protect our country from every form of violence, rebellion, and corruption. We pray that all those in authority and all magistrates may be upright in the administration of justice. Heavenly Father, preserve the strength and health of our President; graciously regard our Speaker and the Congress and grant that our eternal refreshment and joy may be at the river of life, bright as crystal, proceeding out of the throne of God and the Lamb. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11035. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KVALE. Mr. Speaker, reserving the right to object, will the gentleman withhold his request until I can propound a unanimous-consent request?

Mr. GRAY of Pennsylvania. I withhold my request.

THE WORK OF THE FEDERAL TRADE COMMISSION

Mr. KVALE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech made by the Chairman of the Federal Trade Commission last week.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KVALE. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Chairman Charles H. March, of the Federal Trade Commission, at the eleventh annual dinner of the Drug, Chemical, and Allied Trades Section of the New York Board of Trade, Inc., at the Waldorf-Astoria Hotel in New York City on the evening of Thursday, March 19, 1936:

Mr. Toastmaster and gentlemen, I am very happy to be your guest at this large and representative annual gathering of your industry, and to have this opportunity to talk to you about the work of the Federal Trade Commission.

A little more than a year ago it was my privilege to preside over a trade-practice conference for the wholesale drug industry

held in Chicago. I had the pleasure of meeting many of you at that time. You who were there should be proud that that proved one of the most successful trade-practice conferences ever sponsored by our Commission. Also, you will be gratified to know that the trade-practice rules adopted at that conference have been lived up to by your industry with such unanimity that very few violations have been reported to the Commission. What has been done in the wholesale drug industry through the trade-practice conference procedure has been or is being done in a great many other industries. This cooperative effort on the part of business to put its own house in order is an inspiring thing.

One of the reasons assigned for inviting me to speak to you tonight is that the work of the Federal Trade Commission is not as generally known and understood as it should be. Unfortunately, that is true. But it is not as true as it used to be. One reason for the increasing public knowledge of the work of the Commission is the trade-practice conference procedure, and the spread of the idea of cooperative effort on the part of business. One reason why the work of the Federal Trade Commission has not been as widely known to the public is that it is seldom of a spectacular character. It is nonetheless important, valuable, and effective. The more that is known of the Commission's work and the better it is understood, the more it will be appreciated.

HISTORY AND PURPOSES OF THE ACT

The Federal Trade Commission is an administrative agency, exercising quasi-judicial functions. It is next to the oldest independent agency of the Federal Government. The Federal Trade Commission Act was signed by President Wilson on September 26, 1914. In a public statement issued at that time, President Wilson said that in the Commission's establishment there had been created—

"A means of inquiry and of accommodation in the field of commerce which ought to both coordinate the enterprises of our traders and manufacturers and to remove the barriers of misunderstanding and of a too technical interpretation of the law."

He added that the Commission had been created with "powers of guidance and accommodation which have relieved businessmen of unfounded fears and set them upon the road of helpful and confident enterprise."

While the Commission has certain other powers and duties, its principal functions are twofold:

1. To prevent unfair methods of competition in commerce.
2. To make investigations at the direction of the President, the Congress, upon the request of the Attorney General, or upon its own initiative.

You are more interested in the first of these functions, and I shall, therefore, pass over the second, that is, the investigational work of the Commission, with only a brief reference. However, let me say that it would be difficult to understate the importance of the investigational work which the Commission has done and is doing, or exaggerate its value to the American public. During its life, the Commission has conducted more than 80 general investigations and fact-finding studies. Notable among these have been the food inquiry, which resulted in the passage of the Packers and Stockyards Act; the chain-store inquiry; investigations of the steel and textile industries, and of electric and gas utilities, to mention only a few of the more important. These inquiries have resulted in wholesome legislation, and in reforms which business and industry themselves have adopted, due to the publicity attendant upon the Commission's investigations and reports. In many instances, they have resulted in savings to the public amounting in the aggregate to hundreds of millions of dollars. Merely the publicity attendant upon these investigations has been a powerful corrective of abuses which had become prevalent among the industries investigated.

Legislation resulting directly or indirectly from these inquiries has included the Packers and Stockyards Act, the truth-in-securities law, and the act for the regulation of stock exchanges, to mention only a few.

But you businessmen are more interested in the work of the Commission in the prevention of unfair trade practices than in its investigational functions.

Matters coming before the Commission directly probably affect the interests of more people than those referred to any other Federal agency. Sometimes a single case directly affects millions of citizens. Some affect practically every household. They have to do with nearly everything we eat, drink, wear, or make use of in any way.

The objective of the Commission is protection of honest competitors and the consuming public from fraudulent and misleading practices in commerce. In so many words, the Commission's organic act directs it to prevent those subject to the act "from using unfair methods of competition in commerce."

Procedure before the Commission is simple and effective. A case may originate in any one of several ways. The most common origin is through complaint of an unfair trade practice made by a competitor or a consumer. No formality is required for anyone to bring a matter to the Commission's attention. A letter setting forth the facts is sufficient, or it may be done by a personal call. In no case is the identity of the complainant made public.

When a matter is brought to the Commission's attention, it orders an investigation. If from the facts it appears that the law is being violated, the Commission orders a complaint served upon the alleged offender, who is thereafter known as the respondent. He is allowed a reasonable time in which to make answer, after which the case is ordered to trial. Hearings are held, briefs filed, and the case argued before the Commission, which then takes the matter under advisement and renders its decision as in the usual court proceeding.

If the Commission finds that the facts bear out the allegations of the complaint, it issues an order requiring the respondent to cease and desist from the unlawful practices set out in the findings. The respondent has the right of appeal to the United States Circuit Court of Appeals, and finally to the United States Supreme Court.

If the Commission finds that one of its orders is being violated, it presents the facts to the court of appeals in the appropriate circuit and asks that its order be enforced. Its cases are given priority in those courts. If the court finds that the order is valid, and is being violated, it requires the respondent to obey the cease-and-desist order. In case of violation of the court's order, the matter may be then handled by the court as in a contempt proceeding; that is, a penalty may be imposed.

We have developed another procedure, more informal, known as the stipulation procedure, by which we have been able to expedite our work and save a great deal of expense.

It frequently happens that a violation occurs through ignorance, and that the attention of the offender has only to be called to the fact to induce him to stop. Instead of issuing a formal complaint the Commission allows the individual or corporation complained against an opportunity to sign a stipulation to cease and desist from the practices charged. If he does so, further action is suspended; if he refuses, the case goes to trial.

The Commission believes this procedure protects the American consumer from numerous unfair methods of competition, and, by reason of its simplicity and economy, reaches a far larger number of abuses than would otherwise be possible. Also, this procedure saves large sums, both to the Government and to respondents. It should be said, however, that whether a respondent shall be permitted to sign a stipulation is entirely within the discretion of the Commission. This privilege is never permitted where violations are especially malicious and to the serious injury of the public.

Some may ask just what are unfair methods of competition in commerce, within the meaning of the Commission's act. Congress wisely did not attempt to define the term, because unfair competition may take any one of a thousand forms. On this point the Supreme Court said: "In the nature of things, it was impossible to describe and define in advance just what constituted unfair competition, and in the final analysis it became a question of law, after the facts were ascertained." Therefore, each case must be considered in the light of the facts pertinent thereto.

In general unfair trade practices may be grouped into two classes: Those which involve an element of fraud or dishonesty, and those not inherently dishonest but which are restrictive of fair competition. It is the job of the Commission, therefore, when a complaint comes to its attention, to ascertain the facts and render its judgment on those facts. Conclusive evidence that the Commission's work is thorough is to be found in the record of its cases appealed to the courts. For example, during the fiscal year ended June 30, 1935, Commission orders were approved in all of the 10 cases taken to circuit court of appeals. From February 1935 to February of this year 19 Commission orders were appealed to circuit courts of appeals, and in none was the Commission overruled.

Cases decided by the Commission affect every competitor in the business engaged in by the respondents, as well as consumers of the commodities involved. When you eliminate an unfair practice by one competitor, every honest competitor is benefited thereby, as well as all consumers of the products involved. What this is worth to the public it is not possible to estimate, but the amount would be large.

As appreciation of the value of its work grows, more businessmen and consumers are turning to the Commission for relief from dishonest practices. This is evidenced by the recent heavy increase in the Commission's legal work. In the last 2 years this increase has been very marked. During the fiscal year 1934 there were 1,829 cases before the Commission, whereas for the fiscal year 1935 the number increased to 3,385. From the number of cases coming to the Commission thus far this year, it is estimated the total number to come to its attention during the year will be in excess of 4,500.

TRADE-PRACTICE CONFERENCES

In its work of suppressing unfair methods of competition in commerce the Commission has developed a plan whereby it is possible to accomplish this objective by wholesale, at great saving both to the Government and to business. I refer to the Commission's trade-practice conference procedure. This procedure is a logical development of the Commission's effort, in cooperation with business, to protect the public from unscrupulous men who are out to exploit the public and increase their profits at no matter what cost to honest competitors and the public.

This procedure, about which you are likely to hear much more, affords an opportunity for members of a particular business to sit down together and, under the sponsorship of the Commission, consider their particular problems, and collectively agree to the abandonment of unfair practices. Under this procedure, members of a business take the initiative in establishing a degree of self-government by setting up their own code of business ethics, subject, of course, to the approval of the Commission. This means that they must be within the law. Thus all members of a given business are placed on the same fair competitive basis. When unfair practices in an industry are thus eliminated, every honest member of that industry is benefited, and it is made easier to require unscrupulous persons to keep within the law. The consuming public is also a direct beneficiary. That is where the

primary concern of the Federal Trade Commission lies, for it is the public interest with which the Commission must at all times concern itself.

By this procedure often the unfair and dishonest practices of an entire industry are corrected at a single conference, whereas if it were necessary to take action against each individual offender, hundreds of proceedings might have to be instituted.

The Commission's trade-practice conference procedure usually leads to the prompt abandonment of unfair practices by the entire industry concerned. Moreover, an industry thus grows into the habit of policing itself, and its honest members, who constitute the large majority, cooperate in bringing about enforcement of the law.

Since inauguration of the Commission's trade-practice procedure approximately 175 conferences have been held. It is gratifying to report that agreements so arrived at have been observed by an overwhelming majority of the members of the industries concerned.

Applications from more than 40 industries for such conferences are now pending. Some are from very large and important industries. In addition, representatives of approximately 200 other industries have made inquiry as to necessary steps for holding conferences. It would be difficult to overemphasize the importance of this growth of cooperative spirit in business.

AMENDMENTS TO THE FEDERAL TRADE COMMISSION ACT

I have discussed briefly the origin and history of the Commission. Now a word about certain proposed amendments to the organic act under which the Commission functions. Most of these amendments were recommended by the Commission in its last annual report, in the light of its 21 years of experience under its act. These amendments were introduced in the Senate by Senator WHEELER, of Montana, chairman of the Senate Committee on Interstate Commerce, which has favorably reported the amendments to the Senate, and in the House by Representative RAYBURN, of Texas, chairman of the House Committee on Interstate and Foreign Commerce. I refer to these amendments because considerable misinformation exists about them. No doubt some of it has been circulated by interests unfriendly to the purposes of the amendments and possibly to the original act. The principal amendment proposed is to section 5 of the Commission's act, which would insert therein the words "and unfair or deceptive acts and practices", so that the language of that section, as amended, would read: "That unfair methods of competition in commerce and unfair or deceptive acts and practices in commerce are hereby declared unlawful."

Without this amendment, there is question whether the Commission has jurisdiction of an unfair practice where it develops that the offender has a monopoly in his field and, therefore, has no competitor, or in a case where all competitors are equally guilty of the same practice. In one case carried to the Supreme Court, a Commission order to cease and desist was voided because the Court took the position that all of the competitors of the respondent disclosed by the record had been equally guilty. The Court said it was not the business of the Government to protect one knave from another. Thus, no matter how much the public might be injured, the Commission may be powerless to give it the protection to which it is entitled. The proposed amendment would clear away doubt as to the Commission's jurisdiction. That is the purpose of the amendment.

For the most part the other amendments are either clarifying or procedural.

The fundamental purposes of the Federal Trade Commission Act and those sections of the Clayton Act of which the Commission has jurisdiction, are to eliminate unfair-trade practices and such practices as tend substantially to lessen competition or create monopolies. Some have felt that there has been a tendency in recent years away from these purposes; that there has been a lessening of the public demand for enforcement of the antimonopoly laws. In my judgment, this tendency has been fostered on the one hand by selfish interests whose practices these laws were intended to stop, and on the other by a growing belief that preservation of competition was an economic fallacy and mistake. I do not believe it can be successfully denied that this latter belief has been artificially encouraged. It is easy to say that because great enterprises exist in considerable number, and are frequently able to operate at low cost, the public interest would be better served by their encouragement than by their regulation or elimination. But this argument fails to take into account the disastrous results to the public which usually follow the concentration of an enterprise largely or almost exclusively in a few large units. Experience has shown that the capacity some large businesses may have to give the public the benefit of low prices is often exercised only at great cost to themselves, a cost which even they can afford only temporarily. It is as true now as when the laws against monopolies were passed, that once success has attended efforts of large enterprises to drive from the field the small competitors who cannot meet these temporarily lowered prices without fatal loss to themselves, such selfish interests usually raise prices to even higher levels than they were before.

It is my belief that the late severe economic depression can be traced in large degree to reprehensible practices of selfish interests, many of which were unsoundly and excessively capitalized. These practices were not properly controlled, because the country had become so blinded by temporary prosperity as to accept the theory that monopolies were beneficial rather than dangerous.

What happened? In their greed for profit monopolistic enterprises charged more than the traffic could bear. They had no re-

gard for ultimate consequences. By eliminating competition they thought they were on their way to greater success and greater riches. Actually, however, as it turned out, fewer people were able to buy the products of the big business enterprises which had concentrated output in their own hands, for that very concentration deprived many of their means of livelihood and thus destroyed their purchasing power. The result, so often called "overproduction", would probably better be termed "underconsumption."

It is my conviction that to allow great interests a free hand and permit them to destroy competition is not only disadvantageous to a principle on which our Government was established; that is, equal opportunity for all who may be fitted to improve their position by reason of their own energy and initiative. By this I do not mean that it was ever intended to protect the lazy or incompetent. I do mean that the right of every man to use his brain and energy and gain a fair reward therefor should be preserved and protected.

If we are to accept the process of concentration of business in a few hands as beyond control, then it is time to admit that our foremost national aim, individual opportunity, has been lost, and that what we had believed was our outstanding national trait, individual initiative, either has failed or is no longer worth preserving.

I am afraid we have been taking the sturdiness of American individualism too much for granted. It is time we examined into this American characteristic and decided whether we are to use it or lose it. If we are to abandon this trait, either we place ourselves at the mercy of selfish combinations or we must stake more and more reliance on government.

For my part, I hold that through wise enactments the rights of the individual should be protected, and that individual initiative and capacity should have a fair chance to assert themselves honestly and efficiently, and receive the just reward to which they are entitled.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. The gentleman from Pennsylvania [Mr. GRAY] asks unanimous consent to address the House for 5 minutes. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I inquire how many speeches are going to be made before we commence the regular business for today?

The SPEAKER. The Chair is unable to inform the gentleman.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, I shall not object to the gentleman from Pennsylvania proceeding, but I will object to any other request along this line because we want to proceed with the consideration of this bill.

Mr. CELLER. Mr. Speaker, reserving the right to object, will the gentleman withhold his request so that I may propound a unanimous-consent request?

Mr. GRAY of Pennsylvania. I withhold my request.

THE CURSE OF RELIGIOUS BIGOTRY

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on religious freedom.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, to my mind there is nothing more frightful and horrible than the ravages, rapine, pillage, and suffering caused by religious bigotry—of the type now prevailing in turbulent Germany not only against Catholics and Jews but against Protestants as well. The National Conference of Jews and Christians, an organization of genuine brotherhood, is working with might and main in our country to instill in the hearts and minds of the citizenry everywhere the thought that all constitutional rights should be accorded free and openly to all persons regardless of religion, race, or color.

In my city of Brooklyn the antidefamation committee of the B'nai B'rith order is lending the weight of its influence to spread this good gospel of brotherhood. The Brooklyn lodge adopted a resolution recently, which I am pleased to present:

At a general meeting of B'nai B'rith, Brooklyn Lodge, held at Temple Beth Emmeth of Flatbush, 1510 Church Avenue, Brooklyn, N. Y., on February 26, 1936, the following resolution was offered and unanimously adopted:

"Whereas it is the function of the antidefamation committee of B'nai B'rith, Brooklyn Lodge, to combat prejudice and discrimination against race, creed, or color, and it is the declared policy of the committee to accomplish its end through the medium of enlightenment and education rather than retaliation; and

"Whereas the National Conference of Jews and Christians set aside February 23, 1936, as Brotherhood Day; and

"Whereas the President of the United States delivered a radio address in celebration of Brotherhood Day, in which he enthusiastically supported its purposes and encouraged an alliance of faiths, urging that people of different faiths 'reach across the lines between their creeds, clasp hands, and make common cause': Now, therefore, be it

"Resolved, That the President of the United States is deserving of praise and commendation for his straightforward and fearless address on the subject; and be it further

"Resolved, That it is the sense of the membership of B'nai B'rith, Brooklyn Lodge, that other public officials, national, State, and local, candidates for public office, and political groups and organizations, should on the appropriate occasions, by word and action, contribute to the enlightenment of their constituents by publicly encouraging good will, good-fellowship, and the 'good-neighbor idea' so aptly discussed by the President of the United States in his radio address; and be it further

"Resolved, That the president of B'nai B'rith, Brooklyn Lodge, be, and he hereby is, authorized and directed to express the appreciation and gratitude of the membership to the President of the United States and to transmit a copy of this resolution to the press and to such others as may be interested in its subject matter."

PENNY-WISE—POUND-FOOLISH

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Federal Register.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, the distinguished gentleman from Indiana, my dear friend, Mr. LUDLOW, in a speech which appears in Monday's RECORD attacked: First, the cost of printing the daily Federal Register; second, the cost of printing the compilations of administrative rules and regulations now in force and effect; third, the sales appeal of the new publication; and fourth, the so-called bureaucratic growth of the Division of the Federal Register in The National Archives.

Also the very able gentleman from Missouri, my dear friend, Mr. COCHRAN, has been similarly disparaging the publication of the Federal Register. Both these gentlemen deprecate the cost and the additional expense to the Government. I say to both, that in their opposition they are but penny-wise—pound-foolish.

COST OF THE FEDERAL REGISTER

The gentleman is correctly informed in saying that the appropriation to the Government Printing Office for printing the Federal Register amounts to \$225,000 from March 14, 1936, to March 1, 1937.

In October of 1934 a special committee consisting of John Dickinson, Assistant Secretary of Commerce; Harold M. Stephens, Assistant Attorney General; Erwin N. Griswold, Department of Justice; J. G. Laylin, Treasury Department; Jerome Frank, Agricultural Adjustment Administration; D. J. Haykin, Library of Congress; and Cyril Wynn, Department of State, which was appointed by the National Emergency Council, submitted a report respecting a proposed official publication. The report as submitted included an estimate of the office of the Public Printer stating that the 16-page paper could be issued 5 days a week, with appropriate indexes, at a cost of \$52,000. At the same time the committee estimated the total annual pay roll at \$34,000. As stated by the Administrative Secretary of The National Archives in his letter to Representative LUDLOW on March 19, 1936, the total annual pay roll is now \$38,320, and no increase in personnel is contemplated. The increase in actual expenditures over the estimates made by the special committee is almost entirely in the printing cost. The printing appropriation took into account a 32-page paper. It appears at the present time that a 16-page paper will be sufficient to carry all Government rules and regulations except in cases of an emergency. For this reason, and in view of the fact that the amount appropriated for printing is approximately five times the estimate made in December of 1934, it would seem probable that a considerable saving may be made in this regard.

By the coordination of printing activities of the various departments of the Government and the Federal Register, it may be possible to use the same type and it will doubtless be possible to cut down on the volume of publications issued by the various departments, with the further possibility that publication of the Federal Register may eliminate the necessity of certain miscellaneous Government publications. It

is believed that a considerable saving can be made by coordinating printing practices in this manner.

COST OF PRINTING THE COMPILATION REQUIRED UNDER SECTION 11 OF THE FEDERAL REGISTER ACT

The gentleman from Indiana, referring to the compilation required by section 11 of the Federal Register Act, has stated that the printing of the vast accumulation of governmental orders, regulations, and so forth, would be like publishing all out of doors and the cost would be unfathomable. The gentleman is incorrectly informed in this particular. His statement is doubtless based on the assertion of Mr. Giegen-gack, the Public Printer, who was quoted as having testified before the legislative Subcommittee on Appropriations, as follows:

It is impossible to give any idea as to what it will eventually cost to print the present accumulation of existing orders, proclamations, and regulations that now have the force and effect of law. It has been stated that there are literally truck loads of them, and that the Archivist would need to increase his building 100 percent in order to hold them all.

In this Mr. Giegen-gack was misinformed. He evidently had in mind all of the files of Federal agencies which are to be selected for removal to The Archives Building. I am informed that there are only 18 file drawers containing compilations submitted under the provisions of section 11 of the Federal Register Act, which are now in the Division of the Federal Register. Thirteen of these file drawers contain documents submitted by departments and agencies of the executive branch of the Government and five file drawers contain Executive orders issued by the President. Of this material, a substantial portion will be discarded as not eligible for publication, for preliminary examination shows that numerous documents that have been submitted are not of the type which Congress intended to have published under the Federal Register Act.

DEMAND FOR THE FEDERAL REGISTER

The gentleman from Indiana expressed concern over the small number of subscribers to the Federal Register. At the present time Government agencies have requested approximately 3,000 copies; Congressmen and Senators have requested approximately 1,200 copies; depository libraries receive 500 copies; and the Library of Congress 125 copies. Since the Federal Register started publication subscriptions have been received at the Government Printing Office at the rate of 25 per day, and it is expected that subscriptions will continue to be received until approximately 15,000 copies are distributed daily.

The leading private tax service reporting changes in tax law, from Washington, has 15,000 subscribers, and it is the belief of the Washington representative of that service that the Federal Register will ultimately have at least that many subscribers, especially if the subscription price can be kept at a reasonable figure. There are approximately 150,000 subscribers of the various services of this publishing house in connection with administrative agencies in Washington and approximately 75,000 subscribers to the services of its leading competitor. The subscription price of each of these services is higher than the year's subscription rate of the Federal Register. For this reason it seems probable that the Federal Register will steadily gain in the number of its subscribers and that within a reasonable length of time a substantial portion, if not all, of the cost of the Register will be borne by the subscriber.

The reaction on the part of the general public since the start of publication of the Federal Register has been, on the whole, favorable. The New York Times, for March 15, 1936, states:

A survey by the American Bar Association which pointed to the need of the legislation showed a wide potential demand for such a daily record among attorneys, newspaper editors, scholars, and business men.

The Brooklyn Eagle, in an editorial appearing in its March 17 issue, states:

The United States has long been the only great nation without an official gazette, the nearest approach being the CONGRESSIONAL RECORD, which, however, covers only the transactions and debates of the House and Senate and appears only while Congress is in

session. The authorization of such a publication, to be known as the Federal Register, the first issue which appeared Saturday, is therefore belated recognition of a need that has been even more pressing than usual during the past 3 years.

If the expense seems to mount too high, we suggest that corresponding savings could be made with the greatest ease in the cost of the bulky, though sometimes extremely diverting, CONGRESSIONAL RECORD, with no loss whatever except to the privilege of Senators and Representatives of "extending remarks" therein, which frequently have no bearing whatever on the deliberations of those august bodies.

The Indianapolis News, the largest evening newspaper in the State so ably represented by the gentleman from Indiana, in an editorial dated March 16, 1936, states:

They were reprimanded (the New Dealers) by the Supreme Court in the "hot oil" case and reminded that one of the first duties of government is to see that the people have a reasonable opportunity to know the law. In these days, when Congress gives its lawmaking powers to the Executive, and he empowers bureaus and departments to issue orders having the effect of law, this is very important.

During the past 3 days inquiries and subscriptions received by letter at the Division of the Federal Register alone represent the following States: Arizona, California, Colorado, District of Columbia, George, Illinois, Indiana, Iowa, Massachusetts, Maryland, Mississippi, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, and Washington.

NEED FOR AN OFFICIAL GOVERNMENTAL PUBLICATION

In the December 1934 issue of the Harvard Law Review Dr. Erwin N. Griswold states that systematic publication of administrative rules and regulations is in effect in England, Australia, Ireland, Canada, India, New Zealand, South Africa, and similar publications are common in the Latin countries. He states further "that apart from the United States it would be very difficult to find a nation of importance which does not use some method to make available and accessible a record of the acts of its executive authorities."

Judge Harold Stephens, of the Court of Appeals of the District of Columbia, the man who argued the "hot oil" case in his capacity as assistant to the Attorney General, stated at the hearings of the Committee on the Judiciary a month ago:

* * * It is idle to attempt to know what the law is today without knowing what the regulations are or the Executive orders; and I as a lawyer and a judge say that we have no dependable source for obtaining those laws and regulations at the present time.

Assistant Attorney General John Dickinson, appearing at the same hearings, advanced the argument that the small-town lawyer and the small-town businessmen have a right to know what the law is on a given subject as much as the large law firms and large corporations with their continuous Washington contacts. He was of the opinion that the body of administrative law should be available in every county seat in the form of an official gazette published by the Government as a complementary publication to the United States Code.

Statutory and administrative law are complementary, and both must be available if one is to know the law on any subject on which rule-making power has been delegated. The United States Code and the Statutes at Large furnish the citizen with statutory law, but until the Federal Register came into being there was no similar source for rules and regulations with the force and effect of law.

The fact that ignorance of the publication and its comparative newness has kept the early list of subscribers at a small figure does not affect the legality of the regulations which are issued daily from having the same force and effect of law as the statutes which we pass daily. I personally believe that the paid subscription list of the Federal Register will grow steadily until it approximates or surpasses the paid subscription lists of the CONGRESSIONAL RECORD or the Statutes at Large.

In the past regulations have been issued in a very informal manner; in some instances circular letters, press releases, and other informal documents have contained regulatory material, and violation of these regulations so issued have carried penalties. Although certain Government departments and agencies are required by statute to give official notice of certain acts, there was, before the publication of the Federal Register, no medium through which these notices might be given officially. Up to the present time there has

been no comprehensive manner in which Government offices in the field might be advised of rules and regulations. Inquiries are repeatedly forwarded to Government departments from Government representatives outside of Washington, which will be to a large extent unnecessary now, in view of the fact that the Federal Register provides the answers to these questions.

Numerous Supreme Court cases have held that Executive regulations, properly made, have the force and effect of law. Since no publication of these administrative rules was contained in an official document which all might obtain, it was impossible for the average citizen to ascertain all the regulations which might affect him.

In the early part of the nineteenth century Jeremy Bentham, English philosopher and jurist, wrote:

We hear of tyrants, and those cruel ones; but whatever we may have felt we have never heard of any tyrant in such sort cruel as to punish men for disobedience to laws or orders which he had kept them from the knowledge of.

Slightly over a year ago the Supreme Court decided a case on the assumption that the regulations of a Government bureau of some years' standing were known to those dealing with it, and yet the bureau itself spent 2 months in an intensive search before the particular document involved could be found. It is true that the "hot oil" case which focused attention on the lack of a central agency for inspection and publication of administrative rules and regulations was an extreme example. Naturally very few cases reach the Supreme Court before anyone discovers that the section of administrative law on which they are based has been eliminated by Executive order. There are many cases which are as illustrative of the principle, on which attention has not been focused, and these cases are bound to increase as the body of administrative law increases. Several such cases were cited by Dr. Griswold, of the Harvard Law School, in his testimony before the Committee on the Judiciary last month. It is impossible for Congress to abolish the delegation of rule-making power to the Department of State, the Department of Commerce, and so forth, and it would seem unwise to relax the old common-law maxim, "Ignorantia juris non excusat", to any great extent. The only remedy is to make the rules and regulations available for public inspection and by publication furnish them to all the public at a reasonable subscription price before any such documents having general applicability and legal effect shall be binding on our citizens.

The same logic which would lead us to economize by cutting out the Federal Register would lead us to cut out the Statutes at Large and the Supreme Court decisions on the ground that interested parties could write in when they wanted to ascertain the law.

It is true that the common-law maxim stated that ignorance of the law excuses no one. There has been a relaxation of this rule of necessity. Although it may be quite proper to relax the penalty which is exacted for ignorance of the law, it would seem preferable to take steps to make the law easily available to all people who may be bound thereby.

One of the most severe and outspoken critics of so-called bureaucracy in the Federal Government has stated in a recent book:

It is a maxim of our jurisprudence that ignorance of the law excuses no one; but that maxim was evolved over a period of ages when our law was easily discoverable, if not known, in our statute books. The rule becomes preposterous, when law may be ground out in a daily torrent by administrative agencies which may be under no duty even to publish the same.

BUREAUCRACY

It has already been stated that the appropriations for salaries of the members of the staff of the Division of the Federal Register is approximately the same as that estimated to be necessary by an impartial committee of Government experts before I introduced the Federal Register bill in this House a year ago. By far the major portion of the appropriation is for printing, and a substantial saving on the appropriation should be made.

One of the major evils of bureaucracy as the gentleman from Indiana defines it is, in my opinion, the fear which it

instills in the average citizen of punishing him for violation of rules of which he is not aware. The Federal Register will remove this fear, and I firmly believe that it will stand as one of the foremost of the many constructive achievements accomplished by this administration.

CONCLUSION

During the hearings before the subcommittee of the Judiciary Committee of which I was chairman on the Cochran bill to abolish the Federal Register, our genial and distinguished friend the gentleman from Pennsylvania [Mr. DRISCOLL] vigorously opposed the Cochran bill and emphasized the need for the Federal Register. Among other things, he drew attention to the activities of a certain Roman Emperor who posted his decrees so high that his subjects could not read them, and then punished them for violation thereof. The Library of Congress gives me a report taken from the 1883 edition of Alexander Thomson's translation of Suetonius' *Lives of the Twelve Caesars*. The quotation on page 278, paragraph 40, of Thomson's translation points out Emperor Caligula as the guilty tyrant. Suetonius wrote about 120 A. D. The quotation is as follows:

These taxes being imposed, but the act by which they were levied never submitted to public inspection, great grievances were experienced from the want of sufficient knowledge of the law. At length, on the urgent demands of the Roman people, he published the law, but it was written in a very small hand and posted up in a corner so that no one could make a copy of it.

Apparently our friends from Missouri and Indiana, Representatives COCHRAN and LUDLOW, would have our Government ape the tyrant Emperor Caligula. In fact, they would even go Caligula one better. Whereas he at least wrote the decrees in a very small hand and posted them in such a way that nobody could copy them, our good friends from Indiana and Missouri would have our Government not even publish the rules and regulations so that they could not even be seen under any circumstances.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania to proceed for 5 minutes?

Mr. MONAGHAN. Mr. Speaker, reserving the right to object, I should like to know whether other Members who have unanimous-consent requests to propound are going to be recognized before the regular business is taken up?

The SPEAKER. The Chair will recognize all Members for unanimous-consent requests.

Mr. O'CONNOR. Mr. Speaker, as we have to wait only 5 minutes while the gentleman from Pennsylvania makes his address and these unanimous-consent requests may be made afterward, I demand the regular order.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GRAY of Pennsylvania. Mr. Speaker, I am asking for this time to speak of the condition of the Twenty-seventh District and specifically of the city of Johnstown, Pa. I am not going to make any remarks about what the flood has done up there except to say it has prostrated the city.

At the time of the business collapse in 1929, or shortly thereafter, the largest bank between Philadelphia and Pittsburgh in the State of Pennsylvania, the First National Bank of Johnstown, failed. It closed. Some people did not agree as to the wisdom of closing the bank and whether it should have been closed or not, but that is water over the dam. Johnstown is in the heart of a mining and steel center of Pennsylvania. The recovery program of the Roosevelt administration had not had time to favorably affect Johnstown and its vicinity until 4 or 5 weeks ago, when an upturn was noted. The city has been visited by a second disastrous flood, resulting in property damage far greater than resulted from the flood of 1889. The people have no money to pay the encumbrances on their homes and business properties, to pay taxes, or for any other purpose.

Mr. Speaker, the city of Johnstown has a bonded indebtedness of \$5,000,000. The school district of the city of Johnstown has a bonded indebtedness in excess of \$4,000,000. I

do not know what can be done by the present legislative set-up in Washington, but something should be done in regard to new legislation if we do not have legislation at the present time to cover the situation. To give you a definite idea of the thought of the people of Johnstown, I have before me this morning the first issue of the Johnstown Democrat that has been published since the flood last week. In an editorial in this paper there is given a very plain exposition of the needs of the people. The editorial follows:

CREDIT AND REHABILITATION

Johnstown, members of its council, the State authorities, Members of the Congress, the President, members of his Cabinet, and the heads of various governmental spending agencies face a series of definite problems which have arisen as a result of the recent dampness in our valley.

Recent events have impaired, if they have not well destroyed, the credit of the city, the Johnstown school district, and Cambria County. There are certain things the Government can do within the range of existing law.

The collection of any considerable amount of delinquent taxes becomes highly improbable. The Federal Government can advance the face of the municipal, school district, and county tax duplicate. The properties are worth the tax—some time. The Government would get its money back—eventually. Moreover, if a proper survey and appraisal were made, it would be possible to ascertain who was and who was not in a position to pay taxes for the year 1936. The Government could assume the burden of current tax delinquencies.

There is another matter in which the Federal Government, under the cover of existing law, could supplement, fortify, and protect the credit of the municipality, the school district, and the county. The Government could refund existing debt at a nominal interest rate. Bondholders could properly be required to surrender their bonds at their face value. Outstanding indebtedness should be refinanced at a rate not to exceed 1 percent.

If the full measure of the assistance suggested were actually extended, the Government would not lose a cent in the long run, while the current obligations of the city, the school district, and the county would be reduced at least 40 percent.

If there is a failure to act along the lines suggested, the city, the Johnstown school district, and, eventually, the county will be compelled to default.

Mr. BOLAND. Will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to my colleague from Pennsylvania.

Mr. BOLAND. If I understand the gentleman's remarks correctly, it is imperative that the Government here, particularly the R. F. C., extend their efforts and their credit to allow Johnstown and its citizens, especially its businessmen, the use of money immediately?

Mr. GRAY of Pennsylvania. Yes. I do not know whether that can be done or not, but if it cannot be done under existing law, provision should be made so that this may be accomplished.

Mr. BOLAND. In other words, it is imperative that Congress extend Johnstown that remedy?

Mr. GRAY of Pennsylvania. Yes. There is no question about that. It is undisputed and recognized by every man and woman who knows anything about financial conditions in the city and the county of Cambria.

I am not sure that existing laws contain the enactments by which the needed help can be extended. A hundred thousand people stricken by calamity after calamity cannot be expected to bear their burden without assistance from somewhere, and the place where it should come from is here in Washington.

It must not be understood that I am standing here for myself or for the city of Johnstown, trying to panhandle from the Federal Treasury or wheedle something from it, with no thought or expectation of paying back in full measure. The residents of Johnstown, of Cambria County, and of any of the devastated towns and communities of the Twenty-seventh District of Pennsylvania and of the entire State are not that kind of people. They are not beggars or bums or raiders of the storehouses of the Government.

I do not have by any means a complete report of the flood damaged areas, but mention must be made of numerous places in the four counties comprising the Twenty-seventh District where, according to my information, the helping hand of the Federal Government will have to reach out in a sympathetic and practical manner. Offhand I mention Blairsville, North Vandergrift, Apollo, Leechburg, Rossiter,

Punxsutawney, Brookville; and there probably are numerous other communities that demand attention and assistance.

Thanks to the various relief agencies, immediate needs are being taken care of as well as could be expected. The various posts of the veterans' organizations have responded nobly. The Veterans of Foreign Wars, American Legion, Spanish War Veterans, their auxiliaries, camps, and posts, the Red Cross, the churches of all denominations, fraternal orders of every kind. Nothing could fill the heart of man with warmer impulses than the response to the necessities of the afflicted. And, most of all, has been the inspiration of the individuals of every walk and condition of life to the noblest and best that is in human nature.

But, Mr. Speaker, with all that wonderful exhibition of bravery and mercy and endurance manifested by the people of Cambria, Armstrong, Indiana, and Jefferson Counties, something else remains to be done, and only the Federal Government can do that or those particular things.

If there is no present authority for it, then a new governmental agency must be established or the powers of some one or more of the existing agencies for recovery must be enlarged and broadened to care for the needs of the sorely pressed people of the flooded areas in the United States.

My thought is that a new agency should be created for the express purpose of extending credit to the business people to reestablish themselves on a going basis and the home owners who are now, may I say, homeless. The credit should be long-term, the interest rate merely to cover the service charges of the Government, and the regulations to be met must be liberal and broad.

We need at this time, above all things, a brave spirit and an optimistic outlook. But we must not be ignorant optimists. The strain will eventually tell on the best of men on the long hard pull back up the hill. We can be optimists and yet be sensible. In the long pull, it is what the Federal Government does that will count the most.

Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RAYBURN. Mr. Speaker, I object. I stated before that I was going to object to any other remarks.

NATIONAL DEFENSE

Mr. MONAGHAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a brief letter from Mr. Clark, captain of the Reserve Officers' Association, and my reply thereto.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MONAGHAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me from Capt. H. H. H. Clark, of the Reserve Officers' Association, and my reply thereto:

RESERVE OFFICERS' ASSOCIATION OF THE UNITED STATES,
Missoula, Mont., March 10, 1936.

Hon. JOSEPH P. MONAGHAN,
Montana Congressional Representative,
United States Capitol, Washington, D. C.

MY DEAR MR. MONAGHAN: It comes to my attention that you have consistently opposed all legislation in Congress which has had the support of our organization. I have gone to the trouble of verifying these reports through a perusal of the CONGRESSIONAL RECORDS. Your point of view in opposition to national defense is not understandable to us. I am writing to inform you that it is our duty to bring these facts to the attention of our membership through the medium of the Montana Reservist. However, I feel it only fair on our part to grant to you an opportunity to defend your position within the limits of the editorial policy of the publication.

It is not our policy to enter into any political controversies, but we do desire to avail ourselves of every legitimate means to further our constitutional purposes.

May I hear from you at your early convenience, and I assure you that I shall, if possible, see that your reply will be published in an early issue of our paper.

Very truly yours,

H. H. H. CLARK,
Captain, Infantry Reserve, President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 23, 1936.

Capt. H. H. H. CLARK,
President, Reserve Officers Association of the United States,
Missoula, Mont.

MY DEAR CAPTAIN CLARK: I have before me your letter of March 10, relative to my stand on national defense. In response to same, will refer you to chapter XVIII, verse 23, of St. John:

"Jesus answered him. 'If I have spoken evil, give testimony of the evil; but if well, why strikest thou me?'"

A reading of the entire chapter would be well worth your time. With kindest regards and best wishes, I am,

Very cordially yours,

JOSEPH P. MONAGHAN.

IRELAND'S CONTRIBUTION TO THE UNITED STATES

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a St. Patrick's Day speech, delivered by the gentleman from Ohio [Mr. SWEENEY].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following speech delivered by my colleague the Honorable MARTIN L. SWEENEY, of Ohio, at Detroit, Mich., on March 17, 1936, under the auspices of the Knights of Equity and the National Order of Hibernians:

Mr. Toastmaster, distinguished guests, ladies, and gentlemen, at the outset permit me to thank you and your committee for affording me the opportunity to come to this busy industrial center of America on the occasion of St. Patrick's Day to meet with many old friends and representatives of the united Irish groups of this city.

St. Patrick's Day universally celebrated, as it has been for centuries, sometimes loses its significance in the character of the many so-called celebrations in honor of Ireland's patron saint. St. Patrick was essentially a religious leader, and embodied with all the attributes of a civic leader. He left a heritage unsurpassed by any of the renowned characters that have appeared on the stage of time. Bloodshed was customary when missionaries invaded pagan countries to plant the cross of the true faith. But the singular feat of St. Patrick in taking and converting a reputed hostile pagan nation to Christianity without loss of blood or life is unparalleled.

History has woven many stories of folklore and tradition around the great saint whose feast we celebrate today, but it is my humble opinion that his outstanding contribution to the world was the conversion of Ireland from paganism to Christianity. Had this not occurred, one hesitates to envision the religious, social, and economic conditions that would have followed in the centuries after his death. He left an Isle that was known far and wide as the land of saints and scholars. This was true in the literal sense. One has only to delve into the archives of history to ascertain the facts substantiating the appellation, "Ireland, the land of saints and scholars", as a result of his efforts. Temples of worship and institutions of learning flourished in all parts of Ireland. In remote valleys and on the hill-sides Irish monks labored over crude manuscripts, creating the foundation of our present modern civilization.

When the ruthless hand of the invader sought to destroy the laborious work perfected by these saintly disciples of St. Patrick, somehow they managed to salvage the one essential to the preservation of civilization, namely, the recorded history of the past and their arguments for sustaining their belief in the immortal trinity, illustrated and symbolically portrayed by St. Patrick in his reference to the shamrock.

Many of us have stood in reverence at the threshold of Muck-cross Abbey in Killarney and at small shrines in rooms scattered throughout Ireland. In retrospect, it was not difficult to observe the Irish monks fleeing from their native soil and their temples of learning with naught but the clothes on their backs and their precious manuscripts. To all parts of the continent they went, transplanting the seeds of learning, as evidenced in the cultural development of Spain, Italy, Belgium, France, and many other Catholic countries.

The thirteenth, sometimes called the darkest of centuries, was in fact the Renaissance—the beginning of the restoration of culture and education in Europe, due principally to the courage, perseverance, and loyalty of the Irish to the Christian faith implanted by St. Patrick. Despite famine, plague, war, and the curse of illiteracy, the lamp of faith burns more brightly today than ever in the history of the Emerald Isle.

One Sunday in July not long ago I was privileged to stand on the summit of Crough Patrick, overlooking Clew Bay in County Mayo, Ireland, which permits on a clear day a splendid view of the broad Atlantic. This is the sacred spot where St. Patrick made his last novena, and history recites his prayer was: "That come what may, even though adversities be heavy, the Irish people would never lose their faith." I saw on that day of their annual pilgrimage in

excess of 30,000 men, women, and children ascend the rugged mountain to attend divine service on the spot where St. Patrick knelt for the last time, and I was satisfied his prayer was answered and he had not lived in vain. In large part the pilgrims represented the peasantry of Ireland. Many of them in bare feet climbed over sharp stones in their pathway to the top. They were the sons and daughters of ancestors, who in the dark days of religious proscription protected the priests in the lonely hide-outs among the mountains of Ireland, when they offered the Sacrifice of the Mass.

It was such a spirit that infused the millions of Irish immigrants, who came to the United States to seek an asylum and escape from the cruel economic conditions that forced them to an almost state of slavery. The greatest contribution Ireland made to the United States was her exiled sons and daughters, who laid the foundation of the progress the Catholic Church enjoys in this land today. They were the hewers of wood and the drawers of water. Ireland's immigrant sons built the railroads, the canals, and commercial institutions that were destined to mark this Republic the greatest industrial and agricultural nation in the world.

Because of a forced illiteracy they had a deep appreciation of the value of education and the higher culture of life. No sacrifice was too great for educational opportunities for their children. Many Irish immigrants lived to see the suppressed ambition of their hearts and minds take form in the person of a Carroll, a Gibbons, a Kendrick, who became princes of the church in this country. They lived to behold the suppressed ambition of their hearts and minds realized in the successful career of a Victor Herbert in the field of music, a Cohan in the realm of the stage, and a Bourke Cockran in the Halls of Congress, and a Ford in the field of industry. Oh, yes; there were numerous Kellys, Burkes, and Sheas who reached the pinnacle of success in the religious, civic, and commercial life of the young Republic.

Sometimes we are accused of being overzealous in narrating the exploits of our race, and in referring to the substantial contributions made by them to the United States. We make no apology for our heritage; we make no apology for the contributions of the Irish to the United States. We answer in the words of John Boyle O'Reilly, a son of the old sod exiled to Van Dieman's land because he dared to advocate freedom for his fellowmen. After his escape from prison in Australia he came to the United States to become one of America's foremost writers and poets.

I repeat we make no apology, and we join in the sentiments expressed by John Boyle O'Reilly in responding to our critics: "No treason we bring from Erin—nor bring we shame nor guilt! The sword we hold may be broken, but we have not dropped the hilt!

The wreath we bear to Columbia is twisted of thorns, not bays;
And the songs we sing are saddened by thoughts of desolate days.
But the hearts we bring for freedom are washed in the surge of tears;
And we claim our rights by a people's fight outliving a thousand years."

The pitiable, heart-rending scene of an Irishman, woman, or child leaving the native land to journey and seek asylum in the four corners of the world is indelibly imprinted on the minds of many still living. They are called a nationless people and are subservient to the domination of a foreign foe, but liberty and the love of country is to them a fetish. Where in the wide world would you behold such a scene as is often witnessed in Ireland—the immigrant leaving his native land and parting from his loved ones embracing the gate post; yes, kissing the very ground sustaining the humble thatched cottage. The scene adequately demonstrates the love and loyalty to the traditions implanted by the saint whose memory we honor today.

In these days of economic distress and world-wide governmental transition, Ireland's contribution to the United States can be better appraised today than ever before. The Irish immigrants in addition to clearing the forests and developing this modern Republic—the greatest on earth—made secure the principles necessary to maintaining a form of government based upon Christian precepts. Scarcely was there an Irish home that did not send forth young men and women with vocational calling to the services of the true God. They labored unceasingly, sustained by a poor but generous people who from their hard-earned meager resources gave money sufficient to build the thousands of churches whose spires rise in the villages, towns, and cities throughout the Nation as a monument to the generosity of the Irish immigrant.

Occasionally and only recently in Congress implied reference was made to the Irish servant girl. Their contribution to this great Nation cannot be referred to in any spirit of scorn or condemnation. The old story is illustrative of the point I am seeking to make. It is told some 40 years ago two old Irishwomen were seated on the curbstone in front of St. Patrick's Cathedral in New York City, waiting for the passing of a parade. Looking up with joy at the magnificent cathedral one said to the other, "Mary, it is a beautiful building." And Mary received this reply from Bridget: "It is, indeed, a beautiful building, Mary, and just to think that your 10 cents and my 10 cents put that building up." There was more truth than poetry in the remark of the old Irishwoman. It was the thin dimes of the poor Irish that made possible the erection of the lofty churches in America.

Aside from the contributions of our race to the arts, sciences, professions, and the worth-while avocations of life, unchallenged is the record of service in the military affairs of this country. In every land where Irishmen fought their brother's battle for freedom one undying wish was dominant; whether with the wild geese on the continent of Europe, or with a Patrick Sarsfield, who, mortally

wounded on Flander's field, exhaling his last breath, said, "Would that this blood were shed for Ireland." So with the Irish immigrants and their sons who fought with Washington from Concord to Yorktown, at Bunker Hill, at Valley Forge, and in every engagement of the Colonial troops they made splendid contributions. It is historical record that close to 50 percent of the enlisted personnel under General Washington were men of Irish birth, or Irish descent, and that one-third of the generals were of Irish blood. Can the Nation ever forget the contribution of Jack Barry, the founder of the American Navy, and the son of a Wexford farmer, who, when offered 20,000 guineas and a command of the British fleet if he would desert the service of the American Navy, replied:

"Not the value and command of the whole British fleet can seduce me from the cause of my country."

Except for propaganda that I shall refer to hereafter, Barry would now be proclaimed the father of the American Navy, the honor now accorded to John Paul Jones.

We cannot forget that of the first eight brigadier generals of the American Revolution two were Irish. General Montgomery fell mortally wounded at the Battle of Quebec. General Sullivan against terrific odds fought the Hessians desperately at the Battle of Long Island. Later he participated in the siege of Brandywine, Germantown, and Trenton. Some of the other Irishmen who distinguished themselves were the Moores, Rutledges, Jacksons, Polks, Calhouns from the States of North and South Carolina. Two of them became Presidents of the United States. Every schoolboy remembers with delight his history tale of Patrick Henry, who rose in the house of the Virginia delegates and expounded the philosophy that he preferred death to the denial of liberty. He was of noble Irish birth, and one of the most powerful influences in the Revolution. Can we forget it was General Moylan who was Washington's close friend and confidant in the trying days of the Revolution? Can we forget that on a similar occasion, such as we are celebrating today, March 17, 1776, the password was "St. Patrick" among Washington's soldiers?

When the Union was imperiled and a civil war was necessary to preserve the status quo, men of Irish blood enlisted by the thousands in the Union Army, again demonstrating their courage and their loyalty to their adopted land. Scores of men like Sheridan, Sherman, and others led the Union forces to victory. Is there any doubt as to the major part played by the enlisted personnel in the Civil War? Then turn to the historical documents and peruse the pages indented with the names of the Kellys, Burkes, and Sheas, and countless Irish of that historical period. Go to Arlington Cemetery, situated outside the District line of the Capital City, in Virginia, the resting place of the Nation's soldier dead, and read inscribed on the tombstones the names of the Irish who died that this Nation might endure.

Within the memory of our friends at this gathering tonight is the generous contribution of the Irish-American boys in the last World War. The war we thought was fought to save the world for democracy. Irrespective of the issue whether it was a just or an unjust war, and that question is mooted today more than ever before, we cannot overlook the part played by those of our blood in that world catastrophe.

I recall going through the American cemetery at Belleau Woods and the other cemeteries at Soissons and along the Marne, and reading on the white crosses that mark the last resting place of the American dead the names of Murphy, O'Donnell, O'Malley, O'Brien, McGinty, and many, many more. These dead were scions of that old stock who loved liberty more than life, and were never afraid to make the supreme sacrifice to insure happiness for posterity.

Having made such splendid contribution, and recognizing credit, honor, and respect due every other racial group for the part played by men and women of their blood in the creation and preservation of this Republic, we feel we have a unique position, an obligation to insist that this Nation be free from intrigue and influence of the ancient enemy of Ireland and this Republic. I refer to Great Britain. I am not afraid of the accusation of "twisting the lion's tail", because we dare to expose the machinations of imperialistic Britain in her efforts to control, if not destroy, this the oldest Republic on earth.

Since the last redcoat left our shores after Washington's victory, a consistent propaganda and effort has been made to align us again with the so-called "mother country." Recently, I had occasion to render my feeble protest against the action of the House of Representatives in adjourning Congress in respect to the memory of the late British King, George V. I read to Congress an excerpt from a book called "Triumph of Democracy", published in 1893 by Andrew Carnegie, as follows:

"Time may dispel many pleasing illusions and destroy many noble dreams, but it shall never shake my belief that the wound caused by the wholly unlooked for and undesired separation of the mother from her child is not to bleed forever.

"Let men say what they will; therefore, I say that as surely as the sun in the heavens once shone upon Britain and American united, so surely is it one morning to rise, shine upon, and greet again the reunited state, the 'British-American Union.'"

The Carnegie Foundation for International Peace, the English Speaking Union, and the Sulgrave Institution are the spearheads of this movement. I would add to the group the Rhodes Scholarship, the purpose of which few Americans are conscious. Cecil Rhodes, the diamond king of Africa, made his untold millions on the sweat and blood of the slaves employed in the diamond mines. This Englishman established a scholarship fund to finance two individuals each year from each of the 48 States of the Union through Oxford University. There to be trained in the philosophy

of British economics and social problems. Invariably many of these young men return to the United States as missionaries advancing Great Britain's right to rule the world. It is disgusting, to say the least, to meet with some of the Oxford literati, who affect, after short training at this distinguished English university, the mannerisms and customs of the English, even to the extent of wearing, in many cases, the famed British monocle. I have no objection to anyone wearing a monocle, especially if he is British, and I probably could tolerate an American graduate of Oxford, due to the bounty of Cecil Rhodes, wearing the famed monocle, but I should like to have him see eye to eye with the Americans who have not forgotten the sufferings of Washington and his soldiers at Valley Forge, nor the tremendous sacrifices made to bring this Government into existence. It is such agencies that denied to Commodore Jack Barry his rightful place in American history as the founder of our American Navy. Every historical research and finding gives proof to the recognized claim of those who support the fact that Barry, from the standpoint of bravery and loyalty and sacrifice rendered, was the real father of the American Navy. These agencies, except for the protest of our people, would have led us blindly into the League of Nations and the World Court, to become the cat's-paw of Great Britain.

Let me pause here to pay a tribute to the shepherd of the Detroit diocese, Most Rev. Michael J. Gallagher. Not only is he an outstanding churchman but, to my way of thinking, one of the outstanding American citizens of our generation. He has not been afraid to speak as an American against the sordid influence of Britain in our international and domestic affairs, nor has he been fearful of defending those speaking for the meek and lowly, whose voices are inarticulate in these days of economic and social disorder. I publicly acclaim his defense of the right of a Catholic priest to discuss the ills of society, as analyzed in the encyclical of a Leo XIII or a Pius XI. I am glad to state, as one citizen of this country, that we have in this section a disciple of St. Patrick, approved and supported by his bishop, who is making history and who is playing a major part in saving this country from fascism and revolution; one who is respected by every liberty-loving American, irrespective of creed or racial origin.

Reviewing the record of the race briefly as I did tonight, I add to the illustrious contribution made by the men of our race the recent and present contributions made by Father Charles E. Coughlin, whose grandparents were born on the old sod. His courage in indicting the present capitalistic system and his admonition is going a long way to salvage what is left of that system, and lay the foundation for a more permanent structure where greed and avarice will be supplanted by the social justice that God Almighty intended his children to enjoy, whether they be under a capitalistic system or any other form of government.

Were I to leave any final message to this gathering, I would say not on St. Patrick's Day alone must we open the pages of history, but every day of our existence. Some thought should be given to the record of achievement that is ours, to the end that we may be able to play our part again in joining with our fellow Americans in protecting the integrity and the permanency of this our native land. I am not so naive as to pretend not to know that the barriers that made for isolation have broken down and that a better understanding must be had among the human families of the earth. The path to enduring peace is not by aggrandizement, or the seeking of more territory, or the subjection of more people under despotic rule. Our Nation stands ever ready to lead the way, but only upon the terms and conditions that we hold fast to the independence that is ours; that we take no part in any future war seeking on the part of the aggressor to crush the national aspirations of any people in a similar position to ours in the days of the American Revolution.

If we make any indictment against the British Government, with its skilled diplomacy and its dominion over one-third of the world's territory, we do so deliberately. We have no right to interfere in the internal affairs of the British Government, and we ask as a matter of reciprocity that they stop now and in the future from interfering in our domestic and international problems.

Perhaps today there is need for a more vital patriotism. Strange as it may seem, there is no more patriotic people, nor more loyal to the Crown, than the people of England. I discussed this situation with an English gentleman at the threshold of the House of Commons not so long ago. I was protesting the divine right of kings, the tremendous upkeep of the government, the high cost of supporting the royal family, with its dukes, earls, and other titled royal bloods, their costly estates, and their castles. All which seemed repugnant to me, and relics of days long past. It was during the reign of the Labor government of Ramsay MacDonald, and my friend replied in this fashion:

"I am a socialist at heart, and I believe in the Labor government of England. Our King is only a figurehead. Your President has much more power than he has, and we have more free speech in England than you have in the United States. Despite the fact that I agree with you in condemning the divine right of kings, I have reached the conclusion you have to have a head for your government, and in my mind no better head could we have than our King. Even though I despise royalty with all its veneer and trappings, don't you know when I see the royal coach coming down Piccadilly or the Strand there is a sort of a lump rises in my throat."

That, my friends, is what I call real patriotism. I have observed British students by the thousands going through the Houses of Parliament and Westminster Abbey and St. Paul's Cathedral, their

teachers pointing out the last resting places of England's departed kings, statesmen, soldiers, writers, and instilling in youthful minds the glorious leadership of the British Empire.

I wish we could arrange for every boy and girl of high-school age in the United States to see the historic monuments at Bunker Hill, Valley Forge, Washington, Yorktown; to visit Gettysburg and Bull Run; to kneel at the tomb of Washington at Mount Vernon; to journey through our national cemetery at Arlington; and to bow their heads in reverence before the Tomb of the Unknown Soldier. Then, I believe we would have a healthy patriotism that would measure, if not surpass, the cultivated patriotism that England inculcates in her youth.

Our fathers, the Irish immigrants, left a legacy. That legacy was fidelity to church and state. They paved the way, and Miss Will Allen Dromgoole in her beautiful poem briefly epitomizes the ideal of our Irish ancestors. She says:

An old man, going a lone highway,
Came, at the evening, cold and gray,
To a chasm, vast and deep and wide,
Through which was flowing a sullen tide.
The old man crossed in the twilight dim;
The sullen stream had no fears for him;
But he turned, when safe on the other side,
And built a bridge to span the tide.
"Old man", said a fellow pilgrim, near,
"You are wasting strength with building here;
Your journey will end with the ending day;
You never again must pass this way;
You have crossed the chasm, deep and wide,
Why build you the bridge at the eventide?"

The builder lifted his old gray head:
"Good friend, in the path I have come", he said,
"There followeth after me today
A youth, whose feet must pass this way.
This chasm, that has been naught to me,
To that fair-haired youth may a pitfall be.
He, too, must cross in the twilight dim;
Good friend, I am building the bridge for him."

Well they played their part in establishing this Republic on a sound basis, destined to be the leading nation of the world and an asylum for the poor, the oppressed, the political and religious refugees, who even today have to flee from persecution in foreign lands.

Ireland, now experiencing a dual form of government, we trust through evolution will soon become a united country. Her struggle for independence will go on. The sacrifice of Robert Emmet, Wolfe Tone, John Mitchell, Patrick Pearse, Michael Collins, and a host of others are fresh in the minds of her people. Her struggle for centuries to regain the glory that was once acclaimed to her still goes on. We need not review the subject tonight. It is a sad but glorious story. She will in a time planned by Divine Providence take her place among the nations of the earth.

Hold fast to the idealism of Washington and his suffering soldiers of the Valley Forge days. Unite as never before with our fellow Americans, irrespective of creed or racial identity, in preserving the free institutions of the United States and eradicating any evil influence, be it communism, fascism, or imperialism, that aims to weaken the foundation and utterly destroy this the oldest Republic now existing. With Washington, we pray that the spirit of patriotism remain with us, and proclaim our duty as we see it after the fashion that he professed on that eventful night before the Battle of Trenton, when he said: "Put none but Americans on guard tonight."

THE ANTILOBBYING BILL

Mr. CLARK of North Carolina, from the Committee on Rules, submitted the following privileged resolution (H. Res. 462), which was referred to the House Calendar and ordered printed:

House Resolution 462

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11663, a bill to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

THE PORT OF NEW YORK DISTRICT

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address made by me.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KENNEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include a radio address made by me in New York, as follows:

"Wake up, men and women of the great metropolitan area, as vital interests of yours are at stake, and are involved in the aggressive, competitive efforts of people and organizations, within and without your neighborhood, to nullify by arbitrary means some of the natural advantages which have been yours and especially of those who are residents and workers in what has been established as the port of New York district."

The words just quoted are the words spoken over the radio January 23, 1929, by the late Eugenius H. Outerbridge, former chairman of the Port of New York Authority.

No one was more alert to the importance of crossings between the States of New Jersey and New York. In recognition of his outstanding services and as a monument to his work the bridge connecting Tottenville, Staten Island, with Perth Amboy in New Jersey has been named the Outerbridge Crossing.

Well may his words be echoed tonight, more than 7 years later: "Wake up, men and women of the great metropolitan area."

There is cause to be aroused, for, although we have advanced in the development of crossings between the States, the burdensome tolls exacted for use of the tunnels and bridges are retarding commerce and bearing down heavily upon the businessman, the worker, and resident of the port district.

The tolls of which complaint is made are the tolls now levied upon vehicles on all port authority crossings.

It may be well here to mention the crossings between the States.

There are two tunnels maintained by private companies, the tunnel at Thirty-fourth Street operated by the Pennsylvania Railroad Co. for the use of its trains, the other operated from New York through Jersey City to Newark and Hoboken by the Hudson & Manhattan Railroad Co. as a rapid-transit line. These are not vehicular crossings, and are referred to only because they are crossings between the States. However, it may not be remiss to observe that the tube fare of 6 cents from lower New York to Jersey City stands out favorably in contrast to the tolls of the Port of New York Authority.

All other interstate crossings are operated, maintained, and controlled by the port authority. Of these there is one tunnel and four bridges. An additional tunnel is now in course of construction to run from West Thirty-eighth Street, New York to Weehawken.

The Holland Tunnel operated by the port authority was opened to traffic on November 13, 1927. It connects Canal Street in New York to Twelfth Street and Fourteenth Street, Jersey City. When it was built the cost was paid by the two States. New Jersey issued bonds to meet its share while New York raised its part by State taxation. Beginning April 21, 1930, the port authority operated this tunnel as agent for the two States down to March 1, 1931, when by concurrent legislation of the States the control, operation, tolls, and other revenue of the Holland Tunnel were vested in the port authority.

Now we come to the bridges under the jurisdiction of the port authority.

The earliest of these were the Arthur Kill bridges. They are named the Outerbridge Crossing, connecting Tottenville, Staten Island, and Perth Amboy, N. J.; and the Goethals Bridge, linking Howland Hook, Staten Island, and Elizabeth, N. J. Both were opened to traffic June 29, 1928.

The next bridge built by the port authority was opened to traffic October 25, 1931. It is the great George Washington Bridge, spanning the Hudson River from One Hundred and Seventy-eighth Street, New York, to Fort Lee, N. J.

Shortly afterward the port authority, on November 15, 1931, opened to traffic the bridge known as the Bayonne Bridge, which connects Port Richmond, Staten Island, with Bayonne, in New Jersey.

Besides these projects the port authority has erected the Port of New York Authority Commerce Building, called Inland Terminal No. 1. The building was completed in 1931 and opened for operation October 3, 1932. It is a 16-story structure, occupying the block bounded by Eighth and Ninth Avenues and West Fifteenth and Sixteenth Streets, New York. The basement and street floor are operated by the trunk-line railroads as a union depot for less-than-carload freight. Practically the rest of the building is rented or held for rental for offices, commercial, and industrial use.

For the year ending October 31, 1935, the Port Authority Commerce Building sustained a net loss of \$384,844, according to available figures, but in 1936 the authority expects, it has announced, a net income from this building of \$120,000. Gross income from the structure in 1935 was \$854,000, as compared with \$470,000 for 10 months of 1934. The current year should meet all expectations of the authority for putting the building on a paying basis.

The 1934 port authority figures show a deficit of \$280,000 on operations of the Arthur Kill Bridge. The net operating loss for 1934 was \$298,852. The gross income for 1934 was greater than the 1935 income, but the deficit is less.

The Bayonne Bridge had a slight gain over 1934, but its net operating loss approximates \$170,000.

If, then, the Inland Terminal Building will operate this year without loss and net \$120,000, that figure may be applied against

the total deficit in the operation on the Arthur Kill and Bayonne Bridges, if any, which should not exceed deficits of \$280,000 for the Arthur Kill Bridge and \$170,000 for the Bayonne Bridge. Taking the \$120,000 from the aggregate deficits of the bridges, the total deficit from these operations should not exceed \$330,000.

Considering the paying projects of the port authority, the 1935 figures disclose gross income from the George Washington Bridge of \$3,854,801.71, with a net income of \$1,261,609.88. Last year's figures also show a gross income from the Holland Tunnel of \$6,379,647.20, leaving a net income after deductions of \$2,781,347.87. The net income from these two projects for 1935 was \$4,042,957.75.

For 1935 the revenue from all its facilities netted the port authority an income of \$3,346,273.16, and since the Inland Terminal No. 1 had a loss last year, which, according to estimate will show a profit this year, the 1936 figures will be even more favorable.

Its 1935 gross income from all sources reached the sum of \$11,975,392.24. The figure shows a gain of \$837,242.64 over 1934, of \$2,000,000 over 1933, and of almost \$3,000,000 over 1932. The general reserve fund as of January 1, 1936, had a balance of \$3,078,505, and other reserve accounts totaled about \$15,000,000.

More than 19,000,000 vehicles passed through the tunnels and over the bridges of the port authority in 1935.

Having due regard for its obligations, the Port of New York Authority can and must cut the tolls on all its crossings to the point where the businessman, the worker, and resident will have full benefit of the natural advantages of the port district.

The cost of the projects of the port authority must be considered in all of its aspects, and then only as one factor in arriving at a decision as to what constitutes reasonable tolls.

So the fixed charges for bond indebtedness is only a factor in that determination.

The theory is that reduction of tolls of itself will increase traffic, and eventually revenue, where service facilities are adequate and satisfactory.

Largely on this theory the Interstate Commerce Commission recently ordered a reduction of the basic passenger rate for the structure by railroads throughout the country to 2 cents a mile.

In practice, a reduction of railroad fares in the South and West has resulted in doubling the number of passengers carried and effecting an increase in revenue. As an example, the Southern Railway, a company which charged fares ranging from 1 cent to 2½ cents per mile, found that the lowest rate produced more revenue. September 1, 1932, the Southern Railway cut passenger rates to 1.5 cents per mile in North Carolina. The result was an increase the very first month over the corresponding month of the previous year of 223 percent in passengers and 59 percent in revenue. During the same month the company as a whole showed a decrease in revenue of 33 percent. On the reduced rate the percentages of increases in passengers and revenue continued and in August 1933 reached a point of 338-percent increase in passengers and 120 percent in revenue.

In Tennessee the experiment was equally satisfactory, and the lower rate was extended over other parts of its line with similar satisfactory results.

During 1934 there was considerable agitation, in which I took part, for the elimination of pedestrian tolls on the George Washington Bridge. Finally, on January 1, 1935, the pedestrian toll was reduced from 10 cents to 5 cents, which is now in effect. But why should the port authority exact this toll, especially on week days? The income from pedestrian tolls in 1935 was approximately \$5,000. The great majority of pedestrians use the bridge on Sundays and holidays. The abolition of the pedestrian toll might not materially increase the pedestrian use of the bridge, but the worker should, in any case, have a free crossing open to him should he be afoot.

A representative of the port authority at a hearing in Washington emphasized that a bridge was constructed for either railroad or vehicular purposes and pedestrian use did not enter into consideration except incidentally.

At the same hearing the proponents of a railroad bridge to be constructed at Fifty-seventh Street over the Hudson River proposed that it would furnish, along with its railroad facilities, a pedestrian crossing for which no toll would be charged.

The Tri-Borough Bridge will soon be opened. Pedestrians may cross that span free of any toll or charge.

Let us compare the charges to be made by the Tri-Borough Bridge Authority with the tolls effective on the port authority crossings.

On the Tri-Borough Bridge, passenger automobiles, taxicabs, hearses, ambulances, and horse-drawn vehicles will pay 25 cents. On port authority crossings the same vehicles must pay 50 cents, except that horse-drawn vehicles are not permitted in its tunnel.

Other comparative tolls are:

Motorcycles: Tri-Borough toll, 15 cents; port authority toll, 25 cents.

Bicycles: Tri-Borough toll, 10 cents; port authority toll, 25 cents.

Two-axle trucks, load capacity 2 tons and under: Tri-Borough toll, 25 cents; port authority toll, 50 cents.

Two-axle trucks, load capacity over 2 tons, but not over 5 tons capacity: Tri-Borough toll, 35 cents; port authority toll, 75 cents.

Two-axle trucks, load capacity over 5 tons: Tri-Borough toll, 50 cents; port authority toll, \$1.

Three-axle trucks or tractor and semitrailer: Tri-Borough toll, 60 cents; port authority toll, 75 cents to \$1.25.

Four-axle trucks and trailers, or tractor and trailer: Tri-Borough toll, 75 cents; port authority toll, \$1.50.

The city of Camden, N. J., is not in or under the jurisdiction of the Port of New York Authority. The Camden bridge spanning

the Delaware connects that city with Philadelphia. The users of that bridge are getting the benefit of a 25-cent vehicular toll, while in the world's greatest port district a charge of 50 cents is made to cross the Hudson.

Furthermore, rail rapid transit will be shortly placed on the Camden Bridge, while nothing has been definitely proposed for the George Washington Bridge, although that bridge was originally designed and built for rapid-transit purposes.

It has been intimated that should the privately proposed railroad bridge with rapid-transit facilities be built across the Hudson at Fifty-seventh Street, any adequate plan for a publicly owned interstate transit system over the George Washington Bridge to serve northern New Jersey would be thwarted. But would rapid-transit facilities at Fifty-seventh Street more seriously compete with rapid transit at One Hundred and Seventy-eighth Street than will vehicular traffic at Thirty-eighth Street compete with vehicular traffic in the Holland Tunnel at Canal Street or the vehicular traffic at One Hundred and Seventy-eighth Street. Or would the Jenny plan of rapid transit under the lower part of the Hudson compete seriously with rapid transit across the George Washington Bridge?

To a letter of mine dated February 8 the general manager of the port authority replied on the 20th regarding rapid transit over the George Washington Bridge, writing that much more is involved than the mere suspension of the second deck and the laying of rails on the bridge itself, and that a complete system connecting at both sides of the bridge is essential to the provision of an adequate rapid-transit service for northern New Jersey.

Pursuant to a joint resolution passed in the New Jersey Legislature on February 10th, the port authority is now engaged in preparing a report on the subject.

The people of northern New Jersey have been long handicapped by the lack of rapid-transit facilities. They have been urging them, demanding them. The Port of New York Authority has responded, as I have indicated, but difficulties may arise and especially so in the essential connection of any system on the New York side of the Hudson, due to influences that frequently fail to realize that New Jersey is an integral part of the port district.

Rapid transit will come, as it is bound to come, but meanwhile and immediately the port authority can consider the reduction of the bridge and tunnel tolls. Passenger automobiles, two-axle trucks with a load capacity of 2 tons or under, taxicabs, ambulances, and horse-drawn vehicles are entitled to a toll of 25 cents. New Jersey is far more populous opposite New York than is Camden across the Delaware from Philadelphia. There is no good reason why the Hudson toll should be more than the Delaware toll for these vehicles.

The bus toll charged on the George Washington Bridge is exorbitant. It costs \$1 to run a passenger bus one way across the bridge. The expense to the passenger is 10 cents. If the New Jersey area of the port is to develop, and if New York workers and residents are to have, as they should, ready and reasonable access to the New Jersey side of the district, the bridge and tunnel transportation charges must be drastically revised. Vehicular passengers ought to ride for a 5-cent fare. As long as the bus toll is \$1 they cannot do so. The port authority owes it to the people of the district to act accordingly.

What is the port of New York district?

In 1921 the Congress of the United States, by a joint resolution, granted its consent to an agreement or compact entered into between the State of New York and the State of New Jersey for the creation of the port of New York district and the establishment of the Port of New York Authority for the comprehensive development of the port of New York.

The compact approved by Congress describes the district as beginning about 2.1 miles northwest of the pier at Piermont, N. Y.; thence running southwesterly to Westwood, Bergen County, N. J.; thence southwesterly west of the city of Paterson, Caldwell, Summit, and Plainfield to south of New Brunswick; thence in an easterly direction south of Mattawan crossing Monmouth County to a point in the Atlantic Ocean south of Atlantic Highlands; thence northerly across Long Island east of Jamaica, west of New Hyde Park, and east of the shore of Manhasset Bay at Port Washington, crossing Long Island Sound to the boundary line between New York and Connecticut at Portchester; thence northwesterly north of White Plains and crossing the Hudson River to the place of beginning north of Piermont.

The district has an area about 25 miles in radius and includes the city of New York and the cities of Jersey City, Newark, Hoboken, Passaic, and Paterson.

The Port of New York Authority created by the compact of the States is a body corporate and politic, an instrumentality of the States of New York and New Jersey consisting of 12 commissioners, 6 New York members chosen by the State of New York and 6 New Jersey members chosen by the State of New Jersey.

The authority is vested with power to purchase, lease, and/or operate any terminal or transportation facility within the port district; to make charges for the use thereof; and to hold, lease, and operate real and personal property; to borrow money; and to secure its loans by bonds and mortgages. It derives all its income from its tunnel, bridges, and terminal building.

Personally I have a high regard for the commissioners of the port authority. They are able men, devoted to the interests of the entire port district. But I sometimes wonder if they are not hampered in their efforts by business and community jealousies within the confines of New York. Again listen to the words of Mr. Outerbridge, former chairman of the authority: " * * * in busi-

ness as in private life and between communities as between individuals that green-eyed monster called 'jealousy' springs to life and grows in intensity as the object on which it has cast its coveted eyes grows in envious importance."

It will be remembered, perhaps, that Jersey City has in recent years attracted great industries and rich investments away from the east side of the Hudson. Not long ago the New York Stock Exchange threatened to move to Jersey City or Newark. Many leading industries have established themselves in the port cities of New Jersey. Can New York interests be jealous of the New Jersey side of the port's commerce?

Well, Thomas E. Rush, former Surveyor of the Port of New York, has said:

"New York began with a desire for commerce, was seized by one nation from another because of lust for commerce, was governed and misgoverned with a view to commerce, and grew to its present stature by serving commerce."

When, in 1919, a port treaty was proposed between New York and New Jersey, Greater New York's mayor at that time was neutral, and the city's other officials were either neutral or opposed to the proposition. Some business organizations were for it; others voiced opposition.

Nevertheless, 2 years later brought the compact between the two States by which the State lines were broken down and a single unified port district established.

It is and must be treated as one unified district. Each is an essential part of the whole port area. The prosperity of all is at stake. New Yorkers are vitally affected by the business of Jersey-men and vice versa. And what happens here affects the entire Nation.

Alex. C. Humphreys, former president of Stevens Institute of Technology at Hoboken, years ago said on that score:

"Unquestionably the development of the port of New York and its proper administration not only greatly concerns the prosperity of New York City and New York State but concerns the prosperity of the Nation at large."

In February 1918, Hon. Calvin Tomkins, then dock commissioner of greater New York, in an address made in New York had this to say:

"Improved communication between the New York and New Jersey sides of the port is the crux of the port organization here, and all-rail transit by protracting the New Jersey roads over and under the Hudson River to New York and thence to New England will be the ultimate cure of our port defects, but in the interim and as a necessary step in progressive development vehicular tunnels and modern New Jersey terminals can easily be constructed and are absolutely necessary."

The question of port organization comes under two classes—one, war organization for imminent use, and the other for peacetimes. Three important things to be done are: (1) Development of a great modern terminal at Jersey City, thus utilizing motor trucks and lighterage to a greater extent; (2) construction of vehicular tunnels; (3) all-rail connections either by tunnel or bridge with Manhattan.

Of these we have only a vehicular tunnel and vehicular bridges. But what do they avail if their use is prohibitive because of excessive tolls?

It is the function of the authority to effect economies which would reduce the cost of living and doing business in the port district, and to aid in the upbuilding of its industries and commerce.

Is this being done by the authority, particularly in the northern area of New Jersey? The authority does not have the taxing power, but it has even greater power. Its revenues may, by law, be applied to the cost of construction, maintenance, and operation of its tunnel and bridge as a group, so that they as a group shall be self-sustaining.

New building operations could prolong indefinitely the high tolls charged the patrons of the paying crossings now in operation, with the result that the authority could continue to tell our businessmen, workers, and residents that they are not paying one penny of tax, and keep on doing as they are now doing—exact millions every year from the present generation.

The port authority, I am confident, will not deny the public interest. Public interest demands a reduction in tolls on all port authority interstate crossings.

ELECTRIC HOME AND FARM AUTHORITY

Mr. O'CONNOR, from the Committee on Rules (on behalf of Mr. Cox), submitted the following privileged resolution (H. Res. 461), which was referred to the House Calendar and ordered printed:

House Resolution 461

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3424, a bill to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question

shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

PERMISSION TO ADDRESS THE HOUSE

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and the disposition of matters on the Speaker's desk, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FURTHER RECLAMATION IS AGAINST THE INTERESTS OF THE FARMERS, WHETHER EAST OR WEST

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a radio address delivered by me.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, under leave to extend my remarks I include the following address, which I delivered over the National Broadcasting System on Saturday, March 21, at 12:30 p. m.:

Fellow citizens, I am indebted to the National Broadcasting Co. for this opportunity of speaking to the farmers of the Nation, and to Mr. Fred Brenckman, the able representative of the National Grange in Washington, who was the bearer of the invitation.

When I first came to Congress in 1928, my attention was called to the strange procedure whereby the Federal Government was bringing additional lands into production in competition with farmers already on the land.

I knew that industry would bitterly resent such an invasion, and I believe that the true American concept of governmental function is traditionally opposed to such procedure. The country knows that the problem of the farmers yesterday and since the close of the Great War has been the problem of surplus. Congress recognized that in legislating to the end that existing surpluses might be controlled so that the farmer might get a living price for his product.

Every thinking American concurs in the proposition that the return to normal times is dependent very largely upon reestablishing the buying power of the farmer. Upon this restoration of prosperity to the farmers of the Nation depends the well-being and indeed the future life of the industrial States.

The country has witnessed under the A. A. A. the disbursement of a billion and a half dollars for the purpose of annually retiring 35,000,000 acres from production, for the avowed intent of obtaining parity prices for agriculture. The country has witnessed at the same time and in the same years the extraordinary and remarkable spectacle of the Federal Government entering upon what will amount to an ultimate disbursement of \$1,500,000,000 in order to bring 4,000,000 acres into production. The history of civilization presents no conflict of policy so stupid as this.

May I state that my study of the question was not accidental or gratuitous? The farmers in my district complained to me that they were being destroyed in the New York, Philadelphia, and Chicago markets by competition from products grown on Government-reclaimed lands. I was led to make an investigation of the subject and came to the conclusion that not only were the farmers in New York State being wrecked by this fatal procedure but that the farmers in the West and the Southwest were also being driven to the wall. I learned that the National Grange and indeed every Secretary of Agriculture in recent years had opposed this weird policy. The Grange leadership has protested in thunderous tones. In the September 1928 issue of the Nation's Business, Louis J. Taber, master of the National Grange, made the following pertinent inquiry:

"If the steel industry, the automobile industry, or any of our other great manufacturing industries were suffering from a depression of 7 years' duration, occasioned at least in part by overproduction, what would be said if Congress should consider spending hundreds of millions of dollars for more plants for more overproduction?"

It is a matter of common knowledge that both parties of Congress reached an agreement in 1930 that no further lands would be developed until America had caught up. Shoulder to shoulder with the representatives of the farming districts in the North and Middle West, I have fought against this mistaken policy. Thus far we have fought in vain largely because the farmers and farm groups, except the Grange, have been passive.

They have been lulled into security by the familiar fiction that reclamation adds but 1 percent to the present crop production in America. My colleagues from the reclamation States have been saying this for the past 20 years. The fact is that in some fields the increased croppage rises as high as 50 percent, and the tables show that 11 percent of the total crops in America are raised on lands every acre of which has been either reclaimed by the Government or on private projects fostered and engineered by the Federal Bureau of Reclamation.

LXXX—271

I repeat that it will cost over a billion and a half dollars to complete the present projects. Much of this money will come from the farm States, including Minnesota, Wisconsin, Kansas, and Iowa. In other words, this willful group in the Department of the Interior, which has the mad urge to make two blades of grass grow where none grew before, is using the money of the farmers for the purpose of destroying them by added competition.

May I say that I have the national viewpoint and am for a rational development of all sections of America. I sympathize with the needs and ambitions of every State, so long as they are economically sound and not destructive of preexisting rights. In fact, I specially plead today for the farmers who are already on the land in the reclaimed areas of the West. They will be the first to bear the brunt of the added croppage from these irrigated lands.

The National Grange has been for the relief of the farmers on irrigated farms. It has advocated the moratorium and other relief for water users on this type of land. I have vigorously supported such measures in the House.

Putting these 4,000,000 acres into production will further handicap the already grievous situation of the dairymen, for our friends in the Reclamation Bureau are stressing dairying in all their literature. It will destroy the California growers of soft fruit, including pears, peaches, and apricots. It will destroy the Oregon and Idaho farmers by new plantings of apples and potatoes. It will furnish additional and destructive competition to the fruit growers of Virginia, Pennsylvania, New Jersey, New York, the New England States, Ohio, Michigan, and southern Illinois. Putting these lands into production will seriously affect the present difficult situation of the wheat and corn farmers in Kansas, Iowa, Minnesota, and the Dakotas.

Every foot of land reclaimed reduces the value of the existing farm acreage. One real dirt farmer from the State of Washington writes me:

"The placing of more lands under irrigation at this time is nothing short of confiscation of the homes and ranches of those people who have already invested their life savings in this State."

The projects now under construction are 41 in number. One of them involves tunneling under the Rocky Mountains; another, turning back the waters of the ocean, after the fashion of King Canute. Many of them are equally fantastic. Here are some of them, with the cost:

Gila project, Arizona.....	\$48,000,000
Central Valley project, California.....	170,000,000
Carlsbad project, New Mexico.....	4,500,000
Deschutes project, Oregon.....	2,000,000
Yakima project, Washington.....	14,466,600
Provo River project, Utah.....	10,000,000
Casper-Alcova project, Wyoming.....	27,000,000
Riverton project, Wyoming.....	15,000,000
Shoshone project, Wyoming.....	11,500,000
Grand Coulee project, Washington.....	490,000,000

These projects, with others that I do not have time to enumerate, will bring 4,000,000 additional acres into production at a cost to the Federal Treasury of a billion and a half dollars. It means that the Bureau of Reclamation does not intend that the farmers of the Nation shall catch up. It means that crop surpluses, like Tennyson's brook, will go on forever. The cure for this destructive economic evil is simple.

Public opinion vigorously expressed is still the most powerful influence in America. Let the farmers of the Nation demand that the Bureau of Reclamation be put in the Department of Agriculture where it belongs. I urge them to take action by grange resolution or otherwise asking Congress to so legislate.

Let the farmers—North, East, South, and West—get into action and serve notice on Congress that this business of destroying them through the medium of Government reclaimed lands must cease, until America, by reason of increased population or increased export trade, no longer has agricultural overproduction.

LETTER TO H. P. DROUGHT, TEXAS STATE ADMINISTRATOR OF W. P. A.

Mr. BLANTON. Mr. Speaker, I ask to extend my remarks, and, with the consent of my colleague the gentleman from Texas [Mr. EAGLE], I ask unanimous consent to print in the RECORD a short letter which our colleague the gentleman from Texas [Mr. EAGLE] has written to Mr. Drought, the State administrator of W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, there are 21 Representatives in Congress from the State of Texas. Every one of them have been shamefully treated by Harry P. Drought, State administrator for the Works Progress Administration in Texas. In order to prevent the Texas Representatives from making any appointments in their respective districts, Harry Drought designedly, purposely, deliberately, and arbitrarily divided Texas up into 20 mongrel districts, specially framed so that part of each Member's district would be embraced within several of Drought's 20 arbitrary districts.

For instance, you will find some of my counties in Harry Drought's seventh district, some in his eighth district, and some in his thirteenth district, all three with headquarters in different places, some far removed from my district.

When any official from one of my counties writes or wires me about some W. P. A. project it is necessary for my office first to check up with Harry Drought's arbitrary map to ascertain in which of his mongrel arbitrary districts he has seen fit to place that county, so as to find out where the headquarters office is that handles the project business of that county.

If Harry Drought had wanted to be fair with Texas Representatives, and had not intended to commit a fraud upon them, he would have handled Texas by accepting its already well defined 21 congressional districts, and would not have arbitrarily cut up these 21 districts into 20 arbitrary districts of his own.

Not a Texas Member has a kind feeling for Harry Drought. Not a Texas Member has any use for him. The letter which my colleague from Texas [Mr. EAGLE] wrote to Harry Drought so well expresses the sentiments in the hearts of all Texas Members that I thought it should go into the RECORD. It is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 23, 1936.

Mr. H. P. DROUGHT,
State Administrator, Works Progress Administration,
Smith-Young Tower, San Antonio, Tex.

DEAR SIR: Yours of March 18, with enclosures, received today.

As you paid no attention to me or my views or wishes up to this time while you were putting people on, there is no need to inform me (or any other Texas Congressman) of the worries and complaints you anticipate, now that you are to let workers off the rolls.

My task will be simple if any who are to be let off complain to me. I shall merely inform them that the 21 congressional districts were so ignored that no Congressman would be consulted in putting men on, in order to throw all patronage to the Senators, while the people held the Congressmen responsible; that, as part of the conspiracy, therefore, you paid no respect to my recommendations nor did you consult me, but handled it exactly as you pleased; that, therefore, I am not responsible for any detail of your administration, and hence have no power to aid any discharged worker.

And all of the above are the plain facts.

You need not bother to take any of your matters up with me. You "high hatted" the people's Representatives from the very beginning till now. You would not play politics, you said; and, of course, it is not politics for you to allow Senators to suggest persons you appointed, but it is, of course, politics if you had honored the recommendation of the Congressmen. So you took over, body and breeches, the old political senatorial P. W. A. organization and used it for your latest work of W. P. A. No politics at all.

Just go ahead and "pull your own chestnuts out of the fire"; don't try to lay, as you do in yours of 18th, with enclosures, predicate to expect us to be "suckers" enough now to pull them out for you.

When the going was easy for you, you did not then notice me. Now, when your political going is getting hard, you need not now notice me.

Yours truly,

JOE H. EAGLE.

LONG- AND SHORT-HAUL RATES

Mr. RAYBURN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3263, with Mr. WILCOX in the chair.

The Clerk read the title of the bill.

Mr. RAYBURN. Mr. Chairman, I yield 20 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, section 4 of the Interstate Commerce Act is a long subject and 20 minutes is a short time, and I shall therefore have to beg to be permitted to proceed without interruption.

At the outset I feel I would be less than frank with the Members of the Committee who are interested in this proposed legislation if I did not make some mention of my ties and sympathies with the railway employees of this country.

I come of a railroad family, men in the ranks. My father, at the close of the Civil War, became a railroad construction worker in the West. My next brother, a locomotive engineer, died at his throttle in a collision. My youngest brother is still a locomotive engineer in the service; and, as the gentleman from Ohio, my friend, Mr. COOPER, stated to you the other day in debate, I once occupied a position in the cab of a locomotive, but unlike my friend COOPER, I did not attain the exalted station on the right-hand side, as we call it. I was that humble and murky individual down on the deck who produced the power, or, as we used to say in the vernacular of the railroad, furnished the fog, and I put in 4 years at it, and 4 years in even humbler capacities, including a year on the section at \$1.10 per day. The gentleman from Ohio [Mr. COOPER] talked about his 4 long years waiting to become an engineer. I put in 4 long years with a scoop shovel on the deck of a locomotive, and then my railroad career was terminated at that fateful time known to old-timers as '94, but, as Kipling said, that is another story.

When I came to the Sixty-first Congress I was the first member of the Brotherhood of Locomotive Firemen ever elected to a seat in this body, and, so far as I know, while I was out many years, I believe that is still the case.

I was glad, Mr. Chairman and Members, that as the hearing progressed on this bill I found I could go along with the railroad men of this country on the merits of this legislation. [Applause.] And make no mistake about one thing, the railway men of America are a unit for the Pettengill bill.

Four spokesmen for the 21 standard railway organizations appeared before our committee in behalf of the bill. They consumed only 1 hour, but it was a stirring hour. If that hour by those four men could be put on in this House, it would make more votes for this legislation than everything that will be said here.

They have seen their members dwindle from around 2,000,000 to 1,000,000 men in the last 15 years. They are now faced with the economies being forced on the railroads of the country which may decrease their number 150,000 to 200,000 more.

The railway men of America, the high-grade railway men of America, are fast disappearing from the American transportation picture. They have their backs to the wall, and that is why they are for this bill. [Applause.]

Now, Mr. Chairman, the hearings on this bill consumed over 3 weeks and produced more than a thousand pages of testimony. I was present at every hearing and heard every witness. I was an attentive listener for two reasons: First, all I did not know about the fourth section of the Interstate Commerce Act would make a very big book, and all I do not know yet would be a valuable mass of information.

I feel no embarrassment in making such a statement when high operating railway officials before the committee were quick in saying: "I am not a rate expert. Do not ask me about rates. You will have to ask the tariff rate experts who make rates under the fourth section."

Rate making under the fourth section has entered into the realm of high mathematics, and as one brilliant witness said, it has become crystallized and so complex that this witness, for 20 years a traffic expert and 10 years an attorney for the Interstate Commerce Commission, said that there were tariff schedules worked out under the fourth section that even members of the Commission could not apply, and that when the operating officials and shippers got the schedules they were not able to determine what the new rates were or ought to be.

THE LAW'S DELAY

No consideration of section 4 would be complete without some reference to the enormous difficulties and delays involved in fourth section relief. All the rail carriers and the traffic bodies who appeared for the Pettengill bill complained of the complexities involved and the delays suffered by the carriers and shippers, applications often being so protracted

that the relief was of little value when finally granted. From 1 and 2 years to a period of years is often consumed in disposing of applications. A witness, Mr. F. C. Hillyer, representing the Jacksonville (Fla.) Chamber of Commerce, and traffic bodies in Florida, who was for 11 years an examining attorney in the Interstate Commerce Commission, and a career man in interstate-commerce practice, summarized it when he said:

The administration of this law (fourth section) has become so complex that it is literally past the understanding of the average man.

He said:

A recent large agency tariff of rates between the Ohio River and southeastern points contained about 7 pages of rates and about 150 pages of routings and routing restrictions.

He shows that the system has become frozen, crystallized, not only hampering rail transportation but sometimes driving shippers to other forms of transportation not so burdened. The testimony of other witnesses is replete with such statements and complaints. Rate making under the fourth section appears to have become a complex science in which the ends seem to be swallowed up in the means. A reading of Mr. Hillyer's statement, beginning on page 386 of the hearings, is very informative.

Mr. Chairman, another reason why I was a very attentive listener on these sessions of the committee is that I come not only from out where the West begins but out where the intermountain country begins, and where the long and short haul begins to be more controversial, as shown by reports of the Interstate Commerce Commission, than in any other section of the country.

It is a hot spot, and some Members from that area have said that the long and short haul is loaded with dynamite or suicide out in our country. Naturally, a man who has to choose between suicide and being dynamited would be interested in any proposed legislation relating thereto. [Laughter.]

Starting the hearings in a rather critical—I might say, opposing—attitude, I came out at the end of the hearings with the conclusion that the railway companies of America not only greatly need this legislation, but that if section 4 were not now in the Interstate Commerce Act there would be no proposal whatever to put it in. That is the change that has occurred in the transportation world in this country in the last 15 or 20 years.

Mr. PIERCE. Mr. Chairman, is the gentleman yielding to questions?

Mr. MARTIN of Colorado. I am not yielding; I am sorry. Already I have used half of my time and not said anything. I had arranged an orderly presentation of this subject, beginning with the enactment of the Interstate Commerce Act, but which time forbids, and which I propose to put into the RECORD at this point, and I recommend that Members read it—the first matter I am passing over being the history of section 4 of the Interstate Commerce Act, and the next an analysis of pending bills, which features I believe you will find clearly, briefly, and informatively treated.

HISTORY OF SECTION 4 OF THE INTERSTATE COMMERCE ACT

The Interstate Commerce Act, enacted in 1887, grew out of the necessity of regulating railway rates and practices. At that time, according to various statements of the Interstate Commerce Commission, discriminations against individuals, classes of business, and communities in favor of other individuals, classes of business, and communities were rife all over the country. The railways had a monopoly of transportation. It was the heyday of railway rule. It became necessary to place railway operations under Federal regulation, and the result was the Interstate Commerce Act of 1887.

From the beginning the chief regulatory provisions of the act as it affects rates and practices in the transportation of freight and passengers has been section 4. That section, now on the statute books for 48 years, has been but twice amended—once in 1910 and again in 1920.

The most controversial feature of section 4 is the long- and short-haul clause. Briefly this means that a carrier

shall not charge more for a short than a long haul. Throughout the history of the act this clause has been changed only once, and that in but a few words, but this change was fraught with far-reaching consequences in the interpretation and administration of the law and the effect upon rate charges and structures.

ORIGINAL LONG- AND SHORT-HAUL CLAUSE

As originally enacted in 1887, the long- and short-haul clause reads:

It shall be unlawful for any common carriers * * * to charge or receive any greater compensation in the aggregate for the transportation of passengers, or like kind of property, under substantially similar circumstances and conditions—

Note these words:

under substantially similar circumstances and conditions, for a shorter than for a longer distance over the same line in the same direction, the shorter being included within the longer distance.

With power in the Commission to afford relief in specific cases.

THE CHANGE OF 1910

This clause remained in effect for 23 years; that is, from 1887 to 1910. The principal change wrought in 1910 was the elimination of the phrase "under substantially similar circumstances and conditions."

The reason for the elimination of this phrase was that the carriers construed it to authorize a greater charge for a short haul than a long haul under dissimilar circumstances and conditions, and the circumstances and conditions were usually considered by the carriers to be dissimilar. This construction by the carriers is claimed by the opponents of the pending legislation to have been responsible for the great mass of discriminations in freight charges at intermediate points throughout the country, and particularly in the western or intermountain country, which region has always been, and still is, the chief field of opposition to any change in section 4 of the act.

The Interstate Commerce Commission overruled the construction placed by the carriers on this phrase, but the Supreme Court of the United States sustained the carriers, and the result was the practical nullification of the long- and short-haul clause as originally enacted in 1887. This resulted in the first amendment to the act, that of 1910, in which this phrase was eliminated.

THE CHANGES OF 1920

In addition to the almost unlimited leeway in the fixing of rates given the carriers by the phrase, the act prior to 1910 had not been construed to authorize the Interstate Commerce Commission to fix rates. It may be said, therefore, that prior to 1910 there was little railroad rate legislation in the highly restricted sense we have had since 1910. In 1920 the second and last changes were made in section 4, by the addition of three more rules, which may be stated as follows:

First. The through rate must be reasonably compensatory.

Second. The equidistant rule, governing intermediate rates on circuitous competing lines.

Third. Forbidding of rate reductions to rail carriers to meet potential water competition.

I shall not undertake any lengthy explanation of the reasonably compensatory clause and the equidistant rule. It would be pretending a knowledge of something that I do not understand and is wholly beyond my ability to comprehend. These two rules belong in the realm of higher mathematics. Even the most experienced railway operating officials admit that they are not qualified to discuss the intricacies and operation of these rules. These are matters for the technicians of the trade.

A complicated formula has been worked out of the compensatory clause after years of experimentation, but so many elements enter into it that it has been a constant subject of dispute and difficulty between the Commission, the carriers, and the shippers.

And, after 15 years, the Coordinator, in House Document 89, Seventy-fourth Congress, says:

The controversy as to the meaning of the words "reasonably compensatory" still continues.

Competent rate experts having no connection with the railways claim that the Commission has power under other sections of the act and particularly section 15, which empowers the Commission to fix both minimum and maximum rates, to fix a reasonably compensatory rate as nearly as may be.

The equidistant rule, fixing rates at the intermediate points on circuitous routes which compete with direct routes, is so complex that in many cases neither operating officials nor shippers can interpret or apply them or determine what the rate is. Cases are known in which 5 or 6 pages of rates require 150 pages of routings, involving great delay and expense in the preparation. A witness before the committee who had been for 10 years an attorney in the Interstate Commerce Commission made the statement to our committee that there were equidistant schedules which even members of the Commission could not apply.

The rule against granting the rail carriers relief against potential water competition is simple. It works out in this way: Before the water competition begins it is too early to grant relief; after it begins it is too late. This is a brief but fair statement of the operation of the rule.

A case in point was certain railroad tonnage from St. Louis to Cincinnati. It was proposed to put in a competing water service to bid for this tonnage. The rail carriers applied to the Interstate Commerce Commission for fourth-section relief. Fourth-section relief means that the carrier be permitted to reduce its rates to the competitive point, without a corresponding reduction in rates to intermediate points.

In the St. Louis to Cincinnati case, the application was held premature and fourth-section relief was denied, thereafter the water competition was established, and after it had taken about one-third of the rail tonnage the rail carriers again applied for fourth-section relief, but this was denied them on the grounds that vested rights in the competing service had supervened and that recovery of the lost tonnage was speculative anyhow.

ANALYSIS OF PENDING BILLS

There are several bills pending for the amendment of section 4, but the two principal bills are H. R. 3263 by the gentleman from Indiana [Mr. PETTENGILL] and H. R. 5362 by the gentleman from Texas [Mr. RAYBURN], known as the Eastman bill.

The Pettengill bill is very brief. It is in fact one clause of the existing section 4, to wit:

That it shall be unlawful for any common carrier * * * to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates;

With a proviso added in committee that the burden of proof shall be upon the carrier to justify a lower rate for a long than for a short haul against any claim of violation of sections 1, 2, and 3 of the Interstate Commerce Act.

Section 1 requires all rail rates to be just and reasonable.

Section 2 forbids unjust discrimination in rail rates.

Section 3 forbids undue preferences and prejudices in rail rates.

In addition, section 15 confers upon the Commission the power to prescribe maximum and minimum rates and the power to suspend rates. All these powers are unaffected by the Pettengill bill.

It may be stated at this point that Coordinator Eastman, who is opposed to the bill, stated before the Rules Committee that the Commission could still exercise all the powers of rate regulation under the bill that it may exercise under the existing law; but he expressed the view that the repeal by Congress of the long- and short-haul clause would be regarded by the courts as an expression of intent—that Congress must have intended something by the change. Congress, of course, would intend something; it would intend to relieve the rail carriers of a drastic, outworn restriction, which ties not only the hands of the carriers but the hands of the Commission, and places the carriers at the mercy of great new and favored forms of competing transportation.

The Rayburn bill is the reenactment of the present long- and short-haul clause of section 4 as amended in 1910. The Rayburn bill simply drops out the additions of 1920—that is,

the reasonably compensatory clause, the equidistant rule governing circuitous routes, and the potential water-competition clause.

It was my conclusion, reached as the result of exhaustive hearings, to which I gave most diligent attention and with my mind open to the evidence, that merely the dropping of the amendments of 1920 would not reach the seat of the trouble and would not furnish sufficient relief in a field where relief is greatly needed.

Upon one point I am clear—that is, upon the need of substantial relief for the rail carriers of the country unless the country wants to have on its hands some fine day about \$20,000,000,000 worth of bankrupt railroads, one-fourth of them now in receiverships, and which are and must continue to be the country's principal, most dependable, and by far the most valuable transportation structure and wholly indispensable to the national defense.

ANCIENT PRACTICES AND ABUSES

Mr. Chairman, if I could contribute but one thought to this controversy, it would be this, and I want you to keep it in mind throughout the debate: It is that until 1910 there was virtually no rate regulation, that the railroads had a complete monopoly of all inland transportation, that the railroads had not submitted and become habituated to Government control, and that the railroads were then a political power in the State and Federal Governments. That picture has not merely changed; it has passed completely away.

So far as regulation is concerned, the change was briefly but completely summarized during the consideration of the holding company bill last year by the Christian Science Monitor, when it stated editorially that—

The holding companies are now in the status once occupied by the railroads, which have now become the most drastically regulated activity in the United States. There is nothing in the shape of public regulation comparable with it. The Interstate Commerce Commission is the oldest and strongest Government regulatory body.

That the change in the field of transportation, which is of much greater importance to the railroads, has been even greater than in the field of regulation I will shortly undertake to show.

In the hearings almost without exception the opponents of the bill went back to a time when the railways enjoyed an almost complete monopoly of transportation, were unregulated, and were as well a political power in the country. I remarked several times to witnesses during the course of the hearings, and I repeat it here, that I considered precedents of more than 15 years' standing regarding railroad conditions, practices, and abuses, and certainly precedents antedating the World War, as of very little value in shedding light on the solution of this problem.

I find corroboration of this view in the following paragraph from the report of the Federal Coordinator of Transportation, Senate Document No. 152, Seventy-third Congress, second session:

The past 15 years have been a period of great change, development, and adjustment in transportation, not only in this country but all over the world. There has been an extraordinary growth in the use of other means of transporting persons and property as a substitute for railroad transportation. Two of these means were new—the highway motor vehicle and the airplane—one, the pipe line, has been in use for many years, but experienced a sudden and rapid new development; another, carriage by water, is one of the oldest forms of transportation, but has recently gained a relative importance in this country, principally through the opening of the Panama Canal and the improvement of inland waterways. The electric transmission line transports only energy but it tends to reduce the transportation by the railroads of stored energy in the form of coal.

As an example of the nature of much of the opposition to the bill, one witness read at length from a decision rendered by Judge Thomas Cooley, one of the first Interstate Commerce Commissioners, in 1887. It was a very able opinion as to the original need for the act. After some 10 or 15 minutes I asked the witness, "Are you still reading from Judge Cooley's decision of 1887?" Since 1887 and very long after 1887 a great change has occurred in the transportation picture as it affects the railroads. With many of the railroads in bankruptcy and indebted to the

Government for a half billion dollars; with a capital investment of less than \$200,000,000 in shipping taking practically all of the intercoastal traffic through the Panama Canal from a rail-carrier investment of more than \$20,000,000,000; with a decline in gross rail receipts from six-billion-odd in 1929 to three-billion-odd in 1934; with a decline in working personnel during the last decade from 2,000,000 to 1,000,000 men; beset on both land and water and in the air by formidable, growing, and largely unregulated forms of competition, as summarized by Mr. Eastman, which have to furnish nothing in the field of transportation except the vehicles for moving traffic, the situation as presented is vastly different and is a matter of grave concern, not only to the carriers and their employees but to the country.

On the financial condition of the railroads the following very significant sentence is quoted from the report of the Coordinator to the Seventy-fourth Congress, House Document No. 89, page 35:

Only a few railroads are paying dividends, and more than a billion and a half in bonds are in default.

LAND GRANTS AND OLD ABUSES

Many times during the hearings opponents of the Pettengill bill mentioned the large railroad land grants as in the nature of important subsidies to the railroads. Going back 60 and 70 years for an argument against the railroads. It is true that when the transcontinental lines were built they were given large grants of the public domain, but there is not wanting evidence that they have paid well for this early-day aid. Most of these grants have long since been disposed of, and perhaps much of what is left is largely a tax burden. That cookie has been eaten. On the other hand, the land-grant roads are required to haul Government traffic at 50 percent of normal rates. This must have worked an immense saving to the Government during the war. So when the account is all cast up, they are in the status of having been made a loan 60 or 70 years ago upon which they must pay interest forever. The loan is gone and nothing but the debt remains.

I do not believe that the land grants are any helpful item in the solution of the present railroad problem. One might as well hark back to the good old days when every big railroad had a State government or two among its assets and sent its lawyers to the United States Senate and placed them on Federal benches, and subsidized public officials and newspapers and shippers with railroad passes and built up favored shippers with rebates, and that sort of thing. In the language of a comic strip, "Them days is gone forever." It is clear to my mind that testimony, a large part of which is a rehash of ancient history, is of little value in determining what ought to be done now about section 4.

DEVELOPMENT OF COMPETITION IN TRANSPORTATION

Mr. Chairman, attention has been called to the fact that there was little effective railroad rate regulation prior to the amendment of 1910. I will now call attention to the conditions which prevented the tightening up of the long-and-short-haul clause in 1910 from becoming burdensome for some years thereafter to the rail carriers. To begin with, when the phrase, "Under substantially similar circumstances and conditions", was stricken from the long-and-short-haul clause in 1910, the rail carriers were permitted to file blanket applications with the Interstate Commerce Commission which retained in effect the then existing rate structures until such time as they might be changed by order of the Commission.

Roughly speaking, these changes were spread out over a period of years. At that time the Panama Canal had not been completed, and intercoastal traffic was chiefly by transshipment via the Panama Railroad and the Tehauntepec Railroad. These combined rail and water intercoastal rates were necessarily more expensive than the later all-water route through the Panama Canal, and offered less competition to the rails.

The story and causes of the decline of the railways begin not with the opening of the Panama Canal but with the ending of the European war traffic. The Panama Canal was completed and opened for traffic in 1914, coincident with the

outbreak of the World War in Europe. The demands of the World War furnished shipping a more profitable field than the intercoastal traffic through the Panama Canal, with the result that American shipping deserted the intercoastal traffic in a body and the railroads had practically no intercoastal water competition until after the World War, or about 1920.

With the withdrawal of Panama Canal competition and its diversion to Atlantic traffic, leaving the rail carriers an intercoastal monopoly, the Interstate Commerce Commission in 1917 withdrew the lower transcontinental rates which had been permitted the rail carriers to meet water competition. It is claimed by the rail carriers that at the time of this withdrawal of low rail rates the Interstate Commerce Commission indicated that if and when water competition was resumed, the rail carriers would be permitted to make application for restoration of the lower rates, but that when such application was made it was denied, and they have never since been permitted to compete on the former footing with traffic through the Panama Canal.

Now, beginning about 1921 the shipping which has been deflected from the Panama Canal to the Atlantic service began returning, with numbers augmented by ships which the United States Shipping Board was selling for a song, and the shipping lines were fighting each other as well as the railroads for intercoastal traffic.

Now, here is what has turned out to be a curious thing: The rail carriers had the field virtually to themselves during the war period, and this resulted in the still further tightening up of the fourth section by Congress in 1920 by the three additional restrictions already mentioned, but at the same time there began the change in the transportation picture which I have already mentioned, which has now brought about a situation which, had it existed in 1887, makes it very doubtful whether section 4 would ever have been enacted, and which raises a real question whether it could not be repealed in toto without a recurrence of former objectionable practices on the part of the rail carriers.

CHANGES SINCE 1920

This is what has happened in intercoastal traffic since 1920. Panama Canal shipping in 1922 hauled 2,000,000 tons of intercoastal traffic; in 1929 it had increased to 8,000,000 tons; and in 1934 it was 6,000,000 tons, the slump being due to the effects of the depression. This, however, leaves an increase of 300 percent in Canal traffic after the war interim. During the same period the transcontinental rail traffic declined 50 percent. In other words, while the water carriers went up three times the rail carriers fell back one-half, although both of them drew the same kind of traffic from the same sources and the traffic of each must have suffered about equally from the depression. There was only one source for the increase in the water traffic and this was at the expense of the rail carriers. As one of the representatives of the water carriers stated to the committee, "We virtually have all of the intercoastal traffic now, the railroads are out of it." In one breath the representatives of the water carriers claim that the effect of the Pettengill bill would be to wipe them from the water, and in the next breath that the rail carriers cannot meet their competition. Both of these propositions cannot be true, and I believe the testimony established the fact that the rail carriers cannot go down to water rates and would not attempt to do so even if section 4 were repealed. They have a working arrangement now on the Pacific coast, sanctioned by the Interstate Commerce Commission, whereby the north and south rail rates are maintained at 10 percent above water rates, yet notwithstanding this arrangement water carriers have 90 percent of the Pacific coast traffic of California, Oregon, and Washington. This indicates how much cheaper they are able to carry the traffic.

Right on that point let me say that the representatives of the California citrus growers appeared before our committee, one a large organization from Los Angeles and the other from Sacramento. They said that 12 to 15 years ago their traffic amounted to only 15 percent of the transcontinental traffic of the railroad companies, but that it is now 50 percent, due to the loss of other classes of rail traffic to the

Panama Canal shipping, so the burden grows constantly heavier all the time on the citrus-fruit growers to keep up the railroads, and the reason they are for the Pettengill bill is that the railroad companies may again build up other lines of traffic and get some other source of revenue besides the citrus fruit of California to support the transcontinental railroads.

Another danger that faces the railroads is that they are starting refrigerator ships through the Panama Canal, and if this relief is not granted the railroads, the first thing we know, they will lose all of the transcontinental freight traffic from the Pacific coast.

COMPARATIVE ECONOMIC VALUES OF RAIL AND WATER AGENCIES

Rail transportation is, of course, preferred. It is the quicker and better service. It can maintain a differential and still get some share of the business. It is, however, much the more expensive form of transportation to maintain. It was testified before the committee that it takes two men per ton to handle rail freight as against one man per ton to handle water freight. It was also testified that rail wages are about double water wages. Added together, this makes a 4-to-1 difference in favor of water transportation in the matter of operating costs. It was also testified before the committee by a representative of the water carriers that the lines he represented handled 70 percent of the Panama Canal traffic and that the capital investment of all of these lines was only between one and two hundred millions of dollars, or about the value of one jerkwater railway.

ECONOMIC VALUE OF THE TWO SYSTEMS

I will give an illustration from the hearings of the respective economic values of these two systems. A representative of the water lines presented a map illustrating the two competing forms of transportation. A black line meandered from New York to San Francisco, representing a transcontinental line. At short intervals black cross marks represented important points and terminals. To represent the water carriers there was a black line from New York to San Francisco through the Panama Canal. I said, "Let me have that map and I will show you how it looks to me. Here is New York City, the point of origin of the transcontinental rail line. It has an enormous and expensive terminal station and facilities. There may be 100 miles or more of terminal trackage, shops, and roundhouses. At all of these intersection marks an expensive terminal plant and equipment is repeated. The road spends money with every roll of the wheels across the country. It has the highest paid labor in America. As you go West it is the main support of many American towns. It passes through counties where its annual taxes exceed its total gross revenue from the county. When it reaches San Francisco it has another great terminal. Now here is your water line. From the time it leaves the dock in New York until it reaches the dock in San Francisco it touches nothing and is worth practically nothing. It is manned with grossly underpaid labor. One-half or more of the crews are foreign. Nature has furnished it with a free highway. Congress furnishes it with free harbors, and all it needs is a boat and a dock to tie up to.

It is small wonder they can underbid the railroads for traffic. It is cheap transportation, and that is about all that can be said for it. I cannot see where the waterways enter the picture as parties in interest in this legislation, or where they can be driven out of the transportation picture by the rail carriers. Such a claim is nonsense. This is almost wholly a fight between competing points and intermediate points on the same line of railway, between the long- and the short-haul rate as it affects intermediate points.

COMPETING MOTOR TRANSPORTATION

It is in part the same story with motor competition. The public furnishes the highways. Motor transportation has no responsibility in furnishing or maintaining its highways. It does not have to go out and condemn rights-of-way and spend hundreds of millions of dollars to build tracks to run on, and continually maintain and rebuild them. The highways were there even before the trucks were built. If they

had to build up ways and means as the rail carriers have had to do, there would be no motor transportation.

A representative of motor transportation said there were 3,000,000 trucks in daily use in the United States. When I read of a 2-ton truck carrying a 9-ton load I can well assume an average of 3 or 4 tons per truck per day, indicating the trucks of the country carry ten to fifteen million tons of freight per day. Some of the rail representatives stated that motor transportation is much more formidable competition to the railroads than the water carriers, yet all that is needed to engage in motor transportation is a down payment and a license.

It is not to be inferred from this that I am in favor of putting the waterways or highways out of business or crippling them, but I am in favor of keeping the rail carriers in business on something like equal terms.

Enactment of waterway and highway bills, placing them under the Interstate Commerce Commission, will not greatly relieve the railway situation. These measures carry no comparable rate regulation, no long- and short-haul clause, and can carry none. The railways would much prefer such alleged regulation even to the Pettengill bill.

PRODUCERS VERSUS CONSUMERS

The intermountain territory has been and still is the chief zone of controversy over section 4. In times past the sentiment for preserving the section "as is" has been highly predominant. So far as the jobbing interests are concerned that appears to be still the case, although there were representatives of chambers of commerce and traffic associations from practically all the Western States in favor of the Pettengill bill.

At the hearings a division of interests developed in that area and that division I may call "producers versus consumers". The producers made it fairly clear that if the railroads could be relieved of the restrictions of the long- and short-haul clause they would be enabled to reduce their through rates to competitive points without an increase in intermediate rates, and thereby expand the market area of their products.

I will take two examples, and, although they are local to my section of the country, their application is general. In my home city, Pueblo, Colo., there is located the steel plant of the Colorado Fuel & Iron Co. This is the largest steel plant west of Illinois. It is a thoroughly modern, electrified plant. Its rail carrier applied for fourth-section relief to enable the steel plant to meet water competition from the eastern mills at Houston, Tex., and in anticipation of the business the steel company erected a warehouse at Houston. Fourth-section relief was denied the carrier, that is, they were refused permission to lower the through rate from Pueblo to Houston while maintaining the intermediate rates. The steel company had to abandon its warehouse and withdraw its frontier into northern Texas to get sufficiently far away from the back-haul competition created by the cheaper water rates to Houston.

The rate on sugar from Colorado factories to Chicago was 56 cents per hundred pounds. It could not compete with Philippine sugar brought to San Francisco in the raw state, refined in San Francisco, and transshipped through the Panama Canal, and then via the Gulf of Mexico and Mississippi River or the Atlantic and the Lakes, to Chicago. The carriers, after application pending for 2 years, got fourth-section relief to the extent of 20 cents per hundred pounds; that is, a reduction from 56 to 36 cents. It was of some benefit to the sugar producers in reaching the Chicago market, and they claim that a further reduction of only 4 cents would have greatly enlarged the sugar business of Colorado as against Philippine sugar. However, the water rate to St. Louis was reduced to 25½ cents, and it was hauled from San Francisco to St. Louis by water as low as 18½ cents per hundred. The Government, through the Inland Waterways Corporation, owns and operates a Mississippi barge line which is engaged in this cheap water transportation. Notwithstanding all the advantages of a Government-owned activity, it has been operating at a loss. In 1934 the loss was in the neigh-

borhood of a million dollars. That is what the railways and inland production have to buck.

Now, here is the point for the Mountain States region to determine: If it comes down to a question between producers and consumers, which interest is of the greater value? One answer is that no western State consumes its own products. They are all excess producers, and greatly excess, and in every line—coal, lumber, steel, minerals, sugar, potatoes, beans, cattle, sheep, hay, fruit, vegetables—in fact, I cannot think of a product which is not in the class of excess production. In the hearings I learned to perceive and distinguish between these interests as they were involved in this controversy. I think that it is a fair statement from the record to say that the great majority of the producers and a fair division of the commercial interests, even in the Mountain States, now favor the Pettengill bill. In my home State I took a poll by mail while the hearings were in progress, limiting the inquiry to mills, mines, factories, and commercial bodies. The returns were 74 for and 16 against the Pettengill bill. This shows a marked change of sentiment over former years.

This list for the bill contains the Colorado Fuel & Iron Co., the coal operators, the sugar factories, the beet and cattle growers' associations, and so on down to smaller units. I ask leave to insert the two lists in the RECORD at this point. It follows:

COLORADO—FOR PETTENGILL BILL

National Sugar Manufacturing Co., Sugar City; Great Western Sugar Co., Denver; Holly Sugar Corporation, Colorado Springs; White House Grocery, Ordway; Kropf Bros. Mercantile Co., Ordway; Chamber of Commerce, Las Animas; Chamber of Commerce, Rocky Ford; Diamond Fire Brick Co., Canon City; G. R. Lewis Drug Co., Colorado Springs; Golden Cycle Corporation, Colorado Springs; Williams & Messer Lumber Co., Trinidad; William Isabell Co. (shippers, etc.), Canon City; Union Ice & Fuel Co., Colorado Springs; Strang Garage Co., Colorado Springs; J. C. St. John Plumbing Co., Colorado Springs; Lowell-Meservey Hardware Co., Colorado Springs; Chamber of Commerce, Walsenburg; Quilitch Implement & Vehicle Co., Trinidad; Sinton Dairy Co., Colorado Springs; Collier Lumber Co., Colorado Springs; Crissey-Fowler Lumber Co., Colorado Springs; Walsenburg Creamery, Walsenburg; Arkansas Valley Stock Feeders' Association, Rocky Ford; Green & Babcock (lumber, coal), Rocky Ford; Union Lumber Co., Trinidad; Bancroft-Marty Feed & Produce Co., Trinidad; Wandell & Lowe Transfer Co., Colorado Springs; Trinidad Oil Co., Trinidad; Walsenburg Coal Co., Walsenburg; Paul A. Douden & Co., Denver; Stauder & Sargent (feeders), Fowler; C. M. Miller Co. (growers, shippers), Rocky Ford; the Forbush Co., Pueblo; the Arapahoe Shop, Pueblo; Manufacturers Bureau of Denver, Inc., Denver; American National Livestock Association, Denver; M. L. Stubbs Mercantile Co., Fowler; Burch Warehouse & Transfer Co., Pueblo; Arthur & Allen (contractors), Pueblo; Fountain Sand & Gravel Co., Pueblo; F. B. Orman Construction Co., Pueblo; Temple Fuel Co., Trinidad; Chamber of Commerce, Colorado Springs; Philip Schneider Brewing Co., Trinidad; McAnally & Channel Furniture Co., Trinidad; the Dern Co. (coffee), Colorado Springs; Baxter Hardware & Trading Co., Walsenburg; Stevenson Produce Co., Colorado Springs; Brown Commission Co., Colorado Springs; Pikes Peak Fuel Co., Colorado Springs; Couey Storage & Transfer, Trinidad; Powerine Co., Denver; Kirkpatrick's Coca-Cola Bottling Works, Walsenburg; Strain Bros. (fuel and feed), Lamar; Chamber of Commerce, La Junta; Mountain Ice & Coal Co., Pueblo; White & Davis, Pueblo; Colorado & New Mexico Coal Operators Association, Denver; Calkins-White, Pueblo; Chamber of Commerce, Greeley; Lamar Alfalfa Milling Co., Lamar; National Beet Growers Association, Greeley; Southern Colorado Beet Growers Association, Crowley; Colorado Fuel & Iron Co., Denver; Trinidad IGA Stores, Trinidad; Ideal Cash Grocery, Trinidad; Weeden Grocery, Trinidad; Central Market, Trinidad; Newton Lumber & Manufacturing Co., Colorado Springs; Peerless Furniture Co., Colorado Springs; Chamber of Commerce, Fort Collins; Rocky Moun-

tain Bean Dealers Association, Denver; Pueblo Trades and Labor Assembly, Pueblo; Denver Trades and Labor Assembly, Denver.

COLORADO—AGAINST PETTENGILL BILL

Bear Canon Coal Co., Trinidad; Trinidad Brick & Tile Co., Trinidad; Clay Products, Inc., La Junta; Krille-Nichols Wool & Hide Co., Pueblo; Chamber of Commerce, Pueblo; Holmes Hardware Co., Pueblo; Ady & Crowe Mercantile Co., Denver; Chamber of Commerce, Lamar; Jackson Chevrolet Co., Pueblo; Walker Motor Co., Pueblo; National Broom Manufacturing Co., Pueblo; Hendrie & Bolthoff Manufacturing Co., Denver; Newton Lumber Co., Pueblo; Robinson Grain Co., Colorado Springs; Denver Alfalfa Milling & Products Co., Lamar; Chamber of Commerce, Grand Junction.

Among those appearing for the bill was the representative of large lumber interests of the State of Washington, the West Coast Lumbermen's Association, and others, and when surprise was expressed that such a commodity so adapted to cheap water shipment, and adjacent to water, should appear in behalf of railroad transportation, they indicated that lumber must have something more than cheap transportation; that it must have markets and consumers; and that the railroads had once been their best customers, taking 25 percent of the output. The implications of the statement of the lumberman are well worth considering. In the quest for cheap transportation we may lose sight of other valuable factors. If a transportation agency worth less than \$200,000,000 can put an agency worth \$20,000,000,000 out of business, it is a fair question how much that proposition is worth to the national economy. Obviously mere cheapness is not the whole story.

Fifteen years ago, said this witness, 75 percent of Washington lumber moved by rail and 25 percent by water; now 25 percent moves by rail and 75 percent by water. This further bears out the statement that facts more than 15 years old are no answer to the problem which produced the Pettengill bill.

WHAT HAS SECTION 4 DONE FOR THE WEST?

Another impression I received, which I want to pass on to the West is this, that notwithstanding the restrictive long- and short-haul clause has been in operation for 25 years the West has not developed under it. It has in fact been drying up. This is a matter of common knowledge. Now, mind you, I am not saying that section 4 has prevented the development of the West or its industries, or that it has dried up the West. What I am saying is that this is the situation notwithstanding section 4.

If it could be shown that prior to 1910 industry and commerce were languishing throughout the West, but that since that time they have been springing up and flourishing, it could be recognized as a legitimate argument against disturbing the status quo, whether or not the status quo was responsible. It is difficult to take the conditions existing in the Western States and make out a case for section 4.

WHAT GOVERNOR CHRISTIANSEN SAID OF MINNESOTA IS TRUE OF ALL THE WESTERN STATES

Long- and short-haul clause or no long- and short-haul clause, the West has stood generally still as compared with coast areas. This statement cannot be successfully challenged.

This brings me to an argument made repeatedly by the rail carriers, which I had to admit as valid. The rail carriers said:

The water competition, with its low rates, is already there. If the inland country is at a disadvantage because of low-water rates at the coast that is not of our making; the low-water rates are already there.

The only difference, say the carriers, is that "we are not permitted to participate in the traffic, so our rail lines languish and the inlands languish."

NATIONAL VALUE OF RAILWAYS

Mr. Chairman, I view this subject from the public rather than the private, the national rather than the local, angle. If only consideration of the national defense was involved,

measures would be justified to place the railroads of the country upon a self-sustaining basis and preserve them from depletion or injury by obsolescent laws or by other forms of transportation.

There are approximately 250,000 miles of railways in the United States. Under the Transportation Act of 1920, permitting consolidations, nine complete transcontinental systems have been established. These systems, in conjunction with north and south cross lines and innumerable feeders, constitute beyond comparison the country's chief agency of national defense in the field of transportation. No one would claim that this field is one that can be filled by water and motor transportation. As for the Panama Canal as a means of national defense, it is inadequate and uncertain, and as a means of intercoastal traffic it is of minor or no importance, as was shown during the World War, when the railroads handled all the ordinary traffic of the country, both inland and intercoastal, and also the extraordinary traffic incident to the war. The railroads in that great emergency were the sole agency of national transportation. The ships had gone, the trucks and busses had not come, and the railroads did the job. As I stated before the Committee on Rules, handling traffic through the Panama Canal in a national emergency would be like pouring a washtub through a bottle neck.

In the railroads, therefore, we have an adequate and indestructible means of transportation. We should see to it that they are kept in first-class condition, and more especially when it can be done without expense to the Public Treasury and without unduly burdening the users of the railroads. The term "users" of the railroads brings me to another and important angle of this subject. The railroads still are, and unless we destroy them will continue to be, the chief reliance of the masses of the people in the transportation of both passengers and freight. We are all familiar with the fact that railroad service is being depleted, many short lines being abandoned and train service reduced on all lines. This situation results in impaired transportation service to the masses of the people. The whole national rail transportation structure is being impaired. So everything is not fish that comes in the net of cheap competing transportation.

In one way or another the people, who must rely on the railroads, are made to pay for the deteriorating condition of the railroads. They are getting less service and poorer service out of them and they pay in that way, they get less taxes and they pay in that way, they get less of the highest-paid employment in the United States and they pay in that way, and they get deterioration in a national transportation structure, the most permanent, substantial, and dependable yet devised by the genius of man and upon which the safety of the Nation may depend on a day's notice. While we are properly spending many hundreds of millions of dollars in preparedness, let us not overlook the item of transportation, upon which finally all else depends. If Russia had nine first-class rail lines across Siberia, present events and the future history of the world might be different.

PREJUDICE BLINDS FOURTH-SECTION SUPPORTERS TO FACTS

Mr. Chairman, I have pointed out the great changes in the transportation world in recent years which, in my opinion, not only justify but demand a change in the law governing rail transportation. That this opinion has substantial foundation is shown by the change in sentiment which has grown up in the transportation field. There was little opposition to the Pettengill bill in the East, except from the water carriers. Not even motor transportation appeared in opposition to the bill. Traffic interests, manufacturing and commercial interests in New England appeared for the bill; the commercial bodies of Florida; the rice growers of Arkansas; the sugar and cattle growers of Colorado; the canning industry of Iowa and Nebraska; the fruit growers of California; the lumber interests of Washington and the Northwest; mining interests of Utah, Nevada, Montana, Idaho, and New Mexico appeared for the repeal of the long- and short-haul clause. The list has already been inserted in the RECORD by Mr. PETTENGILL.

It must be admitted, however, that there was strong opposition from certain localities in the Mountain States and

the Northwest, the nature of which is aptly summed up in the report of the Coordinator of Transportation, Document No. 152, Seventy-third Congress, in the following language:

The support which it (the fourth section) has received from certain sections and interests has bordered on fanaticism.

This fairly characterizes the attitude of a number of opponents of the bill before the subcommittee. The holding companies pleading for their lives were temperate by comparison. It is difficult to reason with that state of mind.

One of the strongest adherents of the long- and short-haul clause is the State of Idaho, which was represented before the committee by several witnesses against the bill.

The principal of these witnesses was Mr. Harry Holden, a member of the Idaho Public Utilities Commission. Mr. Holden gave statistics on two specific Idaho crops, apples and potatoes. Since Idaho is in the forefront to the opposition of this bill and since Mr. Holden was referred to by the other witnesses as being specially qualified and prepared to present Idaho's case against the legislation, I deem his testimony with respect to these two major agricultural products of Idaho of especial significance. I urge you to listen to this.

At page 594 of the hearings, Mr. Holden said:

To give you a better picture, in Twin Falls County alone, in 1918, there were 18,000 acres of commercial orchard and there remain today less than 2,000 acres of orchard and they exist only by reason of the fact that these apples move by truck and not by rail.

It was pointed out to Mr. Holden that this tremendous loss occurred under the existence of the long- and short-haul clause, and he was asked what good it had done Idaho. Mr. Holden replied:

I can answer that question. In 1920 practically every farming community in the State of Idaho was put out of existence by reason of the horizontal raise in freight rates.

Now, remembering this statement, let me again quote. On the next page, 596, Mr. Holden said:

Permit me now to call your attention to potatoes in the Western States where they are produced and the amount of tonnage enjoyed by western railroads. * * * During the years 1922 to 1931, inclusive, there have been produced and shipped by rail, according to the records of the United States Department of Agriculture * * * Idaho 204,390 cars, an annual average of 20,439 cars.

Still quoting:

Likewise, Idaho's production and shipment for the 5 years from 1930 to 1934, inclusive, presents another picture. During these 5 years Idaho shipped by rail 134,827 cars of potatoes, or an average of 27,000 per year, and it now looks like our average will be, if we are permitted to live by the carriers, a yearly average of not less than 30,000 cars annually.

Mr. Chairman, this is a fine showing, but it is a showing which would appear to dispose of Idaho's case against this bill. In the case of exhibit A, the apple orchards, they disappeared under the benign operations and protecting influence of the long- and short-haul clause. In the case of exhibit B, after farming in Idaho "was put out of existence by reason of the horizontal raise in freight rates", to quote the words of the witness, Idaho potato production and shipment by rail increased from 20,000 to 30,000 cars annually.

These two widely different cases occurred at the same time, in the same locality, and under the same law.

It seems easy for witnesses from certain localities to let their zeal against the railroads carry them away and blind them to the real significance of the facts they relate. Mr. Holden is not the only case.

A somewhat similar witness was Mr. Ernest D. Salm, executive secretary of the Utah Citizens' Rate Association. It was really astounding. It was almost incredible.

Beginning at page 687 of the hearings, Mr. Salm devoted almost six pages to showing the enormous cost of railway construction, maintenance, and operation through the State of Utah and to the coast. Apparently in Mr. Salm's mind it would be useless to try to help the railroads against such insurmountable obstacles and unfair to the country traversed by them. He instanced the famous Lucin cut-off over the great Salt Lake, which, he said, cost \$10,000,000 for 30 miles of road, all spent in Utah. He instanced 18 miles of snow-

sheds costing over \$3,000,000. He instanced the use of fire trains by railways, due to desert conditions and entailing great expense, and other things. I could not forbear suggesting to the witness that the cost of the Lucin cut-off was probably more than the railway company would get out of the traffic of Utah in many years. He admitted a statement previously made to the committee by a witness for the bill that there are counties in Utah in which the railroads pay taxes in excess of their total gross revenues from the counties, and that is true in all the Western States.

INTERSTATE COMMERCE COMMISSION POLLS SHIPPERS

We are all familiar with the fact that no commission or agency of government voluntarily relinquishes power, but rather seeks to increase it. Still, the coordinator, in House Document No. 89, page 173, Seventy-third Congress, says:

On the whole, sentiment favors modification or repeal. Of the important responses on the question filed with the coordinator, 82 favored some modification, 46 favored repeal, and 47 were against any change.

G. H. Shafer, transportation rate expert of the Illinois State Commerce Commission, a very competent man, stated the case in a paragraph when he said:

If the long- and short-haul provision contained in the fourth section of the Interstate Commerce Act is repealed, the Interstate Commerce Commission, under sections 1, 2, and 3, could still prevent the carriers from making rates that are unreasonable or discriminatory. The Commission, in addition, has the power to fix minimum rates under section 15, which would prevent the establishment of rates below the cost of transportation. With these powers vested in the Commission, it is no longer necessary to continue in force the long- and short-haul clause.

FINDINGS AND CONCLUSIONS

Mr. Chairman, I shall conclude with some findings made by me from the testimony in the hearings, which I have found helpful in arriving at a decision on this important piece of legislation.

First. The largely unregulated water and highway transportation which have grown up since 1910, which will not be comparably regulated under proposed legislation, and which are making rapid and continuous inroads on rail transportation, demand that the railroads be given much greater freedom in meeting this competition. It is shown conclusively that the almost total loss of transcontinental rail traffic is due to the undue advantages given water traffic.

Second. Increasing the competitive powers of the railroads cannot drive water and highway transportation from the field or seriously impair them, for the reason that they are cheaper forms of transportation to establish and maintain, and it would be suicidal for the railroads to undertake to underbid them, even if the law permitted it, which it will not.

Third. Water rates have been and are lower than rail rates and lower than the rails can make rates, giving the water points such advantages over inland points as may accrue from lower rates, and this condition will continue to exist, whether section 4 is repealed or not.

Fourth. The existing handicap to the rails is depleting their earning power and physical structure, to the loss as well of all the cities and towns and sections which they serve, impairing their efficiency in that field of transportation for which they are best fitted, and weakening them as an indispensable arm of the national defense.

Fifth. The inland sections have experienced no such industrial and commercial gains under 25 years of the operation of the long- and short-haul clause as would justify any claim of benefit from the existence and operation of the law. It is shown conclusively that the long- and short-haul clause prevents the railroads from extending the market range for inland products in competition with the water haul.

Sixth. The railroads, if given the opportunity, may again become, and should become, self-sustaining and modernized without expense to the Public Treasury; while, on the other hand, continuance of the present unfavorable trend will call for some other means of maintaining to its full usefulness this most essential agency of transportation and defense.

Seventh. Under existing competitive conditions in the field of transportation the railroads would be singled out for no such drastic regulation as that embodied in section 4. If section 4 were out of the law now, it would not now be proposed to restore it. [Applause.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, I am opposed to this bill, as I regard it as unnecessary and, at the same time, harmful legislation. For years the railroads have been under the auspices and protection of the Interstate Commerce Commission, and quasi-judicial machinery has been provided whereby they can, in a proper case, obtain from the Interstate Commerce Commission the relief sought by this legislation. The railroads have obtained relief in 120 cases out of the 150 where they have applied for action, so they have not petitioned in vain.

The history of the railroads prior to 1887 is not pleasant reading. It is a history of economic oppression and political corruption in both the States and the Nation. Through the medium of this unneeded legislation we are at one fell swoop returned to the old days when the railroads exploited or destroyed localities at will. This legislation takes the burden of proof off the railroads and places it on the shoulders of the locality or shipper. To obtain relief the locality or shipper must make a journey to Washington. He must employ rate experts and lawyers familiar with the practice before the Interstate Commerce Commission. The expense of this will be prohibitive, with the result that shippers and localities will be destroyed by the schedules of rates that may be changed at will.

Some of the Members of the House are complacent about this procedure. They fail to consider the far-reaching effect of this legislation. May I say to them that in economic results no legislation has been attempted during my service here which is more far-reaching. Our distances in America are so great that transportation will always be a national problem of first magnitude. I have no quarrel with the railroads, for they have played and are playing an important and necessary part in the national economy and development. I am in favor of proper legislation and even financial aid out of the Federal Treasury for their aid and assistance. I am also in favor of proper, necessary legislation for the splendid group of men who constitute the rank and file of the railroad employees of America.

I am, however, definitely opposed to this legislation, which will work havoc to the shippers and communities of America. If this legislation is passed, it is the purpose of the railroad management to kill off the coastal merchant marine, which is an essential arm of our national defense. It will kill off the waterways in the interior of the country, which are so essential to America's growth and development, and will drive shipping now furnishing low-cost transportation off the Great Lakes and into the discard.

In 10 and even possibly 5 years, water transportation on the coast and in the interior will be murdered in its bed if this bill becomes law. The Motor Carriers' Act, which is now law, will become a nullity, for this legislation will destroy highway transportation lines and will ultimately throw more men out of work than are now employed by the railroads. All of the modern agencies for the convenience of the public will be submerged and destroyed by the passage of this legislation, and out of this legislation will come monopoly of transportation by the railroads, and the history of oppression and corruption that was characteristic of the years before 1887 will be repeated. The battle to prevent the people on the eastern and western coasts and in the interior from being prejudiced will have to be fought all over.

In the brief time allotted me today I do not have an opportunity to discuss the national waterways as I would like to do, but the fact is that railroads have been the chief beneficiary of water transportation. Ninety percent of the American harbors have been improved at the request of the railroads. The classic example of this is the development in and around the city of Pittsburgh. Sixty years ago

German and English experts said that America could never make steel because her iron mines were so far removed from the coal deposits. Lake water transportation was developed and the iron ore was brought at an infinitesimal cost per ton to the city of Pittsburgh, and around this city has come the greatest railroad development in America.

All this has been brought about by the low cost of lake water transportation, and this illustration might be multiplied a hundredfold. I have been on the Rivers and Harbors Committee for 8 years and know something of the national transportation picture. I know something of the monopolistic character of the railroads where they are in command. The railroads once believed that they had a divine right to rule the country and to regulate its destiny. The effects of this legislation will be to revive this obsession; and, in my judgment, this legislation will put them in the saddle again with most disastrous effects to the country.

If you pass this legislation, you are setting the clock back; you are writing a chapter which will not do credit to the economic vision of this House.

On the subject of waterways, may I refer you to Judge MANSFIELD's extension of remarks which appeared in the RECORD on Friday, March 20? It is a fair, clear, and able statement of the part the waterways are playing in the development of the Nation and the result in cost to the people of the country. I commend the reading of Judge MANSFIELD's extension to every Member of the House. It will clarify the situation in their minds and clear away the fog which the railroads have thrown around the part that the waterways are playing in national economics.

The historic sufferers from heavy freight rates have been the American farmers. That fact has been brought out many times before the Rivers and Harbors Committee in hearings. Every farm organization is opposed to this bill, and they are protesting its passage in thunder tones. I call the attention of the House to a letter which I received today from the State master of the New York State Grange on this question. I likewise call attention to a radio talk of Mr. Fred Brenckman, the Washington representative of the National Grange, on the same subject. I ask leave to extend both of these in the RECORD. They are brief.

The CHAIRMAN. Without objection, it is so ordered. There was no objection.

The matters referred to are as follows:

NEW YORK STATE GRANGE,
Oswego, N. Y., March 18, 1936.

HON. FRANCIS D. CULKIN,
Washington, D. C.

DEAR MR. CULKIN: You are surely aware that the Pettengill bill, H. R. 3263, would, if passed, work untold injury and hardship upon the agriculture of the entire Nation, as well as all other lines of industry within our borders.

The New York State Grange, through its legislative committee, wishes to register its protest against the passage of this measure. The voice of more than 135,000 grangers in New York State, 6,000 of them in your own county, speaks as one against this injustice to the American farmer.

Hoping that you will use all honorable means with your great influence to prevent its passage, I am,

Most sincerely yours,

RAYMOND COOPER,
State Master, Chairman Legislative Committee.

PART OF RADIO TALK OF FRED BRECKMAN, WASHINGTON REPRESENTATIVE, NATIONAL GRANGE, MARCH 21, 1936

A measure of great importance to farmers and the people of the entire country that is now pending in Congress is the Pettengill bill, H. R. 3263. The passage of this bill would work irreparable injury to agriculture. Its purpose is to repeal the long- and short-haul clause of the Transportation Act. In order that it may be clearly understood by everybody what is meant by this clause, let me explain that under its provisions the railroads are forbidden to charge more for a shorter haul than a longer one, over the same line and in the same direction. The repeal of this clause would pave the way for a cut-throat rate war against boat and truck lines and other competitors of the rail carriers. To finance such a rate war the railroads would keep their freight rates to the intermediate noncompetitive points on a high level.

With this clause repealed they could carry freight at a loss, if necessary, between points where they are thrown into competition with motor and water carriers, until these competitors had been crippled or eliminated. To make up the losses sustained in

such rate wars, they would naturally have to charge higher rates between noncompetitive points to avoid bankruptcy themselves.

This kind of legislation would drive industry to the seacoast in order to get cheaper transportation rates, and it would depopulate the interior of the country. It would remove the farmer's market farther and farther from him by destroying the local industries of the interior.

The farmer lives in the interior. The farmer is the intermediate shipper. The farmer is the man who is located at the noncompetitive point and the farmer is the man who would have to pay the bill, in the form of exorbitant freight rates, to finance the railroads in a rate war with other carriers.

Testifying before the Rules Committee of the House at a recent hearing on the Pettengill bill, Coordinator of Transportation Joseph B. Eastman declared that under the present law the Interstate Commerce Commission has all necessary authority to grant lower rates to rail carriers where they are thrown into competition with other transportation agencies, providing the roads can show that such rates are compensatory. Mr. Eastman also stated that during the period that the long- and short-haul clause has been in effect the railroads have made approximately 180 applications for rates enabling them to meet competition of rival carriers at given points. About 150 of these applications have been granted, while only about 30 were refused by the Commission. What more do the railroads want? What more, in common decency, can they ask? The idea that Congress should enact legislation which was placed upon the statute books to put an end to the hoary abuse of charging more for a shorter haul than a longer one on the same line and in the same direction is preposterous and cannot be justified.

Mr. CULKIN. Messrs. Cooper and Brenckman state the case of the farmer fairly and with vigor. I understood the distinguished gentleman from Indiana, the father of this bill, to state on Friday that the Farm Bureau Federation was for the legislation. I talked with Mr. Chester Gray, the national representative, this morning, and he said that their central organization has gone on record against it. The gentleman from Indiana, for whose abilities, legislative integrity, and character I have the greatest respect, was mistaken when he made that statement.

I ask the House to defeat this bill. I have faith and confidence in the membership of the House. I urge that this legislation, so fraught with evil to the future of America, be defeated. [Applause.]

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. Yes.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PETTENGILL. The American Farm Bureau had at two national conventions endorsed this bill.

Mr. CULKIN. Several State conventions did, but I understand the national conventions always opposed it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RAYBURN. Mr. Chairman, I yield to the gentleman from California [Mr. COLDEN] such time as he desires.

Mr. COLDEN. Mr. Chairman, I desire to ask unanimous consent to extend my own remarks at this point in the RECORD on this subject.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COLDEN. Mr. Chairman, I listened intently to the eloquent and ingenious argument of the distinguished gentleman from Indiana [Mr. PETTENGILL] in behalf of his bill proposing to repeal section 4—the long- and short-haul clause—of the Interstate Commerce Act. I find myself in hearty accord with what my colleague had to say about the necessity and the importance of railway transportation. No fair citizen can deny that the railways have performed a great service in the development of the entire country. I also share with my colleague the gratification for the safety and the efficiency of the railways and their perfect record of safety for 1935, in which not a single life was lost in railway transportation.

THANK THE WORKERS

In surveying the benefits that the railroads have contributed to this country, I think we should fully recognize the part of the railway employees. The safety, the convenience, the efficiency of railway transportation is due to the high intelligence, the efficiency, and the loyalty of the

men who perform the duties and grave responsibilities involved in railway transportation. It is not to the high-paid executives who sit in lavish offices in the great cities, and much less to the bankers and the brokers who guide the financial course of these utilities, but it is due to the blue-capped engineer whose hand is on the throttle, to the fireman who supplies the fuel, to the conductor, the brakeman, the porter, the station agent, the roundhouse mechanic, the yardman, and the track worker. Safety and efficiency in travel depend upon the loyalty, the sobriety, the clear thinking, the cool-headed conduct of these men. And not all the excellent qualities of these workers can be claimed by all railroad executives. The railway workers, or at least a considerable part of them, are members of the most outstanding organization of the labor world. These men by their own efforts have brought about the enviable position which they hold in organized labor; and it must be said that these splendid men have fought many a battle with railway managers for efficiency, for safety, and for a better standard of wages and hours, which has contributed not only to their own standard of duty and living but has been the chief factor in the success of the railways that employ them.

LOW WAGES FOR SOME

I desire to give due credit to the railways for maintaining a comparatively high standard of wages and a decent standard of living for many of their employees. I am also not unmindful of the fact that the track worker is among the poorly paid employees of this country. Frequently the pay of the track worker is so low that it does not afford a decent standard of American living. The railway track worker has been unable to organize to exert his collective power to secure a wage in comparison with the higher wages paid other employees. Other railway employees themselves, by their own intelligence and organization, have exacted from the reluctant railroads a much better wage. In this connection it might be said that it is regrettable that the American seamen, the worker on the ships and many of the water-front workers, have not been paid a scale of wages in proportion to the skilled mechanics of the railways and of other industries.

A potent influence in behalf of this bill has been brought to bear upon the Members of Congress by the various railway organizations throughout the country. In spite of the unhappy results of the opposition of the railway executives to an adequate railway pension plan and to other reasonable requests, in this instance the employees have rallied to the support of their employers, a further proof of their loyalty. Undoubtedly railroad executives, with their tongues in their cheeks, have held out promises of wider employment, better wages, and other desired emoluments to win the support of the railway workers. If this were the only issue involved in this controversy, I would not raise my voice against this bill but would be very happy to support it.

WHAT THE TESTIMONY SHOWS

I feel that the able gentleman from Indiana did not discuss all the issues raised by his proposed legislation. His argument was a careful and clever camouflage of the real issues in the background and the real purpose of this bill. Anent the suggestion that this measure means wider employment, let me call attention to the railway employees of the Southern Pacific Railway. At a hearing before a subcommittee of the Senate Committee on Interstate Commerce on Senate bill 563, to amend section 4 of the Interstate Commerce Act, held in May and June of 1930, Senator PITTMAN brought out this vital point: That the traffic of the railroads in a period of 12 years had increased 60 percent, but that the railroads had not increased their number of employees in the same proportion. The deduction was that while the railroads are complaining about loss of traffic, it is not because of their interest in their employees, many of whom have been ruthlessly discharged wherever possible.

In 1930, at a hearing held in Phoenix, Ariz., on May 10, 1930, Mr. W. A. Worthington, vice president of the Southern Pacific Railway, testified that in 1930 an increase of approximately 33 1/3 percent in west-bound tonnage and 15 percent in east-bound tonnage could be handled, without an increase of train mileage and without requiring any addi-

tional trains; the substance of the contention of the railway representatives being that repeal of the fourth section would enable them to load empty cars, and increase their volume of traffic and their revenues without a corresponding increase in cost, and without the employment of additional labor.

A PECULIAR GENEROSITY

As I see it, the real objective in the proposed repeal of the fourth section is the elimination and destruction, as far as possible, of the competition of the highway and the truck, the waterway and the ship. Railways complain of the competition of the pipe line, the transmission of electric power, and the airplane—all the results of the march of progress. It has been repeated on this floor that the long- and short-haul clause does not apply to the railway's rivals in transportation. So far as I am aware, there has been no evidence introduced to show an abuse of this long- and short-haul principle in other lines of transportation. Sensible truckmen do not violate the sound rule of economics and of business by transporting commodities to a distance of 500 miles for a less amount than for a distance of 300 miles. It is a violation of sound economics to indulge in such practices. Consequently, there must be some particular and peculiar reason why the railways ask for the violation of such a generally accepted rule. Can you give any good reason why a meat market should sell a thousand pounds of meat for a less price than it receives for 750 pounds? Can you give any good reason why a grocery should sell a thousand sacks of sugar to the same customer for a less price than it sells him 500 sacks? Can you give any good reason why a clothing house should sell three suits of clothes or three pairs of shoes for a less price than it sells two suits or two pairs? Is there any sound reason why the poultryman should sell 10 dozen eggs for less money to the same customer than 5 dozen eggs? What would you think of a worker who offered his toil for 12 months for less than he obtained for 10?

The Pettengill bill is a most clever and adroit proposal to cover ruthless and ruinous discrimination with a cloak of legality. From the standpoint of economics and commerce it offers a fallacious policy. For what reason does a railway desire to transport commodities 3,000 miles for less than it would charge to transport the same commodities a distance of 2,000 miles over the same rails? What is the purpose of a railway's desiring to offer to transport the manufactured goods of New York, Philadelphia, Chicago, St. Louis, Cleveland, and similar points, to Los Angeles, San Francisco, and Seattle for less tariff than it charges for the transportation of the same cars and similar goods to intermediate points, such as Wichita, Fort Worth, Denver, Phoenix, Salt Lake, Spokane, and other points?

REVISED RATE STRUCTURE NEEDED

The bug in the rug in this instance is a purpose to carry out a program that discriminates against intermediate points and for the sole purpose of destroying water and truck commerce between competitive points. Industry and agriculture and commerce everywhere would greet with cheers any earnest and honest effort to reduce railway transportation rates throughout this country. The railway rate structure of this country is a modern puzzle system that would confuse a Chinese lawyer or the author of a Dutch almanac. The railway executives of this country could do this country a great service if they would but simplify rate structures, eliminate some of the discriminating advantages of competitive points, and give the intermediate points, cities, and towns, an opportunity of commercial and industrial development.

DISCRIMINATIONS ROB AND DESTROY

Allow me to give an example of the discriminations that exist today to the advantage of competitive points. Car-load rates on commodities are the same from San Francisco and Los Angeles into Arizona and New Mexico. Los Angeles, geographically and by the usual travel routes, is but half the distance from this territory as is San Francisco. From the standpoint of logic and economics as applied to the cost of transportation, one would arrive at the conclusion that the point but half the distance should have a

correspondingly less rate. But such is not the practice. I once lived in a small town in northwest Missouri, known as Parnell. It was a half-way railway point between Kansas City and Des Moines; yet the railways would deliver lumber in Des Moines at the same freight rate as in Parnell, twice the distance. Under the fourth section, this discrimination is not a violation of the law, which only limits the railway to charges for a long haul that are not less than for the short haul. But it is easy to see the effect on a small town.

Repeal of the fourth section as proposed would permit the railways to take rate making into their own hands and permit them to charge less for a long haul than a short haul. You would upset not only the transportation rate structure but you would disturb commerce, industry, and agriculture in every part of the country. It would be within the power of the railways, if they so desired, to haul Oregon wheat to Minneapolis and Chicago at a less rate than would be charged to the wheat farmers of Kansas. It would give the railways the legal right to ship flour from St. Louis to Denver for a less rate than from Topeka and other intermediate points. The same discriminations might be applied from Minneapolis to New Orleans, Galveston, and other competitive points. It would permit the railways to charge less for the transportation of rubber tires from Ohio to points in the Northwest than from the tire factories of Los Angeles. It would permit the shipping of all kinds of products east of the Mississippi to the Pacific coast for a less charge than from points in Kansas, Nebraska, Colorado, and other inland States. Such a change in railway charges would close the doors in hundreds of factories not only on the Pacific coast but in other parts of the interior. It would wholly upset the basis upon which local manufacturing and distribution is now conducted. In some parts of the country it would throw thousands of men out of work. It would place the commercial and industrial enterprises of thousands of intermediate towns and cities at the mercy of railway executives, their whims, and their personal and selfish concern. And for what purpose? Only to enable railways to grab a larger volume of traffic from the highways and waterways, and probably without the running of an extra train or the employing of an extra man.

FAIR PLAY FOR WHOM?

The proponents of the Pettengill bill have talked much about fair play. What would such a policy do to the merchant marine? It would practically destroy all intercoastal shipping. It would deprive the ships plying between the Atlantic coast and the Pacific coast of their cargoes. This intercoastal shipping amounts to approximately \$40,000,000 annually as against the three billion yearly income of the railways, which amounted to six billions before the depression. If the railways secured all this intercoastal transportation business, it would add but $1\frac{1}{3}$ percent to their present revenues. This bill gives no consideration to nor does it count the cost to the 165,000 American seamen now employed by our merchant marine. Thousands of these seamen would be thrown out of employment. Other thousands of water-front employees—dock workers, warehouse employees, clerks, and checkers—would be thrown out of jobs. Analysis of the hearings on the repeal of the fourth section raises a doubt of any added employment by the railroads, but there is no question as to the result of unemployment to ships and trucks if this measure should be enacted into law.

LOS ANGELES A VICTIM

My own city of Los Angeles has expended approximately \$50,000,000 in the development of one of the outstanding ports of the world. The city of Los Angeles has a bonded harbor indebtedness of \$30,000,000. Not only would thousands of workers around this port be deprived of employment but the harbor revenues of the city would be seriously depleted, throwing additional burdens on the groaning taxpayer. Harbor improvements, because of loss of revenue, would fall into decay. This harbor has developed a commerce that has averaged some 20,000,000 tons per annum during the past 10 years. It has saved to the people of the Southwest at least a hundred million dollars per year in transportation costs.

If the railways succeed in destroying this water competition, it will follow, as the night the day, that the railway rates would advance and the people of the Southwestern States would again be at the mercy of a monopolized railway-transportation system, as they were before the completion of the Panama Canal.

Some of those advocating the Pettengill bill have complained of the air, the seas, the rivers, and the lakes as if they were the transgressors in this transportation picture. According to their inverted viewpoint, divine authority should be on the side of the railways, and the air, the rivers, and the lakes, and the seas should be penalized for invading their rights. Let us not forget that the natural transportation system of the world for centuries has been by water. The sea and the rivers and the lakes are open to whomever may desire to use them. It is the greatest highway system of the globe and it gave its service to humankind ages before the toot of the locomotive was heard as it came 'round the bend.

THE QUESTION OF TAXES

Our eloquent colleague from Indiana emphasized the larger amount of taxes paid by the railroads than by the ships. I accept that statement as correct, but I am quite sure that the keen and analytical gentleman from Indiana is aware of the fact that the right-of-way of the ship and the barge is not taxable property. Permit me to remind the gentleman that there are few schoolhouses on the right-of-way of the ship and the barge and they have no part in the transportation of a vast area of our interior; and further, railway terminals require a very heavy investment which are within the boundaries of our many cities where real estate is valuable. On the other hand, steamship lines rarely own their shipping terminals; they own no sidetracks, no depots, no roundhouses, and many other accessories which are necessary to railway transportation. Would the proponents of the Pettengill bill tax the rivers, the lakes, the seas, the air, and the highways to defeat fair and up-to-date competition? Their ardor for the railways carries them into a whirlwind of contradiction and blinds their vision in a dust storm of fallacy. The statement was made that railroads paid 8 percent of their gross income for taxes in 1934. The National Association of Manufacturers is authority for the statement that during the same year over 27 percent of the national income went for taxes. The inference is plain.

THE SCARECROW ON THE JOB

Another advocate of the Pettengill bill used the ragged and weather-beaten scarecrow of Government ownership. I have no share in his fears. In the long years of prosperity the railways made no provision for a rainy day, no earnings were set aside to discharge their growing debts, but they permitted themselves to thoughtlessly coast downgrade to inevitable bankruptcy. The Reconstruction Finance Corporation rescued many from their folly. Judging from government ownership of railways in foreign countries, we have nothing to fear from this drummed-up bugaboo. The objective of public ownership is service and the purpose of private ownership is profit, and the patron and the worker of the rails might both welcome a policy of better service for all and less profit and high salaries to a few.

RAILROADS WON THE WAR

The advocates of this proposed repeal of the fourth section have emphasized the part that the railways have played in national defense, and would have you believe they won the war. But they attained their best service under the direction of Uncle Sam and Uncle BILL McADOO. These ardent advocates ignore the vast importance of the merchant marine in case of war. A merchant marine is a formidable part of national defense to both the Army and the Navy. Without a merchant marine the efficiency of both Army and Navy would be seriously impaired. Recall the frantic and expensive efforts to build a merchant marine during the late World War. Our national neglect of a merchant marine placed our Nation in a helpless and dependent position. Billions of funds were extravagantly poured out to supply this deficiency. Are we so soon to forget this costly lesson, after spending billions to foster shipbuilding and the maintenance of a mer-

chant marine? Are we going to doze off into lassitude and lethargy and permit the railroads to utterly destroy one of the most important adjuncts of national defense?

OPEN AGAINST CLOSED ROUTES

Much is said about the competition of the highway—the stages and the trucks. The highway, like the water route, is open to the use of everybody. Its right-of-way is not monopolized as is the right-of-way of a railway. The waterway, the highway, and the airway are the only routes of transportation that are free from monopoly and open to all. In this evolution of transportation in which the highway has become such an important part, are we to curb it, to restrain it, to destroy it, in order to preserve a monopoly for railway transportation? If the truck and the stage, with door-to-door service, are such transportation plagues, why do the railways engage in the business of which they so loudly complain? In some instances their venture into this field is evidently to drive out competition and to restore their monopoly of transportation. This same attitude has been pursued toward waterways for many years. Many instances can be shown where the truck, the bus, the barge, and the ship are used as feeders and make an important contribution to the business of the rails.

ALL THE TRAFFIC COULD BEAR

During the World War period railway passenger rates were boosted to 3.6 cents per mile, plus a 50-percent Pullman surcharge. After the depressing effects following the war began to be felt, the railways made no attempt to meet the requirements of the public, but continued to charge the inflated prices of former years. The railroads consequently suffered tremendous loss in both freight and passenger traffic. In the foreign countries of the world which I have visited I have found the rate for first-class travel approximately the same as in our own. But in all of these countries, without any exception, there is also maintained a second-class, and perhaps a third- or a fourth-class rate of travel corresponding to the financial ability of those who desire to travel. Instead of meeting this situation as in other countries, when the stage began to invade the province of the railways, did they reduce their charges to meet such competition? No; they began to clamor to Congress to eliminate this competition. In many instances the railroad executives organized stage companies and paralleled their own railway tracks and lived off the traveling public that would have patronized the railroad had the passenger rates been attractive. Some of the western and southern railroads, observing and analyzing the situation, reduced their rates to meet bus competition. We all know the result. Railway travel immediately increased. Revenues rose materially, the railways profited accordingly. Now the Interstate Commerce Commission has ordered a general reduction of railway fares on the theory that the railways will profit and the public be benefited.

RAILWAYS SET UP COMPETITION

I want to cite an example that I observed last year after the adjournment of Congress. While in New York I desired to visit Boston. I purchased a stage ticket on a line currently reported to be allied with the New York & New Haven Railway. This ticket cost \$3.75, while independent lines were offering this same service for \$3. This stage contained 30 seats, and I noted that every one was occupied. Upon my return from Boston I purchased a railway ticket on the New York & New Haven for \$8.26. The car in which I rode had a capacity of 80 passengers. There were 16; only 20 percent of the car was occupied. Is it sound business to haul empty cars with a high fare and carry passengers at low rates by stage, operating the car on the railroad and the bus on the highway, in the same direction and to the same destinations? It appears to be business folly.

FOURTH SECTION SOUND

I believe the fourth section of the Interstate Commerce Act is sound and logical. A railway cannot, by any reasonable conception, haul commodities 2,000 miles for less money than it can haul the same cars over the same tracks for a

distance of a thousand or fifteen hundred miles. The theory of the Pettengill bill is utterly fallacious, in my opinion. It is a camouflaged iniquity. It will bring innumerable hardships on all intermediate points. It will establish much more flagrant discriminations between industries and cities than now exists, and which should be corrected. It will destroy our merchant marine, throw thousands of seamen and water-front workers out of employment, without bringing a corresponding increase in labor and wages to the railroad employees. Under the Pettengill bill the Panama Canal, now paying its way, would become a Government liability. The same fate would result to many municipal harbors. The destruction of our merchant marine would be a deplorable impairment of national defense.

TWO KINDS OF WATER

The railways chronically complain about water transportation; but the public, the investor, the consumer, and the worker have also complained about the "water" in the railways—not in their equipment, but in their financial structure, their stocks and bonds. This Congress could render real service to the railways and to the public if it rejected this measure and then proceeded on constructive lines to loosen the railways from the stifling grip of banking trusts; from stock-exchange manipulations; from financial rackets, which have piped off their earnings, burdened them with unnecessary indebtedness, prevented them from using their earnings for better tracks, better equipment, and better wages; and encourage them to reduce their overhead capital structure somewhere on a par with actual investment and actual value.

SOCIAL WELFARE INVOLVED

A sociological factor of huge importance is involved in railway-rate structures. Railway discriminations have contributed prosperity to favored individuals and driven others to penury and despair. Railway favoritism has enriched one industry and depleted its competitors. Railway discrimination has driven the factory, the pay rolls, and the population from the intermediate towns, with their adjacent wide acres of plenty, to the congested centers of population, and condemned thousands to murky air, to hunger, to slums, and to a sordid and barren existence. Does this Congress propose to enact legislation that will further contribute to our problem of city congestion, poverty, disease, and crime, or shall we "stop, look, and listen" and halt these unfair public policies that promote profit for a few and disregard the economic and social welfare of the multitude?

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. COSTELLO].

Mr. COSTELLO. Mr. Chairman, this brief time is hardly sufficient to go into this subject, and I just want to touch upon one or two points that seem to me to be important.

When the proponents of this bill say that this legislation will mean the filling of empty freight cars that are now being hauled by the railroads, what do they mean? Thirty-three percent of the cars that are hauled out west are empty. Fifteen percent of the cars that are hauled east are empty. All this legislation means is that the railroads are trying to get additional freight to fill those empty cars. They are not going to add to the number of cars hauled. Therefore I ask you, How are they going to increase employment of railroad labor when the labor is already hauling the empty cars? It seems to me that the railroad labor organizations have been greatly imposed upon in being urged to support this legislation in view of the true facts. J. R. Bell, attorney for the Southern Pacific Co., set forth in a brief before the Interstate Commerce Commission that an increase of approximately one-third in west-bound tonnage could be handled without any increase in train mileage—that is, without adding any additional trains—and that the east-bound tonnage could be increased 15 percent without requiring increased train mileage. It follows that if there is no gain in train mileage and no additional trains are added, then there can be no increase in employment for train crews.

As far as I have been able to learn, the railroad labor organizations' own paper, *Labor*, has not once so much as commented in any way favorable toward this proposed

legislation. If their organizations are for this legislation, why has not their own periodical endorsed the Pettengill bill?

In the Fourth Annual Report of the Federal Coordinator of Transportation appears this item:

It should be said that the railroads appear to attach unwarranted significance, even from their own point of view, to the emasculation of the fourth section which they have proposed. All that they could hope to gain would be an opportunity to obtain additional traffic on a very low basis of rates yielding some slight margin over so-called out-of-pocket cost. However, such cost is a fluctuating thing, dependent in part on whether or not it is necessary to operate more trains to carry the additional traffic. If more trains become necessary, out-of-pocket costs rise sharply.

Railroads are not interested in increasing their out-of-pocket costs, and to prevent doing so, would pare personnel to the bone under such circumstances. How can labor benefit in such a situation?

Moreover, if freight rates are to be reduced to any degree, how are the revenues of the railroads to be increased? Yet we are implored to pass this legislation to save the \$26,000,000,000 railroad corporations from impending bankruptcy! Undoubtedly, then, it cannot be the purpose of the railroads to materially or generally reduce freight rates.

The real purpose of this legislation is to free the railroads from the restrictions of the fourth section. They have already been freed in 120 out of 150 cases, but what they are after is a blanket license to enable them to establish whatever rates they may desire.

They want two things. One is to establish reduced freight rates wherever competition exists, and the other is to eliminate the words "reasonably compensatory." That is the sole purpose of this legislation. The railroads want a free hand to suppress competition wherever they find it, whether it be on the highways, with trucks or busses, or out upon the rivers or on the seas, in the form of ships. It is merely a case of trying to restore to the railroads the monopoly which they owned in years gone by, and it is not a desire to reduce freight rates generally throughout the country. If it were, I would be for this legislation.

Gentlemen have told you not to go back in the history of the railroads; not to go back beyond a period of 15 years. Why? They do not want you to look at the conditions that existed in the country when the railroads had a situation under the legislation existing at that time, which they desire to create again by removing the fourth section.

You have received a tremendous amount of mail regarding this legislation. The railroads have been conducting a very effective lobby in order to force this legislation upon the country. I was very much surprised one morning, on opening my mail, to find from Los Angeles an air-mail letter sent to me, and in which letter the stationery was a total blank. What did that indicate? Simply this: Undoubtedly the agents of the railroads have been going out to business firms throughout southern California and have been getting them to write letters to Members of Congress. In order to prevent those business firms from inadequately or erroneously discussing a subject that is very complicated, the railroads would get the letterheads and envelopes of these business firms, then fill in the desired matter on that letterhead, and have one of the stenographers sign the name and mail out the letter. Here in this letter which I show you they merely forgot to put in the message.

In order to substantiate my statements in that regard, I sent a number of these letters that I have received in behalf of this legislation down to the Department of Justice in order that they might be checked.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point a letter I received from Mr. J. Edgar Hoover, which shows conclusively that of the first half dozen letters I sent down to the Department of Justice from these different business firms all were written on the same typewriter and the envelopes were typed by the same machine. The same was true of four of the letters in the second group.

The CHAIRMAN. Without objection, the request of the gentleman from California is granted.

There was no objection.

The letter is as follows:

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., March 18, 1936.

HON. JOHN M. COSTELLO,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I beg to advise, in response to your letter of March 18, 1936, that the questioned letters have been examined.

The examiner states that he has reached the conclusion that all of the letters in group 1 were typewritten on the same typewriter. These include the letters of [four business firms were named]. This includes both envelopes and letters.

As to the signatures on these letters, the examiner has reached no conclusion, because of the fact that the signatures themselves are not adequate for this purpose. Each of the names is different, presenting different combinations of letters, preventing in this way the appearance of such similarities in shape as will prove identical. The fact that certain features, such as slant, speed, motion, and other characteristics of this kind are similar, would indicate the possibility that proof of identity might be found if adequate specimens could be obtained. These specimens would consist of the writing of similar words by the person or persons suspected.

With reference to group 2, the examiner has reached the conclusion, on the basis of the same evidence as was found in the group 1 letters, that certain of these letters were written on the same typewriter as the group 1 letters. These letters are those of [four additional companies are named]. All of these letters were written on the same typewriter, which is the typewriter which was used in all of the group 1 letters.

The remainder of the letters of group 2 are believed to have each been written on different machines, each of which is different from the other. The letters found dissimilar from the others are [three other companies are named].

In addition to the evidence with regard to the typewriters, an examination of the envelopes has led the examiner to believe that all of those used with the group 1 letters are similar stationery. These envelopes match in every detail, indicating that they came from the same source. None of the envelopes of the group 2 letters were similar to each other or to the envelopes used on the group 1 letters, with the exception of that used on the Vernon Potteries Co. letter. This envelope is similar to all of those used on the group 1 letters. In this connection attention is invited to the fact that the typewriting appearing on this letter is not like the others.

With reference to the characteristics of the person performing the typewriting, there are certain features which are similar, but as it is probable a deliberate effort was made to disguise in this particular, no conclusion that the same person wrote all the letters which were written on one machine may be drawn.

In accordance with your request, the original letters are being returned by special messenger under separate cover.

With reference to your inquiry regarding whether the identification of the typewriting on different letters with each other is "beyond a reasonable doubt", the examiner states that he is prepared to demonstrate evidence in the specimens referred to above. With regard to those letters believed to have been written on the same machine, this evidence includes defects in the forms of certain type, such as are caused by wear, and which do not exist in exactly this form in any other typewriter. The examiner is prepared to give a demonstration of this evidence similar to that used in court.

With expressions of my highest esteem and best regards, I am,
Sincerely yours,

JOHN EDGAR HOOVER, Director.

Mr. COSTELLO. Among these letters was one from a firm located at Brawley, Calif., over 150 miles south of Los Angeles, while another is from a firm located at Santa Maria, Calif., which city is more than 175 miles north of Los Angeles. Yet both of these letters were postmarked from Los Angeles!

It requires no hundred-thousand-dollar investigation to deduce these facts, which revealed the activity of the lobby behind this legislation. As a result, members of the committee, I refuse to be impressed by the huge mass of letters that daily reach my desk. These letters are meaningless. They are the product of a fictitious interest to force vicious legislation through Congress.

This lobby is merely another attempt of the special interests to once more defeat and prevent the regulation and control of public utilities in the public interest. Eventually the huge fraud that is being foisted on the American people by the railroad interests will be revealed when the harmful effects of this legislation, if enacted, are felt throughout the country. I hope that the Members will defeat this bill and not thereby admit that they have submitted to the threats and demands of this false and fictitious meaningless mass of correspondence.

Mr. COOPER of Ohio. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I do not think my mental attitude is a great deal different at this moment from that of probably a majority of the Members of this House. I have not made up my mind on this legislation. I am seeking light. I yield to no man in this House in the desire to put unemployed people to work.

I have been advised by labor groups that all the present bill seeks to do is to permit the railroads to do some extra through-freight hauling that they cannot do now. It is represented to me that the passage of this bill will not increase the freight rates in North Dakota or anywhere else, but will reduce them, if the extra hauling permitted in this bill will reduce the overhead of the railroads, thus making a lower rate possible.

It has further been represented to me that the repeal of paragraph 1 of section 4 of the Interstate Commerce Act will not open the door to a cutthroat rate war, but that any rate published by the railroads after the passage of this act must provide a compensatory rate because of the provisions of section 3 of the Interstate Commerce Act.

It has been further represented to me that as the law now stands the railroads are tied "with their hands behind their back" and cannot compete with water rates. As a result they lose through-freight business or long-haul business which they formerly had, and consequently railroad crews are laid off, cars and engines are tied up, and the railroad trackage used for only a limited time of which it is capable of handling trains.

Before voting for this legislation I want someone in this House to substantiate what I have been told is the purpose of this bill. There are many things about this bill at the present moment on which my mind is not clear. I have asked for this opportunity to speak, not against the bill but for the purpose of having the doubts that have arisen in my mind cleared. I trust either the author of this bill or some other proponent will present full assurance that this bill is right and just to all.

My first question is: Under the present law, cannot the railroads make application to the Interstate Commerce Commission to have the authority for establishing a less rate for a long haul than a short haul over the same line, in the same direction, the shorter haul included in the longer haul?

Question no. 2: If the railroads can show that the new rate which they desire to publish is a compensatory rate, is there any fear that the Interstate Commerce Commission will deny their petition?

Question no. 3: Is it a fact that heretofore the railroads have made application, showing that the new rate is compensatory and that the Interstate Commerce Commission has rejected the application?

Question no. 4: After reading section 3 of the Interstate Commerce Act, I am in grave doubts of the authority therein conferred upon the Interstate Commerce Commission to rule out a rate that is not compensatory.

Question no. 5: Should this act be passed, and the railroads publish their rates, how will those rates be questioned? Who will present the petition? Will this not put too great a burden on the shippers, resulting in more expense, to contest the rate than the amount involved warrants? In other words, will not the railroads have an advantage which will practically remain uncontested?

Question no. 6: If the bill permits the railroads to publish a rate on coastal shipments that will not pay the cost of operation, will not the railroads suffer a net loss in the undertaking? If they do, will not the railroads be compelled to raise interior rates, where there is no water competition, and raise the freight rates on shipments to and from North Dakota and other landlocked States.

Question no. 7: Do you think the passage of this bill will put the 600,000 idle railroad employees, or a major part of them, back to work? In other words, is the present Interstate Commerce Commission law the approximate cause of this great loss of employment?

In answering these questions to my satisfaction, and to the satisfaction of a great many other Congressmen whom I know to be in doubt, bear in mind that many of us, and

the public quite generally, believe that the attitude of the railroads themselves has contributed much to the present unemployment situation of railroad labor. Among some of the facts generally believed are:

First. That railroad executives have not in the past, nor do I believe they do now, definitely and clearly understand their relation to our transportation problem. Their position should be that of a servant of the people in the transportation business and not the master of the people. There was a time when they were complete masters in the business life, the economic life, the political life, the social life, of many States. Nothing has dislodged them from this high command, except competition and the Interstate Commerce Act. That competition is here now by water, pipe lines, automobiles, trucks, and airplanes.

Second. The only right railroads in the future will have to survive is their ability to meet competition and render a service that the people will support. The railroads in the past 50 years have been woefully indolent in the matter of scientific improvements. They have been asleep at the switch and other means have been perfected that have given the public quicker, better, and cheaper service. I can illustrate this by saying that for every ton of freight moved today, the railroads have to move 2½ tons by reason of unwieldy, heavy, and out-of-date boxcars and unscientific motive power. This kind of system has nothing to look forward to except absolute extinction. If kept up long enough, freight railroad service will become as extinct as living dinosaur. Some railroads during the past few months have installed scientifically equipped cars for hauling automobiles, and as a result the income of the roads went up and the ground trailing of cars slackened.

Third. If the railroads are in the financial plight which they claim, would it not be becoming to railroad executives to be content with a reasonable salary? Railroads for several years have been, and are now, paying exorbitant and unconsionable salaries to the chief executives. It would be a mark of good faith, at least, to grant salaries that are commensurate with the period of depression from which we are striving to rise. I insert here a table of those salaries. There is no railroad executive living that could possibly be worth in the railroad service one-half of the amount which they are receiving today.

Salaries and other compensation of railroad presidents

Name of company	Title of position	Salary	Other compensation
(1) Alton R. R. Co. See Baltimore & Ohio system.	President.....	\$114,000	-----
(2) Atchafalaya, Topeka & Santa Fe Ry. Co.	do.....	55,500	-----
(3) Baltimore & Ohio R. R.	do.....	60,000	-----
	Vice president.....	45,000	-----
	do.....	42,000	-----
	do.....	40,500	-----
	General counsel.....	32,400	-----
(4) Boston & Maine R. R.	President.....	59,000	\$220
(5) Chesapeake & Ohio R. R.	do.....	60,000	1,050
(6) Chicago & North Western R. R.	do.....	50,000	240
(7) Chicago, Burlington & Quincy R. R.	do.....	60,000	-----
(8) Colorado & Southern R. R.	do.....	60,000	-----
(9) Delaware & Hudson R. R. Corporation.	do.....	95,000	420
(10) Delaware, Lackawanna & Western R. R. Co.	do.....	60,000	3,030
(11) Erie System.....	do.....	53,750	1,040
(12) Kansas City Southern Ry. Co.	do.....	95,000	525
(13) Lehigh Valley R. R.	do.....	60,000	2,427
(14) Maine Central R. R.	do.....	59,000	268
(15) New York Central R. R.	do.....	60,000	2,920
(16) Pennsylvania R. R. System.....	do.....	60,000	455
(17) Reading Co.	do.....	60,000	-----
(18) Union Pacific System.....	do.....	60,000	3,685

Fourth. As an emergency measure, most people in this country, including those whose relation with railroads in the past has not been pleasing or satisfactory, are willing to pass most any act to put men to work. I desire now to vote for this bill—on one hope only—that it will put the idle railroad men back to work. The railroad men plead for the enactment of this law. From my State I represent labor as well as all other members of society, and although for 30 years I have never made a move in the political life of the State which has not been opposed by the railroad interests. I can

forget that in the cause of unemployment in the cause of the country.

I hope my questions will be answered and that after they are I shall feel more free to give my support to this measure. Should this act be passed and should the railroads come out with rates not intended to give them additional business on a compensatory basis, but will institute a rate war that is not intended to meet competition but to destroy it, and leave the railroads free, raise rates generally, to again become masters of the people, I want the record to show that I have no fears of it now. Should that come to pass an indignant people will rise in their wrath and demand a repeal of the act at the next Congress. Should my fears not be well founded, my only explanation will be that I have remembered too well the past, to have that degree of confidence in the future action of the railroads that this bill recommends.

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOCKWEILER].

Mr. DOCKWEILER. Mr. Chairman, as a member of the delegation from California, I wish to register my attitude toward this bill and say that I am in favor of its passage. [Applause.] I wish to state why I, as a Member of this great west-coast State delegation, feel I can support this bill. I have no right to take a narrow or prejudiced view on legislation that affects my country. The 48 States of this Union are an empire, and as was said by Cardinal Richelieu—These words were put in his mouth by the great author Bulwer Lytton—"There should flow in this vast empire trade, the calm health of the nation", and trade is the calm health of a nation. My friends, I wonder what Los Angeles Harbor would look like, or San Francisco or New York or Charleston or Seattle, if the rails that led to these points were allowed to rust. I wonder how the ships that would dock there would be able to convey into or out of these harbors the traffic that might accumulate at just one of these places.

Mr. Chairman, before the American merchant marine in its regenerated period appeared, the rails had been for years. California is vitally interested in the passage of this bill, and I regret that I am forced to disagree with some of my colleagues from this State. I have said that we are an empire. We are like the three men in the tub, the butcher, the baker, and the candlestick maker. I have no right to disregard the interests of other sections of the country. We are all in the same boat. I have no right to say I am not my brother's keeper in the northwest section, the southern section, or the eastern section.

The railroads of this country represent the largest investment of capital, outside of the Government bonds, of the United States of America. I have a wire sent me recently by the president of the California Fruit Growers' Association, which says that this association representing nearly 15,000 growers of citrus fruit in California and Arizona is vitally interested in the legislation relating to transportation of California products, and so forth and so on, and they urge me to vote for this bill. I have here a wire from the American Fruit Growers, Inc., of California. Mr. Chairman, contrary to what might appear from the remarks of my colleague from southern California, I hold in my hands a sheaf of correspondence from my State and my section of Los Angeles. This is only part of the communications that have come to me. I grabbed them off my desk and culled them over while sitting here to find how many of the institutions and individuals who have written me were opposed to this bill. Out of this great sheaf of correspondence I find but three.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. DOCKWEILER. Mr. Chairman, it is not true that the business interests of my State would find the passage of this bill inimical to their best interests.

Mr. COLDEN. Mr. Chairman, will the gentleman yield at this point?

Mr. DOCKWEILER. Permit me to finish my statement.

Mr. Chairman, my particular district is not a manufacturing district. It does not grow fruit. It is a cluster of 370,000 souls who are consumers and who are trying to make a living in professional and other vocations. In this district no doubt live thousands of persons, widows and orphans, whose trust estates and guardianship estates contain one or more securities based upon the railroad interests of this country. I wonder what would happen through the years to these investments? Do you know that the insurance companies of this Nation possess \$3,896,000,000 worth of the bonds of railroads? Do you know that the Mutual savings banks hold \$1,023,000,000 worth of these bonds, and that the national and other banks hold \$1,147,000,000, and educational institutions hold \$271,000,000 of these bonds, and foundations \$284,000,000? All the others, amongst which are those I represent, because there are no insurance companies in my district, there are no great national savings banks in my district—all the others hold as much as all these I have mentioned combined, \$5,709,000,000. Do you suppose I will vote against their interests? I cannot take a narrow view of this thing; I cannot disregard the interests of these people who still have some securities and some of this world's goods.

The railroads of this country are entitled to have their securities and their earning power safeguarded. Mr. Chairman, getting back to the individual example, may I say that almost 100,000 carloads of oranges a year move out of my State. Bear in mind that this is not 100,000 boxes, but 100,000 carloads. Do not confuse the idea with boxes. Do you know what 100,000 carloads of oranges is? With all of the facilities which the merchant marine possesses they could only carry 2,500 carloads of oranges out of the 100,000 carloads. The best interests of the fruit growers, the vegetable growers, who represent another 100,000 carloads, the walnut growers and the producers of other kinds of produce in my State, will be served if this bill is passed, so that there will be a continuance of the maintenance of railroad facilities.

Mr. BUCK. Will the gentleman yield?

Mr. DOCKWEILER. I yield to the gentleman from California.

Mr. BUCK. For the purpose of completing the accurate statement which the gentleman has made, may I offer the suggestion that the shippers of deciduous fruits alone shipped 100,000 additional carloads from California in the year 1935 and only 500 by water. May I say further that the growers of vegetables and melons shipped another 100,000 carloads out of the State of California. This shows that the perishable industry of California, in order to obtain adequate distribution, is tied down to rail facilities.

Mr. DOCKWEILER. I thank the gentleman for his contribution.

Mr. Chairman, the State of California is still a great agricultural State. Its other business might be oil, movies, and so forth. However, one railroad car could carry every film manufactured in California in the course of a year, but one freight car could not begin to carry the produce of my great State.

Mr. Chairman, I hope the Members will give this bill their very serious consideration and that it will pass. [Applause.] [Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I yield 7 minutes to the gentleman from California [Mr. GEARHART].

Mr. GEARHART. Mr. Chairman, in the brief time I have at my disposal to discuss this subject I will not be able to develop the argument as I had hoped. Rather, I will have to state my views in the form of conclusions.

Mr. Chairman, I am against this measure because it represents, in my opinion, the most reactionary proposal that has been brought to my attention during my membership in this House. [Applause.] This is a bill which would turn back the hands on the clock of time to more than a generation ago, to the days of the tooth and claw when the railroads followed practices so hateful that the American people, oppressed beyond endurance, arose in virtual revolt. In desperation they set in motion a campaign which was diligently pursued down through the years until the victory

was won, and there was written on the statute books of these United States this most beneficent statute, section 4 of the Transportation Act. The bill under consideration, if passed by this Congress, will eliminate that section from our law books and bring back all the evils of the hated past.

In listening to the argument for the repeal of this section, and it is all of that, I have noticed that the various speakers have adverted from time to time to the idea that the poor railroad has been much abused, and is, therefore, entitled to some sort of emergency relief; that the railroad has become the victim of an unholy alliance of competing transportationists who are threatening to destroy a helpless rail system tied down like the fabled giant of Gulliver's Travels—that engrossing story of the days of our youth. They remind us that in 1929 the railroads had a gross income of \$6,000,000,000 and that this tremendous income has dwindled, presumably because of ship competition, to the low, in 1934, of \$3,000,000,000. They would have you believe that it was because of section 4 that the gross earnings of the railroads dropped from \$6,000,000,000 in that year of 1929 to \$3,000,000,000 in 1934. Let me pause right here to recall to the memories of the Members of the House that, in 1929, when the railroads produced their greatest gross income, section 4 was on the statute books and in full force and effect. In other words the greatest earnings that ever came to them at any time came to them when section 4 was on the statute books. True, in 1934 their earnings did fall to \$3,000,000,000, but they have not remained at that low continually since that time. Those gross earnings are in no danger of falling lower, on the contrary, in 1935, the year just closed, railroad earnings climbed to \$3,632,100,034, and, according to the estimates drawn from the record of the railroads' business for the last 3 months, taking into consideration the business of January, February, and March, up to the present time, the earnings for the railroads in 1936 will reach the very substantial figure of \$4,176,915,039. As an indication of what to expect in the near future, only day before yesterday one of the greatest railroad executives in the United States, Mr. Ralph Budd, president of both the Chicago, Burlington & Quincy Railroad and the Colorado & Southern Railroad made a most optimistic statement in respect to the future of railroading in the United States. President Budd said, and I quote from the Washington Herald of March 20:

An increasingly optimistic picture confronts the railroads of the Middle West. My own road has found for the first 3 months this year an average increase of 15 percent in hauling virtually all commodities.

Mr. Chairman, that clears up the matter which has been used here as an argument for the elimination of ship and truck competition. The railroad business is not on the decline. On the contrary, the days ahead are bright days—days of promised profits and plentiful employment for those who labor in this greatest of all industries.

What is the reason for that falling off in railroad earnings? The answer is plain enough. It is simply because of that of which we hear so much in this Chamber when other bills are under consideration, and that is "Old John Depression." Just as soon as this depression is over—and the end is in sight—railroad earnings will be as great and greater than they have ever been in the past. So the argument that the railroads have been unfairly dealt with under section 4; the argument that they are entitled to relief because of loss of income due to the competition of ships, airplanes, the air, electric wires, and the pipe lines is entirely fallacious and should not engage the attention of thinking men.

What does this bill that we are asked to repeal provide? It simply lays down two general principles. First, the railroads shall not be permitted to charge less for a longer distance than the aggregate charges for the included shorter distances. Second, the railroads shall not be permitted to charge more for the longer distance than the aggregate of the shorter included distances, unless—and let me impress this upon the Members—they are permitted so to do by order of the Interstate Commerce Commission. The rail-

roads are not prevented from doing anything that they seek to be authorized to do under the terms of the Pettengill bill. They can do precisely that under the present statute, all that they may do if this bill before us is passed, but they must go before the Commission and show that their proposed rates are just. If they want to establish lower rates for a longer distance, they must show that a special case exists and that the unfair competition they seek to meet is real and not merely potential. Are not the people entitled to some protection? Is this too much to ask of them? I do not think so.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, it had not been my intention to take any part whatsoever in this debate. I do so now merely to correct a false inference that has been raised here by several gentlemen and, more recently, by the gentleman from California [Mr. COSTELLO], to the effect that there will be no increase in the employment of railroad men by virtue of the enactment of this bill because the cars are now being hauled west empty, and they will still be hauled west but under load, and the movement of cars will not be increased.

Any man who has learned his railroading on the rails and not out of a book or from the CONGRESSIONAL RECORD knows that 75 percent of all the cars that move west of Denver empty are refrigerator cars. They are moved west empty for the purpose of bringing back, under ice, fruits, vegetables, meats, and other perishable goods. These cars will continue to move west empty. They will continue to move west empty because the railroads are not going to load scrap iron or sand or machinery in refrigerator cars. This cannot be done. Refrigerator cars are not built to carry rough freight. In addition, you will have new traffic that will move in newly loaded box and gondola cars. However, we will presume that these gentlemen who got their railroading from the Lord knows where are telling the truth—

Mr. COLDEN. Mr. Chairman, will the gentleman yield at that point?

Mr. GRISWOLD. Not now. I will yield later if I have sufficient time.

Mr. COLDEN. I would refer the gentleman to the Southern Pacific officials themselves.

Mr. GRISWOLD. If these gentlemen to whom I have referred are making correct statements about the empties, you would still have an increase in employment. You would have this increase in employment because the loaded car must be spotted to be loaded by a switching crew, it must be inspected by a car inspector, waybills must be made out by clerks, you must have it weighed, and the weight must be recorded. You must also put it in the shop loaded where you do not put in empties for light repairs. All these things would mean thousands of additional employees under this bill.

As before stated, it was to correct this inference that I took the floor and for the further reason that it has been stated here we are deeply interested in the waterways. Why, all the ships in the United States under the American flag today could be bought for \$200,000,000. They were a drug on the market after the war and, considering the comparative value between the cost price to the Government and the selling price to the shipping companies, you could have bought all of them you wanted for a nickel apiece and the Government would have been glad to have been rid of them. Now, you want to take this \$200,000,000 industry and subsidize it for the purpose of destroying a \$29,000,000,000 industry in this country.

I now yield to the gentleman from California.

Mr. COLDEN. I just wanted to ask the gentleman if he had read the testimony of the Southern Pacific Railway officials as to these empty cars in which they stated they did not expect to add any mileage or any employees in the return of these cars.

Mr. GRISWOLD. I may say to the gentleman that I have not read the testimony, but 20 years' experience as a railroad

man has taught me that most operating officials on the railroads today are not operating railroads from the offices of operating officials but are operating them from the back room of a bank or counting house.

Mr. COLDEN. I agree with that statement.

Mr. GRISWOLD. This bill does not "turn back the pages of time", as one gentleman suggested. It paves the way for the march of progress. Mr. Chairman, I yield back the balance of my time.

Mr. COOPER of Ohio. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I am supporting this bill not only because I believe that its passage will be helpful to the State of New Jersey and to the Nation as a whole but for the further reason that it comes before us with the united support of the railroad labor organizations and innumerable railroad shippers and their organizations and railroad management. I also point out that this bill was favorably reported to the House by the Interstate and Foreign Commerce Committee without a dissenting vote.

Testimony offered before the subcommittee of the House Committee on Interstate and Foreign Commerce by national officers of the various railroad labor organizations clearly indicates that a very substantial increase in employment of railroad workers will likely follow the passage of this bill. George M. Harrison, chairman of the Railway Labor Executives Association, appearing for the 21 standard railroad organizations, stated in his testimony that there are several hundred thousand unemployed railroad workers in the country today and that passage of this particular measure in its present form would very quickly take from relief rolls and place back upon railroad pay rolls many thousands of these good but now unemployed workers, most of whom are heads of families and have reached the age where it would be difficult, if not impossible, for them to obtain employment in other industries. No one can with exactness forecast the influence which expenditure of millions of dollars annually in increased pay rolls and for additional railway purchases of materials and supplies will have upon other industries, but it is safe to say that the effect will be very substantial, adding to the prosperity of retailers and wholesalers throughout the Nation and indirectly increasing employment in almost every trade and industry.

This in itself is sufficient reason for the enactment of this bill.

The bill proposes to change the long- and short-haul clause, which now forbids the railroads but not motor or water carriers, to charge less for a longer than for a shorter intermediate haul, although forced to do so by competition.

The law as it now stands and as administered by the Commission is a great handicap to American railroads and industries dependent upon the railroads. It has shackled the railroads in their efforts to adjust freight rates necessary to meet competition and move the products of industry, and has thus diverted a tremendous amount of traffic to other and usually subsidized forms of transportation, with heavy loss of railway revenue, less railroad employment, greatly diminished purchases of durable goods, and lessened the ability of the railways to pay taxes to support schools and other governmental functions.

A study made in 1933, showed that the railways paid \$22,897,031 in taxes in New Jersey alone in 1930, of which approximately 51 percent was for public schools, 6.5 percent for highways, and 42.1 percent for other governmental purposes. Due to the depression and loss of traffic to other forms of transportation, railway taxes in New Jersey have been somewhat reduced since 1930, but have not been made up by other types of carriers. Coordinator Eastman recently found that railway taxes amount to approximately 8 cents per dollar of revenue as contrasted with less than 1 cent for water carriers and from 2 to 4 cents for motor carriers.

Furthermore, it is well known that railway investments in New Jersey aggregate hundreds of millions of dollars and amounts to many billions of dollars in the entire country. They employ thousands of men, and normally purchase durable goods produced not only in New Jersey industries

but elsewhere in the Nation representing tremendous sums of money. [Applause.]

The evidence before the House subcommittee shows that between 1920 and 1930, 67 percent of the growth of the country was in zones within less than 100 miles of seacoasts, Gulf coast, and Great Lakes. Obviously, it is not to the advantage of the Nation, or even to the seacoast, Gulf or Great Lakes cities that the rest of the country should thus stagnate. The great industries cannot long exist on the business they market in such zones. They must find their markets everywhere throughout the country. To a considerable extent they must draw their raw materials from interior points by railroad, and they must have an adequate and efficient railway system. It is to their interests that the country as a whole should progress.

This is why representatives of industries located in Massachusetts, Chicago, Jacksonville, Tampa, and other places located on deep water, appeared before the House committee urging the passage of this bill. They do not fear that the bill will cripple or kill water transportation. New Jersey's interest is substantially similar to that of Massachusetts, and we find this statement coming from the transportation manager of the Associated Industries of Massachusetts, located at Boston:

We do not believe that any one transportation agency should be given a monopoly or undue advantage through greater restriction of a competing agency.

We consider it quite probable, in the event this legislation is enacted, that in some instances manufacturers located on the seaboard or in proximity thereto will lose some advantages to their competitors at interior points. However, the railroads are essential for long-haul transportation and the movement of bulky traffic. Our dependency on them requires us to promote as much as possible their successful operations. As a shippers' organization, therefore, we view this subject from a broad, national standpoint.

The industries of Massachusetts and their employees are dependent on the railroads more than on other agencies for the transportation of food, fuel, and raw materials for manufacture; also for the outbound movement of manufactured goods to the important interior markets of the country.

It is essential that the railroads, the backbone of our transportation system and an important arm of our national defense, be permitted to function on a sound and profitable basis and adapt their rate structures to competitive requirements of commerce. This we are convinced can be better accomplished by the enactment of H. R. 3263.

Similar statements were made by representatives of Jacksonville and Tampa, Fla., both located on deep water, and by a representative of Chicago, on the Great Lakes, who spoke as the representative of the National Industrial Traffic League, an organization representing several hundred thousand industries and shippers throughout the country, including many located on navigable waters.

In the absence of compelling competition beyond the control of the railway at the competitive point, the practice of charging less for the longer than for the shorter haul cannot be justified, but, if because of unregulated competition, the business cannot be obtained except by a rate that will approach that of its competitor, and it becomes necessary to make a competitive rate which, while low, will yield more than the out-of-pocket cost of its handling, the railway is justified in making such reduction, subject, however, in the final analysis to the approval of the Interstate Commerce Commission. This is the same rule in principle followed by every other industry and by every other type of carrier.

The situation was well described by James H. McCann, of Boston, Mass., representing the Associated Industries of Massachusetts, who said:

It has always been our view that the practice of the railroads to charge less for the longer than the intermediate shorter haul, when forced to do so by competition, rests upon a well-known economic principle. This principle is illustrated in industry. If a manufacturer, when his plant is not fully engaged, can secure a contract which will cover his actual out-of-pocket expense he can afford to take the contract at less than his regular price, because whatever profit there is goes to reduce his general overhead.

Furthermore, if a manufacturer meets competition in one market, but not in another, it is sound policy to lower the prices of his goods where such competition exists, provided the reduced prices cover out-of-pocket expenses and something more.

In the application of this principle to the railroads we believe they should be permitted to make rates low enough to meet com-

petition. If these rates yield something more than the added cost of handling the traffic, they thereby contribute to the aggregate earnings and make possible reductions in the rates to intermediate points. Conversely, if the carriers are prohibited from meeting this competition they must forego the additional amount above the handling costs which such traffic would contribute, and must obtain their needed revenues from other traffic.

New Jersey, like other States on the seacoast, Gulf, or Great Lakes, is clearly interested in the continued maintenance of the water carriers serving its ports. But it is likewise heavily interested in its railways. Each form of transportation is entitled to share in the traffic available. Clearly no barrier, such as the present long- and short-haul clause, should be set up to prevent one form—the railways—from competing. The steamships now adjust their charges on such a basis as may be necessary to meet all-rail competition even though such charges may be less than they charge a shipper at an intermediate port through which such traffic may move. For example, steamships operating between the North Atlantic coast cities, on the one hand, and South Atlantic, Gulf, or Pacific coast ports and to inland points contiguous thereto, reach out far into the interior and make such total charges as may be necessary to compete with the railways. They are not handicapped by any such thing as a long- and short-haul clause.

Mr. E. P. Farley, of the American-Hawaiian Steamship Line, who recently appeared before a Senate committee in connection with S. 4491, and who spoke for eight intercoastal water carriers, said:

The abnormally low (water) rates which have prevailed during the periods of rate wars have been of no real benefit to shippers, have drained the resources of all the lines, forcing some of them to withdraw from the trade, and have damaged the transcontinental railroads by extending water and rail shipments into the very center of the country, where economically there is no justification for the use of rail-and-water shipment in preference to the all-rail route.

The Commission, in administering the present long- and short-haul clause, has refused to grant the railways permission to establish rates necessary to hold even this business to the all-rail routes, although carriage by water route is conceded by water-carrier spokesmen to be without economic justification.

The question may reasonably be asked, Why should New Jersey and other railroads be estopped through the administration of a long- and short-haul clause from adjusting their rates to enable them to meet water competition where the water carriers fix the going rates? This does not mean that the railways must necessarily meet the exact charges of the water carriers. The quicker and more frequent rail service will usually permit a higher rail charge to be made. Where a water carrier desires to meet competition of a rail line it generally makes a charge somewhat less—for example, on the inland waterways the water carriers generally make their rates 80 percent of the rail rates. From New York to, say, Atlanta the water-and-rail rates are a certain number of cents—dependent upon the commodity—less than the all-rail rates. But when the water carrier chooses to fix the rate then the railways are effectively estopped from adjusting their rates to meet the competition unless they pay the penalty of making like reductions at intermediate places where the same competition does not exist. Common fairness demands that the two forms of transportation be treated alike; it is a poor rule that does not operate both ways.

This bill, if enacted, could not possibly cripple or eliminate water competition. It would prevent a water carrier monopoly of such traffic as the boats choose to handle. The water carriers would still be the rate-making carriers. The Commission, under section 3, would be bound to see that the railways make their rates no lower than absolutely necessary to meet the water competition and to obtain a fair share of the traffic. It would give the port cities a choice of routes—rail or water—whereas today the railways are entirely out of the picture, such as between the east and west coasts, where the spokesmen for water carriers boast that they have a practical monopoly of the traffic excepting only perishables.

Specifically, if this bill is enacted, the New Jersey railroads would be in a much better position than they are today in

adjusting their rates necessary to meet the competition of water carriers to and from points on or adjacent to the Atlantic, Gulf, and Pacific coasts.

In conclusion, I again express my belief that a bill such as this, which has the united support of the railroad labor organizations, shipping organizations, and railroad management, and which has been favorably reported to this House by the Committee on Interstate and Foreign Commerce without a dissenting vote merits the favorable consideration of this House. [Applause.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, when I learn that a big campaign is being made to pass certain legislation, the first question that comes to my mind is, What is the reason for the campaign and what do those who furnish the propaganda hope to accomplish? In the light of this observation, I wish to state that I have seen, since I have been in this Congress, only one more powerful propaganda campaign for the passage of a bill than the one being waged for this so-called Pettengill bill. Its only propaganda rival was the effort to defeat the holding-company bill of last session—a more costly money campaign, but not more efficiently organized. I wonder why this campaign is being made for the repeal of this clause. Some group must expect to benefit or thinks it is being seriously injured by the present law.

This bill would repeal the fourth section of the Transportation Act. In plain words, the present law requires the carrier to charge no more for hauling a short distance than it charges for hauling a longer distance over the same line in the same direction. For instance, if a railroad carrier makes a certain rate from New York City to Portland, Oreg., under the present operation of the fourth section it is not allowed to charge more to take that freight to Boise, Idaho, or to LaGrande, Oreg., than is charged to Portland, Oreg. All interior points must now have rates no higher than the terminal rate.

What is wrong about that? Why has it called for such a campaign for change on the part of the railroads? Not only has this campaign been waged in the newspapers but by pamphlets, by speeches, by shrewd, able arguments of brilliant attorneys, and by the personal work of those who are employed in the railroad service. Perhaps railroad employees in the interior have been told that their jobs depend upon their getting letters and telegrams from shippers in those interior points asking for the repeal of the fourth section. Perhaps railroad men have been informed that they must be ardent supporters of the campaign for the repeal of the fourth section. So railroad employees have added to this propaganda, and many of them and their organizations have appeared to be convinced of the justice of the cause. I believe their own best interests are not involved in this change and that they will come to realize the fact. They are themselves victims of propaganda.

My district is entirely an interior district. It has no terminal points. Every shipping point in the district would be adversely affected by the passage of the Pettengill bill, and still lumbermen, merchants, and others have written and petitioned me to vote for the Pettengill bill. When I send my argument to them they change their minds and so notify me. I am then convinced they must have been misled, or else I have not been able properly to visualize the situation.

This campaign has cost an immense sum of money. Somebody has paid for it, or is going to pay for it, and that somebody is expecting to get that money back manyfold if this bill is passed.

The hope held out to railroad men is that it will increase traffic, it will require more trains, more men will be employed. Is that the history of the last 10 years? Nearly one-half of the railroad men who were employed 12 years ago have been retired from service on account of larger engines, as a result of so-called efficiency changes, or because of a general weeding out of employees. Are they going to change their tactics? Do the railroad men believe that overnight the men who dictate railroad policies will act to increase their employees? Will they not, rather, continue the same old policy of reducing numbers of employees?

Can traffic be increased? Not materially. Why? Pipe lines have come, and come to stay. The airplanes are here, and here to stay. The private automobile and the truck are here to stay. These are the things that have cut railroad traffic in half, and there is nothing in the repeal of the fourth section that is going to stay the steady march of the internal-combustion engine operated in the truck and automobile. Invention shifts the business of transporting freight and passengers. Water transportation was developed as a reaction to excessively high railway freight rates. Shall we deliberately destroy the enormous investments in inland waterway improvements made by this Government?

The object of this bill—H. R. 3263—is, we are told, to enable the railroads to make special rates between port terminals, so that they will get at least part of the business now going by water through the Panama Canal. The railroads cannot compete with water transportation, and for the simple reason that it is cheaper to load freight on a ship in New York and float it on the water to Portland, Oreg., than it is to put that same freight in cars and haul it over the rails 3,000 miles to Portland, Oreg. If the railroads make a rate that will divert that water traffic largely to the rails, then it must be at a rate which will cause them to lose money on the traffic. The managers of railroads have never been noted as philanthropists in the conduct of their business. They have apparently been guided and ruled by the principle enunciated by the elder Vanderbilt, "Charge all the traffic will bear. The public be damned."

Now, if that terminal rate is made so that there is a loss the money must be made up somewhere. Railroads will reimburse themselves for that money loss as well as money paid for the propaganda that has been put on to pass this bill. They evidently hope also to reap other rich rewards. Who will be called upon to foot the bill? Why, of course, the shipper from points for which there is no competition, where the railroads have and must have all the traffic. There they can charge up to the point of confiscation. Clearly it is the interior points that must suffer. Have they suffered in the past? They certainly have. Anyone who ever lived in interior places like Spokane, Salt Lake, Denver, Boise, or my eastern Oregon knows full well the wrongs suffered before the Congress inserted in the law what we know as the fourth section, which the railroads now seek to repeal. Shippers from these places have paid the through rate on freight from the Atlantic coast to the port terminal, and then the celebrated short-haul freight back to the interior point.

A few years ago I was the chief owner and manager of an electric power company in eastern Oregon. I needed quick shipment on a car of copper to be used 330 miles east of Portland. I knew the manager of the railroad and went to visit him at his office in Portland. He made arrangements for the car of copper to be shipped from the company in New Jersey, by rail, to Portland, Oreg. The freight was a little more than \$700. I then told the manager that I wanted to take the car of copper off the train when it came through North Powder, 330 miles east of Portland, as I was anxious to use it immediately. The manager said, "I will be glad to do that for you, but it will be necessary for you to pay the freight back to North Powder from Portland, and that is \$480." So I paid, in fact, a little more than \$1,200 on that car of copper wire. When it came to North Powder it was sidetracked, at my request, never taking the joy ride to Portland and back, for which I paid. I was out that \$480 more than a man would have paid had he been buying the copper for use in Portland, Oreg., 330 miles farther on. Of course, I read that \$480 freight into the capitalization of the company; and when I sold out it went into the capitalization of the new company; and users of electricity in the Grande Ronde Valley are still paying interest upon that \$480. That amount measured the extent to which I was penalized for living in a territory where the railroad was allowed to charge more for a short haul than they charged for a long haul.

Everyone in my section helped pay these extra freight costs. All of the freight that was paid on materials that went into the buildings and other structures in the great interior country paid that extra charge over the terminal points. Growers were penalized on all the wheat and live-

stock shipped. Interior lumbermen could not sell as much to farmers whose resources were drained by such rates. Spokane suffered, Denver suffered; and I cannot see for the life of me how any Congressman from the great interior can vote for a bill which will be so harmful to the district which he represents. Everyone interested in retaining some small measure of prosperity for our interior country should study this matter and think what would happen to our inland empire if their railroad rates were materially increased.

The proponents of the bill say they have no desire to raise the freight rates for the interior. Why, then, the great effort to pass this? They say, "Why cannot we lower the rates between terminals and fill the empty boxcars now going west?" We say, "Fill those empty boxcars now with freight. We do not care if you are going to haul freight for nothing to Portland, Oreg.; but then we want the same privilege in the interior." Turn it over, upside down, and look at the proposition from any angle. It certainly means disaster to interior points, and it means that the railroad management expects to get more money. If they were not going to get more money, they would not be making this tremendous fight for the passage of the bill. The interior country noncompetitive points have never received any relief from confiscatory freight rates except by reason of competition. The truck and the automobile were a great boon to the interior. Motor trucks are now transporting freight, such as gasoline, from Pacific terminals as far as 500 miles into the interior. Where trucking is possible there is great relief from the excessive freight rates that were formerly charged. The railroad management's greatest interest is to get more traffic, more freight, more money. Railway revenues are increasing and the railroads have been enjoying a period of real prosperity. They have always had Government aid and encouragement; loans at low rates of interest, and concessions given few other industries. It is argued that this repeal would put more railroad employees back to work and would increase their purchasing power, thus aiding communities. I believe it would injure more communities than it would help. I wish to see railway employees well paid but do not believe this bill will prove of ultimate value to them.

I know the plea is made that railroads pay large taxes, and this is played up strongly in the press of interior points. Where do the taxes come from? They come from the people. The railroad is simply the collecting agency. What have been the reasons for difficult financial circumstances railroads have faced? Overcapitalization has been an important factor. Then more modern methods of transportation are today competing in the field. Instead of taking their losses like other business men, railroads seek to force the public to make good to them these inevitable financial losses. Of course, railroad lines cannot compete with pipe lines for carrying oil.

Then, too, railroads have never taken the deflation that all other business, especially agriculture, and property, have taken. My farm, at one time worth \$200 an acre, has fallen in value so that, if it could be sold at all, it would probably not be worth more than \$50 an acre. Have the railroads reduced their capital structure? Are they not still trying to pay interest and dividends capitalized at a time when all sorts of financial schemes and plans were worked, in the formation of railroad companies? And why, I ask, should the people who live in the interior be compelled to make good to the Wall Street bankers, who control the railroads, the losses they have sustained by reason of great modern conveniences like the truck and the motor car?

The Interstate Commerce Commission has declared against repeal of the long- and short-haul clause and has stated that it should be continued in force to insure the protection of the shipping public. It assumes that repeal would result in the establishment of higher rates for shorter hauls than for longer hauls, and in the same discriminations which were ruinous to interior points before this protective legislation was enacted. It will seriously handicap our shippers. Railroad Coordinator Eastman, who has been making special study of measures essential to railway prosperity, does not recommend the repeal. He said, in a statement

before the Rules Committee of the House, that under the fourth section the Interstate Commerce Commission is now authorized to grant proper relief to the railroads in meeting competition, but it must be proved that the rates they fix are compensatory in nature. Under this provision of the act the Interstate Commerce Commission has granted the petitions of the railroads for relief in about 150 cases. About 30 applications have been refused by the Commission. Is not that a fair showing? In all fairness, what more do the railroads want? In common decency, what more do they have the right to ask? This bill shifts the burden from the carrier to the shipper in presenting a case before the Interstate Commerce Commission, and we all know how impossible it is for the shipper to get together the money, hire the attorneys, and make the presentation of the case before this Commission.

If any Member of Congress wonders what will happen if this bill becomes a law, I ask such a colleague to read the letter written by L. W. Childress to Judge Driver. You have a copy of that letter. It was sent to you. In that letter Mr. Childress gives a detailed description of the fight that is being made by the railroads against water transportation on the Mississippi. From his statement it appears clear that for years the railways have waged a most relentless war of rate cutting to ruin and break down the barge lines. The proponents of this bill seem to think the managers of the rails have turned over a new leaf, that they are good now, and that they will not resort to any of the methods used so freely by their predecessors a few years ago. The managers, they seem to think, have reformed and will not adopt the ruthless and unjust methods of cut rates to terminals if this bill becomes a law. Forsooth, they say, "We have the Interstate Commerce Commission." Again I call to your attention Mr. Childress' letter and ask you to see how the men of Wall Street have resorted to any and every means to ruin the investment of millions upon millions that the Government has made to give relief in the Mississippi Valley from the confiscatory railroad rates.

Do not believe their fairy stories for a single minute. The rails want revenue and still more revenue. Should this bill become a law, down go rates to terminals to break the lines that are now carrying freight by water. The money to replenish the losses sustained must come from somewhere. It is surely not coming out of the reserves that the banks have. It will come from increased rates for all intermediate points, rates just as high as the traffic will bear. The water lines will be ruined and the railroad lines will be left charging higher rates.

The rails have yielded on their excessive confiscatory rates only to one argument, and that is competition. That is why this Government had to invest so many millions in improving river waterways and harbors, to force down rail rates. Do we want to wreck all that investment? They say that they just want to get a little of the freight that is now being water-borne. If they got it all it would only increase the total amount of the freight that they now carry by less than 1 percent.

The author of the bill, in his opening statement, said that wheat could not be moved out of the Pacific Northwest into the Southeast to compete with wheat from Argentina. That statement leaves a false impression. The fact of the case is that wheat now, and for months, has been as high in Argentina as it is in the southern parts of the United States. The only wheat which can come in, unless it is smuggled in, is the wheat that comes in as feed, carrying an ad valorem tariff of 10 percent of value. If it comes in as milling wheat, it must pay 42 cents tariff, which is impossible. I will tell my colleague from Indiana why wheat cannot move out of the Pacific Northwest. It is on account of the confiscatory railroad rates. I live 300 miles east of tidewater. At the beginning of the great World War we paid a freight rate on wheat from my ranch to tidewater of 9 cents a bushel. We now pay almost 16 cents. Then another 15 cents will take that wheat to Galveston, New Orleans, or Baltimore. Why cannot it be shipped directly east by rail? A rate of 42 cents a bushel from my ranch to the Missouri River. That is why. That same wheat

can be sent by rail twice the distance in Canada for less than one-half the money. The rails collect more freight from pears, apples, and cherries shipped from the Pacific Northwest than the growers receive gross for the fruit over which they have labored days, months, and years to produce.

I am opposed to this bill because it would have ruinous effects upon agriculture. The farmer is the man who would be called upon to finance the rate wars in which the railroads would engage if this measure should pass. The great general farm organizations of the country are all against this bill and realize the iniquities that would follow its enactment. As the National Grange well says:

This kind of legislation would drive industry to the seacoast and depopulate the interior of the country. It would remove the farmers' market farther and farther from him and increase his cost of doing business.

The farmer lives in the interior. The farmer is the intermediate shipper. The farmer is the man who is located at the noncompetitive point, and the farmer is the man who would have to pay the bill in the form of exorbitant freight rates to finance the railroads in a rate war with other carriers.

Railroads, whose trains move through the interior farming country, cannot prosper unless farmers are prosperous. They have just as great a stake in agriculture as has the farmer, but they do not seem to realize it. When farm prices are low railroad earnings are low. Farm prices are up a little, and the roads are buying new equipment.

There is no claim made that the passage of this bill would be in the public interest. It is admitted that it is designed to help only the railroads. It would seriously handicap shipping and cripple motor and water transportation. This bill violates that sound principle which should govern us in the enactment of all legislation, namely, "the greatest good for the greatest number."

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. COOPER of Ohio. Mr. Chairman, I yield 22 minutes to the gentleman from Massachusetts [Mr. HOLMES].

Mr. HOLMES. Mr. Chairman and gentlemen of the Committee, I happen to be a member of the subcommittee which sat patiently while we held the hearings on this long- and short-haul bill, introduced by our colleague [Mr. PETTENGILL] of Indiana. I compliment and pay my respects to the chairman of the committee and all of the other members of the committee. I believe they have tried to consider impartially this legislation purely and simply upon its merits, in an endeavor to solve and help the railroads with their problems at the present time. I differed quite materially on the point of view which my colleagues arrived at. I do not believe there is any question at all but that the railroads need relief, but I am thoroughly convinced that under present section 4 of the law, as it is on the statute books at the present time, the Interstate Commerce Commission could, if it is so minded, extend all the relief that the railroads request, without any change whatsoever in the amendment, and it was quite generally presented to us at the hearing that it was in a sense the niggardly attitude taken by the Commission toward the railroads which necessitated their coming before Congress to secure relief.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I decline to yield now. I shall be glad to yield a little later. I do not want to see anything happen to railroad legislation that we have already enacted. I do not want to see this go so far that you will nullify and vacate from the statute books all of this tremendous volume of judicial opinions and decisions by various courts, even the Supreme Court of the United States, which opinions have had a tremendous bearing on the formulating and carrying out of the railroad policy of the United States.

I am in thorough sympathy with every member of my committee, and I shall recommend to the House that the railroads be given some relief, but I would hate to see the section entirely eliminated from the statute. It is true the bill gives the railroads of the country an opportunity to meet competition by other modes of transportation, by filing their rates, which means, of course, that the rates on the transcontinental traffic handled by the railroads will be reduced.

Whether or not they can handle that with their present equipment and personnel, or whether they will require additional equipment and personnel is another question, but we know that it will add to the expense of whatever traffic they carry.

It will be remembered that it was only in the closing days of the last session that we passed the Motor Carrier Act. That was before this bill had been reported to the House, but the committee on the long and short haul has recommended it to the House. We have a moral obligation because we passed that Motor Carrier Act. The reason it was passed was to elevate the standard of the motor-truck industry—those carriers by motor truck who were dealing in interstate traffic as common and contract carriers. And what did that Motor Carrier Act do? It compelled every common carrier, every contract carrier in interstate traffic to file its rates with the Commission, and we were in hopes that not only the motor-truck carriers would be elevated so that they would get a greater return for their services in the community, and more pay for the goods they carry, but also that it would help take away from the railroads some of the unfair competition with which they have had to contend these many years through individual motor-truck operators. After these rates are filed, under the Motor Carrier Act, the Commission can on its own motion readjust any of those rates that are unfair. So I feel from that point we should take into consideration that these motor carriers have to file their rates and that they are subject to rules and regulations on whether the rates are fair or not; whereas under the Pettengill bill you will throw the doors wide open, allowing the railroads to go ahead and get what business they can at such price as they can, to help out the railroad problem. I believe there is some justification in the railroads' request for relief, and just as soon as the bill is read for amendment I shall offer as an amendment the recommendations by Coordinator Eastman, known before our committee as the Rayburn bill.

What does that do? The Rayburn bill is, in substance, paragraph 1 of section 4, until it comes to the question of the 1910 amendment. The Rayburn bill actually strikes out of section 4 as it is now on the statute books, following section 1, the following:

But in exercising the authority conferred upon it in this proviso the Commission shall not permit the establishment of any charge to or from a more distant point than is not reasonably compensatory for the services performed, if a circuitous rail line of road is, because of its circuitry, granted authority to meet the charges of a more direct line or route to or from competitive points and to maintain higher charges to or from intermediate points.

That is known as the equidistant rule in relation to section 4.

Without reading the balance of that paragraph, it also strikes out "on account of merely potential water competition not actually in existence." Now, if you strike out "reasonably compensatory", the equidistant provision and the potential water possibilities not in existence, you are eliminating from this bill the three controversial points which, in all probability, have been the cause and the reason why there has not been more relief extended to the railroads on their request for relief under the fourth section. Still I am firmly of the belief and opinion that any of these requests of the railroads, as they have been made in the past, under the present phraseology and language of section 4, could have been granted.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield.

Mr. TERRY. Did not Mr. Eastman, in his appearance before the Rules Committee, advocate the adoption of the Rayburn bill and speak against the adoption of the Pettengill bill?

Mr. HOLMES. I do not know what Mr. Eastman said before the Rules Committee.

Mr. TERRY. The gentleman was not present?

Mr. HOLMES. I was not present. I do know, however, that no member of the Interstate Commerce Commission appeared before our subcommittee at any time while these

hearings were in progress to state their views on this question.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield.

Mr. FITZPATRICK. Is it not a fact that if this bill is passed the Commission still has the right to reject any schedules filed by the railroads?

Mr. HOLMES. That is true; and while there is a sort of face-saving clause in the Pettengill bill, which provides that the railroads must prove their case, you are placing the burden of the complaint on the shipper; and if I, as a small manufacturer in the city of Worcester, ship goods to other parts of the United States, that burden is placed upon me.

Mr. FITZPATRICK. But you are not taking anything away from the Commission. The Commission still has the same power.

Mr. HOLMES. They have, under section 3, certain powers.

Mr. FITZPATRICK. It only limits the time. That is all it means. There is a limited time in which they must give their decision. That is the object of the bill.

Mr. HOLMES. No. I think my colleague is wrong to feel that his is the only object of the bill. I can assure the gentleman that the responsibility will be placed on the shipper to originally make complaint. The railroads, with their tremendous organization and their facilities, can at the present time, even with the amendment I have proposed, file their schedules so that the shipper throughout the United States will have some general knowledge of what those rates are. The Commission would have some valid reason to either approve or reject those rates without secretly filing them in Washington, where a shipper up in Massachusetts or out in Oregon would have no knowledge before the bill for the freight is rendered to him. The average small shipper is not in a position to hire lawyers.

Mr. FITZPATRICK. They have 30 days under the bill.

Mr. HOLMES. They have 30 days.

Mr. FITZPATRICK. And then they have 7 months afterward.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. Not just now. I believe the railroads should be relieved, and I want to make the fourth section just as flexible as possible, but I believe the railroads should file their rates and any proposed changes that they want to make, because they always maintain their rate experts, their attorneys, and every other facility where they can prepare within any reasonable time the necessary request for a change of rates either one way or the other; but the shipper is not situated that way. I am afraid that this legislation, wiping out altogether this section, is going to simply throw that burden on the shippers of the United States.

Mr. FITZPATRICK. But if they submit a rate now, must not the shippers oppose that rate and prove that it is not reasonable? Today if the railroad makes a request to the Commission, is it not necessary for the shippers to protest?

Mr. HOLMES. Oh, yes; if they do not like the rate, of course.

Mr. FITZPATRICK. But what will be the difference? The only thing is that under this bill there is a limited time.

Mr. HOLMES. No. There is no limit of time in this bill.

Mr. FITZPATRICK. Yes. They must give a decision within 7 months, I think somebody said. There must be a decision handed down in 7 months.

Mr. HOLMES. On the question of the reasonableness of the rate?

Mr. FITZPATRICK. Yes.

Mr. HOLMES. But there is all that time. Those rates were made available to the public so they could find out what they were. The shipper is the one who has got to make the complaint if he does not agree to the rate.

Mr. FITZPATRICK. Does the gentleman have any doubt but what they will know?

Mr. HOLMES. There is no question whether they will know.

Mr. FITZPATRICK. Does the gentleman believe the railroads should be placed in strait jackets with the shippers allowed to do as they feel like?

Mr. HOLMES. No; I do not believe that is a fair question.

Mr. FITZPATRICK. That is what is happening today.

Mr. HOLMES. I think that is an unfair question from my colleague, knowing him as well as I do. I certainly want to give the railroads all the advantage they are entitled to within reason. At the same time I think we are going a little too far if in amending the law to give them relief we do not require them to file their rates with the Commission in the proper way.

An examination of the reports of the Interstate Commerce Commission discloses hundreds and hundreds of decisions in rate and valuation cases, many of them bearing on section 4. In my opinion, around these decisions has been developed—not only by the Federal Government but through our various State public-utility commissions—rules for guidance of counties, States, and the Federal Government in their railroad problems. I think this procedure has been built up beneficially to the railroad interests because of this litigation and these decisions. It has resulted in sound railroad management with a definite policy of trying to serve the country. I am afraid that if we eliminate section 4 altogether, we will be taking out of the record this tremendous amount of work that has been done through litigation bringing about certain standards of railroad management.

Reference was made by my colleague about the attitude of the Massachusetts Organization of Associated Industries. The traffic committee of this organization is on record as being in favor of this bill, but many individual members of the organization have registered their personal objection to the bill. This has no bearing on it, for in my opinion, as a matter of fact, as a citizen of Massachusetts and a New Englander, it will not result in relief for our railroads. So I am not speaking here because I am trying selfishly to hold something in my district or trying selfishly to get something for my district, because it will not affect New England or New England railroads one iota, and we probably will not get a pound of additional tonnage one way or the other, whether this bill is adopted or not; but I am seriously conscious of the fact that there is an element of danger when you go too far in trying to do a good deed. It may kick back at you and do the reverse of what you expect; it may create tremendous hardships.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield.

Mr. PETTENGILL. Will the gentleman tell us what the Associated Industries of Massachusetts consist of?

Mr. HOLMES. Yes; I shall be very glad to. The Associated Industries of Massachusetts is an organization of manufacturers from various sections of the State.

Mr. PETTENGILL. About 1,100 of them?

Mr. HOLMES. About 1,100.

Mr. PETTENGILL. And they are on record in favor of this bill?

Mr. HOLMES. Not by record of the association. [Applause.]

[Here the gavel fell.]

Mr. PETTENGILL. Mr. Chairman, I yield 8 minutes to the gentleman from Illinois [Mr. Lucas].

Mr. LUCAS. Mr. Chairman, under the laws of the State of Illinois the Illinois tax commission has jurisdiction over the assessments of railroad property for tax purposes. As chairman of that commission for 2 years, I was given the opportunity of obtaining first-hand knowledge of the railroads, their facilities, their capitalized earning power, the value of their stocks, bonds, and rolling stocks, as all of these factors were used by the commission in determining the fair cash value of the railroad property.

We had under our jurisdiction 92 railroads. Each railroad, under the law, was compelled to prepare various schedules under oath which gave the commission a complete picture of their business and financial standing for the current year. In 1933 the commission held hearings for 4 weeks, listening to testimony and arguments of the representatives

of 57 railroad companies which had filed with the clerk of the commission objections to their respective assessments. My colleagues, the financial condition of the great majority of those one-time healthy structures was appalling, to say the least. Receiver after receiver had been appointed, equipment was impaired, the railroad stock had deteriorated, the market value of many issues of stock and bonds had almost collapsed, the morale of those in control was low. In some cases about all that was left was two iron streaks of rust running for miles through the country. Never in my career as a lawyer for 20 years at the bar did I examine a set of facts that had so much disaster written upon almost every schedule. Never in my long legal career did I listen to such sincere and sound legal arguments upon the issue before us. The statistician, the tax expert, and the lawyer all pleaded with enthusiasm and firmness, yet at times with pathos, for a substantial reduction of the tentative assessed valuation fixed by the commission.

We finally certified an assessment of \$492,000,000 for 1933, compared with \$710,000,000 in 1927. In 6 years the fair cash value of railroad property in Illinois for taxation purposes had decreased approximately 70 percent. Even with this startling decrease in value, only two States had a larger assessment in 1933. And these railroads the tax commission investigated consisted of railroads operating between Chicago and the Atlantic coast, railroads which operated between Chicago and the Gulf, and railroads which operated between Chicago and the Pacific coast, as well as railroads which operated within our own State.

My colleagues, these hearings developed additional information which bears directly upon the question before us. Railroads, on the whole, with the greatest spread in mileage and fortified and equipped for long hauls, showed the greatest and most consistent earning power. It was agreed in those hearings by the railroad experts that the local railroad with a limited base in mileage and facility is doomed. It cannot compete with the various other transportation agencies which have come into existence in the last few years. The railroads with the long haul of freight are the saviors of the industry. They are the only ones which can survive the onrushing and industrious challenge of their transportation competitors.

In the discussion before us the inland waterways of the Midwest have been mentioned. Nine of the counties in my congressional district border on the Illinois River, and two of them border on the Mississippi River. Obviously, I am interested in the cheap rates of transportation which are and will be afforded through barge operation upon those rivers. However, this bill being debated today will in no way affect that situation.

My experience as a member of the Illinois Tax Commission has convinced me that no opportunity should be overlooked to lend a helping hand at every available opportunity to safeguard the most important industry of its kind in America. Let us not forget that the railroad of yesterday, with all of its baneful, corrupt, and nefarious influences, is not the railroad of today. Without doubt the passage of this bill is a direct help to the railroads that should survive. This is the hour in the Nation's recovery to give every gesture of encouragement toward the rehabilitation of the railroads of America. I am glad to support the bill. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. COOPER of Ohio. Mr. Chairman, I yield the balance of my time to the gentleman from Tennessee [Mr. REECE].

Mr. REECE. Mr. Chairman, I support this bill because I am convinced that its enactment is in the national interest, regardless of any sectional interest North, South, East, or West.

As a member of the House subcommittee which heard the voluminous testimony of many persons, both for and against the bill, as well as from independent studies I have made regarding the practical operation and effect of the present long- and short-haul clause, I came to the very definite conclusion that while at first reading the present clause might seem reasonable, in actual practice it not only fails to serve

any reasonable purpose but is a positive detriment to the industrial progress of the whole country and should therefore be repealed.

Especially is this true when we consider that since the present clause was enacted in 1910 and amended in 1920, we have greatly strengthened the hands of the Interstate Commerce Commission in the matter of reasonable and non-discriminatory rates, including the power to suspend rates for 7 months pending investigation and to then allow or disapprove such rates; also the power not only to fix maximum rates but to prescribe minimum rates. Under this power there need be no fear that the Commission would permit the railways to establish or to continue rates that are lower than absolutely necessary to meet the competition of other forms of transportation and to obtain a fair share of the available traffic should this bill be adopted. The change effected by the repeal of the long- and short-haul clause is a procedural change only, and does not deprive the Commission of any of the various powers it now possesses with respect to reasonable and nondiscriminatory rates, or any of the possible abuses to which other speakers have referred. The Commission may still suspend or set a new rate, and the burden of proof in justifying the competitive rate continues to rest upon the railways.

As has been pointed out, contrary to perhaps the popular impression, this is not strictly a railroad bill, although it is strongly urged and supported by not only railway management but by the rank and file of railway employees who have seen traffic diverted from the rails, employment and purchases diminished, because the rails have been prevented by the Commission, operating under the present act, from meeting competition as they find it, within reasonable limits, of course.

I have said it is not strictly a railroad bill. It is one initiated by the National Industrial Traffic League, representing several hundreds of thousands of industries and shippers throughout the country who have seen industry, particularly in the interior, drying up under the operation of the clause. They have seen the railways, willing and anxious to establish rates necessary to move traffic and enable industry to progress and the country as a whole to grow, prevented from establishing such rates either without months and sometimes years of delay and in many, many instances refused permission to do so at all. And here I wish to make reference to Mr. Eastman's testimony before the Rules Committee in regard to the number of applications received, decided, and the average length of time of 28 days that elapsed between the filing of the application and the Commission's decision. A very large number of these applications are largely of a mechanical nature in connection with decisions of the Commission where, to put the basis required by the Commission into effect is impossible, without obtaining fourth-section relief. Others are of very minor consequence and a very large proportion of the total are applications in connection with which it is simply a question as between the Commission on the one hand and the railroads on the other in the respect that the public is not concerned in whether relief be granted or otherwise. They are largely to take care of technical tariff situations.

Where there is any opposition whatsoever to the granting of relief, the situation is entirely dissimilar in the respect that these applications are long delayed between the time that the application was originally filed and the final decision obtained. This was clearly indicated by the hearings and I wish to refer to a few specific examples:

GRAIN FROM EAST ST. LOUIS, CAIRO, AND MEMPHIS TO FLORIDA PORTS

Application filed May 19, 1933, decided November 1934.

Authority: Page 89 record hearing before subcommittee of the Committee of the House on Interstate and Foreign Commerce.

RATES FROM CENTRAL WESTERN TERRITORY TO SOUTH ATLANTIC AND FLORIDA PORTS

Application filed September 12, 1929.

Fourth section, order no. 11427, entered August 24, 1932, practically 3 years after filing.

Basis of relief granted impractical of application.

New application filed January 13, 1933, and denial issued to request for elimination of restrictions, making working out impractical, was entered November 13, 1933. Finally worked out with representatives of Commission and steamship lines so that rates were made effective December 15, 1934—5 years and 3 months after original application was filed.

Authority: Record of hearing before subcommittee, pages 89 and 90.

SUGAR

Transcontinental Lines filed fourth-section application April 24, 1930.

Hearing held January 12, 1931.

Proposed report issued June 26, 1931.

Application denied by the Commission August 3, 1932.

Applicants filed petition for rehearing and reconsideration August 23, 1932.

Commission reopened case for reargument and reconsideration December 12, 1932.

Commission rendered a decision granting relief in principle, but fixed a minimum rate, which would make relief of little value, although it would have been effective in meeting the competition as of the date of the original hearing. This decision was rendered July 3, 1933, 3 years and 2 months after filing.

Authority: Record before subcommittee, pages 150-151.

AUTOMOBILES

Transcontinental fourth-section application 15000. Filed January 6, 1933. Decided July 2, 1935.

IRON AND STEEL, BIRMINGHAM TO TEXAS PORTS—183 I. C. C. 405

Filed March 8, 1930. Submitted October 7, 1931. Decided April 11, 1932.

COMMODITIES BETWEEN NEW ORLEANS AND TEXAS POINTS—NO. 15394

Submitted July 6, 1934; decided November 11, 1935.

SWITCHING AND OTHER ACCESSORIAL CHARGES—NO. 14939

Submitted July 13, 1933; decided February 14, 1936.

Southeastern carriers had 10 applications filed prior to 1934 which had not been decided February 1, 1935.

Mr. PETTENGILL. Will the gentleman yield?

Mr. REECE. I yield to the gentleman from Indiana.

Mr. PETTENGILL. In one case a fourth-section application was pending for 11 years?

Mr. REECE. It was so stated before the subcommittee during the hearings.

Let me give you an illustration of how this present long- and short-haul clause works out in practical operation, and I will use my own State of Tennessee. In the eastern section we have a vegetable-canning industry of considerable size, furnishing employment to hundreds of workers, and using the crops of tomatoes, beans, corn, and so forth, produced by farmers in that section.

For many years these canneries had a profitable market along the Gulf coast. There they met the competition of many other canners, including those using water transportation. It was a healthy competition for both shippers and consumers, giving all a wide choice of products and markets. This has largely been changed under the operation of the long- and short-haul clause as it now reads, this because the railways have been compelled to withdraw the old competitive rates to these water-competitive markets.

To be specific, Newport, Tenn., in my district, is a representative east Tennessee canning point. The competitive rate on canned goods established to meet competition, not present at intermediate points, was formerly 48 cents per 100 pounds to New Orleans. This rate has now been advanced to 64 cents, an increase of 33½ percent. The Commission says that 64 cents is a reasonable maximum rate from Newport to New Orleans. The rates grade down with distance at intermediate points. Such a rate adjustment may look pretty on paper, but if a 64-cent rate to New Orleans is too high to meet the competition, the Newport canner finds it is as good as no rate at all. The railways and the east Tennessee canners are thereby ousted from the market.

Much the same thing is true of rates on canned goods from Newport to Houston and Galveston where the rate has been increased from 83 to 95 cents under this "dry land" basis of making rates, which is to ignore water and other competitive conditions actually present, and which no industry other than the railways is compelled by law either to ignore or to have such competition set the price on all of the goods it markets.

What I have said as to east Tennessee canned goods is not peculiar to my State. A representative of 70 canneries in Iowa and Nebraska appeared before our committee and urgently requested that this bill be passed in order that the products of his people might again be marketed under rates that would move the traffic. This gentleman told the committee that the same situation exists as to canners in Minnesota, Wisconsin, Illinois, Indiana, Missouri, Arkansas, and Colorado. This gentleman, Mr. Lampman, made this significant statement:

It (meaning the long- and short-haul clause) has ceased to be a matter of speculation so far as our rates to these highly competitive points are concerned. We must have relief or forfeit the business to our competitors who are favorably situated adjacent to water transportation. There is no large consuming center close to our canneries; we must ship to distant points; we cannot move our fields, therefore, relief through rail carriers is our salvation.

Thus we find a most anomalous situation—industry in the interior gradually drying up, the shippers and railways in agreement as to what is necessary to move the traffic, but the railways with plants costing billions of dollars and not operated to capacity standing by helpless to promptly act, or, in many cases, denied authority to act unless they are willing to apply the same rates to other places where the same highly competitive conditions do not exist and where to do so the loss of revenue would be ruinous, greater than that to be gained from the transportation of the traffic to the competitive points which, if it is to be handled at all, must be on a low measure of profit.

What is true of canned goods is true of many other commodities such as potatoes from Idaho, Colorado, Nebraska, and Minnesota; paper from Wisconsin and Minnesota; iron and steel from Pittsburgh, Youngstown, Chicago, Kansas City, and Colorado; cast-iron pipe from Utah; rice from Arkansas; wool, hides, and tallow from the intermountain States; lumber from the Pacific and Gulf coasts; beet sugar from Colorado, Montana, and so forth; petroleum from independent interior refineries. Many other similar situations were brought to the committee's attention. What we have seen is a gradual stripping of traffic from the railways and a drying up of industry.

This is why we have seen the country as a whole increase 16.1 percent in population during the prosperous period from 1920 to 1930, while many States, suffering from the adverse effects of this long- and short-haul clause, have languished. Witness the following as contrasted with a growth of 16.1 percent of the United States as a whole:

Montana: Decrease of 2.1 percent.

Idaho: Increase of 3 percent.

Eastern Washington: Decrease of nine-tenths of 1 percent.

Eastern Oregon: Decrease of 1.8 percent.

Arkansas: Increase of 5.8 percent.

Minnesota: Increase of 7.4 percent.

Iowa: Increase of 2.8 percent.

Missouri: Increase of 6.6 percent.

North Dakota: Increase of 5.3 percent.

South Dakota: Increase of 8.8 percent.

Nebraska: Increase of 6.3 percent.

Kansas: Increase of 6.3 percent.

South Carolina: Increase of 3.3 percent.

Georgia: Four-tenths of 1 percent.

Kentucky: 8.2 percent.

Tennessee: Increase of 11.9 percent.

These are the States that have suffered most from the operation of this long- and short-haul clause, depriving, as it has, their industries from the opportunity of marketing their products freely in competition with water-borne commodities, and by likewise depriving the railways of the

transportation of such traffic, with all that this means in the way of lessened employment and purchases and ability to pay taxes to support schools and other governmental functions.

The question of taxes paid by railways versus water carriers is important. A report by Federal Coordinator Eastman released in May 1935 shows that in 1932, as to the numerous water carriers who reported, their taxes represented nine-tenths of 1 cent per dollar of revenue, while those of the railways were 8 cents per dollar of revenue. The 12 intercoastal water carriers operating via the Panama Canal paid a total of \$20,000 in taxes, or one-half of 1 percent of their revenues.

Of the railway taxes paid, approximately 46 percent goes to the support of schools, 14 percent to public highways, and 40 percent to other governmental purposes. But few water carriers pay taxes anywhere on their floating property.

The evidence before the committee shows that between 1920 and 1930, 67 percent of the growth of the country was in zones within 50 miles of the seacoasts and Great Lakes. Obviously it is not to the advantage of the Nation or even to these seacoast cities that the rest of the country should thus stagnate. The great industries located on or adjacent to the seacoasts and Great Lakes cannot long exist on the business they market in such zones. They must find their markets everywhere throughout the country. To a considerable extent they must draw their raw materials from interior points by railroad, and they must have an adequate and efficient railway system. It is to their best interests that the country as a whole should progress, as it did by leaps and bounds prior to the enactment of the present long- and short-haul clause, when the railways were able to freely and promptly establish rates necessary to move the traffic of the country.

This is why representatives of industries located in Massachusetts, Chicago, Jacksonville, Tampa, and other places located on deep water appeared before us urging the passage of this bill. They do not fear that the bill will cripple or kill water transportation. Listen to this statement coming from the transportation manager of the Associated Industries of Massachusetts, located at Boston:

We consider it quite probable, in the event this legislation is enacted, that in some instances manufacturers located on the seaboard or in proximity thereto will lose some advantages to their competitors at interior points. However, the railroads are essential for long-haul transportation and the movement of bulky traffic. Our dependency on them requires us to promote as much as possible their successful operations. As a shippers' organization, therefore, we view this subject from a broad, national standpoint.

The industries of Massachusetts and their employees are dependent on the railroads more than on other agencies for the transportation of food, fuel, and raw materials for manufacture, also for the outbound movement of manufactured goods to the important interior markets of the country.

It is essential that the railroads, the backbone of our transportation system and an important arm of our national defense, be permitted to function on a sound and profitable basis and adopt their rate structures to competitive requirements of commerce.

Similar representations were made by spokesmen of Jacksonville and Tampa, Fla., both located on deep water.

I quote from a recent telegram from the Nashville Chamber of Commerce in my own State, addressed to the Speaker of the House:

In our opinion this measure would be largely to the advantage of business in this territory.

Some of the witnesses who appeared on behalf of the water carriers in opposition to the bill made the point that the railroads have available a great deal of inland traffic not open to water competition and that the water carriers are practically restricted to traffic between water ports. Such is not the case for several reasons.

First, the great bulk of the traffic handled by water carriers originates or terminates at inland points and is moved to or from the ports by means of short rail or motor-truck hauls. The existing strictly port-to-port traffic admittedly could not support the water carriers. In this connection, I want to quote from testimony of E. P. Farley, who recently

appeared before a Senate committee in connection with S. 4491 and who spoke for eight intercoastal water carriers:

The abnormally low water rates which have prevailed during the periods of rate wars have been of no real benefit to shippers, have drained the resources of all the lines, forcing some of them to withdraw from the trade, and have damaged the transcontinental railroads by extending water and rail shipments into the very center of the country where economically there is no justification for the use of rail-and-water shipment in preference to the all-rail route.

Second, much of this so-called, non-water-competitive traffic is not available to many of the railways who have had much of their traffic diverted to water carriers. The heavy tonnage of coal moved from Pennsylvania, West Virginia, and eastern Kentucky to the ports on the Great Lakes and Atlantic Ocean and elsewhere by such lines as the Pennsylvania, Chesapeake & Ohio, and Norfolk & Western, or iron ore by the Great Northern, mean nothing to lines such as the Atlantic Coast Line and Seaboard Air Line operating along the Atlantic Coast, the Illinois Central and Missouri Pacific operating along the Mississippi River, or the Southern Pacific or Santa Fe operating across the Continental Divide, all of whose traffic is largely competitive with water carriers. When, through the operation of the present long- and short-haul clause, traffic is taken away from such rail carriers they have no great reservoir of traffic upon which they can draw.

Third, a tremendous amount of traffic formerly produced at inland points and marketed at points on or adjacent to navigable waters has been lost to such inland producers and the railways serving them by being diverted to other producers, even including those in foreign countries, using water routes, and which has been possible under the operation of the present long- and short-haul clause. The record shows that under the operation of the present long- and short-haul clause, thousands of industries in the interior of the country have literally dried up—they have lost the opportunity of successfully marketing their products at points on or adjacent to the seacoasts, because the railways have been denied the right to make rates necessary to meet the competition from other producing points, even those in foreign lands, using water carriers, unless such railways also reduce the rates to points where such strong competition does not exist and which in many cases is impossible because the loss would more than offset the gain.

Some question of the propriety of charging less for a longer haul than for an intermediate shorter haul has been raised. As I see it, the charging by a railway of a lower rate for a longer haul than for an intermediate haul, where such is made absolutely necessary if competition at the further distant point is to be met, is no different in principle from that followed by all other industries, including even the water lines who are handicapped by no such thing as a long- and short-haul clause. If the business cannot be obtained on basis of a normal reasonable rate and it becomes necessary to make a highly competitive rate which while low will yield more than out-of-pocket cost of its handling, the railway is justified in making such reduction and it ought not to be compelled to reduce the other rates as to which conditions are dissimilar.

If a producer of canned goods, steel, sugar, or any other commodity is to sell these products in any given market, he must meet the prices of his competitors or else retire from the field and market all of his products adjacent to his plant. At the further distant and highly competitive markets, in most instances he must accept a low measure of profit. If some commission made him accept the same low measure of profit—the lowest accepted on any goods—at all other places, he probably would have to retire from the competitive market. His local markets would have to support his plant if it continued to exist. This is precisely the situation in which the railways find themselves; but we properly allow industry in general to operate and make prices along sound business lines, but say to the railways—if you meet competition at a given place, and to do so have to establish a low rate which while low will more than pay the extra or out-of-pocket expenses of its transportation, you must also handle intermediate traffic not so highly competitive at the

same low measure of profit—what is the result? The railway is simply forced out of the competitive traffic.

The situation was well described by James H. McCann, of Boston, Mass., representing the Associated Industries of Massachusetts, who said:

It has always been our view that the practice of the railroads to charge less for the longer than for the intermediate shorter haul, when forced to do so by competition, rests upon a well-known economic principle. This principle is illustrated in industry. If a manufacturer, when his plant is not fully engaged, can secure a contract which will cover his actual out-of-pocket expense, he can afford to take the contract at less than his regular price because whatever profit there is goes to reduce his general overhead.

Furthermore, if a manufacturer meets competition in one market but not in another, it is sound policy to lower the prices of his goods where such competition exists, provided the reduced prices cover out-of-pocket expenses and something more.

In the application of this principle to the railroads we believe they should be permitted to make rates low enough to meet competition. If these rates yield something more than the added cost of handling the traffic they thereby contribute to the aggregate earnings and make possible reductions in the rates to intermediate points. Conversely, if the carriers are prohibited from meeting this competition they must forego the additional amount above the handling costs which such traffic would contribute and must obtain their needed revenues from other traffic.

There is no difference in principle between (a) charging less for a longer than for an intermediate shorter haul and (b) charging different rates or charges for handling a given kind of freight between certain ports.

For example, on a shipment originating at port A and destined to port B a steamship line may charge \$1 per 100 pounds, while for the same commodity handled by it between the same ports and in the same vessel it may charge 75 cents, 50 cents, or some other rate per 100 pounds if such shipment originates or terminates beyond port A or port B. There are present competitive and other conditions which make it simply impossible for such a steamship line to get exactly the same rate between port A and port B on a given kind of freight regardless of its origin or destination. It cannot blindly ignore the conditions with which it is faced, but must meet conditions as it finds them. If such a steamship line had, as to a given kind of freight, to accept on all of such freight the lowest rate or charge it makes on the most highly competitive freight of the same kind that it carries between such ports, it would soon go out of business.

Another illustration: A steamship line operating from New York to any port on the South Atlantic, Gulf, or Pacific coast must, as to traffic originating at Harrisburg or Pittsburgh, Pa., accept a less rate or charge from New York than it can make if the same shipment originated at Albany or Syracuse, N. Y. The reason is that on a shipment originating at Harrisburg or Pittsburgh the New York steamship line comes into competition with one operating out of Baltimore, and the inland cost of getting the freight to New York is higher than it is to Baltimore. The New York line equalizes this competitive condition by accepting less for hauling the shipment from the more distant port of New York than from the less distant port of Baltimore. This is well recognized as a sound practice in the steamship as well as the railway business. While the New York line may not actually stop at Baltimore, the fact remains that the principle is the same—that is, a less rate is charged for a shorter than a longer haul, and which is absolutely necessary in order to meet competitive conditions beyond its control.

The situation with the railway is almost identical. The fact that a point is intermediate to a highly competitive place does not in itself require that the railway should in justice extend the highly competitive charge thereto. The loss in revenue might be more than the gain in revenue on the traffic to the point beyond. If because of the long- and short-haul clause the railway cannot afford to accept the same low rate to the intermediate point and it has to forego the handling of the traffic to the competitive point beyond and on which it could get some profit, however small, then the intermediate points are called upon to support the whole railway plant, while the small profit from the competitive traffic, such burden on the intermediate points would to that extent be lightened. Also, unlike the railways who have fixed tracks, the steamships and the motor trucks can run around a less distant point and avoid long- and short-haul

difficulties and complications; but the principle of charging less for a longer than for a shorter haul is just the same.

I believe it is high time that we cease criticizing the railways for their alleged shortcomings and do something to enable them to freely transport the traffic for which they were constructed; enable them to better utilize their plants, give more employment, and buy more materials. Take off the long- and short-haul shackles and let them conduct their business along business lines. Let them be the judge in the first instance of what are profitable rates, and not a Government bureau in Washington not in direct contact with the business. As the committee in its report said:

The Commission, with the long- and short-haul provisions repealed as proposed, would have complete power under other provisions of the law to prevent railroads from doing anything which Congress ever intended they should be prevented from doing.

[Applause.]

Mr. PETTENGILL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Chairman, I intend to vote for this bill. The author of the bill said in his opening statement that—

It is an unusual bill in the sense that it consists of only a page and a half, but a good deal of study and patience is necessary to understand its application.

It is true that this is an unusual bill, and it has complicated consequences, as I understand it from the debate upon the floor of the House.

Mr. Chairman, I am going to vote for this bill, not because I have a great railroad population in my district, and I have a great many railroad people residing in my district who believe that this bill will accelerate railroad employment. They are fine people, they are good citizens, and for the most part they own their own homes. I have been asked to vote for the bill by some of the shippers in my State, but I am not going to vote for it because they have asked me to do so. Something has been said about the owners of railroad securities benefiting by the passage of this measure. This would not be a reason to vote for the bill. It has been said that some of the farm organizations are against the bill. To my mind that would not in itself be a justification for voting against the bill.

I am going to vote for the bill because I believe it to be in the national interest and in accordance with my philosophy of economics. Almost everyone has some philosophy of economics. I have my philosophy, which is that economic forces should, as far as possible and practical, remain free and unrestricted. I think it was the underlying purpose of the framers of the Constitution of the United States that so far as possible and practicable economic forces should be kept free. I am sorry to say that in the last few decades many things have happened to impede those economic forces. I refer particularly to police powers, trade restrictions, and also these rate restrictions. I think the same are a great impediment to free economics. Someone may say, "Well, you voted for a good deal of legislation here that restricted the freedom of economic action." It is true that I have voted for a good deal of that kind of legislation, but everyone on my side of the House has done so, and a good many on the other side of the House have done likewise. I did that contrary to my political philosophy and contrary to my idea of economics because I believed at the time that we were in an emergency which required the application of the things we did.

Mr. Chairman, I believe this bill squares with my economic philosophy. I believe it is to the interest of all the people of the United States; and I am not alone in that belief, as I have talked with a number of Members here, some of whom come from the West and the far West. They have stated to me that in their districts there is terrific opposition to the bill. I am glad to say, however, that every one of those men to whom I have talked, and there were a half dozen of them, have risen over this opposition which has a lot of political significance so far as the particular Members are concerned, and have told me they are going to vote in favor of the bill.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), be, and it is hereby, amended to read as follows:

"(1) That it shall be unlawful for any common carrier subject to the provisions of this act to charge or receive any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this act: *Provided*, That the Commission may from time to time prescribe the extent to which common carriers may be relieved from the operation of this section: *And provided further*, That rates, fares, or charges existing at the time of the passage of this amendatory act by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission."

With the following committee amendment:

On page 2, line 9, after the word "Commission", insert a colon and the following: "*And provided further*, That in any case before the Commission where there is brought in issue a lower rate or charge for the transportation of like kind of property, for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included within the longer distance, the burden of proof shall be upon the carrier to justify the rate or charge for the longer distance against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act."

Mr. BLAND. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND to the committee amendment: Page 2, line 16, insert a period after the word "distance" and strike out the remainder of the sentence.

Mr. BLAND. Mr. Chairman, if the Committee followed the amendment, the language which I propose to strike out is the language appearing in line 16, on page 2, which reads, "against any claim of a violation of sections 1, 2, and 3 of the Interstate Commerce Act." In other words, by this amendment of the committee it is sought to continue in the carrier the burden of proof to justify the rate, fare, or charge, but this does not reach the vice or the iniquity in this situation.

Under existing law the carrier must justify the application before the Commission. Under the proposed law the carrier is not required to justify unless the community, the shipper, or some interested party assumes the burden of meeting that objection and raising the question before the Commission.

There is not a community in the United States, except possibly the larger cities of the United States, that has an expert able to interpret these tariffs and schedules.

The gentleman from Colorado [Mr. MARTIN] in his speech cited case after case where railroad presidents and railroad witnesses came before the committee, and whenever they were interrogated with respect to any rate, fare, or schedule, they would be compelled to turn the matter over to some rate expert who passed upon it. Is your community to be saddled with this burden?

The language proposed to be stricken out, "against any claim of a violation of sections 1, 2, and 3." What do sections 1, 2, and 3 deal with? Section 1 requires just and reasonable rates; section 2 forbids special rebates, special rates, and things of that kind; and section 3 undue prejudice. The community itself, under the committee amendment, has upon it the burden of coming before the Commission charging the violation and assuming the burden of the fight. I am taking away that burden. Let the carrier who has the information assume the burden of the fight. Let him protect the people of the community and not have them saddled with unjust and unreasonable rates or prejudicial charges that may be submitted by the carrier and of which the community will know nothing until somebody goes to the freight office and is met with the necessity of paying an increased charge upon the freight that he desires to ship.

Mr. MARTIN of Colorado. Will the gentleman permit me to interrupt him, since he has mentioned my name?

Mr. BLAND. Yes.

Mr. MARTIN of Colorado. If this bill is passed, there will not be any such complex rate making as there is now under the fourth section.

Mr. BLAND. Oh, the gentleman has too great faith. Section 4 is not the only section that requires complex rate making. This is a delicate structure that has been built up

throughout the years. The Commission was created in 1887 because of the unjust impositions of the railroads, and while I think there are just as honest and just as honorable men in the railroad business as in any other business, I just cite you to what General Ashburn said the railroads did with the Ensley Short Line down in Alabama.

Mr. Chairman, I ask that the amendment be adopted.

Mr. BEITER. Mr. Chairman, I rise in opposition to the committee amendment and ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEITER. Mr. Chairman, I ask your indulgence for a few minutes in order that I may deviate from the subject under discussion and bring before the Congress some pertinent facts regarding unemployment relief.

In his recent message to Congress the President asked for an appropriation of \$1,500,000,000, and added that he wanted this money for the Works Progress Administration, stating that it was the responsibility of that agency to provide work for the destitute unemployed.

The works program was inaugurated with the purpose of giving employment to those on the relief rolls, and this restriction has made it impossible for those who are not actually reduced to receiving charitable aid to secure needed employment. Numerous complaints are being received regarding the limitation thus imposed on W. P. A. jobs, and judging from conversations I have had with other Members of Congress this dissatisfaction is widespread.

The fact that a man wants to be independent and pay his own way should not prevent him from securing work if he wants it. It should not be necessary for applicants to first accept a dole before they can qualify for a chance to earn a decent living. Concrete examples of this unfair discrimination are brought to my attention every day. A survey of the situation in various States would bear out the fact that there are more taxpayers in need of work relief than those actually receiving welfare aid. By the term "taxpayer" I refer to those citizens who have for years been supporting the city, county, State, and Federal Government through school, highway, municipal property, and other tax assessments.

Now that the Congress is preparing to consider the question of extending or continuing the Federal relief program, I think it opportune to compare the results obtained from the past expenditures for this purpose.

Since June 1933 I have been exceedingly interested in the public-works construction program. This program is not to be confused with the works-progress plan; they are as unrelated as night and day. At that time the country was economically ill, to say the least, and one of the important treatments prescribed was the construction of public works. An incentive was given to potential sponsors of projects in the form of grants from the Federal Government equaling 30 percent of the labor and materials.

However, there was no existing agency equipped to handle such a great undertaking, nor had any comprehensive plan of public works been formulated. No studies had been made during a period unruffled by economic distress, a time which would have been conducive to clear thinking and proper selection and distribution of projects. Consequently it became necessary to formulate an agency without previous experience to undertake this work. It was a tremendous undertaking, and Secretary Ickes should be congratulated on the result of his efforts in formulating the P. W. A., an organization noted for its integrity and professional ability.

There has been some criticism of the P. W. A. for its alleged slowness of action during the first program. This has been made, however, by those not realizing or those preferring not to acknowledge the lack of previous planning, the existence of usable statistics, and data upon which to proceed. Neither do they mention that now the P. W. A. is a going concern, having all the necessary personnel, organization, plans, and statistics necessary for proper, efficient, and speedy operation, and that this has been unequivocally proven in the E. R. A., P. W. A. program and the latter part of the N. I. R. A. program.

Under the E. R. A. program only \$339,381,748 was allocated to the P. W. A., and \$200,000,000 of this was withheld until September 1935. In spite of this late date, however, the P. W. A. had allotted \$327,592,251 by December 31, 1935, for 4,158 different projects. Furthermore, on December 31 more than 80 percent of the actual construction contracts had been let, and bids had been received and contracts were about to be awarded to bring this total to 93 percent.

In connection with the value of public works as a stimulant to recovery, much data have been published to show the direct gainful employment furnished through the construction industry. This has been broken down into man-hours, total cost per man-year, Federal cost per man-year, and number of people put to work directly, but little has been said regarding those finding employment indirectly. It is true that indirect labor has been mentioned by those who have pondered the problem, but the references are mainly vague.

The ramifications of the construction industry are so numerous and important that they affect every corner of the country. The business and social activities of our country are mutually interdependent, and all must be functioning properly to create a balanced economic life. When a stimulant is applied to aid recovery, it must be injected into the blood stream of our interdependent existence. We cannot hope to effectively aid recovery unless this course is pursued.

Fortification of the construction industry does this very thing. For instance, the raw materials used in construction have widespread occurrences in nature and they must go through many stages of processing and transportation before actual use in construction works. Stone must be quarried, crushed, separated into sizes, and mixed with other materials in proper amounts. Limestone and gypsum must be quarried and converted into cement and plaster. Iron ore must be mined, shipped, smelted, and converted into structural and reinforcing steel. Cotton must be grown, ginned, shipped, and woven into fabric for tires, belts, and containers. It is definitely a progression affecting every important factor of our economic structure.

The mechanics followed in the production of construction projects are not unlike those of a tree in producing fruit. For instance, the numerous tree roots take elements from the ground and convert them into essentials necessary for life and production. Similarly the producer-goods industries secure raw materials from nature and refine and convert them into usable products. The tree conducts the essentials produced by the roots through the alburnum of the trunk to the branches. Likewise, the transportation industries convey the products of the producer-goods industries to the various branches of the construction industry.

The leaves of the tree create a further chemical change essential to life, and the blossoms produce fruit. In the construction industry the many types of projects are distributed to the appropriate branches of industry where proper engineers and contractors plan, assemble, and construct the ultimate project.

The importance of the construction industry is clearly shown by table I, which I shall later ask to have inserted in the Record, which indicates an average annual expenditure of \$8,894,875,000 during the years from 1926 to 1933 for direct construction.

In 1928, \$12,000,000,000 was expended for construction. This reduced to approximately \$11,000,000,000 in 1929 and then collapsed to a little over \$3,000,000,000 in 1933. This abnormal fluctuation, with its accompanying disturbances in other industries, was a major factor contributing to the depression.

According to figures published by the Bureau of Public Roads, approximately 122,000,000 people (1925-33) are normally supported by 47,000,000 gainful workers, 13,000,000 of whom are directly in the construction industry and related producer-goods industries. The remaining 34,000,000 are in the consumer field producing and distributing goods consumed by the entire 122,000,000.

Since unemployment decreases consumption and increases dependency, when 7,000,000 lost employment through collapse of the construction industry it caused a further unem-

ployment, it has been conservatively estimated, of 4,000,000 people in the consumer field. Statistics on this will be shown in a table to be inserted in the RECORD.

In order to show the effect of construction upon indirect labor, several manufacturing organizations, Federal bureaus, and construction organizations have conducted extensive research and prepared comprehensive reports of their studies. The published reports necessarily deal with statistics which are a few years old, for a thorough study requires many months to complete. Furthermore, the compilation of the basic statistics lag behind the end of the calendar year. However, for the purpose of this study they are adequate, since it is proof of the employment distribution that is paramount, not mere figures.

On September 21, 1933, the Construction League of the United States, a federation of practically every association interested in construction work, published a report in the Engineering News-Record entitled "Employment Values in Construction." This analysis points out that in 1929 the production of construction materials employed every tenth manufacturing worker and that this fabrication proceeded in a quarter of the country's factories and mills. It also states that one of every five carloads of freight moved carried construction materials, and that 8 percent of all wholesalers were engaged in the distribution of construction goods.

This presents an interesting picture, for it shows many States not normally considered as such to be heavy producers of construction materials, as, for instance, Mississippi, Louisiana, Oregon, and Washington. It indicates these States as being greater producers than Massachusetts and Missouri, their importance being attributed to lumber production, which predominates in the South and Northwest.

Probably one of the most valuable analyses of public works expenditures that has as yet been published is given in An Economic and Statistical Analysis of Highway Construction Expenditures, a report published June 1935 by the Bureau of Public Roads. This treats of a \$100,000,000 highway expenditure to determine the amount of direct, indirect, and total employment furnished, the various industries affected, and the total value of business erected. The analysis is comparable to all public works, for highway construction includes every basic industry affected by general public works. It is true there will be some variation by reason of the greater refinement in processing materials for public works and in their greater value. Also there will be some variation because of their difference in locations, highway funds being expended largely in rural areas and public work principally in urban areas. This affects the amounts paid to labor directly on projects. However, when both direct and indirect labor are considered, total accruals will be substantially the same as those developed in highway construction. Therefore it is reasonable to assume that the total employment furnished per dollar expended is practically the same, and the determinations in the report become of tremendous value in aiding one to appreciate the full effects of public works.

Some astounding facts are brought to light which should be known generally. It proves the need of public works as a stabilizing influence in times of economic distress.

For instance, from a direct highway expenditure of \$100,000,000, neglecting reinvestment, \$74,726,000 goes for direct and indirect labor and results in \$231,000,000 of business value. I have prepared a table—no. III—which will appear in the RECORD itemizing these expenditures and showing the amount apportioned to 21 basic industries affected. The difference between salaries and wages and the \$100,000,000—namely, \$25,274,000—is divided into interest and margin and is available for reinvestment in the producer- and consumer-goods fields. When this sum is also broken down it shows that the entire \$100,000,000 expenditure ultimately finds its way to wages and salaries in the following proportion:

1. Direct construction.....	\$24,391,000
2. Investment in producer goods.....	50,335,000
3. Reinvestment in producer goods.....	14,827,600
4. Reinvestment in consumer goods.....	10,446,400

Table IV gives an analysis of the ultimate distribution to salaries and wages of the \$100,000,000 expenditure.

In the final break-down including reinvestment the report shows that 102,690 persons would be employed for a year at an average rate of \$970.

I have secured a table, no. V, giving a complete analysis.

During periods of economic stress reinvestment in producer goods will not readily take place. In other words, funds which would normally find their way back to industry through capital investments will become temporarily stagnated, and consequently the results of this type of reinvestment have been discarded in analyzing the effects of public works. It should be considered, though, when studying the effects of a long-range program.

Reinvestment in consumer goods, however, is considered, for this represents expenditures for cost of living alone, such as food, clothing, housing, amusements, and contingencies.

When the deduction for producer-goods reinvestment is made, the salaries and wages total \$85,172,400 and represent a year's gainful employment for approximately 90,000 persons. This is approximately equal to 1.4 men working indirectly for each person employed on direct construction projects. Table VI gives the procedure followed in making this computation.

I cite these incontrovertible studies to prove that indirect labor benefiting from public works is an important factor and that, according to highway report, approximately seven men are employed indirectly for every five men employed on the construction site.

Table VII shows the estimated cost, P. W. A. allotments, and funds supplied by applicants as distributed by States on December 31, 1935. Table VIII indicates the same allotments distributed by type of project.

As stated previously, the total P. W. A. construction program as of December 31, 1935, under the E. R. A., consisted of 4,158 projects, the total cost of which is estimated as \$748,547,711. Of this amount the Government has granted \$327,592,251 to aid sponsors of projects in financing the construction.

According to completed and finally audited P. W. A. projects, 32.6 percent of the total cost goes for direct labor.

By applying this percentage to the \$748,548,000 P. W. A. program, it indicates that \$244,026,648 will go to direct labor. The remaining amount, or \$504,521,352, when divided into indirect labor by using reinvestment percentages computed from table IV, shows that \$393,512,352 will go to indirect labor. This is exclusive of producer-goods reinvestment and represents only the first cycle of distribution. Table IX gives a more complete analysis of the break-down.

This means that out of the \$748,548,000 P. W. A. program, 85.2 percent of the expenditure will go to direct and indirect labor and that approximately 208,570 man-years of direct labor and 339,527 man-years of indirect labor will result. This illustrates that approximately 1.62 men will receive employment indirectly for each one employed directly and that approximately 548,097 men will receive work for a 1-year period.

This being the case, the cost to the Federal Government per man-year is equal to \$327,592,251, divided by 548,097, or approximately \$598.

At the present time the Public Works Administration has many additional projects on file which have been submitted in good faith by political subdivisions scattered throughout the United States. It was represented to them that the Government would aid in financing these, and they incurred considerable expense in the preparation of plans, legal data, purchase of lands, and in submitting applications, only to discover that funds were not available.

The projects include a wide diversification of type. There are schools, hospitals, jails, many types of buildings; streets, highways, bridges, sewerage systems, treatment plants, water systems, dams, wharves, and many others. Furthermore, they are scattered throughout the country, and every State has many worth-while projects pending.

The Public Works Administration has analyzed these and divided them into two types. The first list represents those which are apparently ready to proceed with immediate construction and which can be carried direct to a successful completion. This group is known as list B and B-1, shown

in table X, and sets forth the amounts by States, and comprises 6,130 different projects, the total cost of which is estimated as \$2,239,732,000. Of this amount \$817,459,000 is requested in the form of outright grants.

The amount shown as the estimated cost of the pending B and B-1 P. W. A. projects and the total amount of grants requested by their sponsors are not likely to be required in their entirety. Undoubtedly, some applications were filed by overzealous officials who, since filing the applications, find that they will be unable to proceed. This has happened in the past. Furthermore, legal and other extenuating circumstances will arise occasionally to prevent the sponsor's acceptance of a P. W. A. allocation. I believe, after a study of past experiences, that approximately 15 percent of the projects which are now pending will be unable to be constructed, and that \$700,000,000 will be a sufficient sum to successfully complete the pending P. W. A. program.

The projects which would be constructed by a \$700,000,000 P. W. A. program would be of a permanent nature and increase the wealth of the Nation by the total amount expended for them. Furthermore, the work would exert a tremendous stimulating effect on all industry, and as a result materially relieve the unemployment situation. Consequently I have introduced a resolution—House Joint Resolution 492—which would definitely allocate \$700,000,000 to the Federal Administration of Public Works in order that the pending approved program may be completed, the intimated agreement with the sponsor fulfilled, and the benefits to industry and labor secured.

During the past year business employment and private enterprises have shown encouraging signs of revival. We are now recovering from an economic intoxication and despondency resulting from our former happy-go-lucky system of indulgence. Thanks to the country's vitality and the inherent will of the American people to survive the crises and respond to treatment. Let us not discard the tonic of effective public works at this time.

The prescription is not new. It was used over 6,000 years ago by ancient rulers, who placed thousands upon thousands of men on construction work during depression times to keep them in peaceful occupation, rather than to become inflamed with thoughts of war and vandalism through morale breaking and inactivity. Furthermore, this admirable undertaking was in many instances definitely accomplished, and, at the same time, amazing engineering problems were mastered. Many of the works have lasted until the present time, and are even now of great economic value to the countries through the tourists they attract and the resultant benefits derived through this traffic to the consumer-goods industries.

This country has successfully followed the same principle and has materially stimulated recovery through public works. I believe and think that all my colleagues will also concur that the public-works program was a major contributing factor in setting the wheels of economic recovery in motion. I am sure that economists, business interests, and employees alike will agree that construction work of a permanent nature, work which will result in structures enabling citizens of their communities to live a more pleasant, safe, and useful life are worth while and of tremendous value in stimulating direct and indirect reemployment.

The appropriation of \$700,000,000, which I have proposed, to contribute 45 percent of a public-works program, will result in a series of projects which total \$1,555,600,000; 85.2 percent of the total cost; namely, \$1,325,000,000, will be provided for direct and indirect labor. This sum will furnish a year's employment at current wages and salaries to 1,140,000 persons at a per capita cost to the United States Government of only \$615.

I am a firm believer in the P. W. A. plan. It is effective immediately, and when the depression is over all of the public dollars expended in the program will be paying dividends in socially valuable, Nation-enriching works. I solicit your support in continuing this program for the benefit of all. I ask your cooperation in securing the necessary funds in relieving unemployment in the heavy industries by direct appropriation or by earmarking a portion of the relief fund to be appropriated in the near future. You will be interested to know that voters have assessed themselves, as local tax-

payers, in 2,166 out of 2,613 elections for local contributions of the greater part of the funds required to secure the benefits P. W. A. offers. These local bond elections, in which 10,000,000 votes were cast, show the willingness of communities in your congressional districts and mine to contribute their own funds for P. W. A. projects. [Applause.]

The following tables illustrate various phases which I discussed in my speech:

TABLE I.—Estimated average annual construction expenditure in the United States, 1926 to 1933

Class of construction	Public highway		Other		Total	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
Federal.....	\$135,816,000	1.53	\$242,309,000	2.73	\$378,125,000	4.26
State.....	428,922,000	4.82	103,953,000	1.17	532,875,000	5.99
County.....	327,128,000	3.68	200,497,000	2.25	527,625,000	5.93
City.....	457,311,000	5.14	735,064,000	8.26	1,192,375,000	13.40
Total, Government.....	1,349,177,000	15.17	1,281,823,000	14.41	2,631,000,000	29.58
Residential.....					1,712,250,000	19.25
Commercial.....					665,625,000	7.43
Factory.....					334,125,000	3.76
Farm.....					352,625,000	3.97
Religious, memorial, and social.....					213,875,000	2.40
Total, private.....					3,278,500,000	36.86
Steam railroad.....					1,031,875,000	11.60
Electric power company.....					694,375,000	7.81
Telephone company.....					588,125,000	6.61
Pipe-line company.....					1,309,750,000	3.48
Electric railroad company.....					167,750,000	1.89
Gas company.....					1,133,750,000	1.50
Telegraph company.....					1,36,750,000	0.41
Waterworks company.....					1,23,000,000	.25
Total, public utilities.....					2,985,375,000	33.55
Grand total.....					8,894,875,000	100.00

¹ Averages are based on data for years 1930-33.

TABLE II.—List of break-down basic industries

1. Construction.
2. Transportation.
3. Plant and equipment.
4. Aggregate quarrying.
5. Insurance and taxes.
6. Cement.
7. Iron and steel.
8. Petroleum products.
9. Coal and coke.
10. Power.
11. Metallic-ore mining.
12. Forestry products.
13. Advertising and development.
14. Explosives.
15. Laboratory.
16. Rubber.
17. Brick.
18. Agricultural products.
19. Pipe.
20. Nonferrous-metal refining.
21. Containers.
22. Retail trade.
23. Wholesale trade.
24. Manufacturing.

Example—Break-down of cement industry no. 6 above

Item	At source	Transportation	Total
	Percent	Percent	Percent
Salaries and wages.....			24.94
Equipment:			
Ownership expenses:			
Depreciation.....			6.95
Repair and replacement.....	8.75	0.44	9.19
Interest.....			5.94
Insurance.....			1.19
Taxes.....			1.19
Operating expense:			
Petroleum products:			
Fuel.....	1.85	1.12	2.97
Lubricants.....	1.59	.99	2.58
Coal and coke.....	4.99	6.21	11.20
Power.....			5.79
Total.....			47.00
Materials:			
Aggregate, quarrying.....	6.68	1.35	8.03
Metallic-ore mining.....	1.22	1.25	2.47
Explosives.....	1.38	.09	1.47
Containers.....	.87	.06	.93
Total.....			12.90
Other expense:			
Insurance, compensation and liability.....			.47
Taxes.....			2.00
Laboratory.....			3.85
Advertising and development.....			1.14
Margin.....			7.70
Total.....			15.16
Industry, total.....		11.51	100.00

TABLE III.—Summary of salaries and wages, interest, margin for industries without reinvestment (based on \$100,000,000 highway construction projects)

Break-down no.	Industry	Salaries and wages	Interest	Margin	Total	Value of business
1	Highway construction	\$24,391,000	\$1,385,400	\$3,012,100	\$28,788,500	\$100,000,000
2	Transportation	13,489,600	1,084,200	3,745,000	18,318,800	26,061,800
3	Plant and equipment	11,169,000	1,310,600	4,555,200	17,034,800	27,707,600
4	Aggregate, quarrying	5,538,000	322,500	713,800	6,574,300	13,267,600
5	Insurance and taxes	4,486,500	1,240,900		5,727,400	9,545,700
6	Cement	3,681,000	876,800	1,136,400	5,694,200	14,759,900
7	Iron and steel	2,707,100	316,500	796,300	3,819,900	11,941,600
8	Petroleum products	1,852,200	340,500	811,800	3,004,500	6,215,000
9	Coal and coke	1,821,000	152,100	180,900	2,154,000	2,965,000
10	Power	534,900	392,300	690,800	1,618,000	2,470,900
11	Metallic-ore mining	1,030,200	90,700	323,000	1,443,900	2,872,000
12	Forestry products	1,067,300	63,700	203,900	1,334,900	2,014,200
13	Advertising and development	831,400	129,800	177,000	1,138,200	2,218,500
14	Explosives	465,600	114,400	294,600	874,600	2,265,200
15	Laboratory	567,200	70,000	170,500	807,700	1,531,900
16	Rubber	314,500	31,200	84,900	430,600	1,491,500
17	Brick	283,800	20,100	89,200	393,100	610,100
18	Agricultural products	172,600	97,300	84,600	354,500	712,200
19	Pipe	135,200	16,700	47,400	199,300	727,500
20	Nonferrous-metal refining	122,300	16,200	57,900	196,400	1,330,400
21	Container	65,600	5,700	21,100	92,400	310,800
	Total	74,726,000	8,077,600	17,196,400	100,000,000	231,019,400

TABLE IV.—Ultimate distribution to salaries and wages of \$100,000,000 highway construction expenditure

	To salaries and wages through—				Total
	Direct	Investment in producer goods	Reinvestment in producer goods	Reinvestment in consumer goods	
Explosives		\$465,600	\$137,200	\$19,200	\$622,000
Laboratory		567,200	167,100	34,900	769,200
Rubber		314,500	92,600	43,400	450,500
Brick		283,800	83,600	32,500	399,900
Agricultural products		172,600	50,800	459,700	683,100
Pipe		135,200	39,800		175,000
Nonferrous-metal refining		122,300	36,000	12,500	170,800
Container		65,600	19,300	2,900	87,800
Retail trade				2,334,500	2,334,500
Wholesale trade				767,400	767,400
Manufacturing				1,562,400	1,562,400
Total	\$24,391,000	50,335,000	14,827,600	10,446,400	100,000,000

TABLE V.—Employment resulting from an annual highway construction expenditure of \$100,000,000

Industry	Salaries and wages	Rate per hour	Man-hours	Hours per week	Rate per week	Man-weeks	Rate per month	Man-months	Rate per year	Man-years
Direct labor	\$24,391,000	\$0.48	50,870,000	25.8	\$12.36	1,973,900	\$54	455,500	\$640	37,990
Indirect labor:										
Transportation	19,060,200	.64	29,877,000	44.1	28.14	677,300	122	156,300	1,460	13,030
Plant and equipment	16,003,200	.62	25,647,000	37.0	23.07	693,700	100	160,100	1,200	13,340
Aggregate, quarrying	7,203,600	.48	14,976,000	32.7	15.73	458,000	68	105,700	820	8,810
Insurance and taxes	6,506,800	.86	7,531,000	39.3	34.00	191,400	147	44,200	1,770	3,680
Cement	4,780,000	.57	8,430,000	33.2	18.80	254,200	81	58,700	980	4,890
Iron and steel	3,699,400	.61	6,093,000	33.9	20.59	179,700	89	41,400	1,070	3,450
Petroleum products	2,550,500	.72	3,567,000	38.1	27.26	93,600	118	21,600	1,420	1,800
Coal and coke	2,554,800	.60	4,265,000	30.3	18.13	140,900	79	32,500	940	2,710
Power	821,300	.72	1,136,000	42.5	30.73	26,700	132	6,200	1,600	510
Metallic-ore mining	1,565,700	.57	2,756,000	39.5	22.42	69,800	97	16,100	1,170	1,340
Forestry products	1,591,700	.44	3,618,000	32.5	14.28	111,500	62	25,700	740	2,140
Advertising and development	1,249,200	.84	1,494,000	39.4	33.00	37,900	143	8,700	1,720	730
Explosives	622,000	.68	917,000	34.3	23.24	26,800	101	6,200	1,210	510
Laboratory	769,200	.61	1,261,000	40.7	24.83	31,000	108	7,200	1,290	600
Rubber	450,500	.73	613,000	30.2	22.15	20,300	96	4,700	1,150	390
Brick	399,900	.43	921,000	31.6	13.72	29,100	59	6,700	710	560
Agricultural products	683,100	.12	5,509,000	72.3	8.96	76,200	39	17,600	470	1,470
Pipe	175,000	.61	289,000	34.4	20.88	8,400	91	1,900	1,090	160
Nonferrous-metal refining	170,800	.53	319,000	37.1	19.94	8,600	86	2,000	1,040	170
Container	87,800	.50	176,000	34.5	17.34	5,100	75	1,200	900	100
Retail trade	2,334,500	.51	4,595,000	39.4	20.03	116,000	87	26,900	1,040	2,240
Wholesale trade	767,400	.64	1,203,000	41.3	26.38	29,100	114	6,700	1,370	560
Manufacturing	1,562,400	.55	2,841,000	35.5	19.51	80,100	84	18,500	1,010	1,540
Total or average	75,609,000	.59	128,034,000	38.0	22.46	3,366,000	97	776,800	1,170	64,730
Grand total or average	100,000,000	.56	178,904,000	33.5	18.73	5,339,900	81	1,232,300	970	102,690
Ratio, direct labor to indirect labor	1:3.10	1:1.23	1:2.52	1:1.47	1:1.82	1:1.70	1:1.82	1:1.70	1:1.82	1:1.70

TABLE VI.—Showing computation of indirect employment resulting from \$100,000,000 highway expenditures exclusive of employment furnished through reinvestment in producer goods

Salaries and wages	\$85,172,400
Producer-goods reinvestment	\$14,827,600
Average cost per man-year, indirect labor, on highway construction (table 20 Highway Report)	\$1,170
Approximate number employed in producer-goods reinvestment, 14,827,600 ÷ 1,170	12,670

TABLE VI.—Showing computation of indirect employment resulting from \$100,000,000 highway expenditures, etc.—Continued

Total employed considering reemployment in producer-goods industry	102,690
Total employed exclusive of producer-goods industry, 102,690 - 12,670	90,020
Direct employment	37,990
Indirect employment, 90,020 - 37,990	52,060
Ratio of indirect to direct, 52,060 ÷ 37,990	1.37

TABLE VII.—Public Works Administration, E. R. A. program, non-Federal projects—Estimated cost, allotments, and funds supplied by applicants, distribution by States, Dec. 31, 1935

State	Estimated cost	Funds supplied by applicants	Funds allotted by Public Works Administration						
			Total		Grants only of 45 percent		Loans with grants of 45 percent		
			Number	Amount	Number	Amount	Number	Loans	Grants
Alabama	\$9,541,884	\$2,445,822	69	\$7,096,062	41	\$1,922,256	28	\$2,801,000	\$2,372,806
Arizona	872,006	100,605	12	771,401	3	73,108	9	379,000	319,293
Arkansas	6,776,919	180,755	78	6,596,164	5	137,330	73	3,547,250	2,911,581
California	61,686,885	18,592,883	213	43,094,002	167	15,022,611	46	15,431,000	12,640,391
Colorado	11,149,890	6,016,710	37	5,133,120	33	4,922,833	4	115,500	94,787
Connecticut	12,120,786	6,637,756	90	5,483,030	90	5,483,030			
Delaware	1,282,202	705,733	11	576,469	11	576,469			
Florida	13,472,700	4,793,081	91	8,679,619	26	1,346,825	65	4,186,200	3,146,591
Georgia	8,066,046	3,332,067	142	4,733,979	82	2,716,360	60	1,163,551	914,053
Idaho	1,578,514	485,076	28	1,093,438	8	395,771	20	386,700	310,967
Illinois	54,182,767	24,384,747	224	29,798,020	162	18,996,993	62	6,231,400	4,569,627
Indiana	15,493,278	7,690,167	146	7,803,111	125	6,062,093	21	950,709	790,339
Iowa	10,664,037	5,459,734	150	5,204,303	122	4,398,500	28	455,000	350,803
Kansas	6,968,139	3,520,074	87	3,448,065	71	2,880,594	16	312,000	255,471
Kentucky	9,250,718	2,032,181	73	7,218,537	17	1,653,521	56	3,234,000	2,331,015
Maine	1,997,918	905,736	17	1,092,182	11	740,632	6	193,000	158,550
Maryland	26,914,574	14,466,066	26	12,448,508	19	11,834,236	7	338,500	275,772
Massachusetts	28,064,416	15,264,288	158	12,800,128	158	12,800,128			
Michigan	35,526,299	6,272,831	102	29,253,468	43	2,376,449	59	14,696,500	12,180,519
Minnesota	12,070,896	5,504,711	121	6,566,185	103	4,343,708	18	1,345,514	876,963
Mississippi	4,611,102	333,269	71	4,277,833	11	241,875	60	2,206,150	1,829,808
Missouri	14,217,218	7,003,764	98	7,213,454	66	5,509,289	32	926,000	778,166
Montana	3,239,867	486,988	15	2,752,879	7	403,789	8	1,292,000	1,057,090
Nebraska	14,849,599	2,137,519	104	12,712,080	61	1,703,547	43	6,048,350	4,960,183
Nevada	1,589,907	308,950	14	1,190,957	4	138,232	10	544,500	508,225
New Hampshire	2,013,388	1,028,561	24	984,827	19	839,466	5	75,000	70,361
New Jersey	29,734,954	3,072,278	71	26,662,676	23	2,377,617	48	13,410,000	10,875,059
New Mexico	2,449,492	249,949	23	2,199,543	8	353,980	15	1,016,500	829,063
New York	114,037,174	37,292,527	214	76,744,647	138	31,883,812	76	24,863,000	20,497,835
North Carolina	8,299,058	1,890,961	58	6,418,097	22	1,495,053	36	2,669,300	2,253,744
North Dakota	3,347,609	1,146,664	54	2,200,945	19	608,606	35	605,944	596,305
Ohio	30,056,893	12,784,931	244	17,271,962	154	10,312,727	90	3,770,300	3,188,935
Oklahoma	9,322,129	3,457,578	50	5,884,551	35	2,530,437	15	1,679,725	1,374,389
Oregon	9,952,107	3,900,292	96	6,051,815	39	3,150,769	57	1,584,750	1,316,296
Pennsylvania	43,064,341	17,277,283	284	25,787,058	141	13,447,505	143	6,809,500	5,530,053
Rhode Island	8,913,756	4,902,456	11	4,011,300	11	4,011,300			
South Carolina	7,711,064	1,625,458	75	6,085,606	26	1,163,683	49	2,669,000	2,252,923
South Dakota	2,170,215	396,794	40	1,773,421	12	352,153	28	781,600	639,663
Tennessee	10,383,264	3,117,489	80	7,265,775	39	2,475,374	41	2,644,830	2,145,551
Texas	55,665,811	18,392,305	274	37,273,506	128	10,815,889	146	16,613,250	9,844,367
Utah	2,188,605	996,982	34	1,251,623	18	769,300	16	265,000	216,723
Vermont	898,834	320,666	12	578,168	6	260,898	6	174,500	142,770
Virginia	9,117,529	2,837,987	70	6,279,542	49	2,295,773	21	2,187,000	1,796,769
Washington	11,279,341	6,116,373	110	5,168,968	101	4,227,677	9	516,000	425,291
West Virginia	4,754,304	605,225	52	4,149,079	9	440,794	43	2,019,885	1,688,400
Wisconsin	12,202,233	5,099,015	78	6,103,218	72	4,983,218	6	616,000	504,000
Wyoming	2,477,141	650,179	13	1,826,962	4	531,964	9	712,250	582,748
District of Columbia	296,500	108,000	2	188,500	1	88,500	1	70,000	30,000
Alaska	316,927	36,685	6	280,242	1	27,000	5	139,500	113,742
Hawaii	1,574,596	516,081	4	1,058,565	3	410,747	1	350,000	297,818
Virgin Islands	131,939	20,000	2	111,939	2	111,939			
Total	748,547,711	267,898,182	4,158	480,649,529	2,526	206,746,420	1,632	153,057,278	120,845,831

TABLE VIII.—Public Works Administration, N. I. R. A., and E. R. A. 1935 programs—Non-Federal projects classified by type—Estimated cost, allotments, and funds supplied by States, Dec. 31, 1935

Type of project	Total				N. I. R. A. program				E. R. A. 1935 program			
	Number of projects	Estimated cost	Funds supplied by applicant	Allotment	Number of projects	Estimated cost	Funds supplied by applicant	Allotment	Number of projects	Estimated cost	Funds supplied by applicant	Allotment
Grand total, all types	8,143	\$2,043,087,164	\$619,935,940	\$1,423,151,224	3,985	\$1,294,539,453	\$352,037,758	\$942,501,695	4,158	\$748,547,711	\$267,898,182	\$480,649,529
Streets and highways	738	147,675,505	80,649,499	67,026,006	507	109,014,952	61,626,360	47,888,592	231	38,660,553	19,023,139	19,637,414
Roads and highways	350	91,867,723	49,396,235	42,471,488	262	70,413,453	38,958,134	31,455,319	88	21,454,270	10,438,101	11,016,169
Streets	343	46,287,291	26,012,553	20,274,738	211	30,493,723	17,911,509	12,682,214	132	15,793,568	8,101,044	7,692,524
Grade-crossing elimination	13	6,253,492	4,595,636	1,657,856	12	5,858,035	4,378,135	1,479,900	1	395,457	217,501	177,956
Miscellaneous	32	3,266,999	645,075	2,621,924	22	2,249,741	378,582	1,871,159	10	1,017,258	266,493	750,765
Utilities	2,798	595,163,386	166,952,786	428,210,600	1,690	368,359,893	94,900,810	273,453,083	1,108	226,803,493	72,045,976	154,757,517
Sewer systems	915	328,746,612	92,805,035	235,941,577	544	204,715,773	53,633,596	151,082,177	371	124,030,839	39,171,439	84,859,400
Sewage disposal plants	476	241,409,966	64,047,409	177,362,557	282	157,660,638	34,300,333	123,300,305	194	83,749,328	29,687,076	54,062,252
Sanitary sewers	288	42,898,247	15,129,357	27,768,890	153	20,890,074	6,710,814	14,179,260	135	22,008,173	8,418,543	13,589,630
Storm sewers	80	13,706,398	6,872,924	6,833,474	55	11,669,087	5,908,488	5,760,599	25	2,037,311	964,436	1,072,875
Combined sewers	71	30,732,001	6,755,345	23,976,656	54	14,495,974	6,653,961	7,842,013	17	16,236,027	101,384	16,134,643
Sewer and water	109	10,781,199	1,662,690	9,118,509	68	6,303,919	676,601	5,627,318	41	4,477,280	986,089	3,491,191
Water systems	1,512	186,137,743	56,227,428	129,910,315	943	115,993,574	32,773,113	82,820,461	569	70,544,169	23,454,315	47,089,854
Water mains	183	25,720,594	11,757,339	13,963,255	131	20,000,004	9,325,896	10,674,108	52	5,720,590	2,431,443	3,289,147
Filtration plants	56	10,006,235	3,211,613	6,794,622	32	7,594,076	2,509,116	5,084,960	24	2,412,159	702,497	1,709,662
Reservoirs	119	31,475,868	8,610,009	22,865,859	76	12,390,045	3,516,295	8,873,750	43	19,085,823	5,093,714	13,992,109
Complete waterworks	1,154	118,935,046	32,648,467	86,286,579	704	75,609,449	17,421,806	58,187,643	450	43,325,597	15,226,061	28,098,936
Garbage and rubbish disposal	25	8,442,035	1,461,197	6,980,838	12	5,731,035	963,305	4,767,730	13	2,711,000	492,892	2,218,108
Gas plants	23	1,577,662	283,090	1,294,572	12	921,500	100,600	820,900	11	666,162	192,490	463,672
Electric power excluding water power	146	40,209,475	8,976,148	31,233,327	85	25,367,277	5,266,536	20,100,741	61	14,842,198	3,709,612	11,132,586
Electric distribution systems	25	8,048,828	1,210,903	6,837,925	13	4,671,098	695,198	3,975,900	12	3,377,730	515,705	2,862,025
Power construction	121	32,160,647	7,765,245	24,395,402	72	20,696,179	4,571,338	16,124,841	49	11,464,468	3,193,907	8,270,561
Miscellaneous	68	19,268,660	5,527,198	13,741,462	26	9,726,815	1,488,059	8,238,756	42	9,541,845	4,039,139	5,502,706

TABLE VIII.—Public Works Administration, N. I. R. A., and E. R. A. 1935 programs—Non-Federal projects classified by type—Estimated cost, allotments, and funds supplied by applicants, Dec. 31, 1935—Continued

Type of project	Total				N. I. R. A. program				E. R. A. 1935 program			
	Number of projects	Estimated cost	Funds supplied by applicant	Allotment	Number of projects	Estimated cost	Funds supplied by applicant	Allotment	Number of projects	Estimated cost	Funds supplied by applicant	Allotment
Buildings.....	4, 073	\$727, 771, 977	\$279, 513, 584	\$448, 258, 393	1, 469	\$339, 841, 714	\$141, 128, 821	\$98, 712, 893	2, 604	\$387, 930, 263	\$138, 384, 763	\$249, 545, 500
Educational buildings.....	3, 124	473, 834, 173	168, 317, 491	305, 516, 682	971	187, 394, 649	71, 333, 065	116, 061, 584	2, 153	286, 439, 524	96, 984, 426	189, 455, 098
Secondary schools.....	2, 850	407, 449, 198	151, 137, 525	256, 311, 673	835	155, 768, 946	63, 157, 138	92, 611, 808	2, 015	251, 680, 252	87, 930, 387	163, 699, 865
Colleges and universities.....	216	56, 583, 067	11, 843, 069	44, 739, 998	115	28, 310, 619	6, 005, 943	22, 304, 676	101	28, 272, 448	5, 837, 126	22, 435, 322
Other educational institutions and public libraries.....	58	9, 801, 908	5, 336, 897	4, 465, 011	21	3, 315, 084	2, 169, 984	1, 145, 100	37	6, 486, 824	3, 166, 913	3, 319, 911
Municipal auditoriums and armories.....	51	19, 281, 971	12, 624, 837	6, 657, 134	29	14, 232, 479	10, 555, 829	3, 676, 650	22	5, 049, 492	2, 069, 008	2, 980, 484
Courthouses and city halls.....	242	41, 585, 150	18, 751, 096	22, 834, 054	131	19, 512, 106	8, 291, 740	11, 220, 366	111	22, 073, 044	10, 459, 356	11, 613, 688
Hospital and institutions.....	378	122, 303, 213	47, 985, 553	74, 317, 660	199	67, 194, 811	27, 582, 017	39, 612, 794	179	55, 108, 402	20, 403, 536	34, 704, 866
Penal institutions.....	86	15, 422, 148	7, 601, 170	7, 820, 978	65	12, 692, 329	6, 240, 929	6, 451, 400	21	2, 729, 819	1, 380, 241	1, 369, 578
Social, recreational buildings.....	27	3, 509, 654	1, 104, 777	2, 464, 877	11	1, 559, 688	854, 294	705, 394	16	2, 006, 966	250, 483	1, 759, 483
Residential.....	17	1, 309, 338	378, 348	930, 990	13	779, 698	86, 973	692, 725	4	529, 640	291, 375	238, 265
Office and administrative.....	28	4, 660, 385	1, 743, 509	2, 916, 876	5	1, 178, 065	143, 965	1, 034, 100	23	3, 482, 320	1, 599, 544	1, 882, 776
Warehouses, laboratories, shops, etc.....	29	4, 553, 832	1, 608, 255	2, 885, 577	12	2, 537, 799	697, 599	1, 840, 200	17	2, 016, 033	970, 656	1, 045, 377
Housing projects.....	7	12, 846, 388	1, 874, 788	10, 971, 600	7	12, 846, 388	1, 874, 788	10, 971, 600	7	12, 846, 388	1, 874, 788	10, 971, 600
Miscellaneous.....	84	28, 405, 725	17, 463, 760	10, 941, 965	26	19, 913, 702	13, 467, 622	6, 446, 080	58	8, 492, 023	3, 996, 138	4, 495, 885
Flood control, water power, reclamation.....	81	74, 866, 342	11, 784, 059	63, 082, 283	47	48, 663, 261	5, 445, 037	43, 218, 224	34	26, 203, 081	6, 339, 022	19, 864, 059
Dams and canals.....	31	23, 865, 947	4, 099, 521	19, 766, 426	23	22, 247, 432	3, 708, 732	18, 538, 700	8	1, 618, 515	390, 789	1, 227, 726
Channel rectification, levees, etc.....	7	1, 993, 507	438, 383	1, 555, 124	7	1, 993, 507	438, 383	1, 555, 124	7	1, 993, 507	438, 383	1, 555, 124
Storage reservoirs.....	4	614, 727	-----	614, 727	2	122, 000	-----	122, 000	2	492, 727	-----	492, 727
Water-power development.....	9	43, 939, 200	6, 170, 200	37, 769, 000	7	23, 439, 200	1, 170, 200	22, 269, 000	2	20, 500, 000	5, 000, 000	15, 500, 000
Miscellaneous.....	30	4, 452, 961	1, 075, 955	3, 377, 006	8	861, 122	127, 722	733, 400	22	3, 591, 839	948, 233	2, 643, 606
Water navigation aids.....	17	6, 962, 257	2, 031, 625	4, 930, 632	12	6, 131, 170	1, 626, 900	4, 504, 270	5	831, 087	404, 725	426, 362
Dams and canals.....	3	569, 624	291, 682	277, 942	2	522, 400	265, 730	256, 670	1	47, 224	25, 952	21, 272
Channel rectification, levees, etc.....	6	4, 921, 238	1, 124, 666	3, 796, 572	4	4, 578, 966	972, 666	3, 606, 300	2	342, 272	152, 000	190, 272
Other navigation aids.....	8	1, 471, 395	615, 277	856, 118	6	1, 029, 804	388, 504	641, 300	2	441, 591	226, 773	214, 818
Engineering structures.....	225	229, 067, 965	53, 449, 096	175, 618, 869	139	199, 133, 702	40, 833, 801	158, 299, 901	86	29, 934, 263	12, 615, 295	17, 318, 968
Bridges and viaducts.....	178	128, 679, 458	27, 258, 340	101, 421, 118	115	108, 719, 353	16, 518, 552	92, 200, 801	58	19, 960, 105	10, 739, 788	9, 220, 317
Wharves, piers, docks.....	32	19, 590, 040	6, 438, 479	13, 151, 561	15	11, 210, 534	5, 419, 634	5, 790, 900	17	8, 379, 506	1, 018, 845	7, 360, 661
Subways and tunnels.....	3	74, 749, 000	16, 258, 000	58, 491, 000	3	74, 749, 000	16, 258, 000	58, 491, 000	3	74, 749, 000	16, 258, 000	58, 491, 000
Other.....	17	6, 049, 467	3, 494, 277	2, 555, 190	6	4, 454, 815	2, 637, 615	1, 817, 200	11	1, 594, 652	856, 662	737, 990
Aviation: Improvement to landing fields.....	9	1, 283, 180	800, 680	482, 500	8	1, 157, 180	800, 680	356, 500	1	126, 000	-----	126, 000
Recreational.....	55	14, 204, 942	3, 155, 326	11, 049, 616	35	10, 191, 294	1, 850, 394	8, 340, 900	20	4, 013, 648	1, 304, 932	2, 708, 716
Miscellaneous.....	115	45, 465, 104	21, 599, 285	23, 865, 819	46	11, 419, 781	3, 818, 955	7, 600, 826	69	34, 045, 323	17, 780, 330	16, 264, 993
Railroads.....	32	200, 626, 506	-----	200, 626, 506	32	200, 626, 506	-----	200, 626, 506	32	200, 626, 506	-----	200, 626, 506

TABLE IX.—Ultimate distribution to labor of \$748,548,000 Public Works Administration program

Item	Direct labor on construction site	Indirect labor for producer goods	Producer goods reinvestment	Consumer goods reinvestment	Total
Percent distribution.....	32.60	42.13	14.83	10.44	100.00
Amount.....	\$244, 026, 648	\$315, 363, 352	\$111, 009, 000	\$78, 149, 000	\$748, 548, 000

DISTRIBUTION OF \$748,548,000 P. W. A. PROGRAM TO LABOR EXCLUSIVE OF REINVESTMENT IN PRODUCER GOODS

Item	Direct labor	Indirect exclusive of producer goods reinvestment	Total to labor
Percent of total cost of construction.....	32.60	82.57	82.80
Wage ratio.....	1.00	1.44	-----
Man-years.....	208, 570	339, 527	548, 097
Wage per year.....	\$1, 170	\$1, 159	-----
Rate per hour.....	\$0.75	\$0.60	-----
Hours per year.....	1, 560	1, 932	-----
Hours per month.....	130	161	-----
Hours per week.....	30	37.2	-----
Ratio of man-years.....	1	1.62	-----

TABLE X.—Public Works Administration summary of schedules B and B-1 through Jan. 31, 1936

State	Number of projects	Amount requested			Estimated cost
		Loan	Grant	Total	
Alabama.....	166	\$34, 930, 901	\$16, 843, 001	\$51, 773, 902	\$57, 481, 910
Arizona.....	51	359, 553, 323	9, 198, 978	368, 752, 301	370, 442, 239
Arkansas.....	119	5, 630, 048	4, 937, 148	10, 567, 196	10, 737, 044
California.....	142	33, 502, 449	55, 951, 447	79, 453, 896	117, 477, 315
Colorado.....	97	17, 319, 016	14, 521, 164	31, 840, 180	32, 524, 902
Connecticut.....	90	1, 626, 287	25, 799, 786	26, 906, 073	54, 084, 308
Delaware.....	5	17, 000	354, 890	371, 890	788, 657
Florida.....	192	58, 538, 018	39, 621, 834	98, 159, 852	100, 739, 551
Georgia.....	84	1, 001, 340	3, 273, 908	4, 275, 248	7, 476, 213
Idaho.....	123	3, 639, 265	4, 297, 005	7, 936, 270	9, 963, 086
Illinois.....	303	20, 562, 760	28, 179, 869	48, 742, 629	71, 654, 054
Indiana.....	154	17, 259, 691	20, 988, 727	38, 248, 418	46, 673, 368
Iowa.....	188	2, 107, 789	7, 837, 086	9, 944, 875	17, 301, 646
Kansas.....	179	2, 473, 078	8, 314, 385	10, 787, 463	18, 449, 610
Kentucky.....	163	7, 388, 467	6, 617, 045	14, 005, 512	14, 764, 775
Louisiana.....	20	1, 101, 878	2, 068, 308	3, 170, 186	4, 598, 471
Maine.....	20	510, 726	1, 128, 870	1, 639, 596	2, 509, 057
Maryland.....	25	1, 189, 534	912, 305	2, 101, 839	2, 822, 974
Massachusetts.....	192	372, 240	19, 778, 302	20, 150, 542	44, 589, 882
Michigan.....	230	91, 760, 903	73, 876, 272	165, 637, 175	175, 660, 477
Minnesota.....	128	7, 749, 861	14, 308, 887	22, 058, 748	32, 504, 883
Mississippi.....	117	22, 300, 693	18, 395, 296	40, 695, 989	41, 019, 786
Missouri.....	151	10, 985, 333	39, 755, 308	50, 740, 641	70, 032, 165
Montana.....	121	11, 042, 994	10, 027, 620	21, 070, 614	21, 824, 214
Nebraska.....	76	5, 872, 499	7, 931, 845	13, 804, 344	17, 340, 497

TABLE X.—Public Works Administration summary of schedules B and B-1 through Jan. 31, 1936—Continued

State	Number of projects	Amount requested			Estimated cost
		Loan	Grant	Total	
Nevada.....	24	\$1,287,674	\$1,009,277	\$2,296,951	\$2,385,137
New Hampshire.....	19	8,311,817	7,562,413	15,874,230	16,806,646
New Jersey.....	157	13,150,602	19,911,878	33,062,480	43,488,239
New Mexico.....	44	5,936,327	5,018,105	10,954,432	11,129,116
New York.....	203	7,187,309	36,178,135	43,365,444	80,516,679
North Carolina.....	195	14,154,939	13,334,700	27,489,639	29,855,733
North Dakota.....	71	5,341,922	4,612,607	9,954,529	10,383,441
Ohio.....	199	28,075,412	32,333,523	60,408,935	74,386,767
Oklahoma.....	142	19,060,379	16,845,988	35,906,367	37,395,719
Oregon.....	17	4,934,861	4,282,386	9,217,247	9,507,246
Pennsylvania.....	121	10,775,461	16,754,270	27,529,731	45,091,583
Rhode Island.....	61	3,531,110	4,797,089	8,328,199	10,660,199
South Carolina.....	121	14,928,491	13,573,137	28,501,628	30,101,202
South Dakota.....	114	37,294,824	31,039,452	68,334,276	69,036,436
Tennessee.....	110	16,008,043	15,472,230	31,480,273	34,631,877
Texas.....	644	61,907,659	85,962,201	147,869,860	193,005,252
Utah.....	64	5,047,029	4,665,588	9,712,617	10,557,187
Vermont.....	3	29,000	355,336	384,336	789,636
Virginia.....	100	6,803,001	6,186,147	12,989,148	17,392,906
Washington.....	153	4,021,561	7,855,874	11,877,435	19,861,968
West Virginia.....	26	2,083,466	1,760,662	3,844,128	3,919,128
Wisconsin.....	313	5,964,062	54,518,493	60,482,555	122,752,897
Wyoming.....	35	1,879,973	1,652,398	3,532,371	3,663,994
District of Columbia.....	3	2,975,000	1,275,000	4,250,000	4,250,000
Alaska.....	7	140,157	183,425	323,582	406,438
Puerto Rico.....	78	7,417,408	5,912,565	13,329,973	14,295,428
Total.....	6,130	1,006,683,580	817,458,165	1,824,141,745	2,239,731,938

(Mr. BETTER, by unanimous consent, was given leave to revise and extend his remarks, and include therein certain tables.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND] to the committee amendment.

The question was taken; and the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The question was taken; and the committee amendment was agreed to.

Mr. HOLMES. Mr. Chairman, I offer a substitute for the bill.

The Clerk read as follows:

After the enacting clause, strike out all that follows and in lieu thereof insert the following: "That paragraph (1) of section 4 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(1) It shall be unlawful for any common carrier subject to the provisions of this part to charge or receive any greater compensation in the aggregate for the transportation of passengers, or of like kind of property, for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this part; but this shall not be construed as authorizing any common carrier within the terms of this part to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may, from time to time, prescribe the extent to which such designated common carrier may be relieved from the operation of this section."

Mr. HOLMES. Mr. Chairman, the substitute which I have offered in this case is known as the Rayburn amendment to section 4.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. Yes.

Mr. RAYBURN. There has been so much talk about the Holmes amendment being the Rayburn bill that I think I ought to make a statement of a few moments in reference to it, if the gentleman will yield. As chairman of the committee, I introduce suggestions of the Interstate Commerce Commission. They send up their recommendations and bills, and many of them I introduced without ever seeing them. This one I did see, but, as far as its being a Rayburn bill, that is a misnomer. It is a suggestion of the Interstate Commerce Commission of a year ago. I might say to the gentleman that the Interstate Commerce Commission at this time has another suggestion, and they would not, as I

understand it, recommend this bill the gentleman offers as an amendment at this time as their sole suggestion with reference to the rearrangement of paragraph 1 of section 4 of the Interstate Commerce Act.

Mr. COLE of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. Yes.

Mr. COLE of Maryland. Just to ask the chairman of the committee a question. Do I understand from the chairman, in view of the statement he just made, that while the so-called Holmes amendment does not reflect the views of the Interstate Commerce Commission, that they have changed from the time of the introduction of the so-called Rayburn bill, the Commission does have definite ideas of how section 4 should be amended, and it is not in favor of the so-called Pettengill bill?

Mr. RAYBURN. That is correct.

Mr. HOLMES. Mr. Chairman, I did not in any way want to infer to the House that I was introducing this measure at the instigation of the chairman. I am doing it believing myself, after many weeks attending the hearings of the subcommittee, that that is about as far as we should go in amending section 4. On the floor a short time ago I told the reason I believed we should not wipe out section 4 in its entirety, but eliminating the controversial provisions in section 4 as they are at the present time, namely, reasonably compensatory, equidistant, and potential water competition, I believe it will give the necessary flexibility to the act so that the Interstate Commerce Commission can extend greater relief to the railroads under section 4. I believe we can go too far in this sort of legislation, and I assure the members of the committee that it does not affect my district. But there has been built around section 4 a tremendous volume of decisions by various courts and the Supreme Court which are more or less the basis of regulating and building up the railroad industry of the United States.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOLMES. Mr. Chairman, I further believe—and I think it was so stated during the hearings on the Pettengill bill—that it is more or less the general opinion on the part of the railroad managements that under the present section 4, provided the Interstate Commerce Commission wants to extend relief, there is flexibility enough as it stands today to render such relief. But to make it sure and make it more flexible, if you take out of the present act paragraphs A, B, and C, there is no question at all but that there is ample flexibility for the Interstate Commerce Commission to extend this relief. In the present bill the railroads must file their rates with the Commission. That affords the shipping interests of the country and the various States that are interested in rates an opportunity to find out what those rates are, and it is up to the railroads to produce the evidence which warrants the relief they may ask. Under the Pettengill bill the railroads can put their rates into effect and merely file them with the Commission, thus putting them in force and placing the burden on the little shipper in the United States to file the complaint with the Commission. I say that it is wrong to place this burden on the shipping interests of the United States. I am just as keen for relief of the railroads as anyone. I realize their importance to the industries of the United States, and I am willing to go as far as anybody to assist them, but I do not believe we should go so far that eventually we will do more harm than good. I believe that will be the ultimate result of passing the Pettengill bill in its present form.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. Yes.

Mr. MARTIN of Colorado. Did I understand the gentleman to say that the railroads do not have to file their proposed new rates with the Interstate Commerce Commission?

Mr. HOLMES. Oh, no; I did not say that. They have to file the rates.

Mr. MARTIN of Colorado. And then there are 30 days in which either the Commission or the shipper can file objection, and if objection is made there must be a hearing held, and that hearing, with the burden on the railroads, must be determined within 6 months.

Mr. HOLMES. But it places the responsibility on the shipper to file a complaint.

Mr. MARTIN of Colorado. He simply files objection to the rate and that suspends the rate.

Mr. HOLMES. How is it possible for any little shipper in some remote part of the United States entirely away from all centers of activity to find out what rates any railroad company may file with the Commission?

Mr. MARTIN of Colorado. I would like to answer that by saying the shipping interests are organized and all have representatives here in Washington.

Mr. HOLMES. I appreciate that is correct to some extent.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts [Mr. HOLMES]. I rise particularly for the purpose of making perfectly clear, if I can, the effect of the amendment offered by the gentleman from Massachusetts. The gentleman's amendment simply restores section 4, insofar as the long- and short-haul clause is concerned, to exactly what it was in 1910. The present long- and short-haul clause was enacted in 1910. In fact, it was enacted in 1887, but as it was originally enacted, it carried the phrase "under substantially similar circumstances and conditions." Those words were stricken out of the long- and short-haul clause in 1910. Otherwise it reads today just exactly as it read in 1887 when it was first enacted. The effect of the gentleman's amendment will be to simply preserve the long- and short-haul clause in effect just as it has been since 1910; and, therefore, utterly nullifies the entire objective of the Pettengill bill.

Mr. PETTENGILL. It is since 1910 that all of this competition has arisen.

Mr. MARTIN of Colorado. All this competition has arisen since 1910, and I may say since 1920. Now, bear in mind the long- and short-haul clause now and in 1920, reads exactly as it did in 1910 when it was enacted in its present form, but Congress tightened it up in 1920 by the introduction of three additional restrictions. The first of those was what was called the reasonably compensatory clause. What that is has not yet been determined after 15 years. Coordinator Eastman says it is still a matter of controversy what "reasonably compensatory" means. It seems to me if the Interstate Commerce Commission cannot determine what that clause is after 15 years it ought to go out.

The second restriction was what was called the equidistant rule. I shall not try to explain that to you. The only man who can explain the equidistant clause is Professor Einstein, and he is not here. It is admitted by all concerned that it ought to go into the wastebasket. Nobody can apply it satisfactorily, so, by common consent, it can go out.

The third restriction imposed in 1920 was denial of fourth-section relief to the railroads against potential water competition. That is, if water competition was going to be put in some place, the railroads could not get fourth-section relief just on account of that potential competition. The way it works out in actual practice is this: Before the water competition goes in, it is too early to apply for relief, and after it goes in it is too late. [Applause.]

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. Yes; I yield.

Mr. HOLMES. I want to say that my colleague has stated the reasons why I want to eliminate those three features far better than I could have explained it. I appreciate his support. [Laughter.]

Mr. MARTIN of Colorado. Those three restrictions are minor. They are not material. It would not afford any practical relief whatever, except the red tape it causes, to strike them from the bill. The heart of this relief is in the

long- and short-haul clause, which has built up, as the gentleman says, not only a great many volumes of precedents but a great many volumes of red tape, which has crystallized the fourth section until it has occasioned such delay and expense to both carriers and shippers that it is not surprising that organizations of shippers are here from all over the country, from Boston, Philadelphia, Jacksonville, San Francisco, and other water ports, as well as from inland country, asking the Congress to free the railroads at this time from this choking restriction. It is outgrown and obsolete. [Applause.]

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. KNUTSON. In listening to these amendments being read, I am impressed with the fact that they are not being offered for the purpose of improving the bill. The Committee on Interstate and Foreign Commerce held hearings on this measure for over 2 weeks, during the entire day and sometimes far into the night. This legislation has been very carefully considered and I think it is of too great importance to take snap judgment on amendments that are offered on the floor at this time. I want to assure the Members of the House that this measure is of the greatest importance to our section of the country, and I am speaking of the interior United States. Let us vote down all amendments that are not approved by the committee.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. MARTIN of Colorado. I want to say to the gentleman that I have just been advised by one of our colleagues that some of the Members think an objection filed against a proposed rate under this bill does not have the effect of suspending the rate, but that the rate will go into effect; whereas the fact is, an objection suspends the rate until there have been hearings in the usual way before the Commission.

Mr. KNUTSON. That is my understanding of it.

Mr. MARTIN of Colorado. And a decision rendered within 7 months instead of 2 or 5 or 6 years.

Mr. KNUTSON. Yes.

Mr. CHAPMAN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield.

Mr. CHAPMAN. I would like to ask the gentleman from Colorado if it is not true, notwithstanding that fact, that under the present law, if a railroad desires to establish a new rate, it is required to file its application for that rate, the entire burden being on the carrier; but under the proposed amendment, if this bill should become a law, it would mean that the railroad could set up that rate and unless an individual shipper down in the interior agricultural section of the country went to the expense of employing counsel and filing formal protest against that rate, the rate would go into effect?

The burden of protesting, therefore, actually falls on the shipper and not on the carrier.

Mr. MARTIN of Colorado. I would rather not answer the gentleman; I would rather have the author of the bill answer him if he wants to.

Mr. CHAPMAN. The burden is on the shipper.

Mr. MARTIN of Colorado. The burden is on the railroads under the amendment; it so reads plainly.

FOURTH-SECTION AMENDMENT (H. R. 3263)

Mr. KNUTSON. Mr. Chairman, this bill proposes to amend section 4 of the Interstate Commerce Act in that it removes from this section what is known as the long- and short-haul clause. That clause, which appears in paragraph (1) of section 4, declares that it is unlawful to charge a higher rate for carrying persons or property for a shorter than for a longer distance over the same line or route in the same direction, the shorter being included in the longer distance.

The foundation of regulation for transportation is rates.

Section 1 of the Interstate Commerce Act states that rates charged by rail carriers must be just and reasonable, and all unjust and unreasonable rates are unlawful.

Section 2 declares that any "special rate, rebate, drawback, or other device" to any person or persons not charged to all others for the same service is unlawful.

Section 3 renders unlawful the giving of any undue or unreasonable preference or charge to any person or company or locality or traffic and prohibits the subjecting of any person or company or locality or traffic to undue or unreasonable prejudice or disadvantage in any respect whatsoever. This is a most comprehensive provision and covers every phase of the subject.

The Interstate Commerce Act was passed by Congress when railroads were considered to be and were, in fact, the dominant transportation agency in the country. Congress placed upon them the burden of proof to justify every rate and every rate change to which any shipper might object. In 1920 Congress went further and gave the Commission power and authority to determine both maximum and minimum rates to be charged for services rendered. Thus, while railroads may initiate rates and changes in rates, the Commission will determine the rate itself upon complaint by any shipper.

Section 4, containing the long- and short-haul principle, grew out of a controversy between waterway interests and rail interests at the time of the original act back in 1887. At that time railroads had taken most of the traffic from the waterways. The Commission was given authority only to declare maximum rates unjust and unreasonable. There were few waterway improvements and very little water-borne traffic. There was no Panama Canal, no Government barge line, no lavish and wasteful expenditures on rivers, as on the upper Mississippi today. There was no motor vehicle or system of improved roads.

Congress changed this fourth section from time to time, in 1910 and 1920, tightening up the restrictions on the rail carriers. It has become a strait jacket on the railroads in their competition with waterway and highway carriers. A representative of the water lines, in the hearing before the House committee, admitted that under the fourth section water carriers had a monopoly on intercoastal traffic.

The result of this water-line monopoly on intercoastal traffic has been to cut off the great Middle West, dependent upon rail transportation, from the Pacific coast markets. Industries have moved to the Atlantic coast in order to be able to take advantage of this unhandicapped water transportation. The traffic director of the Minneapolis Chamber of Commerce, commenting on the long- and short-haul clause and its effects, has said:

And what has happened in our territory here in the Mississippi Valley? Here at Minneapolis and at St. Paul industries that formerly shipped to Pacific coast territory in train loads have been denied access to that territory because the carriers could not meet the competition of the water rates from the Atlantic to the Pacific without reducing all the rates to the intermediate territory. * * * Today it is necessary to haul thousands of empty cars westward over the mountains to handle the business that moves east-bound from the Pacific coast.

Give the railroads a chance to handle this west-bound traffic, give the Mississippi Valley cities a chance to reengage in manufacturing and distribution in their natural trade territory on the Pacific coast in competition with the Atlantic coast, and we will all profit by it.

Now, what is the proposal in this amendment? Is the public interest fully protected? The proposal is to leave untouched sections 1, 2, and 3 of the Interstate Commerce Act. It proposes that all rates, including those which involve length of haul, shall be brought to the test of reasonableness set up in those first three sections and these rates which involve length of haul shall be regulated in precisely the same way as every other rate.

It is to be noted that paragraph (2) of this fourth section remains unchanged. It says that whenever a rate has been lowered at a competitive point on account of water competition, such rate shall not again be raised except for some reason other than the elimination of such water competition.

I believe that the public interest is fully protected with the elimination of this long- and short-haul clause. Rates will still be determined in the public interest; competition

will be more nearly equal. Rates under section 4 are rates to competitive points, and a competitive point is one where alternative routes are open. There are, therefore, always two simple principles to keep in mind:

(a) The Commission determines minimum rates, so that railroads cannot put in cutthroat rates to destroy a competitor.

(b) There is always an alternative agency for the shipper to use, an alternative agency that is not merely potential in character but is active, alive, competitive.

This amendment will make competition more nearly equal and fair. We must recognize that within the past 15 years new, great transport agencies have developed by water and by highway. We have left them free to compete for traffic while we have kept the railroads shackled as if they had not developed. While protecting the public interest in every way, we ought to make the conditions of competition fair.

This amendment only proposes to let rail carriers have a fair opportunity to compete for traffic. The railroads are an agency in which volume of traffic is of great importance, for the reason that their fixed costs are large. Their roadway is there and must be maintained; their equipment is there and must be maintained; the employees who operate them are there and must be paid wages. Unless there is volume of traffic, there are either losses or higher rates will have to be charged on what traffic remains.

This amendment will permit the railroads to use their equipment to better advantage. They can use their roadway to a greater extent. They can employ more men to repair track and equipment and to operate trains. They can make greater purchases of materials and supplies. The people in the inland empire have been mistaken. They have thought that they would get an advantage by a strict fourth-section clause. They have not profited. Spokane has not grown as have Seattle and Portland and San Francisco and Los Angeles. But the people in the inland empire have found out that trains that formerly went through there carrying freight to the Pacific coast have been abandoned. Railroad employees located in that region have been thrown out of jobs. But if the railroads are able to recover some of the traffic which they formerly had, more trains will be operated, more people will be employed. The Middle West and the inland empire will both profit.

Under this amendment every rate must still be just and reasonable. It will be tested by all the principles developed under sections 1, 2, and 3. This amendment proposes only to let the railroads, if they can gain the approval of the Interstate Commerce Commission, lower rates to competitive points so as to increase their volume of traffic, and secure some additional revenue to meet overhead costs.

Who are supporting this amendment? The railroads, all of them, are urging it upon our attention. Their employees, a million strong, are supporting it. The National Industrial Traffic League, representing hundreds of thousands of shippers throughout the country is supporting it. The sugar-beet industry of the Middle West and the West indorse it. The growers of perishable products, many manufacturing industries and the mining industry support it.

Who are opposing it? The opponents are the coastwise and intercoastal water carriers and the inland waterway lines. There are certain commercial organizations that have allied themselves with these water carriers, and there is the seamen's union.

I have undertaken to examine the arguments for and against as presented by these two groups, and I shall undertake briefly to discuss them.

(a) Advocates of this amendment say that, with the fourth section as it now is, competition is unfair to railroads; the opponents say that to give the railroads relief will result in the destruction of the waterways.

Now, I have shown that under sections 1, 2, and 3 all rates must still be just and reasonable. Section 3 is even more comprehensive than is section 4 with respect to just and reasonable rates. The Commission has the power to determine minimum rates, and the burden of proof to show that rates

are just and reasonable rests upon the railroads. Therefore the Commission cannot allow under these sections a railroad to put in cutthroat rates for destructive purposes.

Now, in making rates there is a zone of reasonableness. The upper limit of that zone is fixed at a point where the rate becomes so high traffic will not move. The lower limit is fixed by the out-of-pocket cost in handling traffic. Between these two limits a just and reasonable rate is a matter of informed judgment in the light of existing conditions. It is the zone of competition. As a rate approaches the lower limit it becomes a depressed or a competitive rate. If all traffic were carried at a deeply depressed rate, a railroad would get into financial difficulty, for it could not fully meet all of its overhead costs. On the other hand, until the rate does reach that lower limit of out-of-pocket costs traffic will pay something toward overhead costs. The railroad can afford to take it rather than to lose it altogether. But to get such traffic it cannot afford to reduce correspondingly all of its rates to intermediate points. This would bring the whole class of rates into the depressed-rate zone.

Here is the whole essence of this fourth-section argument. This amendment proposes to let the railroads, if they can gain the approval of the Interstate Commerce Commission, lower rates to competitive points into the depressed-rate area in order to share the traffic, increase their volume, and secure additional revenue to meet overhead costs.

(b) The proponents say that a fair opportunity to share in traffic to competitive points will increase their volume of traffic, employ their facilities and their men to a fuller extent, enable them to buy more materials and supplies, keep up their maintenance, and pay their taxes; the opponents claim that any restoration of traffic from waterways to rail carriers will impair investment in harbor facilities and increase the taxpayers' burden.

If there is to be impairment of investment, and there need not be, an impaired railroad investment would be far more disastrous to the people of the country than any other. There are \$6,600,000,000 of railroad bonds in the hands of savings banks, insurance companies, and other institutions. The total investment in railroad property throughout the country is over twenty-six billions. There is an investment of five and one-half billions in seven large transcontinental railroads, as compared with \$85,000,000 in intercoastal ship lines. The railroads are paying about 8 percent of their gross revenue in taxes, which are distributed throughout the entire country and support our schools and local governments. These intercoastal carriers, as their record shows, are paying five one-hundredths of 1 percent of their gross revenue in taxes. That is 50 cents per \$1,000 of revenues for these water lines, as compared to \$80 for each \$1,000 of revenue for railroads. That is the picture there.

But it is not all. More than 68,000 miles of road, or about 20 percent of the total railroad mileage, is in bankruptcy today. Except for one railroad in New England and one in the Southeastern States, this bankrupt mileage will be found in the Middle West and two allied systems between Colorado and the coast. The Middle West is the greatest and richest agricultural region in the world. Yet in South Dakota 81 percent of the entire railroad mileage is in bankruptcy; 77 percent in Iowa; 79 percent in Arkansas; 68 percent in Wisconsin; 65 percent in southern Minnesota; 44 percent in Colorado; 48 percent in Oklahoma; and 43 percent in Kansas. This great region has had its difficulties. Two and three years ago it was visited with the greatest drought in history. But certainly one cause of this railroad situation is to be found in the diversion of traffic from these rail carriers to the Panama Canal under the long- and short-haul clause as it now stands. Under this clause the Interstate Commerce Commission has refused relief in every important case since 1920. The Pacific coast markets have been lost to the Middle West.

(c) The proponents claim fourth-section relief will not injure but will benefit intermediate territory; the opponents claim the intermediate territory will be injured.

I have shown how important volume of traffic is to the railroads to meet heavy overhead costs. I have shown how increased volume of traffic makes work all along the way.

There are more trains, more work in shops, more buying of supplies, more money for overhead costs, including taxes, more employment, and more buying power among the people. The more distant points are not given any relative advantage. There is no prejudice or preference as to localities, for the reason that competitive points have alternative service there already. Otherwise, there is no fourth-section case.

(d) The proponents claim that noncompetitive points will not be injured but helped; the opponents claim the rates will be made so low at competitive points as to place an additional burden on traffic to noncompetitive points.

All rates will have to be just and reasonable. All rates will have to be made to pay out-of-pocket costs and contribute something to overhead costs. For anyone to doubt that the Commission would hold rates within a level which would make some contribution to overhead costs is to cast doubt on all rate regulation. Any additional traffic on the railroads that will contribute to overhead costs will, at the same time, lighten that burden to that extent. There will be so much less for other traffic to pay. Therefore, the greater the volume of traffic carried by the railroads, the less proportion of overhead costs noncompetitive points will be burdened with.

(e) Opponents of this amendment have argued that traffic must be preserved for water lines in order to build up a merchant marine.

This is the particular argument of the Maritime Association of the Port of New York. To support this amendment is not to be against a strong merchant marine. In time of war every kind of transport will be used to the extent of its usefulness. Military experts declare that railroads will be indispensable. The point really is, however, that one transportation agency should not be required to assume the burden of providing the facilities of another agency which will be useful in case of war. To provide for national defense is a national responsibility. A strong merchant marine should not be paid for by taking it out of the hides of railroad investors and railroad employees.

We must approach this question from the point of view of general public interest. There are five great agencies of transportation in this country—by rail, by water, by highway, by pipe line, by air. All of them are useful. Congress has stated a national policy in section 500 of the Transportation Act, 1920, to promote and sustain in full vigor both rail and water transportation. In section 202 of the Motor Carrier Act, 1935, Congress stated a policy to "develop and preserve a highway transportation system." We have permitted pipe lines to develop with very little regulation at all. We are aiding airways with substantial payments out of the Federal Treasury every year. To no one of these transport agencies, except railroads, has Congress applied a long- and short-haul clause. If we are to support them all, and if they are to be in competition, they should be able to meet on fair and equal terms.

The railroads today are carrying the majority of traffic. There is no reason in relative usefulness to hamstring them. They must be treated with fairness. Under the changed conditions which the railroads face today, fairness demands relief from this outmoded long- and short-haul clause.

The proposed amendment should not be adopted.

Mr. COX. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, as to this bill, it appears that the proponents of this bill are about to win a very great victory in behalf of the owners of the railroads and against the principle of control of public utilities. As has been many times observed during this debate by gentlemen understanding the effect of the proposal, it is the farmers of the country who are going to lose most as the result of the change. The propagandists have been very smart.

Mr. CREAL. Mr. Chairman, will the gentleman yield?

Mr. COX. Not now.

The propagandists have been very smart in drawing into the fight the railway laborer. The laborer is made to believe that there is promise of more jobs for the unemployed

in the legislation. I doubt this. The railroads will confess behind the backs of labor that they can handle greatly increased tonnage without the necessity of an increase in labor costs; so, as I see it, labor is very much deceived, because there is not in the legislation the prospect of much help. But if I am wrong about this, if, as a matter of fact, the adoption of the bill does mean more jobs, then certainly I am not in error in the statement that the carrier should not be permitted to fix rates without first obtaining leave from the Interstate Commerce Commission. The bill, as drawn, involves a complete reversal of policy insofar as the development of the waterways and the control of public utilities engaged in interstate commerce are concerned.

The pending amendment should, in my opinion, be adopted. There is just as much in it for labor as there would be in the Pettengill bill. The only difference between the Pettengill bill and the pending amendment is that under the amendment the carrier would have to go to the Commission for permission to change its rates, whereas the Pettengill bill proposes to permit them to file their schedules, and in the event of complaint it would be within the power of the Commission to suspend them.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended 5 minutes.

Mr. CREAL. Mr. Chairman, I hope the gentleman will yield to me.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COX. Mr. Chairman, I am unable to appreciate the logic of the proposal that an instrumentality supposed to be under the jurisdiction of a regulatory body should be permitted without permission whatever or without any grant of authority, but under its right under the law to file its rate schedule which should be subject to suspension upon the filing of a complaint.

Mr. PETTENGILL. Mr. Chairman, will the gentleman yield?

Mr. COX. I yield.

Mr. PETTENGILL. Does the gentleman realize that for 49 years, since 1887, in the case of every rate proposed by a railroad in the United States, except where the question of long and short haul is involved, the procedure the gentleman is objecting to is the one that has been followed; and this places the procedure on the same basis?

Mr. COX. The gentleman has stated before committees that under his bill the carriers will be permitted to put their rates into effect, either raising or lowering rates, which will become effective unless some interested party makes complaint or unless the Commission of its own accord should order suspension. This is his bill.

Mr. PETTENGILL. The gentleman is correct. That is the way it is done in all other instances.

Mr. COX. Why should the policy that has prevailed heretofore be reversed and the burden put upon the shipper and the small community to challenge the fairness of the rates made by a railroad? Why should not the rule be continued requiring railroads first to obtain permission to change rates? The roads are particularly interested in this, although they have sought to conceal this interest by putting stress upon the long and short haul and this purpose. The membership of the House has been made to believe that the primary concern of the carriers was to eliminate the long- and short-haul provision of section 4 of the Transportation Act, but this is not the extent of their interest. They want a free hand to fix rates as their interest may dictate.

[Here the gavel fell.]

Mr. COOPER of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I paid very strict attention to what the gentleman from Georgia [Mr. Cox] stated a few moments ago, that railroad labor was being fooled on this bill. I believe that the railroad employees of this country are smart enough and they are intelligent enough to know what is good for them, what is beneficial for them. They have some very able and

capable representatives in Washington looking after their interests all the time. They have some very smart attorneys looking after their interests. I do not believe the gentleman from Georgia, who has never had any railroad experience in his life, can fool the railroad employees when it comes to legislation relating to the great transportation systems of the country, and they are back of this bill.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER of Ohio. Certainly.

Mr. McCORMACK. What effect will this bill have upon the employees of trucks, the employees of shipping lines, the longshoremen?

Mr. COOPER of Ohio. I reply by saying that the railroad employees well know the new competition, the truck and the bus, is here to stay. They know that transportation by water has its place in our economic life, and they have no desire at all in any way to injure this traffic. All they are asking is that they be given an opportunity under the same regulations and under the same conditions enjoyed by steamship lines, busses, and trucks today. That is all they are asking.

Mr. McCORMACK. The gentleman has not answered the question. I asked him what effect it will have.

Mr. COOPER of Ohio. I do not know what effect it will have.

Mr. McCORMACK. In any event, this bill will not harm the present status of railroad employees?

Mr. COOPER of Ohio. No; not at all.

Mr. McCORMACK. But it will harm the status of other employees?

Mr. COOPER of Ohio. I do not believe so.

Mr. COX. Will the gentleman yield?

Mr. COOPER of Ohio. I yield to the gentleman from Georgia.

Mr. COX. Is there not just as much for labor in the pending amendment as there is in the Pettengill bill?

Mr. COOPER of Ohio. No.

Mr. COX. What possible reason would labor have for relieving the roads of obtaining leave before any change of rates?

Mr. COOPER of Ohio. If there was just as much benefits in the pending amendment as in the Pettengill bill, the labor organizations would have been back of that bill when it was introduced by the gentleman from Texas [Mr. RAYBURN] 1 year ago.

Mr. CHAPMAN. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, this may be a good bill for some sections of the country. It may be a good bill for the railroads. But as the Representative of a district which I think may be typical of many represented in this House, one of the interior agricultural districts where there is no competing water transportation, I desire briefly to express my opinion on that phase of the subject. I have the honor to represent a large and one of the richest agricultural districts in this country. Its cities and towns have no competing waterway transportation, and I am contemplating the effect that the enactment of a bill of this kind would have upon the agricultural, industrial, and commercial interests of a district like that. I know from the experience of farmers, millers, wholesalers, livestock producers, and shippers generally of that district that this long- and short-haul provision has been their salvation many times in the past and is their safeguard today against unreasonable and discriminatory freight rates.

Under the existing law a carrier cannot put in effect a higher freight rate for a shorter than for a longer distance until it justifies that rate as reasonable in the eyes of the Interstate Commerce Commission. The burden rests actually as well as nominally on the carriers. The so-called Pettengill bill would, notwithstanding all that has been said about "burden of proof", actually shift the burden to the shipper. If this bill becomes a law a carrier can publish a freight rate on any commodity providing a higher rate over shorter distances to intermediate points than over longer distances to terminal points, and the practical effect will be

that the shipper will have to file a protest to prevent the rate from becoming effective. They say that the burden of proof will be on the carrier, but the truth is that the real burden, the burden of employing counsel, the burden of prosecuting the complaint, the burden of expense of proving that the new rate is discriminatory or unreasonable will rest upon the intermediate shipper, frequently unable to bear the burden, the victim of the discrimination. And so, while the great carriers are establishing rates that give advantage to cities with competitive water routes, the smaller places in the internal agricultural sections will be the losers. As too frequently is the case, the farmers will pay the freight.

Applications have been filed time and time again, some of them pending at this time, to establish rates that would benefit commercial centers favored with water transportation at the expense of interior agricultural sections such as mine, and the long- and short-haul section of the interstate Commerce Act, which this bill was designed to repeal, has been our principal weapon of defense.

Let me cite a few specific examples to illustrate why I believe Representatives from intermediate towns and interior sections should oppose this bill. In recent months efforts have been made to establish lower rates from southern points to such cities as Cincinnati, Louisville, and Huntington, because they are located on the Ohio River, than to points in central Kentucky through which the cars pass before reaching the Ohio River points. Right now there is pending an application to increase the rates on such articles as pipe fittings and connections, in carload and less-than-carload lots, from Birmingham to central Kentucky cities, without corresponding increases to Louisville, Cincinnati, and other points favored by Ohio River competition. It is being proposed now to make carload rates from Birmingham, Ala., to Lexington, Ky., 64 percent higher than the rates to Cincinnati, 82 miles farther, and 6 cents higher than the proposed rail and water rate to New York City, to which the short-line rail distance from Birmingham is more than two and one-half times the distance from Birmingham to Lexington.

The same situation exists as to the other cities and towns in the section of Kentucky of which Lexington is the center and metropolis. Under the existing law they must justify those rates before they can be effective. If this bill passes, it will be unnecessary for them to obtain approval of the proposed increases from the Interstate Commerce Commission beforehand and the burden of prosecuting the protest will be placed upon the central Kentucky cities affected.

Similar increases have been proposed in freight rates to the same interior Kentucky cities on various products of iron and steel, on sugar, coffee, fruits, paper bags, electric irons, livestock, and various commodities necessary to the business life and prosperity of those central Kentucky cities whose business competitors on the Ohio River have the advantage of competitive water transportation. Some of these proposed increases have been defeated by the existence of the present long- and short-haul section of the law. So consistent have been these efforts by the carriers to establish higher rates to and from central Kentucky cities than to and from the more distant Ohio River points that it has been necessary for a number of years for the Lexington Board of Commerce, an organization of the business and commercial interests of that city, to maintain a traffic bureau for the purpose of contesting these attempts to establish rates discriminatory against Lexington and its neighboring central Kentucky cities. But for the long- and short-haul provision it would have been impossible to prevent many burdensome and unfair increases.

In Fourth Section Application No. 1574 (211 I. C. C. 120), decided October 23, 1935, the Commission refused to allow higher rates on electric irons from Leeds, Ala., to interior Kentucky points than to Cincinnati. In Fourth Section Application No. 15746, decided December 7, 1935, the carriers sought permission to increase the rates on machinery from southern producing points to interior Kentucky points, which would have made them higher than the rates to Cincinnati. This application was denied also. The long- and short-haul law, which this bill seeks to repeal, saved the people of central Kentucky from the discriminatory rates sought to be placed

upon them. Similar applications covering such commodities as paper and paper articles, including paper bags, important to central Kentucky wholesalers and jobbers, whose competitors are in the Ohio River cities, are now pending, and this bill proposes to place upon businessmen of my section the burden of filing a protest with the Commission and proving that the proposed rates are unreasonable or prejudicial. A few years ago the railroads undertook to make a drastic increase in rates between Lexington, Winchester, Paris, and Georgetown, on one hand, and eastern cities, on the other.

The Lexington Board of Commerce contested on behalf of the Kentucky cities and \$50,000 a year was saved for Lexington businessmen, with a corresponding saving for the other central Kentucky cities, when the Interstate Commerce Commission ruled, in 146 I. C. C. 115, that it could not justify such a departure from the long- and short-haul provision of the law. The existence of that provision which these gentlemen seek to repeal today made possible that victory for those cities in the congressional district for which I speak. The enactment of this bill into law would be a staggering blow to them and to thousands of others throughout the country located in interior sections and whose competitors have both rail and water transportation.

There is a new industry in that section; or, rather, an old industry, which has recently awakened from a slumber of some 15 years. I refer to the gigantic distilling industry. I have consulted with rate experts in the Interstate Commerce Commission and am convinced that the passage of this bill would make possible discriminatory freight rates upon the product of the far-famed distilleries of the Bluegrass section of Kentucky, enabling distillers in other parts of the country to market an inferior product with the advantage of lower freight rates.

In my congressional district is the largest loose-leaf tobacco market in the world. Burley tobacco is the principal product of that fertile section. A freight rate differential prejudicial to central Kentucky farmers would be reflected in the price they receive for tobacco, their most valuable product and chief source of income. The rate experts advise that the long- and short-haul clause is a protection against such discrimination.

My congressional district is a great livestock-producing section. Our lambs demand top prices at Jersey City and other eastern points. Livestock shipments constitute a great and profitable industry in that section. There are more than a dozen livestock-auction markets in that congressional district. The farmer with one head of livestock receives the same price as that received by the seller for a thousand head. This marketing system has been of inestimable benefit to livestock producers throughout central Kentucky. Our competing stockyards are located in the larger Ohio River cities. A few years ago an effort was made to increase the rates on livestock from central Kentucky to the East approximately \$20 a carload without any corresponding increase from Louisville and Cincinnati, our marketing competitors. At that time the shipments from Lexington alone amounted to 1,000 carloads annually. That increase would have meant a burden of \$20,000 a year on the Lexington market alone, all to the advantage of terminal stockyards in larger cities.

The combined shipments from other central Kentucky markets amount to a great deal more than the shipments from Lexington. The approval of such a discriminatory increase to the detriment of central Kentucky markets and for the benefit of the terminal markets would have been equivalent to placing a tax of tens of thousands of dollars per year on the farmers of central Kentucky.

For about a year I have been working in cooperation at this end with a group of farmers and livestock auction market owners in bringing about the establishment at Lexington of a packing plant to slaughter 15,000 lambs a year in addition to a considerable number of veal calves and beef cattle. That plant will soon be in operation. The big packers and terminal markets have seized upon every opportunity for years to crush and destroy the livestock auction markets of central Kentucky. The packers with whom the new packing plant will be in competition are located in Ohio River

cities less than 100 miles distant from Lexington. The first thing they will attempt in order to gain an advantage over the new packing enterprise will be to obtain an advantage in freight rates. The present long- and short-haul clause of the Interstate Commerce Act will be the chief bulwark and protection of the livestock producers who have invested their money in the establishment of the new packing plant at Lexington and the thousands of others who sell their stock in the various central Kentucky auction markets. Its repeal would make more difficult the success of such a venture in the interior of Kentucky or in any other interior agricultural region in America.

I cannot but believe that many of you represent districts similarly situated insofar as transportation facilities are concerned. I hope you will consider these illustrations; and I wonder if some of them do not apply with equal force to your districts and equally affect the welfare of the agricultural, industrial, and commercial interests of the people you represent. It is worthy of note that the Interstate Commerce Commission is opposed to this bill. It is worthy of our consideration that the great national organizations of farmers have gone on record in opposition to this bill, and I hope you will not deprive the agricultural interests of interior America of the protection that those interests have been afforded since the adoption of the long- and short-haul clause.

Mr. UTTERBACK. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. RAYBURN. Will the gentleman yield?

Mr. UTTERBACK. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. UTTERBACK. Mr. Chairman, I am unwilling for this debate to close without going on record in opposition to the bill. I have made quite a little study of it. I have tried to find out what the attitude of the Interstate Commerce Commission is in reference to the bill. I have tried to find out who is the author of the bill. I have tried to find out what the attitude of the Railroad Coordinator is toward the bill. I find that the Interstate Commerce Commission is opposed to the bill. I find that the Railroad Coordinator is opposed to the bill. I find that this bill was prepared by the railroad executives of this Nation.

Mr. PETTENGILL. Will the gentleman yield?

Mr. UTTERBACK. I yield to the gentleman from Indiana.

Mr. PETTENGILL. I think I can speak on that better than the gentleman. The bill was prepared by the National Industrial Traffic League of America, which represents some 600,000 shippers. It was at their request largely that I introduced the bill.

Mr. UTTERBACK. I may say to the gentleman that I talked to him about a year ago in regard to this bill, and he is my authority for the statement that the railroad executives prepared the bill, and he introduced it at their request.

Mr. Chairman, it seems to me that this legislation is unnecessary.

If the railroads of this Nation have a just complaint, they have a remedy in existing statutes, and I do not need to spend any time on that, because I am sure every one of you knows and understands that.

Mr. Chairman, this legislation is not only unnecessary but it is undesirable, and I want to direct your attention to this thought which I do not think has been given consideration here. I think it is very important and it has to do with the far-reaching effect of this legislation. Do not think for a single moment that you are legislating solely and only on a railroad matter here. Remember this fact. We have in this Nation a great system of interlocking directorates in which certain men of this Nation or their associates hold positions as directors of railroads and great banking institutions and

at the same time as directors of great industrial institutions. The railroads do not want this bill for nothing. These directors on these railroad boards do not want this bill for nothing. They are interested not only in railroad rates but they are interested in building up a further system here whereby industries competing with the industries they direct through these interlocking boards of directors may not grow and become real competitors of their industries. It is not at all impossible that many of these men, directly or indirectly representing the railroads on these boards of directors, are very much interested in the profits that can be made out of certain lines of industry through the destruction of their competitors, which will be possible under this bill. Mr. Chairman, this is exactly what is going to happen. When you give this power to the railroads, you are giving them the power to do this very thing. I hope this bill will be defeated. [Applause.]

The pro-forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HOLMES) there were—ayes 37, noes 100.

So the amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Immediately following the amendment last adopted, insert a new paragraph, as follows:

"No application for any increase in rates, fares, or charges shall be received or considered by the Interstate Commerce Commission unless and until the applicant for such increase in rates, fares, or charges shall show to the Commission that at least 30 days prior to making said application the applicant has filed with the Governor of each State in which said increase will apply a copy of the tariff schedule showing all increases sought in said application, with a memorandum thereto attached explaining each and every increase requested in said application."

Mr. BLAND. Mr. Chairman, it is said, and it has been said frequently in debate, that it is not intended to increase freight rates generally throughout the country. It has also been brought out that there is a heavy burden resting upon the shippers to watch these rate schedules.

Nearly every State is provided with a corporation commission and the chief executive of that State, charged with the responsibility of taking care of the citizens of the State, when he has these tariff schedules is able to see what effect these increases are going to have in his particular territory and can then, himself, bring to the attention of the shippers the burden that will be resting upon them.

In this connection let me read you the letter that was sent by Mr. McManamy, of the Interstate Commerce Commission, to the chairman of the committee on H. R. 8100, which was identical with the present bill before the amendment of the committee was added. Commissioner McManamy said:

We are unable to understand how the public interest would be served by the enactment of such a bill. Experience has shown during the years before and since the enactment of the act to regulate commerce in 1887 that special measures are necessary to prevent the peculiar form of undue prejudice and discrimination which may be created by the establishment of higher rates for shorter than for longer hauls. Section 4 was designed to protect the public against this special kind of prejudice and discrimination.

We are of the opinion that the record of the carriers with respect to the establishment of higher rates for shorter than for longer distances during the nearly half a century since the enactment of the original act has fully demonstrated the need for further protection of the shipping public against the kind of discrimination and prejudice resulting from the establishment of higher rates for shorter than for longer distances than that afforded generally by the sections of the act other than section 4, and it is our view that the long- and short-haul provision of that section should be continued in force to insure this protection.

Now that you have stricken down the long- and short-haul provision, what is left to protect the people of the country, the shippers of the country, the little man in the country, the fellow in his overalls who is farming the land of the country, the man of whom my friend, Mr. CHAPMAN, of Kentucky, speaks? Why not have this schedule served on the Governor of the State and let him, through the corporation commission, advise the people of his State of the increases that are intended by these applications, the effect this will

have upon them, and the steps that they should take for their own protection? They will then be in a position to lodge their complaints, even though they must then bear the burden of the heavy expense of paid attorneys to read tariff schedules which the gentleman for the committee states the presidents themselves are unable to read and construe.

In the interest of the protection of the shipping public of this country I ask that you vote for this amendment.

Mr. RAYBURN. Mr. Chairman, there have been several what I think are reasonable amendments offered to this bill that would not have been destructive if they had been adopted, but I do trust the Committee will vote this amendment down and will protect orderly procedure in the Interstate Commerce Commission and the prosecution of its business. I ask for a vote on the amendment.

Mr. PETTENGILL. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. PETTENGILL. Is it not a fact that all proposed rates, whether increase or decrease, must be posted at all distributing points in the territory?

Mr. RAYBURN. My point is that we do not want to bring in any foreign agents in the execution of the law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Immediately following the amendment last adopted, insert a new paragraph as follows:

"No increase in any rates, fares, or charges shall be permitted to any common carrier subject to the provisions of this section or claiming the benefits of this section unless and until said carrier shall include as railway operating revenues all profits received by it from any subsidiary of said carrier or from any affiliated corporation or from any other corporation in which said carrier owns at least 50 percent of the stock, debentures, or other securities."

Mr. BLAND. Mr. Chairman, my purpose in offering this amendment is to show what operating revenue is coming from sources that should be included.

I want to call attention to the testimony in the hearings on page 584:

The Pacific Fruit Express Co. is owned jointly by the Union Pacific Railroad Co. and the Southern Pacific Co., and owns the refrigerator cars and refrigeration plants necessary to provide refrigerator-car service for those lines and their subsidiaries. The use of these cars includes the Oregon Short Line Railroad Co., which serves the heavy producing districts of southern Idaho, as well as districts in Utah and other States. An examination of this statement shows that the capital stock of the Pacific Fruit Express Co. amounts to \$24,000,000. The average total value of the property used in its business during the period covered aggregates \$118,040,123, the gross operating revenues average over \$40,000,000 per year, and the operating expenses over \$23,000,000 per year. The average net operating revenues for those years runs over \$16,750,000 per year, or better than 14 percent per year on the value of the property used.

Now, they are throwing an increased burden on the people of the country, and I suggest that revenues coming from other sources should be included. There is another case mentioned in this testimony where there are coal mines deriving considerable revenue from these mines that are also owned by the railroads, and these revenues should be taken into consideration in determining these rates.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GEARHART: Page 2, line 17, after the word "act", strike out the period and insert in lieu thereof the following: "And provided further, That in any case before the Commission where there is brought in issue a lower rate or charge for transportation of like kind of property for a longer than for a shorter distance over the same line or route in the same direction, the shorter being included in the longer distance, no such lower rate shall be by the Commission approved until it shall have been established to the satisfaction of the Commission, the burden of proof being upon the carrier, that such lower rate is reasonably compensatory for the service performed."

Mr. GEARHART. Mr. Chairman, during the debate on this bill numerous speakers in opposition have expressed the

fear that it is the intention of the rail carriers to embark upon a campaign of cutthroat competition. Whether or not the fear is well founded is beside the question. It remains, nevertheless, that if the bill now before us is passed and becomes a law the railroads will acquire the power to do just that sort of thing. If the rails want to eliminate other forms of competition, fix rates on the longer haul, say at cost or below cost, they cannot long continue to carry freight on that basis and remain in business, unless they recoup these losses from another source. Therefore, if they do carry freight below cost or just slightly above cost, they are going to look into the intercities, the inland neighborhoods, for the recoupment of the lost revenues which they must recapture somewhere. In other words, they will have to raise the short-haul rates in order to recover that which they sacrificed on the long haul. That is as plain as plain can be.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GEARHART. Yes.

Mr. CRAWFORD. Does the gentleman realize that on all the short hauls the truck operators can make rates and will make rates and offer the rates to the Commission that will hold down any extraordinary advance in rates that the railroads attempt to put in? Will not that be the practical application of this bill?

Mr. GEARHART. The trucks will soon be under regulation by the Interstate Commerce Commission, and you can rest assured that the truck rates will be fixed with due regard to the rail problem by that body. Unlimited competition will not be permitted. I still maintain, and it is inescapable and unanswerable, that if the railroads reduce charges on the long hauls to a point so low that the rates fall below the cost of the transportation service, the sacrificed revenues will have to be recouped from another source. The short-haul shipper will necessarily have to be the victim of this unjust system of robbing Peter to pay Paul. There is no escape open to him. All I hope to accomplish by this amendment is the protection of the shipper who is compelled to use rail transportation where there is no water competition; the shipper who must rely upon the rails and the rails alone. This amendment, if adopted, will protect him from being victimized and gouged and save him from outrageous rates—rates imposed in order that the railroads may carry on their cutthroat competition with competing carriers on the long hauls. This, it is said, is impossible. It is said there will not be any cutthroat competition indulged in. If that is true, if the railroads are seeking reasonable compensation for the services they render, they should have no objection whatsoever to the enactment of the amendment which I now propose. Why should it not be enacted? Should they carry below cost, somebody must pay the bill, and it is going to be the interior people, the people who live in the Rocky Mountains, in the interior of California, in the interior of every State in this Union that is not so fortunate as to enjoy an intercompeting combination of facilities—water, air, and rail.

The CHAIRMAN. The time of the gentleman from California has expired.

The question arises on the amendment offered by the gentleman from California [Mr. GEARHART].

The amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Immediately following the amendment last adopted insert a new paragraph, as follows:

"Before any carrier shall be permitted to charge at any point, where it is in competition with water-borne commerce, less than its present rate, fare, or charge, the Interstate Commerce Commission shall require notice to be given the water carrier and the community that may be affected by such rate, fare, or charge, and it must be affirmatively shown by said railroad carrier that the proposed rate, fare, or charge will provide a fair return to the water carrier if a similar rate, fare, or charge is put into effect by the water carrier."

Mr. BLAND. Mr. Chairman, there is only one other amendment which I feel the gentlemen on the committee will accept. [Laughter.]

The purpose of this amendment is to protect the water-borne commerce of the United States. It has frequently been said in this debate that it is not the intention of the proponents of the bill to try to destroy water-borne commerce. I provide then that notice shall be given water carriers at competitive points, that the matter shall be investigated, and that no rate, fare, or charge shall be permitted to be put into effect by the railroad carriers which would destroy the water carriers if a similar rate, fare, or charge should be put into effect by the water carriers at the competitive points.

This is what Coordinator Eastman had to say in a speech made by him in April 1934:

So far as water transportation is concerned, you know what happened in the past, when the railroads had a free hand and swept the inland waterways practically free of competing craft. In an open fight, without let or hindrance, the advantage lies with the form of transportation which has the largest reserves of traffic upon which other transportation agencies can encroach. And with all the competition by which they are beset, the railroads still have the edge in that respect.

In that connection I suggest that you who have the interest of water transportation at heart may well keep an eye on the attempts which are being made to wipe out the fourth section of the Interstate Commerce Act. I venture the suggestion lest there be a repetition of our early experience with destructive competition.

When Mr. Tilford, one of the witnesses for the railroads, was before the committee he was asked who was going to be hurt by the repeal of the clause. He answered, "Well, the only ones are probably the water carriers."

Mr. Eastman, in his report in 1934, page 170, further said:

Federal regulation of the railroads was precipitated in 1887 primarily by the then widespread and flagrant discriminations in rates and charges. Prominent among these discriminations which had created intense dissatisfaction was the common practice of charging less for long hauls than for shorter hauls to or from intermediate points on the same line or route even when the route was direct.

I am asking gentlemen who have appeared on this floor who say that it is not their purpose to destroy water-borne commerce, to make good their words and do that which will not destroy water-borne commerce.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MARTIN of Colorado. I just wanted to say to the gentleman from Virginia that there is at least one member of the Committee on Interstate and Foreign Commerce who thinks that water-borne traffic will be perfectly safe on the score of regulation as long as it is in the hands of the Committee on Merchant Marine and Fisheries.

Mr. BLAND. I thank the gentleman very much, but we cannot get very far without ample cooperation of the Members of Congress.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Immediately following the amendment last adopted insert a new paragraph, as follows:

"This act shall be known as an act to destroy the American merchant marine and all water-borne commerce in the United States, and to increase rates, fares, and charges throughout the United States."

Mr. BLAND. All I have to say about this amendment, Mr. Chairman, is that, of course, the author of the bill, with his usual generosity and his belief in truth, will accept this amendment. [Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. GEARHART: Page 2, line 6, after the word "upon", strike out all of lines 7, 8, and 9, to and including the colon following the word "Commission", and insert in lieu thereof the following: "shall not be affected by reason of the provisions of this section until, after hearing, of which due and prior notice of proposed changes shall be given, the Commission shall otherwise determine."

Mr. GEARHART. Mr. Chairman, this proposed amendment I conceive to be in the nature of a clarifying amendment. I read the following language from page 2 of the bill:

And provided further, That rates, fares, or charges existing at the time of the passage of this amendatory act, by virtue of orders of the Commission or as to which application has theretofore been filed with the Commission and not yet acted upon, shall not be required to be changed by reason of the provisions of this section until the further order of or a determination by the Commission.

I believe the phrase "shall not be required to be changed" is uncertain as to exact meaning and that it will throw the Commission into confusion when they attempt to interpret it. I believe, furthermore, the old rates should remain in effect until people who might object to a change have had notice of the proposed change and have had a chance to be heard. I have provided, therefore, simply that the old rate shall remain in effect until proposed changes are made known to those who have an interest of the subject matter of the rate schedules, in order that they may have an opportunity to exercise their right to come before the Commission and state their views; that snap judgment be not taken against them. Is there anything unreasonable about that?

Mr. MASSINGALE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, discussion on this bill seems to have been limited to those who have had experience in railroad service. We have had conductors, engineers, and firemen speak for and against this bill. I felt like I was not doing my duty, Mr. Chairman, not to represent the snipe element of America in this debate. I served in this capacity on a railroad for a year. A snipe is what railroad men call a section hand. By assiduous application I rose, after 1 year's service, to the dignified position of trackwalker; and I want to give you the trackwalkers' and the snipes' viewpoint on this legislation. [Laughter.]

It occurs to me, having sandwiched in a little law experience, that we are just reversing the order of things in this proposed legislation. Ordinarily in law procedure if a man goes into court he does so with a petition. He files a petition and after awhile he hopes for a judgment. In this proceeding the railroad company is given the right to go in there first and file its judgment, and then give the other fellow the opportunity to go in and, if he can, set the judgment aside. The railroad, under this bill, announces the rate it is going to charge to or from a particular point, and this becomes the rate unless the merchants and shippers send rate experts and lawyers to Washington to have the Interstate Commerce Commission give them a hearing to see if the rates are too high. This is not right. It developed during the discussion that one of the objects of the railroad company is to do away with truck lines. I think this is one of the purposes of the bill. Their object is to get rid of all truck competition and put them out of business. Out in my section of the country we have learned to depend almost wholly upon truck lines and truck operators to get our freight delivered to us, and we are apprehensive that if the railroad company is given the right to put its rates in operation in our small inland communities that it is going to be incumbent not only on our communities in the Middle West but on every community in the United States to hire an expert rate man and to hire a lawyer to come to Washington and defend them, to try to set aside this judgment the railroad expects to obtain in this unusual way, fixing a rate charge on carrying freight and passengers into these various communities. Under these circumstances, and in the interest of the ordinary truckman in this country, I expect to vote against this piece of legislation. [Applause.]

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MASSINGALE. I yield.

Mr. JOHNSON of Oklahoma. If my colleague from Oklahoma will permit, let me say that he is making a very interesting and informative address. He has shown very clearly that there are two sides to this bill. Although I am interested in protecting the rights of railroad employees, we must also bear in mind that our farmers and shippers must be protected. Now, does not the gentleman think that one of the main purposes of this bill is to raise freight rates?

Mr. MASSINGALE. Yes; I think so; and, as I stated awhile ago in my argument, the railroads will fix this freight rate and then it will be incumbent upon your town and my town and every other locality in the United States to keep a lawyer or an expert in Washington. As the law now is, the Interstate Commerce Commission gives every reasonable request of the railroads to raise rates reasonable consideration. Under this bill the railroads make the increase in rates themselves and communities affected must spend money to see if the rate fixed should be set aside.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I cannot permit my beloved friend the gentleman from Oklahoma [Mr. MASSINGALE] to get away with the proposition that he is the only "snipe" in this distinguished body. In case the Members do not know what a "snipe" is, I may say he is an individual who handles a type of shovel known as a no. 2. I sniped for a year at \$1.10 a day for 10 long hours each day, and when it comes to the "snipe" vote in this body it is going to be a tie.

Mr. MASSINGALE. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I just want to say to the gentleman from Colorado [Mr. MARTIN] that I object to the gentleman getting on my preserves. He qualified as a coal shoveler or as a fireman. I reserve my right to speak as a "snipe."

Mr. MARTIN of Colorado. But I handled a no. 2 first.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. GEARHART: On page 2, line 9, after the colon and following the word "Commission", insert: "And provided further, That no carrier shall put into effect any rate which is lower for the longer distance than for a shorter, the shorter being included in the longer, without first submitting such proposal for such rates or charges and securing from such Commission, after public notice and public hearing, authority to establish such rates."

Mr. RAYBURN. Will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 5 minutes.

The motion was agreed to.

Mr. GEARHART. Mr. Chairman, I shall not take 5 minutes. I have already sensed the temper of this body. I fully realize that the offering of this amendment will probably constitute love's labor lost; however, I do think it is a sound amendment. I ask the Members, therefore, to consider it seriously.

Mr. Chairman, all that I hope to accomplish by the amendment which I have offered is to make certain that the people of the United States shall have due notice of what is being done under the provisions of the law which is, it is now apparent, about to be passed. The amendment simply provides that before any schedule of rates shall go into effect under the provisions of this bill due and public notice shall be given and public hearings shall be had. Is that not fair?

Mr. PETTENGILL. Will the gentleman yield?

Mr. GEARHART. I yield to the gentleman from Indiana.

Mr. PETTENGILL. Is that not the rule today in connection with all rate schedules?

Mr. GEARHART. Then the gentleman should have no objection to the amendment. I do not so understand the bill.

If the gentleman believes that my amendment goes no further than the law already provides for, will he not, on behalf of the committee, accept my proposal?

Mr. PETTENGILL. And is not everybody advised now?

Mr. GEARHART. Certainly the gentleman should have no objection to my amendment if he believes that notice is provided for and hearings are guaranteed by existing law. I am far from being satisfied of it myself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. GEARHART].

The amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WILCOX, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3263) to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4), pursuant to House Resolution 435, he reported the same back to the House with an amendment agreed to in Committee.

The SPEAKER. Under the rule the previous question is ordered on the bill and amendment to final passage.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HOLMES. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HOLMES. I am.

The Clerk read as follows:

Mr. HOLMES moves to recommit the bill H. R. 3263 to the Committee on Interstate and Foreign Commerce with instructions to that committee to report the same back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert in lieu thereof the following: "That paragraph (1) of section 4 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(1) It shall be unlawful for any common carrier subject to the provisions of this part to charge or receive any greater compensation in the aggregate for the transportation of passengers or of like kind of property for a shorter distance than for a longer distance over the same line or route in the same direction, the shorter being included within the longer distance, or to charge any greater compensation as a through rate than the aggregate of the intermediate rates subject to the provisions of this part; but this shall not be construed as authorizing any common carrier within the terms of this part to charge or receive as great compensation for a shorter as for a longer distance: *Provided*, That upon application to the Commission such common carrier may in special cases, after investigation, be authorized by the Commission to charge less for longer than for shorter distances for the transportation of passengers or property; and the Commission may from time to time prescribe the extent to which such designated common carrier may be relieved from the operation of this section."

Mr. RAYBURN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PETTENGILL) there were—ayes 215, noes 41.

So the bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS—H. R. 3263

Mr. EICHER. Mr. Speaker and Members of the House, if the careful study that I have given to the pending amendment to the Interstate Commerce Act had left me at all apprehensive that its passage might result in a return to past discriminatory and unsocial practices on the part of the railroads, I should certainly have been one of the last Members of this House to give it my support. I am thoroughly convinced of the necessity in the public interest of reasonable, adequate, and effective regulation of all public utilities that partake of the nature of a monopoly, but I am also convinced that the same public interest requires a reappraisal from time to time of the details of such governmental regulation to the end that it may not operate as a detriment instead of a help.

The extensive hearings that were held on this bill have persuaded me that no public interest will suffer and many helpful results may come from a relaxation of the rigorous provisions of section 4. I believe the producers, shippers, and consumers of the Middle West will profit by the long-haul rate readjustments that this change in the law will make possible. The objections to this amendment originally interposed by the Interstate Commerce Commission have been fully met by the amendment to the bill which specifically continues the burden of proof upon the carriers to justify any long-haul rate against any claim that the same may constitute undue preference or discrimination under sections 1, 2, and 3 of the Interstate Commerce Act. Furthermore, there is no doubt that competing agencies are now so general that undue preference or discrimination will be effectually prevented.

The railroads are obviously the backbone of our national transportation system, and if we are to avoid public ownership and operation we must afford the private managers thereof every reasonable opportunity to recover their lost traffic and to enhance their gross revenue to a point that will again make their properties self-sustaining.

I look upon this legislation as a substantial effort in the direction of national recovery. It gives promise of increased employment in the most important of our private industries, and should also strengthen its position as the largest taxpayer contributing to the support of our schools and of our State and local governments. The bill will receive my vote.

THE AIR CORPS OF THE ARMY

Mr. ROGERS of New Hampshire. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (H. R. 11140) to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. McREYNOLDS, indefinitely, on account of sickness in family.

To Mr. DRIVER (at the request of Mr. MILLER) for remainder of the week on account of the death of his brother.

To Mr. SANDERS of Louisiana, for 10 days, on account of important business.

To Mr. SHANNON, for 10 days, on account of important business.

To Mr. Sisson (at the request of Mr. O'CONNOR) on account of illness.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 25, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of Committee on Immigration and Naturalization in room 445, old House Office Building, at 10 a. m., on Wednesday March 25, 1936, for hearing on H. R. 11172 (proponents).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 9183. A bill to provide for the extension of the boundaries of the Hot Springs National Park in the State of Arkansas, and for other purposes; without amendment (Rept. No. 2223). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 1997. A bill to amend Public Law No. 425, Seventy-second Congress, providing for the selection of certain lands in the State of California for the use of the California State park system, approved March 3, 1933; without amendment (Rept. No. 2224). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 11961. A bill authorizing an appropriation for the payment of the claim of Gen. Higinio Alvarez, a Mexican citizen, with respect to lands on the Farmers Banco, in the State of Arizona; without amendment (Rept. No. 2225). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 538. Joint resolution to provide for participation by the United States in the Ninth International Congress of Military Medicine and Pharmacy, in Rumania, in 1937; and to authorize and request the President of the United States to invite the International Congress of Military Medicine and Pharmacy to hold its tenth congress in the United States in 1939 and to invite foreign countries to participate in that congress; without amendment (Rept. No. 2226). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTE: Committee on Military Affairs. S. 3687. An act to validate payments and to relieve the accounts of disbursing officers of the Army on account of payments made to Reserve officers on active duty for rental allowances; without amendment (Rept. No. 2228). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTE: Committee on Military Affairs. S. 3688. An act to validate payments and to relieve disbursing officers' accounts of payments made to Reserve officers promoted while on active duty; without amendment (Rept. No. 2229). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 11140. A bill to provide more effectively for the national defense by further increasing the effectiveness and efficiency of the Air Corps of the Army of the United States; with amendment (Rept. No. 2230). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. FADDIS: Committee on Military Affairs. H. R. 7206. A bill for the relief of Pierre Pallamary; with amendment (Rept. No. 2227). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RAMSAY: A bill (H. R. 11985) to prevent the manufacture, sale, or transportation of adulterated or misbranded or poisonous liquors, and regulating traffic therein; to the Committee on the Judiciary.

By Mr. BLOOM: A bill (H. R. 11986) to provide medals for the men who trained at the first Plattsburg training camp in 1915; to the Committee on Military Affairs.

By Mr. SCHULTE: A bill (H. R. 11987) for the improvement of Burns Ditch Harbor, Ind.; to the Committee on Rivers and Harbors.

By Mr. TOLAN: A bill (H. R. 11988) to establish and maintain aids to air navigation on the trans-Pacific route between San Francisco Bay, Calif., and Manila, P. I.; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER: A bill (H. R. 11989) for the improvement of the Delaware watershed, Pennsylvania, beginning at Chestnut Hill, to provide flood control, water supply, and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mr. BROOKS: A bill (H. R. 11990) authorizing the construction of a system of reservoirs in the Ohio River Basin above Pittsburgh for flood-control and other purposes; to the Committee on Flood Control.

By Mr. DEBOUEN: A bill (H. R. 11991) to authorize the placing of lands acquired or which may be acquired hereafter near Dumfries, Va., under the National Park Service for recreational purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 11992) to accept the cession by the State of Virginia of exclusive jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. BOLAND: A bill (H. R. 11993) authorizing projects on the Susquehanna River for flood control and other purposes; to the Committee on Flood Control.

By Mr. GASSAWAY: A bill (H. R. 11994) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.; to the Committee on the Judiciary.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 11995) for the improvement of the Youghiogheny River watershed, Pennsylvania; to provide flood control; and to encourage agricultural, industrial, and economic development; to the Committee on Flood Control.

By Mr. McFARLANE: Resolution (H. Res. 463) creating a select committee to investigate executive agencies of the Government with a view to coordination; to the Committee on Rules.

By Mr. AYERS. Joint resolution (H. J. Res. 539) to fulfill certain obligations of the United States Government to the Indians, homestead entrymen, and allotment purchasers on the Fort Peck Indian Reservation in the State of Montana; to the Committee on Indian Affairs.

By Mr. CROSSER of Ohio: Joint resolution (H. J. Res. 540) providing for the participation of the United States in the Great Lakes Exposition to be held in the State of Ohio during the year 1936, and authorizing the President to invite the Dominion of Canada to participate therein, and for other purposes; to the Committee on Foreign Affairs.

By Mr. LEWIS of Maryland: Joint resolution (H. J. Res. 541) to create a committee to study conditions resulting from the recent floods and to recommend measures for reconstruction and flood prevention; to the Committee on Rules.

By Mr. RANDOLPH: Joint resolution (H. J. Res. 542) creating a superhighways commission; to the Committee on Roads.

By Mr. BUCHANAN: Joint resolution (H. J. Res. 543) making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia; to the Committee on Appropriations.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing Congress regarding unemployment relief projects; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOPER of Ohio: A bill (H. R. 11996) for the relief of Richard T. Edwards; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 11997) for the relief of Robert James Allen; to the Committee on Naval Affairs.

By Mr. LEMKE: A bill (H. R. 11998) for the relief of W. H. Lenneville; to the Committee on Claims.

By Mr. SCOTT: A bill (H. R. 11999) granting an honorable discharge to Robert C. Wilcott; to the Committee on Military Affairs.

By Mr. SCRUGHAM: A bill (H. R. 12000) to authorize the presentation to Thomas D. Karpis of a Distinguished Service Cross; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12001) granting a pension to Dicie Overbey; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10580. By Mr. ANDREW of Massachusetts: Resolutions memorializing the Congress relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Labor.

10581. By Mr. FITZPATRICK: Petition of the Mount Vernon section of the National Council of Jewish Women, urging the passage of the Kerr-Coolidge bill with reference to immigration; to the Committee on Immigration and Naturalization.

10582. By Mr. KENNEY: Assembly concurrent resolution of the one hundred and sixtieth Legislature of the State of New Jersey, requesting the National Government to accept immediate responsibility for relief and employment of transients; to the Committee on Ways and Means.

10583. Also, petition of the International Workers Order, Branch 651, at their meeting on March 3, endorsing the workers' social-insurance bill as the only genuine social-insurance bill now before Congress; to the Committee on Labor.

10584. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, advocating preference be given citizens of the United States in employment on relief projects financed by Federal funds; to the Committee on Labor.

10585. By Mrs. ROGERS of Massachusetts: Petition of the General Court, Commonwealth of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Labor.

10586. By Mr. THURSTON: Petition of H. K. Evans and others of Seymour, Iowa, urging passage of the Pettengill bill; to the Committee on Interstate and Foreign Commerce.

10587. By Mr. WHITTINGTON: Petition of the Legislature of Mississippi, memorializing Congress to cut a canal connecting the waters of Bear River and McKey's Creek, thereby diverting a portion of the water of the Tennessee River into the Gulf of Mexico; to the Committee on Rivers and Harbors.

10588. By the SPEAKER: Petition of the mayor and city council of Baltimore, Md.; to the Committee on Education.

10589. Also, petition of the Colorado Bar Association; to the Committee on the Library.

10590. Also, petition of the Commission Council of the City of New Orleans; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 25, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O loving Father, we would exalt the Lord our God, for it is He who hath made us; stretch forth Thy hand from above and lead us in Thy way everlasting. Make manifest to us what is entire truth, honor, and fidelity. Forgive us our sins and let us not brood over our faults, but do Thou come and establish Thy kingdom within us. Enter the palace of our hearts; clothe us with the armor of light, and then we shall easily triumph over the irritable spirit, the glow of self-love and intemperate speech. Eternal Spirit, we earnestly seek understanding, affection, and strength which only Thy presence can excite and sustain. Each day help us to catch the vision of a better country coming through righteousness, cooperation, justice, and manly endeavor. In the name of our Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11418. An act making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4212. An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

COMMEMORATION OF THE TWO HUNDRED AND FIFTIETH ANNIVERSARY OF THE FOUNDING OF THE CITY OF ALBANY, N. Y.

Mr. CORNING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7690) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y., there shall be coined by the Director of the Mint 10,000 silver 50-cent pieces of standard size, weight, and fineness of a special appropriate design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the models for master dies or other preparations for this coinage.

Sec. 2. The coins herein authorized shall be issued at par and only upon the request of the committee, person, or persons duly authorized by the mayor of the city of Albany, N. Y.

Sec. 3. Such coins may be disposed of at par or at a premium by the committee, person, or persons duly authorized by said mayor of Albany, N. Y., and all proceeds shall be used in furtherance of the commemoration of the founding of the city of Albany, N. Y., projects.

Sec. 4. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same; regulating and guarding the process of coinage; providing for the purchase of material, and for the transportation, distribution, and redemption of the coins; for the prevention of debasement or counterfeiting; for the security of the coin; or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein directed.

Sec. 5. The coins authorized herein shall be issued in such numbers, and at such times as they shall be requested by the committee, person, or persons duly authorized by said mayor of Albany, N. Y., and upon payment to the United States of the face value of such coins.

With the following committee amendments:

Page 1, line 6, strike out the word "ten" and insert "twenty-five."
Page 2, line 4, strike out "the committee, person, or persons" and in lieu thereof insert "a committee of not less than three persons."

Page 2, line 8, strike out "person, or persons."

Page 2, line 23, strike out "person, or persons."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF WIDOWS, ORPHANS, AND DEPENDENTS OF PERSONS WHO DIED IN THE FLORIDA HURRICANE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution I send to the Clerk's desk.

The Clerk read the resolution, as follows:

House Resolution 464

Resolved, That the Committee on World War Veterans' Legislation, or any subcommittee thereof, during hearings on the bill H. R. 9486, entitled "A bill for the relief of widows, children, and dependent parents of World War veterans who died as the result of the Florida hurricane at Windley Island and Matecumbe Keys, September 2, 1935", is authorized to require the attendance of such witnesses and the production of such books, papers, and documents by subpoena or otherwise and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the Speaker of the House of Representatives or the chairman of

said committee, and shall be served by any person designated by them or either of them. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who having been summoned as a witness by authority of said committee or any subcommittee thereof willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the provisions contained in said bill H. R. 9486, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. SNELL. Reserving the right to object, as far as I am concerned, I have no objection to the gentleman from Mississippi getting this evidence, but it seems to me that the effect of this resolution is to give the committee special authority for an investigation which will eventually call upon Congress for an expenditure of money. If the witnesses come to Washington, they will at least have to be paid their expenses.

Mr. RANKIN. It is not the intention of the chairman of the committee to incur any expense at all. If we do have to incur expenses and bring witnesses here, I expect to come back to the House for an appropriation.

Mr. SNELL. According to the provisions of the resolution, the committee has the right to incur expenses, and it seems to me the investigation—that is practically what it is, regardless of what gentlemen say—it ought to go to the Committee on Rules. However, the chairman of the Rules Committee is here, and if he does not care anything about it, I do not.

Mr. RANKIN. I desire to say to the gentleman from New York [Mr. SNELL] that we have the bill before the committee to compensate the dependents of the veterans who lost their lives in that hurricane, and it will probably be the only congressional record or record of a congressional committee that you will have bearing on this subject.

I am merely asking for permission to require the attendance of witnesses and have them testify under oath so that the House and the country may have a sworn record to show what did transpire and who, if anyone, was at fault, as best we can.

Mr. SNELL. You are going to make an investigation of that situation?

Mr. RANKIN. That is my intention.

Mr. SNELL. Then that should come from the Committee on Rules.

Mr. SHORT. Does the chairman of the committee think it possible to acquire a sufficient amount of this evidence without incurring expense?

Mr. RANKIN. I do not think we would have to incur any expense. I think the witnesses will all appear voluntarily.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. MAY. I have not seen the resolution, but, as I understand it, it relates to the disaster caused by the flood on the coast of Florida last year?

Mr. RANKIN. Last September.

Mr. MAY. Does it in any way affect the provisions of the World War Veterans' Act which was passed at the close of the last session of the Seventy-third Congress?

Mr. RANKIN. Not at all.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FIFTIETH ANNIVERSARY OF CINCINNATI, OHIO, AS A MUSIC CENTER

Mr. FIESINGER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years, and for its present consideration.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of the bill S. 3699, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That in commemoration of the fiftieth anniversary in 1936 of the city of Cincinnati, Ohio, as a center of music, and to commemorate Cincinnati's contribution to the art of music in the United States for the past 50 years, there shall be coined, at the mints of the United States, silver 50-cent pieces to the number of not more than 15,000, such 50-cent pieces to be of the standard troy weight, composition, diameter, device, and such design as shall be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury. Such 50-cent pieces shall be legal tender in any payment to the amount of their face value.

SEC. 2. The coins herein authorized shall be issued only upon the request of the Cincinnati Musical Center Commemorative Coin Association, of Cincinnati, Ohio, upon payment by such Cincinnati Musical Center Commemorative Coin Association of the par value of such coins, and it shall be permissible for the said Cincinnati Musical Center Commemorative Coin Association to obtain said coins upon said payment, all at one time or at separate times, and in separate amounts, as it may determine.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating the guarding and process of coinage, providing for the purchase of material and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for security of the coins, or for any other purposes, whether said laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized: *Provided*, That the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill was laid on the table.

WORKS PROGRESS ADMINISTRATION

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the Emergency Relief Appropriation Act of 1935 was the assent given by the Congress to President Roosevelt's demand that the Federal Government must and shall quit this business of relief.

Following the passage of this act the President, by an Executive order on May 6, 1935, established within the Government certain agencies and described their respective functions and duties in carrying out a Federal relief program.

Under this order the Works Progress Administration was set up and made responsible to the President for the honest, efficient, speedy, and coordinated execution as a whole and for the execution of that program in such a manner as to remove from the relief rolls to work projects or in private employment the maximum number of persons in the shortest time possible. Mr. Harry L. Hopkins, as Administrator, was charged with the duty of seeing to it that this part of the President's order was complied with.

Today Mr. Hopkins can face the President with a clear conscience—the duty he accepted he has performed. There are various vaguely mouthed charges against Mr. Hopkins' administration, but whenever those hurling the charges are asked to substantiate them they have failed to do so. Not one definite, specific charge has ever been proved, nor is there any evidence that these charges are ever inspired by anything more tangible than political ambition.

It was the task of the Works Progress Administration to recommend and carry on useful projects designed to assure a maximum of employment in all localities. The report of the Works Progress Administration for the week ending February 22, 1936, bears witness to how well this task has been achieved.

On the week ending February 22, 1936, 3,037,440 competent and able American workers were employed on the program of the Works Progress Administration.

When President Roosevelt said that no able-bodied citizens were to be allowed to deteriorate on relief but must be given jobs, he meant women as well as men.

As proof of the realization of his injunction, the Works Progress Administration reports that 407,777 women are at work on its program.

By the 1st day of January of this year, according to the last report issued by the Works Progress Administration on this subject, there were 69,152 work projects selected for operation.

Additions and improvements to public property constitute 86 percent of all the projects on which funds of the Works Progress Administration are being spent.

Highways, roads, and streets, as a classification, lead all other types of projects selected, with 39.5 percent being devoted to this purpose; parks and playgrounds, public buildings, and water supply and sewer systems follow, respectively, with 11.6, 9.9, and 9.6 percent each. The Works Progress Administration reports further that 19 percent of the total cost of projects is being contributed by sponsors.

Out of a total project cost of \$1,169,650,880 the report states \$221,918,153 is being put up by the States and communities.

The type and quality of the projects and the work done, in spite of muttered faultfinding, is self-evident. It is notable that no project has been successfully attacked in the community in which it is being carried out. Each and every project approved, with the exception of a few federally sponsored undertakings operated on a Nation-wide scale, originate with some responsible body in the community. That they have more than a moral interest in these projects is shown by the fact that they have laid good, hard cash or its equivalent on the line in order to get the work done. Any attack upon the character of the project is an arraignment of its community sponsors.

The report shows that sponsors' support was greatest in those projects requiring a considerable amount of material and equipment.

W. P. A. IN NEW YORK STATE

So much for the Nation-wide picture of W. P. A. I know in my own State of New York a splendid job is being done. In New York State, exclusive of New York City, nearly 134,000 men and women are at work under the W. P. A. New York City has nearly 243,000 at work. New York State is particularly proud of the way W. P. A. handled the catastrophe which fell upon thousands of people almost before W. P. A. had the bare outlines of its organization established. Early in July torrential rains poured down upon the State. The death and destruction that resulted is still and will for a long time be fresh in the public mind. Many agencies responded to that situation. W. P. A. was called upon and without hesitation established a fund of \$1,000,000.

The people in my State know only too well the magnificent job done by W. P. A. workers. The traveler today sees in those stricken sections the results of W. P. A. executives, engineers, and laborers' work. The damage has not only been repaired but better and more substantial bridges than those which were washed away have been built; better roads than those which cracked and disappeared under the flood have been constructed; ruined playgrounds have been rebuilt; and public property on every hand shows the mark of W. P. A.'s great humane activity.

Those of us who know first-hand what the W. P. A. really is and really does are getting very fed up with critics who base their wild-haired statements on third- and fourth-hand rumors that they hear over the teacups. For example, it is an easy matter to remark about the problem of W. P. A. employment as "all political"; but the truth is, every worker, except for necessary administrative employees, must be taken from the relief rolls, certified by the county welfare authorities, and registered by the National Reemployment Service, which operates in conjunction with the New York State Labor Department. W. P. A. receives its workers through this careful and necessary procedure of certification as to eligibility and classification as to employment capacity. If people who are trying so hard not to understand the fundamentals of the W. P. A. program will remember that somebody has to feed and clothe the vast number who are willing to work but cannot find jobs in private industry, they will

be a long way toward knowing why the Government has undertaken the works program.

These needy people might continue on a home-relief dole in their localities, but everybody knows what happens to a person who is willing and anxious to work and who is forced to remain idle.

W. P. A. has absorbed the unemployment load as quickly as communities have asked for projects to put the jobless to work. It has taken over the tax burden which would accrue to the locality were the entire unemployed group left on relief. While W. P. A. workers are building roads, bridges, improving streets, schools, public buildings, playgrounds, parks, and myriad other useful activities, they are performing tasks that would have to be done now or at some future time. In this way they are very definitely and very clearly saving the taxpayer the double cost of paying a dole now and paying for the necessary work that would have to be done at some future time.

I want to say that Mr. Hopkins, as the Federal W. P. A. Administrator, and Mr. Lester W. Herzog, New York State W. P. A. administrator, have provided an amazing example of cooperation between the Federal, State, and local governments. In effect, Mr. Hopkins and Mr. Herzog were given several hundred thousand workers and told to put them to work on useful tasks in the communities. In finding useful jobs for these workers, they have used logic, reason, and the best brand of American common sense. They have said to the communities: "Here are many willing workers. What would you, as communities, like them to do for you?"

Well, the communities of New York State have asked the Works Progress Administration to do almost every kind of public work under the sun. I want to emphasize that these projects in my State are what the communities have asked for. The responsible officials and leaders of business and civic organizations of the communities, of course, realize that only such projects as the people on relief can do are being done.

In communities that have had mainly unskilled laborers on the relief rolls, the projects naturally have to be mostly the kind that unskilled laborers can do, but it is astounding to see the ingenuity that has been applied by W. P. A. officials in helping the communities to put the wide variety of workers at work on projects that the communities have asked for.

Of course, W. P. A. has made mistakes; of course, there have been minor frictions and errors of human judgment, but I do not know of any organization in the country that is more ready to investigate complaints and, what is more important, to get right down to the bottom of the trouble, wherever there is trouble, and correct the situation. It is a habit with some people to say, "Let us know if everything is not all right" and then completely ignore any complaints. But I know that the W. P. A. means what it says and has quickly responded to constructive criticism. I refer to the recent action of Administrator Herzog in his administrative correction of the situation in Buffalo.

THE SITUATION AT BUFFALO, N. Y.

From information which I have recently received, both from Albany and Washington, the W. P. A. inquiry at Buffalo is practically completed. Any investigation which might be initiated either by the Senate or the House would not necessarily involve the Buffalo area, because the W. P. A. set-up has been overhauled and revamped according to a standard set-up approved by Harry L. Hopkins, the W. P. A. chieftain.

As I understand it, the new W. P. A. set-up at Buffalo and throughout the United States will consist of a director and four principal department heads, which will include finance, engineering, personnel, and a women's division. This division of responsibilities, superceding the confusion that took place in the original set-up, will make for greater efficiency. It will concentrate in each department the responsibilities that rightfully belong there.

Mr. Hopkins made it very clear that so far as W. P. A. is concerned, politics, patronage, and political contributions are forbidden under penalty of dismissal. In a recent statement,

copy of which has been sent to my office, Mr. Hopkins advises that political contributions simply cannot be solicited from W. P. A. employees, administrative or other workers, and anybody found doing it anywhere in the United States will be fired.

One of the principal causes for the investigation at Buffalo resulted from charges from a number of sources to the effect that W. P. A. workers were making contributions, either directly or in the purchase of tickets, for political purposes. While this may not be in violation of the law, it was in violation of the principles upon which the work-relief program came into being. It was the express wish of the President, and in most cases an appeal that has been carried out, that politics be kept out of relief; and after reflection, most any fair-minded man will agree with the President's attitude. At any rate, Buffalo's W. P. A., free from patronage and politics, should operate more efficiently in the future than it did in the past. No criticism was ever directed, to my knowledge, at the director, Mr. Downing, who is well thought of both here and at Albany.

I am in hopes that Congress will provide for a continuation of W. P. A. until such time as private enterprise takes up the slack in employment. Every citizen is a potential customer in the American market, and unless he is employed by private business, work must be provided for him by the Government. The construction of streets, flood-control work, bridges, public buildings, parks, recreational centers, and the like, will have a tendency to redistribute the wealth and ease the burden on our local taxpayers. While I favor increasing the wages of W. P. A. workers and shall continue to do so, we must continue this Federal agency as long as our people in large numbers are without work.

I will be glad to carry out, so far as I am concerned, Mr. Hopkins' instructions with regard to politics and patronage in W. P. A. Personally, I do not believe that any Member of the House or of the Senate, either Republican or Democrat, will take issue with Mr. Hopkins in his desire to free the W. P. A. from politics.

W. P. A., like any new agency, made mistakes, but profiting quickly by experience it is becoming more efficient as time passes. I favor its continuance until such time as industry provides work for our unemployed.

For quick action in an emergency the W. P. A. affords the best opportunity of restoring our unemployed to gainful occupation; for the long pull W. P. A. is an effective instrumentality.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. O'CONNOR, from the Committee on Rules, submitted the following resolution for printing under the rule:

House Resolution 465 (Rept. No. 2231)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11689, a bill to amend title I of the National Housing Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

LEAVE TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 15 minutes at the conclusion of the remarks of the gentleman from Mississippi [Mr. DUNN].

The SPEAKER. There is a special order for today, but with the consent of the gentleman from Mississippi [Mr. DUNN] the Chair is recognizing these requests for unanimous consent.

The gentleman from Michigan asks unanimous consent to address the House for 15 minutes at the conclusion of the remarks of the gentleman from Mississippi. Is there objection?

There was no objection.

RELIEF AND CHARITY IN THE DISTRICT OF COLUMBIA

The SPEAKER. The gentleman from Mississippi [Mr. DUNN], under special order, is recognized for 20 minutes.

Mr. DUNN of Mississippi. Mr. Speaker, perhaps I am somewhat presumptuous in attacking the matter that I have in my mind and heart today. Perhaps it might somehow become a matter of personality between myself and my natural, innate emotions and passions, and the unadulterated unfitness of some authorities in the District of Columbia so far as concerns the matter of charity. And, too, it might appear more like a freshman question, but, to say the least, it is one that has encountered the depths of my soul for more than 90 days. It is a matter that has caused me to respond definitely, almost daily, because of some people in the District who seem to discount the importance of a person looking for bread. I ask that you follow me just for the next few moments and I shall tell you about a place in the city of Washington and paint to you a picture so appalling, so miserable, so absolutely shameful, as it concerns our Nation in the matter of charity, that I am sure you will forgive me if and in the event I have overindulged your patience.

I have not been boisterous since I became a freshman in this Congress. I have tried so much to be patient. I have been the recipient of so many kind and courteous favors from my senior colleagues until it makes me feel faintly when I attack questions which, as a matter of fact, have been gone over from time to time in the House.

I want you to go with me to a place down at 311 D Street NW., in the city of Washington. I want you to keep that address in your minds, if you will, please—311 D Street NW.—and while I shall not in any way try to emulate any masterful touch of the brush of an Angelo, I do want to fix it, from a common-sense standpoint, in your minds, as one who believes in pure, undefiled humanitarianism. And to those of you who believe that people in this country, native-born, have a right to eat, have a right to go yonder to charitable institutions, the appropriations for which are furnished by this body, and there seek out, according to the law and order of things, according to the mandates of a given social compact, the right of a mother to have solace and comfort in the birth of her child I make this appeal. I said I wanted you to go with me to 311 D Street, Washington. I am not going into detail on the appropriations that might have gone to the District of Columbia in the matter of charities. I have no condemnation for any particular official or any group of officials. I am only going to give you, as an ex-service man who gave his time in the World War, the facts about a situation which you will say, as a matter of fact, does not exist here in Washington.

Seventy-two days ago a man came to my office. He had read in the Congressional Directory that I was an ex-service man and had been twice post commander of T. C. Carter Post, No. 21, of Meridian, Miss. He came clad in overalls.

The look upon his face showed some sort of mental and physical anguish. He told me he was without food. He told me that he gave 20 months of his life in the service of the World War, and was physically emaciated because of having been shell-shocked. I noticed an impediment in his speech. I also noticed that there was that something present which I have too often seen in the faces of such men.

I left my office, and I went with him to 311 D Street, Washington, D. C., and there I found, in a little room some 10 by 10 feet square, a little woman from Newport, Tenn., Mr. Speaker, and four babies, the youngest of which seemed to be about 15 months old. I saw the pallor on those faces. I saw the emaciation that was written all over their bodies. I saw everything that had to do with starvation and poverty. Perhaps some of you saw in the newspapers the condition of this family, because I saw fit to have it published in order that they might have something to eat. I got busy, and my friends provided them with something to eat. I went down to the authorities and asked that the man be given a job. I phoned one of the Commissioners—from my home State, if you please. I am making no apologies. I said, "Give him a job. I have investigated his war record. I find that he is

shell-shocked. Why can he not get a job?" They said, "Congressman, we will get him a job within the next few days." I have worked and fought day in and day out to get that man, by name, Everett Parker, a job, and today he is without it, even though any number of people were put to work during the flood period. But that is only part of it. I saw this man's wife, who is about 26 years old, with those four little babies huddling close to her lap, living there in the lamplight of poverty.

This man Parker of whom I speak, her husband, is not a chap that could become an executive. He perhaps could not do ordinary clerical work which oftentimes we find men can do under some circumstances. In fact, I found that he could not even read or write. I found further on day before yesterday that this man from Newport, Tenn., about whom I am speaking and who served his time in the World War, went to an executive in the District of Columbia who said, "You are from Tennessee and you ought to be back there on a farm." God knows, when I heard that, I wondered how many other big executives in the city of Washington ought to be back on the farm following a hard-tail mule. [Applause.]

Well, time passed. I spoke to them about the appropriations we had made insofar as charities are concerned, having at the same time the picture of this little woman and her babies sleeping, if you please, in two smutty three-quarter beds in one little room, where there were no sanitary facilities; no running water, all huddled there together. This family is living there today. That is the reason I asked you to take the address. I found, as I say, that this little woman was about to become a mother again. I immediately rushed down to the place where the man Everett Parker had told me they threw him out, the Public Health unit, because he came and dared ask that his wife be taken from a manger into the comfort of the society supposed to be civilized and there allowed to give birth to her own flesh. I found the man, Parker, had practically told me the truth, except they did not run me out. They were nice to me. I got a permit for her to go to the hospital. In the meantime, however, there were some physical conditions which arose which perhaps did not demand her immediate reception at the hospital; matters which, in fact, I know about personally, and which, of course, would not be proper to divulge here. She was told to go back home and there to repose herself as best she could until she came to that particular period in her life which every woman who knows motherhood must face, and then to come back.

So day before yesterday, if you please, there in this manger, there in this place a baby girl was born. I took three witnesses with me, and at the same time we saw four other little babies looking out of iron bars begging Almighty God somehow to get them into the sunlight. They were pallid and rat eaten, so to speak, and a further description of the synthetic maternity ward was beyond human description.

She had her baby, nobody attending her during hours of labor; nobody by her side then except that man who walked yonder in the war valley where the poppies somehow give off a new blood color to the taproot and make it redder by virtue of the selfsame blood that gave this country birth; and this morning she is there in that manger. Why, she has been feeding all of her babies on oatmeal soup for a week, please God, with the aid of her husband while she lies there without any sort of comfort whatever other than the comfort provided by a private physician on yesterday here in the great city of Washington. No doubt her husband was urging this mighty Nation, with its billions for charitable purposes, to come and keep her away from the valley where the shadows of old Gethsemane never fade. She lies there and her husband cannot get work. If she lives until tomorrow evening she will be a most fortunate woman.

Oh, perhaps many of you are not interested in this. Perhaps you may think it is a personal thing I desire to say in order to get in the RECORD; but, bless your souls, I do not have to get in the RECORD in this case, because it has

been my life since I came out of the war, and it will continue to be my life so long as I am physically able to be about and do these things. [Applause.]

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. DUNN of Mississippi. I yield.

Mr. RANDOLPH. I want to say to the gentleman that the House is interested. Very few Members have had such an attentive and sympathetic hearing as the gentleman is receiving.

Mr. DUNN of Mississippi. I thank the gentleman. There is nothing I can do. I have been to every particular place I can go. I have sent the man Parker with every sign and figure to these various charitable agencies for relief and they all send him away and tell him, Mr. Speaker, to go back to Newport, Tenn. Well, when did Washington cease to become a transient town? When did it cease to become a mecca for all those people who are entitled to come to the National Capital? Perhaps some of my fellow men are here from Mississippi, perhaps some are here from New York, Pennsylvania, and elsewhere; but I say to you, Mr. Speaker, that whenever motherhood in this Nation is crucified on a cross of poverty, God help all of us. There is a day coming and we have got to reckon with it.

I have not been able to get him a job, but I will say to you that I have investigated him from every possible angle. I have not found him in any wise other than thoroughly amenable to everything they have told him to do. He is not a sorehead.

Mr. STUBBS. Mr. Speaker, will the gentleman yield?

Mr. DUNN of Mississippi. I yield.

Mr. STUBBS. This may not be strictly in order, but if there are 100 Congressmen here who feel as I do, I would like them to stand with me each to give \$1 to this family.

Mr. DUNN of Mississippi. I thank the gentleman for his interest.

I am only one Congressman, and a freshman at that, but why is it with all the millions we have voted to resuscitate, to rehabilitate, and to rebuild bodies which have become emaciated because of this depression, how is it one cannot get an attentive ear when one sends a man to these agencies, an ex-service man at that? I do not say that because of this he should receive preferential treatment, but to say the least he is a man who offered his all on the battlefield for his country; yet now, he, his wife, and children have got to live in something worse than a manger for the wife to give birth to a child. No wonder Lincoln exclaimed, if I am right in my recollection of the author's name, that God made so many poor people because he knew he had ultimately to repose all of his faith in them. Surely this is a fact.

I am sorry I had to bring this matter to you. I know of no remedial recourse I can take. I do not know where the trouble is. I do not know whether it is the result of just pure unadulterated meanness on the part of officials, whether it is the result of lack of money, whether it is the result of red tape, or what; but whatever it may be it is the result of somebody's carelessness, negligence, and lack of recognition of fellowship, of kindness, and pure Christianity.

Mr. PEARSON. Mr. Speaker, will the gentleman yield?

Mr. DUNN of Mississippi. I yield.

Mr. PEARSON. I have been very much interested in what the gentleman has had to say in view of the fact I happen to be a member of the Tennessee delegation. Does the gentleman know from what section of Tennessee this man and his family hail?

Mr. DUNN of Mississippi. From Newport, Tenn.

Mr. PEARSON. Did the gentleman make inquiry as to what effort this man and his family made to obtain relief from the relief agencies which are operating in the vicinity of Newport, Tenn.?

Mr. DUNN of Mississippi. Yes; he tells me he has brought himself within every particular category a human being could bring himself in to get relief and work. It does not matter that he comes from Newport, Tenn.; he could have come from my State.

It is just a proposition of pure, unadulterated, and damnable red tape that will let a man starve to death and a mother be crucified with her own flesh and blood at her breast. [Applause.]

Mr. PEARSON. May I say to the gentleman, in order that there may be no reflection on my own State, that the people of Tennessee make it one of their objectives in life to look after those in their midst who are unable to properly care for themselves.

Mr. DUNN of Mississippi. There is no doubt about that.

Mr. PEARSON. I want to say further that there is not a single member of the Tennessee delegation in this House who is not ready and willing to cooperate with the gentleman and with any agency of this House for the purpose of seeing that this man and his family are properly taken care of.

Mr. DUNN of Mississippi. And then some. There is no doubt in the world about that; and that is why I referred to the proposition of the authorities here saying that this man ought to return to Newport, Tenn., and to the plow. I put my finger in the face of the man who made that statement, and I said, "My dear brother, if I had my way about it you would be under the plow. They would plow you under, and you would not have the opportunity to make that statement."

Mr. MAY. Will the gentleman yield?

Mr. DUNN of Mississippi. I yield to the gentleman from Kentucky.

Mr. MAY. I should like to suggest to the gentleman that the city of Washington has a welfare organization at the head of which is a man by the name of Elwood Street. He is a former Kentuckian, having come from Louisville. During the World War he did a great deal of work among the veterans. May I inquire if the gentleman has contacted Mr. Street personally?

Mr. DUNN of Mississippi. No; I have not; but I have been to the public-health unit, I have been to Gallinger Hospital, and to every hospital. All I can say is that I hope somewhere, sometime this baby may have a chance.

[Here the gavel fell.]

Mr. DUNN of Mississippi. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HAMLIN. Will the gentleman yield?

Mr. DUNN of Mississippi. I yield to the gentleman from Maine.

Mr. HAMLIN. I have heard with a great deal of interest the able remarks, the sympathetic, kindly, and true remarks, of the gentleman. If I can help in any way, I am willing to do it, and I am also willing to subscribe any money that may be necessary toward helping this man to whom the gentleman from Mississippi has just referred.

Mr. DUNN of Mississippi. I wish the Members would take this address. They are not so big in this Congress that they cannot become human. The address is 311 D Street NW. I want you to behold that situation down there. Look at it, see how it is, and observe how we are letting this family go into a period of disintegration.

Mr. RANDOLPH. Will the gentleman yield?

Mr. DUNN of Mississippi. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I should like to make the suggestion to the Members of the House, and I know it will be productive of results, that those who are interested telephone Mr. Cleary, in charge of W. P. A., at the District Building. I am certain if that is done we will get results.

Mr. DUNN of Mississippi. I promise that I am not going to stop until something is done.

Mr. MEAD. Will the gentleman yield?

Mr. DUNN of Mississippi. I yield to the gentleman from New York.

Mr. MEAD. Is not some difficulty in the red tape which results from the modernizing of some of these charitable agencies which spend a great deal of overhead doing what is called "case work"? I remember one of them saying to

me at one time that I would be surprised at the number of people they prevent getting relief. I agreed with that statement, but I said I would rather be surprised if you told me the number of people they were actually giving relief.

Mr. DUNN of Mississippi. I thank the gentleman for his observation.

Mr. Speaker, may I say in conclusion that there is not any sinister feeling on my part in this matter, but I do know that I have been down to the District Building during the past 60 days. I have been with this man. I saw 250 people put to work with this man standing in line, and by the grace of everything that is sacred, he was thrown aside simply because of the fact they had given him \$40 some time back in December. I have no more to say at this time.

[Here the gavel fell.]

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, under a special order today I have 15 minutes in which to address the House. I now ask unanimous consent that my time may be extended 5 minutes, so that I may fully answer the gentleman who has just spoken.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object—and I shall not object to this time—we have a rather full program today, and I trust there will not be further requests to speak out of order.

Mr. SABATH. Mr. Speaker, how much time does the gentleman have?

The SPEAKER. The gentleman has 15 minutes, which was granted by unanimous consent. The gentleman asks unanimous consent to speak for an additional 5 minutes. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the statement made by the gentleman who has just preceded me appeals to everyone's heart, and no one here can understand why a condition of that kind should exist. To be told, as we have just been told, that a World War veteran and his family, his wife about to give birth to a child, are destitute, not only of the comforts but of the necessities of life, and that the wife, at least, is suffering in her extremity because of a lack of medical care and aid, and that the gentleman from Mississippi [Mr. DUNN] has been unable to procure for a family here in Washington those things which are necessary to prevent hunger, suffering, and, perhaps, death, is almost unbelievable. Yet the gentleman undoubtedly is but giving us the facts.

I hope to be able to point out a way in which, perhaps, the gentleman can get relief by going back to the State of Tennessee, although I may be wrong. Perhaps if this World War veteran would go back to Tennessee, his home State, and satisfactorily answer the questions put out by some local Democratic organizations, relief might be obtained.

The statement of the gentleman, coming, as it does, from that side of the House, proves conclusively that there is absolutely no certainty that when you give money to the executive department it is going to relieve the conditions which today exist. If \$4,880,000,000 will not take care of a family right here in Washington, then there is no use depending upon that particular branch of the Government any longer.

This is a case right under their nose. It is right on their own doorstep. It is right in their own home. When this condition is pointed out to them, they ought to be able to take care of it. There should be coordination all through the departments, and the one purpose should be to serve our country in every possible way.

Mr. Speaker, if this Government of ours is to continue to be a government by and for the people, to fulfill its mission on this earth, then the various departments must be kept within their respective spheres, each separate and independent of the other, and each must retain to itself the function which the Government has given it.

I realize that criticism is of no account unless we offer some remedy or suggestion that will be helpful. This is true, however, and I could not help thinking of it while the gentleman

was talking. Here is one situation, a very personal and acute one, so far as this father, this mother, and these children are concerned, that you cannot lay to the Hoover administration, can you? This is one little thing you cannot charge to it. Thank God for that, anyway. [Laughter.]

While no department—legislative, executive, or judicial—can safely be permitted to exercise the powers delegated by the people to the other, all must work for the common good, the welfare of all. There must be coordination of all activities of all departments and, over and above everything else, there must reign the spirit, the purpose, unalterable and all absorbing, to do those things, and those things only, which will permit this Government of ours to continue in its onward and its upward course, encouraging by its example the people of all the world to seek and attain the fullest measure of liberty, prosperity, and happiness.

Not only must our Government be efficient, but its purpose must be righteous and its acts must follow its statements of principle.

Criticism, when truthful, is the safeguard of a democratic government. When constructive, it points the way to advancement. When untruthful, when it arouses merely class hatred and prejudice, its only ultimate end is discord, revolution, or anarchy.

During the last 2 years of the Hoover administration the brilliant, the vindictive, and the resourceful gutter-scraping, mud-slinging publicity man of the Democratic organization inaugurated and successfully carried out at enormous expense and without regard to truth or common decency, a campaign to "smear Hoover."

Smear Hoover? You did a dandy job of it and you elected a man on a platform which promised to wipe out all our trials and tribulations and all our suffering and to do away with this depression. The unemployment is still with us.

During the same and a subsequent period that outspoken exemplar of dirty, nasty, practical politics, with a masterful demonstration of what has come to be known as the most reprehensible of Tammany tactics, adopting the role of a saint, built up and pictured the Democratic candidate as the only exponent of the rights, as the champion, of the so-called common man.

And what is the result, with this champion of the common man right on the scene, with more than \$4,000,000,000 to spend? Here in Washington, with all of this money, after these 3 long years of effort, we have, by the statement of a Democrat whose word is unquestioned, whose information is undoubtedly accurate, a family suffering and starving, with a mother about to give birth to a child, and that without the necessary medical care.

Here in Washington we are told by a Member on the Democratic side, this situation exists, and it exists not because it is unknown, for the gentleman says he has appealed for aid, but apparently it exists because of red tape or indifference, and somewhere in the city Harry Hopkins sits and smiles and smiles and authorizes the expenditure of hundreds of thousands of dollars for music, art, and amusement, while down at 311 D Street NW., in the city of Washington, if the gentleman is accurate, a mother and children are suffering. Did Hopkins ever hear that charity begins at home?

Ah! if you had brought in someone who really had humanity in his heart, instead of "Big" Jim Farley, to look after the political end of it, to build up a political machine, had you brought in someone to distribute relief we would never have the situation with which we are confronted today, and thankful I am that the story comes from a Democrat and not from a Republican, because it is said by this administration that all Republicans are liars.

The Republican Party and its candidate were pictured as the tools of Wall Street, the servants of entrenched greed, the champions of special privilege. The rank and file of the Republican Party was charged with having neither honesty of purpose nor patriotism. By campaign speeches over radio, in print, and by picture the people were led to believe that the average Republican was selfish, heartless, unsympathetic, uncharitable, greedy, avaricious, politically dishonest, and

corrupt; that all of the virtue and all of the honesty, all of the kindness, all of the sympathy, all of the charity, all of the desire to better humanity was possessed by the members of the Democratic Party, and that all of these virtues were personified in its candidate for the Presidency. He, and he alone, was supposed to be interested in the welfare of our people, in the perpetuity of our Government. All others of opposite political faith, all those who failed to bend the knee, were outcasts and political degenerates.

This doctrine he and his supporters preached without ceasing throughout the days, the weeks, and the months, and the people were told, until some actually came to believe, that the Democratic candidate, and he alone, could save this country of ours from revolution. No more egotistical, absurd, and vicious doctrine was ever preached except in those countries where dictators have used it to establish themselves in power.

Up and down and across this land of ours Democratic orators and the President himself went far and wide, telling all that he stood upon the Democratic platform, that corruption, waste and extravagance, and false theories of government would go were he elected. No campaign with a higher announced purpose was ever inaugurated or carried to a successful conclusion. No greater fraud was ever perpetrated upon a people, for, from the day when it was swept into power by the people's childlike faith in and reliance upon its oft-repeated promises of lofty purposes and high idealism down to the present moment no government within the memory of living man has ever been so false to its promises, so betrayed a trusting people, as has the Democratic Party.

This Government was to be rescued from the clutch of Wall Street and the international banker. Special privilege was to be ended. No longer were the money changers to sit in the legislative halls or the executive offices at Washington. In short, the "money changers" were to be driven out of the temple. A noble purpose, high words of promise, but absolutely and completely false.

If such—and let us be charitable—was ever the purpose, the first grasp of hands upon the reins of power saw its abandonment. Businessmen, merchants, factory owners, industrialists of every nature, those who made this country what it is, have been banished from the council table.

Wall Street, the international bankers, the idle rich were to be thrown into outer darkness, but we notice they are still holding forth at the same old place of business, and, in addition, other high priests of greed, of selfishness, of special privilege have been added, and they have come from the countryside, from the Southland, where votes might be harvested to continue this administration in power.

If the Wall Street bankers have been denied special privileges—which they have not, as witness the speculators in silver under the Silver Purchase Act of 1934—then to their number have been added others to receive the special favors of Government.

Under the guise of aiding agriculture, but for the real purpose of purchasing the farm vote, processing taxes were levied. They were collected from the consumer, from the eater of meat and the wearer of clothing, from the underprivileged and the undernourished. The pennies, the nickels, the dimes all flowed into the coffers of this Government of ours, all, we are told, for the purpose of aiding the farmer.

True, one class did benefit at the expense of another, but who were the real, the chief recipients? Who actually received these pennies, nickels, and dimes collected from the poor, who could least afford to pay them?

The junior Senator from Michigan said day before yesterday over in the Senate Chamber, that he knew of one instance where more than \$219,000 of this money in 2 years went to pay one beneficiary for not raising 14,587 hogs on 445 acres of land, \$15 a hog for 14,587 of them. And he cited another instance where \$168,000 was paid for not planting 7,000 acres to cotton. And again where, in 2 years, another farmer—"agriculturist" would be the more proper word—was paid \$78,638.

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Not now; no. I am not talking about the tariff. I am talking about how you transferred control and the places to which the money was supposed to go to the South, and, Mr. Speaker, I refuse to yield.

Mr. HARLAN. Will the gentleman enlighten the House by saying what—

Mr. MILLARD. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. MILLARD. The gentleman from Ohio is questioning the gentleman when he has refused to yield.

Mr. HARLAN. The gentleman addressed his remarks—

The SPEAKER. Does the gentleman from Michigan yield to the gentleman from Ohio?

Mr. HOFFMAN. Mr. Speaker, I said a moment ago, addressing the Chair, that I would not yield.

The SPEAKER. The gentleman declines to yield, and the gentleman from Michigan has the floor.

Mr. HOFFMAN. Seventy-eight thousand six hundred and thirty-eight dollars to another man.

Now, a few dollars of that \$219,000 or a few dollars of that \$168,000 might, I may say to my friend from Mississippi, have been taken down here to the outskirts of Washington and might have been used to relieve the condition there. That is what is called practical applied charity. The President said you must judge men by the way they act rather than by what they say. What he was referring to was the old passage, "By their fruits ye shall know them." That is what he was thinking about, I guess, but it was not followed out.

The wickedness, the viciousness, the utter corruptness of this kind of a program is demonstrated when you on the majority side refuse to permit the people to know who those who receive these large benefit payments are; when you smother, as you did, the resolution of the gentleman from New York [Mr. TABER], when he sought to incorporate in the last agricultural bill the provision that no more than \$2,000 should be paid to any one man. And when we ask the Department of Agriculture to tell us who it is that is receiving more than \$10,000 per year by virtue of his payments, that information is denied to the Congress.

That the dirty work exists is shown conclusively by the fact that the Department of Agriculture refuses to permit the taxpayers to know who it is that receives the money paid in by the taxpayers. What excuse can there be for denying to a man who contributes to the support of the Government the knowledge as to where and how and in what amount his money is spent? Absolutely none, except as that expenditure be illegal or for a corrupt purpose.

Flying the flag of humanity, preaching the doctrine of charity and of helpfulness, of kindness, of justice and equality, this administration's army of officeholders, marching under the black flag of piracy, has robbed one group of taxpayers to seduce another.

Under illegal laws, which were declared to be without validity by the Supreme Court, Government officials, by threat and by use of the Federal name, by virtue of their position as Federal officers, have compelled citizens who lacked the ability to defend themselves to pay unlawful and unjust taxes. Millions—yes; literally millions—of dollars have been collected illegally by the use of the threat that if those taxes were not paid citizens would be thrown into jail or forced to stand trial beyond the jurisdiction of their home courts. This is not idle talk. Not a man in this House but knows that such was the practice under the Triple A and under the N. R. A.

This is the only administration in the history of our country which by the use of brute force and of threat of illegal imprisonment has ever held up and gone through the pockets of the taxpayer, and this charge cannot be—and even is not—denied.

Under the guise of patriotism and Christianity, under the pretense of relieving our people from the conditions brought on by a depression, which the Democratic administration charges to the preceding Republican administration, during the latter months of which the majority in this House refused to lend its constructive aid, this administration has demanded that the Congress abdicate its functions and turn

over to the President unheard of sums of money to be used at his discretion, and—to our shame and disgrace be it said—that, forsaking its constitutional duty to make appropriations and to direct the expenditures of the public funds, a Congress characterized by the public as a “rubber-stamp Congress” obeyed that mandate.

For what purpose was the money sought? For what purpose was it used? We know that it has been used in ever-increasing amounts, not for the purpose for which it was given—to relieve suffering and distress—but to build up a political machine, the sole purpose of which is to continue in office and increase in power those who ask for and administer the appropriation.

We all recall how, under this promise of prosperity, under this banner whereon was painted “the more abundant life”, and greater privileges to everyone, the promise of a pot of gold at the rainbow’s end, the campaign was carried on and won; and what happened? Only more unemployment, an ever-increasing public debt. In the history of our country did there ever before exist a time when the people were forced by Government agents to give up money under laws that were void, by way of taxes, as the officials of the N. R. A. and of the Triple A went out in all our districts and made the farmers and the processors pay those taxes, which they had no right to collect.

Then what did they do with them? Here is the sad, sad thing about it. Here is the wicked thing, here is the vicious thing, and here is the thing that this administration never can get away from. We all supposed this money was to be used for relief. The money was taken from one group of taxpayers for what purpose? What right has this Government of ours to take your money or take anyone’s money to give to someone else? Only one right, and that is because the one who is receiving the money needs it or is suffering and because it is necessary. The law of necessity. Is not that right? We all agree that when that condition exists and when it is necessary to prevent suffering, then the taxpayer, whoever he may be and however little he may have, should contribute his portion for the purpose of relieving distress. To that doctrine we all subscribe. But this \$4,000,000,000 and these other sums were given, contrary to our theory of government, to the President, instead of the disbursement thereof being directed by Congress. Well, let that pass. Presumably, he intended to use it for the purpose for which it was appropriated.

The charge that the pockets of the taxpayers are being picked and the money used for political purposes is a serious one and should never be made could it not be shown beyond reasonable doubt to be true. Unfortunately it is all too true, and the proof comes, not from some irresponsible, obscure official, for whose actions the President is not responsible. On the contrary, it comes from a United States Democratic Senator; it comes from the administration’s right-hand spender; the man entrusted by the President with the expenditures of a large portion of this sum; the man against whom the President has been warned time and time again, furnishes the evidence. It comes from all quarters, from all classes of people.

Let us go back a moment. Four billion eight hundred and eighty million dollars were appropriated. For what purpose? To relieve suffering, to keep people from starving, from being cold, to save homes, to rescue businesses, to lead us on the way to prosperity, to give us the “more abundant life”, whatever that may mean. That was the purpose.

Did anyone in this House think for one moment that money was being taken from one taxpayer or one group of taxpayers so that it might be given to another group of citizens, citizens otherwise without funds, citizens otherwise in need, so that that group, the needy, the suffering, might contribute a part of the tax money of the first group to a political machine?

In a news release dated March 18 and headed “Hopkins Orders Posters Banning Political Contributions” we find this paragraph referring to relief workers:

The question of whether or not to contribute to any political party is a matter entirely for the voluntary decision of said employee.

Here is an acknowledgment of Harry Hopkins that the money paid by the taxpayer for the relief of a sufferer, of one who is dependent, paid to one who needs Government aid, instead of being used for the purchase of food or clothing by the man so receiving it, may be used as a contribution to a political organization. Here is the evidence, conclusive and inescapable, that relief funds may be used to perpetuate men in office—an unthinkable proposition.

Why, oh why, should one taxpayer be forced to contribute so that another, not a taxpayer but a voter, may give a part of that money so contributed to the party in power or to any other party?

Here is music. The jingle of the taxpayers’ coin, the workers’ earnings, as the Government official takes it from him, drops it into the Government sack, then passes it out in the form of a dole or payment for “made work”, so that the public official may, and does, receive back a portion of that fund for his own interest—a triangle never completed, one where the money does not go ‘round and ‘round, but stops in the pocket of the crooked politician.

Is there anything more vicious, anything more unfair to collect from one group of taxpayers money to buy bread, fuel, and shelter and give it to another group to contribute to campaign funds? Oh, how vicious.

Mr. BANKHEAD. Will the gentleman yield?

Mr. HOFFMAN. Briefly.

Mr. BANKHEAD. Does the gentleman remember that instead of giving the employees the opportunity to make voluntary contributions in a former administration there was a compulsory system requiring postmasters all over the country to contribute to the campaign? [Applause.] The gentleman better acquaint himself with the history of his own party before he criticizes ours.

Mr. HOFFMAN. I know the history of the Republican Party in the State of Michigan and no such course was ever followed there while the Republicans were in power. I am not familiar with the history of the Democratic Party in the South and know nothing about it.

Mr. BANKHEAD. Will the gentleman answer my question?

Mr. HOFFMAN. I have answered it.

I will answer the gentleman further. Does it make any difference if a party has been guilty of an offense in the past, is there any sense in your continuing it? You talk about the offenses of the Republican Party, and here you are deeper and further in the mud than it ever was.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. Yes.

Mr. MICHENER. Where is the gentleman’s predecessor?

Mr. HOFFMAN. Oh, for selling post offices he is in the penitentiary, sent there by a Federal court.

Mr. MICHENER. As a matter of fact, the gentleman’s predecessor in Congress, a Democrat, is now serving time because he compelled Democratic postmasters to contribute to his campaign fund if they got the appointment. Is not that true?

Mr. HOFFMAN. Oh, that is neither here nor there. Suppose he is there.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No. I want to tell you something about the Democratic organization, not in Texas.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I decline to yield until I have read something else.

The utter hypocrisy of this administration is demonstrated by its actions. Long, long years ago it was written, “By their fruits ye shall know them”; and more recently the President said that men’s motives were to be judged not by what they said but by what they did.

In the last paragraph of Mr. Hopkins’ letter, over his signature, it is said:

No person shall be employed or discharged by the Works Progress Administration on the ground of his support or nonsupport of any candidate of any political organization.

That statement is for public consumption. Those are words. The acts are very different. The acts we get from

the political henchmen of "Big" Jim Farley. True, the President said that politics was to be divorced from government. What he meant was not that an absolute divorce was to be granted. What he should have said, and what he evidently intended, was that "Big" Jim Farley, the Democratic Tammany politician, should have separate maintenance, but not from bed and board; that he should continue as Postmaster General, with all of the authority and power that goes with that office, but that, as a matter of fact, his chief duty should be to perpetuate the Democratic administration in power while acting as its national committee chairman.

Words and acts! Here is the example which has been followed by the practical workers all down the line. Many have had letters from constituents seeking welfare relief, who have told us that in order to get that relief they must announce their allegiance to the Democratic Party. These letters came from individuals, and, while they were many in number and while we protested, they were only hearsay evidence of what was being done.

Time, however, has given us the direct proof. Just recently two local carpenters, working in the little village of Decatur, in Van Buren County, Mich., were discharged from a public job after it was learned that the county clerk's office showed that they had committed the crime of voting the Republican ticket in a primary election.

Still more recently a Decatur, Van Buren County, Mich., truck driver, applying for temporary work with a road-repairing gang, was handed a blank to be filled. This blank was headed "Application for endorsement by Van Buren County Democratic committee", and contained 52 questions. Among them were the following:

Did you vote in the primary of September 1934? ----- Democratic ----- Republican -----
Have you ever run for elective office? ----- On what ticket? -----
Ever held a political appointive position? ----- By whom appointed? -----
Did you vote in election of November 1934? -----
Have you contributed to any Democratic organization in county? -----
To whom? ----- How much since August 1, 1932? -----

And this is not an isolated instance. Beyond question, it is the common practice of the present Democratic machine.

I hold in my hand an application, form no. 100, received from Kalamazoo County yesterday. It is headed "Application for endorsement by Kalamazoo County Democratic Committee." This form is handed to those seeking not only political jobs but, in this particular instance, the blank was given to a man who was seeking relief work, and he was asked:

Are you a member of any Democratic organization or club? ----- Where? -----
Did you vote in the election of November 1934? -----
Have you contributed to any Democratic organization in Kalamazoo County? ----- To whom? ----- How much since August 1, 1932? -----
Are you now occupying the position for which you seek endorsement of the Kalamazoo County Democratic committee? -----

We appropriated \$4,880,000,000 for relief, and to get a part of it, to get an opportunity to work, men are asked to declare whether they voted the Democratic or the Republican ticket, and how much, if anything, they have contributed to the Democratic organization.

This application is one that came in from the Third District of Michigan from Kalamazoo County. It is not put out by a Republican organization. It is addressed to the Kalamazoo County Democratic committee.

Why do they want to know whether this truck driver voted at a primary election? Because at a primary election he must ask either for a Democratic or a Republican, or some other party ballot, so by looking at the registration list they can ascertain his politics.

Why do they want to know of what Democratic organization, if any, he was a member? Why do they ask, "Have you contributed to any Democratic organization?" and if he had, "How much since August 1, 1932?" Does his membership in a Democratic organization or the amount of his contribution assist in determining whether he is a competent truck driver, or whether he needed the job? Is it possible

that if he voted a Republican ticket he would be less capable of operating his truck, of filling his motor with oil, his tank with gasoline? Lubricating oil, by the way, seems to be the thing they are after; translated it means campaign funds.

You tax the people, all the people, Republicans as well as Democrats, for the purpose, as announced by this administration, of relieving suffering. Then when the man who, under the terms of the law, is entitled to aid goes to receive his share of that aid he cannot get it unless it appears that he is a good Democrat or will support the Democratic Party.

Can anyone in this House conceive of a more corrupt, of a more vicious, of a dirtier, more unprincipled manner of purchasing votes, of undermining the Government than this? If he can, then he must be in direct communication with the devil himself.

Do not misunderstand me. To my mind it is not conceivable that any Member of this House would be guilty of a practice like this, or that any Member of this House is responsible for this practice. In my judgment, it is the brain child of "Big" Jim Farley and others who lack the sense of political decency and common honesty.

One of the local papers yesterday stated that the President's publicity man had intimated rather broadly that powers from on high had advised the President of the coming flood danger and that he had made preparation to meet it. And so again the misery of the people was used to give publicity to a Presidential candidate.

Yet Republicans, when they oppose these appropriations, are charged with a lack of humanity, with being unsympathetic, with being willing to let people starve, go hungry and cold, lose their homes and their property, because we are not willing to vote unlimited funds into the hands of men who administer them as these funds have been shown to be administered.

I am complaining now, not of waste, not of extravagance, but of corruption, the sole purpose of which is to undermine our form of government.

Never will I vote to give men the money of the people of the Fourth Congressional District, to put funds into the custody of men like Harry Hopkins, when I know that a part of it can only reach those on relief if they agree to support the Democratic organization.

Republicans would be lacking, not in charity nor in sympathy nor in the finer feelings of humanity, but in good sense should they again vote to supply the Democratic Party treasury with campaign funds, as apparently this Congress did when it voted the \$4,880,000,000 to the President last year.

Mr. Speaker, the President has sent down a bill for relief; and when that comes up, in spite of the fact that he has several billion dollars—one or two; I do not know how much—if any Republican on this side refuses to give him more money, he will be charged with a lack of charity, with a lack of kindness, with being greedy, with being cruel, and with being willing to let people starve and freeze and suffer from every conceivable, imaginary thing that can afflict a human being. Just because we refuse to vote another billion or two so that it can be thrown into a canal in Florida—twelve million of it—dump it on the coast of Maine in the Passamaquoddy Dam, neither of which projects is of any practical value; waste it in thousands, hundreds of thousands—yes; in millions—of dollars; waste it in every conceivable way—just so that it brings a harvest of votes—if we refuse that, we will be charged as obstructionists. Use it in pretended relief work, and get a part of that back—no one knows how much—by way of contribution from relief workers, to be used for campaign purposes.

Oh, be fair; be a little charitable with us. Treat us just half-way decent, somewhat as you would like to be treated, and let it go at that, and we will be with you on all legitimate matters.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. No; my time has expired. [Applause.]

EMERGENCY RELIEF, DISTRICT OF COLUMBIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 543,

making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia, which I send to the desk and ask to have read.

The Clerk read as follows:

House Joint Resolution 543

Resolved, etc., That to provide an addition amount for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, \$350,000, to remain available until June 30, 1936, and to be payable from the revenues of the District of Columbia.

The SPEAKER. Is there objection to the immediate consideration of the resolution?

Mr. TABER. Reserving the right to object, Mr. Speaker, this is an item of \$350,000, payable out of the District revenues to carry the relief load along from now until the 1st of July?

Mr. BUCHANAN. To partially carry it along.

Mr. TABER. A deficiency item, entirely out of the District revenue?

Mr. BUCHANAN. Entirely so.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. RICH. Would it be possible to take care of that needy case that was spoken of by our colleague from Mississippi [Mr. DUNN] a few moments ago, if the \$350,000 is appropriated? The gentleman portrayed a picture that ought to touch the heart of every Member of Congress, and our colleague says that at 311 D Street is a family that needs every consideration. Might that be taken care of by this fund?

Mr. BUCHANAN. I think it is possible to take care of it out of this fund, but I do not think the gentleman need be uneasy about it. That case is going to be taken care of.

Mr. RICH. It would be fine if we did it.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

The resolution was passed.

On motion by Mr. BUCHANAN, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

ELECTRIC HOME AND FARM AUTHORITY

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461.

The Clerk read as follows:

House Resolution 461

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3424, a bill to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. COX. Mr. Speaker, of the 1 hour time allotted me, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY], to be by him yielded as he sees fit.

I now yield to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I offer an amendment to the resolution.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 1, line 6, strike out the period, insert a comma, and add the following: "and all points of order against said bill are hereby waived."

Mr. O'CONNOR. Mr. Speaker, I might say that some question has just arisen as to the possibility of a point of order being made on page 2, to what might be a reappropriation. In order to save time I have offered this amendment, which is very often included in a rule.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. O'CONNOR. Yes; I yield.

Mr. SNELL. Is it not also a question of a point of order whether this bill is rightfully on the calendar of the House? Does this amendment which the gentleman has offered preclude any point of order against that?

Mr. O'CONNOR. I believe it does.

Mr. SNELL. I do not know that I will make it, but I think it is subject to a point of order.

Mr. O'CONNOR. I know what the distinguished minority leader is referring to. The Rules Committee went into that situation and came to the conclusion the bill was properly on the calendar of the House, or we would not have granted the rule.

Mr. SNELL. But the gentleman will admit it is questionable, in any event?

Mr. O'CONNOR. Not as to the bill or the report on the bill. The question arose as to the supplemental report, which does not go to the status of the bill in the House.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The SPEAKER. The gentleman from Georgia [Mr. Cox] is recognized for 30 minutes.

Mr. COX. Mr. Speaker, the purpose of the bill, consideration of which the pending rule is to make in order, is to extend the life of the Electric Home and Farm Authority until February 1, 1937.

This corporation was created by virtue of an Executive order made under authority contained in the National Industrial Recovery Act. The life of the corporation will expire April 1. That creates an emergency, which is responsible for the measure coming here in this manner at this time.

The gentleman from Tennessee [Mr. McREYNOLDS] introduced the House bill during the last session, at the request of the President. That bill was in the latter days of the session reported by the Committee on Banking and Currency but not acted upon. The Senate has recently adopted the bill for which this rule is granted, which is identical with the McReynolds bill.

The Electric Home and Farm Authority is purely a finance company, a credit, not a selling institution. It provides a discount market for electrical appliance installment contracts for dealers, utility companies, and municipal power and light departments. It does not, as some have understood, sell the appliances. The corporation has at no time, nor does it expect, as far as we understand from the advice given us by those in charge, to enter the field of distribution. The operations of the corporation require no appropriation and will be no drain whatever upon the Treasury. It is under the conservative and experienced control of the Reconstruction Finance Corporation, eight trustees furnished by the Reconstruction Finance Corporation and one by the Rural Electrification Administration.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. COX. Yes; I yield.

Mr. SNELL. I do not see from examining the report of the hearings published by the committee anything to carry out the statement just made by the gentleman that there is no chance for a loss, or no chance of it being any cost to the United States Treasury. In the statement for the month of February, if any allowance whatever was made for reserves, it had been running at a loss. There was only \$201 profit in that month, without reserves; and out of \$9,000 total income, \$6,000 was a matter of salaries.

Mr. COX. The primary purpose of the corporation is not profit, I may say to the gentleman.

Mr. SNELL. Looking over the statement and following it through, my honest judgment is that there is a big loss in this company at the present time.

Mr. COX. The new corporation, organized under the laws of the District of Columbia, has not suffered a penny of loss.

Mr. SNELL. Right on this question, if the gentleman will yield further—

Mr. COX. I yield to the gentleman.

Mr. SNELL. Why was the capital stock reduced from \$1,000,000 to \$850,000?

Mr. COX. I want to be very frank with the House. This corporation at the outset was largely within the control of Mr. Lillienthal, of the Tennessee Valley Authority, and tremendous expenditures were made in the way of promotional activities or in carrying on promotional work. Of the total expenditures made by that agent of the Government in charge of the Tennessee Valley Authority \$150,000 was charged to this corporation. Under the reorganization, under the new corporation, this \$150,000 has practically been earned, and at the present time the corporation would liquidate \$964,000.

Mr. SNELL. As a matter of fact, the corporation is behind today, is it not?

Mr. COX. It approaches very closely the original sum of \$1,000,000 which was turned over to it.

Mr. SNELL. From the gentleman's own statement, then, to the present time the corporation is at least \$40,000 behind. Am I not correct?

Mr. COX. The corporation has not suffered a penny of loss on any of its operations; not one penny.

Mr. SNELL. That was not the question I asked, if the gentleman cares to answer it. I said that according to the gentleman's own statement, according to the figures he has just given, this corporation is at least \$40,000 behind. I do not know where the money went.

Mr. COX. I explained to the gentleman that at the outset those in charge were rather extravagant in spending money for promotional work.

Mr. SNELL. Why was the capital stock of the company reduced when it was reorganized in the District of Columbia?

Mr. COX. Because that was the money it had at its disposal, and it recapitalized to the extent of the total amount.

Mr. SNELL. Is it not a fact it was recapitalized at \$850,000 because \$150,000 had been lost?

Mr. COX. The \$150,000 was not lost.

Mr. SNELL. We will say it was spent.

Mr. COX. The \$150,000 was spent.

Mr. SNELL. I will accept the gentleman's interpretation. As a matter of fact, then, this corporation up to date has not paid its expenses.

Mr. COX. The history of the new corporation is that, so far as its earnings are concerned, although incorporated with a capital stock of \$850,000, it will liquidate at \$964,000, showing a very satisfactory earning.

Mr. SNELL. I did not say "earned"; I referred to the whole proposition.

Mr. COX. This is a new corporation; it is not the corporation originally set up; the original corporation transferred all its assets to the new corporation incorporated under the laws of the District of Columbia.

Mr. SNELL. It is to do the same kind of work, is it not?

Mr. COX. Yes; and at the present time it has a very satisfactory reserve. It has made a very remarkable record in the operations it has carried on.

Mr. SNELL. That is based on all its contracts for toasters, and so on, and so forth, being good at face value.

Mr. COX. I am very glad, of course, to yield to the gentleman in the effort to answer any questions he may propound; but my time is limited, and I want to use just a bit of it in a discussion of the bill.

Mr. SNELL. The gentleman has been generous. I thank him.

Mr. COX. There is nothing about this matter that I am interested in concealing. As a matter of fact, I have sought to be absolutely frank and give a true account of the \$150,000 representing the difference in the capitalization in the original corporation and the present corporation.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. COX. I hope the gentleman will suffer me, please, to discuss just to a brief extent the bill and the corporation.

Mr. Speaker, the corporation is earning its operating expenses and has, as I have stated, established very satisfactory reserves. Its current operations are so favorable that it has not utilized its line of credit with the Reconstruction Finance Corporation and does not owe this Corporation a dime. It is able to borrow money from the commercial banks at the rate for prime commercial paper. At the present time the corporation is getting its money at three-fourths of 1 percent.

There is an actual need for the type of service this corporation is rendering. It is making available this type of credit to people in areas where no such means of obtaining credit have heretofore existed. It originally operated in Georgia, Tennessee, Alabama, and, I believe, Mississippi; but the new corporation has contracts with utility people, I believe the hearings disclose, in 28 States and contemplate going into all States where like credit facilities are not available or existing facilities are not satisfactory.

Let me now bring to your attention what I think is the most important service the corporation has rendered.

As I previously stated, it has a sufficient income to enable it to meet all current expenses and to provide a reserve. It has not lost a dime. It has not been compelled to repossess a single appliance. It has not had a single lawsuit or even a threat of litigation. As satisfactory and as important as all this has been, the most important service it has rendered has been its influence upon interest charges heretofore maintained by credit institutions.

Mr. Speaker, it is a matter of common knowledge to everyone that interest charges in connection with installment transactions have previously been criminally high. But this corporation has through its activities been able to bring about a readjustment of interest charges on practically all similar transactions that result in savings to the extent of millions of dollars to the people who buy on the installment plan. For illustration, let me give you in figures the cost of credit of this type as charged by the corporation and that heretofore charged by similar private agencies.

On a \$50 credit for a term of 6 months the total charge of this corporation is \$3.22; whereas the General Motors Acceptance Corporation had a fixed charge of \$8, the General Security Co. a charge of \$7.12, and the Commercial Credit Co. a charge of \$8.26. On a short-term transaction the charge of this corporation is all the way from 33 1/3 percent to 50 percent of the charge made by private financing companies.

As I said, the setting up of this corporation was not intended for profit. It is simply set up for the purpose of extending this service and making available to a class of people not heretofore having the privilege or the source of credit which would enable them to buy facilities of this character. This corporation has done fine work, not in the profit it makes, because the Government is not interested in profit. It has reduced interest charges heretofore maintained by all finance companies, and this applies not only to Florida, Georgia, and Alabama, but to the New England States and every section of the country where people, poor people as a rule, have been imposed upon by the finance companies, if they were to enjoy these comforts and facilities and at the same time compelled to buy on time. Everyone knows how terrible they have been imposed upon by the finance companies in the way of exorbitant interest charges.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. COX. I yield to the gentleman from New Jersey.

Mr. CAVICCHIA. This corporation has done hardly any business. Why does the gentleman say it has caused interest rates to go down? Why not give credit to the Housing Corporation, which has brought credit rates down, not this corporation?

Mr. COX. The influence of the Housing Corporation does not approach that of this particular corporation in negotiating with these finance companies in the interest of decent interest rates. I want to say to the gentleman that of all the agencies set up by the Government I believe, so far as the poor people are concerned, this one agency has done as much as any other.

Mr. Speaker, I reserve the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, some general statements should be made as to how difficult it is to get rid of one of these new activities which are being from time to time set up by this present Government. A remarkable example came up here a day or two ago in the matter of C. C. C. camps. When the President himself tried to reduce them the Congress would not allow him to do it. A Democratic caucus was insisted upon and the President capitulated. Now we have this set-up which they wish to continue for still another year. It is attractive. They want to love it a little longer. It is very much like the man who wanted to say good-bye to his wife who was going away on a certain train. He asked the porter if he had time enough, and the porter simply said, "How long have you been married?" [Laughter.]

With reference to the C. C. C. camps, and speaking on behalf of New England, in my own congressional district even, the directors of the chamber of commerce in my county voted to allow two of these C. C. C. camps go without any remonstrance whatever. We were glad to help the administration reduce the expenses in connection with these set-ups for relief purposes.

This E. H. F. A. was an organization set up by the use of a part of the \$3,300,000,000, and the Congress had nothing to say about it.

Mr. Speaker, this is simply an offshoot of that remarkable T. V. A. experiment, of which Norman Thomas said, "It is the only perfect socialistic experiment I know about." The question is, How long should we support private purchases on the installment plan by the use of the public credit? We knew little about the second Executive order covering up the \$150,000,000 which was lost in the formation of the new corporation.

Mr. COX. Will the gentleman yield? There was no Executive order covering up anything.

Mr. GIFFORD. All right. The President set up this Delaware corporation. Finally another was set up here in Washington as a different corporation. As the gentleman stated, its capital was reduced because they only had \$850,000 anyhow, \$150,000 having been used up.

Mr. COX. The gentleman means \$150,000, I am sure.

Mr. GIFFORD. I thank the gentleman. We get so used to talking about millions and billions of dollars that I cannot get down to these low figures.

If you are boastful of the remarkable results of this thing, may I say that anyway you have only spent a million and a half. You could not have brought about a very wonderful condition with the expenditure of that amount of money. You will try to make it appear today that the activities of the corporation will be greatly broadened. Today, however, you only have 20 contracts in Illinois and two in Ohio. All the rest of the 8,000 contracts are within that little T. V. A. circle. We are told indirectly that you will not help New England unless you can come in there and force the power companies to come down in their rates to suit you. They will have to do that before you will do business with them. Then you are going to say to our dealers, as you did to these other dealers: "Cut out these frills on refrigerators. Do not charge \$300. Charge only \$150. Bring it down to that figure and we will finance you." The statement is made that this corporation has made \$97,000. Well, deferred earnings are queer profits to me. They have the contracts, but let us see how this thing works out.

Mr. SNELL. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from New York.

Mr. SNELL. On page 18 of the report of the committee it is stated that on the 1st of July last there was a surplus

of \$7,132,67. The same report states that since that time they have had an operating deficit up to February 29, 1936, of \$4,452,36, and when they put in their reserve for losses they have an operating deficit since July 31 of \$8,521,47. That is the committee's own statement.

Mr. GIFFORD. Yes; he who runs may read. It is available to everybody, as is this remarkable claim of profit of \$97,000 unearned.

Now, how do they do it? When the dealer finally assures these people that the refrigerators are the kind they ought to sell and within the pocketbook of the people in that vicinity, then the dealer will sell it and will take the contract to the power company. The power company collects every month, not only for the power but for the appliances sold by the dealer. The power company takes these contracts to this concern and discounts them at about 5 percent. The E. H. F. A. boasts that it is borrowing the money at 1 percent. There is the profit. Pay the salaries, and the rest is profit. Fine business for the Government, is it not? It is like a lot of other things. We hire the money at 1 percent, because the concern is backed by the Government, and then we try to put out of business other finance companies all over the United States, which, of course, have not any government back of them.

The E. H. F. A. can discount its paper at 1 percent, yet you ridicule General Motors because it has to charge 8 percent. All over this vast country of ours people who need automobiles have to go to these finance companies, and the competition of the finance companies themselves has really got the rate down as low as they can make it in all probability, but just because it is not a private or public utility, the man who wants an automobile or many other similar useful things is not to be eligible for such privileges as are given this T. V. A. class.

You cannot long fool the public. The trouble over here is that you have been trying to see eye to eye with the President of the United States so long that some of you have become cross-eyed, as someone has said. [Laughter.]

The gentleman from New Jersey will talk about the entire T. V. A., concerning which he is entirely familiar. However, I have studied this set-up. We know it has probably been a good thing for you who are in this small favored area. We know what this Government socialist experiment has done for you and how pleased you are to be thus favored in these three or four States. Do not try to fool us over here by saying you are going greatly to broaden its sphere and apply it over the entire country.

Then, again, even some of you on this side of the House, while trying to go along with the administration, rather doubt the wisdom of having high-pressure salesmen go to all these people, even within the T. V. A. district, and urge them to go into debt; but this is the way this administration is trying to bring about prosperity—by getting everybody to go into debt and making debtors of them all. Especially do you seem to care but little about adding to the indebtedness of the Government itself.

Then they say, "We have not lost anything lately, and there will be no drain on the Treasury." How shrewd they now are. They do not discount this note for the dealer until they are sure they have recourse to the dealer, and the dealer has to stand a pretty strict examination before they will lend him the money. They take very few chances, but they have lent for only 3 or 4 years. However, this venture is rather new, and repossessions have occurred in only 200 cases. They have made 8,000 contracts and they have had to repossess only 200, but before the 4 years are up they may have to repossess a great many more. Also they have to rely upon the dealer, and there may be some dealers who will do a lot of business under high-pressure salesmanship and may possibly fail. They may also have to take over the repossessed property of such dealers. They may have to take over the washing machine that "has been injured by so many suds being passed through it", as one of the committee expressed it. They may suffer some real losses. However, that is not the particular point at issue—profit or loss. Should this House continue to allow the public credit to be

constantly and continuously devoted to some particular section of the country?

Private industry has resettlement schemes, slum clearance, subsistence homesteads, and other things aided with Government funds to combat. I am sure the gentleman from Illinois can tie the activities of this organization up with the activities of other organizations, resulting in overlapping conditions.

Oh, how long, how long shall we continue to operate the Government for the benefit of some private organizations or some people in certain particular localities? But, anyway, do not today tell us, "Oh, it is going to spread all over the United States." We do not want it. The principle is wrong. I think you have had a long trial and that now private business ought to be permitted to come back and take over these things. Let no more speeches from this side of the House portray the marvelous prosperity which you have been painting lately as having been brought about by these alphabetical agencies.

I may remind you again that all this prosperity and all these schemes, like this E. H. F. A., are suspended from way up here [indicating] by one alphabetical support—the I O U—that and the public credit.

They are all suspended from that one support, and all that is really going to remain is thirty-six million and a half dollars of debt at the end of the fiscal year 1937.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HANCOCK of North Carolina. Is the gentleman opposed to this Electric Home and Farm Authority operating in his State?

Mr. GIFFORD. Yes; I am opposed to any such thing. For instance, I read of one city in a neighboring State having had an allotment of \$800,000 for slum clearance, and there is not a slum in it. [Laughter.]

Mr. CREAL. Will the gentleman yield?

Mr. GIFFORD. I will yield briefly.

Mr. CREAL. Can the gentleman suggest any remedy to bring about his suggestion?

Mr. GIFFORD. Yes; the Democratic platform of 1932 [laughter], the platform you had but never put into operation—I should like to try it. [Laughter.]

Mr. KELLER. Is the gentleman in favor of that?

Mr. GIFFORD. Most of it. But you have spent all of our money, and when we come into power we will not have a dollar to use for any new purposes; you have spent it all.

You have built the new Government house, and we must live in it and try to pay for it gradually by the sort of economy and balanced budgets which you promised in that platform.

Mr. MORAN rose.

Mr. GIFFORD. I will yield to the gentleman from Maine.

Mr. MORAN. Did the gentleman favor the platform of 1932?

Mr. GIFFORD. I have said here many times, although it would seem that the gentleman could not have been present, that I am for the platform of 1932, or much of it. But you have thrown it wholly aside. It is still new, "having never been used."

Mr. MORAN. I asked if the gentleman favored the platform in 1932?

Mr. GIFFORD. I favor the most of it. I differ with a few of the principles. You said in it that you were going to abolish useless bureaus. We were in favor of that. You said you would balance the Budget, and we were in favor of that.

The SPEAKER pro tempore (Mr. GREEN). The time of the gentleman from Massachusetts has expired.

Mr. SNELL. Mr. Speaker, this is a very important bill, and very few Members are present. I make the point of order that there is no quorum present.

The SPEAKER pro tempore (Mr. GREEN). The gentleman from New York makes the point of order that there is no quorum present. Evidently there is not a quorum present.

Mr. RANKIN. Mr. Speaker, I move a call of the House. The motion was agreed to.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 49]

Adair	Dear	Kee	Rogers, N. H.
Allen	Doutrich	Kennedy, Md.	Romjue
Amle	Driver	Kocialkowski	Rudd
Andrews, N. Y.	Duffy, N. Y.	Kvale	Sabath
Binderup	Eckert	Lewis, Md.	Sanders, La.
Bland	Elcher	Luckey	Schulte
Brennan	Englebright	McGroarty	Sisson
Brooks	Evans	McReynolds	Steagall
Buckbee	Fish	McSwain	Summers, Tex.
Buckley, N. Y.	Flannagan	Maas	Sutphin
Bulwinkle	Fulmer	Marshall	Thomas
Burch	Gray, Ind.	Martin, Mass.	Tobey
Cannon, Wis.	Greenway	May	Treadway
Carmichael	Greever	Montague	Underwood
Cartwright	Guyer	Nichols	Wilson, La.
Claiborne	Haines	O'Day	Wolcott
Clark, Idaho	Halleck	Oliver	Wood
Collins	Hartley	Perkins	Zioncheck
Connerly	Hobbs	Plumley	
Cooper, Ohio	Hoepfel	Rabaut	
Darden	Hook	Robison, Ky.	

The SPEAKER. Three hundred and forty-nine Members are present, a quorum.

Mr. COX. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

Mr. RANSLEY. Mr. Speaker, I yield 15 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Speaker, I take it that, irrespective of how meritorious or altruistic the ends to be attained may be, we, as Members of the Congress of the United States, are particularly interested in the legality of the method and the safety of the means by which those ends are to be attained. Therefore I am not so much concerned at this time with the object and purposes of this corporation as I am with the means which have been adopted for carrying on its activities. The Electric Home and Farm Authority of the District of Columbia is a corporation organized under the laws of the District of Columbia, the successor of a private corporation organized under the laws of the State of Delaware by those who constituted the Tennessee Valley Authority. It is said that in sections 1, 2, and 208 of the National Recovery Act authority is vested in the President of the United States to authorize or command the incorporation of such an organization and constitute it an agency of the United States. I shall not take the time now to read those sections but shall incorporate them in my remarks so that gentlemen may refresh their memory. I venture to say that there is not a Member of this House who will say to me after having read those sections that by any rule of statutory construction he has the slightest idea that they confer upon the President of the United States the right to incorporate, under State law, corporations to carry on Federal activities.

SECTION 1. A national emergency productive of widespread unemployment and disorganization of industry, which burdens interstate and foreign commerce, affects the public welfare, and undermines the standards of living of the American people, is hereby declared to exist. It is hereby declared to be the policy of Congress to remove obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and to provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, to induce and maintain united action of labor and management under adequate governmental sanctions and supervision, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of industries, to avoid undue restriction of production (except as may be temporarily required), to increase the consumption of industrial and agricultural products by increasing purchasing power, to reduce and relieve unemployment, to improve standards of labor, and otherwise to rehabilitate industry and to conserve natural resources.

ADMINISTRATIVE AGENCIES

SEC. 2. (a) To effectuate the policy of this title, the President is hereby authorized to establish such agencies, to accept and utilize such voluntary and uncompensated services, to appoint, without regard to the provisions of the civil-service laws, such officers and employees, and to utilize such Federal officers and employees, and, with the consent of the State, such State and local officers and employees, as he may find necessary, to prescribe their authorities, duties, responsibilities, and tenure, and, without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed.

(b) The President may delegate any of his functions and powers under this title to such officers, agents, and employees as he may designate or appoint, and may establish an industrial planning and research agency to aid in carrying out his functions under this title.

(c) This title shall cease to be in effect, and any agencies established hereunder shall cease to exist at the expiration of 2 years after the date of enactment of this act, or sooner if the President shall by proclamation or the Congress shall by joint resolution declare that the emergency recognized by section 1 has ended.

SEC. 208. To provide for aiding the redistribution of the overbalance of population in industrial centers \$25,000,000 is hereby made available to the President, to be used by him through such agencies as he may establish and under such regulations as he may make for making loans for and otherwise aiding in the purchase of subsistence homesteads. The moneys collected as repayment of said loans shall constitute a revolving fund to be administered as directed by the President for the purposes of this section.

I am opposed to this method of creating Government agencies. It trespasses upon the prerogatives of the Congress and has been frequently criticized by our courts.

Mr. James M. Beck sums up the situation completely in *Our Wonderland of Bureaucracy*:

No Government device has been as mischievous as the unnecessary expedient of incorporating some special function of the Government into a business corporation, chartered under State laws. It has dissipated responsibility and permitted employees of the United States, under the mask of a State charter, to avoid all reasonable administrative regulations and impose upon the taxpayers an intolerable burden of extravagant expenditures often increased by gross corruption.

If we need to clothe our governmental agencies in corporate form, we had better enact a general Federal act for that purpose.

This particular corporation was organized under the laws of the District of Columbia. It is said that it will expire by limitation in April. By its charter it does not expire until the 25th of August 1937.

In the Executive order of the President by which this corporation is designated as an agency of the Government there is no such limitation. It is hinted, however, that, due to some limitation under which they are operating through the Reconstruction Finance Corporation, this legislation is necessary, but the testimony adduced at the hearings does not bear this out, so there is no particular hurry for this legislation.

A few days ago there came into the House a suggestion from the President of the United States that he was studying the coordination of all Government activities and asking the cooperation of Congress to that end. Would it not be better to postpone further consideration of this matter pending such study than to further complicate the situation by its enactment? This is one of those activities that ought to have very serious consideration and the very serious investigation of the President and his coordinating committee. This corporation was organized under the laws of the District of Columbia to take over and succeed the Electric Home and Farm Authority previously organized under the laws of the State of Delaware. The previously incorporated company was organized by the directors of the Tennessee Valley Authority.

At one of their meetings they discussed the desirability of finding markets for and encouraging the greater use of electricity. At that meeting it was determined that these activities could not be undertaken without authority from Congress. At least at that time these gentlemen showed a proper conception of our system of Government. Notwithstanding this knowledge, they obtained from the President an Executive order pursuant to which they incorporated themselves under the laws of the State of Delaware to carry on this activity, and had allotted to them \$1,000,000 of emergency-relief funds.

This is not the only corporation these gentlemen organized. They also incorporated the Tennessee Valley Cooperatives under the laws of the State of Tennessee, and I have reason to believe others, for which they received allotments of relief funds.

None of these corporations are required to report to Congress, and the officers are not amenable to any of the laws placing limitations upon the activities of Government officials.

No sooner was this corporation organized—the Delaware Co.—than Dr. Arthur E. Morgan, Mr. Harcourt A. Morgan, and Mr. David E. Lilienthal, directors of the Tennessee Valley Authority, as directors of the new company, created 22 positions, which they filled with persons of their own choice, with salaries ranging from \$6,000 to \$1,440, creating through this corporation without any instruction or authority from Congress a pay roll amounting to \$58,900. Under the Tennessee corporation, the Tennessee Valley Cooperatives, they created nine offices with salaries ranging from \$6,800 down to \$1,200, an annual pay roll of \$23,880. The detail of these pay rolls I here set out:

Electric Home and Farm Authority, salary roll

Salary	Number	Total
\$6,000.....	2	\$12,000
\$4,500.....	1	4,500
\$3,200.....	2	6,400
\$2,900.....	5	14,500
\$2,300.....	3	6,900
\$2,000.....	1	2,000
\$1,800.....	1	1,800
\$1,620.....	5	8,100
\$1,260.....	1	1,260
\$1,440.....	1	1,440
Total.....	22	58,900

Tennessee Valley Associated Cooperatives, salary roll

Salary	Number	Total
\$6,800.....	1	\$6,800
\$2,900.....	2	5,800
\$2,300.....	2	4,600
\$2,000.....	1	2,000
\$1,800.....	1	1,800
\$1,620.....	1	1,620
\$1,250.....	1	1,250
Total.....	9	23,880

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. McLEAN. I would rather not. Let us not be deceived about this situation. This is not a bill simply to continue the Electric Home and Farm Authority, a corporation of the District of Columbia. As a matter of fact, Congress has no power to do that. The Government of the United States, through its agents, has subjected itself to the laws of the District of Columbia, and the men who incorporated this company have all the power, all the right, and privilege they need to continue their existence by doing as they did in the first instance, by simply filing a certificate. We are told that the purpose of this corporation is merely to carry on the business of financing the sale of electrical appliances; that this is simply a matter of continuing this corporation. That is hardly so. There is much more involved. I direct your attention to the fact that this is the first time this matter has come before this body, and that a vote for this apparently simple little measure is committing the Government of the United States to engage in the installment business, to the loaning of money on notes and chattel mortgages. This is the first opportunity you have had to vote as to whether or not, first, you believe your Government should enter into that kind of activity, and, secondly, that it is proper for the Government of the United States to engage in the small-loan business under the authority delegated to it under the Constitution of the United States.

In the report on this bill the proponents of this measure have the temerity to say that this is the opening wedge; that in the future it will be the purpose of the Government to enter into the same kind of business on all kinds of chattels. That could easily be the case. The authority which these men can take upon themselves, under the powers granted when they prepared their certificate of incorporation, and created themselves, with money of the United States, a corporation under the District of Columbia would permit of it. Their powers are:

First, the name of the corporation shall be the Electric Home and Farm Authority, and the object and purpose for which it is formed is to aid in the distribution, sale, and installation of electrical apparatus, equipment, and appliances (together with

plumbing and other apparatus, equipment, and appliances operated thereby or in connection therewith) and in furtherance of such purposes;

And so forth. Mr. Speaker, if this bill is enacted, you place in the hands of Government employees the operation of this corporation, incidental to their other activities, but free from many restraints which have come to be recognized as not only desirable but necessary to guide those entrusted with Government functions. Our history has taught that it is desirable there should be on the statute books laws calculated to carry on governmental affairs honestly, to the end that Government money may be handled with integrity. Every Cabinet officer and all his assistants are limited by certain laws, as well as every other Government department. It has been held that many of these laws do not apply where the Government is acting through the instrumentality of a corporation created under State law, even though the Government owns all the stock. Such a situation is an invitation to wrongdoing.

Mr. Speaker, I call attention to the fact that this is not the only corporation that we may expect to have come before us for this sort of recognition. I have in mind a list of 25 corporations similarly organized under the laws of the State of Delaware, by Government officials. The Public Works Emergency Housing Corporation, the incorporators of which were no less personages than the Secretary of the Interior, Mr. Ickes, Secretary Perkins, and Mr. Kohn, is a holding company. There are 19 homestead corporations, the stock of which is held by this housing corporation, all existing under and by virtue of the laws of the State of Delaware.

I know of two in the State of Maine—the Fisherman's Relief Corporation and the Maine Coast Fisheries Corporation, incorporated under the laws of the State of Maine. Officials of those corporations were engaged in the emergency relief operations. I know of five in Minnesota and two in California, and I ask the privilege of enumerating these various Delaware corporations in my remarks at this point.

FEDERAL CORPORATIONS INCORPORATED IN DELAWARE

Public Works Emergency Housing Corporation, incorporated October 28, 1933. Authorized capital, 3 shares, without par value. Agent, the Corporation Trust Co., Industrial Trust Building, Wilmington. Incorporators: Harold L. Ickes, Washington, D. C.; Frances Perkins, Washington, D. C.; Robert D. Kohn, Washington, D. C.

Federal Subsistence Homesteads Corporation, incorporated November 24, 1933. Authorized capital, 100 shares, par value \$100. Resident agent, Corporation Trust Co., Industrial Trust Building. Incorporators: Harold L. Ickes, Washington, D. C.; M. L. Wilson, Washington, D. C.; Oscar L. Chapman, Washington, D. C.

Federal Surplus Relief Corporation, incorporated October 4, 1933. No authorized capital. Resident agent, Corporation Trust Co., Industrial Trust Building. Incorporators: Henry A. Wallace, Washington, D. C.; Harold L. Ickes, Washington, D. C.; Harry L. Hopkins, Washington, D. C.

Electric Home and Farm Authority, Inc., incorporated January 17, 1934. Authorized capital, 10,000 shares, par value \$100. Resident agent, Corporation Trust Co., Industrial Trust Building. Incorporators: Arthur E. Morgan, Knoxville, Tenn.; Harcourt A. Morgan, Knoxville, Tenn.; David E. Lillenthal, Knoxville, Tenn.

Commodity Credit Corporation, incorporated October 17, 1933. Authorized capital, 30,000 shares, par value \$100. Resident agent, Corporation Trust Co., Industrial Trust Building. Incorporators: Henry A. Wallace, Washington, D. C.; Henry Morgenthau, Jr., Washington, D. C.; Oscar Johnston, Washington, D. C.

Public Works Emergency Leasing Corporation, incorporated January 3, 1934. Authorized capital, 3 shares, without par value. Resident agent, Corporation Trust Co., Industrial Trust Building. Incorporators: Harold L. Ickes, Washington, D. C.; Oscar L. Chapman, Washington, D. C.; Theodore A. Walters, Washington, D. C.

All of the above-named companies are in existence and in good standing except the Public Works Emergency Leasing Corporation, which filed surrender of corporate franchise on January 2, 1935.

Austin Homesteads, Inc., incorporated January 16, 1934.
Duluth Subsistence Homesteads, Inc., incorporated March 17, 1934.

Richton Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Chancellorsville Homestead Community, Inc., incorporated December 12, 1933.

Jersey Homesteads, Inc., incorporated December 12, 1933.
Penderlea Homesteads, Inc., incorporated December 13, 1933.

Tygart Valley Homesteads, Inc., incorporated December 12, 1933.
Laurel Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Mahoning Garden Homesteads, Inc., incorporated December 20, 1933.

Meridian Homesteads of Mississippi, Inc., incorporated December 29, 1933.

McComb Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Tupelo Homesteads of Mississippi, Inc., incorporated December 29, 1933.

Westmoreland Homesteads, Inc., incorporated December 20, 1933.

Delaware Homestead Community, Inc., incorporated January 4, 1934.

Monroe County Homesteads, Inc., incorporated January 4, 1934.

Wisconsin Forest-Farm Homesteads, Inc., incorporated January 4, 1934.

Birmingham Homesteads, Inc., incorporated December 30, 1933.

Hattiesburg Homesteads of Mississippi, Inc., incorporated January 16, 1934.

Jasper Homesteads, Inc., incorporated January 16, 1934.

All of the above-named companies are in existence and good standing, with an authorized capital stock of 10 shares par value \$100, and the following-named incorporators: Frank Fritts, Washington, D. C.; Philip M. Glick, Washington, D. C.; Helen McLean, Washington, D. C.

The resident agent of all of the above-named companies is Corporation Trust Co., Industrial Trust Building, Wilmington, Del.

Mr. Speaker, this bill, while apparently merely extending the existence of a corporation, establishes a Government policy. Those who are appointed under it will not account to Congress. Their accounts are not to be subject to criticism by the Appropriations Committee. There is no method provided whereby they shall report to the Congress of the United States any of their activities. So we will find ourselves in the position every year, when any one of these matters comes before the Congress, just as we are today, trying to find out what these men did with Government money; where they invested it; how many employees they have; whether or not they are under civil service, and what their losses are during the year and what their assets are.

I venture to say from what I have observed before the Committee on Military Affairs, inquiring into the affairs of the Tennessee Valley Authority that an honest and correct statement of the affairs of this Electric Home and Farm Authority in the State of Tennessee will show a wide discrepancy in disbursements made of moneys of the United States, outside of and beyond authority even under the Industrial Recovery Act.

This is an important matter, Mr. Speaker, yet it has had very limited consideration. The bill was introduced in the Senate and was reported out with practically no report. It passed the Senate with very limited debate. It comes before the House, and only with strong insistence do we get the kind of report which gives us the meager information which we have before us today. However, I read the supplemental report of the committee with some satisfaction.

I have been trying to ascertain the reason for the destruction of the Delaware corporation and the creation of the new one in the District of Columbia, and in the report I find it states that it came about because of the criticism of the Electric Home and Farm Authority created by the Tennessee Valley directorate. I do not know from whom the suggestion came, but I assume influential Government officials deemed it wise to change the corporation and put it into different hands, and it is justified in the report on the ground that it is an adjunct of the Reconstruction Finance Corporation; that they had the right to incorporate it. Can a subordinate body of this Government create governmental agencies by organizing private corporations? Can the Reconstruction Finance Corporation create agencies which to them seem proper without any consideration or authority from the Congress? We might as well say that the Supreme Court of the United States can establish inferior courts and outline their jurisdiction as to adopt any such doctrine as that. [Applause.]

The SPEAKER. The time of the gentleman from New Jersey [Mr. McLEAN] has expired.

Mr. COX. Mr. Speaker, I yield the remainder of my time to the gentleman from Alabama [Mr. HILL].

The SPEAKER. The gentleman from Alabama is recognized for 9 minutes.

Mr. HILL of Alabama. Mr. Speaker, it is true that the charter of this corporation, the Electric Home and Farm Authority, as a District of Columbia corporation, would not expire until next August; but it is equally true that the

corporation would cease to function as a governmental agency on April 1 of this year, unless the bill is passed. The purpose of the bill is to extend the life of the corporation as a governmental agency from April 1 for the period of 10 months, until February 1, 1937.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I cannot yield at this point. I have only a few minutes.

Mr. Speaker, my good friend the gentleman from New Jersey has spoken of the salaries of the officers of the corporation as though great salaries had been piled up and pay rolls had been padded. The truth about it is that the corporation has today only 22 employees, and the salaries paid these 22 employees are strictly in line with the salaries provided by the Classification Act for the general employees of the Government.

Under the Executive order of the President the books and accounts of the corporation are audited and checked by the Comptroller General just as are the accounts of the other departments of our Government.

One reason for changing this corporation from a Delaware corporation to a District of Columbia corporation was to put it in a better position to the end that its operations might not be localized in the Tennessee Valley. The Delaware corporation had as its directors the three directors of the Tennessee Valley Authority.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I am sorry I cannot yield; I have no time to yield.

In order that the corporation might not be localized in its activities to the Tennessee Valley, that it might be in a better position to extend its advantages and benefits throughout the country, to all of the States, the District of Columbia corporation was organized. Eight of its trustees come from the Reconstruction Finance Corporation and one from the Rural Electrification Authority. We in the Tennessee Valley have in the past received the benefits to be derived from this corporation. The benefits to follow the passage of this bill today should go in large measure to people in other sections of the country.

The corporation today is on a sound, businesslike, economical basis. It is in no way attempting to subsidize the sale or purchase of these electrical appliances, but it does provide a means whereby the consumers can purchase these electrical appliances at fair and reasonable financing rates and upon long terms of credit.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HILL of Alabama. I am sorry, but I cannot yield; I simply have not the time.

Mr. Speaker, to show how sound this corporation is in its business affairs, it is today borrowing money from private banks for three-fourths of 1 percent. It is today earning its operating expenses. It has not sustained a single credit loss and it has not had to repossess a single electrical appliance. The truth is that it is not going to sustain any real losses for the reason that whenever it finances the purchase of electrical appliances the purchaser makes the contract over to the dealer. The dealer in turn assigns the contract to the corporation and also endorses the purchaser's note and goes still further and signs a contract of repurchase, agreeing that in the event there should be any default he, the dealer, will repurchase the contract. The corporation has reduced the interest rates on the purchase price of these electrical appliances on an average of from 12 percent to between 6 percent and 7 percent. It has permitted the private utilities to go into fields where private capital in the past has been unwilling to venture. It is giving to the people out on the farms, in the small townships, in the small communities, as well as in the cities, the opportunity to have the benefits and blessings of these electrical appliances which they never had before. Through the financing of this corporation the people in these places are able to get these benefits.

This is a recovery measure. It raises the standard of living of the purchasers. It provides business for the dealers in electrical appliances, and it has done much to provide the utilities, the power companies, with a power load. One

of the great problems of the utilities is to build up their power load, and nothing builds up the load like the installation of electrical appliances. In 1934 the manufacturers of electrical appliances in the United States gave quotas to the different dealers throughout the country. In the State of Georgia, where the corporation was operating, the dealers obtained the extraordinary high mark of 353.4 percent of the quota assigned to them in the sale of these appliances. In Tennessee the dealers attained 234 percent. In my State of Alabama they attained 235 percent of their quota. The Tennessee Electric Power Co. last year was awarded the Edison Institute medal for showing the largest increase in business of any power company in the country. This Corporation made it possible for the people to buy the appliances that made the market for the power, and the Tennessee Electric Power Co. won the medal.

What we wish to do now is to make it possible for the Farm Bureau Federation in Ohio to begin its program to electrify the farms in that State. The Ohio Farm Bureau is today in negotiation with the Electric Home and Farm Authority, working out a plan to take these appliances and blessings of electricity to the farm people of Ohio. One hundred and thirty-six different associations, companies, or plants in 36 different States are in contact with the corporation—all looking to the benefit of millions of people in the country. The corporation and its operations are an integral and important part of the New Deal power program. The President wants this bill passed. The people want this bill passed. Let us do our part and pass it.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 106, noes 30.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 260, nays 71, not voting 99, as follows:

[Roll No. 50]

YEAS—260

Ashbrook	Cox	Fletcher	Kennedy, N. Y.
Ayers	Cravens	Ford, Calif.	Kerr
Bankhead	Creal	Ford, Miss.	Kleberg
Barden	Crosby	Frey	Kloeb
Barry	Cross, Tex.	Gambrill	Kniffin
Belter	Crosser, Ohio	Gassaway	Kopplemann
Bell	Crowe	Gavagan	Kramer
Berlin	Cullen	Gearhart	Lambertson
Biermann	Curley	Gehrmann	Lambeth
Bland	Deen	Gilchrist	Lanham
Blanton	Delaney	Gildea	Larrabee
Bloom	Dempsey	Gingery	Lea, Calif.
Boehne	DeRouen	Goldsborough	Lee, Okla.
Bolleau	Dickstein	Granfield	Lemke
Boland	Dies	Gray, Pa.	Lesinski
Boykin	Dietrich	Green	Lewis, Colo.
Boylan	Dingell	Greenwood	Lucas
Brown, Ga.	Disney	Gregory	Ludlow
Brown, Mich.	Dobbins	Griswold	Lundeen
Buchanan	Dockweiler	Gwynne	McAndrews
Buck	Dorsey	Hancock, N. C.	McClellan
Buckler, Minn.	Doughton	Harlan	McCormack
Caldwell	Doxey	Hart	McFarlane
Cannon, Mo.	Drewry	Healey	McGehee
Cannon, Wis.	Duffey, Ohio	Higgins, Mass.	McGrath
Carpenter	Duffy, N. Y.	Hildebrandt	McKeough
Cartwright	Duncan	Hill, Ala.	McLaughlin
Casey	Dunn, Miss.	Hill, Knute	McMillan
Castellow	Dunn, Pa.	Hook	McSwain
Chandler	Eagle	Houston	Mahon
Chapman	Eckert	Huddleston	Marcantonio
Citron	Edmiston	Hull	Martin, Colo.
Clark, N. C.	Elcher	Jacobsen	Mason
Cochran	Ekwall	Jenckes, Ind.	Massingale
Coffee	Ellenbogen	Johnson, Okla.	Maverick
Colden	Eddis	Johnson, Tex.	Mead
Cole, Md.	Farley	Johnson, W. Va.	Meeks
Colmer	Ferguson	Jones	Merritt, N. Y.
Cooley	Fiesinger	Keller	Miller
Cooper, Tenn.	Fitzpatrick	Kelly	Mitchell, Ill.

Mitchell, Tenn.	Peyser	Schuetz	Thomason
Monaghan	Pfeifer	Schulte	Thompson
Moran	Pierce	Scott	Tolan
Moritz	Polk	Scrugham	Tonry
Murdock	Quinn	Sears	Turner
Nelson	Ramsay	Secrest	Umstead
Nichols	Ramspeck	Shanley	Utterback
Norton	Randolph	Smith, Conn.	Vinson, Ga.
O'Brien	Rankin	Smith, Va.	Vinson, Ky.
O'Connell	Rayburn	Smith, Wash.	Wallgren
O'Connor	Reece	Smith, W. Va.	Walter
O'Day	Reilly	South	Wearin
O'Leary	Richards	Spence	Weaver
O'Malley	Richardson	Stack	Welch
O'Neal	Robertson	Starnes	Werner
Palmsano	Robinson, Utah	Stefan	West
Parks	Rogers, Okla.	Stubbs	Whelchel
Parsons	Russell	Sullivan	White
Patman	Ryan	Sutphin	Whittington
Patterson	Sabbath	Sweeney	Wilcox
Patton	Sanders, Tex.	Tarver	Williams
Pearson	Sandlin	Taylor, Colo.	Withrow
Peterson, Fla.	Sauthoff	Taylor, S. C.	Wolverton
Peterson, Ga.	Schaefer	Taylor, Tenn.	Woodrum
Pettengill	Schneider, Wis.	Terry	Zimmerman

NAYS—71

Andresen	Crowther	Jenkins, Ohio	Ransley
Andrew, Mass.	Culkin	Kahn	Reed, Ill.
Arends	Darrow	Kenney	Rich
Bacharach	Dirksen	Kinzer	Rogers, Mass.
Bacon	Ditter	Knutson	Seger
Blackney	Dondero	Lehlbach	Short
Bolton	Eaton	McLean	Snell
Brewster	Engel	McLeod	Stewart
Burnham	Fenerty	Main	Taber
Carlson	Focht	Mapes	Thurston
Carter	Goodwin	Martin, Mass.	Tobey
Cavicchla	Hancock, N. Y.	May	Turpin
Christianson	Hartley	Merritt, Conn.	Wadsworth
Church	Hess	Michener	Wigglesworth
Cole, N. Y.	Higgins, Conn.	Millard	Wilson, Pa.
Collins	Hoffman	Mott	Wolfenden
Costello	Holmes	Pittenger	Woodruff
Crawford	Hope	Powers	

NOT VOTING—99

Adair	Doutrich	Hollister	Robson, Ky.
Allen	Driscoll	Imhoff	Rogers, N. H.
Amie	Driver	Kee	Romjue
Andrews, N. Y.	Englebright	Kennedy, Md.	Rudd
Beam	Evans	Kocialkowski	Sadowski
Binderup	Fernandez	Kvale	Sanders, La.
Brennan	Fish	Lamneck	Shannon
Brooks	Flannagan	Lewis, Md.	Sirovich
Buckbee	Fuller	Lord	Sisson
Buckley, N. Y.	Fulmer	Luckey	Snyder, Pa.
Bulwinkle	Gasque	McGroarty	Somers, N. Y.
Burch	Gifford	McReynolds	Steagall
Burdick	Gillette	Maas	Summers, Tex.
Carmichael	Gray, Ind.	Maloney	Thom
Cary	Greenway	Mansfield	Thomas
Celler	Greever	Marshall	Tinkham
Clalborne	Guyer	Montague	Treadway
Clark, Idaho	Haines	Montet	Underwood
Connery	Halleck	Oliver	Warren
Cooper, Ohio	Hamlin	Owen	Wilson, La.
Corning	Harter	Perkins	Wolcott
Cummings	Hennings	Plumley	Wood
Daly	Hill, Samuel B.	Rabaut	Young
Darden	Hobbs	Reed, N. Y.	Zioncheck
Dear	Hoepfel	Risk	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Harter (for) with Mr. Halleck (against).
 Mr. Carmichael (for) with Mr. Robson of Kentucky (against).
 Mr. McReynolds (for) with Mr. Wolcott (against).
 Mr. Warren (for) with Mr. Hollister (against).
 Mr. Driscoll (for) with Mr. Reed of New York (against).
 Mr. Fuller (for) with Mr. Marshall (against).
 Mr. Flannagan (for) with Mr. Thomas (against).
 Mr. Rabaut (for) with Mr. Treadway (against).

General pairs:

Mr. Corning with Mr. Cooper of Ohio.
 Mr. Beam with Mr. Gifford.
 Mr. Fulmer with Mr. Lord.
 Mr. Oliver with Mr. Perkins.
 Mr. Bulwinkle with Mr. Tinkham.
 Mr. Samuel B. Hill with Mr. Risk.
 Mr. Burch with Mr. Plumley.
 Mr. Connery with Mr. Maas.
 Mr. Driver with Mr. Allen.
 Mr. Mansfield with Mr. Doutrich.
 Mr. Summers of Texas with Mr. Guyer.
 Mr. Montague with Mr. Hoffman.
 Mr. Steagall with Mr. Fish.
 Mr. Lamneck with Mr. Buckbee.
 Mr. Romjue with Mr. Andrews of New York.
 Mr. Brooks with Mr. Englebright.
 Mr. Cary with Mr. Burdick.
 Mr. Rudd with Mr. Amie.
 Mr. Owen with Mr. Kvale.

Mr. Gray of Indiana with Mr. Rogers of New Hampshire.
 Mr. Adair with Mr. Celler.
 Mr. Shannon with Mr. Kee.
 Mr. Daly with Mr. Luckey.
 Mr. Thom with Mr. Evans.
 Mr. Montet with Mr. Zioncheck.
 Mr. Sisson with Mr. Clark of Idaho.
 Mr. Haines with Mr. Sanders of Louisiana.
 Mr. Clalborne with Mr. Kennedy of Maryland.
 Mr. Cummings with Mr. Snyder of Pennsylvania.
 Mr. Fernandez with Mr. Young.
 Mr. Maloney with Mr. Wood.
 Mr. Dear with Mr. Somers of New York.
 Mr. Lewis of Maryland with Mr. Imhoff.
 Mr. Brennan with Mr. Sirovich.
 Mr. Gasque with Mr. Binderup.
 Mr. Darden with Mr. Hobbs.
 Mr. Greever with Mr. Gillette.
 Mrs. Greenway with Mr. Buckley of New York.
 Mr. Kocialkowski with Mr. Hennings.
 Mr. Hamlin with Mr. Wilson of Louisiana.

Mr. WOLVERTON changed his vote from "nay" to "yea."
 The doors were opened.

The result of the vote was announced as above recorded.

RELIEF TO FLOOD SUFFERERS IN OHIO RESULTING FROM FLOODS IN THE OHIO VALLEY

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, ladies and gentlemen of the House, I have this day introduced the following House joint resolution:

Resolved, etc., That there be hereby appropriated from any unallocated and unappropriated balances remaining from the appropriation made available by reason of Public Resolution No. 11 of the Seventy-fourth Congress the sum of \$1,000,000 to be used to relieve suffering and remove menaces to public health and rehabilitate stricken families and business concerns in the State of Ohio resulting from the recent floods in the Ohio River Valley. Said moneys to be distributed immediately and under the direction of the Administrator of the Works Progress Administration.

The Ohio River is for about 175 miles the southern boundary of the district which I have the honor to represent. It is a majestic river. It is considered the most beautiful river in America and is better equipped to carry river traffic than probably any river in the world. The people in the Ohio Valley near this great river are perennially troubled with disastrous floods. No one not having had experience with these floods can appreciate the damage and inconvenience they cause. I am glad to report that the Army engineers have given great consideration to the question of flood prevention. Already the Miami conservancy district in Ohio has been constructed and has proven its worth many times over. The Muskingum Valley conservancy project is now in the process of construction. A few more similar improvements on the headwaters of the Ohio and on its larger tributaries will go a long way toward the prevention of these floods.

The flood of a few days ago was very destructive, especially in the northern reaches of the Ohio River. While the flood as it swept through the towns and cities of my district did not carry any imminent danger to life, still it did carry tremendous financial loss to all classes of people and a tremendous threat to the health and happiness of the people.

In the eastern part of Ohio the water moved with greater rapidity and reached a higher level than the 1913 flood and caused much more damage. I had a letter sent me by Mr. Edgar R. Cochran, of Steubenville, Ohio, who made a survey of the conditions in Jefferson, Belmont, and Columbiana Counties, with which letter he enclosed copy of an official report made by him to Dr. Carl Watson, who is Works Progress administrator for the State of Ohio. That report reads as follows:

MARCH 23, 1936.

Official report on Ohio River flood conditions from Wellsville, Columbiana County, to Powhatan, Belmont County, filed with Dr. Carl Watson, Ohio W. P. A. chief, by Edgar R. Cochran, Steubenville, representing the American Legion in Jefferson, Belmont, and Columbiana Counties.

The cities and towns covered by this report are Wellsville, Port Homer, Stratton, Empire, Toronto, Costonia, Steubenville, Mingo Junction, Brilliant, Warrenton, Martins Ferry, Bridgeport, Bellaire, and Powhatan.

In addition, there are in the total a large number of stricken homes along this route that are not in any incorporated city or town. The total number of homes that were rendered uninhabitable by the flood is conservatively estimated at 3,000.

A great many of these are mill families of foreign extraction, and the average per family runs high. The number of homeless people from Wellsville to Powhatan is not less than 15,000, and it may be substantially higher.

Saturday and Sunday we covered the entire area and inspected many of the homes. Some had been wholly submerged for 6 to 18 hours. Others were inundated over the second story. The residential areas were clogged with sludge, silt, and debris, and the dwelling-house floors were similarly affected. The personal-property loss in clothing, furniture, and foodstuffs cannot be calculated.

Local agencies, with help from outside communities, have met the immediate emergency needs of food, medicine, and shelter. The refugees are crowded into school buildings, churches, and public and private halls. The health hazard is very great, as sanitation facilities are wholly inadequate. These unfortunate people are chiefly workers without surplus resources and with small credit privileges.

The task of rehabilitating their houses, refurnishing their homes, and caring for them until they can safely reoccupy their homes is completely beyond the financial capacity of their local communities. A quarter of a million dollars made immediately available to the municipal authorities of this area would probably suffice to control the threat of pestilence, render habitable these homes, and equip them with modest quotas of necessary furniture.

The job is essentially one of local rehabilitation, and our considered judgment is that it could best be handled by the regularly constituted local authorities. If the task is not done promptly, much worse conditions will certainly eventuate.

The crisis calls for prompt action. If authority is lacking, the Congress is in session and should immediately enact emergency legislation not only for the area covered by this report but for all of the districts which have suffered in the recent floods.

This disastrous flood in its irresistible course inundated a large amount of territory in my district, beginning at Hockport and ending at Haverhill. It maintained its reputation for causing damage, destruction, inconvenience, and ill health. In the cities and towns thousands of people were forced to abandon their ground floors and move upstairs. Hundreds of businesses, large and small, were forced to move out and build against the floods approach. Now that the waters have receded in hundreds of stores and thousands of homes there is the unsightly mud and filth and debris which brings such discouragement as would challenge the fortitude of the most stalwart. These people have been heroic in the past, and they will clean up again if they can. Financial and business depression has already staggered many of them, and the damages caused by this flood will be an additional burden that many of them cannot bear. Government assistance that will help restore the homeless to their homes and to rehabilitate those whose hopes are crushed and whose personal belongings are practically destroyed would be real charity and would be money well spent. Many of the villages and municipalities in the wake of this flood are so financially depressed as to be unable to provide the necessary means to clean the streets and alleys and thereby remove the danger of an epidemic. It is my hope that the feet of those in whose hands rests public charity will run readily to the relief of these destitute, who are destitute without any fault of their own but by reason of a great, natural, superhuman calamity. Now is the time that relief is needed. Two weeks from now may be too late.

Out of this great calamity I hope there will arise such a public sentiment as will encourage the formation and completion of relief programs that will ultimately put an end to these destructive annual calamities.

THE LADY ELEANOR

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, my dear friend and colleague, Representative McGROARTY, poet laureate of the State of California, is firmly entrenched in and endeared to the hearts of his people. The Nation's Capital, no less than his own State, holds him in high esteem and affectionate regard. His love and compassion for humanity are known full well throughout the length and breadth of our country.

Out of the broodings of his heart he has written his masterpiece—a precious poem—in recognition of her humane serv-

ice and as a tribute to the First Lady of our land, Mrs. Franklin D. (Eleanor) Roosevelt.

This poem, *The Lady Eleanor*, artistically engrossed within a beautiful frame, is this day being presented to Mrs. Roosevelt at a banquet tendered in her honor at the Mayflower by the 73 Club, comprising the wives of the Senators and Representatives who entered upon their duties initially as Members of the Seventy-third Congress.

It is an honor and a privilege to include this poem in the records of this Congress:

THE LADY ELEANOR

The roads that stretch from east to west,
The high roads and all the rest,
The roads that go

Where all men know,
Where men have come and gone before—
They know the Lady Eleanor.

They hear her footsteps. And the grass
Of fields and meadows sees her pass
On tireless quests. Where rivers bend
And oceans wait and wide lands end;
The miles that wind from shore to shore—
They know the Lady Eleanor.

What seeks the Lady Eleanor
In her wide quests from shore to shore?

She seeks the faltering heart, and they
Who bear the burden of the day,
The steps that lag, the faiths that fail
In the bleak hovels of travail,
The eyes that sorrow dims with tears,
The soul that cringes in its fears,
And all who in the shadows grope
To find the vanished door of hope.

So fares she with a word of cheer
To leave in places dark and drear,
And with a smile that leaves a light
Like sunlight through the gloom of night.
Upon her quest from shore to shore
So fares the Lady Eleanor.

—John Steven McGroarty.

ELECTRIC HOME AND FARM AUTHORITY

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3424, with Mr. DEMPSEY in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, in considering a matter of this character, I think it is well, as far as we are able to do so, to have the absolute facts before the House.

I had a little discussion earlier in the afternoon with the gentleman from Georgia [Mr. Cox], when he stated there were no losses up to the present time and that, as a matter of fact, they were running at a profit and there was no chance of loss to the Federal Government.

If I can understand statements, and I have the statement that was filed with the committee, I presume by the corporation itself, right here, I maintain that this organization has lost money every single day since it started and is losing money at the present time, and I will prove it by your own statement.

This organization started out with \$1,000,000 of capital. When the assets were taken over by the new organization, less than 2 years later incorporated in the District of Columbia, there was \$857,000 of assets or a loss up to that time of \$143,000. At the time the new corporation set up for business on the 1st of August 1935, according to the statement here in your own hearings, their assets were \$857,132. From that date to February 29 the operating deficit was \$4,452 and the reserve for losses was \$4,060, or an operating deficit of \$8,512.

Notwithstanding this statement, which comes from your own committee, gentlemen get up here on the floor and say it has been operating at a profit.

If I have made a mistake in my computation, or if anybody wants to refute these facts, I will yield to him to do so.

Mr. HILL of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SNELL. I yield.

Mr. HILL of Alabama. The gentleman is right to this extent—

Mr. SNELL. I am right as far as the actual figures are concerned.

Mr. HILL of Alabama. They are making their operating expenses today.

Mr. SNELL. The statement I gave was up to February 29, and they had not made them up to that time. Have you a later statement?

Mr. HILL of Alabama. No; they made them during the month of February, but there were large expenditures in the beginning amounting to nearly \$150,000.

Mr. SNELL. We have gone past that date.

Mr. HILL of Alabama. No; if you are going to get the entire picture you have got to go back to the beginning and bring it up to date.

Mr. SNELL. I have brought it to date, and it is a loss all the way. I have your statement right here and you had assets of \$857,000 on the 1st of August of last year; and according to this statement the operating deficit up to February 29, the last statement before us, was over \$4,000; and when you put up your reserve for losses of \$4,000 or more the actual loss is \$8,060. Does anyone deny that?

Mr. HILL of Alabama. These reserves are assets.

Mr. SNELL. No; they are not; they are reserves to offset losses in their many contracts. You can see that from this statement. Reserves are in the liability column always.

Mr. HILL of Alabama. It is true that they did expend \$150,000 in the beginning under the Delaware corporation.

Mr. SNELL. I am talking now from the beginning—August 1935—when the new corporation took over the assets of the old one.

Mr. HILL of Alabama. It is true that when they first took over the assets they did not make all expenses, but they are making them now.

Mr. SNELL. You only had \$201 credit for February and did not make any allowance for reserves. You had \$875,000 in contracts spread over the whole country, with no reserves, and you actually lost money.

Mr. HILL of Alabama. There is no corporation in the world that can make money in the first months.

Mr. SNELL. Then the gentleman agrees that they lost money?

Mr. HILL of Alabama. I agree that we are making expenses today and a little profit.

Mr. GOLDSBOROUGH. Will the gentleman from New York yield?

Mr. SNELL. I yield.

Mr. GOLDSBOROUGH. I would say that there has been some losses in the past, but the corporation now is not losing any money. I would say also that the operation of this corporation has saved the women of America hundreds of thousands of dollars.

Mr. SNELL. That is not an answer to the argument that I presented.

Mr. GOLDSBOROUGH. I am stating the facts.

Mr. SNELL. I do not wish to yield for another speech; the gentleman has already made that speech and I made no comment. The statement that the corporation is making money is not according to the facts. Has the gentleman any statement later than February 29?

Mr. GOLDSBOROUGH. The statement of February 29 does not show a loss.

Mr. SNELL. It does show a loss. It shows that they had \$201, but you make no provision or allowance for reserves, and when you make the necessary reserves for bad accounts there is a loss.

Mr. GOLDSBOROUGH. If the gentleman says that the statement shows a loss, I do not agree with him.

Mr. SNELL. If the gentleman is going to put in what he says they have saved the women of America, that is another thing, but from your own statement from your own committee you are losing money.

Mr. MAY. Will the gentleman yield?

Mr. SNELL. I will yield to the gentleman briefly.

Mr. MAY. Just to show that this report states that the thing is a losing proposition from the beginning, I call the gentleman's attention to a few lines on page 3 of the committee report:

Private capital does not consider it profitable to do an installment lending business in such areas. Private utility companies have indicated a willingness to cooperate in the rural-electrification program by building new power lines to serve rural areas.

And so forth.

Mr. SNELL. I agree with the gentleman that that cannot be done.

Mr. MAY. And they lost \$165,000 the first year.

Mr. SNELL. I want now to refer to another statement made by the gentleman from Maryland [Mr. GOLDSBOROUGH], and also by the gentleman from Alabama [Mr. HILL]. Both tried to give the impression to the House that it was necessary to have a new corporation in order to expand this work through other States of the Union. Is not that correct?

Mr. HILL of Alabama. Yes; but I want to say—

Mr. SNELL. Oh, is it not a fact?

Mr. HILL of Alabama. If the gentleman wants me to answer that question, I shall answer it in my own way. Under the old corporation the directors of the corporation were the directors of the Tennessee Valley Authority, and what they wanted to do was to have the members of the corporation general rather than localized in the Tennessee Valley, and one reason for setting up a new corporation was to get rid of the T. V. A. directors and set up some new directors named from the R. F. C. and the Rural Electrification Authority personnel.

Mr. SNELL. But it was not necessary to get a new corporation to get rid of those directors.

Mr. HILL of Alabama. That was one reason they did it, and another is that the power under the Delaware corporation was so wide that the Comptroller General was constantly calling attention to the fact that the corporation had too much power, and that it ought to be limited to the specific purposes it is now limited to under the District incorporation.

Mr. SNELL. Let me prove to the gentleman that the statement I made is correct, and I read from the testimony. Mr. Hollister was interrogating Mr. Weaver, who is secretary and treasurer of this organization:

Did the Executive order limit your operations to these three States?

Mr. WEAVER. It did not. We considered it as a subsidiary of the T. V. A., an aid to help develop the Authority.

Mr. HOLLISTER. Was that in the Executive order?

Mr. WEAVER. No, sir.

There was no order that it should be limited to that territory anywhere.

Mr. HOLLISTER. They had full authority to operate in every State in the Union?

Mr. WEAVER. Yes.

So that proves from the testimony that it could operate in every State in the Union without this new organization.

Mr. HILL of Alabama. As a practical proposition, it was not efficacious or wise to have the T. V. A. directors operating throughout the country.

Mr. SNELL. But that had nothing to do with the original charter.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. SNELL. Yes.

Mr. HANCOCK of North Carolina. Is the distinguished gentleman from New York perturbed about the \$200 deficit, or is he just opposing the legislation on principle?

Mr. SNELL. I am opposed to gentlemen making the statement on the floor that they are running at a profit when they are not, and I am opposed to any legislation that continues the Government in business, especially the pawn brokerage business. Does the gentleman understand my position now?

Mr. HANCOCK of North Carolina. I would say to the gentleman that this agency is not in business in competition with any private financing company or public utility.

Mr. SNELL. Oh, yes, it is. There are thousands of financing companies throughout the United States, and to show how efficient this Corporation is, it borrows its money at three-quarters of 1 percent, lending it at 5 percent, and still loses money.

Mr. HANCOCK of North Carolina. I repeat what I said a moment ago, that this Authority is not in competition with any private business. This Authority is designed to develop business by cooperating with the utilities and without infringing upon their rights. It helps them and the borrower on or purchaser of appliances. This is a happy arrangement. Its purpose is to develop business in cooperation with the utilities that will assist in bringing down the interest rates and charges to the buying public. What could be more desirable?

Mr. SNELL. Now, the gentleman is making a speech, and I want to get to something else.

Mr. HANCOCK of North Carolina. The gentleman is gifted in speaking, so why not answer my statement, if he can?

Mr. SNELL. Let us talk about the business before the House and not some imaginary situation. This whole question narrows down to whether you are in favor of continuing the Government in competition with private business or not. Seven-eighths of the men on the Democratic side of the House, if you talk to them confidentially and alone, will say that they are opposed to that sort of legislation. Here is the opportunity to show whether they will stand up and vote as they think. There is no question before us except whether we want to do that. That is the whole question here today; and as I told the gentleman from North Carolina, I am absolutely opposed to doing anything that continues the Federal Government in competition with private business, and that is the question here, and that is why I am opposing this legislation.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. Does the gentleman know of any public-utility company or manufacturers of any electrical appliances who are opposed to this program?

Mr. SNELL. I am not entering into that proposition at all, because I do not know, and I am not making statements I do not know about. I am not interested in public utilities, and I care nothing about them, so far as this is concerned. I am talking about the proposition before us, and I say that I am opposed to the Government's going into competition with private business. Is the gentleman opposed to that?

Mr. BANKHEAD. In some instances I am, and in some I am not.

Mr. SNELL. The gentleman cannot be for it on one day and against it on the other. The gentleman would put them in business in his country, but not in mine. It is the principle I am opposing—whether temporarily it does help your part of the country.

Mr. BANKHEAD. Will the gentleman allow me to ask him another question?

Mr. SNELL. Yes; certainly.

Mr. BANKHEAD. This is not in the spirit of controversy, of course.

Mr. SNELL. No. I want to get the facts out in regard to this bill.

Mr. BANKHEAD. We are just trying to develop the purposes and the spirit of this bill.

Mr. SNELL. I am developing the facts, not fancy.

The CHAIRMAN. The time of the gentleman from New York [Mr. SNELL] has again expired.

Mr. DIRKSEN. I yield the gentleman 1 additional minute, Mr. Chairman.

Mr. BANKHEAD. If the people who would ordinarily complain about competition agree that this is a good thing for their products and at the same time a good thing for the consumers of electricity in the homes where it is used, can the gentleman find any legitimate objection to it?

Mr. SNELL. You can always get people who want the Government to do something for them to temporarily agree to most anything, but still they are against the general principle as applied to the whole country. That is the question here today. Now, perhaps it is doing a little something for you people down there, but as a general proposition, the gentleman says himself he is opposed to it, and he ought to be opposed to it in his own country. I am opposed to it everywhere, whether it is in my country or in the gentleman's country or any other of the 48 States.

Mr. BANKHEAD. As I understand, this is an exception to the principle which the gentleman is stating, because there is not any competition.

Mr. SNELL. Oh, there is nothing to that, and you know it.

The CHAIRMAN. The time of the gentleman from New York [Mr. SNELL] has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, the fly in the ointment this afternoon seems to be that the opposition is afraid the loan sharks of the country—the finance companies—are going to have some of their teeth pulled by this bill. I am rising in favor of this bill—S. 3424—and I hope it will pass. I am for the bill for a number of reasons, but I want to say first that one of the reasons I am particularly interested in it is that it is pulling the teeth of the loan sharks—the finance companies—that heretofore have exacted anywhere from 16 to 25 percent interest from the purchasers of electrical appliances that people use in their homes. This corporation provides a rate of about 7 percent, which is just about 18 percent less than most of these loan-shark institutions charge.

I am interested in the bill for other reasons. In the first place, the operations of this corporation were originally limited to three States. Even in those three States it had the general effect of drastically reducing financing rates not only within that area but all over the country.

Second, I wonder how many Members of this House will have the hardihood to maintain that the placing of electrical equipment in American homes does not reduce drudgery in those homes? I am wondering if they will maintain that it does not contribute to the beauty and convenience of the American home? That is what the Electric Home and Farm Authority has been doing, and that is why I am so heartily in favor of extending its term of life. We want this corporation to be able to operate in all of the 48 States instead of only in 3 States.

It is making it possible for thousands of people who otherwise could not purchase electrical equipment to have it. That has two effects. It builds up the power load on the power line, whether it is publicly owned or privately owned, and it creates a great backlog of employment in the areas where the equipment is manufactured. For that reason it is a very sound bill. If this Authority is extended to April 1, 1937, it will give the corporation an opportunity to spread its activities all over the 48 States. There are requests from 38 States asking it to come in. Why are they asking them to do it? Private enterprises? The private loan sharks are willing to go into that field if they can get 22 to 30 percent, but they are not willing to go in for 7 percent. As a result of the activities of this corporation, many of those companies have had to reduce their rates, and that is something Congress should encourage. Of course, you on the Republican side have always stood for big power companies. If you want to do a favor for the big power companies, you should vote for this bill, because it will build up their load and enable them to sell more appliances, and it will give them a market for more power.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FORD of California. I yield.

Mr. CRAWFORD. The gentleman spoke of an average of 7 or 8 percent.

Mr. FORD of California. Yes.

Mr. CRAWFORD. On page 4 of the report it mentions 4.66 percent interest per annum.

Mr. FORD of California. Yes.

Mr. CRAWFORD. To what does that refer?

Mr. FORD of California. That is the face of the note. There are one or two little charges that bring it up to about 7 percent.

Mr. CRAWFORD. So a customer who purchases electrical equipment does not pay in excess of 7 percent?

Mr. FORD of California. Not in excess of 7 percent.

The CHAIRMAN. The time of the gentleman from California [Mr. Ford] has expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, once and for all let us conclusively settle what the authority of E. H. F. A. was under its Delaware charter. First, it had a life of 7 years. Secondly, if you will read the charter, on page 5 you will note that it was authorized to conduct its business or any part thereof in this State, in any State, the District of Columbia, the Territories and colonies of the United States, and in foreign countries. That is from the Delaware charter, and that should settle once and for all the field of operation in which E. H. F. A. could work.

The reason they worked only in the Tennessee Valley Authority area was at the instance and direction of Harcourt Morgan, Arthur Morgan, and David Lillenthal, who were the original directors of the T. V. A. That is the long and short of the matter. They were incorporated under the laws of Delaware.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Not just now, please. They were incorporated under the laws of Delaware, pursuant to an Executive order. If you will examine the Delaware charter, you will find that they are not responsible to the Congress of the United States and do not have to make a report to us.

That was in January 1934. Now look at their new charter as of August 1935, and you will find they want to operate until April of 1937 in all the States of the Union, which is the right they had before, as a matter of fact, under a board of trustees carrying on precisely as they did under the Delaware charter. They were, however, incorporated for \$1,000,000 under the Delaware charter, but for only \$850,000 under the District of Columbia charter. What happened to the \$150,000? It was charged off as promotional expenses, hence they dropped their capitalization. So much for this.

I am not opposed to the extension of electrification in the country; I am not opposed to seeing thousands and millions of families have the benefit of electric power, electric ranges, refrigerators, and such things.

Mr. MAPES. Mr. Chairman, will the gentleman yield before he leaves the question of the charters?

Mr. DIRKSEN. I yield.

Mr. MAPES. What becomes of the Delaware corporation?

Mr. DIRKSEN. The fact of the matter is the Delaware corporation is still alive. It is inactive, but its charter has not been surrendered. At the present time we have two corporations under the E. H. F. A., one known as the Electric Farm and Home Authority and the other as the Electric Farm and Home Authority, Inc.

Mr. MAPES. Does the gentleman know what it is contemplated will be done with the Delaware corporation?

Mr. DIRKSEN. I have no idea. It was stated they wanted this to run until the 1st of April 1937, which would make it coterminous with the end of the lending powers of the Reconstruction Finance Corporation, yet they come before our committee and testify they never borrowed a dollar from the R. F. C. So how far does this argument get? But let me get to the real substance of this thing and to the reason I am opposed to the bill.

I am not interested in loan sharks, utilities, or anything else. My first objection to this bill is that the so-called board of trustees of the E. H. F. A. tell a utility whether or not it can get the benefit of this, depending on whether its rates are low enough. [Applause.] If they are not low enough they cannot get the benefit of it. Secondly, they say to the manufacturer of refrigerators, stoves, ranges, pumps, cream separators, and so forth, that their products must pass inspection. For instance, let us consider the manufacturer who produces an especially fine electric range—a beautiful range which retails for \$200. They will say to him: "You have a beautiful range which retails for \$200. Take off that little oven thermometer, take some of the nickel off, and put on a lot of battleship gray instead of the ivory and green trimmings and get the price down to \$140 and you can do some business with us." As a matter of fact, they are using the E. H. F. A. as a kind of bludgeon, as a kind of weapon, if you please, and only those manufacturers who will submit to such treatment can get the benefit of the public's money and of the operation of a public agency. It may be fine in theory to make manufacturers build their wares down to a price instead of up to a standard, but usually you get what you pay for; and it may be that the security of cheaper appliances over a period of years will some day strike E. H. F. A. in the face. My objection goes far deeper, however; I am opposed to duplication of effort among various governmental instrumentalities all operating in the same direction. They have set up a Rural Electrification Administration, also under a temporary emergency order. What does it do? First of all it can lend the money over a period of 20 years at 4 percent for the purpose of wiring homes in the country. Then there is a Federal Housing Administration, which has authority to do a finance business on electrical appliances. Then we have our little Eva, the E. H. F. A., which, if you please, does business on a finance basis down in the Tennessee Valley.

Touching this question of duplication, I am going to read from the hearings a statement made by the gentleman from Michigan [Mr. Brown], a distinguished and able member of the Committee on Banking and Currency:

I have tried to fight against legislation which brings about a duplication of Government activities. The committee knows I made a fight on that, particularly with regard to the examination of banks, Reconstruction Finance Corporation, Federal Deposit Insurance, the Comptroller's office, and the Federal reserve bank. We have four different authorities examining banks.

We had a bill here a day or so ago in which we were asked to extend the activities of the Electric Home and Farm Authority.

Now, having in mind that organization, of which you doubtless know something—and I give that as an example to you—are there any other activities of the Government in addition to that one that are performing substantially the same functions that you are?

Perhaps I am wrong in implying that you do the same thing that the Electric Home and Farm Authority does, but it seems to me they are financing the same way that you are to a certain extent.

I would like to have you tell us what, if any, overlapping there is in the agencies of the Government with respect to financing purchases.

Mr. McDONALD. That is very interesting, because last fall we were having conversations with them. They are doing financing of electric utensils.

Mr. BROWN of Michigan. Stoves?

Mr. McDONALD. Yes; refrigerators and things like that; but they confined their activities to the Tennessee Valley district, I think, at that time, and they wanted to reach out and found that their rate was higher than ours; therefore, they receiving their money through the Reconstruction Finance Corporation, we had some meetings with the Reconstruction Finance Corporation with the object of separating the territory, if we could, or in any way stopping the conflict, because they had great difficulty in making progress against the Federal Housing Administration. Our volume of business was many times greater than theirs, and we were under way, and in addition they required some provisions which we did not.

It appears to me that there you have a definite confession of duplication of functions.

The Interstate Commerce Committee of this House has reported out a bill dealing with rural electrification, section 5 of which reads as follows:

Sec. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4, or to

any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest not exceeding 3 percent per annum.

They stated on this floor that the E. H. F. A. could continue doing business on the basis of a discount of 5 percent. Here is a bill which they will soon present for action which says they will finance all this for 3 percent. I am not going to vote for a bill to charge 5 percent when another bill is being sponsored, perhaps by the administration, which will make the charge 3 percent, the loan to run over a long period of time.

It seems to me that we have gotten to the point where we have to stop this duplication of activities. I am in entire sympathy with an electrification program. While as a general thing I do not like to see the Federal Government go too far in competition with private business, yet I am not insensible to the fact that there are 6,000,000 farm homes in this country out of a total of 6,800,000 which do not have the benefit of central-station power today. Only 10 percent of the farmers out in Illinois have the benefit of central-station power. I am, therefore, in sympathy with that broad program. But why do we have to have three independent set-ups in order to carry out such a program? For the purpose of financing the sale of appliances we have a Federal Housing Administration which has 3,832 people on the pay roll. Their expenses for the last 9 months were something in the neighborhood of \$12,000,000. The E. H. F. A. has only 29 on the pay roll. Their total business, however, for the 26 months in which they have been operating amounts to \$1,400,000, but their expenses were \$216,000, or 15 percent of their gross business.

Finally, we have the Rural Electrification Administration with 242 people on the pay roll. They have done \$9,000,000 worth of business since being in existence, but they have spent over \$432,000. Is there any rhyme or reason, is there any sense in the kind of a set-up where we have one governmental agency which tells the farmer he can finance his plumbing through an office at 1020 Vermont Avenue, Washington, D. C., and tells the same farmer that he can finance a pressure bathroom system in his house through an office in the Tower Building, Washington, D. C., and finally that he can finance the purchase of a vacuum sweeper, cleaner, or washing machine through an office at 2000 Massachusetts Avenue in the city of Washington, D. C.?

Mr. Chairman, it is high time these agencies were coordinated. It is high time we take some of this personnel away. It is high time we were giving attention to a promotion of efficiency and an elimination of bureaucracy in the efforts on the part of the Federal Government to finance the sale and distribution of electrical appliances. If you want to do your constituents a favor you will defeat this bill and wait until the R. E. A. bill comes up for consideration, because they are going to get the money for 3 percent instead of the 4.66 percent or 5 percent provided in this measure and perform identical functions.

Mr. HARLAN. Will the gentleman answer a question? I am sure he wants to be fair.

Mr. DIRKSEN. I yield to the gentleman from Ohio.

Mr. HARLAN. The gentleman knows the extension of clause 1 of the Federal Housing Administration Act is only for a matter of a very few months. That is the 3-percent organization the gentleman is talking about. The bill which is to come before the House extends the life of that organization until December of this year. This is a matter that goes on until 1937. So why bring that up?

Mr. DIRKSEN. I may say to the gentleman that rural electrification is going to run on for 10 years.

Mr. HARLAN. The gentleman was making an issue of the difference in the interest rate of these two institutions. One was created as an electrification organization and equipment was a side issue, while the Federal Housing Act is going to be for a very short time.

Mr. DIRKSEN. May I say to the gentleman from Ohio, if he will read section 5 of the bill (S. 3483) which was reported out of the Committee on Interstate and Foreign

Commerce, which bill deals with the sale, acquisition, and the financing of wiring, electrical equipment, fixtures, and all of that sort of thing, he will find my statement is substantiated. Why should we set up this temporary organization when it can be incorporated under the R. E. A., if they are going on with the rural electrification program, and have it all localized in one central body?

Mr. BANKHEAD. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Alabama.

Mr. BANKHEAD. I would suggest to the gentleman that, in the first place, even if the rural electrification bill passes, of which we have no assurance, although I think it will pass, the gentleman must know it will take a good many months, probably a year or two, to set up the instrumentalities and agencies for its operations under that bill. In the meantime, why deprive the people of the country of the benefits of existing law which is in nowise in competition with anybody?

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I may say to the gentleman from Alabama that this organization may run along some little time until a new set-up may be arranged or until some of these functions may be transferred to the Federal Housing Administration. The folks in the Tennessee Valley Authority area will not be deprived of financial services or assistance because there is in existence already a governmental agency with almost unlimited money and unlimited authority to carry on that program.

Mr. BANKHEAD. The gentleman is a member of the Committee on Banking and Currency?

Mr. DIRKSEN. Yes.

Mr. BANKHEAD. Does not the gentleman know that the R. E. A. bill, which it is assumed will be reported by that committee, specifically abolishes the feature of the lending system to which the gentleman is objecting?

Mr. DIRKSEN. No.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Does not the gentleman know that the bill, which has not only been reported by the Committee on Banking and Currency but upon which the Rules Committee has allowed a rule, which bill extends the life of the Federal Housing Commission until December 31, expressly eliminates electrical equipment?

Mr. DIRKSEN. Yes; but at the present time they have the authority to go ahead on electrical equipment until it is changed by action of the Congress.

Following this same line of thought, only this week, the suggestion came from the President that he intended to examine into the matter of coordinating governmental activities, and accordingly appointed a commission for that purpose. We might well give that commission a running start by voting this measure down and doing a little coordinating right now.

The duplication of effort is an indefensible procedure which only multiplies the number of people on the Government pay roll and adds to the expense saddled on the taxpayer. Today we have a Home Owners' Loan Corporation, which makes loans on homes and must maintain complete records and a huge collection agency; we have a Federal Housing Administration dealing with home financing and with modernization; little E. H. F. A. does with appliances; the F. H. A. also deals in appliances; the R. E. A. will soon get a long lease and a lot of money for rural electrification and appliance sales; the F. C. A. deals with loans on farms, livestock, feed, and seed; the Resettlement Administration deals with homes in satellite cities; the Suburban Resettlement Administration deals with homes in so-called subsistence homestead projects involving financing, maintenance, and even the purchase of furniture. Every one of these must maintain a staff, a system of records, a collection agency, when, as a matter of common sense, every loan pertaining to the farm, whether it be a land-bank loan, a loan to build a bathroom, wire his house, or finance an electric sweeper for the farmer's wife, could all be handled by one agency, whereas every loan or

bit of financing dealing with the city dweller's home, a new roof thereon, a washing machine, or what not could be concentrated in one agency.

There seems to be no apparent desire to weed out this duplication of effort at public expense, and therefore I find it necessary to oppose the bill.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, this Electric Home and Farm Authority is part of the administration's power program, which has done more to reduce electric light and power rates, in every State in this Union, provide cheap electricity for the American farmers, and enable the average citizen to enjoy a more liberal use of electricity, as well as the use of those electrical appliances that go to make his home more pleasant, and to lift the burdens of drudgery from the shoulders of the housewives of this country than anything else that has ever been done by any administration in the history of the Republic.

Gentlemen in the House who are opposing this measure have opposed every single movement we have made to reduce electric light and power rates or the prices of electrical appliances to the ultimate consumers, and have attempted to block our every effort to electrify the farm homes of the Nation. They are simply running true to form here today.

They have now caught hold of a live wire, one that is going to vibrate in every one of the 20 million American homes that are now using electricity and being overcharged anywhere from 50 percent to 500 percent for it. They are going to be "remembered" in those homes every time the light is turned on, and especially every time it is turned off to try to hold the light bill down.

They throw up their political hands in affected horror and say that this E. H. F. A. has lost "thousands of dollars." They give no credit for the fact that this is a new enterprise and has not had time to recover the expenses incident to its getting started, harassed as this entire program has been by litigation and obstacles of every other kind.

In the face of all this opposition, we have already reduced electric light and power rates to the American people by more than \$150,000,000 a year, and the reductions have just begun. We are going to keep up the fight until we reduce rates all over the country and make it possible for the people who pay the bills to consume enough electric energy and use sufficient electrical appliances to enable them to really enjoy its benefits.

When this E. H. F. A. was created, its directors invited the large manufacturers of electrical appliances and the representatives of the power companies to meet them in a conference. At that time, people were denied the liberal use of electricity because electrical appliances were so high they could not buy them, and the electricity was so high they could not afford to use those appliances. So they called these people in conference and arranged to finance the purchase of certain appliances, if sold at reasonable prices, in areas where the power producers would agree to reduce their rates to where the people could afford to use electricity to operate those appliances.

They said to the power companies, "Your rates are too high"; and to the appliance manufacturers, "Your prices are too high; if you will reduce your prices, we will put our stamp of approval on your appliances, in every locality where the utilities will reduce their light and power rates to where the people can afford to pay them."

This was agreed to, and the E. H. F. A. began to operate, first, of course, in the Tennessee Valley area; because the rates there had already been reduced by the T. V. A. They began to operate, not at a loss, because, in the first place, the man who sold these appliances would see to it that they were not sold to irresponsible persons. He was a merchant; he was doing a legitimate business. He was responsible, and he scrutinized every sale. Then when he sold those appliances, he collected a down payment and required monthly payments on the balance until the entire account was liquidated. He passed this paper on to the Electric Home and Farm Authority and endorsed it, with recourse, and with a

retain title lien on the appliances sold, as a further guarantee that these notes would be paid in full.

Thus the people who had been denied the use of electrical appliances were given an opportunity to purchase them and to use them while they were being paid for, and at the same time had their light and power rates reduced so they could afford to use them.

One of the gentlemen opposing this bill made fun of these washing machines. I should like to see him bow down over a washtub and a scrubboard, and do the family washing for a few weeks. That would convert him; it would probably make a Democrat out of him. [Laughter and applause.]

As I have pointed out before, the electricity to operate a modern washing machine for the average family of five people, at the T. V. A. rates, costs less than \$1 a year. Just think of the nerve-racking, back-breaking, health-destroying, youth-killing drudgery these machines can take from the shoulders of the women, and especially the mothers, of this country.

If I have ever pioneered in any one thing in my life, it has been in my efforts to bring cheap electric energy to the American people, and especially to the American farmers. [Applause.]

If I have ever succeeded in anything during my public services, it has been in bringing to the people I represent cheap electric energy, enabling them to enjoy some of the blessings of this great electric civilization in which we live. The district which I represent is leading America in this rural electrification movement, as well as in securing cheap electricity to the people in the towns and cities.

I wish you could read the expressions of gratitude I receive from people who are enjoying these benefits, and also the pathetic appeals that come to me from people in every State in the Union, begging me to help them get cheap electricity for their homes.

This E. H. F. A. has helped to make it possible for our people to purchase electrical appliances at reasonable prices, while the T. V. A. has made it possible for us to secure electricity at reasonable rates. I saw an electric range last year sell for \$57.50 that prior to this E. H. F. A. arrangement sold for \$135. But the gentleman from Illinois [Mr. DIRKSEN] complains because, he says, we compelled the manufacturers to reduce their prices. Why should he complain because they reduced prices to where the people could afford to buy these appliances? Do you suppose that the manufacturers lost money? Why no! They made money, and they put more men to work to manufacture these articles. I dare say that the money that has been advanced through this organization has done more good and has resulted in putting more men to work in various ways than any other similar amount put out by the Government since the depression began. Besides, there are more people today using electric refrigerators, electric ranges, vacuum cleaners, washing machines, and other labor-saving appliances than have ever been known in all the history of this country.

One would think, from the remarks of the gentleman from Illinois, that this E. H. F. A. was confined to the States of Mississippi, Alabama, Georgia, and Tennessee. As a matter of fact, it applies to every State in this Union, and if the power companies which now operate in the State of Illinois, or the State of Massachusetts, or the State of Michigan, or any other State, had reduced their rates down to what they should be, and what they are going to be before we quit, your people would have been getting the benefits of this E. H. F. A. long ago. I repeat what I have said before, that we are not going to let up in this fight until we give the American people in every State of this Union electric energy at the T. V. A. rates. [Applause.]

To hear these gentlemen talk, you would think that this measure is going to help the farmers only. I wonder if that is the reason for the solid opposition of the Old Guard Republicans. As a matter of fact, it is not confined to the rural areas. It applies to the people in the towns, in the cities, in the country, and, in fact, to all the people in every State.

Do not you Members from the large cities forget that the women you represent are interested in these washing machines, electric irons, vacuum cleaners, and other labor-saving devices. They have this drudgery of washing and scrubbing to perform, in the basements of their homes, in the kitchens, or in the dingy back rooms of your crowded tenements. A great poet in a great city once said:

O men with sisters dear,
O men with mothers and wives,
It is not linen you're wearing out,
But human creatures' lives!

Sometime ago, I placed in the RECORD lists of bills paid by urban consumers of electricity, showing the savings under the T. V. A. rates. I now desire to show the benefits of rural electrification in that area. What we are doing for the farmers in the T. V. A. area, we can do for the farmers in every section of the country. We can supply them with electricity at the T. V. A. rates, and reduce those rates as the years go by. This is a national policy, and should be carried to the people in every community in the United States.

I must confess that it has been a hard battle to get this program started in my own district. It has been a constant fight from the passage of the bill creating the T. V. A. to the present hour. I have been compelled to take the lead in that fight, and, while we still have not reached all the farmers in the territory by any means, we are on our way. We are reaching large numbers of them, and we are doing our best to reach the rest of them as quickly as possible.

My slogan is "Let's electrify every farm home in America."

I have before me a large stack of letters and messages from these rural consumers of electricity, expressing their gratitude for this service, showing the appliances used by each one, the amount of electricity consumed, and the amount of the monthly bill. I am going to give you the substance of these messages. Look them over carefully, and you will catch a glimpse of the dawning of a new day for the American farmers.

In order that you may be able to figure these bills out for yourselves, I am inserting at this point the table of rates which these farmers in the T. V. A. area are paying.

First 50 kilowatt-hours per month,	4 cents per kilowatt-hour.
Next 50 kilowatt-hours per month,	3 cents per kilowatt-hour.
Next 100 kilowatt-hours per month,	2 cents per kilowatt-hour.
Next 200 kilowatt-hours per month,	1 cent per kilowatt-hour.
Next 1,000 kilowatt-hours per month,	4 mills per kilowatt-hour.
Excess over 1,400 kilowatt-hours per month,	7½ mills per kilowatt-hour.

One cent per kilowatt-hour of this charge, up to 100 kilowatt-hours per month, goes to pay for his membership in the association, or to amortize these rural lines. At the rate they are now going, these lines will be paid out in less than 20 years. As soon as they are paid out, the extra charge of 1 cent per kilowatt-hour will be taken off.

I should point out the fact that many of these farmers keep their refrigerators turned off part of the time, and some of them all the time, during the cold weather. This accounts for the extremely low consumption of electricity indicated in some of the cases to which I shall now refer. Many of these farmers were able to purchase their appliances as a result of the assistance rendered through this Electric Home and Farm Authority, and so far as I have been able to find out, all their payments have been promptly met. There may be a few isolated exceptions, but they have not come to my attention.

This power is being purchased from the T. V. A. at the wholesale rate of about 6 mills a kilowatt-hour, less than 100 miles from the Muscle Shoals Dam. This price is really too high, and we hope to get that rate reduced as time goes on. Prior to the creation of the T. V. A., the power company was buying this power at the dam at 2 mills a kilowatt-hour, or one-third of what these rural power associations are now paying.

The Army Engineers in charge of the Muscle Shoals plant at that time proved conclusively that this power was being sold at a good profit, and their report of 1930, signed by Patrick J. Hurley, then Secretary of War, showed that this

power could be generated and transmitted 100 miles and sold at a profit, for 1.993 mills a kilowatt-hour—approximately 2 mills a kilowatt-hour, or one-third of what these rural associations are now paying.

Surely these county associations cannot now be charged with receiving a governmental subsidy, nor can it be said that the T. V. A. is selling them power at a loss. Instead, the T. V. A. is selling this power at a handsome profit. If the T. V. A. could sell 80 percent of its power load at the price these associations are paying, it could amortize the entire investment in less than 20 years, and could probably do it in 10 years.

These county power associations are making sufficient profits to amortize their own investments in less than 20 years, after paying all expenses of every kind. In fact, at the rate they are going, some of them will pay out in less than 10 years. So it cannot be charged that these farmers are receiving a subsidy in any sense of the word. They are paying for what they get.

The following messages from individual farmers, and their wives, reflect the brightest rays of hope the people in our rural districts have seen for a hundred years.

MONTHLY COST TO INDIVIDUAL FARMERS—ELECTRICITY AND APPLIANCES USED

Here is a letter from Mr. W. T. Anderson, who lives 7 miles from Tupelo. He says he uses lights, an electric refrigerator, electric iron, and an electric range. During the month of February 1936 he used 173 kilowatt-hours of electricity, which cost him \$4.96, including \$1 paid on amortizing his line—making his electricity cost him \$3.96.

I am sure that Mrs. Anderson wrote the letter giving this information, for it contains the following postscript:

We do all cooking for a family of five on our electric stove. Now a pleasure to prepare a meal—once a drudgery on the old wood stove. We fully appreciate your efforts in making T. V. A. power and rates possible for us.

Here is one from Mr. J. H. King, who lives 3 miles from Corinth. He uses lights, radio, electric refrigerator, electric iron, and electric washing machine. Last month he used 23 kilowatt-hours of electricity which cost him \$1, including 25 cents paid toward amortizing his line—making his electricity cost him 75 cents.

A letter from Mr. M. A. Reese, who lives near Tupelo, shows that he uses lights in his home and in his barn, a radio, electric refrigerator, electric iron, vacuum cleaner, range, fans, and electric pump to provide water for his family use, and for his mules and dairy cows. Last month he used 111 kilowatt-hours, which cost him \$3.72, including \$1 payment on his line—making his electricity cost him \$2.72.

Mrs. George W. McPherson, who lives 6 miles northeast of Tupelo, uses lights, electric range, electric pump, and radio. Last month she used 146 kilowatt-hours, which cost her \$4.44 including \$1 that goes to pay for her line—making her electricity cost \$3.44.

Mr. M. C. Ritter, of Belden, uses lights, an electric range, electric refrigerator, and electric fans. Last month he used 214 kilowatt-hours, which cost him \$5.64, including \$1 to pay on his line—making his electricity cost him \$4.64.

Mr. W. E. Eubanks, who lives 4½ miles west of Tupelo, uses lights, electric iron, electric washing machine, and electric sewing machine. Last month he used 25 kilowatt-hours, which cost him \$1, including 25 cents paid on his line—making his electricity cost 75 cents.

Mr. Eugene Babb, who lives 7 miles from Corinth, uses lights in his home (17 drops), 2 radios, electric iron, electric fans, electric washing machine, and electric pump. Last month he used 65 kilowatt-hours, which cost him \$2.45.

Mr. Babb writes:

My electric bill, according to the T. V. A. yardstick, is \$1.80, but the members are paying for our distribution system at 1 cent a kilowatt-hour. Also, our house is piped for hot and cold water connected to a 45-pound-pressure tank and supplies water for household, bath, and stock—½-horsepower pump.

Mr. R. D. Thomas, who lives 2 miles from Corinth, uses lights, radio, and electric iron. Last month he used 25 kilowatt-hours, which cost him \$1 including 25 cents payment on his line—making his electricity cost him 75 cents.

Mr. George W. Ruff, one of the leading dairy farmers of Mississippi, who lives 3 miles out from Tupelo, writes me that he has lights in his home, barn and garage, a radio, electric refrigerator, electric iron, vacuum cleaner, fans and electric range. He also uses two 3,000-watt electric heaters, one 2,000-watt electric heater, and one 1,200-watt electric heater. He sells pasteurized "Grade A" milk in the city of Tupelo.

Last month Mr. Ruff used 3,519 kilowatt-hours of electricity, for which he paid \$27.39. He formerly secured power from the Mississippi Power Co., and to his letter he adds the following postscript:

This 3,519 kilowatt-hours, which cost me \$27.39, under the old Mississippi Power Co. rates would have cost \$118.82—a saving of \$91.43 for this 1 month.

Mr. Lee Gray lives 2 miles from Corinth, uses lights in his home, barn, and garage, a radio, an electric refrigerator, an electric iron, electric fans, electric sewing machine, and an electric range. In February he used 100 kilowatt-hours, which cost him \$3.50, including \$1 amortization payment on his line—making his electricity cost him \$2.50. Mr. Gray writes:

This T. V. A. power is really a godsend to the middle classes of people.

Mr. G. W. Bynum, Jr., of Rienzi, Miss., uses lights, a radio, electric iron, electric vacuum cleaner, electric fans, electric percolator, and a 2-eye 600-watt table stove. Last month he used 39 kilowatt-hours, which cost him \$1.56, including 39 cents payment on his line—making his electricity cost him \$1.17.

Mr. J. M. Gilton, who lives 6 miles from Corinth, uses lights, a radio, an electric iron, and electric fans. Last month he used 20 kilowatt-hours and it cost him \$1 (the minimum charge) which included a payment of 25 cents on his line—making his electricity cost him 75 cents.

Mr. Fred Haynes, who lives 1 mile from Corinth, uses lights, a radio, electric refrigerator, electric iron, electric vacuum cleaner, electric range, and electric washing machine. His bill for February amounted to 182 kilowatt-hours, and cost him \$5.14, including \$1 payment on his line—making his electricity cost him \$4.14.

Mr. J. T. Dyer, who lives 5 miles from Tupelo uses lights in his home, barn, garage, and smokehouse, a radio, electric refrigerator, electric iron, electric fans and electric corn popper. Last month he used 34 kilowatt-hours, which cost him \$1.36, which included 34 cents paid on his line—making his electricity cost him \$1.02.

Mr. D. B. Niblett, who lives 9 miles from Tupelo, uses lights in his home, barn, and garage, a radio, electric iron, electric water pump. His last monthly bill was for 29 kilowatt-hours, and cost him \$1.16, including a 29-cent payment on his line. Mr. Niblett writes in a postscript as follows:

My power bills before I got on the T. V. A. line ran from \$3.25 to \$4.25 a month for the same amount of power I am now using. So I figure T. V. A. is saving me from \$25 to \$40 a year. Hope you can spread T. V. A. all over the U. S. A.

Mr. J. H. Hinton, who lives 3½ miles from Corinth, uses lights in his home and barn, radio, an electric refrigerator, electric iron, and electric fans. Last month he used 21 kilowatt-hours, which cost him \$1, including 25 cents paid on line. He writes the following postscript: "I want to thank you for making this possible. My bill has never been over \$3, which it was in August."

Mr. J. B. Hughes, who lives 9 miles from Corinth, uses lights, radio, electric iron, electric fans, electric washing machine, electric pad, and an electric hot plate. Last month he used 33 kilowatt-hours, and it cost him \$1.32, which included a 33-cent payment on his line—making his electricity cost him 99 cents.

Mrs. Dan E. Sullivan, who lives 9 miles from Tupelo, uses lights, refrigerator, electric range, electric iron, electric fan, electric heater, radio, an electric pump supplying water in kitchen, bathroom, yard, and barn. Last month used 50 kilowatt-hours which cost them \$2, including a 50-cent payment on amortization of line. Mrs. Sullivan writes, "We

farmers' wives, with the advent of T. V. A., can have just about any convenience that money can buy, and I am happy to say that in our community you can see a light in almost every home."

Mr. J. R. Cates, 9 miles from Corinth, uses lights, radio, electric refrigerator, electric iron, electric vacuum cleaner, electric fans, electric range, and electric brooder. His last monthly bill was for 285 kilowatt-hours, and cost him \$5.35.

Rev. B. P. Fullilove, lives near Rienzi, uses lights, radio, and 2 electric irons. Last month used 26 kilowatt-hours, which cost him \$1.04, including a 26-cent payment on amortization of line—making his electricity cost him 78 cents.

Mr. Holland Rogers, lives 3 miles from Plantersville, uses lights, a radio, an electric iron, electric fans, and an electric range. Last month he used 50 kilowatt-hours which cost him \$2, including a 50-cent payment on his line. Mr. Rogers writes: "John, I think this is the best thing the Government has ever done for the country people. The stove is a real gift. I wouldn't tote the ashes from a wood stove for this cost."

Mr. James M. Johnson lives 3 miles from Tupelo, uses lights in his home, barn, and garage, a radio, electric refrigerator, electric iron, electric pump for milk-refrigerating plant, 1-horsepower compressor for refrigerating unit, and electric water pump. Last month he used 277 kilowatt-hours, which cost him \$6.27, including \$1 payment on his line—making his electricity cost him \$5.27.

Mr. Tom Llewellyn lives 3½ miles from Tupelo, uses lights, a radio, electric refrigerator, electric fans, and two-burner hot plate. Last month he used 30 kilowatt-hours, which cost him \$1.20, including 30-cent payment on line—making his electricity cost him 90 cents.

Mr. J. L. Gunter lives at Plantersville, uses lights, a radio, and electric iron. His last monthly bill was for 34 kilowatt-hours, and cost him \$1.36, including 34-cent payment on his line—making his electricity cost him \$1.02.

Mr. L. M. Baker lives 6 miles from Tupelo, uses lights, a radio, electric iron, and electric fans. Last month he used 24 kilowatt-hours, which cost him \$1, including 25-cent payment on line—making his electricity cost him 75 cents.

Mr. Baker writes: "Before we received T. V. A. power my light bill was from \$3 to \$4 per month for the same amount of kilowatt-hours."

Mr. O. L. Carter lives 6 miles from Corinth, uses lights, radio, and electric iron. Last month he used 34 kilowatt-hours, which cost him \$1.36, including a payment of 34 cents on his line—making his electricity cost him \$1.02.

Mr. Bill Knight lives 4 miles from Slatton, uses lights, radio, electric refrigerator, electric iron, and electric fans. Last month used 30 kilowatt-hours, which cost him \$1.20, including a 30-cent payment on line—making his electricity cost him 90 cents.

Some of these farmers turn their refrigerators off in cold weather to save expenses. That may account for some of these bills being so extremely low for the month of February.

Mr. O. E. Perry lives at Rienzi, uses lights, radio, electric iron, electric vacuum cleaner, electric fans, and waffle irons. Last month he used 40 kilowatt-hours, which cost him \$1.60, including 40 cents on his line—making his electricity cost him \$1.20.

Dr. R. W. Carruth lives 8½ miles from Tupelo; uses lights in his home, office, barn, and garage, a radio, electric refrigerator, electric iron, electric vacuum cleaner, electric fans, electric range, electric water pump, electric bathroom heater, electric clock, and electric waffle irons. Last month he used 316 kilowatt-hours, which cost him \$6.66, including \$1 payment on his line—making his electricity cost him \$5.66.

Mr. J. A. Pierce lives 4 miles from Tupelo; uses lights, radio, electric refrigerator, electric iron, electric fans. Last month he used 76 kilowatt-hours, which cost him \$2.78, including 76 cents paid on his line—making his electricity cost him \$2.02.

Mr. R. E. Baker lives 7 miles from Corinth; uses lights, radio, electric iron, and washing machine. Last month he used 49 kilowatt-hours, which cost him \$1.96, including 49

cents payment on his line—making his electricity cost him \$1.47.

J. S. Houston lives 7 miles from Corinth; uses lights, radio, electric iron, and electric fans. Last month he used 51 kilowatt-hours, which cost him \$2.03, including 50 cents payment on his line—making his electricity cost him \$1.52.

Mr. W. R. Benham lives 1 mile from Corinth, uses lights, two radios, two electric irons, electric fans, electric grill, and electric toaster. Last month he used 41 kilowatt-hours, which cost him \$1.64, including 41 cents payment on line—making his electricity cost him \$1.23.

Mr. O. S. Bean lives 2 miles from Tupelo, uses lights in his home, barn and garage, a radio, electric refrigerator, electric iron, electric fans, electric pump, and electric churn. Last month he used 64 kilowatt-hours, which cost him \$2.42, including 64 cents on his line—making his electricity cost him \$1.78.

R. T. Kelly of Saltillo, lives out 6 miles from Tupelo, uses lights, radio, electric iron, and electric fans. He used 25 kilowatt-hours of electricity during the month of February which cost him \$1, including 25 cents to help amortize his line—making his electricity cost him 75 cents.

Mr. P. A. Hudson lives 7 miles from Rienzi, has lights in his home, a radio, an electric refrigerator, electric iron, electric vacuum cleaner, electric washing machine, and an electric sewing machine. Last month he used 57 kilowatt-hours for which he paid \$2.21, 57 cents of which goes to help amortize his line—making his electricity cost him \$1.64.

Mr. H. M. Magers lives in the village of Kossuth, 9 miles from Corinth, has lights, radio, electric iron, electric fans, and an electric washing machine. Last month he used 40 kilowatt-hours for which he paid \$1.60, including 40 cents which goes to amortize his line—making his electricity cost him \$1.20.

Mr. E. M. Perry, Jr., of Rienzi, has electric lights in his home and yard, a radio, electric refrigerator, electric iron, electric fans, an electric range, and electric woodworking equipment, including saws, lathes, drills, planers, etc. Last month he used 114 kilowatt-hours for which he paid \$3.78, including \$1 payment on his line—making his electricity cost him \$2.78.

Mr. A. M. Sims of route 2, Tupelo, has lights, a radio, electric iron, electric fans, electric washing machine, electric range, and an electric water pump. His bill for last month was \$2.99 for 83 kilowatt-hours, including \$1 to help amortize his line—making his electricity cost him \$1.99.

Mrs. W. B. Petty, lives 6 miles from Corinth, has electric lights, radio, electric iron, and an electric washing machine. Last month she used 16 kilowatt-hours, for which she paid \$1 (the minimum charge) including 25 cents to help amortize the line—making her electricity cost her 75 cents.

Mr. L. S. Snipes lives 4½ miles from Tupelo, has lights in his home, a radio, and an electric iron. Last month he used 23 kilowatt-hours for which he paid \$1 (the minimum charge), 25 cents of which goes to help amortize the line—making his electricity cost him 75 cents.

Mr. G. S. Roebke lives 1 mile from Rienzi, has lights in his home, in his garage, a radio, electric refrigerator, electric iron, electric fans, and an electric air compressor. He is on a commercial rate. Last month he used 88 kilowatt-hours which cost him \$3.78, including 88 cents to help amortize his line—making his electricity cost him \$2.90.

Mrs. E. Roebke lives 1 mile from Rienzi, has lights in her home and barn, a radio, electric refrigerator, electric iron, electric vacuum cleaner, and electric fans. Last month she used 46 kilowatt-hours which cost her \$1.84, 46 cents of which goes to help amortize the line—making her electricity cost her \$1.38.

Mr. W. M. Settle lives 9 miles from Corinth, has lights in his home and barn, a radio, electric refrigerator, electric iron, electric range, electric fans, electric washing machine, and has electrified his corncrib and workshop. Last month he used 161 kilowatt-hours for which he paid \$4.72, including \$1 which goes to help amortize his line—making his electricity cost him \$3.72.

Mr. Settle says in his letter:

T. V. A. simply makes life worth living in the country, removes drudgery from a number of our regular jobs, and does it on our own places and at our command.

Mr. H. E. Roebke, who lives in Rienzi, has lights in his home, barn, garage, a radio, electric refrigerator, electric iron, electric vacuum cleaner, electric fans, electric range, electric toaster, electric percolator, a small electric stove, an electric hot-water heater, and an electric water pump which pumps water for 3 families and 10 head of livestock. Last month he used 265 kilowatt-hours for which he paid \$6.15, including \$1 to help amortize the line—making his electricity cost him \$5.15.

Mr. W. C. Tanner lives 7 miles from Saltillo, is on a commercial rate, has lights in his home, a radio, electric coffee mill, and an electric pump. Last month he used 29 kilowatt-hours for which he paid \$1.39, including 29 cents which goes to help amortize the line—making his electricity cost him \$1.10.

Mr. E. E. Long, superintendent of the Alcorn County Agricultural High School, at Kossuth, Miss., states that they have lights in 13 buildings, lights on the campus, in the barn, lights in the garage, seven radios, an electric refrigerator, electric iron, electric vacuum cleaner, electric fans, electric washing machine, three electric motors, electric shop tools, and last month they used 895 kilowatt-hours for which they paid \$22.44. He says:

Our bill for running motor to generate our own electricity, before T. V. A., was about \$45 per month. We did not have a third as much light as we now have. Our bill under T. V. A. has averaged less than \$20 per month. We think it the greatest asset to a rural section.

Mr. R. J. Frost operates a store 6 miles from Tupelo; he has lights in his home and store, a radio, electric iron, electric fans, electric hot plate, and an electric percolator, and is on a commercial rate. Last month he used 18 kilowatt-hours for which he paid \$1.35, including 25 cents which goes to help amortize the line—making his electricity cost him \$1.10.

Mr. C. W. Duncan lives 3 miles from Tupelo, has lights in his home and barn, a radio, electric refrigerator, electric iron, electric fans, and an automatic electric water system. Last month he used 95 kilowatt-hours for which he paid \$3.35, including 95 cents which goes to help amortize the line—making his electricity cost him \$2.40.

Mr. Troy Hurley, of Michie, Tenn., who is served by the Alcorn County (Miss.) Electric Power Association, has lights in his home and barn, a radio, electric iron, and electric fans. Last month he used 20 kilowatt-hours for which he paid \$1, including 25 cents which goes to help amortize the line—making his electricity cost him 75 cents.

Mr. E. H. Burns lives 3 miles from Tupelo, has lights in his home, garage, and in his barn, one of which burns all night, a radio, electric refrigerator, electric hot plate, and an electric iron that does the ironing for three families each week. Last month he used 42 kilowatt-hours for which he paid \$1.68, including 42 cents which goes to help amortize the line—making his electricity cost him \$1.20.

Mr. C. W. Smith, of Kossuth, has lights in his home, an electric iron, two electric gasoline pumps, and an electric oil pump. He paid \$1.44 last month for 36 kilowatt-hours, 36 cents of which goes to help amortize his line—making his electricity cost him \$1.08.

Mr. H. J. Hoover, Stantonville, Tenn., who is served by the Alcorn County (Miss.) Electric Power Association, has lights, a radio, an electric refrigerator, electric iron, electric fans, electric percolator, and an electric range. Last month he used 55 kilowatt-hours for which he paid \$2.15, including 55 cents which goes to help amortize the line—making his electricity cost him \$1.60.

Mr. R. L. Burns, Guys, Tenn., served by Alcorn County (Miss.) Power Association, has lights in his home, barn, and garage, a radio, electric refrigerator, electric iron, electric vacuum cleaner, electric fans, electric churn, electric washing machine, electric sewing machine, electric water pump, and an electric battery charger. Last month he used 57 kilowatt-

hours, for which he paid \$2.21, including 57 cents which goes to help amortize the line—making his electricity cost him \$1.64.

In his letter he says:

I am unable to command words to express my appreciation of T. V. A. My wife places the churn in the proper place—turns a button and T. V. A. does the work. She turns a faucet in the kitchen and gets cold and hot water. She places her foot on an attachment and again T. V. A. helps her by operating the sewing machine. When she places the milk and butter together with vegetables in the refrigerator T. V. A. is on the job, and when we need ice the trays are either full or soon will be.

Mr. W. H. Barnett, who lives 16 miles from Selmer, Tenn., and who is also served by the Alcorn County (Miss.) Electric Power Association, uses lights, a radio, electric refrigerator, electric iron, electric fans, electric washing machine, pump for running water in the home. His last monthly bill amounted to 38 kilowatt-hours and cost him \$1.52, of which amount 38 cents went to amortize his line.

Mr. Barnett writes:

This electrical movement is the greatest help to the rural sections of anything we could have gotten. I use my refrigerator 365 days a year; in the winter to keep food from freezing, in the summer to freeze it. I have a washing machine that I do the family laundry for seven people, have the clothes on the line in from 1 to 2½ hours, which would require at least 1 whole day of back-breaking work, or about a \$2 laundry bill each week. It has made it possible to have running water in the kitchen and bath room, hot and cold water, giving us city conveniences in God's great open country. Our radio brings us in touch with all the great happenings of the world. My electric iron is a great time saver, as well as making our laundry take on a more finished appearance, and the fan feels mighty good on a real hot day.

Mr. Chairman, I could fill page after page of the RECORD with similar examples; I have hundreds of them on my desk. But I will withhold them till another time.

This power question is the greatest issue now before us, and will be, probably, for the next 25 years.

This is one of the greatest programs for the benefit of the masses of the American people ever advanced by any administration since this Government began. It is the greatest farm relief movement ever proposed. It will not only benefit the farmers now, but will go on down to the future and bless the generations that are yet to come. If the Roosevelt Administration never does anything else, if it will just carry this power program to its logical conclusion, and insure to every individual electricity at reasonable rates, it will forever deserve the undying gratitude of mankind. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding any other provision of law, Electric Home and Farm Authority, a corporation organized under the laws of the District of Columbia, shall continue until February 1, 1937, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States. During the continuance of such agency, the present investment in the capital stock of such corporation, for the use and benefit of the United States, shall be continued, and such corporation is hereby authorized to use all its assets, including capital and net earnings therefrom, and all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency.

Mr. McLEAN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

At the end of section 1 add a new section, as follows:

"Sec. 2. The Corporation shall file with the President and with the Congress, in December of each year, a financial statement and a complete report as to the business of the Corporation covering the preceding governmental fiscal year. This report shall include an itemized statement of the cost of operation, the total number of employees and the names, salaries, and duties of all those receiving compensation at the rate of more than \$1,500 a year."

Mr. McLEAN. Mr. Chairman, the purpose of this amendment is perfectly obvious and perfectly reasonable. We have seen this afternoon how helpful it would have been if this corporation, the Delaware corporation, had on file in this House a report which we could understand to guide us.

We have learned a great deal today about the Delaware corporation and its activities which we might have known before. I suggest, gentlemen of the House, that for an under-

standing of the attitude men are likely to acquire when they have unlimited authority as the agents of Congress you read the testimony of the Tennessee Valley Authority directors before the Committee on Military Affairs last summer.

Mr. GOLDSBOROUGH. If the gentleman will yield, the committee will accept his amendment.

Mr. McLEAN. I yield.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DEMPSEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill S. 3424, pursuant to House Resolution 461, he reported it back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question now is on the passage of the bill.

Mr. SNELL. Mr. Speaker, on that I demand a division.

The House divided; and there were—ayes 132, noes 29.

Mr. SNELL. Mr. Speaker, I object to the vote and make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the passage of the bill.

The question was taken; and there were—yeas 267, nays 76, not voting 87, as follows:

[Roll No. 51]

YEAS—267

Ashbrook	Crosser, Ohio	Gray, Pa.	McFarlane
Ayers	Crowe	Green	McGehee
Bankhead	Cullen	Greenway	McGrath
Barden	Curley	Greenwood	McKeough
Barry	Deen	Greever	McLaughlin
Beiter	Delaney	Gregory	McMillan
Bell	Dempsey	Griswold	McSwain
Blackney	Dickstein	Haines	Mahon
Bland	Dies	Hamlin	Main
Blanton	Dietrich	Hancock, N. C.	Maloney
Bloom	Dingell	Harlan	Mansfield
Boehne	Disney	Hart	Mapes
Bolleau	Dobbins	Healey	Marcantonio
Boland	Dockweller	Hennings	Martin, Colo.
Boykin	Dondero	Higgins, Mass.	Mason
Boylan	Dorsey	Hildebrandt	Massingale
Brown, Ga.	Doxey	Hill, Ala.	Maverick
Brown, Mich.	Drewry	Hill, Knute	Mead
Buck	Duffey, Ohio	Hook	Meeks
Buckler, Minn.	Duffy, N. Y.	Houston	Merritt, N. Y.
Burch	Duncan	Huddleston	Michener
Burdick	Dunn, Miss.	Hull	Miller
Caldwell	Dunn, Pa.	Jacobsen	Mitchell, Ill.
Cannon, Mo.	Eagle	Jenckes, Ind.	Mitchell, Tenn.
Cannon, Wis.	Eckert	Johnson, Okla.	Monaghan
Carpenter	Elcher	Johnson, Tex.	Moran
Cartwright	Ellenbogen	Jones	Moritz
Cary	Farley	Keller	Murdock
Casey	Ferguson	Kelly	Nelson
Castellow	Fernandez	Kennedy, N. Y.	Norton
Celler	Fiesinger	Kerr	O'Connell
Chandler	Fitzpatrick	Kloeb	O'Connor
Chapman	Flannagan	Kniffin	O'Day
Citron	Fletcher	Kopplemann	O'Leary
Clark, N. C.	Ford, Calif.	Kramer	O'Malley
Cochran	Ford, Miss.	Lambertson	O'Neal
Coffee	Frey	Lambeth	Palmitano
Colden	Fuller	Lamneck	Parsons
Cole, Md.	Gambrill	Lanham	Patman
Colmer	Gasque	Larrabee	Patterson
Cooley	Gassaway	Lea, Calif.	Patton
Cooper, Tenn.	Gavagan	Lee, Okla.	Pearson
Corning	Gearhart	Lemke	Peterson, Fla.
Costello	Gehrmann	Lesinski	Peterson, Ga.
Cox	Gilchrist	Lewis, Colo.	Pettengill
Cravens	Gildea	Lucas	Peyser
Crawford	Gillette	Ludlow	Pfeifer
Creal	Gingery	Lundeen	Pierce
Crosby	Goldsborough	McClellan	Polk
Cross, Tex.	Granfield	McCormack	Ramsay

Ramspeck	Schaefer	Stubbs	Wallgren
Randolph	Schneider, Wis.	Sutphin	Walter
Rankin	Schulte	Sweeney	Wearin
Rayburn	Scott	Tarver	Weaver
Reece	Scrugham	Taylor, Colo.	Welch
Reilly	Sears	Taylor, S. C.	Werner
Richards	Secrest	Taylor, Tenn.	West
Richardson	Shanley	Terry	Whelchel
Robertson	Smith, Conn.	Thom	Whittington
Robinson, Utah	Smith, Va.	Thomason	Wilcox
Rogers, Okla.	Smith, Wash.	Tolan	Williams
Russell	Snyder, Pa.	Tonry	Withrow
Ryan	Somers, N. Y.	Turner	Wolverton
Sadowski	South	Umstead	Woodruff
Sanders, Tex.	Spence	Utterback	Young
Sandlin	Starnes	Vinson, Ga.	Zimmerman
Sauthoff	Stefan	Vinson, Ky.	

NAYS—76

Andrew, Mass.	Eaton	Johnson, W. Va.	Rich
Arends	Edmiston	Kahn	Rogers, Mass.
Bacharach	Ekwall	Kenney	Schuetz
Bacon	Engel	Kinzer	Seger
Bolton	Engelbright	Knutson	Short
Brewster	Faddis	Leibach	Smith, W. Va.
Buchanan	Fenerty	Lord	Snell
Burnham	Focht	McAndrews	Stewart
Carlson	Gifford	McLean	Sullivan
Carter	Goodwin	McLeod	Taber
Cavichia	Gwynne	Marshall	Thompson
Christianson	Hancock, N. Y.	Merritt, Conn.	Thurston
Church	Hartley	Millard	Tinkham
Cole, N. Y.	Hess	Mott	Tobey
Collins	Higgins, Conn.	O'Brien	Treadway
Culkin	Hoffman	Pittenger	Turpin
Darrow	Holmes	Powers	Wigglesworth
Dirksen	Hope	Ransley	Wilson, Pa.
Ditter	Jenkins, Ohio	Reed, Ill.	Wolfenden

NOT VOTING—87

Adair	Darden	Kocialkowski	Rogers, N. H.
Allen	Deare	Kvale	Romjue
Amlie	DeRouen	Lewis, Md.	Rudd
Andresen	Doughton	Luckey	Sabath
Andrews, N. Y.	Doutrich	McGroarty	Sanders, La.
Beam	Driscoll	McReynolds	Shannon
Berlin	Driver	Maas	Sirovich
Biermann	Evans	Martin, Mass.	Sisson
Binderup	Fish	May	Stack
Brennan	Fulmer	Montague	Steagall
Brooks	Gray, Ind.	Montet	Summers, Tex.
Buckbee	Guyer	Nichols	Thomas
Buckley, N. Y.	Halleck	Oliver	Underwood
Bulwinkle	Harter	Owen	Wadsworth
Carmichael	Hill, Samuel B.	Parks	Warren
Claiborne	Hobbs	Perkins	White
Clark, Idaho	Hoeppel	Plumley	Wilson, La.
Connery	Hollister	Quinn	Wolcott
Cooper, Ohio	Imhoff	Rabaut	Wood
Crowther	Kee	Reed, N. Y.	Woodrum
Cummings	Kennedy, Md.	Risk	Zioncheck
Daly	Kleberg	Robison, Ky.	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kleberg (for) with Mr. May (against).
 Mr. Driscoll (for) with Mr. Crowther (against).
 Mr. Harter (for) with Mr. Halleck (against).
 Mr. Carmichael (for) with Mr. Robison of Kentucky (against).
 Mr. Warren (for) with Mr. Hollister (against).
 Mr. Imhoff (for) with Mr. Thomas (against).
 Mr. Biermann (for) with Mr. Martin of Massachusetts (against).
 Mr. Amlie (for) with Mr. Buckbee (against).

General pairs:

Mr. Connery with Mr. Cooper of Ohio.
 Mr. Driver with Mr. Allen.
 Mr. Oliver with Mr. Perkins.
 Mr. Rabaut with Mr. Reed of New York.
 Mr. McReynolds with Mr. Wolcott.
 Mr. Samuel B. Hill with Mr. Risk.
 Mr. Parks with Mr. Wadsworth.
 Mr. Fulmer with Mr. Plumley.
 Mr. Beam with Mr. Maas.
 Mr. Romjue with Mr. Andrews of New York.
 Mr. Bulwinkle with Mr. Doughton.
 Mr. Summers of Texas with Mr. Guyer.
 Mr. Doughton with Mr. Andresen.
 Mr. Steagall with Mr. Fish.
 Mr. Woodrum with Mr. Kvale.
 Mr. DeRouen with Mr. Lundeen.
 Mr. Lewis of Maryland with Mr. Sisson.
 Mr. Adair with Mr. Kee.
 Mr. Claiborne with Mr. Quinn.
 Mr. Owen with Mr. Wood.
 Mr. Hobbs with Mr. Evans.
 Mr. Dear with Mr. Zioncheck.
 Mr. Nichols with Mr. Rudd.
 Mr. Darden with Mr. Berlin.
 Mr. Gray of Indiana with Mr. Brennan.
 Mr. Rogers of New Hampshire with Mr. Clark of Idaho.
 Mr. Kocialkowski with Mr. Daly.
 Mr. Shannon with Mr. Montet.

Mr. Stack with Mr. Sirovich.
 Mr. Cummings with Mr. Buckley of New York.
 Mr. Montague with Mr. Wilson of Louisiana.
 Mr. Binderup with Mr. White.
 Mr. Kennedy of Maryland with Mr. Brooks.

Mr. RUSSELL. Mr. Speaker, my colleague, Mr. CONNERY, of Massachusetts, is absent on official business. If present, he would have voted "aye."

The result of the vote was announced as above recorded. The doors were opened.

THE TRANS-FLORIDA AND KIEL SHIP CANALS

Mr. SEARS. Mr. Speaker, last week I obtained consent to have extended in the RECORD a certain magazine article. At that time I had not fully complied with the rule. Since then I have complied with the rule, and I again ask unanimous consent to have printed in the RECORD a magazine article on the trans-Florida and Kiel Ship Canals, by Gilbert M. Youngberg, one of the country's outstanding engineers.

The SPEAKER. Is there objection?

There was no objection.

Mr. SEARS. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

THE TRANS-FLORIDA AND KIEL SHIP CANALS—SOME COMPARISONS

(By Gilbert A. Youngberg, colonel (Engineers), U. S. Army, retired, consulting engineer, Jacksonville, Fla.)

(EDITORIAL NOTE.—Colonel Youngberg, the author of this article, has been almost continuously engaged since 1922 on studies of a waterway across the Peninsula of Florida. As United States district engineer for the Peninsula of Florida, his first report was submitted on May 4, 1923, and was published as Senate Document No. 179, Sixty-eighth Congress, second session. Subsequent to his retirement from active service in the Army he was commissioned by various interests to make further studies of the project and he is the principal author of the extensive report submitted in 1931 by the Jacksonville City Commission to the United States Engineer department, entitled "The Gulf-Atlantic Ship Canal Across Florida—An economic study." This report established a prima-facie case so strong that the United States Engineer department proceeded to make extensive and complete physical and economic surveys of the project which subsequently resulted in the construction work now in progress. However, the statements made in the article are based on official reports of various Federal agencies, including the United States Department of Commerce, United States Shipping Board, and others. Statements concerning the Kiel Canal are based on official publications of the organization administering that waterway.)

1. Editorial writers and others, particularly in the southern part of Florida, have strenuously opposed the Gulf-Atlantic Ship Canal now being constructed across the peninsula by the Federal Government. While many of them have heard of the Suez and Panama Canals, they apparently believe that the Florida cross-State canal is the first and only waterway ever projected across a peninsula. Some have voiced the view that even as a means of P. W. A. relief employment it is not very effective and that, considered as a navigation facility, it will be immensely costly, will have but little or no use, and that no economic warrant does or can exist for its construction in the interests of water-borne commerce.

2. Nevertheless, its construction is based on a fundamental principle of transportation as old as mankind. That principle is the same which results in a short cut across a vacant lot to a car station or a grocery store. It is identical with the reason for every rectification of our highways, and it is applied to every tunnel that is holed through a mountain to eliminate the curves and heavy grades, and consequent high transportation costs incident to carrying the railway over the mountain from one valley to another. It was this same basic principle which caused the construction of the Suez and Panama Canals.

3. Because of the geographic analogy existing between the Florida canal and the Kiel Canal in Europe, it is appropriate to consider the latter. This crosses the base of the Jutland Peninsula which projects northward from Germany and which contains the Kingdom of Denmark.

PENINSULAR SIMILARITIES

4. If the reader will imagine himself at the tip of the two peninsulas, in turn facing the base or neck of each he will find that the Baltic Sea on the left of the Jutland Peninsula corresponds with the Gulf of Mexico on the left of the Florida Peninsula; the North Sea on the right corresponds in a way to the Atlantic, and that the Kattegat and Skagerrak Straits around Skagen (Cape Skaw) correspond to the Straits of Florida around Cape Sable and the Florida Keys.

5. On the Baltic Sea there are the important ports of Stettin, Danzig, Gdynia, Riga, Reval, Leningrad, and others, including those on the east side of Sweden. (See plate.) These ports correspond to the American ports of Panama City, Pensacola, New Orleans, Galveston, Houston, and other ports on the Gulf of Mexico in the United States and in Mexico. (See map, p. 10, Southeastern Waterways, vol. I, no. 1, for January 1936.)

6. In Europe the North Sea and Atlantic ports of Hamburg, Amsterdam, Rotterdam, Antwerp, and LeHavre on the Continent, and London, Hull, Edinburgh, and other ports on the east coast of

England and Scotland, all of which are separated from the Baltic Sea by the Jutland Peninsula, correspond to the American Atlantic coast ports of Jacksonville, Savannah, Charleston, Baltimore, Philadelphia, New York, Boston, and other ports in the United States and in Canada, which are separated from the Gulf ports by the peninsula of Florida.

THE GREAT CIRCLE SAILING ROUTE

7. In comparing the Kiel Canal with the trans-Florida ship canal there is, however, one important feature in favor of the latter project. This lies in the fact that trans-Atlantic vessels plying direct between any two ports in America and Europe try to follow the great circle route, after giving due regard to ocean currents, hazards of icebergs, and other conditions which affect the safety of navigation at sea. The advantage of the great circle route is apparent on a globe, but it is not at all apparent on a flat map, particularly if the latter is on the customary rectangular or Mercator's projection.

8. The British Isles lie athwart the great circle route between the westerly entrance to the Kiel Canal and the North American ports. Therefore vessels plying direct between New York, for instance, and the Baltic ports approximate the great circle route by going to Pentland Firth, north of Scotland, thence across the North Sea, and around the Skaw, to the east of Denmark, for the reason that this route is somewhat shorter than that through the English Channel and around the Skaw or through the canal.

9. The corresponding condition does not apply to the Florida ship canal. It will afford a very decided short cut for all shipping plying between Gulf ports and those on either side of the Atlantic Ocean, including ports in the Mediterranean and some ports on the northwest coast of Africa. The Florida canal approximates more closely than the Florida Straits to the great-circle route between ports in the Gulf of Mexico and ports in Europe, including those on the Baltic. For example, a vessel plying direct between Galveston, on the Gulf of Mexico, and Gdynia, on the Baltic Sea, will find its shortest distance by using the Florida canal rather than by going on through the Florida Straits. This applies to all European and Mediterranean ports and to all American ports north of Jacksonville. This advantage presented by the Florida canal is increased, on the whole, by reason of the Gulf Stream and certain other factors which affect in various ways round-trip navigation through the Florida Straits as compared with navigation through the proposed canal.

10. All the vessels engaged in the North Atlantic trade will profit by using the latter canal. However, because the Kiel Canal does not greatly shorten the North Atlantic great-circle route between Baltic and American ports, the latter traffic does not pass through the Kiel Canal.

11. It follows, then, that since the latter canal does not afford the trans-Atlantic commerce the same degree of benefit being offered by the Florida canal, the traffic of the former may be conservatively taken as an index of the commercial possibilities and benefits to accrue from the latter.

RELATIVE DIMENSIONS

12. The comparative dimensions are indicated in the figures on the plate.

13. The Kiel Canal has a bottom width of only 144 feet, while the Florida canal will have a minimum width of 250 feet for about 60 miles and the rest will apparently be not less than 400 feet wide. The Kiel Canal has a center depth of 36 feet, in order to accommodate vessels of the German Navy, but most of the merchant vessels using the canal have a draft of not over 21 feet, and they may pass or meet other vessels without stopping. For deeper draft vessels, bypasses, or lay-bys are provided after the manner of railway sidings. These are equipped with posts for the mooring of vessels which must take the siding and come to a full stop. Of these bypasses, there are 11, the four largest of which are each 3,600 feet long by 540 feet wide.

14. The Florida canal will be sufficiently wide so that vessels may pass or meet without lay-bys and without any great reduction in speed. It will have a depth of 32 feet or more and will accommodate vessels having a loaded draft of 30 feet. This draft embraces all but a small percentage of vessels in the Gulf trade.

15. In 1929, out of a total of 1,487 ships entering the Gulf and making 10,341 one-way voyages and which might have used the ship canal to advantage, there were only 11 ships, making 96 voyages, that exceeded 30 feet in draft. In general, 95 percent of the commerce of the world is carried in vessels of 30 feet draft or less.

16. For strategic reasons American war vessels no longer operate in the Gulf, and there is no need for an excessively deep canal to accommodate them. However, the canal has a wartime advantage in that it will facilitate the movement of supplies or munitions of war from the numerous ports in the Gulf. Cotton, petroleum, grain, and other products produced in the great valley of the United States are all "materials of war" and find their natural outlet through the Gulf ports and hence through the trans-Florida canal, which can be defended against an enemy with much greater ease than the channels between the Florida Peninsula and Yucatan.

17. The Kiel Canal is 53.2 nautical or 58.5 statute miles in length, while the Florida canal will be about 195 statute miles long from the ends of the jetties in the Atlantic and the Gulf, respectively. Notwithstanding this disparity in length, the Florida canal will afford greater total savings to shipping in point of time and distance than results from the Kiel Canal.

VESSEL SPEEDS

18. Contrary to statements made by numerous misinformed writers, engineers, and others in Florida, a very considerable speed can be maintained in the Florida canal. In the relatively narrow Kiel Canal a speed of 8.1 knots, or 9 miles, per hour is permitted, and a speed of not less than 5.4 knots, or 6 miles, per hour must be maintained by order of the management. If a vessel under her own power cannot make this speed, she must take a tug. Incidentally, "tug trains" are made up consisting of sailing vessels, barges, and other craft. The number of such vessels is decreasing with the improvement in Diesel engines. In 1912 some 34,804 vessels were towed in 12,487 tug trains. The average running time for transit was 17¼ hours—a rate of 3¼ miles per hour. In 1927 only 2,864 vessels were towed in 1,650 tug trains. The average transit time was 19¼ hours, or a rate of 6 miles per hour. This reduction in time is due to improvements made in the canal prism in recent years. For vessels moving under their own power the transit through the canal is made in 7 to 7½ hours, according to the draft of the vessels. Incidentally, this compares very favorably with the transit of United States naval vessels through the Panama Canal under emergency conditions. The Panama Canal is 50 miles long, and during the World War a United States Navy destroyer passed through in 4 hours and 10 minutes, but 8 hours is a fair minimum time for transit, including lockages and other delays. In 1934 an entire fleet of 110 war vessels was passed in 48 hours. Authorities estimate that the Florida canal will permit an average speed of at least 7.5 knots, and that 25 hours will suffice for the transit.

DISTANCE AND TIME SAVINGS

19. From its tip to the median point on the Kiel Canal, the Jutland Peninsula measures about 250 miles, while the corresponding distance in the Florida Peninsula is 350 miles. The Kiel Canal saves about 22 hours on a voyage from Rotterdam on the Atlantic to Stettin on the Baltic. The Florida canal will, however, save about 32 hours on a voyage from Mobile, on the Gulf, to Savannah, or other United States ports in the Atlantic. On return, from the Atlantic ports to Mobile, the time savings will be 48 hours. The difference between the northbound and southbound savings is due to the influence of the Gulf Stream as affecting navigation through the straits and not affecting navigation through the canal.

20. The savings in time in all cases above are on the basis of a vessel with a speed of 8.5 knots in the open ocean. On a trip from Gibraltar (the entrance to the Mediterranean) to Tampa, the canal would save about 12 hours on a 10-knot ship and from New York to Tampa the saving would be 32 hours. However, from Tampa to New York the saving would be 20 hours, or a total of 52 hours on a round trip. For an 8.5-knot ship, the round-trip saving between Tampa and New York would be 62 hours. In all these calculations due account has been taken of the effect of the Gulf Stream and of the speed incident to navigation in the canal. The sailing distances involved are those computed by the United States Hydrographic Office, and conform to the approved sailing lines.

BRIDGES

21. It is interesting to observe that the Kiel Canal traverses a thickly populated country with numerous large cities in Denmark and in Germany, with a correspondingly heavy highway and railway traffic. No bridges are allowed to interfere with the free continuous movement of vessels. Four main-line railways are conducted across the canal by high-level bridges, affording a vertical clearance of 42 meters, or over 140 feet above the water. There is one highway bridge at high level and there is one swing bridge at a somewhat lower level used as a combination railway and highway bridge. It is arranged for specially quick operation. Numerous other highways are provided with ferries, of which there are 17 crossing the canal.

22. It may be remarked here that the Cape Cod Canal is crossed by only two highway bridges, each with a vertical clearance of 135 feet, and one railway lift bridge, which is habitually in an open position high above the water. It is lowered on the approach of a train. This mode of operation is the reverse of the customary arrangement whereby the bridges are usually closed and are opened only upon the approach of a vessel.

TOLLS

23. The Kiel Canal is operated as a toll canal. In 1931 the revenues were 6,137,000 marks, and the average charge was 0.34 marks per net registered ton. At the average rate of exchange this toll was equal to 8.0343 cents per net registered ton.

24. At one time a corporation was formed by act of State legislature with a view to constructing and operating a Florida Ship Canal. Application was made to the Reconstruction Finance Corporation for a loan and it was necessary to consider the canal as a self-liquidating project. Under these circumstances it could only be liquidated by assessing tolls and this idea, long since abandoned, is apparently the origin of the comment that the project cannot be liquidated on a toll basis. There is, however, good reason for stating that on the very low basis of 8-cent toll per ton, the revenues would serve to maintain and operate the canal and amortize the principal in 80 years, or less—particularly if interest be computed at the low rates at which the Federal Government has been able to obtain funds. Moreover, the benefits to accrue to shipping would be such as to justify a toll considerably in excess of 8 cents per ton. On petroleum products the savings, conservatively figured, would exceed 14 cents per long ton of cargo and would exceed 19 cents per ton of ordinary dry cargo as carried on freighters and combination freight and passenger vessels. How-

ever, since there are more than a dozen kinds of tons, it is important to observe a proper distinction between a ton of cargo which could be 2,000 or 2,240 pounds and a net registered ton which has 100 cubic feet of space. Tolls are usually based on the net registered ton, but the Suez and Panama Canals have their own rules for measuring the tonnage of vessels.

25. However, with reference to tolls, it should be noted that in 1796 Congress passed a resolution declaring navigable waters of the United States to be public highways forever free. This resolution was reenacted in somewhat different language in 1884 and is a fixed policy of the Federal Government. Many millions of dollars have been spent by the Government in creating artificial channels in Biscayne Bay for the benefit of Miami, in improving natural channels in Tampa Bay for the benefit of Tampa and other ports, and in improving St. Johns River channel for the benefit of Jacksonville. The Government has spent many other millions for numerous other seaports and for the improvement of the Mississippi, Ohio, and other rivers, as well as for artificial inland waterways, such as the Atlantic Intracoastal and the Gulf Canals. It has never sought to levy tolls or port dues on vessels using these improvements. The expenditure of Federal funds has been predicated on general benefits to commerce, including such intangibles as "increased safety and convenience in navigation." (See Reports on Miami Harbor, H. Doc. No. 15, 71st Cong., 2d sess., and on Tampa Bay, S. Doc. No. 22, 72d Cong., 1st sess., and numerous other Federal project documents.)

26. The official reports on the Florida ship canal contain extended discussion of the tolls that might be collected and the extent to which they would justify the project if tolls should be levied. The reports also contain extended discussions of the general intangible benefits which would justify the project in the interests of the commerce of the United States. The reports on the canal fully justify its construction as a Federal project in the same sense that they fully justify the extensive improvements now being made in Biscayne Bay, in Tampa Bay, and those projected for the harbor of Jacksonville and many other cities.

27. Congress has power to levy tolls, despite the policy heretofore established. It might decide to levy tolls on foreign vessels and not levy tolls on American-flag vessels. Such a course would result in a very substantial and indirect subsidy to the American merchant marine, which subsidy is very greatly needed.

SHIPS AND CARGOES

28. Through the Kiel Canal, the predominant traffic is coastwise; that is, it consists of trade between ports on the North Sea and the Baltic. It is conducted in a great number and variety of craft, but not of a very great aggregate tonnage. In 1929, 49,000 so-called ships passed through the canal, while the net registered tonnage was only 21,740,087 tons. Other reports show over 56,000 separate craft or voyages and over 24,000,000 tons. For 1929, the statistics show 26,585 vessels as steam or motor ships having a net registered tonnage of 20,109,247 tons.

29. For the Florida canal, a very complete analysis was made of the shipping for 1929. Every vessel was traced into and out of the Gulf, and, out of a total of 1,971 vessels carrying the total foreign and domestic commerce of the United States Gulf coast ports, it was found that 1,487 different ships made 10,341 voyages that could have used the canal to advantage. The total net registered tonnage for these voyages was 38,545,124, while the cargo amounted to 45,174,704 tons of 2,000 pounds each. Of these voyages, 7,610 were made under the American flag, with a net tonnage of about 28,800,000 tons. A similar analysis of the 1931 commerce showed 9,575 potential transits. The reduction below the 1929 figures was due to the smaller number of foreign-flag vessels, and this, in turn, was due to the world-wide depression and the corresponding reduction in commerce.

30. The analyses above mentioned were limited to ocean-going vessels, but the canal, once constructed, would show a very considerable traffic in self-propelled and towed barges. It has been estimated that this trade will amount to over 1,400,000 tons annually, on which the average savings in transport costs will exceed 80 cents per ton. In addition, there will be a large movement of yachts and other pleasure craft, with correspondingly large money benefits to the communities of Florida.

THE COMMERCE OF THE GULF PORTS

31. In recent years the Gulf ports have shown a relative gain in their share of the total domestic and foreign commerce of the United States. In 1932 these ports handled 9.2 percent of the total water-borne commerce of the United States, but in 1932 it had increased to 17.6 percent. In that period the total water-borne commerce of the United States declined from 449,000,000 tons to 301,000,000 tons, but the commerce of the Gulf ports increased from 41,000,000 tons to 53,000,000 tons.

32. Furthermore, of the total commerce of the Gulf ports, the greater part is coastwise. This consists very largely of trade between the ports on the Gulf and those on the Atlantic. As shown in the upper corner of the plate, this trade in 1932 amounted to nearly 38,500,000 long tons and was 72.5 percent of the total Gulf ports trade. During the depression of recent years foreign trade of the Gulf ports in 1932 was about 25 percent of their total commerce. An analysis of this foreign commerce indicates that about 70 percent thereof may be fairly considered as potential traffic for the Florida ship canal. This, together with the coastwise traffic, indicates a total potential traffic of not less than 39,000,000 short tons which will profit by the "short cut" ship canal between the Gulf and the Atlantic coast. The resulting savings based on the operating costs and fixed charges of the vessels are evaluated at

about 16 cents per ton. This figure might well have been considered in determining tolls, for which 8 cents per ton has been suggested in some quarters. However, aside from these benefits, calculated on operating costs and fixed charges, there are other collateral benefits amounting to millions of dollars annually on which it would not be practicable to levy tolls or taxes for the operation of the waterway.

THE PANAMA AND SUEZ CANALS

33. Various persons not familiar with commercial statistics have sought to compare the Florida canal with the Panama Canal and have asserted that the traffic on the Florida canal cannot possibly approximate one-half of the traffic of the Panama Canal. They are grossly in error. Notwithstanding its great advantage, the traffic in the latter is exceeded by the potential traffic on the former.

34. As compared with the Cape Horn route, the Panama Canal saves over 8,000 miles of distance between United States Pacific coast ports and such a typical port as Norfolk on the Atlantic coast. In the calendar year 1932 the Panama Canal transited 4,367 vessels, carrying 18,909,938 long-tons of cargo. The net registered tonnage was 16,573,865 tons. For the "big year" of 1929 the figures were 6,430 ships and 31,450,493 long-tons of cargo.

35. In the first 10 months of 1935 the Panama Canal transited 4,175 vessels, with a net registered tonnage of about 17,600,000 tons. In the same time, the Suez Canal transited 4,951 vessels of about 17,800,000 net registered tons. The Italian military operations in Ethiopia account for a considerable part of this Suez traffic.

36. From the foregoing statements it will be noted that the Kiel Canal transits more ships than either the Suez or the Panama Canal. The analyses of the commerce of the ports of the Gulf of Mexico, made by two different and unbiased agencies, for the years 1929 and 1931 clearly show that the potential traffic for the Florida canal exceeds that of the Kiel Canal, which in turn approximates that of either the Suez or the Panama Canal.

37. It does not matter that the Florida canal will be longer than any of the others mentioned. It is important, however, that its navigable capacity is so great that it will even exceed the capacity of the navigable channels leading to the port of Houston and to numerous other ports on the Gulf and Atlantic coasts, and its capacity will at least equal the navigable capacity of the present channel from the ocean to the harbor of Jacksonville. In other words, the canal will permit a very free and speedy vessel movement. It is important also that notwithstanding its length it will still save many miles and many hours or days and many dollars for vessels plying between ports on the Gulf of Mexico and ports on either side of the North Atlantic Ocean and in the Mediterranean. Obviously, with the great volume of traffic to be accommodated, it will be equipped for navigation at all hours of the day and night, and will be equipped with a signal system which will warn bridge tenders, as well as the officers navigating the ships as to the possibility of immediate passage through any bridge. It is highly probable that railway bridges will conform to the Cape Cod practice, and will habitually be in the open position to permit the passage of vessels and will be brought into the closed position only upon the approach of trains.

CONCLUSION

38. Water-borne commerce is not a new thing under the sun, nor are canals a new-fangled notion. Their origins are shrouded in the mists of the most remote antiquity. Various bureaus of the Federal Government collect and compile complete statistics as to the movement of freight by water as well as by rail. Figures are available as to the cost of building, maintaining, and operating ships under various conditions, not only in the open waters of the ocean but also in harbor and inland channels. Copious figures exist as to the cost of excavating earth and rock and as to costs of all other elements entering into canal construction. Engineers and others are capable of digesting all these figures and of estimating costs of constructing, maintaining, and operating the Florida ship canal. They are also capable of evaluating the benefits to accrue to commerce. They are able to balance one against the other with a view to determining what is the economic justification for the construction of a trans-Florida canal. Three successive but independent boards, consisting of the most capable engineers in the country, have carefully investigated the project and have pronounced its construction as being in the interests of the United States.

39. In view of all these facts, in view of all the experience with traffic through the Suez and Panama Canals, and particularly in view of the experience in the Kiel, Corinth, and Welland Canals, which are analogous to the trans-Florida canal in view of all the commercial statistics on which to base calculations of the potential traffic, there is no room for doubt that the Gulf-Atlantic Ship Canal across Florida will serve a useful purpose and that there is ample economic warrant for its construction.

THE PEOPLE OF HAWAII

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the insertion of a radio address I made on Monday last.

The SPEAKER. Is there objection?

There was no objection.

Mr. KING. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio speech

delivered by me on Monday, March 23, 1936, over the Columbia Broadcasting System, station WJSV, as amplified:

To my friends who may be listening to this broadcast here on the mainland and in Hawaii, kuu aina aloha, greetings and aloha nui. There have been so many loose statements about the people of Hawaii, based on incorrect figures and erroneous ethnology, that I have felt it incumbent upon me as the Delegate to Congress from Hawaii to make an effort to tell the people of America the truth concerning our island peoples. I am therefore very appreciative of the courtesy of the Columbia Broadcasting System in allowing me the opportunity to do so.

At different times we have been said to be 90 percent Asiatic, which is quite untrue; or again that over 60 percent of our people are of Japanese ancestry, which is equally false. A recent public document lists our people into three classes—whites, Asiatics, and others. This lumps the entire body of Hawaiians and part Hawaiians under the somewhat casual and anonymous classification, others, including myself, with my Scotch-Yankee-Hawaiian ancestry, and many thousands like me. Under Asiatics there are included 130,000 native-born American citizens, at least 30,000 of whom are children of native-born parents; and a large number descended from immigrants who first came to Hawaii from 50 to 100 years ago. I wonder how long these perfectly good Americans will continue to be dubbed Asiatics.

A brief review of Hawaiian history may help to fix in your mind the racial groups comprising our present-day population. When Hawaii was discovered to the western world the islands had a population of 250,000 or more native Hawaiians. Shortly after this event the several islands were consolidated under one ruler and established as an independent kingdom under native Hawaiian monarchs. A republic succeeded this kingdom until the little nation, which had been independent for a hundred years, was annexed to the United States by its own request. During the period of its independence the Hawaiian population decreased so rapidly that immigration was undertaken with the view, first, of revitalizing the native people. Later the economic needs of the islands influenced the government to continue immigration, in order to provide sufficient labor for the country's growing industries. Up to the time of annexation, therefore, we had brought into Hawaii three principal racial groups, the Chinese, the Portuguese, and the Japanese, besides some smaller groups of other races. There had also been a steady influx of Anglo-Saxons—traders, missionaries, and professional men—throughout the entire period from the time of the discovery of the islands until annexation. When the American flag was hoisted over the islands Chinese immigration, which had already ceased, was prohibited by United States law. Soon after annexation the gentleman's agreement between Japan and the United States barred the further immigration of Japanese. Since then the only immigration of any material numbers that has taken place has been of Filipinos. The story of immigration to Hawaii has its analogy to the larger scene of the American mainland, the insistent demands of a former rapid industrial expansion attracting large numbers of new people.

Annexed to the United States on July 7, 1898, and incorporated as the Territory of Hawaii on July 14, 1900, Hawaii has been completely under the influence of American institutions for more than a generation. In fact, for many years prior to annexation American culture was paramount in the islands. Regularly since 1903 Hawaii has been appealing to be admitted as a State. In effect, Hawaii says to the American Nation, "Please look us over, study our community life in all of its phases, and see if we are not already long past the stage of compliance with every one of the requisites to statehood that has been applied to any one of our predecessors; and grant us that full participation in the national life that is every American's right, a right for which we of Hawaii made real sacrifices to attain."

Hawaii's most recent plea has been more thoroughly supported and more sympathetically considered by the United States than previously. We have grown from a people of 154,000 when annexed to one of 384,000 now, more than doubling our population in 35 years. The increase in our wealth has kept pace or even outstripped the increase in people. On this stable economic foundation we have built a modern and thoroughly American community. Federal statistics will confirm our claim that we carry a greater share of the national tax burden than many States; that we maintain in labor conditions, in government, education, social welfare, and every other aspect of American civilization as high or higher standards than continental United States.

Nearly all that I have said is granted by those whom opportunity has informed concerning Hawaii and its people, and many such accept the final conclusion: that Hawaii is entitled to statehood. Others hesitate, and find in the racial background of our people an argument for postponing or denying Hawaii's plea. Frankly, I do not believe one's racial ancestry can be raised against any native-born American citizen, and the simple truth of the matter is that Hawaii had, at the time of annexation, the racial elements now complained of in practically the same proportions as today, with the exception of the Filipino group. It would appear to be a fair statement that any doubts as to the racial background of Hawaii's people might more properly have been made in 1898; and not now, when our alien people are proportionately less in number than ever before, and our citizenship is more overwhelmingly native born.

As of June 30, 1935, the entire population of Hawaii numbered 384,437 persons. Of this total slightly more than 75 percent, or 291,645, are citizens of the United States, principally by birth; and slightly less than 25 percent, or 92,792, are aliens. The Ha-

waiians and part Hawaiians number a total of 57,688 people, all of them citizens of the United States, being 15 percent of the total population, and 20 percent of the citizen population. It is quite untrue, as commonly stated, that the native Hawaiian people are dying out; they are marrying out; intermarrying freely with all the other races living in the islands. Even with this merging to form the new Hawaiian people, the rate of decrease of the older stock is steadily less, showing greater adaptation to the present environment, and a virile resistance to racial extinction. Numbering 29,799 in 1900, the pure Hawaiians now number 21,710; a substantial decrease to be sure, but for the period covered, at a greatly retarded rate as compared with the preceding 35 years.

The part Hawaiians have, on the other hand, increased at a tremendous rate, both from natural fertility and a greater acquired immunity to the ills of civilization, and from additions through intermarriage. A total of 9,857 in 1900 has grown to 35,978 in 1935, over a threefold multiplication. There are more people of Hawaiian blood living in Hawaii today than there have been since 1866. The low-water mark of the Hawaiian people, considering the pure Hawaiians and the part Hawaiians as one group, was passed about 1896, and the future holds every promise that those who have some, at least, of the heritage of the old Polynesian race of Hawaii will take a steadily increasing part in the affairs of their native land. The part Hawaiian rate of increase is such that they will soon advance in proportionate numbers to be a half or more of the total citizens of Hawaii, according to careful estimates based on thorough studies by experts in the field of vital statistics. The character of their activity will be as thoroughly American as that of any people on the mainland. No Hawaiian desires any other destiny than to be a loyal citizen of the United States.

The Caucasian element in Hawaii number 88,423 people, or nearly a fourth of the whole population. Of this number, a small group, 3,639 persons, are eligible for naturalization, but are unable or unwilling, for one reason or another, to become American citizens.

The much larger number, 84,784 persons, are citizens, comprising about 30 percent of the citizen population. This latter number is divided between two major racial stocks; the Latins, principally Portuguese, numbering 36,032 people; and the Anglo-Saxons, numbering 48,752.

The Anglo-Saxons in Hawaii have been dominant for many years, almost from the time the American missionaries first brought Christianity to the islands 116 years ago. The great majority of this group are Americans, with smaller numbers of British and north European peoples. Included in this class are the descendants of those same American missionaries and other early American settlers, principally of New England origin.

The Latins comprise, besides the Portuguese, a smaller number of Puerto Ricans and a handful of Spaniards. The Portuguese in particular have been residents of the islands for several generations and are quite thoroughly assimilated to American standards.

The part-Hawaiians include many descendants of the early American and English settlers who intermarried with the Hawaiians. It is also true that the Polynesians, of whom the Hawaiians are a branch, are considered by many ethnologists to be of the Aryan race. This would include the Hawaiians as members of the Indo-European family of peoples. The total of the Hawaiian, part-Hawaiian, and Caucasian groups is 142,472 people, thoroughly American in every attitude, and comprising approximately half of the entire citizenry of the Territory.

The Chinese first came to Hawaii many years ago, and now comprise a total of 27,264 people, of whom 5,030 are aliens, being the older remnants of this early immigration, who are denied the privilege of naturalization by our laws. The 22,234 citizens of Chinese ancestry are in many cases the third generation from the original immigrant parents. Except for some slight cultural contacts with China, they are as essentially American as people of the same length of residence on the mainland.

Of the smaller racial elements, the Koreans number 6,668 persons, of whom 2,596 are aliens and 4,072 are citizens. The alien handful are the elderly parents, ineligible to naturalization, and the citizens are their American-born children.

The people of Japanese ancestry in Hawaii, a total of 148,972 persons, comprise 39 percent of the total population. Of this number, 40,617 are aliens, like the Chinese and Koreans, ineligible to naturalization. This latter group provides the bugaboo of the jingoes, although they consist of elderly men and women, ranging in age from 45 to 70 years, their average age being about 55 years. They arrived in Hawaii between 1885 and 1908; and practically none since the Immigration Act of 1924 placed an absolute ban upon Japanese immigration, which had, with minor exceptions, already ceased in 1908. No alien Japanese has had less than 12 years' residence in Hawaii, and the great majority of them have been in the islands more than 25 years. Much can be, and has been, accomplished in the American environment of Hawaii to convince these people that American institutions and democracy offer them and their children greater opportunities than they could expect in their former country. By the physical fact of age, the alien Japanese, as well as the smaller number of alien Chinese and Koreans, are passing off the stage at a rapid rate. Since the immigration of all three of these races was prohibited many years ago, and no replacements have come in since, it is a matter of a very few years when their only representatives will be native-born citizens of America. No one of our alien groups of the races ineligible to naturalization can migrate from Hawaii to the mainland, despite assertions to the contrary.

There is today a total of 108,355 American citizens of Japanese ancestry, being 37 percent of the entire citizenry. Alarmists view this fact with misgivings, which we of Hawaii consider to be with-

out any foundation. The original Japanese immigration was of young adult couples, resulting in a high birth rate and a low death rate. Both rates have now become normal. The first generation native born show the same reaction to American conditions of living, with its higher standards, that every other immigrant people has shown. The birth rate of the native born is less than that of several other races in the Territory. Comprised in the total citizens of Japanese ancestry, there is already a considerable number of children whose parents were born in Hawaii, beginning the third generation from the original immigrants. Of the whole number, a very large proportion are still children, with many years intervening before they assume the responsibilities of citizenship. Hardly 25 percent are adults, ranging in years from 21 to 45. Approximately 75 percent of these new Americans range in age from infants in arms to just under their majority. Hawaii can and will mold these young folks into loyal citizens of the country of their nativity. The obvious everyday evidence in schools, sports, clothing, civic and social organizations, and political affiliations show beyond any reasonable doubt that these new citizens are accepting Americanization gratefully, as a high privilege, and are making every effort to live up to the obligations such citizenship entails, without abusing the privileges it grants.

The only new racial group that has entered Hawaii in any large numbers since annexation are the Filipinos; and, after all, they have been, and perhaps still are, until the final separation of the Philippine Islands from the United States, if not American citizens, at least American nationals. These people began to come to Hawaii in 1908, and, after increasing rapidly to a total of 63,052 in 1930, have now decreased to 54,668 persons. They have been returning voluntarily to the Philippines in a steady stream since 1930, and their further immigration is barred by the Philippine Independence Act. They can only be naturalized under special conditions, principally through honorable service in the military forces of the United States, so that 40,885 of the number in Hawaii are aliens, whose gradual return to their own islands can be taken for granted. The remaining 13,783 are, except for the few honorably discharged service men, a very young native-born group, whose potentialities or whose choice of citizenship is still conjectural. Certainly neither of these Filipino groups, alien or citizen, or both, constitute a problem either to the local community or to the Nation.

The people of Hawaii are then over 75 percent American citizens, principally by nativity. The less than 25 percent aliens are not being replaced by any new immigration. Practically a half of our citizenry are Hawaiians, Anglo-Saxons, and Latins. Another portion are of Chinese ancestry two and three generations back. Less than 40 percent are of Japanese racial extraction, brought up in a thoroughly American milieu and participating in the community life gradually as they successively come of age. No one racial group is in the majority. No possible combination, un-American in background, could control locally. Can anyone find in these conditions any menace to nationalism? Have not many parts of the mainland even smaller proportions of native-born citizens? Does any other part of the national domain do as much to weld together all its people in common loyalty to the ideals and institutions of our American democracy as Hawaii? Is it pertinent, with any one of America's constituent peoples, to go back of the simple fact of American citizenship by birth, to tag the children with the heritage of immigrant parents? Has not our experience over the years shown on the whole the falsity of such an attitude?

In closing, let me in all sincerity and with the utmost emphasis assure the American people that Hawaii, whatever its racial make-up.

Mahalo.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. POLK, for 10 days, on account of important business.

EFFORTS OF HEARST'S NEWSPAPERS TO CONTROL CONGRESSMEN

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes in order to read a letter that Mr. Hearst's Washington Times editor wrote to Texas.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, this is an exact copy of a letter that William Randolph Hearst's Washington Times editor wrote to Texas. I quote it verbatim:

WASHINGTON TIMES,

THE NATIONAL DAILY,

Washington, D. C., March 6, 1936.

CITY EDITOR,

San Antonio, Tex.

DEAR SIR: Will you please furnish me with the following information for editorial use?

How many public-works projects has Representative THOMAS L. BLANTON been instrumental in getting in his district? And how much money do they involve?

What is the bonded indebtedness of Abilene, Tex.? How is the taxes in the town and county prorated? How much goes to paying the interest on the debts and how much to amortization?

What is the water rent in Abilene? How much property does BLANTON and his wife own? If you can, what is the water used for on his property—Irrigation, watering livestock? Is it necessary for him to use more water than would be used in a city house?

What is the gasoline tax? What is the tax on automobiles?

Are the roads in his neck of the woods in good condition? Has he ever had any special privileges shown in city or county improvements around his property?

And how much taxes does he pay, and for what?

I know this is a big order, but I would appreciate it if you could fill it as soon as possible.

Yours sincerely,

DAN E. O'CONNELL,
City Editor.

CANNOT DIG UP ANY SKELETONS

William Randolph Hearst can put his paid minions to digging and have them dig and dig and dig throughout my entire life, and he will not be able to find any skeletons.

I was born in our family home at the corner of Fannin and Lamar Streets, not far from the present Rice Hotel, in the city of Houston, which for enterprise and progressiveness will equal Washington, D. C., and attended the public schools of Houston. I attended the high school under "Uncle" Pugh Kirk at La Grange, Tex. I attended the University of Texas at Austin for 5 years and earned every dollar that paid for my training in the academic and law departments. I began practicing law at Cleburne, Tex., under Hon. Bill Ramsey in the office of Ramsey & Brown, than whom there was never a better firm of lawyers in Texas. I moved to western Texas in October 1897, and married in Albany, Tex., where I had built up a splendid law practice, and had one client, Mr. C. M. Cauble, who paid me an annual retainer of \$5,000 per year for handling his big business, and, in addition, special fees in particular cases.

SACRIFICED PROPERTY IN PUBLIC SERVICE

Mr. William Randolph Hearst and his prying newspapers will ascertain, if they get the facts, that I left a lucrative law practice, which had paid me many large fees, both in money and lands, to enter public office. For one fee I received a whole section of fine land, embracing 640 acres. For another fee I received 320 acres of land. For another fee I received a good farm. For a fee in another case I received \$5,000 in cash.

At the time I gave up my law business to enter public office I then owned a fine home covering a whole block of land in Albany; I then owned the Gregg farm and pasture west of Albany; I then owned the McComb farm and pasture. I then owned what is known as the fair grounds, embracing 160 acres, north of Albany; I then owned a whole block of ground contiguous to the Reynolds Academy in Albany, upon which I had one of the finest purebred poultry farms in Texas, with a main poultry house 90 by 20 feet, with basement cellar for incubators underneath, and with double grazing pens for each breed. I had the finest Barred Rocks from E. B. Thompson, of Elmira, N. Y. I had the finest Wycoffe White Leghorns from New York. I had the finest Silver Penciled Wyandottes and Brown Leghorns and Buff Cochins and Rhode Island Reds and Houdans that could be found in the United States. I had fine turkeys and fine peafowls. I owned the tract of land northwest of Albany, and contiguous to the town, which is now the Country Club. I owned the Mountain Ranch just west of it. I owned some fine Hereford cattle. I owned some fine thoroughbred horses, including a number of Ellis Richardson "Bobby Beach" mares. I owned some standard-bred horses, headed by a fine Zola stallion, which I purchased from Henry Exall, of Dallas, Tex. I owned a flock of fine Shropshire sheep. I owned some fine registered Poland China hogs. I had 100 acres fenced with wolf-proof fencing for a breeding pasture. All of the foregoing is what I have given up and sacrificed in order to serve the people in public office. All that I have left is a farm at Lueders, Tex., which I have owned since 1898, without a dollar incumbrance against it, and I have paid out on it more taxes during the last 38 years than I have received in income from it, and I would have been better off if I had never owned it.

ABILENE, TEX., A CITY OF COLLEGES

Mr. Speaker, I have lived in Abilene, Tex., continuously since 1908. It is in Taylor County, which has 30 voting precincts. In the last election, 1934, with a prominent district judge and a prominent Texas legislator both running against me, and with numerous former candidates whom I have

defeated living in my home city, I carried each and every one of the 30 voting precincts with a clear majority over both opponents. I offer that to Mr. William Randolph Hearst as my present standing with my neighbors of Abilene and Taylor Counties, with whom I have lived for the past 28 years. Likewise in my old home, Albany, and Shackelford County, where I practiced law, in the last election, 1934, I carried every voting precinct by a clear majority over both opponents. I offer that to Mr. William Randolph Hearst and his prying newspapers as to my standing at home.

WASHINGTON NEWSPAPERS SEEKING \$8,500,000

Hearst's Washington Times and Washington Herald and Theodore Noyes' Washington Star and Eugene Meyer's Washington Post and Scripps-Howard's Washington News are all trying to make Congress appropriate \$8,500,000 out of the Public Treasury as a contribution to the local civic expenses of Washington people so as to reduce the taxes of Washington people to the amount of \$8,500,000. I have stood in their way. I have blocked their plan. I have shown that the people of Washington pay less taxes than any other people in the United States. I have shown that Washington people are the least taxed and the best treated of any people in the whole wide world.

My committee has gotten the House of Representatives to allow only \$2,700,000 as a Federal contribution. The Washington newspapers want \$8,500,000. That is the issue. The Washington newspapers think that if they can get me out of the way they will eventually get their \$8,500,000. So they want me out of the way. Hearst's Washington editor, therefore, is snooping around in Texas trying to hurt me. I defy him. He cannot hurt me at home. The people I represent have known me too long. They have confidence in me. The Washington newspapers cannot destroy such confidence.

Mr. Speaker, since I have been making fights for the people, and having to meet opposition which such fights always incite, I have been gradually sacrificing all of the property that I possessed when I entered public life. I sold my fine home which I possessed. I sold three fine bungalow houses that I built myself in my home city of Abilene, and spent the proceeds in public work. I sold my Gregg farm. I sold the fairgrounds property which I mentioned. I sold my ranch at Albany that ran right up to and adjoined the city, and my 100-acre breeding pasture fenced with hog-proof fence, where I had as fine a bunch of registered Poland China hogs as you ever saw.

I sold my block of Shropshire sheep that I had been raising for some time. I sold all my Hereford cattle. I sold my bunch of standardbred and thoroughbred horses, 75 head at one time, to Mr. Louis H. Hill, of Albany. I sold it all to enter and continue in public service and to stay in Congress and not let the newspapers run me out. I am now living in a rented house, because I did not see fit to seek the path of least resistance and do nothing, but dared to oppose these newspapers when they seek things that are unjust to the American people.

If he will look in Abilene he will find that we pay water rent in accordance with the service that we get like other people. We do not get it for \$6.60 a year per average family. There is an inheritance tax. There is an estate tax. There is none in Washington. There is no inheritance tax here. There is no estate tax here. There is no sales tax like they have over in Baltimore. There is no gift tax here. There is no income tax here. The entire tax that they pay is \$1.50 per \$100 on real and personal property that is assessed at less than half its value, with 2 cents gasoline tax, and only \$1 for registration and license tags per year on each truck and limousine, whether a Ford or a \$12,000 Rolls Royce.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. I put in the RECORD sometime ago the actual tax that these Washington newspapers pay and the actual tax that a hundred of the big citizens here pay—

citizens in Washington who get salaries ranging from \$15,000 per year up to \$75,000 per year. Mr. Montgomery, for instance, president of the Acacia Life Insurance Co., receives \$75,000 a year. I showed you exactly what tax they paid. These papers cannot take it. They cannot take it. Here on election year they are snooping around down there in Texas, in my district, trying to find something they can hamstring me with when your appropriation bill goes to conference with the Senate. That is what they are trying to do. They are trying to hurt me here as your agent when I represent you in conference with the Senate. Thank God, they cannot do it. They cannot find a thing against me, during all the years of my life, that has not been honorable, upright, and decent. They will not find any record about me that we have about some connected with these newspapers. Because I showed that some of the high officials connected with the newspapers are paying no taxes and have mandamus suits against them now to compel them to pay their taxes, they are snooping around down there in Texas with such letters as this. Solely because I happen to have a good friend down in San Antonio, I get a copy of the letter; otherwise I would have had no knowledge of it. There are mighty few things that Hearst can do and get away with it. Everything about his crooked life is already known to some people; and if he keeps on, it will be known by all the people of the United States. [Applause.]

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I want to remind my colleagues about the actual amount of taxes that are paid by these Washington newspapers and the officials who own them. Then they will understand just why they are so determined to undermine me, if possible, and get me out of their way. Their properties are rendered at only a part of what they are actually worth. None of them would sell their property for twice the amount at which same is rendered for taxes.

THE PROOF OF THE PUDDING

As to whether anyone is overtaxed can easily be disproved by showing the taxes they pay and the value at which their property is assessed and the rate. I quote the following from the hearings as official facts furnished by the tax assessor of the District, who has filled the office for the past 27 years.

THE WASHINGTON POST

We will take up now the Washington Post, which is owned by Mr. Eugene Meyer and his corporation. He renders the real-estate property of the Washington Post at an assessed value of \$117,860, upon which an annual tax is paid of \$1,767.90. Part of the real-estate taxes is on leased property, the lease requiring the Post to pay same. It renders tangible personal property at \$320,260, upon which the tax is paid of \$4,803.90. It renders intangibles at \$218,456, upon which it pays an annual tax of \$1,092.28. Thus the Washington Post's aggregate properties are rendered at an assessed value of \$656,576, upon which it pays a total annual tax of only \$7,663.08.

It pays water rent for 2,290,000 cubic feet of water per year of \$1,203.57 for the Post's big plant and office building. Substantial citizens have filed evidence with this committee claiming that the Washington Post was worth \$3,000,000, and that Eugene Meyer, through a collusive proceeding, swindled the McLean heirs out of it, having it foreclosed, and through a dummy buying it at auction for \$825,000 and then incorporating it for \$1,250,000.

EUGENE MEYER

Now, personally, Mr. Eugene Meyer, the owner of the Washington Post, in the way of taxes only pays the water rent on his wife's fine residence properties of \$53.92 per year for 97,300 cubic feet of water. He renders a fine Packard family car, upon which he pays an annual tax of only \$29.92, plus \$1 for license tags.

For last year he rendered three Plymouth cars, one Witt-Will car, one Dodge, one Chevrolet, and one Ford, upon which he paid total taxes on all seven of them of \$45.67, plus \$7 for license number tags for all of them. This year only six automobiles are rendered.

Eugene Meyer's residence is in his wife's name, Mrs. Agnes Meyer, situated on lot 806, square 2568, the land being rendered at \$79,797, and the improvements at \$138,000, or a total of \$214,797, and then she has 12 other lots rendered in her name connected with her residence and running to Sixteenth Street, rendered at \$72,826, totaling \$287,623, upon which the total tax paid on their family real estate is \$4,314.35, and the value of her intangibles is \$608, and the tax on her intangibles is \$3.04.

Her tangible personal property is rendered at \$30,000, and the tax on same is \$450, or her total tax was \$4,767.39 last year.

Here is the personal-tax rendition of Mr. Floyd R. Harrison, comptroller of the Washington Post. He renders no return on real property; he renders no personal property; he renders no property of any kind and pays no taxes. But there is a mandamus pending against him now.

As to that I quote from the hearings:

Mr. RICHARDS. We tried to get him to make a return on his personal property.

Mr. BLANTON. You tried to get him to make a return and he would not do it?

Mr. RICHARDS. Yes.

Mr. BLANTON. And you have a mandamus proceeding against him?

Mr. RICHARDS. We are trying to make him do it, and he will do it before we get through, too.

Mr. BLANTON. I assume that the comptroller of the Washington Post ought to have some property and ought to pay some taxes.

DAVID LAWRENCE

For instance, let us take Mr. David Lawrence—editor of the United States News—whose residence is at 3900 Nebraska Avenue, its assessed value being \$133,390, upon which he pays an estate tax of \$2,000.88 annually.

He has tangible personal property assessed at \$3,000, upon which a tax of \$45 is paid, and he has intangibles assessed at \$216, on which a tax of \$1.08 is paid. He pays an annual water rent of \$24.49 for his fine \$133,390 residential property.

Mr. Lawrence is shown by a recent statement in the Washington papers to have received an annual salary or income last year of \$18,700. He renders a Cadillac automobile, for which he pays a personal tax of \$1.80, and he also pays \$1 for the annual license tag on his Cadillac automobile.

THEODORE NOYES

Then there is Mr. Theodore Noyes, who is one of the officials and part owner of the Washington Star. He is the chairman of the board of the Washington Star, and the newspapers here the other day stated that his salary or income last year was \$42,120.

Personally he renders his residential property at 1730 New Hampshire Avenue NW. at an assessed value of \$65,500, upon which he pays an annual tax of \$982.50.

He has tangible personal property assessed at \$7,500, upon which he pays a tax of \$110.50.

He renders intangible property aggregating \$621,520, upon which he pays a tax of \$3,107.60, which is at the rate of one-half of 1 percent for intangibles.

He renders for taxes two family automobiles, an Auburn and a Lincoln, upon which he pays a personal tax on those two automobiles aggregating \$57.75 per annum.

His annual water rent is only \$23.05 on his fine residential property.

FLEMING NEWBOLD

Here is his business manager of the Washington Star, Mr. Fleming Newbold, who, the Washington papers stated, received a salary or income last year of \$31,543. He renders his residential property at 1720 Massachusetts Avenue NW., at \$31,455, upon which he pays an annual tax of \$471.82. He renders intangible property of \$40,728, upon which he pays an intangible tax of \$203.64.

He renders tangible personal property of \$4,500, upon which he pays a tax of \$67.50.

He renders two family automobiles, both Packards, for which he pays an annual total tax of only \$2.87 for the two Packards, and he pays \$2, covering \$1 apiece, for the automobile license tags on them, and his water rent on his residence property is only \$10.45 per year.

THE WASHINGTON STAR

Now, the Evening Star, at Eleventh and Pennsylvania Avenue NW.—Theodore Noyes' newspaper—renders real property, a list of which I am going to have incorporated into the record here, and it totals in assessed value \$2,249,586, upon which the Evening Star pays an annual tax of \$33,743.80 for this year. In 1933 the real estate just referred to was assessed at a value of only \$2,262,639, or the sum of \$13,053 more in 1933 than it is assessed now, showing that they got their part of the arbitrary \$130,000,000 reduction in the assessed valuation of properties testified to by Commissioner Hazen.

Mr. William P. Richards, tax assessor, prepared all this data, and he will tell you that he has verified as correct all of the facts I will give you concerning taxes paid here.

Now, the Evening Star renders personal tangible property at an assessed value of \$453,092, upon which it pays an annual tax of \$6,796.38. It renders intangible property at an assessed value of \$2,296,512, upon which it pays an annual tax of \$11,482.56.

Its annual water charge for its big plant and office building covering 1,622,000 cubic feet of water is \$853.14 a year.

Last year it had 84 automobiles, upon which it paid a total tax of \$3,791, personal property tax, plus \$84, covering \$1 each for the 84 cars for their license tags.

FRANK B. NOYES

To give you the entire picture of the Evening Star, I will give you the taxes paid by Mr. Frank B. Noyes, president of the Evening Star. The Washington newspapers the other day stated that his annual salary or income last year was \$42,120.

Personally, Mr. Frank B. Noyes, president of the Washington Star, renders no real estate for taxes. He renders tangible personal property of \$20,000, upon which he pays an annual tax of \$300. He renders intangible property at \$92,900, upon which he pays a tax of \$464.50.

He renders for taxes his family car, a Stutz automobile, for which he pays a personal tax of only \$1 per year, and he pays a \$1 charge per year for license number tags.

HEARST'S HERALD AND TIMES

C. DORSEY WARFIELD

Both the Washington Herald and the Washington Times are incorporated under the name of "American Newspapers, Inc."

Mr. C. Dorsey Warfield is the assistant publisher of the Times. He pays no real-estate taxes. He pays on tangible personal property, at an assessed value of \$2,500, the sum of \$37.50. On intangibles, at an assessed value of \$148, he pays 74 cents, and, on a family automobile, a Dodge, he pays \$9.30. That is the total tax that the Times' assistant publisher pays.

ELEANOR PATTERSON

Now, with regard to the Washington Herald, unless a change has been made recently, Mrs. Eleanor Patterson, of 15 Dupont Circle, is the editor of the Herald. She is one of those whose taxes I was asked to check up. Here is her rendition. She has a residence at 15 Dupont Circle.

It is one of the finest residences in Washington. It is assessed at the value of \$261,731. Upon that a tax is paid of \$3,925.96.

She renders tangible personal property of \$75,000 assessed value, upon which a tax is paid of \$1,125. She renders intangible property of the value of \$1,090,324, upon which a tax is paid of \$5,451.62.

She pays an annual water rent on that extensive property of \$81.80 per year for 153,300 cubic feet of water.

She renders four family automobiles—one Cadillac, two Packards, and one Chrysler—on the combined total of which she pays a personal property tax of only \$30.66 a year, plus \$4 for license-number tags on them.

ARTHUR G. NEWMYER

On the editorial page of the Washington Times, published by American Newspapers, Inc., which also publishes the Herald, there is given the name of Arthur G. Newmyer, publisher; J. J. Fitzpatrick, managing editor; and William C. Shelton, business manager.

Mr. Arthur G. Newmyer, the publisher of the Washington Times, lives at the Mayflower Hotel. He renders tangible personal property of the assessed value of \$4,500, upon which he pays a tax of \$67.50 per year.

He renders intangible property of an assessed value of \$664, upon which he pays a tax of \$3.32. That is all the tax that he pays in Washington.

J. J. FITZPATRICK

Mr. J. J. Fitzpatrick, the editor of the Washington Times, who lives at 3415 Fulton Street NW., in another's property, renders tangible personal property of the value of \$60, upon which he pays a tax of 90 cents.

He renders intangible property of the assessed value of \$108, upon which he pays a tax on intangibles of 54 cents.

He renders a family automobile, upon which he pays a tax of \$8.17, plus \$1 for license tag.

He pays an annual water rent per annum of \$7.80.

Thus the editor of the Washington Times, on his personal property, his intangibles, on his automobile, for his license-number tags, and for water furnished him a whole year, pays in all a total of only \$18.11 taxes per annum for living in the Nation's Capital.

WILLIAM C. SHELTON

Mr. William C. Shelton, the manager of the Washington Times, on his residence at 3517 Rittenhouse Street NW., which he renders at an assessed value of \$16,898, pays an annual real-estate tax of \$253.48.

There is, concerning his personal tangible property and also his intangible property, a mandamus proceeding pending.

He renders two family automobiles, one a Dodge and one a Buick, upon which he pays an aggregate annual tax of only \$19.72, plus a dollar each for the license tags on the two cars.

He pays an annual water rent of \$15.76 on water for his residence property per year.

WASHINGTON HERALD-WASHINGTON TIMES

The Washington Herald and the Washington Times, combined, assessed as the American Newspapers, Inc., on lots 39 and 803, in square 250, city of Washington, render real estate at an assessed value of \$709,108, upon which is paid an annual real-estate tax of \$10,636.62.

It renders tangible personal property of an assessed value of \$224,984, upon which it pays an annual tax on tangible personal property of \$3,374.76.

It renders intangible property at an assessed value of \$306,676, upon which it pays a tax on intangibles of \$1,533.38.

It pays water rent on 4,039,500 cubic feet of water, per annum, of \$1,992.33.

The difference between its assessment on real estate in 1933 and the present year is as follows:

In 1933 its assessed value on real estate was \$770,004. Now it has been reduced to \$709,108. Thus since 1933 it has been granted a decrease of \$61,896 on the assessed value of its real estate.

WASHINGTON NEWS

The Washington News at Thirteenth Street NW., between K and L, square 284, lot 823, renders its real estate at an assessed value of \$209,100 and pays an annual real-estate tax of \$3,136.50.

It renders tangible personal property of the assessed value of \$83,392, upon which it pays a tax upon tangible personal property of \$1,250.88.

It renders intangible property of an assessed value of \$71,896, upon which it pays an annual tax on intangibles of \$359.48.

For 598,000 cubic feet of water furnished it annually, it pays \$276.35 per year.

UNITED STATES NEWS

The United States News, which I mentioned is edited by Mr. David Lawrence, whose personal taxes I gave you awhile ago, renders its real estate at 2201 M Street NW., on lot 816, square 50, at an assessed value of \$115,274, upon which it pays an annual real-estate tax of \$1,729.12.

It renders tangible personal property of an assessed value of \$43,912, upon which it pays an annual tax of \$658.58.

It renders intangible property of an assessed value of \$39,328, upon which it pays an annual tax on intangibles of \$196.64.

For 280,000 cubic feet of water per annum, it pays \$148.31.

LABOR

The weekly publication known as Labor, upon its office building and plant at First Street and Constitution Avenue NW., on lots 16 and 45, square 635, renders its real estate at an assessed value of \$189,019, upon which it pays an annual real-estate tax of \$2,835.28.

It renders tangible personal property at an assessed value of \$20,000, upon which it pays an annual tax of \$300.

It renders no intangible property.

For 88,600 cubic feet of water furnished it per annum, it pays \$55.33.

NATIONAL PRESS BUILDING

The National Press Building Corporation, on its office building at Fourteenth and F Streets NW., lot 826, square 254, renders its real estate at an assessed valuation of \$5,830,084, upon which it pays an annual real-estate tax of \$87,451.26.

It renders tangible personal property of the assessed value of \$184, for which it pays an annual tax of \$2.76.

Its intangible property is rendered at an assessed value of \$431,056, upon which it pays an annual tax of \$2,155.28.

For 4,798,600 cubic feet of water per year furnished its fine office building, one of the finest in the city, it pays an annual water charge of \$2,520.59.

FRANK ARMSTRONG

Mr. Frank Armstrong, president of the National Fruit Products, who, the papers said recently, had a salary last year of \$25,000, renders for real estate \$11,075, upon which he pays an annual real-estate tax of \$166.12.

He renders tangible personal property in the amount of \$1,000, upon which he pays an annual tax of \$15.

He renders no intangibles.

He renders one family automobile, a Buick, upon which he pays an annual tax of \$23.62, plus a dollar for license-tag fee.

He pays an annual water rent of \$6.56.

HENRY N. BRAWNER

Mr. Henry N. Brawner, who is president of the Chestnut Farms-Chevy Chase Dairy, and who, the newspapers reported recently, drew a salary last year of \$27,000 per year, renders real estate of an assessed value of \$50,713, upon which he pays an annual real-estate tax of \$760.70.

He renders tangible personal property of the assessed value of \$2,000, upon which he pays an annual tax on tangible property of \$30.

He renders intangible property of the assessed value of \$265,860, upon which he pays an annual tax on intangibles of \$1,329.30.

He renders for taxes two family automobiles, being two Packards upon which he pays an aggregate tax of \$30.92 per annum.

His annual water rent is \$28.45.

J. M. DORAN

Mr. J. M. Doran, administrator of Distilled Spirits Institute, who, the newspapers recently said, drew a salary last year of \$30,000, renders real estate of the assessed value of \$9,008, upon which he pays an annual tax on real estate of \$135.12.

There is a mandamus proceeding pending against him now by the District to force him to render for taxes his tangible personal property.

He renders for taxes one family automobile, a Willys, upon which he pays an annual personal tax of \$5.17.

His annual water rent on his residence at 1231 Thirty-first Street NW., is \$5.21.

MORRIS CAFRITZ

Mr. Morris Cafritz, who lives at the Ambassador Hotel and who, the newspapers recently reported, drew a salary of \$20,000 last year, renders no real estate, no tangible personal property, but renders intangible property of the assessed value of \$656, upon which he pays an annual tax on intangibles of \$3.28.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of \$4.50 plus \$1 for the license tax, making a total tax that he pays to the District of Columbia of \$8.78.

JOHN H. DAVIS

Mr. John H. Davis, manager of Judd & Detweiler, one of the leading printing and engraving firms in Washington, and who, the newspapers reported recently, drew a salary last year of \$27,520, renders real estate of the assessed value of \$27,101, upon which he pays an annual real-estate tax of \$406.52.

He renders no tangible property.

He renders intangible property of the assessed value of \$22,248, upon which he pays an annual tax on intangibles of \$111.24.

He renders two family automobiles, which are two Oldsmobiles, upon which he pays an aggregate tax of \$17.62, for both.

For water charges on his property he pays an annual water charge of \$32.81.

ROBERT V. FLEMING

Mr. Robert V. Fleming who, by the way, is a magnificent gentleman and my friend, and who is president of the Riggs National Bank, and who, the newspapers recently reported, drew a salary last year of \$37,600, renders real estate, it being his home at 2200 Wyoming Avenue NW., at an assessed value of \$25,050, upon which he pays an annual real-estate tax of \$375.76.

He renders tangible personal property of the assessed value of \$2,500, upon which he pays an annual tax on tangible property of \$37.50.

He renders intangible property of the assessed value of \$644, upon which he pays an annual tax on intangibles of \$3.22.

He renders a family automobile, which is a Packard, upon which he pays an annual tax of \$3.75 plus \$1 for license-tax registration.

For his residence he pays an annual water charge of \$12.33.

M. G. GIBBS

Mr. M. G. Gibbs, president of the Peoples Drug Stores, who, the newspapers recently reported, drew a salary last year of \$50,000, renders no real estate, but renders tangible personal property of the value of \$1,500 upon which he pays an annual tax of \$22.50 on tangibles.

He renders intangible property of the assessed value of \$129,464, upon which he pays an annual tax on intangibles of \$647.32.

He renders two family automobiles, one a Lincoln and one a Packard, upon which he pays an aggregate tax of \$24.22 per annum plus \$1 each for license tags.

E. C. GRAHAM

Mr. E. C. Graham, president of the National Electric Supply Co., who, the papers recently reported, drew a salary last year of \$22,569, rendered real estate of the assessed value of \$27,900, upon which he pays an annual tax of \$418.50.

He renders tangible personal property of the value of \$400, upon which he pays a tax on tangible property of \$6 per year.

He renders intangible property of the assessed value of \$6,596, upon which he paid a tax last year of \$32.98.

He renders for taxes three family automobiles, one a Packard, one a Pontiac, and one an Oldsmobile, upon which he pays a combined aggregate tax of \$27.97 per annum, plus \$3 covering the license-tag charges, \$1 for each car.

The water charge for his residence is annually \$18.53.

JOHN I. HAAS

Mr. John I. Haas, who is president of John I. Haas, Inc., who, the newspapers recently reported, drew a salary last year of \$30,000, and who lives at the Wardman Park Hotel, rendered no real estate, but rendered tangible personal property of the assessed value of \$1,500, upon which he paid an annual tax on tangibles of \$22.50.

He rendered intangible property of the assessed value of \$24,064, upon which he paid an annual tax on intangibles of \$120.32.

FRED J. HAAS

Mr. Fred J. Haas, who is vice president of John I. Haas, Inc., who, the newspapers recently reported, drew a salary last year of \$26,000, renders no real estate, but renders tangible personal property of the assessed value of \$700, upon which he pays an annual tax of \$10.50.

He renders intangibles of an assessed value of \$2,776, upon which he pays an annual tax on intangibles of \$13.88.

He renders two family automobiles, one a De Soto and the other a Chevrolet, upon the two of which he pays an aggregate tax of \$15.60 per year.

For his property he pays an annual water rent of \$6.56.

WALTER RAUBER

Mr. Walter Rauber, who is secretary of the John I. Haas, Inc., and who, the papers recently reported, drew a salary last year of \$26,000, has his residence in Maryland and pays no tax to the District at all.

RANDALL H. HAGNER

Mr. Randall H. Hagner, president of Hagner & Co., who, the newspapers recently reported, drew a salary of \$39,875 last year, renders his property at 2339 S Street NW. for taxes at an assessed value of \$65,087, upon which he pays an annual real-estate tax of \$976.32.

He renders tangible personal property of an assessed value of \$3,000, upon which he paid an annual tax on tangibles last year of \$45.

He renders intangibles at an assessed value of \$220, upon which he paid an annual tax last year on intangibles of \$1.10.

He renders one family automobile, upon which he pays \$6.82 per annum, plus a dollar for the automobile license tag. He pays an annual water rent of \$22.57.

A. BRITTON BROWNE

Mr. A. Britton Browne, who is vice president of Hagner & Co., Inc., and who, the newspapers recently reported, drew a salary last year of \$32,625, renders his property at 1917 Twenty-third Street NW. at an assessed value of \$15,951, upon which he pays an annual tax on real estate of \$239.26.

He rendered tangible personal property of an assessed value of \$2,000, upon which he pays an annual tax of \$30.

He rendered intangible property of the assessed value of \$88, upon which he pays an annual tax of 44 cents.

He renders two family automobiles, one Packard and one Ford, upon which he pays an aggregate tax of \$21.45 per annum, plus \$2 for the registration fee, \$1 for each car.

He pays an annual water rent of \$8.25 for the water he uses on his property.

HENSE HAMILTON

Mr. Hense Hamilton, who is the assistant vice president of the Chesapeake & Potomac Telephone Co., and who, the newspapers recently reported, drew a salary last year of \$18,333, renders his property at 3700 Huntington Street NW. at the assessed value of \$25,279, upon which he paid an annual tax of \$379.10.

He rendered tangible property of the assessed value of \$500, upon which he paid a tax of \$7.50 last year.

He rendered intangible property of an assessed value of \$18,472, upon which he paid last year a tax on intangibles of \$92.36.

He rendered two family automobiles, one Cadillac and one Buick, upon the two of which he paid an aggregate annual tax of \$24.45, plus \$2 for the license tags.

For his property he pays an annual water rent of \$12.97 per year.

JOHN H. HANNA

Mr. John H. Hanna, who is the president of the Capital Transit Co., and who, the newspapers reported recently, drew a salary last year of \$20,000, pays no real-estate taxes, but renders tangible personal property of the value of \$1,200, upon which he pays an annual tax of \$18. He renders intangible property of the value of \$2,916, upon which he pays a tax on intangibles of \$14.58.

He renders a family automobile, which is a Studebaker, upon which he pays an annual tax of \$13.87, plus \$1 for license-tag registration.

He pays an annual water rent of \$6.56 per year.

P. J. HARMAN

Mr. P. J. Harman, who is the principal of Strayer's Business College, who, the newspapers recently reported, drew a salary of \$28,980 last year, rendered real estate of an assessed value of \$28,311, upon which he pays an annual tax of \$424.68.

He renders tangible personal property of the value of \$1,644 upon which he pays an annual tax of \$24.66.

He renders intangible property of the assessed value of \$3,644, upon which he pays an annual tax of \$18.22. He renders two family automobiles, one Packard and one Plymouth, upon the two of which he pays an aggregate tax of \$22.05 per annum.

He pays an annual water rent of \$14.81.

W. M. KIPLINGER

Mr. W. M. Kiplinger, who is president of Kiplinger & Babson, Inc., who, the newspapers recently reported, drew a salary last year of \$20,333, pays no real-estate tax; but he renders tangible personal property of the assessed value of \$400, upon which he pays an annual tax of \$6.

He rendered intangible property of the assessed value of \$48,968, upon which he pays an annual tax on intangibles of \$244.84.

He renders a family automobile, a Nash, upon which he pays an annual tax of \$10.50, plus \$1 for license tax.

WILLIAM H. LIPSCOMB

Mr. William H. Lipscomb, who is president of B. & R., Inc. The newspapers recently reported that he drew a salary last year of \$24,000. He renders his residence as 2324 Massachusetts Avenue for real-estate-tax purposes at an assessed value of \$53,550, upon which he pays an annual real-estate tax of \$803.24.

He renders tangible personal property of an assessed value of \$1,248, upon which he pays an annual tax of \$18.72.

He renders intangible property of the value of \$59,904, upon which he pays an annual tax on intangibles of \$299.52.

He renders for taxes two family automobiles, one a Lincoln and one a Studebaker, upon the two of which he pays an aggregate tax of \$36.82 per annum, plus \$2 for license tags.

He pays an annual water rent of \$11.24.

FREDERICK W. MACKENZIE

Mr. Frederick W. MacKenzie, of the Tolman Laundry, who, the newspapers recently reported, drew a salary last year of \$18,220, renders his residence at 3801 Ingomar Street NW. for real-estate taxes last year at an assessed value of \$18,325, upon which he paid an annual tax of \$274.88.

He rendered tangible personal property of the assessed value of \$1,000, upon which he paid a tax of \$15.

He rendered intangible property of the value of \$436 upon which he paid a tax on intangibles of \$2.18.

He paid an annual water rent of \$10.45.

GEORGE P. MARSHALL

Mr. George P. Marshall, president of the Palace Laundry, who, the newspapers recently reported, drew a salary of \$20,000 last year and who lives at the Shoreham Hotel, rendered no real estate, but rendered tangible personal property of the value of \$3,248, upon which he pays an annual tax on tangibles of \$48.72.

He rendered intangible property of the assessed value of \$1,000, upon which he paid an annual tax on intangibles of \$5.

He renders a family automobile, which is a Cadillac, upon which he pays an annual tax of \$52.87, plus \$1 for license tag.

WILLIAM McCLELLAN

Mr. William McClellan, president of the Potomac Electric Power Co., who, the newspapers reported, drew a salary of \$30,062 last year and who lives at the Shoreham Hotel, renders no real estate, renders no personal property returns, and no intangible property, pays nothing on automobiles, and pays nothing for water. But there is a mandamus proceeding pending against him in the District now to compel him to render property for taxation.

O. STEDMAN HILL

Mr. O. Stedman Hill, treasurer of the Public Utilities Reports, who, the newspapers recently reported, drew a salary last year of \$39,950, renders no real estate; no personal property; no intangible property, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

E. G. BUCKLAND

Mr. E. G. Buckland, president of the Railroad Credit Corporation, who, the newspapers recently reported, drew a salary last year of \$39,000, renders no real estate, no tangible personal property, no intangible, and there is a mandamus suit pending against him now, to force him to pay taxes on his property.

HARRY G. MEEM

Mr. Harry G. Meem, who is president of the Washington Loan & Trust Co., who, the newspapers reported, last year drew a salary of \$25,840, renders his residence at 2730 Thirty-fourth Place, NW., at an assessed value of \$21,370, upon which he pays a real-estate tax of \$320.56.

He rendered tangible personal property of an assessed value of \$1,100, and upon which he paid an annual tax on tangibles last year of \$16.50.

He renders intangible property of an assessed value of \$19,164, upon which he pays an annual tax on intangibles of \$95.82.

He renders a family automobile, which is a LaSalle, on which he paid an annual tax of \$14.40 plus \$1 for license tag.

He pays an annual water rent of \$18.53.

GEORGE MILLER

Mr. George Miller, president of the Union Beauty & Barber Supply Co., who, the newspapers recently reported, drew a salary of \$20,000 last year, upon his residence at 2831 Chesterfield Place NW. rendered real estate of an assessed value of \$24,154, upon which he paid an annual real-estate tax of \$362.32.

He rendered tangible personal property of an assessed value of \$300, upon which he paid an annual tax of \$4.50.

He rendered intangibles of the value of \$296, upon which he paid an annual tax on intangibles of \$1.48.

He rendered a family automobile, which is a Packard, upon which he paid an annual tax of \$8.25.

His annual water rent is \$17.29.

WILLIAM MONTGOMERY

Mr. William Montgomery, who is president of the Acacia Mutual Life Insurance Co., who, the newspapers recently reported, drew a salary last year of \$75,000 per annum, and about which they bragged, renders real estate of an assessed value of \$100,800, upon which he pays an annual tax of \$1,512.

He rendered tangible property of the value of \$4,148, upon which he pays an annual tax on tangibles of \$62.22.

He renders intangibles of the assessed value of \$3,556, upon which he pays an annual tax on intangibles of \$17.78.

He renders a family automobile, a LaSalle, upon which he pays an annual tax of \$3.75.

He pays an annual water rent of \$31.50.

FREDERICK M. PELZMAN

Then there is Mr. Frederick M. Pelzman, of the Fashion Shop, Inc., who, the newspapers recently reported, drew an annual salary of \$20,000 last year. He renders his residence, real property, at 3004 Thirty-second Street, at an annual assessed value of \$20,575, upon which he pays an annual real-estate tax of \$308.62.

He renders tangible personal property at an assessed value of \$200, upon which he pays an annual tax of \$3. He renders

intangibles at an assessed value of \$100, upon which he pays an annual tax of 50 cents.

He pays an annual water rent of \$20.39.

ROCK CREEK GINGER ALE CO.

Mr. W. H. Rawley, president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew last year a salary of \$25,000, has a residence at 4315 Hawthorne Street NW., upon which the assessed value was rendered as \$15,325 and upon which he pays an annual real-estate tax of \$229.88.

He renders tangible personal property at the value of \$400, upon which he pays an annual tax of \$6. He renders intangibles of the value of \$1,876, upon which he pays an annual tax of \$9.38.

He renders two automobiles, one a Buick and one a Ford, upon the two of which he pays an aggregate tax of \$14.85, plus \$2 for the license-tag registration.

He pays a water rent of \$16.67 per annum.

Then there is Mr. D. A. Rawley, vice president of the Rock Creek Ginger Ale Co., who, the newspapers recently said, drew a salary last year of \$25,000.

His house address is 350 Rock Creek Ford Road. He pays no real-estate tax, no tangible personal tax, but he renders intangibles at an assessed value of \$1,124 upon which he pays an annual tax of \$5.62 per year on intangibles.

That is all of the tax he pays to the District per year, \$5.62, with a \$25,000 salary.

Mr. George P. Rawley, secretary of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, received last year a salary of \$25,000, on his residence at 1400 Montague Street NW., rendered an assessed value of \$16,500 and pays a tax of \$247.50.

He renders no tangible personal property, but he renders intangible property at an assessed value of \$2,024, upon which he pays an annual tax on intangibles of \$10.12.

He renders two family cars, a Buick and La Salle, upon the two of which he pays an aggregate annual tax of \$21.30, plus \$2 to cover the \$1 charge for license tags.

He pays annually as water rent \$14.36.

Mr. L. P. Rawley, who is treasurer of the Rock Creek Ginger Ale Co., who, the newspapers recently reported, drew a salary last year of \$25,000, on his residence at 5501 Rock Creek Ford Road had an assessed value of \$19,705, upon which he paid an annual real-estate tax of \$295.58. He rendered no tangible personal property, but he renders intangible property on an assessed value of \$1,776, upon which he paid an annual tax of \$8.88.

He renders two family automobiles, one Packard and one Pontiac, for the two of which he pays an aggregate tax of \$22.65, plus \$2 to cover the \$1 license tax charge on each of them.

He pays an annual water rent of \$43.51.

JOHN A. REMON

Mr. John A. Remon, who is manager of the Chesapeake & Potomac Telephone Co., who, the newspapers recently reported, drew a salary last year of \$20,166, upon his residence at 3104 Thirty-third Place NW., had it assessed at \$17,165, upon which he paid an annual real-estate tax of \$257.48.

He rendered tangible personal property at an assessed value of \$200, upon which he paid an annual tax of \$3. He rendered intangible property at an assessed value of \$46,096, upon which he paid a tax on intangibles of \$230.48.

His annual water rent is \$16.05.

H. L. RUST

Mr. H. L. Rust, who, by the way, is a very fine gentleman and one of my personal friends, who, the newspapers said recently, drew a salary last year of \$24,000, renders no real estate for taxes, but he rendered tangible personal property at the value of \$2,000, upon which he pays an annual tax of \$30; and he renders intangible property of the value of \$392,248, upon which he pays an annual tax on intangibles of \$1,961.24.

He renders a family automobile, which is a Pontiac, upon which he pays an annual tax of \$10.12.

He pays an annual water rent of \$695.47.

DR. C. A. SIMPSON

Then there is Dr. C. A. Simpson, who is the president of the Washington Radium & X-Ray Laboratory, who, the newspapers recently reported, drew a salary last year of \$20,568, and who pays no real-estate taxes.

He renders tangible personal property at the assessed value of \$1,000, upon which he pays an annual tax of \$15. He renders intangibles at the assessed value of \$2,072, upon which he paid an annual tax of \$10.36.

He renders two family automobiles, one a Cadillac and one a Pontiac, upon the two of which he pays an aggregate tax of \$20.84 per year, plus \$2 covering the license tax.

H. B. SPENCER

Mr. H. B. Spencer, who is president of the Fruit Growers Express, who, the newspapers recently reported, drew a salary last year of \$23,020, renders his residence at 2012 Massachusetts Avenue NW. at an assessed value of \$76,187, upon which he pays annually a real-estate tax of \$1,142.80.

He rendered tangible personal property of the assessed value of \$17,000, upon which he pays an annual tax of \$255. He renders intangibles at an assessed value of \$400,000, upon which he pays an annual tax of \$2,000.

He renders two family automobiles, both being Packards, upon the two of which he pays an aggregate tax of only \$2.55 per annum, plus \$2 for license tags.

That is an astonishingly low tax on two Packard automobiles, I do not care whether they are old or new.

He pays an annual water rent of \$32.33.

MARCY L. SPERRY

Mr. Marcy L. Sperry, president of the Gas Light Co., who, the newspapers recently reported, drew a salary last year of \$16,920, renders no real estate.

He renders tangible property at the assessed value of \$300, upon which he pays an annual tax of \$4.50. He renders intangibles at the assessed value of \$20,512, upon which he pays an annual tax of \$102.56.

He pays an annual water rent of \$49.67.

H. VINER

Mr. H. Viner, who is president of the Arcade Sunshine Co., who, the newspapers recently reported, drew a salary of \$30,000, renders his residence at 3507 Massachusetts Avenue NW. and whatever other real estate he has at \$47,837, upon which he pays an annual real estate tax of \$717.56.

He renders tangible personal property of the assessed value of \$2,500, upon which he pays an annual tax of \$37.50. He renders intangibles at an assessed value of \$816, upon which he pays an annual tax of \$4.08.

He renders for taxes, three family automobiles, one Cadillac, one Buick, and one Chevrolet, upon the three of which he pays an aggregate tax of \$26.92 per annum, plus \$3 for the automobile license tags.

He pays an annual water rent of \$29.25.

GEORGE W. WHITE

George W. White, president of the National Metropolitan Bank, who, the newspapers recently reported, drew a salary last year of \$25,000, renders his residence at 2800 Upton Street NW. at an assessed value of \$58,963, upon which he paid an annual real-estate tax of \$884.46.

He renders tangible personal property at an assessed value of \$2,000, upon which he pays an annual tax of \$30. He renders intangible property at an assessed value of \$11,788, upon which he pays an annual tax on the intangibles of \$58.94.

He renders two family automobiles, one a Packard and one a Ford, upon the two of which he pays an aggregate tax of only \$5.17 per annum, plus \$2 for license tags, and he pays an annual water rent of \$61.46.

EDWARD G. YONKER

Mr. Edward G. Yonker, president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of \$74,660, renders on his residence at 5100 Thirty-ninth Street NW., at an assessed value of \$75,800, upon which he paid an annual real-estate tax of \$1,137.

He renders personal property at an assessed value of \$8,500, upon which he paid an annual tax of \$127.50. He renders

intangible property at an assessed value of \$213,064, upon which he pays an annual tax on intangibles of \$1,065.32.

Gentlemen, one of the primary purposes of getting this evidence before you and the interested people of Washington is the fact that you will note that there are a great many people in Washington who have intangible property, and some of them are rendering it for taxes, and some are not, and from the reports that have been made to me by some reliable people here in Washington, if you check up you will find that there are many millions of dollars hidden away untaxed in the lock boxes in the banks in Washington, if you could ever find it, and it is going to take something more than just filing a mandamus suit to get it. Some new legislation must be passed to reach it.

So I am just giving you a fair cross-section of some of these cases, to show you that there are many instances where there is a large amount of intangible property owned.

Coming back to Mr. Yonker, he renders two family automobiles, one a Cadillac and one a Buick, upon the two of which he pays an annual aggregate tax of \$38.54, and the annual water rent is \$23.49.

MACK L. LANGFORD

Mr. Mack L. Langford, vice president of the Sanitary Grocery Co., who, the newspapers recently reported, drew a salary last year of \$31,968, renders no real property, renders no tangible personal property, but renders intangibles of the assessed value of \$32,464, which is less than 1 year's net income, upon which he pays an annual tax on intangibles of \$112.32.

He renders two family automobiles, one a Chrysler and one a Dodge, upon the two of which he pays an aggregate tax of \$22.19 per annum, plus \$2 license tag fee.

He paid, you will note, \$112.32 on \$22,464 in intangibles, and that, plus the \$22.19 that he pays on automobiles, is all of the tax that he pays in the District of Columbia, yet he has a net income of \$31,968.

LAWRENCE B. CAMPBELL

Mr. Lawrence B. Campbell, who is treasurer of the National Press Building Corporation, renders no real-estate tax, renders tangible property of the assessed value of \$184, upon which he pays a tax of \$2.76, and that is the total tax that he pays in the District, \$2.76 a year.

CHARLES B. DEGGS

Mr. Charles B. Degges, who is secretary of the Board of Education, renders his residence at 4419 Q Street NW., at an assessed value of \$5,670, upon which he pays a real-estate tax of \$85.06.

He renders no tangible personal property, no intangible property, one family car, an Oldsmobile, upon which he pays \$9.15 tax, plus \$1 for license tags, and he pays an annual water rent of \$8.32.

Does any one know what is the salary of the secretary of the Board of Education?

Three thousand five hundred dollars, I think it is.

DR. EDGAR A. BOCOCK

Dr. Edgar A. Bocock, of Gallinger Hospital. With \$7,500 salary, Dr. Edgar A. Bocock renders no real estate, no tangible personal property, but he renders intangibles, at an assessed value of \$232, upon which he pays an annual tax of \$1.16, and \$1.16 is all Dr. Bocock, who draws a salary from the two Governments of \$7,500 per year, pays the District.

MRS. HENRY GRATTAN DOYLE

Mrs. Henry Grattan Doyle is president of the Board of Education.

The property of her husband, at 5500 Thirty-third Street NW., is rendered at an assessed value of \$7,278, upon which the annual real-estate tax is \$109.18.

They render tangible property of the assessed value of \$2,000, upon which an annual tax of \$3, and intangibles at an assessed value of \$332, upon which is paid an annual tax of \$1.66.

They render two family automobiles, one Chevrolet and one Ford, upon the two of which there is an annual aggregate tax of \$15.14, plus a \$2 automobile license tag charge.

They pay an annual water rent of \$6.56 per year.

R. E. ELGEN

Mr. R. E. Elgen is Chairman of the Public Utilities Commission, with a salary of \$7,500 a year.

He renders no real estate, but he renders tangible personal property at an assessed value of \$524, upon which he pays an annual tax of \$7.86. He renders intangible property of the assessed value of \$300, upon which he pays an annual tax of \$1.50.

He pays an annual water rent of \$7.56.

WILLIAM A. VAN DUZER

Mr. William A. Van Duzer is our director of traffic of the District; salary, \$7,500. He pays no real-estate taxes. He pays no tangible personal taxes.

On intangible property, at an assessed value of \$5,165, he pays \$25.82 per year, and he renders a family car, a Chrysler, upon which he pays an annual tax of \$12.82.

He pays an annual water rent of \$11.57.

G. C. WILKINSON

G. C. Wilkinson is first assistant superintendent in charge of the colored schools, his salary being \$6,000.

His residence, at 406 U Street NW., has an assessed value of \$4,246, and he pays \$63.70 per annum in real-estate taxes.

He renders no tangible property tax and no intangible.

He renders a family car, an Oldsmobile, upon which he pays an annual tax of \$9.30.

He pays an annual water rent of \$6.56.

WAYNE KENDRICK

Wayne Kendrick is connected with the Board of Accountancy. His office is in the Rush Building, and his residence is in Virginia, and he pays no taxes to the District.

DR. HENRY R. OSBORNE

Dr. Henry R. Osborne is president of the Board of District Dental Examiners.

His address is at 1726 I Street NW. He pays no taxes of any kind in the District of Columbia.

CHARLES E. SCHROM

Mr. Charles E. Schrom is the chief engineer of the fire department, with a salary of \$8,000 a year.

On his residence at 1315 Maryland Avenue NE., which is assessed at \$3,950, he pays an annual real-estate tax of \$59.26.

He pays no tangible personal tax and no intangible tax.

He renders a family automobile, a Chevrolet, upon which he pays an annual tax of \$3.60.

His annual water rent is \$6.56.

ERNEST W. BROWN

Ernest W. Brown, Superintendent of the Metropolitan Police, \$8,000 a year.

He pays no real-estate tax. He pays no tangible personal-property tax and no intangible tax.

He renders a Studebaker family car, upon which he pays an annual tax of \$7.12.

He pays an annual water rent of \$6.56.

MELVIN C. HAZEN

Here is our chairman of the board, Hon. Melvin C. Hazen, Commissioner.

His salary is \$9,000.

On his residence, 1829 Sixteenth Street NW., the assessed value is \$30,372, on which he pays an annual real-estate tax of \$455.58.

On tangible personal property, with an assessed value of \$148, he pays a tax of \$2.22. Upon intangible property, assessed at \$628, he pays a tax of \$3.14.

On his family automobile, a Buick car, he pays an annual tax of \$3.97, plus a \$1 license-tax charge.

GEORGE E. ALLEN

Here is our friend, Hon. George E. Allen, Commissioner, with salary of \$9,000.

He pays no real-estate tax. His tangible personal property is assessed at \$300, upon which he pays \$4.50. The intangible property is assessed at \$5,068, upon which he pays \$25.34.

On his family car he pays tax of \$13.20, plus a \$1 automobile license tag fee, and no water rent.

E. BARRETT PRETTYMAN

Here is our friend, Hon. E. Barrett Prettyman, corporation counsel of the District of Columbia, and his salary is \$8,000. He resides in Maryland. Prettyman pays no real-estate tax, no personal tax, no tax of any kind to the District, but lives in Maryland.

HENRY I. QUINN

Mr. Henry I. Quinn, member of the Board of Education, District of Columbia, has his residence at No. 1507 Gallatin Street NW., assessed valuation \$12,934—which in 1933 was assessed at \$13,734—upon which he pays \$194.02 taxes. He has tangible personal property of the assessed value of \$1,100, upon which he pays \$16.50 taxes. He has intangible property, assessed valuation \$6,148, upon which he pays \$30.74 taxes. He has two family automobiles, one a Dodge sedan and one a Dodge coupe, upon which he pays a total tax of \$16.05 plus \$2 for their two sets of license tags. He pays a water rental for his residence property of \$12.97 per annum. He also owns the property at 3424 Fourteenth Street, assessed valuation \$5,667, annual taxes \$85, and pays \$6.56 for annual water rental.

Mr. Speaker, at a later date I will show you exactly what all of the high-salaried officials of the District of Columbia pay in taxes, and it will surprise the membership of this Congress. If they lived anywhere else, they would get about one-third of the salary they receive here in the District of Columbia, and they would pay about three to five times as much taxes, if not more, than they pay here.

In another speech, which I am preparing, I intend to show you colleagues just how communism has crept into our public schools of Washington, and how an attempt was made between 1929 and 1934 to communize all of the schools of the United States through a commission that was appointed by the American Historical Association.

ORDER OF BUSINESS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to make a statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, a great many inquiries have been made about the program for tomorrow and the next day. It has now been decided that the first bill to be taken up tomorrow will be the Federal housing amendment under a rule. We hope to conclude that bill tomorrow. The day after we will take up the so-called Smith anti-lobbying bill.

I make that statement for the benefit of the membership.

PERMISSION TO ADDRESS THE HOUSE

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent that on Friday, immediately after the reading of the Journal and disposition of matters on the Speaker's table, I may be allowed to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MAPES. Reserving the right to object, Mr. Speaker, I think we would be interested to know about what the gentleman is going to speak.

Mr. FERGUSON. I would like to address the House on the matter of flood control and legislation pending on that subject.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Thursday, March 26, 1936, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 543. Joint resolution making an additional

appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia; without amendment (Rept. No. 2232). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of New Hampshire: Committee on Military Affairs. H. R. 11969. A bill to promote national defense by organizing the Air Reserve Training Corps; without amendment (Rept. No. 2233). Referred to the Committee of the Whole House on the state of the Union.

Mr. HARTER: Committee on Military Affairs. H. R. 255. A bill to provide for the commemoration of the Battle of Eutaw Springs, in the State of South Carolina; with amendment (Rept. No. 2234). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. H. R. 9483. A bill to extend the provisions of the Forest Exchange Act, as amended, to certain lands so that they may become part of the Umatilla and Whitman National Forests; without amendment (Rept. No. 2235). Referred to the Committee of the Whole House on the state of the Union.

Mr. GASSAWAY: Committee on the Judiciary. H. R. 11994. A bill to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.; without amendment (Rept. No. 2236). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND: A bill (H. R. 12002) to authorize funds for the prosecution of works for flood control against flood disasters along the Lackawanna River; to the Committee on Flood Control.

By Mr. HILDEBRANDT: A bill (H. R. 12003) to authorize the erection of a United States Veterans' Hospital in South Dakota; to the Committee on World War Veterans' Legislation.

By Mr. WILCOX: A bill (H. R. 12004) to provide for a memorial to the veterans of the military service of the United States who lost their lives on the Florida Keys in the hurricane of September 1, 1935; to the Committee on Military Affairs.

By Mr. RAMSAY: A bill (H. R. 12005) to prevent the manufacture, sale, or transportation of adulterated or misbranded or poisonous liquors and regulating traffic therein; to the Committee on the Judiciary.

By Mr. MORAN: A bill (H. R. 12006) to authorize a preliminary examination of the Kennebec River, Maine, and its tributaries, with a view to the control of their floods; to the Committee on Flood Control.

Also, a bill (H. R. 12007) to authorize a preliminary examination of the Penobscot River, Maine, and its tributaries, with a view to the control of their floods; to the Committee on Flood Control.

Also, a bill (H. R. 12008) to authorize a preliminary examination of the Androscoggin River, in Maine and New Hampshire, and its tributaries, with a view to the control of their floods; to the Committee on Flood Control.

By Mr. PEYSER: A bill (H. R. 12009) to authorize the enlargement of Governors Island and consenting to the use of a portion thereof as a landing field for the city of New York and its environs; to the Committee on Military Affairs.

By Mr. TABER: A bill (H. R. 12010) for the taxation of oleomargarine; to the Committee on Agriculture.

By Mr. TONRY: A bill (H. R. 12011) to amend section 602 of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. WILCOX: A bill (H. R. 12012) to amend section 190 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. TREADWAY: A bill (H. R. 12013) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; to the Committee on Banking and Currency.

By Mr. RUSSELL: A bill (H. R. 12014) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; to the Committee on Banking and Currency.

By Mrs. JENCKES of Indiana: Joint resolution (H. J. Res. 544) to amend House Joint Resolution 201 (Public Res. No. 40, 74th Cong.) entitled "Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic in the month of September 1936, and for other purposes, incidental to said encampment", approved July 18, 1935; to the Committee on the District of Columbia.

By Mr. JENKINS of Ohio: Joint resolution (H. J. Res. 545) to provide emergency relief for certain flood victims and the restoration and reconstruction of certain flood areas; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHRISTIANSON (by request): A bill (H. R. 12015) for the relief of Charles E. Duncan; to the Committee on Military Affairs.

By Mr. EICHER: A bill (H. R. 12016) granting a pension to Emma Hellwig; to the Committee on Pensions.

By Mr. FORD of California: A bill (H. R. 12017) for the relief of the estate of Sigmund Lindauer; to the Committee on Claims.

By Mr. HILDEBRANDT: A bill (H. R. 12018) for the relief of George C. Widlon; to the Committee on Claims.

By Mr. JOHNSON of West Virginia: A bill (H. R. 12019) for the relief of Walling Oswald Naumann; to the Committee on Naval Affairs.

By Mr. KVALE: A bill (H. R. 12020) granting a pension to Mary C. Miller; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 12021) for the relief of Garland Hartman; to the Committee on Military Affairs.

Also, a bill (H. R. 12022) for the relief of Joseph Wardrupe; to the Committee on Claims.

Also, a bill (H. R. 12023) for the relief of Rellie Dodgen; to the Committee on Claims.

By Mr. ROGERS of Oklahoma: A bill (H. R. 12024) to direct the Civil Service Commission to open for investigation the case of Frederick E. Dixon; to the Committee on the Civil Service.

By Mr. THURSTON: A bill (H. R. 12025) for the relief of Mina Hall; to the Committee on Claims.

By Mr. TONRY: A bill (H. R. 12026) authorizing the President of the United States to present, in the name of Congress, medals of honor to John Forsythe and Otto Kafka; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10591. By Mr. JOHNSON of Texas: Petition of C. A. Pickett, secretary-manager, Lumbermen's Association of Texas, Houston, Tex., favoring House bill 11689, for extension of title I of the National Housing Act; to the Committee on Banking and Currency.

10592. Also, petition of E. P. Simmons, vice president and general manager of Sanger Bros., Dallas, Tex., favoring repeal of section 148 (D) of the Federal Revenue Act of 1934; to the Committee on Ways and Means.

10593. By Mr. LAMNECK: Petition of Mrs. S. B. Henderson, president, and Mrs. H. F. Morehead, secretary, of the Franklin County Woman's Christian Temperance Union, Columbus, Ohio, urging early hearings on motion-picture bills now before Congress; to the Committee on Interstate and Foreign Commerce.

10594. By Mr. O'CONNELL: Resolution of the General Assembly of Rhode Island, relative to the retention of the U. S. S. *Constellation* at Newport, R. I.; to the Committee on Naval Affairs.

10595. By Mr. PFEIFER: Petition of Piel Bros., Brooklyn, N. Y., concerning proposed tax on barley, hops, rice, corn, and increased tax on beer; to the Committee on Ways and Means.

10596. By Mr. REED of Illinois: Petition signed by Ellen H. Garrison and 88 other members of the Woman's Christian Temperance Union of Rock Island County, Ill., endorsing passage of House bill 8739; to the Committee on the District of Columbia.

10597. By Mr. RICH: Petition of Lieutenant Edson J. Catlin Post, No. 101, Wellsboro, Pa., favoring House bill 9497 and Senate bill 3579; to the Committee on Pensions.

10598. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Appropriations.

SENATE

THURSDAY, MARCH 26, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, March 24, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Clark	La Follette	Pope
Ashurst	Connally	Lewis	Radcliffe
Austin	Copeland	Logan	Reynolds
Bachman	Couzens	Loneragan	Robinson
Bailey	Davis	Long	Russell
Barbour	Donahay	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Billbo	Fletcher	McNary	Steiwer
Black	Frazier	Maloney	Thomas, Okla.
Bone	George	Metcalf	Truman
Borah	Gibson	Minton	Tydings
Brown	Gore	Moore	Vandenberg
Bulkeley	Guffey	Murphy	Van Nuys
Bulow	Hale	Murray	Wagner
Burke	Harrison	Neely	Walsh
Byrd	Hatch	Norris	Wheeler
Byrnes	Hayden	Nye	White
Capper	Johnson	O'Mahoney	
Caraway	Keyes	Overton	
Chavez	King	Pittman	

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from California [Mr. McADOO], the Senator from Rhode Island [Mr. GERRY], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Florida [Mr. TRAMMELL], caused by illness; and I further announce that the Senator from Virginia [Mr. GLASS], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. McCARRAN], the Senator from South Carolina [Mr. SMITH], and the Senator from Utah [Mr. THOMAS] are necessarily detained from the Senate.

Mr. AUSTIN. Mr. President, I announce that the senior Senator from Delaware [Mr. HASTINGS], the junior Senator from Delaware [Mr. TOWNSEND], the Senator from Iowa [Mr. DICKINSON], and the Senator from Wyoming [Mr. CAREY] are necessarily absent.

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House

had passed without amendment the bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years.

The message also announced that the House had passed the bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3263. An act to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4);

H. R. 7690. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.; and

H. J. Res. 543. Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4086) for the relief of Ellis Duke, also known as Elias Duke, and it was signed by the President pro tempore.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 3263. An act to amend paragraph (1) of section 4 of the Interstate Commerce Act, as amended February 28, 1920 (U. S. C., title 49, sec. 4); to the Committee on Interstate Commerce.

H. R. 7690. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding of the city of Albany, N. Y.; to the Committee on Banking and Currency.

H. J. Res. 543. Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia; to the Committee on Appropriations.

EMERGENCY RELIEF IN THE DISTRICT OF COLUMBIA

Mr. McKELLAR. Mr. President, in the absence of the Senator from Virginia [Mr. GLASS], who is unavoidably absent, I wish to ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 543) making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia, which has just come over from the House of Representatives.

The Appropriations Committee of the Senate has met and has considered the joint resolution and has authorized me to report it with an amendment. I do not think there will be any objection to the joint resolution at all. It comes as a unanimous report from the Committee on Appropriations, and I hope it may be passed at this time.

Mr. McNARY. Mr. President, it is unusual to submit a request to amend a joint resolution without it first being read. I am not advised of the nature of the joint resolution.

Mr. McKELLAR. I ask that the joint resolution be read by the clerk.

The PRESIDENT pro tempore. The joint resolution will be read.

The Chief Clerk read the joint resolution (H. J. Res. 543), as follows:

Resolved, etc., That to provide an additional amount for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, \$350,000, to remain available until June 30, 1936, and to be payable from the revenues of the District of Columbia.

Mr. McKELLAR. Inadvertently the House omitted certain words which are absolutely necessary in order to

make the joint resolution conform to the rules of the House and the Senate. In line 11, after the word "law", there should be inserted the words "there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of." Those words were left out of the joint resolution in the House and the committee asks that the joint resolution be amended by the insertion of those words.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 1, line 11, after the word "law", it is proposed to insert the words "there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of", so as to make the joint resolution read:

Resolved, etc., That to provide an additional amount for the purpose of affording relief to residents of the District of Columbia who are unemployed or otherwise in distress because of the existing emergency, to be expended by the Board of Public Welfare of the District of Columbia by employment and direct relief, in the discretion of the Board of Commissioners and under rules and regulations to be prescribed by the Board and without regard to the provisions of any other law, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$350,000, to remain available until June 30, 1936, and to be payable from the revenues of the District of Columbia.

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

Mr. McKELLAR. Mr. President, I submit a report (No. 1720) on the joint resolution and ask that it be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Senate Report No. 1720

The committee after consideration of House Joint Resolution No. 543, entitled "Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia", report the same to the Senate with an amendment incorporating the appropriation clause.

In justification of this appropriation the committee submits herewith the report submitted by Chairman BUCHANAN to the House of Representatives, which report most convincingly and accurately enumerates the reasons for the immediate passage of this resolution. The report referred to is as follows:

"The Committee on Appropriations, to whom was referred House Joint Resolution No. 543, entitled 'Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia', report the joint resolution without amendment and with a recommendation for its immediate consideration and passage.

"The amount proposed to be made available by the joint resolution is \$350,000 payable from the revenues of the District of Columbia. The Budget estimate in the amount of \$250,000, similarly payable, was submitted in House Document No. 425 of the present session.

"The sum appropriated for this purpose for the fiscal year 1936 in the District of Columbia Appropriation Act is \$2,000,000. There will remain available on April 1 next from this and other sources approximately \$125,000.

"The Budget estimate of \$250,000, the committee was advised, would only be sufficient, when added to the \$125,000 on hand, to provide for relief from April 1 to June 30, 1936, for the so-called unemployable cases on the relief rolls, leaving little, if any, to be expendable from District funds for those who are employable but not employed. Part of those classed as employables are so-called border-line cases, the character of the employment which they might be capable of being somewhat limited or the duration of their employability being in a measure speculative.

"The amount for emergency relief carried in the District of Columbia appropriation bill for the fiscal year 1937 as it passed the House is \$1,506,020, the amount of the Budget estimate less certain reductions in administrative expenses. This amount, the committee was advised, would be sufficient to provide relief only for 'unemployables.'

"Under the amount of the Budget estimate of \$250,000 for the remainder of the fiscal year 1936 the Board of Commissioners and the Board of Public Welfare have determined that if no greater sum is allowed relief first should be extended to the unemployables. This would also be the policy with reference to the appropriation for the next fiscal year.

"On the basis of most recent figures there are on relief of one kind or another in the District of Columbia, including work relief, a total of 23,000 cases, averaging three persons to a case, or a total of 70,000. Of this 23,000, approximately 14,000 cases are on work relief under the Works Progress Administration allotments and 9,000 cases are supported from funds furnished by the District of Columbia from its revenues.

"Allocations of funds by W. P. A. have been made to cover the fiscal year ending June 30 next, though it should in fairness be stated that those allotments do not contemplate the continuance in the spring and summer months of the full 14,000 cases; there will be some diminution of that class of relief. In this connection, however, it should be stated that the District of Columbia will undoubtedly be considered in the allocation of the \$43,000,000 recently made available by the President for flood relief and to the extent the District may benefit from this allotment additional work relief would be provided.

"Of the 9,000 cases supported from District of Columbia revenues, about 4,000 are the so-called unemployables—persons who are unable to work if they have the opportunity—and 5,000 cases are employables on relief without work.

"On the basis of \$250,000 additional, a situation would exist on April 1 next, whereby available funds would care for the 4,000 cases of unemployables, leaving most of the 5,000 cases of employables to find support either by obtaining work here or elsewhere or by finding relief from private sources of charity or local philanthropic agencies.

"The committee is not willing to require this abrupt termination of relief to these 5,000 cases without some notice and opportunity on behalf of the relief clients to obtain other methods of assistance. The Board of Commissioners desired \$608,000 instead of the \$250,000 which the Budget estimate provided for. This \$608,000 would have carried the present status until July 1 next, when the same determination would have to be made unless the pending District of Columbia appropriation bill for 1937, when finally enacted, provides for a larger amount than the Budget estimate for 1937.

"The sum which is provided in the accompanying joint resolution is \$350,000, which sum, together with the \$125,000 on hand, will give a total of \$475,000 for the period from April 1 to June 30 next. This will enable the local authorities to provide for the 'unemployables' and to taper off gradually the relief to the 'employables.'

"The problem presented was a most difficult one. With the \$350,000 provided in this joint resolution, the total of funds for relief in the District of Columbia from Federal and local sources for the present fiscal year will reach \$11,500,000. This includes allotments from F. E. R. A. and W. P. A. in addition to funds provided from District of Columbia revenues. On the basis of the amounts heretofore made available from Federal and District of Columbia revenues and the amount carried in the joint resolution, the District of Columbia will have furnished about 20 percent of the total and the Federal Government about 80 percent.

"It is realized that due to the presence of the National Capital there has been an influx of persons who thought greater possibilities of securing employment or opportunities of relief prevailed here than in other cities. No doubt there are many persons who would work if opportunity was presented also some who will not work so long as relief continues.

"A rather paradoxical situation exists in that Washington at the present time, from the standpoint of construction and retail trade, is perhaps more prosperous than at any time in its history, and yet there exists this very large charity roll. The community chest pledges have fallen from \$2,444,000 in 1932 to \$1,757,000 in 1936. With Government salaries restored to a 100 percent level and a near peak in Government employment with its consequently large bimonthly disbursement, there seems no logical reason why private charitable contributions should not also be at the highest level in the history of the city.

"The committee believes that unless curtailment is commenced, the large relief load may become a more or less permanent factor. The open season is approaching when many of the 'employables' here should find opportunity for reasonable work elsewhere, and, indeed, there must also be some employment in the city if it be diligently sought and accepted when offered.

"In raising the Budget estimate from \$250,000 to \$350,000 the committee has lengthened the period available to the Board of Commissioners and the Board of Public Welfare to work out the transition problem. It may be necessary to raise the present 1-year residence requirement to a longer period and to resort to more strict regulation to keep within the funds that are made available.

"The resolution should pass promptly. The 1st of April is not far distant and it is customary to pay the relief in cash for 2 weeks in advance. Administrative problems involved are difficult and the authorities should know as early as possible the amount which Congress is to make available."

Mr. McKELLAR. Mr. President, I ask that the Vice President be authorized to sign the joint resolution if it shall be returned to the Senate during a time when the Senate is in recess.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONTINUATION OF ELECTRIC HOME AND FARM AUTHORITY

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes, which was, on page 2, after line 5, to insert:

SEC. 2. The corporation shall file with the President and with the Congress, in December of each year, a financial statement and

a complete report as to the business of the corporation covering the preceding governmental fiscal year. This report shall include an itemized statement of the cost of operation, the total number of employees, and the names, salaries, and duties of those receiving compensation at the rate of more than \$1,500 a year.

Mr. NORRIS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

Mr. ROBINSON presented a letter from George C. Merkel, secretary-manager of the Pine Bluff (Ark.) Chamber of Commerce, relative to the imposition of proposed additional taxes on corporations, which was referred to the Committee on Finance.

Mr. TYDINGS presented a resolution adopted by the Maryland Yacht Club, Baltimore, Md., protesting against the enactment of the bill (H. R. 6203) to apply laws covering steam vessels of 15 gross tons and over propelled by internal-combustion engines, which was referred to the Committee on Commerce.

He also presented a petition of sundry citizens of the State of Maryland, praying for the enactment of the bill (S. 3597) construing the act approved August 14, 1935, entitled "An act to fix the hours of duty of postal employees, and for other purposes", which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution adopted by the mayor and Council of the City of Baltimore, Md., favoring the enactment of legislation relating to the unemployment of youth, and the needs of students in high schools, vocational schools, and colleges, which was ordered to lie on the table.

He also presented a memorial of officers, members, and friends of Liberty Council, No. 16, Junior Order United American Mechanics, of Baltimore, Md., remonstrating against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

Mr. COPELAND presented a petition of sundry citizens of Croton, N. Y., praying for the enactment of legislation to aid youth and the employment of youth, which was ordered to lie on the table.

He also presented resolutions adopted by local no. 2 of Coopers' International Union, and the Association of Workers in Public Relief Agencies, both of New York City, N. Y., praying for the enactment of legislation providing social insurance to workers, which were referred to the Committee on Education and Labor.

He also presented a resolution adopted by the Warehousemen's Association of the Port of New York, N. Y., favoring continuation of the office of Federal Coordinator of Transportation, and the enactment of legislation regulating water carriers and wharfingers, also the reorganization of the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the Washington Heights branch of the New York State Association of Retail Meat Dealers, endorsing the so-called Robinson-Patman anti-price-discrimination bill, which was ordered to lie on the table.

He also presented a memorial of members of Colonial Council, No. 43, Daughters of America, of the Bronx, New York City, N. Y., remonstrating against the enactment of the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, which was ordered to lie on the table.

REGULATION OF COMMERCE BY WATER CARRIER

Mr. FLETCHER presented a telegram from the Associated Citrus Growers and Shippers of Florida, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

LAKELAND, FLA., March 25, 1936.

Senator DUNCAN U. FLETCHER,

United States Senate, Washington, D. C.:

Our board of directors, representing 50 percent of Florida's citrus industry through its 100 shipper members and representing over 6,000 growers who market through our shippers, also representing in direct grower membership over 1,000 growers, passed unanimously following resolution:

"We hereby vigorously protest passage of the Eastman water carrier bill, known as Senate bill 1632, because fostered by privileged railroad interests, that will result in generally higher transportation rates to Florida citrus growers in its so-called equalization purposes, which would tend to increase water-transportation rates and probably truck rates, with very doubtful lowering of rail rates in such equalization. Through March 21, 20,795 cars citrus moved by rail, 14,570 cars by boat, 7,449 cars by truck, or total 42,814 cars, averaging 391 boxes to car unit. Note that over 22,000 cars moved by boat and truck, or considerably over 50 percent of crop. This natural competitive advantage Florida holds over other citrus areas in economical transportation by boat and truck positively must not be interfered with under any circumstances; therefore we most earnestly request and fully expect from our Senators and Representatives most vigorous and continuous opposition to passage of this bill, and hereby authorize this resolution to be immediately sent to such representatives."

ASSOCIATED CITRUS GROWERS AND SHIPPERS OF FLORIDA,

By A. M. PRATT, Secretary-Manager.

REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the joint resolution (H. J. Res. 305) accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937, reported it without amendment and submitted a report (No. 1722) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H. R. 9472) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain, and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, reported it with an amendment and submitted a report (No. 1723) thereon.

Mr. WALSH, from the Committee on Education and Labor, to which was referred the bill (S. 2926) to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes, reported it without amendment and submitted a report (No. 1724) thereon.

He also, from the same committee, to which was referred the bill (S. 3167) to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska, reported it with an amendment and submitted a report (No. 1725) thereon.

Mr. ADAMS, from the Committee on Banking and Currency, to which was referred the bill (S. 3842) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the statehood of Wisconsin, and to assist in the celebration of the Wisconsin centennial during the year of 1936, reported it with amendments and submitted a report (No. 1726) thereon.

He also, from the same committee, to which were referred the following bills and joint resolution, reported them severally with an amendment and submitted reports thereon:

S. 4229. A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city (Rept. No. 1727);

S. 4335. A bill to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition (Rept. No. 1728);

H. R. 10489. A bill to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y. (Rept. No. 1729);

H. R. 11323. A bill to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y. (Rept. No. 1730); and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware (Rept. No. 1731).

THE AMERICAN MERCHANT MARINE

Mr. COPELAND. From the Committee on Commerce, I report back favorably, with an amendment, Senate bill 3500, to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes.

A report to accompany the bill will follow within a few days. The recommendation of the committee is not unanimous, and it is desired that in the report the views of the minority may be included with the majority recommendation, and it is the intention that sufficient time be afforded to give consideration to the minority views.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN FOREIGN TRADE

Mr. COPELAND. From the Committee on Commerce I also report back certain amendments intended to be proposed to Senate Resolution 260, requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade, submitted by the Senator from Maryland [Mr. TYDINGS] on March 19, 1936, and ask that they lie on the table for consideration when the resolution comes before the Senate.

The PRESIDENT pro tempore. Without objection, that order will be made.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 4344) to authorize the placing of lands acquired or which may be acquired hereafter near Dumfries, Va., under the National Park Service for recreational purposes; and

A bill (S. 4345) to accept the cession by the State of Virginia of exclusive jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. MURPHY:

A bill (S. 4346) granting to the State of Iowa for State park purposes certain land of the United States in Clayton County, Iowa; to the Committee on Public Lands and Surveys.

A bill (S. 4347) granting an increase of pension to Mary E. Dearborn; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 4348) for the relief of Harry Tappan; to the Committee on Military Affairs.

A bill (S. 4349) to provide for the preparation of a plan to reduce the pollution of navigable waters of the United States;

A bill (S. 4350) to provide for the preparation of a plan to reduce the pollution of navigable waters and for the appropriation of money for that purpose; and

A bill (S. 4351) granting to the States of the Ohio Valley consent of Congress to an interstate compact or treaty for the purpose of controlling or reducing stream pollution; to the Committee on Commerce.

By Mr. GORE:

A bill (S. 4352) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla.; and

A bill (S. 4353) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Shawnee, Okla.; to the Committee on the Judiciary.

By Mrs. LONG, Mr. ROBINSON, Mrs. CARAWAY, Mr. SHEPPARD, Mr. CONNALLY, and Mr. OVERTON:

A bill (S. 4354) to authorize the attendance of the Marine Band at the Arkansas Centennial Celebration at Little Rock, Ark., on June 2, 3, 4, and 5, 1936; the Texas Centennial, at

Dallas, Tex., on June 6, 7, and 8, 1936; and the Forty-sixth National Confederate Reunion, at Shreveport, La., on June 9, 10, 11, and 12, 1936; to the Committee on Naval Affairs.

By Mr. BARBOUR and Mr. MOORE:

A bill (S. 4355) to authorize a preliminary examination of the Delaware River with a view to the control of its floods; and

A bill (S. 4356) to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods; to the Committee on Commerce.

(Mr. DAVIS introduced Senate bill 4357, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. BAILEY:

A bill (S. 4358) for the relief of Harry L. Parker; and

A bill (S. 4359) for the relief of W. D. Reed; to the Committee on Claims.

By Mr. DUFFY:

A bill (S. 4360) for the relief of Melba Kuehl; to the Committee on Claims.

By Mr. HAYDEN:

A bill (S. 4361) for the relief of Dorothy White, Mrs. Carol M. White, and Charles A. White; to the Committee on Claims.

By Mr. POPE:

A bill (S. 4362) for the relief of Rufus C. Long;

A bill (S. 4363) for the relief of B. W. Winward; and

A bill (S. 4364) for the relief of Zan Atwell; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 4365) to amend the act entitled "An act conferring upon the United States District Court for the northern district of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad", approved June 24, 1935; to the Committee on Claims.

By Mr. LONERGAN:

A bill (S. 4366) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

By Mr. GIBSON:

A bill (S. 4367) for the relief of the estate of Charles Pratt; to the Committee on Claims.

A bill (S. 4368) to provide for a duty on bread leavened with yeast; to the Committee on Finance.

By Mr. COPELAND (by request):

A bill (S. 4369) conferring jurisdiction on certain courts of the United States to hear and determine the claim of the owner of the coal hulk *Callixene*, and for other purposes; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 4370) to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936; to the Committee on Education and Labor.

(Mr. WALSH introduced Senate bill 4371, which was referred to the Committee on Naval Affairs and appears under a separate heading.)

By Mr. BLACK:

A bill (S. 4372) to authorize the purchase of originals or copies of portraits of former Chief Justices and Associate Justices of the Supreme Court of the United States for the new building occupied by the Supreme Court of the United States, and for other purposes; to the Committee on the Library.

By Mr. O'MAHONEY:

A bill (S. 4373) for the relief of J. Sheldon Cook; to the Committee on Claims.

A bill (S. 4374) for the relief of Ruth Edna Reavis (now Horsley); to the Committee on Public Lands and Surveys.

By Mr. WHEELER:

A joint resolution (S. J. Res. 239) extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally; to the Committee on Interstate Commerce.

ESTABLISHMENT OF A FLOOD REHABILITATION ADMINISTRATION

Mr. DAVIS. Mr. President, I introduce a bill which authorizes and empowers existing Federal agencies, including the Federal land banks, the Home Owners' Loan Corporation, the Federal Emergency Relief Administration, and the Resettlement Administration, to establish a flood-relief administration for the purpose of giving assistance to property owners who have lost their possessions in the recent flood catastrophe. This bill, if enacted, would authorize existing agencies which have relation to flood-relief projects to consolidate their efforts through a single agency, thus avoiding duplication of activity and making prompt and efficient action possible. I understand that there is now no one agency empowered to meet these needs and that the duties are distributed among various governmental units, more or less disconnected.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 4357) relating to the authority of existing Federal agencies to establish a flood rehabilitation administration for the repair of damages caused by floods or other catastrophes was read twice by its title and referred to the Committee on Banking and Currency.

Mr. DAVIS. In connection with the question of flood relief, I ask that certain telegrams I have received may be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

HARRISBURG, PA., March 25, 1936.

HON. JAMES J. DAVIS,

Senate Office Building:

Resumption of normal pay rolls and restoration of commercial enterprises depend upon governmental action in substantial flood relief. Five thousand people were evacuated from their homes. Industries and business houses employing 10,000 were under 10 feet or more of water. Red Cross and other agencies rehabilitating individuals. Several hundred industries, distributors, and other concerns sustained serious capital losses. Assets were literally washed away in many instances. Survey now being made of actual loss. Need for long-term credit with reasonably easy security requirements imperative. Appreciate wire from you regarding any Federal plan or promise we might hold out to these businessmen on possibility of broadening regulations of R. F. C. and other direct lending agencies. This is entirely aside from flood control, which must have immediate attention. Know we can rely upon your leadership.

HARRISBURG CHAMBER OF COMMERCE,
SAMUEL L. W. FLEMING, Jr., President.

PITTSBURGH, PA., March 26, 1936.

HON. JAMES J. DAVIS,

United States Senate:

Conforming with advice in this morning's papers, we will require a \$50,000 loan to replace barges and land equipment destroyed by flood and ice. Kindly advise the proper procedure at earliest possible moment.

PITTSBURGH GRAVEL CO.,
South Eighth Street, Monongahela River.

PITTSBURGH, PA., March 25, 1936.

Senator J. J. DAVIS,

United States Senate:

Surveys made in the flooded areas reveal a most appalling loss of property. All of this is a capital loss for Pennsylvania. The cost of flood control is a small proportion of the loss involved in the present catastrophe. We urge you to use all your influence to obtain definite action of western Pennsylvania flood control at this session of Congress.

MARK S. JAMES,
Manager, Pittsburgh Commission for Industrial Expansion.

PITTSBURGH, PA., March 25, 1936.

HON. JAMES J. DAVIS,

Senate Office Building:

We urge your assistance in the restoration of our coal mines in Pittston area, which have been almost totally destroyed by flood waters of the Lackawanna and Susquehanna Rivers. The aid of Federal and State Governments to have our major industry pumped free of flood waters is vital. Seven thousand men are idle as a result and we cannot look forward to resumption of work for 1 year.

GREATER PITTSBURGH CHAMBER OF COMMERCE,
Pittston, Pa.

PITTSBURGH, PA., March 25, 1936.

Senator JAMES J. DAVIS,

Senate Office Building, Washington, D. C.:

Lend every effort possible to see that sufficient funds are allocated to McKees Rocks and Stowe Township. Business and

property loss estimated between eight and ten million dollars. Unless Federal aid is forthcoming merchants and home owners and renters face irreparable loss and bankruptcy.

MILES BRYAN.

PITTSBURGH, PA., March 25, 1936.

Senator JAMES J. DAVIS,
Senate Office Building, Washington, D. C.:

Was stranded in center of flood zone, no sleep for 8 days and 7 nights, endless suffering; for humanity's sake build dams for flood control and power. Power dam will return a good sum of original cost.

J. P. FINDLEY,
Operating Manager, Jenkins Arcade.

PITTSBURGH, PA., March 25, 1936.

Hon. JAMES J. DAVIS,
Washington, D. C.:

The present devastating floods in the Tri-State area once more demand immediate action; your earnest endeavor and effort is most earnestly requested in the interests of projects for flood control.

BEECHVIEW DEMOCRATIC WORKERS,
Mrs. HAZEL G. SCHROEDER,
Chairman.

PITTSBURGH, PA., March 25, 1936.

Senator DAVIS,
Washington, D. C.:

We cannot have this flood catastrophe repeated in Pittsburgh, keep up your good work; pass this on to Senator GUFFEY also.

Mrs. WILLIAM JENKINSON,
Member, Women's Republican Council Bellevue.

AMBRIDGE, PA., March 25, 1936.

The Honorable JAMES DAVIS,
Member of the Senate:

In the interest of humanity support any constructive flood measure.

AMBRIDGE KNIGHTS OF PYTHIAS LODGE 504.

AMENDMENT OF MARINE CORPS PERSONNEL ACT

Mr. WALSH. I introduce, for reference to the Committee on Naval Affairs, a bill amending section 10 and repealing section 16 of the Marine Corps Personnel Act of May 29, 1934. I ask to have inserted in the RECORD in connection with the introduction of the bill a brief memorandum explaining its purpose.

The PRESIDENT pro tempore. The bill will be received and referred as requested by the Senator from Massachusetts, and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 4371) to amend section 10 and to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes, was read twice by its title and, with the accompanying paper, referred to the Committee on Naval Affairs.

The memorandum is as follows:

MEMORANDUM FOR NAVAL COMMITTEE

The effect of the amendments to section 10 of the Marine Corps Personnel act of May 29, 1934, as now drawn, provides:

(a) That until January 1, 1938, officers in the upper three-sevenths of the grades of first lieutenant, captain, major, lieutenant colonel, and colonel will be eligible for consideration by selection boards without regard to length of service in grade; but that on and after that date all officers subject to selection will be required to serve 4 years in grade (3 years for first lieutenants) before becoming eligible for consideration by selection boards, as is now the case with officers of the line of the Navy.

(b) That no officer of the Marine Corps will become ineligible for consideration for selection or for promotion by reason of length of commissioned service or by age without having been at least once considered by a selection board. This makes eligible for promotion captains in the Marine Corps who have been placed on a promotion list, approved by the President, regardless of age.

(c) That officers of the Marine Corps of the grade of second lieutenant and above, except the Major General Commandant, the Assistant to the Major General Commandant, the heads of staff departments, and officers on eligible lists for appointment as head of a staff department, a maximum of eight officers, shall not serve on duty in Marine Corps Headquarters, Washington, D. C., more than 4 out of any 8 consecutive years unless the President shall determine that the public interests so require.

Section 2 repeals section 16 of the Marine Corps Personnel Act of May 29, 1934, which provides:

(a) For the involuntary retirement of not to exceed 11 majors and 6 lieutenant colonels in any one year who have failed of selection and who have completed the designated periods of service prescribed in the basic Navy selection law.

(b) For the removal of the restriction on pay on promotion of certain officers of all grades.

Section 3 provides:

(a) That no majors or lieutenant colonels may be involuntarily retired until June 30, 1936, and shall until that date retain their eligibility for selection.

(b) That a special selection board shall be convened immediately after the passage of this act for the purpose of considering the cases of eligible majors and lieutenant colonels; that this board shall select four lieutenant colonels and nine majors from among the officers in the respective grades now on the active list who held commissions in said grades on May 28, 1934.

ENFORCEMENT OF TWENTY-FIRST AMENDMENT OF CONSTITUTION

Mr. KING submitted amendments intended to be proposed by him to the bill (H. R. 8368) to enforce the twenty-first amendment, which were ordered to lie on the table and to be printed.

CHANGES IN CERTAIN SENATE SALARIES AND POSITIONS

Mr. POPE submitted the following resolution (S. Res. 269), which was ordered to lie on the table:

Resolved, That the Committee on Appropriations, or any subcommittee thereof, having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby directed to make the following changes in salaries and positions under supervision of the Secretary of the Senate, to wit:

Librarian: Strike out "librarian, \$3,360" and insert "librarian, \$4,320."

First assistant librarian and keeper of stationery: Strike out "first assistant librarian and keeper of stationery, at \$3,130 each" and insert "first assistant librarian and keeper of stationery, at \$4,320 each."

WAR DEBTS, DISARMAMENT, CURRENCY STABILIZATION, AND WORLD TRADE

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 141) submitted by Mr. TYDINGS May 21, 1935, as follows:

Whereas the people of the United States, irrespective of political affiliations, have been desirous of promoting in every practical way the peace of the world and the economic and political welfare of other nations as well as their own, and have never failed to respond to the call of distress of other peoples and countries; and

Whereas the people of the United States are equally desirous of correcting any misapprehensions in this regard and to proclaim that no reason shall exist for questioning their desire to aid in every reasonable way the solution of the acute problems of the world arising from the war and depression; and

Whereas the present administration has frequently declared that national economic recovery and world economic recovery are inextricably bound together and that the principle of the good neighbor should characterize the relationship between the United States and all other nations; and

Whereas similar views have been held by Republican administrations and leading statesmen of the Republican Party, so that these broad views have the endorsement of both our major political parties; and

Whereas it is universally recognized that there is no problem existing today which is operating more directly, constantly, and powerfully to make understanding and good will between nations difficult, and therefore to postpone the return of economic well-being and durable world peace than the chronic problem of intergovernmental debts arising and resulting from the war; and

Whereas the next installment of allied war debts owing to the United States is due and payable on the 15th of June 1935, and no payment on these debts was made when the last installment came due on December 15, 1934, and the value and collectibility of these debts are becoming more and more jeopardized by the passing of time and the failure to devise and consummate a workable and mutually reasonable settlement thereof; and

Whereas such officials and leaders of European public opinion and action as Premier Flandin, of France; Economic and Finance Minister Schacht, of Germany; and the Chancellor of the Exchequer Chamberlain, of Great Britain, have within recent weeks given public indication of their recognition of the gravity of the problem created by the unsettled state of intergovernmental debts and of their desire for an equitable settlement that will promote and not retard world trade and that is in keeping with the present economic and financial conditions of the world; and

Whereas in June and also in December of 1934, in the exchange of notes on the allied-debt subject, both France and Great Britain did not repudiate them but frankly acknowledge the validity and legality of their respective war debts to the United States and expressed a desire and willingness to make a reasonable and feasible settlement of these debts; and

Whereas it is the desire of the people of the United States as indispensable both to economic recovery and to world peace to secure reduction of armaments by all nations and to inaugurate an immediate 5-year holiday in arms construction, in order to

facilitate and insure rapid recovery from the ravages of the protracted depression and to prove good faith to one another in their treaty commitments to peace; and

Whereas general and drastic reduction of armaments is vital to both world peace and to economic recovery, the expenditures for armaments and war being by far the largest items in the budgets of the nations; and

Whereas responsible statesmen of all the large nations of the world have repeatedly expressed their willingness to join in a general universal movement for the reduction of armaments, but the disarmament conferences have, during the past few years, failed to reach any substantial accord as to reduction largely because of the ill will, fear, and resentments engendered, particularly in Europe, by the destructiveness of the last war and the treaties resulting therefrom; and

Whereas a strong indication of the sentiment in Great Britain has just been obtained by a popular referendum wherein the vote on the question of all-around drastic reduction of armaments by international agreement showed over 90 percent in favor of such reduction and agreement, a percentage that well represents the overwhelming public opinion of our land; and

Whereas a 5-year holiday in arms construction accompanied by gradual, drastic, and pro-rata reduction in arms, agreed to and carried out by the nations of the world, would be not only the sincerest guaranty of world peace but would also result in bringing national income and national expenditures within balance in all nations, would greatly reduce taxation, would vastly increase the buying power of all countries, and consequently would go far toward restoring to normal the benefits of the world trade, both for agriculture and for the industry; and

Whereas for the further advancement of world trade and therefore the prosperity of all peoples there should be a revival of confidence in the money units of the world, now so disordered and almost chaotic, by a working stabilization of international currencies under international agreement, such as would inspire confidence in businessmen and producers everywhere, and which would largely restore normal foreign trade, thus tending to relieve unemployment and to reflate our sadly deflated market value of commodities, securities, and real estate; and

Whereas the United States, by reason of its unprecedented contributions to the World War, its unselfish and equally unprecedented abstention from all the spoils of war at the peace table in harmony with the magnanimous pronouncements of President McKinley in 1898, and of President Wilson in 1917, namely, that it is our settled policy not to wage wars of aggression and not to accept the spoils of victory, is in a position to take the lead in a world-wide movement for the solution of these four acute international problems, (1) war debts, (2) disarmament, (3) stabilization of currencies, and (4) a sound revival of world trade, which now so harass the world and retard both economic recovery and world peace, and to the solution of which a world conference should be called to be held at the city of Washington at the earliest convenient and practicable time; Now, therefore, be it

Resolved, That the President of the United States is requested, if not incompatible with the public interest, to advise such governments as he may deem appropriate that this Government desires at once to take up directly with them, with a view to entering into international agreements and treaties with other nations at a conference to be held in the city of Washington the following matters: The settlement of the intergovernmental debts, the means of obtaining a substantial curtailment in world armaments and a holiday in world armament construction, the means of securing a stabilization of the currency systems of the world, and the means for reviving world trade, all to such an extent and under such terms as may be agreed upon.

Mr. ROBINSON. Mr. President, I desire to suggest to the author of the resolution that it has been pending on the calendar for a long period of time and that it would be appropriate to refer it to the Committee on Finance. I make that motion. I see that the Senator from Maryland [Mr. TYNINGS] is not in the Chamber at the moment. If the motion shall be agreed to and the Senator from Maryland, upon his return, makes objection, I shall ask for a reconsideration of the vote by which the motion was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Arkansas to refer the resolution to the Committee on Finance.

The motion was agreed to.

APPOINTMENT AND CONFIRMATION OF CERTAIN FEDERAL EMPLOYEES

The PRESIDENT pro tempore. The Chair lays before the Senate another resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 152) submitted by Mr. GORE June 15, 1935, as follows:

Resolved, That the Comptroller General is hereby directed to submit to the Senate a report showing the names, residence, and annual rate of compensation of all persons who have been appointed or employed under any act of Congress who receives compensation at a rate of \$4,000 or more per annum and indicating those who are required by existing law to be appointed by and with the advice and consent of the Senate, who have not been so

confirmed, and also those who are not required by existing law to be so confirmed; and further indicating in each case the date of the appointment or employment and under what act or by what authority such person was appointed or employed.

Mr. ROBINSON. Mr. President, I ask that the resolution be referred to the Committee on Appropriations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

OWNERSHIP OF GOLD STOCK IN THE TREASURY

The PRESIDENT pro tempore. The Chair lays before the Senate a further resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 228) submitted by Mr. SHIPSTEAD February 6, 1936, as follows:

Resolved, That the Attorney General be requested to furnish the Senate with a formal opinion as to the ownership of and encumbrances on the gold stock of \$10,182,372,580.54 reported on February 1, 1936, by the Treasury of the United States as among its assets, with particular reference to the status of the gold taken from the Federal Reserve banks.

Mr. ROBINSON. Mr. President, I suggest to the Senator from Minnesota [Mr. SHIPSTEAD] that the resolution be referred to the Committee on Banking and Currency.

Mr. SHIPSTEAD. I am willing to have that done. I think we should have the information. It is very important. I hope the committee will take action very soon.

Mr. ROBINSON. I may state that it is my information that, under the law, the Attorney General has no authority to respond to the resolution. I ask to have printed in the Record in connection with my motion a memorandum which has been prepared at my request relating to this subject.

However, upon reconsideration, I suggest that the resolution be referred to the Committee on the Judiciary instead of the Committee on Banking and Currency.

Mr. SHIPSTEAD. Whatever committee will give consideration to the subject will be satisfactory to me. All we want is the information. I did not clearly understand the Senator's statement about the right of the Attorney General to render an opinion.

Mr. ROBINSON. I stated that, in my judgment, the Attorney General has no authority in law to render such an opinion as is called for, and I am going to ask to have published in connection with my remarks a memorandum relating to the subject which sets forth the statutory provisions and the constructions which have been placed on it from a time shortly after the office of Attorney General was created. I should like to have the resolution referred to the Committee on the Judiciary, if that is satisfactory to the Senator from Minnesota, as a legal question is involved.

Mr. SHIPSTEAD. May I ask the Senator if the memorandum shows who has construed or interpreted the law? As I understand, the memorandum purports to give a construction or interpretation of the statute.

Mr. ROBINSON. The memorandum does not relate to the opinion the Senator calls for in his resolution. It is confined to the power of the Attorney General to render such an opinion. I ask that the resolution be referred to the Committee on the Judiciary and that the memorandum referred to be printed in the Record in connection with my remarks.

There being no objection, the resolution was referred to the Committee on the Judiciary, and the memorandum was ordered to be printed in the Record, as follows:

IN RE SENATE RESOLUTION 228

The authority of the Attorney General to render opinions is contained in sections 303 and 304 of title 5 of the United States Code. These sections read as follows:

"303. Opinions and advice of Attorney General; to President. The Attorney General shall give his advice and opinion upon questions of law, whenever required by the President" (R. S., sec. 354; Feb. 27, 1877, ch. 69, sec. 1, 19 Stat. 241).

"304. Same to heads of executive departments. The head of any executive department may require the opinion of the Attorney General on any questions of law arising in the administration of his department" (R. S., sec. 356).

In accordance with these provisions, which authorize the rendering of opinions to the President and the heads of departments only, it has been a well-recognized custom from the beginning that the Attorney General will refrain from giving opinions requested by other branches of the Government. The subject was

treated comprehensively by Attorney General Mitchell in April 1932 in response to a request of the Senate for an opinion with respect to certain railroad mergers. The response of the Attorney General to that request emphasized the fact that Congress has not required, nor indeed authorized, the Attorney General to render opinions to Congress or either House, and that for over a hundred years the Attorneys General have deemed themselves precluded from giving such opinions. Attorney General Mitchell cited a number of instances of this kind dating back to an early statement of Attorney General Wirt in 1820 in response to a request of the House of Representatives. Continuing, Attorney General Mitchell stated:

"Under date of February 14, 1929, my immediate predecessor declined the request of the House Committee on Expenditures in the Executive Departments for an opinion, and on June 3, 1930, I felt obliged to decline an opinion requested by the Judiciary Committee of the Senate.

"Congress has accepted this long-standing interpretation of the law and has never attempted by law to enlarge the powers or duties of the Attorney General so as to require him to give opinions to either House of Congress or to committees thereof. Having in mind the constitutional separation of the functions of the legislative, executive, and judicial branches of the Government, there has always been a serious question whether the principle of that separation would be violated by a statute attempting to make the Attorney General a legal adviser of the legislative branch, and as a matter of governmental policy the wisdom of constituting as legal adviser of either House of Congress an official of the executive department, who sits in the President's Cabinet and acts as his legal adviser, has always been open to doubt.

"When pending legislation affecting the Department of Justice has been referred to Attorneys General for comment or suggestion, it has been their practice to suggest such legal points as are pertinent and which ought to receive consideration by committees, but that practice has never properly involved any formal legal opinions from Attorneys General and has no resemblance to a request for an opinion as to the effect of an existing statute" (36 Op. Atty. Gen. 532).

Reasons of policy support this recognized practice. Except where required for administrative conduct, it would be inadvisable and inappropriate for the Attorney General, who is charged with the conduct of litigation for the Government, to render official opinions in a quasi-judicial capacity on matters which may become the subject of litigation.

INSTANCES ILLUSTRATING THE CONSISTENT VIEW OF ATTORNEYS GENERAL THAT THEY HAVE NO POWER TO RENDER OPINIONS TO EITHER HOUSE OF CONGRESS

Attorney General Wirt (1 Op. 335): "The Attorney General may give his advice and opinion upon questions of law only when required by the President or requested by the heads of the departments. It is not his duty to give official opinions to the House of Representatives."

Attorney General Brewster (18 Op. 87): "The authority of the Attorney General to give his official opinion is limited by the laws which create and define his office, and will not permit him to give advice at the call of either House of Congress, or of Congress itself, but only to the President or the head of an executive department." This was said in response to a request for the opinion of the Attorney General made by a resolution of the House of Representatives.

Attorney General Crittenden (5 Op. 561): The Attorney General declined to advise a committee of Congress as to the validity of a claim pending before the committee because "to answer the questions you have been pleased to propose does not fall within the limits of the duty, or legal power of the Attorney General, but would be a wide departure from his appointed sphere of action."

Attorney General Everts (12 Op. 544): In a communication to the chairman of the Senate Committee on Naval Affairs the Attorney General declined to give his opinion on a joint resolution pending before the committee. He said that "it has been uniformly considered that the powers and duties of the Attorney General were limited and defined by the statutes passed by Congress on the subject, and that any exercise of official action beyond the statutory authority conferred upon him was an unwarrantable assumption on his part * * *." That "it was not competent for the Attorney General to give opinions concerning any matters pending in Congress upon the request of either of the Houses or of any committee."

Attorney General Mitchell (36 Op. 532): The Attorney General (Apr. 25, 1932) felt obliged to decline to give an opinion in response to a Senate resolution on legal phases of the subject matter of the resolution, and cites an unbroken line of authority for more than a hundred years in support of his position.

PERSONNEL OF REGIONAL OFFICES OF HOME LOAN BANK BOARD

The PRESIDENT pro tempore. The Chair lays before the Senate another resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S. Res. 268) submitted by Mr. McKELLAR on the 24th instant, as follows:

Whereas the question of regional offices established by the Federal Home Loan Bank in addition to State offices is a question to be dealt with by the Congress; and

Whereas it is desired by the Senate to have information concerning such regional offices for the purpose of proposed legislation: Therefore be it

Resolved, That the Federal Home Loan Bank Board furnish to the Senate, at the earliest practicable moment, the number of regional offices, the number of persons employed in each, the names and addresses of the various officials and employees of such offices, when they were appointed, the salary of each, the general duties of such offices, and for what reasons, if any, regional offices were established in States where there are State organizations or set-ups.

Mr. McNARY. Mr. President, when this resolution was submitted a few days ago I asked that it go over under the rule, which was done. I should like to have an opportunity to examine the resolution and confer with the Senator from Tennessee about it. I hope he will not call it up at this time.

Mr. McKELLAR. Would the Senator be willing to have me call it up a little later in the day, perhaps?

Mr. McNARY. I should not wish to make that promise.

Mr. McKELLAR. I hope the Senator can do that. I shall be glad to let the resolution go over for the present.

Mr. McNARY. I always try to be fair—

Mr. McKELLAR. Absolutely.

Mr. McNARY. But I should not wish to give a promise unless I could keep it; and I ask the Senator to let the resolution go over at the present time.

Mr. McKELLAR. I am perfectly willing to do that at the request of the Senator; but I desire to amend the resolution slightly, and I ask the clerk at this point to read the amended form of the resolution for the information of the Senate.

The PRESIDENT pro tempore. Without objection, the clerk will read the resolution as proposed to be amended.

The Chief Clerk read as follows:

That the Federal Home Loan Bank Board furnish to the Senate, at the earliest practicable moment, the number and location of regional offices, the number of persons employed in each, the names of the various officials and employees of such offices, the legal residence of each such official and employee at the date of their first employment by the corporation, the date of such first employment, the salary of each such official and employee, the general duties of such regional offices, and for what reasons, if any, regional offices were established in States where there are State offices or district offices; and the total monthly pay-roll expense, for the last available month, of State and regional offices in each State in which such regional offices are located; also the total pay-roll expense of the home office in Washington, by months, from January 1, 1935, to January 31, 1936, inclusive.

Mr. McKELLAR. The Senator from Oregon will see that the resolution, as proposed to be amended, merely asks for a little fuller information than that requested by the original resolution. In view of the fact that questions are arising concerning these regional offices, I think we ought to have that information before the questions are presented.

Mr. McNARY. It seemed to me, from the reading of the amended resolution, that it is a complete substitute for the original resolution.

Mr. McKELLAR. It is offered as a substitute, but it is substantially the same, except that it is a little fuller, and asks for a little more information than that requested in the original resolution.

The PRESIDENT pro tempore. The Senator from Tennessee has a right to modify his own resolution.

Mr. McKELLAR. I so modify it, if I may.

Mr. McNARY. Of course, I am not complaining about that. I am simply making an inquiry.

Mr. McKELLAR. The Senator wishes to have the resolution go over for the day, however?

Mr. McNARY. I do.

Mr. McKELLAR. Very well, Mr. President.

Mr. McNARY. I thank the Senator.

The PRESIDENT pro tempore. By unanimous consent, the modified resolution will be printed and temporarily passed over.

THE WILLARD HOTEL INCIDENT

Mr. COUZENS. Mr. President, on page 28 of the calendar there appears a resolution, Senate Resolution 240, submitted by myself. I ask that the resolution be referred to the Committee on Interstate Commerce.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The morning business is closed.

PEACE AND ITS RELATION TO PRESENT-DAY PROBLEMS—ADDRESS BY
SENATOR PITTMAN

Mr. ROBINSON. Mr. President, I ask unanimous consent that a radio address on the subject of Peace and Its Relation to Present-Day Problems, delivered by the Senator from Nevada [Mr. PITTMAN] on Monday night, March 23, 1936, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I appreciate the honor and privilege of briefly discussing tonight the subject Peace and Its Relation to Present-Day Problems.

I assume that our people are most interested in the preservation of our own peace, and yet it is evident that our peace is inexorably affected by world conditions. I do not mean to assert that we cannot maintain peace in our country, even though the rest of the world should be at war, but every student of the history of peace and war realizes that the problem would become exceedingly difficult in such event. The world is not yet at war, and still we would be stupid, if not cowardly and unpatriotic, were we to bury our heads in the sands that we might not see things as they are. It serves us not to say there is no war when there is war. We deceive ourselves and those who rely upon us when we fanatically proclaim to our people that fear, greed, and ambition for power do not actuate governments today and that the spirit of conquest is dead. We do not stay war by ceremonial wallings, incantations, and protestations that there is peace.

The principle of national necessity has superseded and destroyed international law and treaty rights. The so-called national right by force to expand, to possess all necessary raw materials, to increase commerce, to establish and maintain racial culture and pet principles of government in the far places of the earth, to have the highest place in the sun, without regard to the rights of others, is today the most powerful influence in the world. This is the militaristic principle under which conquest is justified. This is the principle under which sacred treaties for peace are arbitrarily violated. This is the principle upon which is based the dictum that might makes right. Wars through the ages have been waged in support of this principle. War is now being waged to obtain the privileges asserted under such principle. Further conquests and expansions under this principle are even now being planned by various governments, and undoubtedly will be carried out with military force unless it is within the determination and power of the governments of the world to collectively stop it. Aye, there's the rub.

Is it the determination of the governments of the world to denounce such principle and prevent its barbaric use? Obviously, the weak nations fear conquest, but they have not the physical power to successfully resist it. How about the powerful nations? History answers this question. In 1919 the League of Nations was created and organized. It had for its purpose the prevention of wars, if possible, and the quick ending of those wars that do arise, by the use of and through collective action of governments. The Covenant of the League of Nations prohibited acts of aggression and provided adequate means for the amicable determination of international controversies. Back of all this force was provided in the form of sanctions, or boycotts, ostracism, and, if necessary, even armies and navies, to compel obedience to the adjudication of the League under the covenants. It was hoped that international controversies, like national controversies, could be justly adjudicated and settled without resort to war.

It seemed at the time to be a reasonable proposition. We proudly boasted of our high civilization, our philosophy, and our enlightenment, and the Christian spirit that moved all civilized people. We realized that war accomplishes nothing but destruction and has no place in this civilization.

It pains me to say anything derogatory to the League of Nations. It had the highest purpose, and its influence has been good. It is our duty, however, to learn and speak the truth. Nothing is accomplished through ignorance, deception, and cowardice.

It is our duty to frankly analyze the results of collective action of governments. What has this collective action accomplished? What hope does it offer to us for peace in the future? The League of Nations has successfully settled a number of minor international controversies that might have led to war, but so far it has utterly failed in taking sufficient action to enforce its decrees against powerful governments. I need only refer to a few of such outstanding failures. The Covenant of the League prohibited military alliances on the part of its members, and yet we know that there are military alliances in Europe and Asia by those who are members of the League of Nations. You cannot serve two masters. You cannot be in an alliance in the League and in an alliance outside of the League.

The Assembly of the League of Nations, represented by 42 governments, solemnly and positively determined and declared that Japan was an aggressor against China in Manchuria. Japan and China were both members of the League at that time and voluntarily submitted their controversies to adjudication by the League. Japan treated the decree of the League with contempt and continued the conquest of Manchuria. The sovereignty of China has been ousted from Manchuria, and yet the League has ever since remained silent and has taken no further action.

The League declared Italy aggressor against Ethiopia and demanded that Italy cease hostilities. Italy openly challenged the decree and continued its war against Ethiopia. And then the

League declared its intention to use all its powers to punish the aggressor and stop this war. It imposed upon Italy economic sanctions. These sanctions being ineffective, the League threatened to place an embargo upon the shipment of oil to Italy. Italy threatened war if an embargo were established. The League did not place an embargo upon oil, nor has it done anything further toward the enforcement of its decree.

I am not passing upon the question as to whether the action of the League in any case was right or wrong. I cite the facts so that the effectiveness of collective action for peace may be intelligently weighed. I fully realize the difficulties in which the League has existed and acted. It never was a world league. It could not be unless the defeated powers had been invited to and had become members of the League. These powers had rights to adjudicate as well as other governments. They had the right to be in the League and there discuss the reasonableness of the terms of peace imposed upon them and the justice of their demands for modification of such treaties of peace.

Whilst many governments are members of the League, there are but few that possess military power. These great governments have their age-long enemies and are therefore imbued with hatred and inherent fear. Lacking confidence in the physical power of the League to protect them, they have sought and made alliances. It is hardly to be expected that they will lend military aid to the enforcement of the League's decrees as against a military ally. In the circumstances it is probably natural that governments should have more confidence in their allies than they have in the League of Nations for the ultimate protection of their nationals and their rights. It is true that many members of the League will take upon themselves the burden of imposing sanctions upon a determined aggressor, but few of these members will go to war to punish the aggressor and enforce the decrees of the League. And yet it is obvious that unless sufficient force is used—even to armed force—and is exerted to compel obedience to the decrees of the League, that then such decrees are not only futile but are deceptive practices against the weaker nations. This is the chief weakness of the League of Nations.

Great Britain did not know what members of the League would stand by her in the event she was attacked by Italy on account of the sanctions. European and Asiatic governments recognizing these weaknesses of the League have returned to the former policy of balance of power and military alliances.

Witness the result of the Nine Power Treaty on China, adopted at the great convention in Washington in 1922: The United States, Belgium, Great Britain, China, France, Italy, Japan, the Netherlands, and Portugal solemnly agreed, in written treaty, that—

"The contracting powers, other than China, agree:

"1. To respect the sovereignty, the independence, and the territorial and administrative integrity of China.

"2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government . . ."

Japan has deliberately and ruthlessly violated this treaty, as well as the Covenant of the League of Nations, and yet Japan ridicules the Nine Power Treaty and goes on with its plans of conquest without interference or even condemnation, save the protest of our Government and the judgment of the League of Nations that Japan is an aggressor and has violated the Covenant of the League of Nations. That's all!

Every effort for substantial limitation of armaments has failed. Our Government initiated the movement for the limitation of naval armaments at the Washington Conference in 1921 and 1922. We can never forget the magnificent gesture of our Government when our distinguished Secretary of State, upon the opening of that solemn meeting, voluntarily proposed that we destroy seven of our new battleships constructed and in process of construction. We destroyed our battleships, while other governments destroyed some old ships and many blue prints. The battleship was our chief naval weapon, but how did other governments respond to our courageous acts?

France contended that the submarine was the logical defense against threatening battleships, while Great Britain asserted that the cruiser was the best defense against submarines. So submarines and 10,000-ton cruisers were not limited. France would not stand for the limitation of airplanes and poisonous gases because Germany was prepared, so she contended, to provide quickly large quantities of these weapons of war with her peacetime factories. So airplanes and poisonous gases were not limited.

Well, it would appear to a reasonable person that we had made sufficient sacrifices of our national defense for the cause of world peace. Not so! Japan insisted that we should agree not to further fortify Guam, the Philippine Islands, and our other possessions in the western Pacific, and we surrendered in the name of peace. We have continued our efforts for the limitation of naval armaments, but they have all failed.

Great Britain and Japan have each just provided the largest appropriations for their navies, air forces, and armies made available since the World War. Germany is restoring her powerful navy with incomparable speed and skill. Other European governments are following these examples with every resource they can command. Today Europe is an armed camp, living in an atmosphere of hatred and fear, nervously waiting and listening for the sound of the shot that will precipitate Europe and Asia into the bloodiest catastrophe that the world has ever suffered.

We pity these unfortunate peoples. It is hard for us to understand their situation. We have no such conditions in this hemisphere. In Europe and Asia there are many races living in

congested areas and in close contact, speaking different languages, having different customs, and suffering from distrust and the inherent fear of conquests such as have been visited upon their countries time and again throughout the ages.

And these are some of the causes which make for war and obstruct collective action for peace, and, yet all hope has not failed. Whilst the situation is exceedingly grave, yet strong influences are being sincerely and powerfully exerted to prevent immediate war while readjustments of rights are undertaken and a broadened and a more influential league of Europe is created and organized. Every intelligent, rational, human being prays God that this great work may receive its highest fulfillment.

What is our duty in this grave emergency? What can we do for the cause of world peace? What can we do to preserve our own peace, even though Europe and Asia become involved in war? In my humble opinion there is little, if anything, we may successfully do at this time in aid of the settlement of the present European controversy. We refused to join the League of Nations, and a majority of our people, I believe, are still opposed to such involvement upon the part of our Government.

Experience has conclusively proven that force—supreme force alone—can insure the enforcement of any decree whether it be by a national or international court. We cannot, therefore, afford to interfere with foreign controversies that threaten war unless we are prepared and determined, at the time, to use our military forces in defense of our acts, which acts may be construed as acts of war. Our Government will not send its military forces to Europe in aid of the enforcement of the decrees of the League of Nations or any other league or alliance, even though that be the only way to punish a guilty aggressor and prevent or stop war. We may do many things that will eliminate causes that, in the past, have tended to involve us in foreign wars, but we must not blind ourselves to the fact that when war insanity spreads over the earth there is nothing that can guarantee our peace.

We have enacted laws providing for the licensing of the manufacturers of arms, ammunition, and implements of war, and have prohibited the exportation of such materials to belligerent countries. We have prohibited the granting of loans or the extending of credit to belligerent governments. We have regulated strictly the use of our ports by vessels of belligerents, and have taken steps to prevent our citizens from traveling upon the vessels of belligerent countries. This is the furthest advance ever made by any government in its efforts to protect its neutrality and escape the dangers of war.

There were those who favored extending such embargo to all materials and exports above the normal peacetime exports to such belligerent countries. This provision was bitterly fought. It was contended that it would be uselessly placing a destructive burden upon our farms, industries, and labor; that other countries would supply such materials and our foreign markets would be permanently destroyed; that it was inhuman to refuse to supply the innocent, civilian populations of warring countries with foodstuffs and clothing.

It was again called to the attention of the Foreign Relations Committee of the United States Senate, which had such legislation under consideration, that during the World War every government, including our own Government, declared everything contraband of war, or, in other words, an illegal shipment that might be captured, even including foodstuffs; that, therefore, we would not escape the danger by exporting the normal quantity of such goods rather than the amount required by the demand.

On the other hand, it was strongly contended that it was better that we do not export anything to warring countries rather than that we should be dragged into foreign wars.

The controversy was maintained sincerely and ably upon both sides. It was evident, therefore, that if we wished any legislation at all it was necessary that we compromise, and, therefore, such provision was eliminated from the law.

What more may we do? We are not a member of the League of Nations, and we have no alliances. If we are attacked, then we must defend ourselves. Those extreme pacifists in our country—and I speak of the honest, sincere people, and not the hired pacifists—who oppose the maintenance of our Army, our Navy, and our air forces conscientiously believe that no foreign powers will attack us. They still believe that justice and a Christian spirit actuate all governments. They hold tenaciously to the theory that if we will not fight and that if we convince all other governments that we will not fight that, then they will not fight us.

I deeply regret to be impelled to declare that, in my opinion, history and experience do not sustain such high and pacific ideals. Even in our own country, the most enlightened in the world, police forces equal in size to our Regular Army are unable to protect our own people against murders, kidnappings, robberies, and other vicious and low crimes. The only thing that prevents the bully, whether he be individual or government, from acts of violence is fear of punishment or defeat. To tell a bully that you will not fight inevitably results in a fight.

By virtue of our situation, surrounded as we are by two great oceans and having as neighbors friendly powers, we do not require a large Army, but our very extensive coast lines—the longest in the world—and the absolute necessity of the maintenance of the Panama Canal, so that our fleets may be rapidly joined in either ocean, makes it absolutely necessary that we provide adequate protection. We cannot disguise the fact that many governments in the world are jealous of us, and some of them hold for us an intense hatred and a desire to humiliate and punish us.

Broad oceans at one time offered us great protection, but today the Pacific, 7,000 miles across, is spanned by airplanes. Fleets

move more rapidly, and destruction by bombs and poisonous gases hurled from the air is more difficult to protect against. Many of our ships and our airplanes are antiquated and obsolete, while other governments have modern instruments of warfare and are increasing these instruments as rapidly as it is humanly possible. Let our Navy and our air fleet sink into obsolescence, and we invite attack upon our coast with the destruction of the lives of our people.

The only other step that we can take at the present time to protect our peace is to provide and maintain naval and air forces equal to those of any country in the world.

AFTER THE AGRICULTURAL ADJUSTMENT ADMINISTRATION, WHAT NEXT?—ADDRESS BY SENATOR TRUMAN

Mr. MINTON. Mr. President, on March 20 instant, at Schenectady, N. Y., over the radio, the junior Senator from Missouri [Mr. TRUMAN] delivered a very able address entitled, "After the Agricultural Adjustment Act, What Next?" I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been asked to talk on a subject in which I am vitally interested: The farmer, and what after the Agricultural Adjustment Administration?

Agriculture is a basic industry. Things we eat and wear come from the soil, and there is no place else to get them. Up until a hundred years ago famines were not unusual, and even as late as 10 years ago famines in India and China have taken place.

Our invention of machinery has made starvation impossible in America, but the adjustment of price between what the farmer buys and what he sells is the problem now facing us.

This country has always been a producer of surplus farm products. We have been exporters of grain, cotton, and meat. This situation has been responsible for the farmer's market. He sells on a world market. He buys on a closed market. His machinery, his clothing, and everything he buys is on a price fixed by monopoly. Even the world market for his surplus products has been to some extent taken away because the world could not sell to us. After the war we suddenly became a creditor nation and at the same time an exporter of so much foodstuffs and manufactured articles that the purchasing nations could no longer pay for our products. This left the farmer with enormous surpluses and no market.

The farmer was put into the depression in 1921 and no effort was ever made to bring him out until the creation of the Agricultural Adjustment Administration. That was an effort to limit production to the point of consumption, just as our manufacturers limit production to what they can sell.

The processing taxes were intended to balance the farmer's budget, to afford him a means of meeting high prices for things he buys. By limiting production, prices to farmers have risen to somewhere near a reasonable basis.

The Supreme Court, however, has decided that agriculture is not a national and interstate business but is one that the States must regulate. In order to meet that interpretation of the law and to maintain the ground gained by the farmer, the Soil Conservation Act was passed, the idea behind that act being that States will cooperate with the National Government in the regulation of farm production; that land not economically fitted for production will be taken over by the Government and not used for production; that the soil will be conserved by rotation and fertilization. Production will thus be made to meet a home market and a real agricultural policy for the country will be established. We must have such a policy, as we have a foreign policy and a military policy.

This situation has been made necessary by our mutton-headed tariff policy under past administrations, which ruined our foreign markets and has almost bankrupted agriculture. It is my opinion that State cooperation, cooperation of the farmers, and the establishment of a real agricultural policy will solve a most difficult problem. Therefore I can't see how the farmer can do anything else but support Franklin D. Roosevelt and reelect him, so that this agricultural policy may be carried to a successful conclusion.

The United States Department of Agriculture says in a summary of the provisions of the new Soil Conservation and Domestic Allotment Act that it provides for conservation and improvement of soil resources, reestablishment and maintenance of farm income, assurance of adequate supplies of food and fiber for consumers, and the protection of rivers and harbors against the effects of soil erosion.

Temporary Federal aid in the form of grants direct to individual farmers to assist voluntary action for these purposes is authorized until State plans are ready or until January 1, 1938, after which grants will be made only to States upon the submission of State programs and their approval by the Secretary of Agriculture in accordance with provisions of the act. The act authorizes an annual appropriation of not more than \$500,000,000. The appropriation for the fiscal year 1937 is \$440,000,000, which with \$30,000,000 from tariff collections makes a total of \$470,000,000.

The objectives under the declared policy of the act include: (1) Preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) cutting down the wasteful and unscientific use of national soil resources; (4) protection of rivers and harbors against the results of soil erosion.

for the purpose of aiding flood control and maintaining navigability; (5) reestablishment at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest of the ratio between purchasing power of the net income per person on farms and that of the income per person not on farms which prevailed during the 5-year period August 1909 to July 1914, inclusive, and the maintenance of this ratio.

Under the temporary plan of Federal aid, the Secretary of Agriculture is authorized to make payments to producers measured by (1) their treatment or use of land for soil restoration, conservation, or the prevention of soil erosion; (2) changes in the use of their land; (3) a percentage of their normal production of one or more designated commodities equal to the normal national percentage required for domestic consumption. Payments may be made on any one or any combination of these bases of measurement. Productivity of the land affected is to be taken into consideration in making payments for changes in use and soil conservation.

Under the permanent State-aid plan the Secretary is required, on or before November 1 of each year, commencing in 1937, to apportion funds available for State plans for the next calendar year. In determining the amount to be apportioned to each State, the Secretary is required to take into consideration for each State the acreage and value of the major soil depleting and major export crops produced during a representative period and the acreage and productivity of land devoted to agricultural production during a representative period. During the temporary Federal-aid period, apportionment of funds for carrying out State plans for each of the years 1936 and 1937 may be made at any time during those years.

The act authorizes the Secretary, in carrying out its provisions during the temporary period of Federal aid, to utilize county and community committees of agricultural producers as well as the Agricultural Extension Service and other agencies such as he finds will assist in accomplishing the purposes of the act and provides for their participation also in the State-aid plan.

State plans, in order to conform to specifications set forth in the act, must include (1) provisions for a State agency to administer the plan authorized by the State and either designated or approved by the Secretary; (2) provisions for such methods of administration and participation by county and community committees or associations of producers organized for the purpose as the Secretary finds necessary for effective administration of the plan; and (3) provisions for submitting such reports as the Secretary finds necessary to assure that the State plans are being carried out. One-fourth of the money apportioned to each State is payable to the State following approval of the State plan. The remainder is to be paid in installments according to provisions of the State plan.

Payment of installments would cease in the case of failure of a State to carry out the terms of its plan, funds apportioned to that State would remain available for the general purposes of the act. Prior to January 1, 1938, the Secretary is authorized to make use of cooperative assistance by the Agricultural Extension Service, or other approved State agencies. After this period, the State administrative agency will be one authorized by the State, whether designated by the Secretary or approved by him after designation by the State.

The Secretary is required to protect the interests of tenants and sharecroppers and small producers. Tenants and sharecroppers are specifically included as agricultural producers under the authorization empowering the Secretary to make payments to carry out the purposes of the act.

In the provisions relating to farm income, the act recognizes the right of agriculture to keep pace with the rate of progress made by the Nation as a whole. The 1909-14 balance between agricultural and nonagricultural living standards, as measured by the relative purchasing power of net incomes of persons on farms and incomes of persons not on farms, is the objective in reestablishing and maintaining farm income.

In carrying out the provisions of the act with regard to reestablishing and maintaining the ratio of purchasing power of farm income, the Secretary is required to give due regard to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both consumers and producers.

The act prohibits the use of the powers relating to farm income for the purpose of discouraging the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption. The Secretary is directed to determine normal domestic human consumption from the records of the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity forced into domestic consumption by decline in exports, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities.

The provision requiring the Secretary to take into consideration the quantity of any commodity forced into domestic consumption by decline in exports recognizes that the domestic market took during the years 1920 to 1929, at some price, whatever livestock products, such as pork, were offered, placing producers at a price disadvantage when large supplies were forced on the market. The provision regarding substitutes recognizes that consumers may and do substitute one farm commodity for another in their diet, and that allowance should be made for such substitutions.

Use of funds for expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodi-

ties or for the removal or disposition of surpluses is authorized whenever the Secretary finds that it would tend to carry out the provisions of the act with respect to farm income or would tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair both to consumers and producers.

The act authorizes the Secretary to conduct surveys, investigations, and research and make public the information he deems necessary to carry out its provisions. In addition to the United States, the Territories of Alaska and Hawaii and the possession Puerto Rico come under the application of the act.

The administration is making an honest effort to create a definite policy for agriculture, one which will place the farmer on a level with other industries. For the first time in our history we are discovering that the producer of food and fiber is a vital and essential part of our population, and that his interests and welfare are as important as the banker's, the manufacturer's, and the building contractor's. The welfare of the country demands that this policy should be carried to a successful conclusion, and I am sure the country as a whole will see that it is.

ELIMINATION OF PROFIT FROM WAR—ADDRESS BY SENATOR CONNALLY

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject Take the Profit Out of War, delivered by the junior Senator from Texas [Mr. CONNALLY], March 23, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

TAKE THE PROFIT OUT OF WAR

Ladies and gentlemen of the radio audience, war and peace are of transcending importance to the peoples of the world. They are matters of life and death. The continent of Europe is at this moment disturbed by the threat that engines of destruction may again be set in motion and a torrent of blood and agony and misery may sweep down on a luckless and unhappy people. In the distant Orient armies are marching and drums are beating. The American people covet no part of such a grim and cruel tragedy. They are devoted to the ideals of peace. They want to live in the spirit of the good neighbor. We are not dominated by the spirit of a conqueror. Liberated and independent Cuba and the Philippine Commonwealth are our witnesses. In spite of the pacific attitude of our people the United States has in the past been forced to draw the sword. While we pray God that we may never again be summoned to the crimson bar of a military court, our national interests and security require that we be prepared to assert and maintain our rights when violated or our security when threatened.

The profit element in war has come to be regarded by a great proportion of our people as one of the motives of greedy interests to agitate and foment causes that may provoke armed conflict. History reveals that even in America in times of national peril there have been those who profited unduly from the misfortunes of our countrymen. Even in the long and bitter struggle of the Revolution profiteers and contractors grew rich. From the camp where his ragged soldiers were assailed by hunger and the biting blasts of winter, General Washington bitterly protested against their extortions. In the War between the States favored interests reaped huge financial rewards while armies staggered in the throes of death. Even in the Spanish-American War, though of slight duration and of modest military operations, embalmed beef and other scandals are yet vividly remembered. In the World War, while there was little of scandal or criminality revealed in war contracts, it is true that inordinately high profits were garnered by those dealing in munitions and supplies.

The American people want unfair profits taken out of war, both to deter incitement to war and to obviate in time of crisis unconscionable profits to a few at the expense of the many.

At the last session of Congress the House passed what is known as the McSwain bill, having for its purpose the drafting of industry and the limitation of profits. This legislation is now pending before the Finance Committee of the Senate. During the recess of Congress in the summer and fall of 1935 the tax experts of Congress and the Treasury Department made an exhaustive study of the McSwain bill and the bill offered by the Munitions Committee as a substitute therefor.

As chairman of a subcommittee of the Finance Committee, it has been my duty to conduct an examination and report to the full committee with respect to these measures. The subcommittee has held hearings and has surveyed the measures in the light of expert advice. The difficulty does not lie in any conflict of purpose. The subject is one of such far-reaching magnitude and of such a complex and intricate nature that it requires the most careful and detailed study to devise a measure which will accomplish the wholesome end of taking the profit out of war and yet will not cripple or hamper the Government's efforts in time of war nor impair its revenues.

At the very outset arises the question whether the profit motive should be entirely taken away from corporations and individuals. On the one hand, it is urged that in time of war neither individuals or corporations should be entitled to any profit. On the other hand, it is argued that if such a motive is entirely removed there will be little incentive for the expansion of facilities to manufacture munitions and supplies when we may be in need of them to prosecute the war. It is also proposed that in time of war authority shall be given to the President, as Commander in Chief of the

Army, to draft all industries and operate the same under Government supervision. This involves activities of the most gigantic and widespread character and administrative details staggering in their proportions.

Another aspect is the question of Government revenue and whether such legislation should be designed to produce the maximum amount of revenue or whether its chief purpose should be its social and economic effects.

These important questions of policy are being submitted by the subcommittee to the full membership of the Finance Committee of the Senate in order that it may determine such major policies in advance of drafting the details and particular provisions of the legislation.

It is our earnest desire that in time of war industry may be conscripted for war service just as the manpower of the Nation of military age is called from home for service on the battlefield. We propose that prices of war materials and commodities may be frozen as nearly as possible at a level normal prior to the declaration of war. We propose the levying of taxation at such a rate as will capture excess war profits to aid in financing the war and to prevent unconscionable advantage to those not in the armed forces. It is also our purpose that upon the declaration of war the Government may commandeer material resources, industrial organizations, public utilities, and other necessary and useful facilities required for the successful and early termination of the war, and to control and regulate the same for the duration of the crisis.

According to my view, in time of war no corporation or industrial concern should be entitled to receive a profit of more than 4 percent upon its invested capital, and that individuals engaged in the conduct of financial, commercial, industrial, and manufacturing enterprises should not be permitted to receive compensation for their services at a higher rate of pay than is received by officers or men in the Army of comparable station or responsibility. Factories and plants and industrial enterprises should be subject to the same motives of patriotism and service to country as are the men who are called to the colors. Corporations should be made to feel in time of war, at least, that they have a soul. Dollars and machines and the brick and stone and concrete of great industrial enterprises should be made to serve in time of war the country whose flag protects them and gives them security no less than the private citizen who must lay down the implements of his toil or leave the books and activities of his profession or calling to grasp in his hands the weapons of war and to march forth to meet the enemy and perhaps to die.

The American Legion has rendered to America a distinct and outstanding service in advocating and making a part of its program the plan to take the profit out of war. The veterans of the Legion have seen war. They know something of its horrors and miseries. They have seen their comrades in the shock of the charge spill their blood on foreign soil. At the country's call they abandoned their peacetime occupations. Returning from the battlefields of Europe they brought back the flag wrapped in a new and gleaming luster. On battlefields where continental armies had marched and struggled for 2,000 years they blazed a glorious pathway for American arms. They returned to find that many of those who remained at home had profited and prospered while they had sacrificed and suffered. The veterans of the World War are now determined that if in the future out of the tangled web of international complications America should be forced reluctantly to draw the sword industries and profits and dollars and machines and factories shall all alike be called to the colors, along with the manpower of the Nation, and that with one spirit and with a united front the wealth, the resources, and the money of America shall stand in battle ranks by the side of the soldiery of the Nation—men and money shall be marshaled in an invincible army to win victory for the flag and to share equally in the sacrifices of war.

PROBLEMS OF REEMPLOYMENT—ADDRESS BY SENATOR HATCH

Mr. O'MAHONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and informative address on the subject Meeting the Problems of Reemployment, delivered over the radio on the evening of March 24 by the senior Senator from New Mexico [Mr. HATCH].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEETING THE PROBLEMS OF REEMPLOYMENT

Much has been written and much is being said concerning the problems of relief and unemployment. Tonight I refer more particularly to how we are meeting the problem of reemployment. Obviously, there is a difference in the terms "unemployment" and "reemployment", even as there is a difference in the problems.

Unemployment brings the thought of men out of work, of men in desperate straits and circumstances.

Many persons view our perplexing conditions solely from such standpoint. They assert the problem is merely a matter of private charity, to be assisted and supplemented perhaps by aid from State and Federal agencies.

Others who view the problem from somewhat the same angle contend a Government subsidy or system of dole is the solution. Those who think of charity or of a dole are not thinking in terms of reemployment. However, if they are correct in their thinking,

the problem can be met readily. Americans have ever been noted for their generosity in times of distress and want. The dole can be arranged. Through its taxing powers, the Government can raise funds sufficient to insure a system of dole.

Reemployment admits that temporary treatment has required direct relief, and also that there will always be cases which are for the usual channels of charity. Reemployment contemplates and thinks of sending millions of men marching back to useful, suitable employment at adequate, gainful wages, to employment which shall provide a sense of security, permanency, and stability. Reemployment urges the fundamental American philosophy of opportunity to work for all who have the will to work. Mark you, this American philosophy of reemployment concerns those who have the will to work. It does not include the indolent or shiftless, who are unemployed from choice. With rapidly increasing activity in every line of business, the unemployed must cooperate and help solve this vexatious problem by exerting every possible effort to secure private employment. For their own welfare and the welfare of the country as a whole, this must be done.

To so order our economic life to make the principle of reemployment as thus outlined a reality is no minor task. It requires our best thought and attention. It is the problem of reemployment as distinguished from the problem of relief and unemployment.

Many new remedies and thoughts are suggested, but I shall content myself in mentioning only a few of what seem to me to be fundamental factors. It must be remembered the problem with which we deal is not exactly new. It has plagued this country before. Even in the so-called boom period of great industrial expansion, of large incomes and swollen fortunes, many able, ambitious, industrious American citizens were unable to find work because there was no work for them to do.

In the spring of 1933 the battle lines were rather definitely established. Two fronts challenged. The methods of attack differed as the problems differed.

For the emergency, to care for the immediate needs of those in want and distress, plans for direct relief were laid and carried out quickly. But direct relief was never considered as an answer to the problem. It was and is temporary. It must not be permanent.

To meet the problem of unemployment, vigorous and aggressive measures along lines of reemployment were initiated and carried on. It is here we find the attack along lines which may seem old, but, nevertheless, the measures adopted recognize and deal with certain fundamental aspects of the problem, which must be met.

It was correctly understood that unemployment continued and successfully resisted efforts to reemploy, because the buying power of the Nation had completely dried up during the depression years. It seemed necessary, as it was necessary, to restore purchasing power to the people of America before any advance could be made. Business and industry could not reemploy without markets for the products of business and industry.

The greatest of all American markets, that of the American farmer, had dwindled to almost nothing in the spring of 1933. Agriculture, therefore, presented the first battleground. On that front a steady conflict was waged. Decidedly the trend of agriculture is upward.

In 1932, according to figures from the Department of Agriculture, the average net income of the American farmer was \$244. That average has been increased nearly three times. In 1935 it was \$630. Not enough yet, but decided progress has been made. The purchasing power of the farmer has been increased. He has again become a buyer. The armies of the unemployed were weakened; the troops of the reemployed were strengthened and men are marching back to work today as a result of the increased purchasing power of the farmer.

To advance business and industry, to increase productive activity, and to aid labor a direct offensive to increase the purchasing power of those who labor was commenced. The N. R. A. was a direct attack on low wages, long hours, child labor, sweatshop methods, and all such evils. But on the battlefield of N. R. A. reverses were met. N. R. A. is dead. Whether it was good or bad is not material at the moment, except to say that there was enough good within the purposes of N. R. A. to cause industry to retain many of its provisions.

In the current issue of Collier's Weekly this statement is made: "With the disappearance of N. R. A. child labor returned." Child labor was returned because child labor was cheaper. The forces of reemployment were repulsed when child labor returned. But notwithstanding the reverses the battle against low wages, long hours, child labor, and sweatshop methods will go on.

Another attack to increase production, to aid business and industry, and to restore purchasing power to labor was made through the public works building program. Through P. W. A. and W. P. A. great building projects have been undertaken and are being carried on today. Every section of our country is benefited directly and indirectly by the building program. Speaking in the Senate recently, Senator HAYDEN, of Arizona, illustrating some of the benefits of the building program, said:

"At least 70 percent of the money already spent for materials has gone directly into the pockets of hundreds of thousands of men called back to work in mines, mills, factories, and on transportation lines throughout the country.

"No one will dispute the fact that the Public Works Administration has been a potent factor in generally improved economic conditions."

The battle on this front continues. It is gaining power and strength each day. Here the forces of the unemployed today retreat before advancing troops of the reemployed.

Whether you agree or not, may I call your attention to another vigorous blow struck by the administration against the evils which helped to dry up the sources of purchasing and buying power in America. I refer to the policy which resulted in the reduction of the gold content of the dollar. Criticism from some sources has been leveled at this measure.

It takes no expert in monetary matters to know that money had become so abnormally high in value, it was one of the chief obstacles standing in the way of recovery and reemployment. In our well-known worship of the dollar, it took courage to assail the citadel of the money king. But the assault was made. It was successful.

Almost without exception, today it is acknowledged and conceded the administration's firm stand in reducing the gold content of the dollar has been a decided gain and advance on this front.

I mention only a few of the factors involved in this great effort toward reemployment and against the forces of unemployment. There are other elements of great importance. The National Reemployment Service directly attacks the problem of unemployment, and daily aids reemployment along substantial and constructive lines.

Unemployment insurance, old-age security, labor boards to handle industrial disputes, retirement acts, and humanitarian measures of similar nature and kind, are designed to aid in the war against unemployment, not only for the present but for the years to come.

In speaking of the problem and the various measures taken in connection with it I am not unmindful of certain figures and statistics which point to large numbers of men unemployed and on relief today. There is much controversy and conflict in opinion as to the estimates, but, regardless of whether they are correct or not, it seems to me the greater the number of unemployed the more vigorous must be our efforts to provide reemployment and to continue the fight on the causes and conditions which bring about unemployment.

Obviously the condition seems to require further intense study, the acquisition of all possible information, and the elimination of all incorrect details, if any exist. Along this line, I introduced a resolution in the Senate recently which provides for a comprehensive study, survey, and investigation of the entire problem of unemployment and relief. It seemed that such an investigation would be helpful in solving the problems of the moment; also that it should be helpful in shaping future course and policy.

I think Congress is charged with grave duty and responsibility here. Certainly it is charged with the duty of understanding the problem as thoroughly as possible.

Commenting on the need for data and information in connection with these problems, the New York Times in an editorial said, referring to unemployment and relief, "No one has yet accurately measured the problem." The resolution to which I refer seeks to measure the problem accurately.

But again referring to the problem of reemployment and the advances made, I must repeat that progress has been and is being made. According to the Secretary of Labor, "approximately 5,000,000 men and women who were without jobs in March 1933 have since been returned to work in private industry. More than 4,000,000 others have found work on P. W. A. construction projects, in C. C. C. camps, on State road work, and on P. W. A. jobs."

Even if we wish to disregard the 4,000,000 on public works, we must admit that 5,000,000 men going back to work in private industry is real progress. It means increased buying power.

Technological unemployment presents its serious problem. Here, indeed, lies a fundamental matter which must be met. In a recent study Dr. Moulton, of the Brookings Institution, observes that not only must purchasing power be expanded, but he urges increased economies can be had through the use of the machine; wages need not be reduced, but prices must be reduced in order to provide more consumption in the low income-tax groups. Others urge the shorter day and the shorter week. Similar and other remedies are suggested. Certainly, here labor and industry must regard their cause as a common one. Purchases of tear gas, guns, and ammunition will not solve the problem.

Machinery must not be abandoned; but if it is used only to replace men and increase profits, those who find it a means of temporary gain will awaken to find that it has been the means of their own destruction. The machine must not be the master of man; man must remain the master of the machine. That which is designed to save human labor must not be allowed to destroy human beings.

Here, I repeat, we are reminded of the high duty and responsibility of business, labor, and industry to cooperate and work together for the advancement of the common welfare and good.

The thought of united effort and cooperation was suggested by the President in his recent message to Congress on unemployment and relief.

While increased purchasing power has resulted and has caused better markets and increased productive activity, and while men are marching back to work, we can well remember the President's plea for cooperation, for the battle is not yet finally won.

The President well said the problem is common to all. In this connection, may I recall his words:

"It is a problem to be faced, not merely by Congress and the Executive, not merely by the representatives of Government in the States and localities, but by all the American people."

ADMINISTRATIVE LAWMAKING—ADDRESS BY COL. O. R. M'GUIRE

Mr. LOGAN. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject Administrative Lawmaking, delivered by Col. O. R. McGuire, chairman of the committee on administrative law of the American Bar Association, on March 17, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, the late Theodore Roosevelt once said that "No man is above the law and no man is below it; nor do we ask any man's permission when we require him to obey it. Obedience to the law is demanded as a right, not asked as a favor." The basic law in this country is the Constitution of the United States, which divided all of the power conferred in that document among the legislative, executive, and judicial branches of the Federal Government. It gave to the legislative branch the exclusive duty and responsibility of making the laws within the limits of the powers conferred, either expressly or impliedly, on the Federal Government; it gave to the executive branch the duty of enforcing such laws; and it gave to the judicial branch the duty and responsibility for interpreting and applying the laws so made to concrete cases as they are brought from time to time before the courts. During the century and a half intervening since the adoption of the Constitution, we have had 21 amendments thereto, but none of them has made any change in its original division of governmental power.

However, such division is approximate and not absolute. Each of the three branches exercises, in practice, some of the power which is theoretically that of the other branches, and it is by virtue of this fact that we find the executive branch not only enforcing the law but making some of the law which it enforces. We refer to the law made by the executive branch as administrative law. Also the executive branch must interpret and apply the law to concrete cases and controversies as they arise in the administration of the Government, and it is this combination of legislative, executive, and judicial power in the hands of the Executive which has led to serious complaints within recent years, particularly in those instances where the administrative decisions on the law and the facts are not reviewable in a tribunal absolutely independent of the executive branch of the Government. Such complaint is made more pertinent by the fact that only the lower grades of Government employees are career men and women, appointed and promoted on the basis of merit, under the civil-service laws, while practically all of the chief administrative and many of the semijudicial positions of power and responsibility in our complex Government are filled on the basis of political service to the administration in power for the time being and that generally such chief administrative officers change with each change of administration.

Such a situation has come about during the course of many years. The Constitution imposes on the President the solemn and awful duty of seeing that the laws are enforced; but the President cannot personally administer and enforce all of the laws. He has a large force of subordinates in the executive branch of the Government to aid him; and they are not only located in Washington, at the seat of government, but they range the Asiatic plains in search of drought-resisting plants; they patrol the Bering Sea to protect the seal herds from extinction; they are stationed in the capitals and principal cities of the world; and they not only transport and deliver the mails but they collect the internal-revenue and customs taxes, search for violators of Federal laws, run the armed forces of the country, and perform countless other tasks. These men and women, wherever located, and whatever may be their duties, are controlled by means of rules and regulations issued by the President or by his chief advisers; that is, by administratively made law.

Such rules and regulations prescribing the duties of subordinates, filling in the interstices of the law, and directing what shall be the decision or action in various situations, likely to arise in the enforcement of the law, are known as administrative laws. The Congress did not undertake to determine in the statutes the details of administration, even in the early days, when governmental processes were comparatively simple. Likewise, it does not undertake to do so today. It is humanly impossible for any Congressman or Senator to sufficiently familiarize himself with all of the details of administration of the various laws to enable him to legislate with respect thereto, even if the constituents of such lawmakers did not impose on them many duties which have little, if anything, to do with lawmaking but, nevertheless, consume time and energy which could otherwise be devoted to studying proposed legislation.

Some delegation of lawmaking power to the executive branch of the Government is absolutely necessary—not only because it is impossible, in practice, for the Members of Congress to familiarize themselves sufficiently to legislate with respect to details of administration but because a degree of flexibility is essential in the administration of the law to meet changing conditions and circumstances. A statute descending into details permits of no discretion in its administration; and our great machinery of government cannot be run efficiently, economically, and fairly without some discretion in the officers and employees charged with the administration of the laws.

It is a fine point as to the amount of discretion which may be conferred by the Congress on the President in the administration of the law; that is, in the issuance of rules and regulations. The

matter has been before the Supreme Court of the United States on several occasions, and such laws were uniformly upheld until the two recent judgments of that court in the *Hot Oil* and *Schechter* cases. These two cases arose under the National Industrial Recovery Act of June 16, 1933. The Court held that this statute was unconstitutional in certain respects because it failed to prescribe a standard and declare a policy for the guidance and control of the orders and regulations issued or approved by the President under such statute. However, such rule is not impossible of observance by the Congress, and we may confidently expect that during the coming years the legislative branch will be careful to state a policy and prescribe a standard in the statutes for administratively made laws and that the courts will not be astute to find reasons for refusing to enforce the statutes.

The danger to American institutions of government does not lie so much in abstract questions as to whether a particular detail should have been stated by the Congress in a statute rather than in rules and regulations issued under the statute. The danger lies rather in the failure of our machinery of government to provide in all cases—not involving our foreign relations or the conduct of our armed forces—for a review of the law and the facts of any controversy with the administrative branch of the Government in a tribunal absolutely independent of the Executive. The citizen is not so much concerned whether the detail of the law has been enacted by the Congress or is contained in a rule or regulation issued by the administrative branch of the Government as he is in knowing that the law does not transcend the Constitution and that the facts of his claim or controversy with the United States are fairly and fully determined.

The American Bar Association, through its special committee on administrative law, and several Members of the Congress, have been engaged for a number of years in the study of this problem of our constitutional form of government in the twentieth century, and particularly with the devising of machinery which will enable any citizen to secure an independent review of both the law and the facts of his controversy with the administrative officials in a tribunal independent of the executive branch of the Government. This is the proposed Federal Administrative Court, as embodied in a bill introduced in the Seventy-fourth Congress by Senator LOGAN, of Kentucky. The proposal is now in tentative form, has been placed before the 48 State bar associations, and is available for the study and suggestions of all students of government. Its primary purpose is to insure to the citizen review of the law, whether made by the Congress or administratively, to determine whether such law is in accord with the Constitution, and independent review of the facts, regardless of the determinations reached by the administrative officer or employee in the administration of such law. This proposed correction of defective administrative machinery requires the most careful study by all interested elements of our population that there may be maintained in all its vigor a "government by the people, for the people, and of the people."

THE NEW DEAL AND THE HOUSEKEEPER—ARTICLE BY SAMUEL CROWTHER

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Samuel Crowther entitled "The New Deal and the Housekeeper", published in the Saturday Evening Post of the issue of March 21, 1936.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of Mar. 21, 1936]

THE NEW DEAL AND THE HOUSEKEEPER

By Samuel Crowther

Do you know that the New Deal and the extravagance it promotes in State and local governments has forced expenditures to a point where you can no longer pay for your Government as you go—that about one-half of the sums paid out are from borrowed money?

2. Do you know that the spending of the New Deal is piling up immense debts and that eventually the money borrowed will have to be paid out of additional taxes?

3. Do you know that women own 80 percent of the life-insurance policies, 65 percent of the savings deposits, 44 percent of the public-utility stocks, 48 percent of the railroad securities, and 40 percent of the real estate?

4. Do you know that women contribute each year \$80,000,000 in taxes on life insurance, \$83,000,000 in inheritance taxes, and \$2,000,000,000 in real-estate taxes?

5. Do you know that there are about 200,000 Federal, State, and local taxing bodies, all lying in wait for your dollar?

6. Do you know that in 1913 only \$1 out of every \$15.50 you earned went for taxes; that in the depths of the depression in 1932 \$1 out of every \$5 went for taxes; and that under the New Deal \$1 out of every \$4 is being taxed from you?

7. Do you know that the unseen dollar a week you pay out of every \$4 of income will, at the present rate, soon be \$1.50?

8. Do you know that the Nation is spending almost \$15,000,000,000 a year for government and that the total income of those with incomes of \$5,000 a year and over was only \$5,707,071,000 in 1932, and is not much more now?

9. Do you know that \$5,700,000,000 of income cannot pay \$15,000,000,000 of Government expense, and hence at least two-thirds of the cost must be borne by those whose incomes are less than \$5,000 a year—many of whom think they pay no taxes?

10. Do you know that if all incomes over \$5,000 a year were taxed 100 percent and the proceeds distributed the result would be only \$9.77 per person?

11. Do you know that the oldest political game in the world is concealing who actually pays the taxes by pretending that the rich pay them?

12. Do you know that those who directly pay taxes contribute only a relatively small part of the cost of government and that the big contribution is by those who think they pay no taxes?

13. Do you know that taxes, no matter who writes the checks, can come only out of what is produced? Taxes are not collected from land, for instance, but from what the land produces in the way of rent or crops.

14. Do you know that soaking the big corporations is soaking the wage earners in those corporations? Do you know that a corporation is only a pipe-line arrangement for bringing together capital, goods, and labor, and that present taxes exceed profits, and hence are levied on goods and wages?

15. Do you know that wages make up, on the average, about 85 percent of the cost of production, and thus taxes crush the buying power of wages?

16. Do you know that in nearly every purchase you pay (1) a corporate-income tax, (2) an excess-profits tax, (3) a capital-stock tax, (4) a gasoline tax, (5) a manufacturers' excise tax, (6) a personal-income tax, (7) a commodity license tax, (8) an occupational license tax, (9) an electricity tax, (10) a communications tax, and (11) an insurance tax? Some goods bear more than these taxes; others bear less.

17. Do you know that the dollar was devalued 40 percent in order to raise prices and make debts easier to pay? Do you know that your savings accounts and insurance policies are debts owing to you and that, if dollar devaluation is wholly successful, you will have 40 percent cut from the buying power of your savings?

18. Do you know that the operating taxes of utilities were about 40 percent more in 1935 than in 1933, and that these work out to around \$1 a meter a month? So bills of a dollar a month do not even cover taxes.

19. Do you know that in your telephone bill you pay, on the average, \$6.76 a year in taxes?

20. Do you know that a considerable portion of what you pay for a telegram is taxes? For taxes take 60 percent of the net profits of the telegraph companies.

21. Do you know, if you own stock in an oil company, that the companies paid an average tax of \$5.23 a share, while you got only an average of \$1.02 a share?

22. Do you know that when you buy gas or oil at a filling station you pay, in addition to the tax you see, more than 200 unseen taxes?

23. Do you know that you pay \$62.72 in taxes, on an average, for the first year's use of a light automobile?

24. Do you know that a loaf of bread accumulates at least 52 taxes on its way to your table?

25. Do you know that these bread taxes amount to about 2 cents a loaf?

26. Do you know that when buying a loaf of bread you pay more for taxes than for the wages of the people who make and sell the bread?

27. Do you know that you pay through the manufacturer 94 taxes and through the druggist 78 more taxes on a bottle of medicine at the drugstore?

28. Do you know that on perfumes, toilet waters, cosmetics, and toilet powders you pay 10 percent of the sales price as a tax? Do you know that on tooth paste, toilet soaps, and mouthwashes you pay 5 percent of the sales price as a tax?

29. Do you know that when smoking a cigarette you are smoking a tax—that the Government gets more than the farmer, the manufacturer, or the retailer?

30. Do you know that in buying an alarm clock you pay a 10-percent luxury tax imposed on the manufacturer, as well as some 30 other taxes?

31. Do you know that in paying for a funeral you pay 157 taxes? Of these, 56 are paid by the manufacturers of funeral supplies, 51 by the funeral directors, and 50 by the burial places.

32. Do you know how to figure out what your income or earnings would be if so much money were not diverted before you ever had a chance to see it? One company with 16,000 men pays an average tax per employee of \$1,525 a year as against average wages of \$1,725 a year.

33. Do you know that under the Social Security Act all prices must rise and that some will rise from 10 to 20 percent for a doubtful benefit in old-age pensions to less than 3 percent of the community?

34. Do you know that the alternative to raising prices is lowering wages and salaries?

35. Do you know that raising prices or lowering wages as a result of laws amounts to the same thing, and is the most cruel form of concealed taxation?

36. Do you know that a tax levy is only an assertion made by the Government that it knows better how to spend your dollar than you do?

37. Do you know that through taxes the Government can deny you the right to enjoy your earnings and your home?

38. Do you know that taxes are running between 20 and 25 percent of the national income?

39. Do you know that, if taxes mount to 35 percent or more of the national income, state socialism will have arrived, in fact if not in name, and you will be the powerless pawn of the politicians?

40. Do you know that socialism and communism are founded on a denial of the American precept that a dollar primarily belongs to the one who earns it?

SENATOR GORE'S REPLY TO "OPEN LETTER"

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by me in reply to An Open Letter to Senator GORE, which was published in the Independent, of Oklahoma City, Okla. I also ask unanimous consent to have printed in the RECORD several other matters which will be furnished later.

There being no objection, the reply was ordered to be printed in the RECORD, and permission was granted to print the other matters subsequently. The reply to the open letter is as follows:

UNITED STATES SENATE,
Washington, D. C., March 14, 1936.

The EDITOR THE INDEPENDENT,
519 West California, Oklahoma City, Okla.

MY DEAR SIR: A copy of the Independent carrying an article entitled "An Open Letter to Senator GORE" came to my office several days since, but came to my personal attention only this morning.

I am in debt to the Independent for reproducing passages from a speech which I delivered at Frederick during my last campaign for the Senate. In that speech I paid homage to the spirit and sacrifices of the Oklahoma pioneer; the spirit which has made Oklahoma, which has made America great in the past, and which alone can keep them in the future.

You ask, "Can it be possible, Senator GORE, that you have forgotten the pioneer days, and the part you played in the carving of a new Commonwealth upon these great western plains?" Of course not. The sentiments and convictions which I entertained then I entertain now—without variableness or the shadow of turning. I have never acquired the facility of the chameleon to change its color to suit its surroundings. I have tried to steer my course by the fixed star of principle, and not by the shooting stars of expediency. Some of my best friends and some of my worst enemies think that I have succeeded too well; think that I have defied the inevitable; think that like the dust-covered toys of Little Boy Blue, I have "stood sturdy and staunch" when I ought to have aped the gyrations of the political weathercock.

You state, "Many of my friends and associates have written to you asking an expression concerning your views of the Patman-Robinson bill, which will be an issue before Congress in the near future." I have from time to time received several letters and telegrams concerning that measure. That bill, it happens, did not pass through a committee of which I am a member. I was, therefore, not familiar with its terms. I could not make answer until I could study its terms and analyze its provisions. This measure had not and has not yet come up for consideration in the Senate. Other matters that were pending and pressing had to be given immediate attention. Much of the time, I, as chairman of the Inter-oceanic Canals Committee, was in charge of the Panama Canal tolls bill on the floor of the Senate.

The very first moment that I could, I gave consideration to the bill with which you are concerned. I found, really to my surprise, that it was nothing more nor less than an amendment to section 2 of the Clayton Act which became a law in 1914. I was a member of the Interstate Commerce Committee which prepared the Clayton Act. I was much interested and took part in the preparation of section 2. It bears my fingerprints.

I find that the Robinson bill is designed to close the loopholes and correct the abuses which experience has disclosed in the operation of the Clayton Act. It seems to me that the measure is reasonably well drawn and calculated to effectuate that end. In that belief I shall give it my support.

Much of my public life has been made up of an effort to prevent the big fish from devouring the little ones. I am not willing to see the little man driven out of business. If we permit him to perish we will miss him when he is gone—when it is too late. My platform in my last race contained only six words: Less taxes, more trade, no trusts. Upon those principles and upon those promises I still stand, and shall stand. This Government should guarantee equal rights and equal opportunities to each and every one of its citizens. That is the highest duty of government, if not its only duty.

There is no foundation in fact for the irresponsible rumors which you embody in your questions. Of course, I have no way to prevent rumor through all of her hundred mouths and all of her forked tongues, from poisoning truth. These rumors were invented and circulated, not to serve the cause of the businessman, but to injure me in my coming race for reelection to the Senate.

You had the justice to say that "I saw you crucified once because you followed the dictates of your conscience and refused to vote for war." I was crucified. I lost my seat in the Senate because I wanted to keep American boys out of the bloody charnal house of Europe. I was misrepresented then as I am misrepresented now. The people were misled then as they are sought to be misled now. As you know, the very men who crucified me then are seeking to crucify me now. They are attempting to defeat me for the Senate.

There is no more truth in the various misrepresentations which you cite and quote than there was in the misrepresentations which resulted in my defeat, and as you say, in my crucifixion in 1920.

You also state that, "Frankly, I discounted these stories at first, as I believed that they came from political enemies, and had

been circulated for a definite purpose." As is so often true, your first impression was your best impression. These stories were fabricated and circulated by my "political enemies" in order to mislead the people, in order to deceive the people, and to defeat me. That is their "definite purpose."

Let me say to the people, "Be not deceived."

Very sincerely,

T. P. GORE.

TAXATION, DEPRESSION AND RECOVERY, AND CREDIT

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD certain matters to be furnished later.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. THOMAS P. GORE, OF OKLAHOMA, BEFORE THE NATIONAL TAX ASSOCIATION CONVENTION AT OKLAHOMA CITY, OCTOBER 16, 1935

Mr. Chairman, ladies and gentlemen, and delegates to the convention, I am happy to join other officials of this State and of this city in tendering to you a most cordial welcome to our splendid young commonwealth, as we believe we have the land of youth, and the land of promise, of hope, and of faith, and of optimism. You know, I think the professional optimist and the professional pessimist are guilty of the same failing—they look at the facts through stained spectacles. But in Oklahoma we indulge a rational optimism, and I never knew it to be better illustrated than last spring when the dust storms were prevailing here and which visited even the eastern coast and visited the ships at sea. During the worst of those storms a man was riding along out in the Oklahoma Panhandle and he saw a hat lying on a dust heap. He picked it up and underneath the hat was a human head, and he said, "Hello, neighbor, can't I give you a lift?" "Oh, no," said the man, "I am on a horse, and I will get out all right." Now, we people in Oklahoma with that spirit will come out all right. I was out to the panhandle last week and I heard another story which accentuates the optimism of that region. During the worst of the dust storms, with the dust like the Persian arrows above Thermopylae, it was necessary to pull your car in at noonday to the sidewalk and wait until the dust and the darkness had gone. There was one car occupied by a number of young men and young women, they pulled in to the curb and while they were waiting for the light to return they passed the time singing the old song, "We have the blues when it rains."

Times are improving and we all wish to accelerate that improvement. There are many signs that the East is reddening, that the gray dawn is breaking. We can all see signs and have the belief that the unrisen sun is even now blushing to the dawn.

My friends, I desire without too much pedantry to give you my definition of statesmanship as a sort of background to what I shall say. Someone has defined a statesman as one who computes secondary reactions. Almost anyone can compute primary reactions. My definition would be that statesmanship is computing the final effects, not the first effects. Almost anybody can see or foresee what the first effect of legislation or any other policy will be. It is not the first effect or primary reaction that determines the character of your legislation. It is what settles down as the final effect, as the finished product. We ought to consider the effects of our legislation and we ought to consider the effects of taxation upon our economic structure, upon our economic well-being. We ought to consider the effects of taxation and the expenditure of taxation upon the character of our people if those things have any reaction upon their character, because, after all, our institutions are made in the image of our people.

I am not a tax expert and I feel my limitations in addressing an assemblage of experts. Any hope that my remarks might have any interest at all will be due not to what I shall say but rather to the point of view from which I speak—the point of view not of an expert but of one who has been engaged in the practical matter of tax legislation.

I served some 19 years in the Senate, and 13 years on the Senate Finance Committee, which deals with taxation. And I have dealt with taxation as a fact and not as a theory.

I have chosen this evening the subject, Our Strength and Our Burden. I chose that subject not in order to play the part of the skeleton at the banquet but I do think that we all should weigh our burdens as well as our strength, and measure our strength as well as our burdens. We ought to emulate rather the ant than the grasshopper, rather the bee than the butterfly, and take some account of the future. It is said that the chief difference between the savage and the civilized man is to be found in the fact that the latter makes provision for the future and the former does not. The views which I shall express in this presence may be regarded as somewhat primitive, as somewhat archaic by the experts here assembled, but I am one of those who still believe that taxation is a necessary evil, or, to say the best, that it is a necessary burden. I do not believe there is any such thing as a good tax. Some taxes are better than others; some are worse than others.

I don't think there is such a thing as a good tax per se.

I still think that an unnecessary tax is an unjust tax.

I do not believe taxes ought to be imposed for any purpose except to raise revenue; and I do not believe that revenue ought to be raised for any except for public uses and for public purposes.

I don't think that a tax should be imposed merely to effectuate some economic change, or to carry out some social aim or end as such. You see, the social ends and aims for which I would evoke

the power of taxation would be salutary ends and aims; but someone with less wisdom or less infallibility than myself might resort to the taxing power even to undo the idealistic schemes which I had supported.

I presume that nearly everyone has some scheme or dream for distributing wealth, for sharing the wealth of the land. Personally, I think that those who share the work should share the wealth, and that those who share the wealth should share the work, and they should share the wealth in proportion to what they contribute to the production of wealth. That is the best way—if, indeed, it is not the only way—to keep the hand of the privileged out of the pockets of the unprivileged. For my part, I desire to do so. The great scholar John Fiske, of President Long's State at one time, declared that where the power to tax resides there sovereignty resides. The power to tax, the power to take what one man has earned by the sweat of his brow and apply it to the uses or the needs of another man or other men, is the power of sovereignty. Indeed, that is almost as much power as any tyrant has sought or has coveted. I believe it was Hegel who said that the only lesson that we learn from history is that we learn no lesson from history. But there is one lesson so conspicuous that we cannot fail to learn it; that lesson is that many of the greatest revolutions of the past have been due to excessive and ruinous taxation. Rehoboam laid a heavy yoke on Israel. He told them that his little finger would be thicker than the loins of his father; and he drove the 10 tribes into rebellion, and they established an independent kingdom.

Charles the First of England resorted to arbitrary taxation in the form of ship money, and that first lost him his crown and then lost him his head.

The British Parliament imposed taxes upon our colonial ancestors without their consent and revolt rent the British Empire asunder. Excessive taxes imposed by the King of France and the nobles of France precipitated that country into revolution, one of the bloodiest revolutions in all the bloody tides of time. But this subject is interesting not on account of these revolutions in the past, not alone on that account; the subject of taxation is of vital concern today to every inhabitant of every civilized nation on the globe. It touches every man, woman, and child. The pressure of taxation is as universal as the pressure of the atmosphere upon the earth's surface. It touches every point, it touches everyone. There is no exception to that rule in a civilized land.

John Marshall, Chief Justice of the United States, said more than a hundred years ago: "The power to tax is the power to destroy"—the power to tax is the power to destroy. Justice Miller, of the Supreme Court, commenting upon that dictum of the Chief Justice, said that at first blush it might seem to be an overstatement, but upon fullest analysis it proved to be literally true. He said that the government that can tax your property or your income 1 percent can tax it 10 percent, can tax it 100 percent, and can really make your property and your income valueless to you, can destroy the value of property and the value of your income.

Delegates to this convention, let us see how omnipresent is this taxing power.

In the United States today we have 182,651 governmental units vested with the sovereign power to tax, vested with the sovereign power to levy taxes, to collect taxes; vested with the sovereign power to create debts; vested with the sovereign power to destroy—182,651 governmental units, including school districts. That is one taxing unit for every 16 square miles in the United States, one taxing unit for every 700 inhabitants of the United States. This system of taxation is not only extensive, it is intensive; it is not only horizontal, it is vertical, it is a pyramid.

Here in Oklahoma City there are five governments or subdivisions of government which impose taxes upon the inhabitants of this city. The Nation taxes the taxpayers in this city; the State taxes the taxpayers in this city; the county taxes the taxpayers in this city; the city taxes the taxpayers in this city; the school board taxes the taxpayers in this city; to take no account of special assessments for special improvements.

There are the hands of five governments in the pockets of the taxpayers of this town in each and every case. What have these five governments taken from the pockets of the taxpayers with their five hands? They have taken \$130—not \$130 for every taxpayer in Oklahoma City—but these five governments take \$130 from every man, woman, and child within the gates of the city. I speak, of course, of the per-capita tax, which, in this city, as throughout the United States, amounts to \$130 per capita. That is \$650 of taxes extracted from every family of five within the Republic. Now, \$650 is one-half the annual income of our wage earners prior to that evil day when prosperity disappeared around the corner—\$130 apiece for every infant in the nursery.

Now, when the Government exercises the taxing power, just what does it do? Simply operates a siphon. The suction end is in the pockets of the taxpayer or in the pocketbook of the taxpayer, and the other end is emptying into the pocket of the individual who happens to receive or enjoy the proceeds of the tax.

John C. Calhoun divided the people into taxpayers and tax eaters and deprecated the day when the tax eaters instead of the taxpayers should dominate the Government. He said he feared that would be an evil day for our free institutions. Other democracies have died. The graveyard of the nations has many tombstones marking the burial place of free governments, of democracies, and of republics.

Of course, I am not talking of politics now; but we do not want to run by all the stop lights. We indulge in a good deal of fine talk about obtaining money from the Public Treasury, and all our appropriation bills conclude with this phrase—so much

money "is hereby appropriated out of any money in the Treasury not otherwise appropriated." Now, when you analyze this Public Treasury and break it down into its parts, what does it consist of? It simply consists of an unlimited number of little pocketbooks—of your pocketbook and my pocketbook—and when the Government of the United States puts its hand into the Public Treasury, in order to take out a dollar, the tips of the fingers either penetrate your pocketbook and mine, and the dollar that is withdrawn from the Public Treasury is withdrawn from your private treasury, from your pocketbook or from the pocketbook of some other honest, toiling, patriotic American citizen. Have no illusions upon that point.

We hear a great deal about grants and loans. The General Government makes loans to States, counties, and cities. If they raise 55 percent, the Government makes a grant or a gift of 45 percent. Just where does that 45 percent come from? It comes out of the pockets of the taxpayers of this country. It is not a gift. In a real sense it represents taxes taken out of your pockets by the Federal Government to supplement the taxes which are taken out of your pockets by the State, county, or local governments—dollars matching dollars.

A great deal of the discussion about tax reform consists merely in redistributing the burdens of taxation. What would really count would be a lessening of the burdens of taxation. To lift the burden from one individual to another is sometimes important, sometimes vital. To lift the burden from one shoulder to another may sometimes be of service. It may stop the goose from squawking. Colbert said the science of taxation consisted in plucking the goose, getting as many feathers with as little squawking as possible. So, this matter of merely shifting the burden of taxation from one to another does not quite answer my ideal of tax reform.

We have taken a glimpse at our burdens; let us take a glance for a moment, at our strength, our assets, our resources. We have today in a substantial sense all the material wealth, all the natural resources, all the physical property that we had prior to the panic. We have all the lands, fields, forests, mines, we have pretty much all the capital, buildings, bridges, railroads, mills, machinery; we have more money, marvelous to tell. Measured in terms of new dollars, we have nearly twice as much gold today, or more, than we had prior to the panic. We have not only all of the material wealth and the natural resources, we have all the human resources, we have all the labor, skill, talent, and enterprise—I hope we have all the enterprise. We have all these natural and all these human resources that we had when we were enjoying a measure of prosperity, and yet these human and natural resources are not quite enough to insure prosperity. Something in addition to all those that we had then we do not have now. What is that thing so essential to prosperity which we had then and which has now taken flight? Some say confidence, and, for the want of a better term, let us adopt the word. But I shall not pursue that subject.

In 1929, the year of the peak and the crash, our national wealth was estimated at three hundred and fifty billions, or a little more than that figure. In 1933 it had shrunk to two hundred and thirteen billions. There was a shrinkage of 40 percent in our national wealth in a period of less than 5 years. In 1932 our material wealth aggregated two hundred and thirteen billions, and in 1932 our debts, public and private, long and short term, aggregated two hundred and thirty-eight billions. We owed twenty-five billions more than we owned; we owned twenty-five billions less than we owed. Now, the individual whose liabilities exceed his assets is in the shadow of bankruptcy. So much for our wealth.

What about our income?

In 1929 our national income aggregated seventy-eight billions. In 1932—and I adopted a different year, I am sorry I have not the statistics for 1932—in 1933 our income had shrunk to forty-four billions, a shrinkage of 43½ percent.

Let us break these incomes down into the several shares, enjoyed by the different groups who take part in production and distribution of wealth in this country—into wages, rents, dividends, interest, and profits. The Nation must get its income out of the people's income; the Nation must derive its revenue from the people's revenue, and the people must pay out of their incomes their respective shares of the Nation's income. They must pay out of their wages, their salaries, their dividends, their rents, their interest, and their profits; must pay the Nation's income, or else they must invade their savings or their capital.

From 1929 to 1933—and 1933 was the low-water mark—from 1929 to 1933 wages and salaries shrunk from a little more than fifty to a little less than thirty billions, a shrinkage of 43 percent; profits, or what these economists call withdrawals of entrepreneur—whatever that happens to mean—twelve and one-half billions in 1929 to seven and one-half billions in 1933, a shrinkage of 40 percent. Dividends shrank from six billions in 1929 to two billions in 1933, a shrinkage of 66 percent; and remember that dividends in those days were paid out of surplus and not out of earnings. Rents shrank from 1929 to 1933 from three and one-half billions, a little less, down to a little less than one billion, a shrinkage of 70 percent. Interest from 1929 to 1933 shrank from \$5,100,000,000 down to \$4,600,000,000, a shrinkage of only 10 percent. Of course, interest charges are fixed charges, and the most rigid of all, because the interest rate is "nominated in the bond."

Out of these diminished incomes our taxpayers were called upon to furnish our various governments with various governmental incomes—National, State, and local.

In 1932 all our governmental expenditures, National, State, and local, approximated fourteen billions. In 1933 it was a little more than fourteen billions, so that in 1933 as much as one-third of the people's income had to be surrendered by the people in order to pay our various governments the incomes which they required. In other words, \$1 out of every \$3 received in any form—wages, salaries, interest, dividends, rents—was parted with by the taxpayer out of his income to make up the income of our various forms of government. I am not here distinguishing between taxes and loans. I am not complaining of this. I am merely stating the fact, because we ought to have the courage to face the fact.

For the current year our expenditures by the National Government alone are slightly in excess of \$10,000,000,000. It amounts to \$28,000,000 a day. It amounts to a little more than a million dollars an hour—a million dollars an hour not for 6 hours, not for 8 hours of the day, but for 24 hours in the day.

Not long ago Congress passed a new tax measure. It was heralded by some as a measure to "soak the rich", as a measure to make the rich pay their full share of our national governmental expense, a measure to make the rich sit in, and out of their income pay their fair share of the Nation's income or revenue. The rich ought to pay their full share of our governmental expenses. Perhaps they enjoy the greater protection, and they ought to bear a share proportionate to their ability. But, do you know that that measure will raise \$250,000,000 a year, and do you know that \$250,000,000 will pay our running expenses at current rates for a little less than 10 days? We have drafted the rich into service, we are making them sit in, we are making them pay their full share of governmental expenses, and we are making them defray the expenses of the National Government for a little less than 10 days with this additional legislation.

The question that haunts me like a death's-head is this: Who will pay the expenses of this Government during the other 355 days in the year? Not the rich, according to this ostentatious computation, because they are to run us for 10 days. The expenses for the other 355 days, are they to be paid by the common man, by the middle classes? Are they to be paid by the producer, by the farmer, by the wage earner, by Tom, Dick, and Harry? Who is to bear this vast burden during the other 355 days?

Did you ever reflect that if the Government of the United States should take each and every income in the United States in excess of \$50,000 a year, the aggregate sum thus taken would pay our running expenses at current rates for less than 5 weeks. I say this in order to reinforce, if I need reinforce, my unvarying insistence that the Government should get a dollar's worth of service or a dollar's worth of work or a dollar's worth of improvements for every dollar that it extracts from the pocketbooks of the American taxpayers.

Alexander Hamilton declared more than 150 years ago that the Government had to get its revenue out of the backs and the bellies of the people. I am afraid you will find no other resource in the last analysis; and there is no greater illusion, no illusion more seductive or more cheating, no illusion more false or unfounded upon facts than that the average man does not pay a Federal tax unless his name appears upon the roll of income-tax payers in the United States.

Go down to Massachusetts, where they make the shoes that we wear. When the shoe factory sold the shoes that you have on your feet, it no doubt collected the cost of the tacks which were driven in to keep the taps on the heels. When you paid for those shoes you paid for the tacks that were driven into the heel. When that factory sold those shoes, it also drove into the heel of the shoe the taxes which it had paid the county, city, State, and Federal Governments whose jurisdiction extended over its factory. And when you bought and paid for those shoes, you paid for the tacks and you paid for the tax—"if you know what I mean." Let no one have any other illusion.

It is not untimely to give these warnings, because the matter cannot proceed indefinitely. We ought to take pause, because nations in the past have fallen on account of excessive and ruinous taxation. I suppose we will not follow in their footsteps, but I will read at this point one passage from a noted historian concerning the fall of the Roman Empire:

"The desire and possibility of accumulation languished and men produced only what would suffice for their immediate needs, for the Government laid in wait for all savings; capital vanished; the souls of men were palsied; population fled from what was called civilization and sought concealment and relief in barbarism and with barbarians."

I do not anticipate or prophesy any such fate for this great Republic; but, of course, in order to avoid the end and the fate that befell the Roman Empire, we must avoid the means which brought those ends to pass.

Just for a moment I wish to make application of these facts to my own State of Oklahoma.

Oklahoma has today two and one-half millions of people. We have 6,353 governmental units exercising the power to tax—1 for every 11 square miles; 1 for every 397 inhabitants. The total value of all our property assessed for taxation purposes is \$1,258,000,000. Our indebtedness, public and private, long term and short term, aggregates \$2,340,000,000. Our assessed valuation is \$1,258,000,000. Our indebtedness aggregates \$2,340,000,000. That is \$1,000 for every inhabitant of our State, on the average. The infant in its cradle owes \$1,000, and every family in the State owes on an average \$4,000.

Oklahoma is a young State and has been fortunate. Our per-capita indebtedness is only one-half of that for the country at

large, which is \$2,000. I will say in passing that we do not in this State assess mineral property for taxation purposes; but the interest on our indebtedness amounts to \$100,000,000 a year.

Our State and local taxes last year aggregated \$101,000,000, including special taxes. Our share of Federal taxation amounted to \$76,000,000. Our freight and passenger charges last year amounted to \$60,000,000. Our insurance premiums of all kinds amounted to \$50,000,000.

The Social Security Act lately passed will in 1940 impose an additional charge of \$38,000,000 on the people of Oklahoma. In 1945 it will amount to \$45,000,000. In 1950 it will amount to \$56,000,000. And I may say, at this point, that for the country at large in 1940 that measure will impose a charge upon the people of this country—not taxes, but a charge—upon their incomes of \$2,600,000,000; in 1945, \$3,200,000,000; in 1950, \$4,000,000,000. But let us cast this item out of the account as a future rather than a present charge. These various and sundry fixed charges, as you may term them, amount to \$387,000,000 a year in Oklahoma. Oklahoma's share of the national and State and local expenditures combined last year amounted to \$237,000,000. Two hundred and thirty-seven million dollars the people of Oklahoma were required to pay last year out of their earnings to defray the expenses of our various forms of government. All the farm produce marketed in this State last year brought \$109,000,000. All the oil marketed in this State last year brought \$183,000,000. All the manufactured products marketed in this State last year brought approximately \$190,000,000. I cite these figures in order to show that we must sooner or later have a care or expenditures will absorb too much of our revenues and of our income, and it will not be possible for the citizen to pay both his taxes and his living expenses in accordance with the recognized American standards.

I hope this is not the voice of a pessimist, but merely the voice of one who would sound a warning before the hour has struck when the hour will be too late.

Those are problems which you must consider and consider as experts.

Unemployment has been the most vexatious problem arising out of this depression. The problem of unemployment is still with us, and there is but one solution of the problem of unemployment, and that is employment—that and that alone.

We hear a great deal about the Government providing aid and relief for the unemployed, and we have 10,000,000 of unemployed, and the Government has been providing relief for the families of the unemployed running up to 22,000,000 at one time.

When we speak of the Government providing aid and relief for the unemployed, just what does that mean? In the last analysis it means that the employed are providing aid and relief for the unemployed. That is what it means and that is all that it means. Of course, every man that is unemployed, every woman that is unemployed, who needs work and wants work and is willing to work, every such instance is a living tragedy. That is the problem which calls loudest for solution.

An experiment was tried in Waterbury, Conn., which I suggested in the Finance Committee and on the floor of the Senate, which I think might have been serviceable.

Waterbury adopted this plan early in the depression: She laid a tax of 1 percent on all incomes within the city of less than \$25 a week, 2 percent upon all incomes between \$25 and \$50 a week, 3 percent on all incomes in excess of \$50 a week. One concern, the Scoville Manufacturing Co., paid \$1,500 a week; one brass concern paid \$1,200 a week; another taxpayer a little more than \$1,000 a week. The city appointed four members of a committee of seven, and these three largest taxpayers appointed an additional member each. That committee of seven administered the fund, passing on those who would receive employment, and all that were on the list were required to work. The system worked. According to the last report, it worked with astounding success. Whether it has broken down at the present time I am not advised. I mention that to you now in order that you can take it home with you, because this problem is not yet solved.

One additional thing we should keep in mind is to put our feet in the path that leads to ultimate balancing of the Budget.

I introduced Senate Concurrent Resolution 23 before the adjournment of the last session, which proposed to raise a joint committee of the two Houses on Revenue and Expenditure, five members from the two Appropriation Committees of the two Houses, five members from the Ways and Means Committee, and five members from the Senate Finance Committee. They were empowered to employ experts, and that committee was charged with the duty of investigating our revenue laws, our resources, and devising our taxation laws and our appropriations so as to bring ultimately our revenues and our expenditures into balance.

We cannot balance the Budget overnight, but we can adopt a policy with the balancing of the Budget as a fixed and as a definite objective, and the sooner that objective is determined upon, the sooner we will begin our progress out of this depression, finally to better days and a better time.

I do not think that America is a mistake; yet, I do not wish to pursue the paths which have led other governments to the cemetery of the nations. As long as we adhere to the principles upon which our free institutions were built, as long as we cherish and preserve the virtues of our fathers—self-reliance, self-denial, and self-respect; so long as we cherish those virtues which have made us great in the past, and which alone can keep us great in the future; as long as we cleave to those principles, as long as we cherish those virtues we can look with confidence to the future, and I doubt not that no matter how dark the night and no matter how distant the dawn—if we cherish those prin-

ciples and those virtues, I doubt not that the glories that are to come will equal, if they do not surpass, the glories that are gone. I thank you.

REMARKS BY HON. THOMAS P. GORE OF OKLAHOMA ON POST-WAR DEPRESSION AND RECOVERY, AT THE ANNUAL DINNER OF KNIGHTS OF COLUMBUS, AT WALTHAM, MASS., FEBRUARY 20, 1922

The best way to serve the God of things as they ought to be is to keep in touch with the "God of things as they are." What America needs is not a coroner but a physician. What she needs at the hands of a physician is not an autopsy but a diagnosis. Indeed, it is more than that. We feel the symptoms, we know the causes of our economic distress. What is the cure? It is not so much the way into our troubles that concerns us as it is the way out. What caused existing economic conditions is interesting, but what will cause an improvement in these conditions is vital.

Europe has her primary problems which from our standpoint may be secondary but still they are important. America has her primary problems which, from Europe's standpoint may be secondary, but which are not unimportant to Europe.

The civilized world is divided into sovereign and independent nations. Each sovereign nation is a distinct and separate body politic. The fundamental notion underlying international law is the equality of independent States. This is the theory. As to large nations the theory may be true; as to small nations, equality is a mere fiction. But people cling with tenacity to legal and political fictions. We do not like to have our household myths destroyed. Politically speaking, therefore, there is absolute equality among the independent nations of the earth, in a political sense, the nations of the earth are independent of each other.

But the modern world is an economic unit. The different nations are but parts of an economic whole. Modern transportation and, if I may say so, the division of labor among the different countries have fused the several countries into one economic community. Whatever affects the industry and commerce of one country must affect in greater or less degree every industrial and commercial country. There is no such thing as economic independence among the nations of the earth, high protectionists to the contrary, notwithstanding. We may dabble about the political independence of the different nations, but we must admit their economic interdependence.

I shall do no more than refer to the incalculable losses sustained by the different belligerent countries in the recent war—the enormous destruction of labor and capital, of life, and property. Not only were multiplied billions of wealth destroyed, not only were millions of lives destroyed, but two hundred billions of debt were left to absorb or to redistribute the earnings of the future. Most of these losses were unavoidable once battle was joined. Most of them constitute the cost sheet of war, the price of waging war. Hence, I call them unavoidable losses after the sword was drawn. There were losses no doubt due to extravagance and mismanagement which may be set down as the avoidable losses of the war. This distinction may now be regarded, perhaps, as academic without practical utility.

There is neither strategy nor heroism in deceiving ourselves. There may be those who will be surprised to hear me say that you cannot get rid of a disagreeable fact merely by denying or disregarding it. You cannot impart wisdom to an unsound policy merely by reposing childlike faith in its efficacy. The truth may not make us free in an economic sense, but it may enable us to get rid of a good deal of superstition and destroy a good deal of credulity as to economic fallacies and as to legislative omnipotence or legerdemain.

What we need is a survey of the facts, a checking of realities. We need to run the boundary line between the possible and the impossible. We need to know what part of our economic distress will yield to treatment, and what, if any, will not; what part is remediable, what part, if any, is irremediable. What we need to know is what part of our economic ills is to be set down as a part of the price of waging and winning the war—as the inevitable and unavoidable price of waging and winning the war. We know that the priceless lives which were yielded up upon the battlefields of France and Flanders constitute a part of the price of waging and winning the war. This part we know is past remedy—is past repair. Neither storied urn nor animated bust can back to its mansion call the fleeting breath. What part of our economic losses is likewise past remedy and repair?

We need to know what part of our existing distress is due primarily to the economic interdependence between Europe and America. In other words, how would the account have stood with us if we had not entered the war? We would, of course, have enjoyed prosperity while the war lasted. But when the war ended there would have been inevitable distress or stagnation in this country resulting from the destruction of life and property and credit in Europe—from the lost purchasing power on the part of European customers. We should appraise or approximate the extent of those evil consequences which were inseparable from the war itself and which were not due to our participation in the war. The consequences we were powerless to prevent. Where there is no power there is no responsibility. When the United States entered the war it was both necessary and desirable that the war should be prosecuted by all practical means to a speedy and satisfactory conclusion. But we should appraise or approximate the economic losses which were inseparable from the vigorous and victorious prosecution of the war. Armies had to be raised. Millions of men had to be withdrawn from industry. The indus-

trial life of the country had to be reorganized or readjusted. Unprecedented taxes had to be levied. Unexampled debts had to be contracted.

These things were part of the inevitable, of the unavoidable price of waging and winning the war. These things were followed by inflation. How much of this inflation could have been prevented? Inflation with its hectic prosperity was followed by deflation, with its inevitable losses and adversity. To what extent would deflation have been prevented, or to what extent could its evil consequences have been moderated or counteracted? If we had consulted the oracles of history, we might have foreseen the course of events. Great wars are often followed for a limited period with increasing prices and abounding prosperity. This period is generally followed by a collapse or reaction, characterized by falling prices, unemployment, and industrial stagnation. The War of 1812 was followed by increasing prices and prosperous times for a period of approximately 2 years. Then came reaction. The Civil War was followed by increasing prices and unabated prosperity for a period approximating 8 years. Then came reaction—a long period of stagnation—a period of depression which lasted for nearly a score of years with but slight interruption. The present depression of 1921 should not last so long, owing to improved business organization and the stability and resources of credit institutions. But as the depression is not due to ourselves alone, the recovery cannot be controlled by ourselves alone.

Viewing the events and measures of the war in retrospect, it may be possible now, if it was not possible then, to differentiate between those losses or the causes of those losses which were inevitable and unpreventable from those which might by prudence and foresight have been moderated or prevented. It is devoutly to be wished that we may never have occasion to consult the lamp of experience again respecting the conduct of war, but it is well enough to keep in mind, should the exigency arise, that there is such a lamp.

What we need to know now, after ascertaining what part of our economic troubles, if any, are past remedy, is this: What part of these troubles is remediable by time and its healing alone? What part is remediable by industry and thrift alone? And what part is remediable by legislation alone? Perhaps it would be better to say and wiser to ascertain what part of our existing evils will not yield to the enchantment of legislation—will not yield to the imperious "Be it enacted" of legislatures, congresses, and parliaments. What part will not yield to grandiloquent oratory (outside of Massachusetts; I should have said flap-doodle oratory). What part cannot be remedied by repealing the laws of physics and economics and experimenting with panaceas which have no roots in the past and no sanction, no certificate avouched either by reason or by experience.

Some of our statesmen conceived the notion during the war that mountains could be removed by their faith or word or their "Be it enacted"; that buildings could be constructed with the center of gravity outside the base—professors who spend their vacations perfecting schemes of perpetual motion; doctors and postgraduates from Dean Swift's Academy of Lagado.

We need to keep in mind to what extent our own depression has been caused by the collapse and loss of purchasing power on the part of Europe. We need to ascertain to what extent our own recovery must be preceded or accompanied by recovery on the part of Europe and to what extent and in what way we can accelerate the recovery of Europe. We can undoubtedly lend a helping hand to Europe without entering into an entangling alliance with European powers, without signing a bond to take part in all their wars and to unsheathe our sword in all their battles. A creditor may do something to assist his debtor without giving him the money with which to discharge his debt.

The first unmistakable sign of our existing economic troubles was the break-down in the price of farm products. The crop of 1921 was satisfactory, both in quantity and quality, but it was worth \$8,000,000,000 less to the farmer than the crop of 1919, and, judged by the same standard, it was worth three and a half billions less than the crop of 1920. The crop was not in excess of the world's need, but it was in excess of the world's economic demand. The break in price was primarily due to the loss of purchasing power on the part of our European customers who usually absorbed the surplus. Our export of farm products did not fall off so much in volume as in value. Indeed, we exported 9 percent more cotton in 1921 than in 1920, but the value declined 55 percent. It is value that counts in commerce.

The loss of purchasing power on the part of our farmers resulting from the ruinous prices of farm products reacted, of course, upon the prosperity of all our industrial and commercial classes. The manufacturers could not sell, could not be sure of a market. They had to close down or slow down. This resulted in much unemployment. These constitute the essentials of stagnation and distress.

What is the way out? What is the remedy for all those ills that are remediable? World-wide effects must be accounted for by world-wide causes, and they will yield only to treatment whose effects are world-wide, if not in scope, at least in their reactions. There are certain European problems which can be solved by the European powers alone. Their failure to solve these problems has hindered the improvement of conditions both in Europe and in America. Much as we suffer from their inaction, we have no authority to meddle in their affairs. I have great faith in free discussion. There can be no objection to a discussion of those problems and those difficulties on the part of those who are mutually concerned in their solution or in their removal. A

willingness to confer does not imply an obligation to commit ourselves to an undesirable settlement.

Of course, a vast majority of our industrial and commercial ailments are to be removed or improved by the return to our ancient and approved system of a high protective tariff, or so it is said. I feel free to allude to this subject on account of New England's known aversion to the mob spirit. I feel safe. Europe and the world can purchase the surplus output of our field and factories in only three ways—by the shipment of gold, by the shipment of goods, by the transfer of credits. Europe has no gold to spend or spare. We have the gold. From some unaccountable economic aberration we placed an embargo on gold. We adopted the policy pursued by Spain after the discovery of America. She imagined that gold and silver constituted national wealth, prohibited their export, and has suffered a protracted attack of creeping paralysis or sleeping sickness. The cruise of credit has pretty well run dry, although something might still be done to replenish its flow. Europe must exchange its surplus goods for our surplus goods. But we propose to erect a high tariff so that she cannot exchange her goods for ours. In 1920 our total imports were around \$5,200,000,000. In 1921 were \$3,600,000,000. There was a falling off in a single year of one and a half billions—about 33 percent in value. We now propose to raise the tariff so as to reduce still further these imports, which must still further diminish our exports.

In 1920 we exported \$3,100,000,000 worth, and in 1921 only six and a half billion dollars worth. To reduce imports is to reduce exports. To stop buying is to stop selling.

In addition to all this it seems that we are to have American valuation. This is carrying Herbert Spencer's doctrine of individualism beyond the limit of his extremist fancy. It practically transfers the power to tax from Congress to each American producer or at any rate to each class of American producers. If any class concludes that the tariff duties are not high enough for its special interests, all it has to do is to raise the price of its product and the tariff protection automatically is increased. In olden times, each city and town in Europe had a tariff system of its own. We are refining upon this method in modern times and propose to let each individual have a tariff system of his own, or each class a tariff system of its own. I suppose this is the American definition of "liberty, equality, fraternity." Victor Hugo said that in France those words signified "infantry, cavalry, artillery."

As I am now enjoying the luxury of private life exempt from the cares of official responsibilities, I am watching with interest the effort on the part of our statesmen to raise money for the soldier's bonus without increasing taxes or issuing bonds. I am also watching the effort of our diplomats, our Tallyrands, to enter into an entangling alliance without entanglements. Some of us who looked upon the League of Nations as a full-grown dragon may regard the 4-power pact as the dragon's whelp, while others whelp, while others of us may look upon it as an angel of light coming—if not to beat the sword into a plowshare—at least, to beat the battleship into an aircraft, or coming to establish peace on earth and good will among some men.

ADDRESS BY HON. THOMAS P. GORE, OF OKLAHOMA, BEFORE THE NEW YORK CREDIT MEN'S ASSOCIATION, NEW YORK CITY, JANUARY 25, 1916

Mr. Chairman, ladies, and gentlemen, and I regret that I cannot, for reasons too delicate to mention, say "my fellow creditors" [laughter], I am deeply grateful to your presiding officer for this most graceful presentation. I wish that I deserved the splendid encomiums which he has showered upon me out of the generosity of his heart. My only acknowledgment must be that my gratitude is equal to his generosity.

More than any other class, the credit men embody and illustrate the principle of "each for all and all for each." It seems to me that in an assemblage of credit men one ought to be either extremely happy or extremely miserable, depending upon his latitude with reference to that great equator done in red. I realize that in addressing this association of credit men I am not only guilty of carrying coals to Newcastle but I am carrying gold to Ophir and diamonds to Holeanda. There is nothing either new or illuminating that I can say to you either upon the history, the theory, or the philosophy of credit.

I appreciate the danger of employing figures of speech in discussing an economic question, or in discussing any other subject which requires considerable accuracy of speech.

By a sort of accepted metaphor money has been likened unto the blood in the arteries of trade and commerce. With equal propriety we may characterize credit as the very breath of the life of modern business.

Judged by its manifestations, credit in the commercial world bears an even more striking resemblance to electricity in the physical universe. Electricity is subtle, is unsubstantial, invisible, inaudible, impalpable, imponderable, whatever that train of adjectives may mean. [Applause.] Electricity is a force so deft that it may operate the most delicate "instrument of precision", a force so tremendous and universal that it holds the fixed stars in their places, and binds the wandering planets to their appointed courses.

Credit is silent, subtle, unsubstantial. It is imperceptible to the senses, and yet credit is a force, a commercial force so slight that it cares for the smallest transaction on the retail counter, and is a force sufficient to finance embattled nations, distraught with blood and war.

What is this thing credit? What is this thing so subtle that it eludes sight, touch, and feeling and yet is so mighty that without it the modern business world itself would dissolve like the unsubstantial fabric of a vision and leave scarce a rack behind?

Credit is a promise to pay. That is the vital spark, the vital principle of all credit. The simple promise to pay is the germ from which the credit system, with all its delicate adjustments, with all its stupendous strength, has been evolved.

A credit transaction is the present transfer of a thing of value in consideration of a promise equivalent to be rendered in the future. Futurity is one of its essentials, as confidence or security is another of its essentials. But the credit system itself is not to be identified with credit. The credit system involves the modes or methods of conducting credit transactions and payments; and it may be said to include the various agencies and institutions which have been devised for carrying on and facilitating such transactions and payments.

Personal credit or confidence in a limited form may exist in the rudest society, but a credit system is one of the distinguishing characteristics of a highly organized commercial society.

Is credit capital? Are debts wealth? Is a promise to pay either capital or wealth? Are the instruments of credits themselves wealth? This is a much-controverted question. I do not mean to decide it ex cathedra. I may say in passing that if the instruments of credit are not wealth, they bear a very marked and striking family resemblance to wealth. Mr. McLeod declares with great emphasis that credit instruments are not only wealth but that they constitute one of the most important categories of wealth. Mr. Price and others insist with equal emphasis that credit instruments are not wealth; that they are mere claims to wealth, that they are the representatives of wealth. It seems to me that Mr. Seligman has indicated the distinction with scientific precision. He says that while credit instruments are not wealth, in the strictest sense of the term, they are in the strictest sense of the term "property." Property involves a legal conception, the idea of exclusive ownership and appropriation, a right to take cognizance of by the law, and like wealth, capable of exchange, of being bought and sold. But it can hardly be insisted that if each of the 700 men in this presence should execute his promissory note for \$100 to his neighbor sitting on his right and on his left there would thus be created \$1,400,000 of wealth, nor can it be insisted that by passing a single one-hundred-dollar bill from hand to hand and liquidating these promissory notes there would thus be extinguished, annihilated approximately a million and a half of real wealth in the twinkling of an eye. It can hardly be maintained that the New York Clearing House daily extinguishes millions and yearly extinguishes billions of actual wealth. Property rights can be thus created and extinguished, but not capital, not wealth. But, waiving this distinction, the importance of credit in the business world can hardly be overestimated, can hardly be overstated.

The commercial and industrial history of mankind has been divided into three great epochs: The age of barter, the age of money, and the age of credits.

The history of every civilized country indicates that it has passed through this evolution.

Even today in different quarters of the globe we see people in each of these different economic stages or in course of transition from one unto the other.

Barter is the first and the simplest form of exchange, and even barter is preceded by a system of voluntary presents, the exchange of gifts. In course of time it came to pass that these reciprocal presents were expected to be approximately equal in value, and neglect on the part of a barbaric trader to observe this tenet of commercial morality led to the first commercial war, to retaliation, and bloodshed. We and other commercial nations are in the full blaze and splendor of the credit age. Ninety-five percent of all commercial transactions are carried by means of credit, rather than cash. Excluding the retail business, 99 percent of payments, 99 percent of commercial transactions are carried on not in cash but through the instrumentality of credits.

It is said that the great naturalist, Cuvier, could from a single fossil bone of an extinct species of animal reconstruct the framework of an individual of the species. This was due to his knowledge of anatomy and the necessary relations between the different parts of the animal organism.

An economist and jurist of equal skill could take the commercial laws and customs of an extinct people, of a forgotten nation, and determine with marked precision the stage of its progress and the state of its civilization.

A system of credits implies certain conditions as precedent, as prerequisite to or as coincident with its very existence. A credit system implies stability of government, security of property, the accumulation of capital, machinery for the collection of debts, or the punishment of defaulting debtors. A credit system implies the existence of ethical standards, a sense of obligation and responsibility, of confidence between man and man.

Herbert Spencer has said, with truth, that in a society "where every man was thief or liar", credit would be an impossibility, borrowing and lending would be unknown. So that the existence of a credit system proves the existence of comparatively high ethical and commercial standards. [Applause.] The telltale ruins of ancient Babylon render up her commercial secrets and her commercial history. She had a system of credits, banking institutions. Promissory notes, bills of exchange, and insurance were commercial agencies and practices amongst her people.

This demonstrates that she had a highly organized state of economic society.

Within the limits and conditions which I have enumerated, the history of the rate of interest indicates the ratio between the supply of capital and the demand for capital, indicates the prevailing condition as to prosperity or depression, indicates the peculiar hazard incident to a particular business or of a particular individual in a given transaction. This is a most illuminating and significant history.

In ancient Greece the rate of interest ranged from 12 to 18 percent, and the rate of interest in maritime transactions was allowed to mount up to 33 percent. I take this as conclusive proof that John Skelton Williams was not Comptroller of the Currency in ancient Greece. [Applause and laughter.]

In Rome the laws of the Twelve Tables fixed the rate of interest at 12 percent, 1 percent a month. All legal interest was afterward entirely prohibited, at least for a time, and during that time usury ran riot.

Under the reign of Augustus Caesar the prevailing rate was only 4 percent, a period of remarkable peace and security.

Under Justinian's Code, adopted in the sixth century, the rate of interest which persons of wealth were allowed to charge was only 4 percent. Six percent was the legal rate. Merchants might be charged as much as 8 percent, and in maritime transactions as much as 12 percent.

The history of interest and interest rates in England typifies the struggle between arbitrary human ordinances on the one hand and the fundamental laws and principles of trade and commerce upon the other. I shall not weary your patience with an enumeration of rates and dates. For centuries there has been through various laws an endeavor to regulate interest and penalize usury. They have not only made an effort to prevent usury and regulate interest, but they made an effort to regulate prices, and all this history illustrates the difficulty of regulating interest upon any other ground than that of monopoly. It shows the sovereignty of the natural laws of commerce and of business.

We too have our interest and usury problems here in the United States. I suppose it always has been with us, perhaps it always will be with us, but rates of interest ranging from 25 to 2,100 percent, as recently revealed by the Comptroller of the Currency, can hardly be characterized as legitimate banking. A risk which demands such a rate of interest is not banking, it is gambling, and legitimate borrowers should not be fined to insure transactions involving so high a hazard.

The Koran forbade the followers of Mohammed to charge or receive interest. "They who devour usury shall not arise from the dead", said the prophet of Allah. This interdiction of interest is one of the principal factors explaining the universal industrial and commercial stagnation which prevails wherever Mohammedism prevails. That ordinance takes away the incentive to economy and thrift. It takes away the opportunity for investment. It takes away the possibility of profit. The Mohammedan hoards his money. He buries his gold; and buried treasures bear no fruit, no golden apples of the Hesperides. They are as barren as the accursed fig tree. Until socialism comes, interest and profits must continue to be in the future, as they have been in the past, one of the chief incentives to economy and thrift, to industrial progress, and to commercial prosperity.

Credit surcharges capital with efficiency; it woe hoarded treasure from its hiding place; it gathers up bits of capital too small to be used separately and on their own account. It transfers capital from those who are content with mere investment to those who desire to engage in productive enterprise and industry. Credit affords talent the benefit of capital and opportunity, and affords society the benefit of talent. Credit abolishes the difference between the past, the present, and future tenses.

Credit enables the present to lay under contribution all the accumulated capital of the past, and even the anticipated earnings of the future. One of the greatest achievements, one of the greatest miracles ever wrought by credit, in my own judgment, is the simple credit unions which have been established in the continental countries of Europe. The Schultis system in the industrial centers enables men without business reputation, without commercial rating, without assets, to avail themselves of their potential credit. In Italy they have instituted a system of peoples' banks under which honor loans are made, made to men in the most necessitous circumstances, men who have no resources excepting the skill of their own hands and the honesty of their own hearts. The percentage of loss in these institutions has been remarkably low. It shows how human nature and human hearts respond to confidence, how trust inspires worthiness of trust, how faith begets fidelity. The weakest point in our own credit system is the want of some such system of rural credits to accommodate the farmers of our country. The farmer borrows money on short time and at high rates of interest, generally running from 5 to 10 years. He cannot pay the principal and interest of the loan out of the earnings of the farm during that period.

Such a system of farm financing is essentially, is fatally defective. We need a system of long-time loans at low rates of interest, with the amortization method of payments, such as has been established with such marked success in the continental countries of the Old World. But this problem is capable of solution; it will be solved. The more perplexing puzzle is the tenant farmer, the man without land, without home, without stock, without, in many instances, farm implements; without any dower, save his brain and brawn. My friends, I commend him to your consideration. He is entitled to the benefit of your experience and reflection. The man who devises a credit system that will meet his situation, that will vitalize his potential credit, will earn for himself a niche in that temple consecrated to the benefactors

of mankind, alongside of Wallenburg and Luseti, the friends of the friendless in Italy. Not only is credit able to assist the poorest of the poor, the weakest of the weak to bear his burden with less difficulty, but it is sufficient to enable the strongest to bear their burdens with greater facility.

Let me illustrate. In the United States our stock of gold today aggregates \$2,200,000,000. Our national indebtedness is equal to one-half the country's stock of gold. National, State, county, and municipal indebtedness in this country aggregates two and a half times the total gold supply. The bonded indebtedness of the railroads is five times this stock of gold. Private indebtedness, individual and corporate, excluding current accounts, is 19 times the entire gold supply of the entire United States. At the breaking out of the European war the public indebtedness of the 46 leading countries of the world aggregated \$44,000,000,000, perhaps five times the entire stock of gold in all the civilized world. I say this to illustrate the strength, I might say the miraculous strength, of credit and of the existing credit systems throughout Christendom. This brings me to the consideration of the point so ably discussed and exhausted by Mr. Warburg. It is our ambition to become a creditor nation. This is not an unreasonable ambition. The United States has a right to aspire to become the financial premier in the financial federation of the world.

There are certain conditions which are essential to render any country a creditor nation. One of these is an accumulated stock of available capital. In addition to this, one or the other of the following conditions must obtain—either the resources of the lending country must be relatively well developed, as contrasted with the undeveloped resources of the borrowing country, or else the borrowing country must be driven by some imperious, some overpowering necessity, into the money market.

The United States is advancing credit or capital to the South American States because our resources are more fully developed than theirs. The United States is lending to the stricken nations of Europe because they are driven by uncompromising necessity into the borrowing market.

I might say this in passing, that Great Britain was the creditor nation of the world because she had a vast accumulation of capital, because her resources were relatively well developed in comparison with the young and developing countries of the globe. Not only that, but she maintained a system of free trade. I do not mean to introduce the tariff question here, but unless all nations are protected and other conditions are equal the country having the lowest tariff will have the greater advantage, because debtor nations will insist upon borrowing in those countries where a dollar's worth of their goods will pay a dollar's worth of their debts.

We reflect with some pride upon the fact that the American dollar has, at least temporarily, come to be the international unit of account. If we can perpetuate this policy it is, of course, desirable to do so. Perhaps it would foreclose forever the consideration of that question which was agitated some four or five decades ago—the question of an international unit or system of coinage; an international money of account; an international unit of value—I do not refer to bimetalism. It would of necessity be a gold coin and part of a decimal system. It is almost too much to hope that other nations will acquiesce in the acceptance of the American dollar as the standard of international commerce. The establishment of such a unit of value and money of account to measure international payments would greatly simplify political arithmetic and facilitate international exchange. I throw this out merely as a suggestion. It may be one of those elusive mirages of the financial desert, which we might pursue without overtaking unto the end of time.

The clearinghouse is one of the highest forms and phases of commercial evolution. I am not sure that the clearinghouse is not capable of development in two directions—in the direction of individual clearings. Such a system of clearings was of great consequence during the great commercial fairs of the later Middle Ages.

I do not mean to trek backward to the Middle Ages, but the experience of every time and of every clime should be made to shed its light upon the present and its problems. I am not sure that the clearinghouse is not capable of development in the direction of international clearings, the balancing of international debts, the cancellation of international credits. But this is merely another conundrum propounded by an amateur to an assemblage of experts.

These are some of the possibilities of the credit system. But the system, with all its advantages and possibilities, is not without its dangers. We have a rather complicated and intricate system of distribution. Some have characterized it as wasteful. There are two or three or four links in the chain of credit extending from the producer or the manufacturer, on the one hand, to the ultimate consumer upon the other. The risk increases with each additional link. Reducing the number of links would reduce the risk and would increase the security.

I commend this problem to your consideration because you credit men stand as sentinels and as guards to protect the rest of society against dangers of this description.

Confidence is the soul of credit, and when credit loses its soul evil may follow. I refer to speculation when it runs riot. Periods of excessive speculation seem to return in cycles. This is not a mere coincidence, not a mere matter of fortuitous chance, nor is it due, as Mr. Jevons contended, to the spots in the sun. [Laughter.] It is due to a deep-seated law of psychology, a deep-seated law of human nature, a disposition to buy upon a rising and to sell upon a falling market. Time being an element, these cycles come and go and come again. The credit man will be the first to scent the

danger, and he should be the first to exhibit the danger signal and to warn society against evils of this description.

It cannot be unknown to you that there are those who have charged or feared the existence of a money trust or, to use a more fitting name, a credit monopoly in the United States. I need not say that such a trust, that such a monopoly, would be the worst possible form of monopoly or trust. Any man of character, of assets, with a reasonable prospect of success, has a right to credit without being obliged to consult his rival or competitor.

We ought to erect every safeguard against the establishment of a credit monopoly in the United States. We ought to insist upon the democratization of credit. To this end the Federal Reserve System has been instituted. It will serve and accomplish this end and it will also serve as a protection against the occurrence of crises and commercial panics.

The commercial panic or crisis is one of the dangers and disadvantages inseparable from a credit system. Gout is an infirmity of high life, and insanity is a disease of rational beings. Commercial crisis is one of the diseases, one of the dangers incident to a highly developed credit or commercial system.

Pardon the digression for a moment. Panics have come in all commercial countries, in all epochs of history.

There occurred a serious panic in Rome in the year 33 of the present era. That was the year of the Crucifixion. I allude to that merely as a coincidence. In the year 32 Seuthes & Son, leading merchants of Alexandria, failed. Their failure was due to the loss of three richly laden spice ships in a hurricane on the Red Sea. They had also suffered reverses in their caravan trade with Ethiopia, owing to the decline in the value of ivory and ostrich feathers. Soon afterward the firm of Marcus & Co., of Tyre, went into bankruptcy. Their failure was due to embezzlement on the part of a freedman manager and to a strike upon the part of certain of their Phoenician employees. They had obtained considerable credits from the banking firm of Quintus, Maximus & Lucius Vito, of Rome, situated on Via Sacra, the Wall Street of that ancient metropolis. [Laughter.] When it became noised abroad that this bank was involved, a run on the bank ensued.

This involved still another bank, that of the brothers Pettius. The two banks closed their doors on the same day. This was followed by another failure in Rome, by the failure of the leading bank in Carthage and the leading bank in Corinth, the failure of two banks in Lyons, and the failure of a bank in Byzantium, the modern Constantinople. The panic ran riot.

A courier was sent to Tiberius, then in his retreat at Capri, with a petition for relief. After 4 days the courier returned. The senate assembled post haste, and an immense crowd thronged the forum. It is said that millionaires and beggars jostled each other in their efforts to receive the tidings from the Emperor. Tiberius directed that 100,000,000 cesterces be taken from the public treasury and deposited with the embarrassed banks with directions that they lend to the neediest debtors on 3 years' time without interest, but upon double security.

This relieved the stringency, confidence returned, business was resumed. How like the daily dispatches of 1893 and 1907 read these passages from Tacitus and Suetonius. Every commercial country must calculate at least upon the possibility of commercial panics and crises.

Let me now speak briefly of the humanities of the commercial system. In ancient times the laws regulating the obligation between debtor and creditor were of the most rigorous character; they were severe; they were cruel. In Greece the creditor could sell his debtor and his family into slavery. That custom was abolished by Code Solon. Under the Roman law the creditor could not only sell his debtor into slavery but he had the power of life and death over an unfortunate debtor.

Imprisonment for debt prevailed in England until 1844. The first State to abolish that policy in the United States was that of Pennsylvania, in 1790. New York began its abolition in 1831, showing the progress of a more humane and enlightened spirit.

Bankruptcy laws had been extended in scope and humanized in their effects. The bankruptcy law has prevailed in England for more than three and a half centuries.

There have been four bankruptcy statutes in the United States; one in 1800, the next in 1841, the next in 1867, and the last in 1898. The statutes have undoubtedly oftentimes been used and abused as a refuge for undeserving and fraudulent debtors, and yet, after all, they have been a sort of legal and judicial answer to the prayer, "Forgive us our debts as we forgive our debtors." They have said to the erring and unfortunate debtor in the language of the Nazarine, "Go and sin no more." Perhaps the first bankruptcy statute—or establishment, perhaps I had better say—was the great temple to Diana in the ancient city of Ephesus. The impecunious, the necessitous debtor who could find refuge in the precincts of this sanctuary was afforded protection against the wrath and vengeance of his pursuing creditors. It requires no prophet to tell or to foretell that we are coming upon better times; that, barring the European war, the commercial and industrial and financial progress of the world was never more promising. The morning star of a new time is already twinkling upon the brow of the eastern horizon.

My friends, the credit institution has done much to build up and confirm high ethical standards. It has done much to inculcate a sense of obligation and a feeling of responsibility.

I realize that we must insist upon honor for honor's sake; must insist upon honesty for honesty's sake; must insist upon conscience for conscience's sake; and yet those who enjoy the benefits of the credit system must realize that the confidence of their

fellow man has other compensation than that of a conscience void of offense.

And the credit system, measuring those things that are permanent and those that are passing, must teach us all to believe that a good name is the immediate jewel of the soul.

My friends, I thank you.

FREEDOM OF THE PRESS

Mr. MINTON. Mr. President, I ask unanimous consent to address the Senate briefly.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Indiana is recognized.

Mr. MINTON. Mr. President, I believe it was the humorist Bill Nye, in one of his sage observations on the conduct of matters about a courthouse, who said that if you were about a courthouse you would be very apt to hear the loud and rasping filing of the charges, but you would have to listen very carefully to hear the soft quashing of the indictment. In other words, when the charges are made there is always a great hullabaloo; but when the facts are presented which avoid the charges or the charges are avoided we very seldom hear of it.

A few days ago a suit was brought by Mr. Hearst against the Lobby Committee and others; and the headlines of the newspapers screamed to the country that the "sacred liberties of the people" were about to be violated, and that these committees and representatives of the people in Washington were "running roughshod over the rights of the people" and were "rifling the private papers of the people" contrary to the Constitution. A great ado was made about it in all the newspapers throughout the land, and since that time Members have risen upon the floor of the Senate and have cited authority to the effect that the committee was violating the fundamental rights of the people of this country. But not a single authority cited by those who rose on the other side of the aisle to take such a position held to be illegal such conduct on the part of any parliamentary or legislative body throughout the country. Never was authority cited that a legislative body or a parliamentary body pursuing the procedure that the Black committee had been pursuing had violated anybody's fundamental rights.

The distinguished Senator from Alabama [Mr. BLACK] took the floor and cited the authorities, many of them, poured them into the Record, to the effect that for a hundred years legislative bodies on this side of the Capitol and the other had been pursuing the same procedure that the Black committee had been pursuing, and no one had seriously raised the question about constitutional rights.

But the question was raised by Mr. Hearst in the name of the Constitution, in the name of our ancient liberties, in the name of the freedom of the press. He would not know the Goddess of Liberty if she came down off her pedestal in New York Harbor and bowed to him. He would probably try to get her telephone number. [Laughter.] He would not know the freedom of the press if it sprang full panoplied from the Constitution in front of him. He is the greatest menace to the freedom of the press that exists in this country, because instead of using the great chain of newspapers that he owns, and the magazines, and the news-disseminating agencies of the country that he controls, to disseminate the truth to the people, he prostitutes them to the propaganda that pursues the policy he dictates.

And so, gentlemen of the Senate—I was about to make a campaign speech here, and I do not know but that it is a good subject sometime to make one on, and I may do it—what I desire to say to you today is that this "freedom of the press" which has been talked about so loudly by Mr. Hearst is not being threatened by the Black committee. Nobody's fundamental rights are being invaded by that committee. No one's sacred private rights have been pried into by that committee; and no person has come here or has gone elsewhere and said that his sacred rights had been denied or had been invaded by that committee.

Who cries out in the name of liberty? Who cries out in the name of the freedom of the press? Only Mr. Hearst—only Mr. Hearst; but he raises such a hullabaloo about it that he does attract the attention of other people.

Of course, I should not expect Mr. Hearst to take any cognizance of what I shall say here today. I should not expect him to pay any attention to the facts I shall call to the attention of the Senate. I do not expect to find in his newspapers any reference at all to the facts I shall call to your attention. Mr. Hearst does not run his newspapers that way. He does not want the people to have the facts. He has a peculiar code of ethics for himself. He runs his newspapers on the same high plane on which he runs his private life.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. MINTON. Yes; I yield.

Mr. COPELAND. I have no objection to any statement the Senator may make; but he referred just now to a citizen of my State, and made, I think, a very unhappy personal reference. I presume the Senator does not wish that to be included in the RECORD.

Mr. MINTON. I have nothing to take back. I thought the gentleman to whom I referred lived in California. I seem to remember, though, that the tax laws out there did not suit this great taxpayer and Budget balancer, so he went to New York.

But the things to which I direct the attention of the Senate today I mention for its benefit, and for the benefit of the country, and for the benefit of those who represent the press of the country that wishes to take to the people the truth and the facts; so I shall expect that that part of the press which does not pursue the policies of Mr. Hearst will take some cognizance of the facts I call to the attention of the Senate today.

When this hullabaloo was going on about the invasion of constitutional rights, and so much noise was stirred up about the matter, it attracted the attention of the distinguished senior Senator from Idaho [Mr. BORAH]; and he submitted in the Senate, on March 9, a resolution directed to the Federal Communications Commission, asking that body to furnish the Senate with a report showing by what authority they were examining telegrams in the telegraph offices, and who put them to work. Within a week the Federal Communications Commission submitted to the Senate of the United States a written report, and on the 17th day of March that report was printed and laid upon the desk of every Senator here. Nothing was said about it. The facts were recited in the report; and this "dark, deep conspiracy" that Mr. Hearst has been talking about in his newspapers was dissipated by the facts. They were facts of record that could have been discovered by Mr. Hearst and his minions if they had taken the trouble to try to find out the truth; but they did not do that. They were facts of record in the office of the Federal Communications Commission.

They showed that when the Black committee was holding forth here last year it developed the facts—undisputed; never denied by anybody; facts which could not be denied—that hundreds—yes, thousands—of telegrams had been sent to Washington which bore the names of people who did not send them or authorize them to be sent; that thousands of telegrams had been forged; that in many instances the records had been destroyed by the telegraph companies themselves. These facts were brought to the attention of the Federal Communications Commission in the newspapers and by the remarks of the Senator from Alabama, to the effect that this condition existed widely over the country; and the Federal Communications Commission, under section 220 (c) of the Federal Communications Act, as set forth in this report, proceeded to an investigation on their own, because this provision of the statute gave them access to all of the records of these communication companies. So, with access to these records, the Communications Commission conceived it to be their duty to find out how many telegrams had been forged, and to advise Congress about legislation along that line, because apparently there is no legislation against the forging of telegrams. There is legislation which makes it an offense to destroy the records of a telegraph company before a certain period of time has elapsed, and the record before the Black committee establishing clearly that the records had been destroyed by the telegraph com-

panies within the time they were supposed to be preserved under the law, the Communications Commission sent their representatives, under a resolution adopted by the Federal Communications Commission, without any suggestion from the Senator from Alabama [Mr. BLACK] or any member of his committee, to the telegraph companies to conduct an investigation of their own to determine whether or not these telegrams had been forged and to what extent, to determine whether or not records had been destroyed and to what extent, and to determine a number of other things with reference to the conduct of their business, over which the Communications Commission had ample authority.

These representatives of the Communications Commission went to the telegraph companies and there found the representatives of the Black committee, acting under subpoena, examining telegrams which they wanted to see; and, working in cooperation with the Black committee, but not under their direction or supervision, they handled the same telegrams once, rather than have the Black committee take them out and examine them and put them back and then have the Communications Commission take them out and put them back. Cooperating, they used the same space and handled the same telegrams in the interest of the business organization of the telegraph companies themselves.

If the statements contained in the papers were to be believed, one would think that we entered into a great, dark, deep conspiracy with the Federal Communications Commission to go to the telegraph companies and rifle the files, and do something we had no authority to do. As a matter of fact, the Federal Communications Commission was proceeding under its own authority and on its own initiative, doing the things it had a lawful right to do. We were pursuing our own way, under our own authority, and under subpoenas sent out by the committee. It just happened that the representatives of both organizations were at the same time working together, cooperating in handling the same communications.

The papers carried the story, and broadcast it, that the Federal Communications Commission was putting a lot of people to work in the telegraph offices digging among these telegrams. What are the facts? The report shows that for 114 days, counting Sundays—I did not take the time to take out the Sundays and holidays—there was one representative of the Federal Communications Commission at the telegraph offices. For 39 days they had two people in the telegraph offices.

So, Mr. President, instead of there being a conspiracy on the part of the Senate committee and the Federal Communications Commission, the fact is that there was not any conspiracy, and the Commission was proceeding in its own way, under its own authority, on its own initiative, and the Black committee was doing the same.

These are the facts, and I hope that they will be carried to the country with the same publicity and the same attention given to the charges as was manifested in the beginning.

THE CALENDAR—BILLS PASSED OVER

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the consideration of unobjected bills on the calendar is in order, and the clerk will state the first bill in order on the calendar.

The bill (S. 944) to amend section 5 of the Federal Trade Commission Act was announced as first in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 213) to amend section 113 of the Criminal Code of March 4, 1909, 35 Stat. 1109 (U. S. C., title 18, sec. 203), and for other purposes, was announced as next in order.

Mr. DUFFY. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1506) to change the name of the Pickwick Landing Dam to Quin Dam was announced as next in order.

Mr. KING. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 574) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

Mr. ROBINSON. Let that go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 509) to prevent the use of Federal offices or patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends was announced as next in order.

Mr. ROBINSON. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 24) to assure to persons within the jurisdiction of every State the equal protection of the laws by discouraging, preventing, and punishing the crime of lynching was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1452) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. KING. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 87) to prevent the shipment in interstate commerce of certain articles and commodities, in connection with which persons are employed more than 5 days per week or 6 hours per day, and prescribing certain conditions with respect to purchases and loans by the United States, and codes, agreements, and licenses under the National Industrial Recovery Act, was announced as next in order.

Mr. VANDENBERG. Over.

The PRESIDENT pro tempore. The bill will be passed over.

ADJUSTMENT OF LOSSES OF COOPERATIVE MARKETING ASSOCIATIONS

The joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations was announced as next in order.

Mr. KING. Let the joint resolution go over.

Mr. FRAZIER. Mr. President, this is a joint resolution I introduced some time ago. The purpose was to allow certain cooperative farm organizations to come before the Farm Credit Administration, and it authorized the Farm Credit Administration to discuss certain matters with the cooperatives and to pay claims, if they felt that the cooperative organizations were entitled to such payments under the old Farm Board set-up. When the measure came before the Committee on Agriculture and Forestry it included only wheat.

Mr. KING. Mr. President, I have offered objection to the consideration of the joint resolution.

Mr. FRAZIER. Will not the Senator withhold his objection?

Mr. KING. Yes; but I shall insist on it when the Senator concludes.

Mr. FRAZIER. I want to explain the matter briefly.

The PRESIDENT pro tempore. Is there objection to the Senator making a statement in regard to the joint resolution? The Chair hears none, and the Senator will proceed.

Mr. FRAZIER. Mr. President, when the joint resolution was before the Committee on Agriculture and Forestry it covered only wheat. It was suggested by some of those interested in cotton that cotton should also be included, and that was done. There has been some objection, principally from the senior Senator from Tennessee [Mr. McKellar], in regard to cotton being included in the joint resolution. The Senator from Tennessee has told me repeatedly that he would have no objection to the joint resolution if cotton were eliminated from it. So during the past few weeks the president of the Wheat Growers Association of North Dakota, who is interested in this measure especially, has gotten in touch with the cotton cooperatives and succeeded in getting them to give their approval to eliminating cotton from the joint resolution, stating that if they felt later on that

they should have a similar joint resolution adopted they could have it introduced in their own interest.

I have a letter from Mr. Duis, under date of March 24, which I received this morning, in which he states:

We, of course, have authority from Mr. Henry and the cotton people to strike out cotton.

Mr. President, I feel that this is a just measure. The wheat cooperatives were advised and urged by the Farm Board to withhold their grain in their own elevators, keeping it off the market in order to promote the orderly marketing scheme of the Farm Board. It was held off the market, and the wheat growers of North Dakota, Montana, Minnesota, and South Dakota claim that they lost, in round figures, \$600,000 by obeying and cooperating with the Farm Board. They feel they are entitled to consideration and entitled to go before the Farm Credit Administration and have an adjustment made.

Mr. President, I hope this measure may be passed, as I believe it is a just one. It has been on the calendar a long time. I wish to amend the joint resolution by striking out "cotton" wherever it appears, so that the joint resolution will provide only for wheat.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. ROBINSON. Mr. President, I shall not object to the consideration of the joint resolution. It does not occur to me that there should be discrimination between cotton producers and wheat growers who are in an identical relationship to the subject matter of the proposed legislation. In view of the statement of the Senator from North Dakota, however, that the heads of the cooperative associations whose organizations are directly concerned have consented to the amendment which he suggests, I shall not object.

Mr. FRAZIER. Mr. President, I assure the Senator from Arkansas that there is no intention on my part, and I assume no intention on the part of others interested in the joint resolution in behalf of wheat, to discriminate against the cotton cooperatives in any way, and I, for one, will be perfectly willing and glad to help the cotton cooperatives if they wish to introduce a joint resolution later on.

Mr. KING. Mr. President, several years ago facts were brought to the attention of the Senate and were discussed, showing a close cooperation between many of these cooperatives, both those interested in cotton and those interested in wheat, with the Farm Board, and such a cooperation as did not, as I recall the facts, warrant any consideration being given to the so-called cooperatives of the character indicated by the Senator. I shall be glad to confer with him and advise him of the facts which have come to my attention; but for the present I desire that the measure go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

STANDARDS FOR FRUIT AND VEGETABLE CONTAINERS

The bill (S. 1460) to fix standards for till baskets, climax baskets, round stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes, was announced as next in order.

Mr. ROBINSON. Mr. President, this bill has been on the calendar for almost a year. Upon previous calls of the calendar, under an order similar to that under which we are now proceeding, objections have been made to the consideration of the bill. I should like to ask if some member of the Committee on Agriculture and Forestry, or the author of the bill, can give the Senate an explanation of the measure.

Mr. BYRD. Mr. President, this bill was introduced at the request of the Department of Agriculture. It merely proposes to codify the existing laws with respect to standards for all containers of fresh fruits and vegetables, and likewise to prevent the sale of fruits or vegetables in closed packages unless the exact contents are clearly stated on the outside of the package. The purpose of the bill is to prevent the public from being misled as to the quantity that is contained in closed packages containing fruits or vegetables which are offered for sale.

I have no personal interest in the bill, except that I think it is a good bill, introduced at the request of the Department of Agriculture.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARKLEY. Does the bill compel the labeling of the packages and containers so as to indicate the quantity, or does it simply provide that where they are labeled they must be truthfully labeled?

Mr. BYRD. The bill not only provides that they shall be truthfully labeled but also that when the contents are in a closed package, the package shall be labeled on the outside as to the contents thereof, so as to protect the public.

Mr. KING. Mr. President, the Senator from Virginia will pardon me for asking whether the bill would prevent him from shipping some of his splendid apples from Virginia to the District of Columbia in an open container, or in any kind of container he desires to use.

Mr. BYRD. It would not. I will say to the Senator that the bill would require that the exact contents of a closed package be marked on the outside of the package.

Mr. KING. Would the bill compel farmers who bring in their products from Maryland and from Virginia, potatoes and other vegetables of all kinds, or who send them in, to go to the trouble and expense of obtaining containers of the character approved by the Department of Agriculture? Would the farmers have to label the containers in the way indicated?

Mr. BYRD. I will say to the Senator that the Department of Agriculture has already approved a large number of containers which are to be legalized by this bill; and, as I have said, the bill requires only that the shipper mark the contents of the container when it is a closed package. If the shipment is made in an open package, such marking is not required.

Mr. BONE. Mr. President, I regret the necessity for asking that the bill go over, but I shall have to do so. My colleague [Mr. SCHWELLENBACH] has objected to the bill a number of times heretofore, and I now ask that it go over.

Mr. POPE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. POPE. Sometime ago an objection to this bill was filed by some of the fruit growers in the Northwest; and, as I understood the Senator from Virginia, such objection had been removed or would be removed by an amendment to the bill.

Mr. BYRD. The bill does not in any way affect the shipment of fruit from the West; but the junior Senator from Washington [Mr. SCHWELLENBACH] has objected to it. He apparently is not satisfied with the explanation made by the Department of Agriculture. In my judgment, the bill does not in any way influence or affect the shipment of fruit from the West.

The PRESIDENT pro tempore. Objection has been made, and the bill will be passed over.

REFINANCING OF AGRICULTURAL INDEBTEDNESS

The bill (S. 212) to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Farm Credit Administration, the Federal Reserve Banking System, and creating a board of agriculture to supervise the same was announced as next in order.

Mr. ROBINSON. I ask that the bill go over.

Mr. FRAZIER. Mr. President, I wish to inquire from the majority leader when we may expect to have this bill taken up for discussion and consideration by the Senate. The bill has been on the calendar since May 7 of last year, and an unsuccessful attempt has been made to get before the House of Representatives a similar bill, a companion bill. It has been lost there.

I think everyone knows something of the history of the measure. It provides for giving the farmers a lower rate of interest and easier payments, in order to save their homes and farms. I think the measure is a very worthy one. A

number of farm organizations have favored it and have memorialized Congress to pass the bill.

Mr. ROBINSON. Mr. President, in answer to the question of the Senator from North Dakota, I will state that I am unable to give him the information for which he calls.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 1476) to provide for unemployment relief through development of mineral resources; to assist the development of privately owned mineral claims; to provide for the development of emergency and deficiency minerals; and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 476) relating to promotion of civil-service employees was announced as next in order.

Mr. McKELLAR. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1952) extending the classified executive civil service of the United States was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2405) to provide for a special clerk and liaison officer was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ACCEPTANCE OF MEDALS, ETC., BY OFFICERS OF THE NAVY, ETC.

The bill (S. 1975) to authorize certain officers of the United States Navy, and officers and enlisted men of the Marine Corps, to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered was announced as next in order.

Mr. KING. I ask that the bill be passed over.

Mr. WALSH. Mr. President, I desire to explain the bill very briefly.

Further on in the calendar there is a bill authorizing the President to bestow an honor upon two officers of the British Navy who succeeded in saving the personnel of the U. S. S. *Fulton*, which ship was destroyed by fire at sea. From time to time various governments of the world bestow rewards or honors or medals upon those in the service of the army or navy of other countries who do heroic things. This bill gives the authority of Congress to the reception of such honors by American officers and enlisted men in the Navy and the Marine Corps to whom foreign governments desire to show their appreciation of heroic actions performed for the benefit of the citizens of those countries.

Bills of this kind from time to time are passed by the Senate, usually only one bill at the time; but the Navy Department, rather than have a large number of private bills, has bulked together all those who have been offered these medals and honors, and they are named in the bill which is now pending.

It seems to me the bill ought to be enacted without opposition.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-named officers of the United States Navy, and officers and enlisted men of the Marine Corps, are hereby authorized to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered:

United States Navy: Admiral William H. Standley; Rear Admiral David F. Sellers; Rear Admiral Wat T. Cluverius; Rear Admiral Hayne Ellis; Rear Admiral Ernest J. King; Rear Admiral Louis M. Nulton, retired; Rear Admiral Yates Stirling, Jr.; Rear Admiral John R. Y. Blakely, retired; Rear Admiral Edward H. Campbell; Rear Admiral Walter N. Vernou; Rear Admiral Harley H. Christy;

Rear Admiral Henry V. Butler; Rear Admiral Walter S. Crosley; Rear Admiral Frank B. Upham; Rear Admiral Edward B. Fenner; Rear Admiral George T. Pettengill; Rear Admiral Clark N. Woodward; Rear Admiral William H. Allen; Capt. Reuben B. Coffey; Capt. Vaughn K. Coman; Capt. Gordon W. Haines; Capt. Alfred G. Howe; Capt. Victor A. Kimberly; Capt. David M. Le Breton; Capt. William R. Sayles; Capt. Halsey Powell; Capt. Willis W. Bradley, Jr.; Capt. Frank H. Roberts; Capt. Arthur B. Cook; Capt. Benyaud B. Wygent; Capt. Rufus F. Zogbaum, Jr.; Capt. Frank Jack Fletcher; Capt. Matthias E. Manly; Capt. Alfred W. Brown; Capt. Augustine T. Beauregard; Capt. Harold M. Bemis; Capt. Herbert H. Michael; Capt. MacGillivray Milne; Capt. Milo F. Draemel; Capt. Edward A. Evers, Naval Reserve; Capt. Edward T. Hooper, Supply Corps; Capt. Holden C. Richardson, Construction Corps, retired; Capt. Kent C. Melhorn, Medical Corps; Capt. Lucius W. Johnson, Medical Corps; Commander Ernest L. Gunther; Commander Hamilton V. Bryan; Commander John D. Price; Commander Harold C. Train; Commander Ward W. Waddell; Commander William W. Smith; Commander Calvin N. Cobb; Commander Patrick N. L. Bellinger; Commander Harry G. Patrick; Commander Earl W. Spencer; Commander William H. Pashley; Commander Aaron S. Merrill; Commander Douglas W. Fuller; Commander Ralph F. Wood; Commander Joel T. Boone, Medical Corps; Commander Joseph A. J. McMullin, Medical Corps; Commander Gordon D. Hale, Medical Corps; Commander Walter C. Espech, Medical Corps; Commander Maurice M. Witherspoon, Chaplain Corps; Commander Bernhard H. Bieri; Lt. Comdr. Albert S. Marley; Lt. Comdr. Charles G. Moore, Jr.; Lt. Comdr. John J. Carrick, Naval Reserve; Lt. Comdr. Emil J. Carroll, Naval Reserve; Lt. Comdr. Francis G. Donebrink; Lt. Comdr. Victor C. Barringer, Jr.; Lt. Comdr. Ralph A. Ofstie; Lt. Comdr. Lucien B. Green, II, retired; Lt. Comdr. Dallas D. Dupre; Lt. Comdr. Harold B. Crow, Naval Reserve; Lt. Comdr. Edward O. McDonnell, Naval Reserve; Lt. Comdr. Schuyler F. Cummings, Naval Reserve; Lt. Comdr. Charles W. Stevenson, Supply Corps; Lt. Comdr. Charles R. O'Leary, Supply Corps; Lt. Comdr. Hardy V. Hughes, Medical Corps; Lt. Comdr. Thomas L. Morrow, Medical Corps; Lt. Comdr. Louis E. Mueller, Medical Corps; Lt. Comdr. Victor B. Riden, Medical Corps; Lt. Comdr. William M. H. Turville, Medical Corps; Lt. Comdr. Horace R. Boone, Medical Corps; Lt. Comdr. Warwick T. Brown, Medical Corps; Lt. Comdr. Vincent Hernandez, Medical Corps; Lt. Comdr. Harry S. Harding, Medical Corps; Lt. Comdr. Robert W. Wimberly, Medical Corps; Lt. Comdr. Hillard L. Weer, Medical Corps; Lt. Robert F. Hickey; Lt. Harvey R. Bowes; Lt. Buell F. Brandt; Lt. George H. De Baun; Lt. John M. Brewster; Lt. Curry E. Eason; Lt. Maxwell B. Saben; Lt. John F. Gillon; Lt. Col. H. Mansfield, Chaplain Corps; Lt. Joseph O. Saurette; Lt. Robert H. Smith; Lt. Donald R. Tallman; Lt. John Davis, retired; Lt. Walter L. Bach, Medical Corps; Lt. Walter G. Kilbury, Medical Corps; Lt. Hugh E. Mouldin, Dental Corps; Lt. (Jr. Gr.) James H. Taylor; Lt. (Jr. Gr.) Frank E. Latauzo, Naval Reserve; Lt. (Jr. Gr.) Robert C. Douthat, Medical Corps; Lt. (Jr. Gr.) Freeman C. Harris, Medical Corps; Lt. (Jr. Gr.) Warren G. Wileand, Medical Corps; Lt. (Jr. Gr.) George H. Mills, Dental Corps; Ensign Howard F. Hozey, Naval Reserve Force; Chief Boatswain William C. Baker; Chief Pharmacist Roy Aikman; Chief Pharmacist Leon H. French.

United States Marine Corps: Maj. Gen. James C. Breckinridge; Brig. Gen. George Richards; Brig. Gen. Rufus M. Lane, retired; Brig. Gen. Hugh Matthews; Brig. Gen. Randolph C. Berkeley; Brig. Gen. Frederick L. Bradman; Brig. Gen. Louis McCarty Little; Brig. Gen. Douglas C. McDougal; Brig. Gen. Richard T. Williams; Col. Richard M. Cutts; Col. Presley M. Rixey, Jr.; Col. Seth Williams; Col. James J. Meade; Col. Clayton S. Vogel; Col. Calvin B. Matthews; Lt. Col. Lauren S. Willis, retired; Lt. Col. Jeter R. Horton; Lt. Col. Franklin B. Garrett; Lt. Col. Calhoun Ancrum; Lt. Col. William S. Wise; Lt. Col. William B. Smith; Lt. Col. Charles F. M. Price; Lt. Col. Ross E. Rosell; Lt. Col. John Marston; Lt. Col. Julian C. Smith; Lt. Col. Roy E. Geiger; Lt. Col. Harry Schmidt; Lt. Col. De Witt Peck; Lt. Col. William B. Sullivan; Lt. Col. Henry L. Larsen; Lt. Col. Arnold W. Jacobsen; Maj. Thomas S. Clarke; Maj. Joseph C. Fegan; Maj. Frederick R. Hoyt; Maj. Marion B. Humphrey; Maj. Allen H. Turnage; Maj. Louis M. Bourne; Maj. Matthew S. Kingman; Maj. John F. S. Norris; Maj. Anderson C. Deering; Maj. Ralph J. Mitchell; Maj. Samuel L. Howard; Maj. Oscar R. Cauldwell; Maj. Thomas E. Watson; Maj. Walter C. Sheard; Maj. Roger W. Peard; Maj. Lloyd L. Leach; Maj. Raphael Griffin; Maj. Thomas P. Cheatham; Maj. Louis W. Whaley; Maj. Leroy P. Hunt; Maj. Leo D. Meral; Maj. Lemuel C. Shepherd, Jr.; Maj. James E. Davis; Maj. Alphonse De Carre; Maj. James T. Moore; Maj. Alfred N. Noble; Maj. Franklin A. Hart; Maj. William N. Beat; Maj. Herbert Hardy; Maj. Ralph E. West; Capt. Graves B. Erskine; Capt. Robert Yowell; Capt. Francis P. Mulcahy; Capt. Maurice C. Holmes; Capt. Eugene F. C. Collier; Capt. Otto Salzmann; Capt. Carl S. Schmidt; Capt. Harry W. Gamble; Capt. Roscoe Arnett; Capt. Maurice S. Gregory; Capt. James P. Smith; Capt. Edward G. Kuefe; Capt. Max Cox; Capt. Oliver P. Smith; Capt. Joseph O. Ward; Capt. Edward L. Durvall, Jr.; Capt. John C. Wood; Capt. Jacob Lienhard; Capt. Victor F. Bleasdale; Capt. Leonard H. Rea; Capt. James P. Schwerin; Capt. John H. Parker; Capt. Walter S. Casper; Capt. Willett Elmore; Capt. Benjamin W. Gally; Capt. James A. Nixon; Capt. Frederick M. Howard; Capt. Lee W. Brown; Capt. Harold G. Major; Capt. Bernard Dubel; Capt. Hamilton M. H. Fleming; Capt. Claude A. Phillips; Capt. Harold W. Whitney; Capt. Harry Paul; Capt. Frank N. Costtge; Capt. Byron F. Johnson; Capt. William J. Livingston; Capt. George E. Monson; Capt. Amor L. Sims; Capt. George R. Rowen; Capt. Brady L. Vogt; Capt. Clinton W. McLeod; Capt. Roy C. Swick; Capt. Reuben B. Price; Capt. William J. Whaling; Capt. Frank N. Gilman; Capt. Monitor Watchman; Capt. George L. Maynard; Capt. Benjamin W.

Atkinson; Capt. William L. Bales; Capt. Frederick C. Diebush; Capt. Terrell J. Crawford; Capt. John T. Walker; Capt. William P. T. Hill; Capt. Jesse A. Nelson; Capt. Henry A. Carr; Capt. William C. Hall; Capt. Edwin J. Farrell; Capt. Louis E. Woods; Capt. Augustus H. Fricke; Capt. William S. Fellers; Capt. Herbert S. Keimling; Capt. Walter W. Wensinger; Capt. Ernest E. Lincort; First Lt. William L. McKittrick; First Lt. Max D. Smith; First Lt. David A. Stafford; First Lt. Roy W. Conkey; First Lt. Harold N. Rosecrans; First Lt. Horace D. Palmer; First Lt. Hayne D. Royden; First Lt. Christian F. Schilt; First Lt. James H. Strother; First Lt. Ivan W. Miller; First Lt. John C. McQueen; First Lt. William W. Davies; First Lt. James W. Smith; First Lt. Lewis A. Hohn; First Lt. Lucian C. Whitaker; First Lt. Ralph E. Forsyth; First Lt. Pierson E. Conrad; First Lt. Oregon A. Williams; First Lt. Evans F. Carlson; First Lt. John W. Lakes; First Lt. George F. Good, Jr.; First Lt. William R. Hughes; First Lt. Maxwell H. Mizell; First Lt. Charles W. Kall; First Lt. Lewis D. Fuller; First Lt. Joe N. Smith; First Lt. Herbert F. Becker; First Lt. Alexander W. Kreiser; First Lt. Edward J. Trumble; First Lt. James C. Brauer; First Lt. Francis J. Cunningham; First Lt. Paul A. Putnam; First Lt. John S. E. Young; First Lt. William D. Saunders; First Lt. Lofton R. Henderson; First Lt. John N. Coffman; First Lt. Peter P. Schridder; First Lt. Robert L. Griffin; First Lt. James P. Relsely; First Lt. Samuel S. Jack; First Lt. Frank M. June; First Lt. Miles S. Newton; First Lt. Ira L. Kimes; First Lt. Reginald H. Ridgely; First Lt. Nols H. Nelson; First Lt. Frank C. Dailey; First Lt. Frank H. Wirsig; Second Lt. Robert L. Peterson; Second Lt. Kenneth H. Weir; Second Lt. Arthur F. Binney; Second Lt. Clovis C. Coffman; Second Lt. Perry O. Parmelee; Second Lt. Lester S. Hamel; Second Lt. Ernest E. Pollock; Second Lt. Frank C. Croft; Second Lt. Newin O. Hammond; Second Lt. Frank H. Schwable; Second Lt. Joseph H. Berry; Second Lt. James P. Berkeley; Second Lt. Peter A. McDonald; Second Lt. Michael M. Mahoney; Second Lt. Fred D. Beans; Second Lt. Edgar O. Price; Second Lt. Lebulon C. Hopkins; Second Lt. William A. Willis; Second Lt. John M. Davis; Chief Marine Gunner John F. Evans; Chief Marine Gunner Otho Wiggs; Chief Marine Gunner Jesse W. Stamper; Chief Marine Gunner Frank F. Putcarmer; Chief Marine Gunner Frank O. Lundt; Chief Marine Gunner Michael Wederczyk; Chief Marine Gunner Harold Ogden; Chief Quartermaster Clerk August F. Schonefeld; Chief Quartermaster Clerk William A. Warrell, retired; Chief Quartermaster Clerk Albert O. Woodrow; Chief Quartermaster Clerk Elmer W. Darde; Chief Pay Clerk Benjamin H. Wolever; Chief Pay Clerk Clinton A. Phillips; Chief Pay Clerk Timothy E. Murphy; Marine Gunner Kennard F. Bubier; Marine Gunner Albert S. Nunach; Marine Gunner Harry R. Bale; Marine Gunner Thomas Whitezel; Marine Gunner Walter N. Hendersen; Marine Gunner Robert S. McCook; Sgt. Maj. James M. Barmead; Sgt. Maj. Carl Svenson; Sgt. Maj. Charles A. White; Q. M. Sgt. Frederick J. Widman; Q. M. Sgt. Rupert F. Stone; Master Technical Sgt. Millard T. Shepard; Paymaster Sgt. Fred Parquette; First Sgt. Edwin C. Clarke; First Sgt. Cecil N. Bietz; First Sgt. Charles H. Gray; First Sgt. William O'Grady; First Sgt. Alfred Sylvester; First Sgt. Harry Watkins; First Sgt. Nicholas M. Giece; First Sgt. Frederick Dalton; First Sgt. Louis N. Bertol; First Sgt. Russell O. Beard; First Sgt. Otto Poland; First Sgt. Richard Shaker; First Sgt. Charles E. Stuart; First Sgt. Frank Verdier; First Sgt. Curtis O. Whitney; Gunnery Sgt. Joseph A. Saunders; Gunnery Sgt. Bernard J. Durr; Gunnery Sgt. John J. Rogers; Sgt. Olin L. Beall; Sgt. George Washington; Sgt. Joseph L. Bonville; Sgt. Joseph Konepka; Sgt. Charles L. McIndoe; Sgt. Frank J. Murphy; Sgt. Douglas S. Catchis; Sgt. Daniel J. Donahoe; Sgt. Charles Sorenson; Pvt. John David.

The title was amended so as to read: "An act to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered."

BILLS PASSED OVER

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2998) to control the trade in arms, ammunition, and implements of war was announced as next in order.
Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1632) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by water carriers operating in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. BONE. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2825) to provide for the establishment of a National Planning Board and the organization and functions thereof was announced as next in order.

Mr. KING. Let the bill go over.

Mr. COPELAND. Mr. President, will the Senator withhold his objection for just a moment?

This measure was introduced by the Senator from Michigan (Mr. VANDENBERG). In my judgment, the bill is of great national interest. It has to do with the continuation of the Resources Board, which has been in operation for several years. It has to do with the determination of natural resources in this country which we might utilize, instead of importing them from abroad—the mineral resources, the timber resources, the chemical resources.

I realize that the situation now is such that on the Consent Calendar we could hardly do anything with the bill; but I am convinced that at some time or other this bill should receive the serious consideration of the Senate.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3072) to amend the Tariff Act of 1930, as amended, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 2665) to change the name of the Department of the Interior and to coordinate certain governmental functions was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

DEPORTATION OF ALIEN CRIMINALS

The bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, was announced as next in order.

Mr. RUSSELL. I ask that that bill go over. I understood that was the bill which was called a few minutes ago, but evidently I was mistaken, as the previous bill was Order of Business 881, being Senate bill 379. I have no objection to that bill, and the objection to it was made inadvertently.

Mr. COPELAND. I object to Senate bill 379.

Mr. McKELLAR. Mr. President, I think they are different bills.

Mr. COPELAND. Mr. President, as to Calendar No. 1210, Senate bill 2969, let me say that there have been several hearings since it was last considered by the Senate, and that the bill is now presented with amendments which make it more acceptable than heretofore. I am embarrassed by the fact that, because of other duties, I was not in attendance upon those meetings, and the chairman of the committee is not now present.

Mr. KING rose.

Mr. COPELAND. Perhaps the Senator from Utah can explain the situation.

Mr. KING. Mr. President, the Senator is accurate in stating that there have been hearings since the bill now on the calendar was reported. At those hearings a number of amendments to the bill were suggested and were tentatively agreed upon by Members who were present. Unfortunately,

the chairman of the committee, the junior Senator from Massachusetts (Mr. COOLIDGE), is absent. I told him that I would try to have the bill acted upon at an early date.

The amendments which were tendered, and which were tentatively accepted by the members of the committee present, were ordered to be printed; a blueprint has been made, and it is my intention to call the committee together this week and see if we cannot agree upon a bill and report it for prompt consideration.

Mr. COPELAND. I thank the Senator.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. KING. Just a sentence further and then I will yield. The bill ought to be passed for the reason that, aside from the hardships that are involved with respect to about 2,800 persons, there are 20,000 alien criminals in the United States who ought to be deported, but who may not be deported because of existing law. The bill which is before the committee, with the amendments which have been agreed upon, if enacted, will permit and compel the deportation of those 20,000. I now yield to my friend from Arkansas.

Mr. ROBINSON. Mr. President, this bill has been several times called for consideration in the Senate and objections to its consideration have been made. It is my information that the amendments which have been proposed and, as the Senator from Utah says, tentatively accepted by the committee remove the material objections which have been urged against the bill.

No Senator wants to preserve a protected status for alien criminals, and the primary purpose of the proposed legislation is to prevent that situation, although there are other important provisions of the bill. I am hopeful that the committee may submit its report and that those who are interested in the subject matter may familiarize themselves with it, to the end that the bill may be brought forward in due course.

Mr. KING. Mr. President, I shall ask consideration tomorrow of the bill, and, in the meantime, as soon as the Senate adjourns this afternoon I shall ask the members of the committee to meet.

Mr. ROBINSON. Mr. President, may I suggest to the Senator that it would be well to report the bill with amendments, so that Senators who are interested in the subject may have the opportunity before it is taken up of familiarizing themselves with the amendments?

Mr. KING. My intention was, if possible, to report the bill this afternoon with amendments, and have it printed so that Senators might have full opportunity to consider it at the next session of the Senate.

Mr. McKELLAR. Mr. President, will the Senator yield for a moment?

Mr. KING. I yield.

Mr. McKELLAR. As I understand, the purpose of the bill is to remove certain inequalities that are now in the law concerning the separation of families, and the next important matter is to deal with criminal aliens. It seems to me that, if such is the purpose of the bill, it ought to be enacted at the earliest possible moment.

Mr. KING. I agree with the Senator. The primary purpose is deportation—it is a deportation bill—we want to get rid of 20,000 aliens who are criminals. That is the primary purpose of that measure I wish to emphasize, and the secondary purpose is to care for a number of unfortunate cases involving persons who would be subject to deportation but as to whom there are equities that ought to weigh in their behalf so that they may be permitted to remain in the United States.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. COPELAND. Those exceptional cases involve three or four thousand children, who would be left here without their parents if the law were carried out.

Mr. RUSSELL. Mr. President, we may disagree as to the primary purposes of the bill, but the Committee on Immigration has given the bill hearings, and it appears that it will be wholly possible to work out a measure acceptable to practically all the members of the committee, at least.

The PRESIDENT pro tempore. The Chair inquires of the Senator from Utah if it is his desire to have the bill recommended to the committee?

Mr. KING. No.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. DAVIS subsequently said: Mr. President, may I have the attention of the senior Senator from Utah [Mr. KING]? As I understood, a few moments ago the Senator said that if the Coolidge bill with amendments were passed, the Secretary of Labor then would have power to deport some 20,000 criminal aliens. Did I correctly understand the Senator?

Mr. KING. I stated a few moments ago, when a measure was reached on the calendar—the so-called immigration bill, though it is really a deportation bill—that the information before the committee, which came from Mr. MacCormack and Mr. Shaughnessy, was that under that bill, if it should be enacted into law, at least 20,000 aliens who are criminals and who ought to be deported would be deported, and that under the present law they could not be deported. The bill has gone over, however; so it is not before the Senate for consideration.

Mr. DAVIS. Has the Senator in mind the proposed legislation which the Commissioner of Immigration has recommended should be passed?

Mr. KING. I have that in mind; and I based my statement in part upon the statement of Mr. MacCormack, the Commissioner of Immigration and Naturalization; the statement of Mr. Shaughnessy, the Deputy Commissioner; and the recommendation of the Department of Labor.

Mr. DAVIS. Will the Senator place those hearings in the RECORD today, so that we may be able to study them?

Mr. KING. I shall be glad to do so if they have been printed. I presume they have been printed, although I have not seen them.

Mr. ROBINSON. Mr. President, if the hearings have been printed it is not necessary to have them published in the RECORD. The hearings might be very voluminous and very expensive to publish in the RECORD.

Mr. DAVIS. I do not mean to have the complete hearings published in the RECORD, but that part of them to which the Senator called my attention, saying that we should amend the present immigration laws to enable the authorities to carry out purposes already covered by legislation.

Mr. KING. Let me say to the Senator that the bill as it is upon the calendar was not satisfactory to some members of the committee. Thereupon the chairman of the committee called the committee together for the purpose of considering the views that might be expressed by members of the committee. Thereupon representatives of the Department of Labor, including Mr. MacCormack and Mr. Shaughnessy, came before the committee and gave their testimony. That testimony was taken down in shorthand and has been printed, as I assume; and I shall be glad to see that the Senator from Pennsylvania has copies of all the testimony given at the hearings before the Committee on Immigration.

Mr. ROBINSON. Mr. President, I distinctly recall that a statement issued by Mr. MacCormack himself, about the time of the hearings, which goes into the subject fully, explains the necessity for the enactment of the legislation and discusses some of the amendments that were proposed.

Mr. KING. That is correct.

Mr. ROBINSON. The Senator from Pennsylvania can easily procure that statement.

Mr. DAVIS. Mr. President, I am of the opinion that it is not necessary for any legislation to be enacted in order to deport any criminal alien, or any alien who is now here illegally.

Mr. ROBINSON. Mr. President, in reply to that statement I may say that the Senator takes a position in opposition to that taken by the Secretary of Labor, the Commissioner of Immigration and Naturalization, and the counselors of both those officials. They point out wherein the present law is defective. They disclose the reasons why a large number of criminal aliens cannot be deported.

Mr. DAVIS. Mr. President, I may say to the Senator that I take issue with the Commissioner of Immigration and Naturalization; and, as I understand now from the Senator from Utah, who is a member of the committee, they have withdrawn the bill, and have offered certain amendments.

Mr. ROBINSON. No; the Senator is mistaken about that. The bill has not been withdrawn. At the instance of a number of Senators, hearings were held, and some amendments have been tentatively agreed to. The bill has gone over, and all this discussion is out of order.

Mr. DAVIS. I desire to answer the Senator by saying that at least it caused the Senate Committee on Immigration to hold further hearings on the bill to listen to the protests of the labor groups that are under the jurisdiction of the American Federation of Labor, and the patriotic societies of the country.

Mr. KING. The organizations referred to have been heard, and the matter closed; and I object to further consideration of it at this time.

Mr. DAVIS. But had we gone on and considered the bill and passed it, the people to whom the Senator has just referred would not have been heard. They desired to state their objections.

Mr. KING. The Senator is in error. I call for the regular order.

The PRESIDENT pro tempore. The regular order is demanded. The clerk will state the next bill on the calendar.

BILL PASSED OVER

The bill (S. 1826) for the retirement of employees in the classified civil service to include employees in the legislative branch was announced as next in order.

Mr. McKELLAR. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

RESIDENCE REQUIREMENTS UNDER CIVIL-SERVICE LAW

The bill (S. 3160) to amend the law relating to residence requirements of applicants for examinations before the Civil Service Commission, was announced as next in order.

Mr. KING. I ask that the bill go over.

Mr. BULOW. Mr. President—

Mr. KING. I withhold the objection if the Senator from South Dakota desires to explain the measure.

Mr. BULOW. Mr. President, this bill was introduced at the suggestion of the Civil Service Commission. All that it proposes is to fix the residence requirement in the case of persons who are appointed in the apportioned departmental service in the District of Columbia. The residence requirement is made 1 year instead of 6 months. When the census law of 1929 was enacted it repealed the law of 1919, requiring a year's residence, and there is some uncertainty about it.

Mr. McKELLAR. As I understand, the present law provides a 6 months' residence requirement?

Mr. BULOW. That is correct.

Mr. McKELLAR. And the passage of this bill would extend it—

Mr. BULOW. To 1 year.

Mr. McKELLAR. To 1 year. The committee thought that the time ought to be extended from 6 months to 1 year?

Mr. BULOW. Yes.

Mr. McKELLAR. I, too, think so.

Mr. KING. Mr. President, I withdraw the objection to the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3160) to amend the law relating to residence requirements of applicants for examinations before the Civil Service Commission was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso of the second paragraph under the caption "Civil Service Commission" in the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June

30, 1891, and for other purposes", approved July 11, 1890, as amended, is amended to read as follows:

"Hereafter every application for examination before the Civil Service Commission for appointment in the departmental service in the District of Columbia shall be accompanied by a certificate of an officer, with his official seal attached, of the county and State of which the applicant claims to be a citizen, that such applicant was, at the time of making such application, a legal or voting resident of said county, and had been such resident for a period of not less than 1 year next preceding, but this provision shall not apply to persons who may be in the service and seek promotion or appointment in other branches of the Government."

BILL PASSED OVER

The bill (H. R. 8555) to develop a strong American merchant marine, to promote the commerce of the United States, to aid in national defense, and for other purposes, was announced as next in order.

Mr. COPELAND. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

AIR TRANSPORTATION IN INTERSTATE AND FOREIGN COMMERCE

The bill (S. 3420) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. ROBINSON. Mr. President, I presume that bill had better go over. Its author is ill, and it appears to be a measure of considerable importance.

Mr. COPELAND. Mr. President, in connection with Senate bill 3420, while I think the suggestion that the bill go over is wise, yet I feel impelled to tell the Senate that the Committee on Safety in the Air is in process of formulating legislation which it thinks will go along the lines suggested by the bill which has just been called. So nothing has been lost with regard to safety, I am sure, by deferring action on the bill for the moment.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 3393) to create a Federal Board of Foreign Trade was announced as next in order.

Mr. ROBINSON. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

REGULATION OF TRANSACTIONS ON GRAIN EXCHANGES

The bill (H. R. 6772) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, to limit or abolish short selling, to curb manipulation, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, I should like to have the attention of the able Senator from Arkansas, and express to him the hope that at some date not far remote we may be able to consider the bill under a special order or have it made the unfinished business. It is a bill that has the support, I think, of all the cooperative organizations and farm groups in the country. I have had many personal appeals made to me, I have received a great many letters relative to the measure, and I am exceedingly anxious for the time to come, and that at a very early date, when the bill may be made the unfinished business.

Mr. ROBINSON. Mr. President, I concur in the opinion that the bill should be taken up for consideration; and, so far as I am concerned, I am ready to proceed to its consideration at any time. There have been some delays, to my regret, due to controversies growing out of amendments that were reported by the Committee on Agriculture and Forestry. I shall be glad to cooperate to secure consideration of the bill.

Mr. McNARY. I knew that would be the answer of the Senator from Arkansas, and I appreciate his feeling of friendliness toward the measure.

Mr. LEWIS. Mr. President, may I ask the Senator from Oregon if he is aware of any protest as to the measure com-

ing from Chicago or institutions such as the Board of Trade of Chicago?

Mr. McNARY. No; I am not; but I would expect an objection from that quarter would be forthcoming. That, however, does not deter me in my desire to see the proposed legislation enacted.

Mr. LEWIS. I do not deny that my interest depends on the quantity and quality of support the measure may afford in the coming senatorial election. [Laughter.] In the meantime, I am content to have adopted the course agreed upon by the able leader of this side of the Chamber and the Senator from Oregon.

Mr. POPE. Mr. President, I have talked to a number of Senators from western States who are interested in this bill; some conferences have been held among them, and they are very anxious that the bill be taken up as soon as possible. I have also talked with the chairman of the Committee on Agriculture and Forestry; I think I will hear from him within the next few hours and that he will agree to withdraw the amendments which I think have caused the delay.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. ROBINSON. I myself have discussed that subject with the Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Agriculture and Forestry. I am satisfied that the withdrawal of the amendment which the Senator has in mind will facilitate a prompt disposition of the bill. Such action was suggested by myself to the Senator from South Carolina some weeks ago, and I understood he was considering the suggestion favorably, but I have not been advised as to his conclusions.

The PRESIDENT pro tempore. The bill will be passed over.

DESIGNATION OF BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

The bill (H. R. 8599) to provide for a change in the designation of the Bureau of Navigation and Steamboat Inspection, to create a marine casualty investigation board, and increase efficiency in administration of the steamboat-inspection laws, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this bill, as will be observed, has been on the calendar since August last. It was objected to for a long time by the Senator from Wisconsin [Mr. LA FOLLETTE]. He has now withdrawn his objection. The Committee on Commerce, however, desires to offer certain amendments, and it would be very desirable, in my opinion, if the bill could be passed. It has to do with the inspection of vessels as to safety, to make certain that disasters such as the *Mohawk* and *Morro Castle* disasters may not again occur so far as we can prevent them by inspections and care. So I hope the Senate will accord the bill a few moments so that it may be passed with the amendments desired by the committee.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDENT pro tempore. The amendments offered by the Senator from New York on behalf of the committee will be stated.

The CHIEF CLERK. On page 2, line 1, after the words "civil service", it is proposed to strike out "rules and regulations" and in lieu thereof to insert "laws or the Classification Act of 1925, as amended."

Mr. McKELLAR. Mr. President, I should like to have an explanation of the bill.

Mr. COPELAND. I shall be glad to give it again. I fear the Senator was not listening.

Mr. McKELLAR. I was not, and I beg the Senator's pardon.

Mr. COPELAND. The Bureau of Navigation and Steamboat Inspection has to do with the inspection of ships as to their safety. There are certain defects in the law which have been made manifest by recent disasters, such as those which

befell the *Morro Castle* and the *Mohawk*. It was deemed necessary that there should be a revision of the law. The Committee on Commerce has a special committee investigating safety at sea, and in connection with that there is a distinguished voluntary group headed by Admiral Rock that has gone into these matters with great care.

Mr. McKELLAR. It applies to the safety of vessels at sea and makes the safeguards greater?

Mr. COPELAND. That is correct.

Mr. KING. Mr. President, is the Senator referring to the measure to which the Senator from Wisconsin [Mr. La FOLLETTE] has previously objected?

Mr. COPELAND. He formerly objected to it. The Senator from Utah has in mind the next bill on the calendar, which the Senator from Wisconsin wishes to have go over, but he has withdrawn all objections to the pending bill.

Mr. KING. May I ask the Senator whether Andrew Furuseth has withdrawn his objections?

Mr. COPELAND. It was because of his objections that the Senator from Wisconsin asked to have the bill go over, but those objections have all been withdrawn.

Mr. KING. If Mr. Furuseth is favorable, I have no objection. I say that because of his great knowledge of all marine questions.

Mr. COPELAND. I hold him in the same high esteem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment offered by the Senator from New York on behalf of the committee will be stated.

The next amendment of the Committee on Commerce was, on page 2, line 25, after the word "Commerce", to insert "without regard to the civil-service laws or the Classification Act of 1925, as amended."

The amendment was agreed to.

The next amendment was, on page 4, after line 8, to strike out:

(b) For the purpose of investigating marine casualties not involving loss of life and all cases of acts of incompetency or misconduct or any act in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty, the Director of the Bureau of Marine Inspection and Navigation, with the approval of the Secretary of Commerce, is hereby authorized and directed to appoint marine boards, each consisting of two principal traveling inspectors and a supervising inspector of the said Bureau.

And in lieu thereof to insert:

(b) The Secretary of Commerce shall establish rules and regulations for the investigation of marine casualties and accidents not involving loss of life, any act in violation of any of the provisions of this title or of any of the regulations issued thereunder, and all cases of acts of incompetency or misconduct committed by any licensed officer or holder of a certificate of service while acting under the authority of his license or certificate of service, whether or not any of such acts are committed in connection with any marine casualty or accident. The Secretary of Commerce shall classify marine casualties and accidents not involving loss of life according to the gravity thereof, and in making such classification the Secretary shall give consideration to the extent of injuries to persons, the extent of property damage, the dangers actual or potential which such marine casualties or accidents may create to the safety of navigation of commerce. All such marine casualties or accidents classified as serious shall be investigated by a marine board appointed by the Secretary of Commerce consisting of two principal traveling inspectors and a supervising inspector of the Bureau of Marine Inspection and Navigation. Marine casualties or accidents classified as less serious shall be investigated by a marine board consisting of representatives of the Bureau of Marine Inspection and Navigation designated by the director thereof.

Mr. McKELLAR. Mr. President, may I ask the Senator from New York what expense will be involved and how it will be borne?

Mr. COPELAND. There will not be any added expense.

Mr. McKELLAR. I notice there is no authorization for an appropriation in the bill.

Mr. COPELAND. The bill provides for a reorganization of the Bureau, and does not involve money.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 5, after line 5, to strike out:

(d) Immediately after the occurrence of a marine casualty the appropriate board shall conduct an investigation into any acts of incompetency or misconduct or any acts in violation of any of the provisions of this title, or of any of the regulations issued thereunder, committed by any licensed officer acting under authority of his license, or by any chief or assistant steward, purser, or radio operator acting under authority of a certificate of service issued to him by the board of local inspectors of steam vessels, or by any seaman; and into all circumstances surrounding such marine casualty, and shall determine, so far as possible, the cause of such casualty, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing.

And in lieu thereof to insert:

(d) All acts in violation of any of the provisions of this title or of any of the regulations issued thereunder, whether or not committed in connection with any marine casualty or accident, and all acts of incompetency or misconduct, whether or not committed in connection with any marine casualty or accident, committed by any licensed officer acting under authority of his license or by any chief or assistant steward, purser, radio operator, electrician, able seaman, or lifeboatman acting under authority of a certificate of service issued to him by the Bureau of Marine Inspection and Navigation, and all marine casualties and accidents and the attendant circumstances shall be immediately investigated by the appropriate board as provided in subsection (b) of this section. Such board shall determine, as far as possible, the cause of any such casualty or accident, the persons responsible therefor, and whether or not United States Government employees charged with the inspection of the vessel or the vessels involved and with the examination and licensing of the officers thereof have properly performed their duties in connection with such inspection, examination, and licensing. In all investigations conducted under the authority of this section a full and complete record of the facts and circumstances shall be submitted to the Director of the Bureau of Marine Inspection and Navigation.

Mr. McKELLAR. Mr. President, I notice that the provisions include infractions of regulations as well as of law. Is there another section of the bill which imposes penalties or fines or imprisonment for violation of regulations?

Mr. COPELAND. There are certain fines imposed under the law, such as for violation of a regulation that davits must be installed in a given position on a given ship.

Mr. McKELLAR. I do not think the bill ought to provide punishment for violations of regulations. I notice the amendment does include regulations. I think the law ought not to provide for fining anyone or putting him in jail for violating regulations. We ought not to make criminals out of men who merely violate regulations. If they violate the law, they ought to be punished.

Mr. COPELAND. I want to make clear to the Senator that it would not be possible to write into the law all the regulations necessary for the safety of ships.

Mr. McKELLAR. Of course, I appreciate that.

Mr. COPELAND. We could not incorporate regulations as to how the davits should be placed, how the lifeboats should be placed, how the smoke devices to obviate sparks should be placed, how many life preservers there should be, and so forth. Such matters are covered by regulations laid down by the Bureau of Navigation.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Commerce was, on page 11, line 5, after the word "vessels", to insert "except as far as existing law places definite responsibility on the Bureau of Marine Inspection and Navigation."

The amendment was agreed to.

The next amendment was, on page 14, line 18, after the word "duty" and the period, to strike out "The said extra compensation for overtime services shall be paid by the master, owner, or agent of such vessel to the" and insert "A fee of \$25, for each 8 hours or fraction thereof that an inspector is engaged for overtime, holiday, or Sunday

work, shall be paid by the master, owner, or agent of the vessel to the."

The amendment was agreed to.

The next amendment was, on page 16, after line 11, to insert a new section, as follows:

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

Mr. GIBSON. Mr. President, may I ask the Senator from New York if the bill is now to go over?

Mr. COPELAND. Does the Senator refer to Calendar No. 1518, being Senate bill 2003?

Mr. GIBSON. I refer to House bill 8599.

Mr. COPELAND. Senate bill 2003 has gone over repeatedly, first on objection of the Senator from Wisconsin [Mr. LA FOLLETTE] and later on my own objection, because the technical committee which is engaged in examining the matters involved has not as yet completed its work. It has done so insofar as the pending bill is concerned. I think, in the interest of safety, we should have action immediately taken on the bill now before the Senate. That does not mean we are not going to consider further measures of safety, but the pending bill, if enacted, will fill a gap and will assuredly provide greater safety at sea.

Mr. GIBSON. I had intended to offer some amendments, but not expecting the bill would come up today I am not prepared to do so now.

Mr. COPELAND. Very well. I suggest that we complete the committee amendments.

The PRESIDENT pro tempore. All committee amendments have been disposed of.

Mr. COPELAND. I have no objection to the bill going over so the Senator from Vermont may offer his amendments. I ask that the bill be reprinted as amended today so the Senate may have a clearer understanding of it when the Senator from Vermont presents his amendments.

The PRESIDENT pro tempore. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2003) to amend section 13 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea", was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

Mr. COPELAND. Mr. President, I desire to say once more regarding Senate bill 2003 that I am going to ask to have it go over because the Senator from Wisconsin [Mr. LA FOLLETTE] desires to have some further time to consider it.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3646) to repeal an act of March 3, 1933, entitled "An act to provide for the transfer of powder and other explosive materials from deteriorated and unserviceable ammunition under the control of the War Department to the Department of Agriculture for use in land clearing, drainage, road building, and other agricultural purposes", was announced as next in order.

Mr. FRAZIER. Mr. President, the senior Senator from Wisconsin [Mr. LA FOLLETTE] asked me to object to this bill. He desires to have more time to look into it.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 3154) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors was announced as next in order.

Mr. ROBINSON. Mr. President, that bill cannot be disposed of under this order. It will require considerable time for its consideration.

The PRESIDENT pro tempore. The bill will be passed over.

STANISLAUS LIPOWICZ

The bill (H. R. 762) for the relief of Stanislaus Lipowicz was considered, ordered to a third reading, read the third time, and passed.

H. D. HENION, HARRY WOLFE, AND R. W. M'SORLEY

The Senate proceeded to consider the bill (H. R. 3184) for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley.

Mr. KING. Mr. President, I call the attention of the committee to the report of the Forest Supervisor, which, if accurate, would scarcely warrant the appropriation which is called for.

Mr. BONE. Mr. President, may I make a statement regarding the bill?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Utah yield to the Senator from Washington?

Mr. KING. Yes; I shall be glad to yield for that purpose.

Mr. BONE. The persons who are named as beneficiaries of the bill are three young men who were injured in an explosion caused by blasting operations on a road in Rainier National Forest in the State of Washington.

In the Seventy-second Congress a bill was introduced, with the assent and approbation of the Department of Agriculture, which carried nearly \$8,000 for these boys. One of them had a foot very badly injured. It will be observed that the bill provides only \$100 for one claimant and \$100 for another. The car in which they were riding was damaged, and they were badly banged up. One of the boys had a seriously injured ankle; and it was deemed desirable, as the report indicates, that the injured man be given the benefits that would naturally accrue to him under the Employees' Compensation Act.

The injury was not the fault of the boys. The Department admits its negligence. It would seem to be almost gross negligence. The claim apparently has been reduced from somewhere around \$8,000 to \$2,500. The Department has approved it. The bill has passed the House; and it would seem that the amount provided is not excessive compensation for a young fellow whose ankle probably is liable to give him trouble all the rest of his life.

Mr. KING. My attention was attracted to the report of the forest supervisor, who states that he interviewed the occupants of the car following the accident, that they were examined by local physicians, and that they apparently had sustained only minor cuts and bruises, the most severe being a sprained ankle suffered by Mr. Henion.

From the statement made by the forest supervisor I felt justified in calling the attention of the Senate to the matter; but, in view of the statement of the Senator from Washington, I withdraw any objection.

Mr. BONE. So that the Senator's mind may be easy, I merely call his attention to the statement by Mr. Dunlap, Acting Secretary of Agriculture, where he refers to the more serious character of the injury which afterward developed.

Mr. KING. Very well.

The bill was ordered to a third reading, read the third time, and passed.

MR. AND MRS. A. S. MULL

The Senate proceeded to consider the bill (H. R. 8069) for the relief of Mr. and Mrs. A. S. Mull, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "\$5,000" and insert "\$4,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$4,000 to Mr. and Mrs. A. S. Mull in full compensation for personal injuries sustained by them as the result of an accident involving a Government truck, operated in connection with the Civilian Conservation Corps, near Ringgold, Ga., on February 22, 1934: *Provided,*

That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LEON FREDERICK RUGGLES

The Senate proceeded to consider the bill (H. R. 6297) for the relief of Leon Frederick Ruggles, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Leon Frederick Ruggles the sum of \$563.47 in full settlement of all claims against the Government for medical and hospital expenses incurred by him as a result of an emergency operation: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WILLIAM H. CLINTON

The bill (H. R. 3604) to place William H. Clinton on the retired list of the Navy was announced as next in order.

Mr. KING. Mr. President, I notice that the Department opposes this measure.

Mr. WALSH. Mr. President, the bill seems to be in charge of the Senator from Pennsylvania [Mr. DAVIS]. I call the attention of the Senator from Pennsylvania to it at the request of the Senator from Utah. Personally I am not familiar with the bill.

Mr. ROBINSON. Mr. President, I ask that the bill go over, in view of the adverse report by the Department of the Navy, which appears on page 4 of the committee report in the following language:

In view of the above, the Navy Department recommends against the enactment of the bill H. R. 1845.

Mr. WALSH. I regret that I am not informed about the bill and that it will have to go over until I can inform myself about it.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

BILL PASSED OVER

The bill (S. 2883) to provide for the further development of vocational education in the several States and Territories was announced as next in order.

Mr. GEORGE. Mr. President, this bill cannot be disposed of under the present order. I have conferred with the majority leader regarding the bill, and it is desirable to have it go over until a future date. I should like to have the bill go over without prejudice, because it is an important measure, and I expect to bring it up at a later date during the session.

The PRESIDING OFFICER. The bill will be passed over.

SALE OF GOODS IN THE DISTRICT OF COLUMBIA

The bill (S. 3450) to regulate the sales of goods in the District of Columbia was announced as next in order.

Mr. FRAZIER. Let that go over.

Mr. KING. Mr. President, will the Senator from North Dakota withhold his objection for a moment?

Mr. FRAZIER. I withhold the objection.

Mr. KING. I have no interest in the bill, but the District Commissioners and the businessmen of the District of Columbia are very much in favor of it. It is in harmony with the sales bills in 42 States of the Union. The residents of Maryland and the residents of Virginia particularly are interested in the bill because they have commercial relations with the District; they have the Uniform Sales Act; we do not have it in the District of Columbia, and there is a great deal of confusion. It is a bill that the people desire to have enacted, and I sincerely hope it may be approved by the Senate.

Mr. FRAZIER. I should like to have time to look into the bill a little further. I ask that it go over.

Mr. KING. Let it be noted that the Senator from North Dakota objects.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

JOSEPH MAIER

The bill (H. R. 605) for the relief of Joseph Maier was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Joseph Maier, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000, in full settlement of all claims against the United States for judgment rendered in the Common Pleas Court of Franklin County, Ohio, against the Postal Telegraph Co., a corporation under Government control, for injuries received December 22, 1918, at Columbus, Ohio: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

RELIEF OF OFFICERS AND SOLDIERS WHO SERVED IN PHILIPPINE ISLANDS

The bill (S. 3545) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, was announced as next in order.

Mr. ROBINSON. Mr. President, I observe that the author of the bill, the Senator from Kansas [Mr. CAPPER], is present. Opportunity has not been afforded Senators to become familiar with the bill, and I ask that the Senator make an explanation of it.

Mr. CAPPER. Mr. President, the bill was thoroughly considered by the Committee on Claims, and the report was prepared by the Senator from Kentucky [Mr. LOGAN]. I will ask the Senator from Kentucky to make a statement as to the purpose of the bill.

Mr. LOGAN. Mr. President, this bill was considered by the Senate Committee on Claims, and the statement of the bill is made in Report No. 1560.

The House of Representatives passed a similar bill without amendment. The Senate Committee on Claims reported Senate bill 3545 with an amendment. This morning the Committee on Claims, through its clerk, as the clerk had a right to do, reported the bill which passed the House with the same amendment which had been added to the Senate bill. I understand the House bill is on the desk at this time. So if that bill should be substituted for the Senate bill, it would be the same as the Senate bill, and would be different from the bill as it passed the House. I do not know whether or not the author of the bill is satisfied with the bill as reported by the Senate committee, but the House bill and the Senate bill as they appear on the desk at this time are alike, and both contain an amendment not satisfactory to many of those who desire to have the legislation enacted.

Mr. ROBINSON. Mr. President, I should like to have an analysis of the bill, an explanation of what the bill would accomplish, the changes which it would make in the law.

Mr. LOGAN. Mr. President, I have been trying for the last 2 or 3 years to analyze the bill and just what it would do, and I cannot do it. I can call the attention of the Senator to the fact that there were certain members of the military service in the Philippines during the Spanish-American War and soon thereafter who remained in the Philippines and later came home. Some of them, perhaps, were in jail, some of them were in hospitals, but for one reason or another they could not come home, as I understand, and they are entitled to travel pay. Other men, who voluntarily retired from the military service and remained in the Philippines, and perhaps are still there, are not entitled to the travel pay, it seemed to the Committee on Claims.

We placed an amendment on the Senate bill attempting to exclude all of those who voluntarily retired from the Army, and we attempted to restrict it to those who were unable, because of some particular reason, to take advantage at that time of the law which allowed them travel pay. We did not think it should apply to others than that particular unfortunate class. We tried to do that, and I think we have accomplished the purpose; but the House passed a bill in the same form in which it was passed by the last Congress, when it was vetoed by the President. A similar measure was passed through both Houses at the last session, and, as I recall, it was vetoed by the President.

These are the reasons why I do not know as much about the bill as perhaps I should. I myself have had to ask someone else about it. The amendment has been included at the request and on the suggestion of the War Department itself.

Mr. ROBINSON. Mr. President, what is the total amount that would be required to meet the obligations under the bill?

Mr. LOGAN. Let me say to the Senator that I do not think anyone knows. The amount would not be very great under the bill as amended. It was estimated that it would be a rather large sum under the bill as it passed at the last session, but I do not recall the amount.

Mr. ROBINSON. Is the bill amended to conform with the veto message?

Mr. LOGAN. As I recall, the veto message simply relied on the statement of the War Department that the bill threw the doors open to many who were not entitled to the relief. When we took the matter up with the War Department, while they did not approve the proposed legislation, they did suggest that if the legislation should be passed a certain amendment ought to be added, and we added the amendment.

Mr. ROBINSON. The amendment eliminates relief to those who were not deemed to be deserving?

Mr. LOGAN. Yes; it eliminates nearly all of them, and that is the reason why they are not satisfied.

The PRESIDING OFFICER. Does the Senator from Kansas desire that House bill 9472 be substituted for the Senate bill?

Mr. CAPPER. I make that request.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 9472) for the relief of officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain and who were held in service in the Philippine Islands after the ratification of the treaty of peace, April 11, 1899, which had been reported from the Committee on Claims with an amendment, on page 2, line 5, after the numerals "1899", to add a colon and the following proviso: "Provided, That no benefit shall accrue under any provision of this act to any person whose claim is based upon the service of any such officer or soldier discharged in the Philippine Islands at his own request", so as to make the bill read:

Be it enacted, etc., That all officers and soldiers of the volunteer service of the United States mustered into service for the War with Spain who were held to service in the Philippine Islands for service in the Philippine Insurrection after April 11, 1899, and after the conclusion of peace with the kingdom of Spain, shall be entitled to the travel pay and allowance for subsistence provided in sections 1289 and 1290, Revised Statutes, as then amended and in effect, as though discharged April 11, 1899, by reason of

expiration of enlistment, and appointed or reenlisted April 12, 1899, without deduction of travel pay and subsistence paid such officers or soldiers on final muster out subsequent to April 11, 1899: *Provided, That no benefit shall accrue under any provision of this act to any person whose claim is based upon the service of any such officer or soldier discharged in the Philippine Islands at his own request.*

Sec. 2. Claims hereunder shall be settled in the General Accounting Office and shall be payable to the officer or soldier, or if the person who rendered the service is dead, then to his widow, children in equal shares (but not to their issue), father, or mother as provided by existing acts relating to the settlement of accounts of deceased officers and soldiers of the Army (34 Stat. 750); but if there is no widow, child, father, or mother at the date of settlement, then no payment on account of the claim shall be made.

Sec. 3. The Comptroller General is authorized and directed to certify to the Congress, pursuant to the provisions of section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), all claims allowed hereunder.

Sec. 4. Applications for the benefits of this act shall be filed within 3 years after the date of its passage.

Sec. 5. Payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers in any application under this act shall not exceed the sum of \$10: *Provided, That this limitation shall not apply to attorneys employed by claimants entitled to the benefits of this act who were active in the prosecution of their claim before Congress, to whom a fee of not to exceed 10 percent of the amount found to be due may be allowed. Any person collecting or attempting to collect a greater amount than is herein allowed shall be deemed guilty of a misdemeanor and shall be punishable by a fine of not more than \$500 or by imprisonment for not more than 2 years, or by both such fine and imprisonment.*

Mr. KING. Mr. President, I should like to ask the Senator from Kentucky whether, if the amendment to which he has just referred should be adopted, the bill would then meet with the approval of the War Department and meet the objections which were set forth in the President's veto message.

Mr. LOGAN. That is as I understand it. The War Department recommended against the bill, but, upon inquiry, we ascertained that if the bill should be passed, the War Department wanted it amended in the particular I have indicated, and we added the amendment which was suggested by the War Department. I do not think anyone can know very much about the bill, nearly 40 years after the time to which it relates, but we do know as a matter of fact that there were men entitled to the travel pay sought who never received it. There can be no question about that. They were left in the Philippines, and perhaps were unable to take advantage of the law at that time. Some of them were in hospitals, perhaps some of them were in confinement growing out of infractions of the military law, some of them were sick, and perhaps such men ought to be entitled to the travel pay. The man who got out of the Army and remained in the Philippines voluntarily, who for his own convenience did not come back, and was not deprived of his travel pay by reason of anything over which he did not have control, we do not think is entitled to the travel pay. We tried to limit application of the bill, and I think it is all right.

Mr. KING. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. KING. Is there any way by which to determine the meritorious from the unmeritorious cases? In other words, is there any machinery proposed to be set up for weeding out those not entitled to the travel pay and the compensation referred to?

Mr. LOGAN. I think so. My recollection is that they must file their applications with the General Accounting Office, and the General Accounting Office then will audit the claims and ascertain whether the claims are valid. This measure does not provide an appropriation to pay the beneficiaries so much money, but it authorizes them to file their claims with the General Accounting Office.

Mr. KING. Will the Senator be willing, if the bill shall be passed, to have it held on the table for a day or two until some of us can inquire of the War Department whether there are any objections or whether the amendment meets all of the objections of the President and of the War Department?

Mr. LOGAN. That would be a question for the Senator from Kansas to answer; but, personally, I should be very glad if someone else would look over the measure carefully,

because I have been studying it for the past 2 or 3 years, and the more I look into it the more confused I become.

Mr. KING. Mr. President, will the Senator from Kansas be willing, if the bill shall be passed now, to hold it on the table subject to a motion to reconsider, so that we may have an opportunity to inquire of the War Department as to whether or not the bill as amended meets the objections raised in the President's veto and accords with the wishes of the War Department? If the Senator will agree to that, I shall have no objection at all to the bill being passed.

Mr. CAPPER. Mr. President, the bill is one of merit, and I want to see it passed; and I shall not offer any objection to the suggestion of the Senator from Utah.

Mr. KING. I will not offer any objection, then, with that understanding.

Mr. McNARY. Mr. President, I do not understand the nature of the transaction between the two Senators.

Mr. KING. Mr. President, in order to accomplish what I have suggested, I shall merely offer a motion to reconsider, and I can have the motion withdrawn when the information arrives.

Mr. McNARY. I thought the Senator was relying on a sort of a verbal understanding.

Mr. KING. No; I intended to offer a motion to reconsider. I did not want the Senator from Kansas to think I was opposing the measure. I merely want information from the War Department.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3545 is indefinitely postponed.

Is it the desire of the Senator from Utah to enter a motion to reconsider the vote by which House bill 9472 was passed?

Mr. KING. Mr. President, I enter a motion to reconsider the vote by which the bill was ordered to a third reading and passed.

APPOINTMENT OF COUNSEL IN CRIMINAL CASES

The bill (S. 3781) limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases was announced as next in order.

Mr. McNARY. Mr. President, a mere reading of the note on the calendar would not indicate the general purpose of the proposed legislation. I should like to have an explanation.

Mr. BAILEY. Mr. President, this bill relates directly to a former Assistant Attorney General who recently resigned. It happened that when he resigned there had been assigned to him one case in the Supreme Court of the United States, and perhaps two or three smaller cases. He is now out of the public service. The bill would simply exempt him from the operation of the criminal statute in order that he might go on with his regular practice. The bill was sent to the Senate with the approval of the Department of Justice, and it has been thoroughly reviewed and investigated by the Committee on the Judiciary. I hope there will be no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, as amended, or in section 190 of the Revised Statutes of the United States, or in any other act of Congress forbidding officers or employees or former officers or employees of the United States from acting as counsel, attorney, or agent for another before any court, department, or branch of the Government, or from receiving or agreeing to receive compensation therefor, shall be deemed to apply to attorneys or counselors who have been or may be specially employed, retained, or appointed by the Attorney General or under authority of the Department of Justice to assist in the prosecution of the case pending in the Supreme Court of the United States entitled "The Sugar Institute, Inc., and others, appellants, against the United States of America" (docket no. 268, October term, 1935), or the investigation and prosecution of any case pending either in the Federal or State courts, in the western district of North Carolina, involving lands owned or claimed by the Eastern Band of Cherokee

Indians, or by the United States in their behalf, or other public lands owned or involved in litigation in such western district of North Carolina.

GOVERNMENT FOR AMERICAN SAMOA

The bill (S. 3113) to provide a government for American Samoa was announced as next in order.

Mr. COPELAND. Mr. President, this is a very pretentious bill, which was not called to my attention until this morning, and I am anxious to read it so that I may see what it means.

Mr. TYDINGS. Mr. President, will the Senator withhold his objection?

Mr. COPELAND. I yield.

Mr. TYDINGS. This is not a very extensive bill. The Senate has passed identical measures on three occasions. All it proposes to do is to give to the small population which makes up American Samoa the right of local self-government, namely, to try their own petty offenders.

All offenders now are tried before the naval Governor in American Samoa. Prior to the occupation of the island by the United States, the tribes, of which there are three main ones, used to try their own petty offenders. This bill will give the 12,000 persons who live in American Samoa the right to regulate their own tribal matters.

The bill comes before the Senate as the result of the investigation of the Commission which went out to the islands, of which the Democratic leader, the Senator from Arkansas [Mr. ROBINSON], was a member and other Senators and Representatives were members. This measure of local self-government has been promised to the people of American Samoa for a number of years. Similar bills have already passed the Senate three times. If this bill shall now pass the Senate, it will be the fourth time.

The bill has the unanimous backing of the Committee on Territories and Insular Affairs. Every angle of the question that I know of has been examined. The bill was originally prepared while former Senator Bingham was chairman of the committee, and passed while he was still a Senator.

In view of that statement, I hope the Senator from New York will not make further objection.

Mr. COPELAND. Mr. President, there may be some who remember that I spoke for days against the alienation of sovereignty over the Philippines. In connection with my studies preparatory to that presentation here, I became very much interested in the method of acquisition of American Samoa. I have a number of doubts in my mind about it. I am exceedingly sorry to be disagreeable, but I desire to review the notes I made at the time before I am willing to have the bill considered.

I have no doubt the bill is meritorious. I have no doubt the bill is properly and comprehensively prepared, provided it be applied to our own territory. I should dislike to build a splendid house, a great palace, on land which did not belong to me. I do not know that I shall take that view when the time comes to consider the measure; but I say to the Senator that I must now object. I am sorry to have to do so.

Mr. TYDINGS. Mr. President, I think the Senator is misinformed about the bill now pending before the Senate. This is a bill to provide a government for American Samoa. It is not a bill relating to the Philippines.

Mr. COPELAND. I am not talking about the Philippines. I am talking about Samoa. I thought this bill referred to Samoa. Does it not?

Mr. TYDINGS. Yes.

Mr. COPELAND. Very well. To repeat what I said, in preparing myself for discussion of the Philippine procedure I had occasion to study the question of Samoa, which I understand is dealt with in this bill; and it is to Samoa that I am addressing my remarks on the subject.

I ask that the bill go over.

Mr. TYDINGS. I have no objection to the bill going over, but I am anxious that the Record shall carry the facts.

No question at all of sovereignty is involved in the bill. As the matter now stands, the inhabitants of American Samoa have no voice in the government which they make up. There are about 12,000 of them in the islands. Mat-

ters pertaining to discipline are in the hands of the naval Governor. All petty infractions are tried before the naval Governor. All the bill seeks to do is to give to the people who compose American Samoa the right to have control over their own intertribal matters.

Whether or not the bill becomes law is a matter of no concern to me, except that for 5 years, through representatives sent out there, we have promised to the people of the islands its enactment. I am a little sorry that the Senator from New York desires further to deny those people the right of local self-government. It will be the only place beneath the American flag where that right has been denied.

Mr. COPELAND. Mr. President, one final word. I am not sure that these islands have a right to be under the American flag, and I wish to be sure that we are not building a government on islands to which we have no title. I may fully agree with the Senator from Maryland when I shall have reviewed the rather fragmentary recollections I have of the very serious study I made of the subject a long time ago. I think I never devoted myself more thoroughly to any subject in which I had a part in the Senate.

I am not asking that the 12,000 persons in American Samoa be deprived of government. I assume they have some kind of government or they would not stay there. But in due time, if the Senator will bear with me, I shall look into the matter, and it may well be that the next time the bill comes up I shall say, "All right; proceed with the matter so far as I am concerned."

For the moment, however, I desire further information. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

JOINT RESOLUTION AND BILLS PASSED OVER

The resolution (S. J. Res. 205) providing for disposition of certain cotton held by the United States was announced as next in order.

Mr. McNARY. On behalf of the Senator from South Carolina [Mr. SMITH], I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 3627) for the relief of Francis Gerrity was announced as next in order.

Mr. KING. Mr. President, the Department opposes this measure. The Senator from Washington [Mr. SCHWELLENBACH] is not present, and by reason of that fact I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2243) relating to the allocation of radio facilities was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BRIDGE ACROSS POQUETANUCK COVE, CONN.

The bill (H. R. 10316) to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn., was considered, ordered to a third reading, read the third time, and passed.

BRIDGE ACROSS SECOND CREEK, LAUDERDALE COUNTY, ALA.

The bill (H. R. 10465) to legalize a bridge across Second Creek, Lauderdale County, Ala., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, BETWEEN ROCKPORT, IND., AND OWENSBORO, KY.

The bill (H. R. 11045) to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky., was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF REPUBLICAN RIVER AND OTHER RIVERS

The bill (H. R. 8030) to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have some information concerning this bill.

Mr. NORRIS. Mr. President, I wish to offer an amendment to the bill.

Mr. McKELLAR. Will the Senator be good enough to tell me where the Republican River is?

Mr. NORRIS. Yes. When I am at home I live on the banks of the Republican River.

Mr. KING. Change the name.

Mr. McKELLAR. Did the Senator name it?

Mr. NORRIS. The Republican River? No; it was named long before I went there.

Mr. President, this bill includes three rivers. Two of them are in Kansas. The Republican River is partially in Kansas, partially in Colorado, but chiefly in Nebraska. The bill, if enacted as it now stands, would prohibit any survey on the Republican River in any State besides Kansas, which would not be beneficial even to Kansas, because the mouth of the river is in Kansas. If we are to control the floods, of course we must provide for a survey in Nebraska and in Colorado.

Mr. McKELLAR. I have no objection either to the Senator's amendment or to the bill.

Mr. NORRIS. Mr. President, I have taken up this amendment with the various Senators interested, as well as with the author of the bill, Representative CARLSON, of Kansas, and they all agree to it and all see the necessity of it, even from the standpoint of Kansas.

On page 1, line 6, I move to strike out the words "in the State of Kansas."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods."

Mr. NORRIS. There is another bill on the calendar, Senate bill 4025, Calendar No. 1723, having the same purpose in view, and also favorably reported from the Committee on Commerce. I do not wish to have it indefinitely postponed, because I desire first to see whether the House will agree to the Senate amendment. Therefore I ask that Senate bill 4025, being Calendar No. 1723, be passed over.

The PRESIDING OFFICER. The bill will be passed over.

COAST GUARD STATION, APOSTLE ISLANDS, WIS.

The bill (H. R. 8901) to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis., was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION AND COMPLETION OF CERTAIN BRIDGES

The Senate proceeded to consider the bill (S. 3868) to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935, which had been reported from the Committee on Commerce with amendments, at the end of sections 1, 2, and 3, to strike out the words "its successors and assigns", so as to make the bill read:

Be it enacted, etc., That subsection (a) of section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935, is amended by striking out "the Village Board of the Village of Niobrara, county of Knox, State of Nebraska" and inserting in lieu thereof the following: "the county of Knox, State of Nebraska."

SEC. 2. Subsection (b) of such section 32 is amended by striking out "the Village Board of the Village of Niobrara, county of Knox, State of Nebraska" and inserting in lieu thereof the following: "the county of Knox, State of Nebraska."

SEC. 3. (a) Subsection (c) of such section 32 is amended by striking out "The said Village Board of the Village of Niobrara, county of Knox, State of Nebraska" and inserting in lieu thereof the following: "The said county of Knox, State of Nebraska."

(b) Subsection (c) of such section 32 is further amended by striking out "to fix the charge tolls for transit" and inserting in lieu thereof the following: "to fix and charge tolls for transit."

SEC. 4. Subsection (d) of such section 32 is amended by striking out "After a sinking fund sufficient for amortization shall have been so provided, said bridge" and inserting in lieu thereof the following: "After a sinking fund sufficient for such amortization shall have been so provided, said bridge."

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MONONGAHELA, ALLEGHENY, AND YOUGHIOGHENY RIVER BRIDGES, PENNSYLVANIA

The bill (H. R. 10262) to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa., was considered, ordered to a third reading, read the third time, and passed.

WAR DEPARTMENT EQUIPMENT FOR AMERICAN LEGION CONVENTION

The bill (S. 3997) to authorize the Secretary of War to lend War Department equipment for use at the Eighteenth National Convention of the American Legion at Cleveland, Ohio, during the month of September 1936, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized to lend, at his discretion, to the American Legion 1936 Convention Corporation, for use at the Eighteenth National Convention of the American Legion to be held at Cleveland, Ohio, in the month of September 1936, such tents, cots, and blankets, and other available stock out of the Army and National Guard supplies as such corporation may require to house properly Legionnaires attending such convention: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered at such time prior to the holding of such convention as may be agreed upon by the Secretary of War and the American Legion 1936 Convention Corporation: *Provided further*, That the Secretary of War, before delivering such property, shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

RESERVE OFFICERS' CORPS AND ENLISTED RESERVE CORPS

The bill (S. 4026) to amend the National Defense Act of June 3, 1916, as amended, was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Texas explain the bill?

Mr. SHEPPARD. Mr. President, under present law a Reserve officer or any person in the Enlisted Reserve Corps disabled by reason of wounds or disability received while on active duty for training purposes has no remedy. The War Department cannot give him continuing financial assistance, and the Veterans' Administration can give him no assistance; while, on the other hand, if a Reserve officer or any person in the Enlisted Reserve Corps is disabled while on active duty for any other purpose he is entitled under present law to relief. Thus the purpose of Senate bill 4026 is to strike from present law—Forty-eighth Statutes, page 161—the words "except for training", so as to make eligible for veterans' relief those Reserve members disabled while on active duty for training purposes.

Mr. McKELLAR. How many officers come within the purview of the bill?

Mr. SHEPPARD. All Reserve officers who take the 14-day training period each year. The War Department estimates the cost of this legislation will not exceed \$2,210 for the first complete year of its operation. Each succeeding year the cost will be increased by less than this amount owing to deaths on the pension list until the total removals from the list equal the total number placed on the list under this measure.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 112 of the National Defense Act, as amended by the act of June 15, 1933 (48 Stat. 161), be, and the same is hereby, amended by striking out the phrase "except for training."

PURPLE HEART DECORATION TO MAJ. CHARLES H. SPRAGUE

The Senate proceeded to consider the bill (S. 3821) granting the Purple Heart decoration to Maj. Charles H. Sprague, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of War is hereby authorized to cause the recommendation for the award of the Purple Heart Medal to Maj. Charles H. Sprague, formerly captain, Medical Reserves, One Hundred and Third Ambulance Company, Twenty-sixth Division, to be considered by the proper boards or authorities and such award to be made to Major Sprague if it is found by such boards or authorities that he was wounded in combat with an enemy of the United States during the World War.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of the Purple Heart decoration to Maj. Charles H. Sprague."

FELIX GRIEGO

The bill (S. 3537) for the relief of Felix Griego was announced as next in order.

Mr. KING. Mr. President, I have read the report and I notice that the bill is strongly objected to by the War Department. In view of the fact that a number of measures which the Senate has recently passed restoring discharged soldiers to the pensionable list have been vetoed by the President, it occurs to me that, for the present, at least, this measure, as well as the two or three succeeding, should be further considered. I ask that the bill go over.

Mr. BACHMAN. Mr. President, I may say to the Senator from Utah that this bill was recommended at the last session, but, due to the near approach of final adjournment, it did not have an opportunity of coming before the committee. It is in the view of the committee a very meritorious case.

The expulsion of the beneficiary of the bill from the Army was due to a conviction which was later set aside by the supreme court, and later, as I recall, he was found not guilty of the charges for which he was discharged from the Army. It is a most meritorious case, and, I trust, the Senator will not object. He will find the facts set forth in the report.

Mr. KING. I note from the report that the War Department says the soldier was drunk and brought the Army into disrepute and discredit, and he was discharged from the Army.

Mr. BACHMAN. I presume there are thousands of soldiers who have done that.

Mr. KING. I hope not.

Mr. BACHMAN. But, I repeat, this really is a meritorious case, because the man was not guilty of the offense for which he was discharged, and it was so found by the supreme court.

Mr. KING. Does the Senator take the view that the War Department, in holding that he was drunk and had brought discredit upon the Army, acted improperly?

Mr. BACHMAN. No, sir; not at all. But that was not the basis of his expulsion from the service.

Mr. KING. That is what is shown by the report.

Mr. HATCH. Mr. President, will the Senator yield to me for a moment?

Mr. KING. I yield.

Mr. HATCH. I am more or less familiar with this particular bill, having been its author and having given a good deal of consideration to it at the present and at the last session.

What the Senator from Tennessee [Mr. BACHMAN] has said is exactly correct. The man was not discharged from the Army on account of drunkenness at all; that was not involved in the notation that was made on his Army record; but he was convicted of an offense, and because of that conviction he was discharged. Then he appealed to the supreme court of the State, and the conviction was set aside. The case was later returned to the lower court, but he was never tried again, and after it was returned to the lower court the whole case was dismissed.

Mr. McKELLAR. And it was after that that this bill was introduced for his relief?

Mr. HATCH. It was subsequent to that, and was introduced because his conviction had been set aside.

Mr. McKELLAR. It seems to me the claimant should have the relief.

Mr. BACHMAN. If I may interrupt further, I should like to say to the Senator from Utah that the basis of his discharge from the Army was his conviction of an offense which the supreme court subsequently set aside.

Mr. KING. Very well, I withdraw my objection to the bill.

The PRESIDING OFFICER (Mr. POPE in the chair). Is there objection to the consideration of the bill?

There being no objection, the bill (S. 3537) for the relief of Felix Griego was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers or their dependents Felix Griego, who was a private in the Medical Department, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of the Medical Department on the 11th day of April 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

DANIEL YATES

The bill (S. 3128) for the relief of Daniel Yates was announced as next in order.

Mr. KING. Mr. President, the War Department in its report on this bill uses the word "strongly"—it strongly objects to this bill. Let it go over.

Mr. LOGAN. Mr. President, will the Senator withhold his objection for a moment?

Mr. KING. Certainly.

Mr. LOGAN. What the Senator says about the statement of the War Department is true. The War Department, however, makes mistakes; otherwise we would not have these bills here occasionally. Here are the undisputed facts relating to this particular man:

He was charged with desertion in 1889, perhaps, at any rate, a long time ago. He wandered away; of course, he was finally declared to be a deserter and his name was entered on the record as such; but there are three witnesses who testify that they saw this man, one of them the next day, after he left his command; that he was then insane; two others saw him the following day, 2 days after his alleged desertion; they said he was insane, and was just wandering around the country. He has been insane ever since. It seems to me in a case where a man left his command while insane, and has been insane, according to the evidence, ever since, that relief should be accorded.

The War Department did not know that; he was discharged from the Army without it being known. The poor fellow has been denied hospitalization; he has been denied any benefits because he went crazy and wandered away; but he was fortunate enough, or some of his friends were, to prove that he was seen by three witnesses within 2 days after he left and that he was insane. Those are the facts in the case.

Mr. KING. The letter from the War Department is of quite recent date, as I recall, long subsequent to the date of the alleged mental defect.

Mr. LOGAN. Certainly.

Mr. KING. And the Department would have learned of it in the meantime.

Mr. LOGAN. They could not learn of it. How could they know, as they never saw the man again? He went away; he was never brought back; and they could know nothing from the records about his mental condition. They just could not do it; it was not their function to find out about it. The War Department in every case has a stock phrase or stereotype phrase to the effect that the passage of this bill or that bill would be discrimination, and all that. I do not want to criticize the War Department; it is a rather good thing to have, but, at the same time, we would get much more help if they gave us the facts and made some recommendations to the committee rather than relying on stereo-

type phrases in practically all cases like this; they are just against it because it does not fit in.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. I withdraw my objection.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, sailors, marines, and their widows and dependent relatives, Daniel Yates, formerly private, Battery D, First Regiment Artillery, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private on June 24, 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

BILL PASSED OVER

The bill (H. R. 3340) for the relief of Jesse S. Post was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of that bill. As the Senator who reported it does not appear to be present, I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

MICHAEL P. LUCAS

The bill (H. R. 2469) for the relief of Michael P. Lucas was considered, ordered to a third reading, read the third time, and passed.

DEFINITION OF "FLYING OFFICER" IN THE AIR CORPS

The bill (S. 3974) to amend the act entitled "An act to provide more effectively for the national defense by increasing the efficiency of the Air Corps of the Army of the United States, and for other purposes", approved July 2, 1926, was announced as next in order.

Mr. McKELLAR. Mr. President, this seems to be an important bill, and I should like to have the Senator from Texas explain it.

Mr. SHEPPARD. Mr. President, the purpose of this bill is to clarify the present definition of a "flying officer" in the Army Air Corps. The bill is recommended by the War Department. It is proposed to strike out the words which define a flying officer in the act of July 2, 1926 (44 Stat. L. 781), and substitute therefor a new and more consistent definition which meets present developments and organization in the Air Service. By a ruling of the Comptroller General, the conception of a "flying officer" as used in the 1926 act has been restricted to a "pilot" alone. The development of the modern airplane has produced other functions of great importance which sound military judgment says must be performed.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. SHEPPARD. I yield.

Mr. McKELLAR. Would that mean anyone who goes up in an airplane would be designated as a "flying officer"?

Mr. SHEPPARD. No, indeed.

Mr. McKELLAR. The Senator remembers there was quite a controversy for some years as to whether doctors attached to the Air Corps—of course, I do not see how doctors could very well practice their profession in airplanes—should be entitled to greater pay. I am just wondering if this bill includes doctors, and what effect its passage will have, and how much it will cost.

Mr. SHEPPARD. Let me proceed with the explanation.

Mr. McKELLAR. Very well.

Mr. SHEPPARD. There are aerial commanders and aerial navigators, and while they function as such may or may not perform piloting duties simultaneously. Under these circumstances it is inconceivable that only the pilot shall be considered as the flying officer, while the commander, navigator, bomber, gunner, and communications officer, whose duties are equally essential to the accomplishment of the military mission and whose duties are performed in the air under the same hazards are considered nonflying officers.

Furthermore, present law provides that only 10 percent of the officers of the Air Corps in each grade below brigadier general may be nonflying officers, then obviously in time the 10 percent nonflying officers allowed in each grade will be exceeded. Senate bill 3974 is designed to correct these deficiencies of the present law, and it permits the efficient development of Air Corps personnel for peace or war.

If the bill is enacted, it will not increase the applicable appropriation proposed in the 1937 appropriation bill. If it is not enacted, it will reduce the proposed appropriation by approximately \$23,000. This amount represents the difference in the pay of approximately 65 officers paid at the increased rate of \$1,440 per annum for flying duty, instead of 50 percent of their base pay for flying duty. This is a very small increase and gives them the rank for which their duties call.

Mr. McKELLAR. From the Senator's explanation it seems to be a worthy measure, but I ask that it may go over to let me look into it further.

Mr. SHEPPARD. Very well.

The PRESIDING OFFICER. The bill will be passed over.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years, and it was signed by the President pro tempore.

MUNICIPAL DEBT READJUSTMENT

The Senate proceeded to consider the bill (H. R. 6982) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, which had been reported from the Committee on the Judiciary without amendment.

Mr. NEELY. Mr. President, there is a clerical error in the bill, which should be corrected. On page 4, line 8, the number of the paragraph should be changed. I move to strike out "(b)" and insert "(d)."

The amendment was agreed to.

Mr. KING. Mr. President, I have no objection to the amendment just made, but I should like an explanation of the measure.

Mr. NEELY. I did not report the bill and am not prepared to explain it. The Senator from Indiana [Mr. VAN NUYS] reported it.

Mr. KING. I suggest that it go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ROBINSON subsequently said: Mr. President, I ask unanimous consent to recur to Calendar 1672, being House bill 6982. During my temporary absence from the Chamber this bill was reached, and I am informed that it went over at the request of my friend the Senator from Utah [Mr. KING].

Another bill in substantially the same form, introduced by myself, passed the Senate at the last session. The House for some reason acted upon a House bill and adopted an amendment which was not in the Senate bill, the amendment having relation to the percentage that must be obtained in order to avail of the proceeds.

I ask unanimous consent for the present consideration of the bill.

Mr. KING. Mr. President, I have no objection.

Mr. VANDENBERG. Mr. President, am I to understand that this means only that portion of the municipality bankruptcy law which refers to drainage districts?

Mr. ROBINSON. Yes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 6982) to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, was considered,

ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subparagraphs (a) and (d) of section 80 of chapter 9 of an act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto be, and the same are hereby, amended to read as follows:

"Sec. 80. Municipal debt readjustments: (a) Any municipality or other political subdivision of any State, including (but not hereby limiting the generality of the foregoing) any county, city, borough, village, parish, town, or township, unincorporated tax or special assessment district, and any school, drainage, irrigation, reclamation, levee, sewer, or paving, sanitary, port, improvement, or other districts (hereinafter referred to as a 'taxing district'), may file a petition stating that the taxing district is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of readjustment of its debts. The petition shall be filed with the court in whose territorial jurisdiction the taxing district or the major part thereof is located and for any such district having no officials of its own the petition shall be filed by the municipality or political subdivision, the officials of which have power to contract on behalf of said district or to levy the special assessments within such district. The petition shall be accompanied by payment to the clerk of a filing fee of \$100, which shall be in addition to the fees required to be collected by the clerk under other chapters of this act. The petition shall state that a plan of readjustment has been prepared, is filed and submitted with the petition, and that creditors of the taxing district owning not less than 30 percent in the case of drainage, irrigation, reclamation, and levee districts (except as hereinafter provided) and owning not less than 51 percent in the case of all other taxing districts in amount of the bonds, notes, and certificates of indebtedness of the taxing district affected by the plan, excluding bonds, notes, or certificates of indebtedness owned, held, or controlled by the taxing district in a fund or otherwise, have accepted it in writing. The petition shall be accompanied with such written acceptance and with a list of all known creditors of the taxing district, together with their addresses so far as known to the taxing district, and description of their respective claims showing separately those who have accepted the plan of readjustment, together with their separate addresses, the contents of which list shall not constitute admissions by the taxing districts in a proceeding under this chapter or otherwise. Upon the filing of such a petition the judge shall enter an order either approving it as properly filed under this chapter, if satisfied that such petition complies with this chapter and has been filed in good faith, or dismissing it, if not so satisfied. If creditors holding 5 percent in amount of the bonds, notes, or certificates of indebtedness shall, within 90 days after the first publication of the notice provided for in subdivision (c), clause (1), of this chapter, appear and controvert the facts alleged in the petition, the judge shall decide the issues presented, and unless the material allegations of the petition are sustained, shall dismiss the petition: *Provided, however*, That such written acceptance of not less than 30 percent of the creditors of drainage, irrigation, reclamation, and levee districts shall not be required in any case where a loan shall have been authorized to the petitioning taxing district by an agency of the United States Government for the purpose of enabling any such petitioning district to reduce and refinance its outstanding indebtedness.

"(d) The plan of readjustment shall not be confirmed until it has been accepted in writing, filed in the proceeding, by or on behalf of creditors holding at least 51 percent in amount of the claims of each class in the case of drainage, irrigation, reclamation, and levee districts and creditors holding two-thirds in amount of the claims of each class in the case of all other taxing districts whose claims have been allowed and would be affected by the plan, and by creditors holding 51 percent in the case of drainage, irrigation, reclamation, and levee districts and creditors holding 75 percent in the case of all other taxing districts in amount of the claims of all classes of the taxing district affected by the plan, but excluding claims owned, held, or controlled by a taxing district, and such plan has been accepted and approved by the taxing district in a writing filed in the proceeding, signed in its name by an authorized authority: *Provided, however*, That it shall not be requisite to the confirmation of the plan that there be such acceptance by any creditor or class of creditors (a) whose claims are not affected by the plan, or (b) if the plan makes provision for the payment of their claims in cash in full, or (c) if provision is made in the plan for the protection of the interests, claims, or liens of such creditors or class of creditors."

BILLS PASSED OVER

The bill (S. 3452) to amend an act entitled "An act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill? If not, I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3301) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon

the claim of the heirs of James Taylor, deceased Cherokee Indian, for the value of certain lands now held by the United States, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I note that similar bills have twice been vetoed by the President. I suggest that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

PUBLIC SCHOOL BUILDINGS AT HAYS, MONT.

The bill (S. 3372) to provide funds for cooperation with the public school district at Hays, Mont., for construction and improvement of public school buildings to be available for Indian children, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$50,000 for the purpose of cooperating with the Hays Public School District, Hays, Mont., for construction and improvement of grade- and high-school buildings: *Provided*, That said schools shall be available to both white and Indian children without discrimination, except that tuition may be paid for Indian children attending in the discretion of the Secretary of the Interior: *Provided further*, That expenditures of moneys authorized hereby shall be subject to such further conditions as may be prescribed by the Secretary of the Interior: *Provided further*, That this appropriation shall be reimbursed in not more than 30 years without interest, either through reducing the annual Federal tuition payments for the education of Indian pupils attending such school, by the acceptance of Indian pupils in such school without cost to the United States; or in such other manner as the Secretary of the Interior may direct: *And provided further*, That plans and specifications shall be furnished by local or State authorities, without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs, work shall proceed under the direction of local or State officials, payment therefor to be made monthly on the basis of work in place and upon vouchers approved by a responsible official of the Indian Service.

JOHN WALKER

The Senate proceeded to consider the bill (S. 3371) for the relief of John Walker, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 6, after the word "Montana", to insert the words "or his heirs", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John Walker, of Hays, Mont., or his heirs, the sum of \$200 in full settlement of his claim against the United States for destruction of a one-room log house and equipment located on the Fort Belknap Reservation in Montana, during a diphtheria epidemic on said reservation.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3053) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, was announced as next in order.

Mr. McKELLAR. I ask that the bill go over for the day.

The PRESIDING OFFICER. The bill will be passed over.

GUSTAVA HANNA

The bill (S. 4091) for the relief of Gustava Hanna was announced as next in order.

Mr. BULKLEY. Mr. President, I ask that House bill 11425, an identical bill, which appears on the Senate calendar as Order of Business No. 1698, be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 11425) for the relief of Gustava Hanna was considered, ordered to a third reading, read the third time, and passed, as follows:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gustava Hanna, widow of Matthew E. Hanna, late American minister to Guatemala, the sum of \$10,000, equal to 1 year's salary of her deceased husband.

The PRESIDING OFFICER. Without objection, Senate bill 4091 will be indefinitely postponed.

CLARENCE R. KILLION

The Senate proceeded to consider the bill (H. R. 3912) to amend an act for the relief of Clarence R. Killion, which had been reported from the Committee on Military Affairs, with amendments, on page 1, line 3, after the word "numbered", to strike out the numerals "226" and insert the numerals "222"; on the same page, line 12, after the word "war", to strike out the words "veterans' act" and insert the words "adjusted compensation act", and on page 2, line 2, after the word "act" to insert the words "as amended", so as to make the bill read:

Be it enacted, etc., That Private Law No. 222, Seventy-second Congress, entitled "An act for the relief of Clarence R. Killion", be amended by eliding the period after the word "act" in the last line of the said act, substituting a colon therefor, and adding thereto the following: "And provided further, That if the veteran shall, within 12 months from the date of final passage and approval of this act, as amended, file with the Veterans' Administration an application for adjusted-service benefits under the provisions of the World War Adjusted Compensation Act, as amended, then, and in that event, nothing in this act, as amended, contained shall be construed to prejudice his right to recover adjusted-service benefits thereunder if found otherwise entitled thereto."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MISSOURI RIVER BRIDGE, GARRISON, N. DAK.

The Senate proceeded to consider the bill (S. 3885) to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak., which had been reported from the Committee on Commerce, with an amendment, on page 1, line 6, after the word "by", to strike out the words "the acts of Congress approved February 10, 1932, and February 14, 1933, and June 12, 1934, are hereby further extended 1 and 3 years, respectively, from June 12, 1934", and to insert in lieu thereof the words "an act of Congress approved February 10, 1932, heretofore extended by acts of Congress approved February 14, 1933, June 12, 1934, and May 24, 1935, are hereby further extended 1 and 3 years, respectively, from June 12, 1936", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River, at or near Garrison, N. Dak., authorized to be built by the State of North Dakota, by an act of Congress approved February 10, 1932, heretofore extended by acts of Congress approved February 14, 1933, June 12, 1934, and May 24, 1935, are hereby further extended 1 and 3 years, respectively, from June 12, 1936.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LAKE SABINE BRIDGE, PORT ARTHUR, TEX.

The bill (H. R. 10185) to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2041) for the relief of Charles E. Wilson was announced as next in order.

Mr. LOGAN. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JUDGE ADVOCATE GENERAL'S DEPARTMENT OF THE ARMY

The bill (S. 3659) to promote the efficiency of the Judge Advocate General's department of the Army was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

Mr. LOGAN. Mr. President, will the Senator making the objection withhold his objection for a brief explanation?

Mr. VANDENBERG. Very well.

Mr. LOGAN. The bill does not increase the cost of operating the Judge Advocate General's department to a greater extent than about \$20 a month, I believe. It authorizes an assistant to the Judge Advocate General with the title of brigadier general.

The situation at the present time is that when the Judge Advocate General is absent or not able to attend to his duties usually the next senior officer present has charge of the office. This does not necessarily mean that he is the most capable officer present. The bill would only change the situation to the extent that the President himself may name an assistant, subject to the approval of the Senate, I assume, and then in the office of the Judge Advocate General there would always be someone to take the place of the Judge Advocate General when he happened to be absent or incapacitated.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. LOGAN. Certainly.

Mr. VANDENBERG. My memorandum indicates that the War Department is in opposition to the bill.

Mr. LOGAN. The Secretary of War is in opposition to the bill. I believe, however, that anyone who looks into the situation for the purpose of satisfying himself and will talk to anyone he can get to talk to him in connection with the Judge Advocate General's department—which will not be very many because they are perhaps afraid to talk—will learn that this proposed legislation is really necessary and for the good of the service.

The only objection the War Department has to it is that some other department or division that does not now have one would also want an assistant. As a matter of fact, there is no just ground for such objection.

That is the explanation I desire to make. I am very hopeful that the bill may be passed. However, if any Senator wishes to look into it later, there will be plenty of time to do so.

Mr. KING. Mr. President, will the Senator permit a question?

Mr. LOGAN. Certainly.

Mr. KING. It would seem to me, in view of the long experience of the department, especially during the World War, that if an Assistant Judge Advocate General were required, one would have been recommended by the War Department in the past.

Mr. LOGAN. I understand that it has been asked for. The matter has been discussed for a good while.

The passage of the bill will not add anything to the cost. It will not disorganize anything at all. The only thing it will do is to have some man named by the President to look after these duties who will have equal rank with the heads of other divisions with whom he will come in contact. The bill provides for nothing else. Instead of having a haphazard method of allowing someone to represent the Judge Advocate General, the bill simply says that a man designated by the President shall do so at all times.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Is there objection to the consideration of the bill?

Mr. VANDENBERG. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

PROCUREMENT OF WAR DEPARTMENT PROPERTY WITHOUT ADVERTISING

The Senate proceeded to consider the bill (S. 3859) to authorize the procurement, without advertising, of certain War Department property, and for other purposes, which was read, as follows:

Be it enacted, etc., That whenever proposals are invited for the furnishing of articles of Chemical Warfare or Signal property of the War Department, the character of which or the ingredients thereof are of such a nature that the interests of the public service would be injured by publicly divulging them, the chief of the supply service concerned is authorized to purchase such articles in such manner as he may deem most economical and efficient.

Mr. McKELLAR. Mr. President, will the Senator from Texas, who introduced the bill, explain it?

Mr. SHEPPARD. Mr. President, from time to time the Chemical Warfare Service and the Signal Corps have developed equipment the details of which, in the opinion of the

respective chiefs of these branches, should not be divulged to any but firms known to be capable of supplying the requirements.

In purchasing articles of this character, however, it is necessary to divulge plans and specifications embodying these details to all bidders, in order to comply with the existing statutes. This bill is recommended for enactment by the War Department in order to meet the situation as to certain devices the nature of which should not be given out; and it provides that as to these articles, the departments shall purchase them in the manner it deems most advisable.

Mr. McKELLAR. Are the articles which may be purchased set out in the bill?

Mr. SHEPPARD. The bill is limited to articles which the War Department believes, for reasons of state, should not be publicly divulged—for this reason they are not specifically mentioned.

Mr. McKELLAR. That would cover virtually the whole field of purchases by the War Department.

Mr. SHEPPARD. Only as to these particular articles. We have to trust the Department to this extent.

Mr. McKELLAR. What articles are they? As I understand the language of the measure, it would allow the Department to say what articles they were. They might be gunpowder, cannon for the Army, guns, rifles, or anything of the kind.

Mr. SHEPPARD. The bill applies only to the Chemical Warfare Service and the Signal Corps.

Mr. VANDENBERG. Mr. President, does not the Signal Corps make purchases of wire and many other standard commodities?

Mr. SHEPPARD. If so, the bill would not apply to them. There has to be some special reason for not divulging the character of the commodity in order to have the provisions of the bill apply.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2158) for the relief of Franz J. Feinler was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

WILLIAM T. J. RYAN

The Senate proceeded to consider the bill (S. 3692) for the relief of William T. J. Ryan, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 4, after "1916" and the first parenthesis, to insert "39"; and in line 7, after the word "then", to strike out "staff", so as to make the bill read:

Be it enacted, etc., That in the administration of the provisions of the act of August 29, 1916 (39 Stat. L. 649), relating to Federal support of families of enlisted men in the Military Establishment who served during the expedition into Mexico, the claim of William T. J. Ryan, then sergeant, Headquarters Battery, Seventy-sixth Regiment United States Field Artillery, Fort D. A. Russell, Wyo., for Federal support of his wife, Beulah E. Ryan, be held and considered to have been received in the office of the depot quartermaster, Washington, D. C., on or before June 30, 1917, in view of the fact that delay in receipt occurred through no fault of the soldier but through loss or miscarriage of his application in the mails.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEPUTY CHIEF OF STAFF, UNITED STATES ARMY

Mr. ROBINSON. Mr. President, the next bill on the calendar, Senate bill 3726, is adversely reported by the War Department. It proposes to give the rank of lieutenant general to the Deputy Chief of Staff.

In view of the report of the Secretary of War, I cannot understand the justification for the proposed legislation. In the report is contained a letter from the Secretary of War, in which the following statement appears:

The office of Deputy Chief of Staff is an important position and is habitually filled by an officer whose rank is that of major general. Such officer is the principal assistant of the Chief of Staff and though his position is one of great responsibility, both in peace and war, an increase in rank for those occupying such

position, in times of peace, would immediately raise the question of corresponding increased rank for other staff assistants such as the chiefs of the various divisions of the General Staff, the chiefs of branches, and their assistants.

Further, omitting a part of the letter:

Congress in its last session passed a bill providing accelerated promotions for the commissioned personnel of practically the entire Army and it is the view of the War Department that no effort should be made toward the enactment of legislation providing additional increased promotions among the commissioned personnel, particularly of the higher ranks, in the absence of a pressing need therefor.

The War Department does not favor the enactment of S. 3726 at this time.

No cost to the Government would result from the enactment of S. 3726.

This proposed legislation was submitted to the Bureau of the Budget which reports that it is not in accord with the financial program of the President.

I ask that the bill go over.

MR. SHEPPARD. Mr. President, before the bill goes over I desire to present briefly the views of the Senate Committee on Military Affairs in order that both sides of the problem may be before the Senate.

The office of Deputy Chief of Staff already exists, and is filled by an officer temporarily detailed to it, whose rank is customarily that of major general. The Deputy Chief of Staff is the principal assistant to the Chief of Staff, who is a full general while acting as Chief of Staff; and the purpose of this bill is to confer the temporary rank and title of lieutenant general upon the officer detailed or assigned as Deputy Chief of Staff in order that he may rank next to his chief, and may have title and rank commensurate with his responsibilities. Furthermore, the Deputy Chief of Staff, when acting as Chief of Staff, actually gives orders to corps area commanders who now hold the same rank as that of the Deputy Chief of Staff, namely, that of major general. This is another reason for giving the Deputy Chief of Staff a higher rank than that of major general.

The enactment of this legislation will occasion the Government no additional cost, inasmuch as the officer assigned as Deputy Chief of Staff will continue to receive the pay and allowances of a major general.

The War Department does not favor this bill, feeling that it will raise the question of corresponding increased rank for other staff assistants, such as the chiefs of the various divisions of the General Staff and the chiefs of branches. However, the Military Affairs Committee feels that this increased rank and title for the Deputy Chief of Staff is justified in view of the responsibilities of the office, and in view of the further fact that the bill will occasion no additional expense.

THE PRESIDING OFFICER. Objection having been made, the bill will be passed over.

SALE OF TIMBER ON INDIAN LAND

The Senate proceeded to consider the joint resolution (H. J. Res. 215) to amend Public Act No. 435, Seventy-second Congress, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 10, after the words "day of", to strike out "March" and insert "September", so as to make the joint resolution read:

Resolved, etc., That the last proviso in that Public Act No. 435 of the Seventy-second Congress entitled "An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on Indian land when it is in the interest of the Indians so to do", as amended, be, and the same hereby is, amended to read as follows: "And provided further, That the authority granted herein shall terminate on the 4th day of September 1936: *Provided further,* That all such modified contracts shall have the approval of the tribal general council for tribal lands and of the allottee for allotted lands."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

PRIVATE CLAIM 111, PARCEL 1, NAMBE PUEBLO GRANT

The bill (S. 3460) to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of Private Claim 111, Parcel 1, Nambé Pueblo grant, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to find and determine the person or persons entitled to participate in the award of the Pueblo Lands Board in Private Claim 111, Parcel 1, Nambé Pueblo grant. The finding of the Secretary of the Interior shall be final and conclusive, and the person or persons so found entitled shall be compensated out of the appropriations authorized by section 3 of the act of May 31, 1933 (48 Stat. L., 108-109).

MAIZEE HAMLEY

The bill (S. 3747) for the relief of Maizee Hamley was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit to Maizee Hamley, staff nurse in the Kiowa Agency, Anadarko, Okla., for the amount of \$946.70 received as dual compensation for the period July 1, 1928, to September 30, 1932, while employed as nurse and postmistress at the Havasupai Agency, Supai, Ariz., in contravention of the act of May 10, 1916, as amended (39 Stat. 120, 582), which prohibits payment of more than one salary, when the combined amounts of such salaries exceed the rate of \$2,000 per annum.

MRS. EARL H. SMITH

The bill (H. R. 7788) for the relief of Mrs. Earl H. Smith was considered, ordered to a third reading, read the third time, and passed.

WARD FUNERAL HOME

The bill (H. R. 8032) for the relief of the Ward Funeral Home was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 8588) to authorize the deposit and investment of Indian funds was announced as next in order.

MR. McKELLAR. Mr. President, may we have an explanation of this bill? [A pause.] If not, I think the bill had better go over.

THE PRESIDING OFFICER. The bill will be passed over.

SECOND BYRD ANTARCTIC EXPEDITION

The joint resolution (S. J. Res. 209) authorizing the presentation of silver medals to the personnel of the second Byrd Antarctic expedition was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of the Navy be, and hereby is, directed to cause to be made at the United States Mint such number of silver medals as he may deem appropriate and necessary, respectively, to be presented to the deserving personnel of the second Byrd Antarctic expedition that spent the winter night at Little America or who commanded either one of the expedition ships throughout the expedition, to express the high admiration in which the Congress and the American people hold their heroic and undaunted accomplishments for science, unequalled in the history of polar exploration.

FISH-CULTURAL STATION, ARIZONA

The Senate proceeded to consider the bill (S. 813) authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona, which had been reported from the Committee on Commerce with amendments, on page 1, line 4, after the word "station", to strike out "at the head of Williams Creek within the Fort Apache Indian Reservation"; in line 6, after the word "Arizona", to insert "and such station shall be operated and maintained"; and in line 10, after "1930", to insert "Provided, That in the event of the establishment of a fish-cultural station within the Fort Apache Indian Reservation, Ariz., and in consideration of the consent of the Indians of said reservation to the location of the same thereon without cost to the United States the streams therein shall be kept well stocked with mountain trout; that Indians shall be given preference in all labor opportunities at the prevailing rate of wages; and that in the purchase of otherwise worthless ponies required by said station, Indians shall be given preference in supplying same at commercial rates: *Provided further,* That sufficient pasturage for such ponies on said reservation will be made available to such fish-cultural station without compensation therefor to said Indians, except as provided for herein", so as to make the bill read:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to establish a fish-cultural station in the State of Arizona and such station shall be operated and maintained in

accordance with the provisions of the act entitled "An act to provide for a 5-year construction and maintenance program for the United States Bureau of Fisheries", approved May 21, 1930: *Provided*, That in the event of the establishment of a fish-cultural station within the Fort Apache Indian Reservation, Ariz., and in consideration of the consent of the Indians of said reservation to the location of the same thereon without cost to the United States the streams therein shall be kept well stocked with mountain trout; that Indians shall be given preference in all labor opportunities at the prevailing rate of wages; and that in the purchase of otherwise worthless ponies required by said station, Indians shall be given preference in supplying same at commercial rates: *Provided further*, That sufficient pasturage for such ponies on said reservation will be made available to such fish-cultural station without compensation therefor to said Indians, except as provided for herein.

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$60,000, or so much thereof as may be necessary, to carry out the provisions of this act.

The amendments were agreed to.

Mr. HAYDEN. Mr. President, I move to amend the bill, in line 13, page 2, by inserting, after the word "hereby", the words "authorized to be."

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The CHIEF CLERK. On page 2, line 13, after the word "hereby", it is proposed to insert "authorized to be."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SIXTEENTH TRIENNIAL CONVENTION, WORLD'S WOMAN'S CHRISTIAN TEMPERANCE UNION

The Senate proceeded to consider the bill (S. 3950) to aid in defraying the expenses of the Fourteenth Triennial Convention of the World's Women's Christian Temperance Union to be held in this country in June 1937, which had been reported from the Committee on Foreign Relations with amendments, on page 1, line 5, after the words "of the", to strike out "Fourteenth" and insert "Sixteenth"; and in line 6, after the word "World's", to strike out "Women's" and insert "Woman's", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$10,000 to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937, such sum to be expended for such purposes and under such regulations as the Secretary of State shall prescribe and without regard to any other provision of law.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937."

LOUIS H. CORDIS

The bill (S. 1075) for the relief of Louis H. Cordis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the requirements of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, are hereby waived in the case of Louis H. Cordis, of Portland, Oreg., formerly employed as a deck-hand on the United States dredge *Clatsop*, and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed by him under the provisions of such act, as amended, within 1 year after the date of enactment of this act, for compensation for disability resulting from injuries received by him on September 15, 1928, while cleaning, in the performance of his duties as such employee, certain sand chutes: *Provided*, That compensation, if any, shall be paid from and after the date of enactment of this act. Such payments of compensation shall be made out of funds heretofore or hereafter appropriated for the payment of awards under the provisions of such act of September 7, 1916, as amended.

HERMAN SCHIERHOFF

The bill (H. R. 977) for the relief of Herman Schierhoff was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH HALSTEAD

The bill (H. R. 4638) for the relief of Elizabeth Halstead was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR subsequently said: Mr. President, I ask unanimous consent that the vote by which House bill 4638 was passed may be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote by which the bill was passed is reconsidered.

Mr. McKELLAR. Now, let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SAM CABLE

The Senate proceeded to consider the bill (H. R. 6335) for the relief of Sam Cable, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sam Cable, of Falmouth, Mich., the sum of \$300, in full settlement of all claims against the United States for damages to him caused by the slaying of 15 head of cattle known as abortion reactors in connection with the Government's efforts to eradicate this disease from the dairy herds of Missaukee County, Mich.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. KING. Mr. President, may I inquire of any Senator interested in this bill whether the appropriation made heretofore for the elimination of Bang's disease would not care for cases of this kind?

Mr. COUZENS. Mr. President, I confess that I cannot answer that question, because this case does not seem to be covered by the general law. Otherwise the Committee on Claims and others would not be interested. The bill carries only a small amount, and the claim does not come under any general law.

Mr. KING. It may be that other claims may be presented, and I want to know whether the large sum we appropriated a few days ago, and the large sum appropriated a year ago, would not be available for meeting charges of this kind.

Mr. COUZENS. That is not my understanding, because this was passed upon before the general law was enacted.

Mr. KING. I shall not object.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EDWARD C. PAXTON

The bill (H. R. 8038) for the relief of Edward C. Paxton was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF EMIL HOYER

The bill (H. R. 685) for the relief of the estate of Emil Hoyer (deceased) was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? If not, let it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GEORGE RABCINSKI

The Senate proceeded to consider the bill (S. 3685) for the relief of George Rabcinski, which had been reported from the Committee on Claims with an amendment to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George Rabcinski, former private, Company E, Three Hundred and Fifty-ninth Regiment, Infantry, the sum of \$140.37, being the par value of one second Liberty Loan bond together with interest which had accrued prior to its call, and for which he has paid the United States by deduction from his pay as an enlisted man, and which bond was erroneously delivered to persons unknown and not designated by

him to receive it: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RALPH RIESLER

The Senate proceeded to consider the bill (S. 2126) for the relief of Ralph Riesler, which had been reported from the Committee on Claims with amendments, on page 1, line 5, to strike out the word "Riesler" and to insert in lieu thereof the word "Reisler"; on line 6, to strike out "\$5,000" and to insert in lieu thereof "\$2,000 in full settlement of all claims against the United States"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ralph Reisler the sum of \$2,000 in full settlement of all claims against the United States for damages suffered by reason of his son, Ralph Reisler, being struck and killed by a Government automobile which was driven by an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ralph Reisler."

CATHARINE I. KLEIN

The bill (S. 4019) for the relief of Catharine I. Klein was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have an explanation of this bill. If there is no one here to explain it, let it go over.

The PRESIDING OFFICER. The bill will be passed over.

RODMAN CHEMICAL CO.

The joint resolution (H. J. Res. 223) conferring upon the Court of Claims jurisdiction of the claim of the Rodman Chemical Co. against the United States was announced as next in order.

Mr. LA FOLLETTE. Mr. President, may we have an explanation regarding this measure? I notice that the War Department is opposed to its enactment.

Mr. KING. Let it go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

LYDIA C. SPRY

The bill (H. R. 381) granting insurance to Lydia C. Spry was considered, ordered to a third reading, read the third time, and passed.

JOHN T. CLARK

The bill (H. R. 4439) for the relief of John T. Clark, of Seattle, Wash., was considered, ordered to a third reading, read the third time, and passed.

GRAND VIEW HOSPITAL AND DR. A. J. O'BRIEN

The bill (H. R. 5764) to compensate the Grand View Hospital and Dr. A. J. O'Brien, was considered, ordered to a third reading, read the third time, and passed.

GEORGE S. GEER

The bill (S. 1419) for the relief of George S. Geer, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to George S. Geer, formerly a corporal, Company M, Forty-sixth Regiment United States Volunteer Infantry, 2 months' extra pay in full satisfaction of his claim for benefits under the provisions of the act entitled "An act granting extra pay to officers and enlisted men of the United States Volunteers", approved January 12, 1899, as amended, such claim having been disallowed because said George S. Geer was discharged prior to the date of the general order authorizing the muster out of volunteers serving in the Philippine Islands.

PETRA M. BENAVIDES

The bill (H. R. 1363) for the relief of Petra M. Benavides was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? If not, let it go over.

The PRESIDING OFFICER. The bill will be passed over.

DAVID DUQUAINE, JR.

The bill (H. R. 8061) for the relief of David Duquaine, Jr., was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. BRUCE LEE

The Senate proceeded to consider the bill (H. R. 3952) for the relief of Mr. and Mrs. Bruce Lee, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out the words "not otherwise appropriated" and to insert in lieu thereof the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mr. and Mrs. Bruce Lee, father and mother of Murvel Lee, the sum of \$2,500, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, and in full settlement of all claims against the United States for the death of said Murvel Lee, who was killed when struck by an automobile owned by the Department of Agriculture, and driven by an enrollee of the Civilian Conservation Corps, near Clearfield, Rowan County, Ky., on January 14, 1934: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SARAH SHELTON

The Senate proceeded to consider the bill (H. R. 2982) for the relief of Sarah Shelton, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, to strike out "\$6,000" and to insert in lieu thereof "\$5,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Sarah Shelton, of Granite City, Ill., the sum of \$5,000 in full settlement of all claims against the United States for the death of her husband, William Shelton, who was killed by being run down by a launch under the control and charge of the deputy collector of customs at St. Louis, Mo., while said deputy collector was in the exercise and discharge of his official duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary

notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BARBARA BACKSTROM

The Senate proceeded to consider the bill (H. R. 4387) for the relief of Barbara Backstrom, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and in lieu thereof to insert:

That jurisdiction is hereby conferred upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of Barbara Backstrom, of Muskegon, Mich., for damages resulting from injuries sustained in falling from an unguarded spot on the lighthouse maintained by the Government at the entrance of the channel leading from Lake Michigan into the Muskegon Lake Harbor on July 7, 1934: *Provided*, That the judgment, if any, shall not exceed the sum of \$5,000.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claims, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction, under the provisions of paragraph twentieth, of section 24, of the Judicial Code, as amended.

Mr. KING. Mr. President, I thought a rule had been established that cases similar to this were to be referred to the Court of Claims. I have no objection to sending these tort actions to the Court of Claims for ascertainment of the facts, but we had better consider very thoroughly the proposal to send them all to the Federal courts throughout the United States.

Mr. COUZENS. May I point out to the Senator that this is a case where, in my judgment, the Committee on Claims should have allowed this claim, but I was unable to convince the committee they should allow it. So, as a substitute, they proposed the amendment just stated.

This particular case arose in Muskegon, Mich., and if the claimant had to come to Washington to prosecute the case before the Court of Claims there would be nothing left for her because of the limit of \$5,000 which she could receive.

Mr. McKELLAR. I was just about to ask the Senator whether the claimant lived near the court where the claim is to be tried.

Mr. COUZENS. Within a few miles.

Mr. McKELLAR. I think the Senator is correct in his position.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act conferring jurisdiction upon the United States District Court for the Western District of Michigan to hear, determine, and render judgment upon the claim of Barbara Backstrom."

ODESSA MASON

The Senate proceeded to consider the bill (H. R. 1252) for the relief of Odessa Mason, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out the words "not otherwise appropriated" and to insert in lieu thereof the words "allocated by the President for the maintenance and operation of the Civilian Conservation Corps", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury allocated by the President for the maintenance and operation of the Civilian Conservation Corps, to Odessa Mason, of the city of Newport, Tenn., the sum of \$750 in full settlement of all claims against the United States for bodily injuries sustained by her on September 13, 1933, when an automobile in which she was riding was in collision with a truck of the Civilian Conservation Corps, on State Highway No. 75: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or

received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF LAND TO HOT SPRINGS, N. MEX.

The Senate proceeded to consider the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., which had been reported from the Committee on Public Lands and Surveys with amendments, on page 1, line 6, to strike out the word "northeast" and to insert in lieu thereof the word "north"; and, on page 2, line 4, after the numerals "1933", to insert a comma and the words "pursuant to the provisions of section 17 of the act of November 29, 1929 (42 Stat. 212)", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to patent to the city of Hot Springs, N. Mex., upon payment by such city of a purchase price at the rate of \$1.25 per acre, the land on the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico, for the purpose of enabling such city to establish a permanent recreational site and municipal golf course, subject to the highway right-of-way shown on a map approved by the Department of Interior on December 13, 1933, pursuant to the provisions of section 17 of the act of November 9, 1929 (42 Stat. 212). Such conveyance shall contain the express condition that if such city shall at any time cease to use such property for such purposes, or shall alienate or attempt to alienate such property, title thereto shall revert to the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico."

DISPOSAL OF MATERIAL TO BOY SCOUTS OF AMERICA

The bill (S. 3990) authorizing the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America was announced as next in order.

Mr. COPELAND. Mr. President, this bill is identical with Order of Business 1766, House bill 9671, and I ask that the House bill be substituted for the Senate bill and be considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 9671) to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America.

Mr. ROBINSON. Mr. President, what is the property that is to be so disposed of?

Mr. COPELAND. It is boats and other material from the Coast Guard, unneeded materials, to be given to the Boy Scouts.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3990 will be indefinitely postponed.

EXAMINATION OF MARSHY HOPE CREEK

The bill (H. R. 10975) authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline

County, Md., with a view to the controlling of floods was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF THE REPUBLICAN RIVER

The Senate proceeded to consider the bill (S. 4025) to authorize a preliminary examination of the Republican River with a view to the control of its floods, which was read, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Republican River and its tributaries, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

Mr. McKELLAR. Mr. President, I think this bill was indefinitely postponed. It certainly has been acted on.

Mr. STEIWER. Mr. President, the bill just read is a bill to authorize an examination of the Republican River with a view to controlling its floods. There is no objection to this bill, but let me suggest that the ever-rising tide of Republican floods cannot be controlled by any legislative act.

Mr. FLETCHER. Mr. President, this bill went over at the request of the Senator from Nebraska. It was to be retained on the calendar to see what action the House would take on the amendment to the House bill adopted earlier in the day.

Mr. ROBINSON. The name of the river ought to be changed. [Laughter.]

Mr. McKELLAR. Mr. President, a House bill similar to the Senate bill was passed, and I thought the Senate bill was indefinitely postponed.

Mr. FLETCHER. No; the Senator is mistaken.

Mr. McKELLAR. The House bill was amended and passed.

Mr. BORAH. Mr. President, the Senator from Nebraska [Mr. NORRIS] did not want the Senate bill indefinitely postponed. He wanted it to remain on the calendar, so that if the House did not act in harmony with his views the bill would be on the calendar.

Mr. FLETCHER. He wanted it to remain on the calendar until the House had acted on the amendment.

Mr. McKELLAR. I believe the Senators are correct about the matter.

The PRESIDING OFFICER. The bill will be passed over.

RESEARCH IN PACIFIC OCEAN FISHERIES

The bill (S. 3989) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DISTINGUISHED FLYING CROSS TO LINCOLN ELLSWORTH

The Senate proceeded to consider the bill (S. 3770) to award the Distinguished Flying Cross to Lincoln Ellsworth, which had been reported from the Committee on Commerce with an amendment, on page 1, line 3, to strike out the words "the President of the United States is hereby authorized to award the Distinguished Flying Cross" and to insert in lieu thereof the words "by act of Congress, a special gold medal be awarded", so as to make the bill read:

Be it enacted, etc., That by act of Congress, a special gold medal be awarded to Lincoln Ellsworth, noted American explorer and outstanding pioneer in exploratory aviation in the Arctic and Antarctica, for his exceptionally meritorious services to science and aeronautics in making a 2,500-mile aerial survey of the heart of Antarctica to determine if it is a solid land mass or divided by a frozen sea, thus paving the way for more detailed studies of geological, meteorological, and geographical questions of world-wide importance.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to award a special gold medal to Lincoln Ellsworth."

Mr. BARBOUR. I should like to make a brief statement at this time, if I may, with respect to Senate bill 3770, which

was introduced by my distinguished colleague from California [Mr. JOHNSON], and which has just been passed.

I wish to express my pleasure at this recognition of Lincoln Ellsworth, a fellow resident of my State of New Jersey and a neighbor of mine in the borough of Rumson, Monmouth County.

I wish to express thus publicly to the senior Senator from California my appreciation of his having introduced this bill to award the gold medal recommended by the War Department to Lincoln Ellsworth. My only regret is that I myself did not introduce this measure. But no matter; that is a distinction without a difference, and the bill has come before the Senate under better auspices anyway.

Mr. ROBINSON. Mr. President, this bill signalizes the second instance in which the Congress has done honor to the name and services of Mr. Lincoln Ellsworth. In 1928, if my memory serves me correctly, I myself was prompted to introduce and promote the passage of a measure similar to this one in honor of the services and experiences of Mr. Ellsworth. That measure was approved May 29, 1928, and was in recognition of Mr. Ellsworth's polar flight made in 1925 and 1926.

BILLS PASSED OVER

The bill (S. 2694) to add certain lands to the Columbia National Forest in the State of Washington was announced as next in order.

Mr. KING. Mr. President, I should like some explanation as to the provisions of the bill, which proposes to add 80,000 acres to this forest.

If no one present can explain the bill, I ask that it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3580) granting and confirming to the East Bay Municipal Utility District, a municipal utility district of the State of California, and a body corporate and politic of said State, and a political subdivision thereof, certain lands, and for other purposes, was announced as next in order.

Mr. JOHNSON. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

OUACHITA NATIONAL FOREST

The bill (S. 3445) to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized to execute a quitclaim deed to Andrew Jackson Talley and Becca Adeline Talley, releasing all right, title, and interest of the United States in and to the following-described lands:

Lots 5 and 6 in the northeast quarter section 2, township 4 north, range 24 west, fifth principal meridian, and that part of lots 7 and 8 in the northeast quarter of said section 2, described as follows:

Beginning at a point on the north line of lot 8 which is 8.70 chains west from the northeast corner of said lot and is a point in the center of the creek; thence upstream with the meanders of the creek, and following the thread thereof, south 59° west 1.40 chains; south 69° west exactly 1 chain; south 82°30' west exactly 3 chains; south 86° west exactly 1 chain; south 55° west exactly 1 chain; south 66° west exactly 2 chains; south 74° west exactly 3 chains; north 61° west 1.75 chains; north 55° west exactly 2 chains; south 77°30' west 1.25 chains; north 85° west 1.75 chains; north 13° west exactly 2 chains, which is a point on the north line of said lot 7; thence east with the north line of said lots 7 and 8 to the point of beginning, containing an area of 83.19 acres more or less.

MARKER OF SITE OF ENGAGEMENT FOUGHT AT COLUMBUS, GA.

The bill (H. R. 9200) authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER FLOOD CONTROL

The bill (S. 3531) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes, approved May 15, 1928," was announced as next in order.

Mr. McNARY. I ask that the bill be passed over.

Mr. ROBINSON. Mr. President, this bill is of great importance. I express the hope that it may be taken up for consideration in the early future.

The proponents of the bill, including the Senator from Louisiana [Mr. OVERTON], realize that it would not be possible to secure action under the present unanimous-consent order.

Mr. McNARY. Mr. President, in that connection I desire to say that I hope no effort will be made by the able Senator from Louisiana [Mr. OVERTON] or the able Senator from Arkansas [Mr. ROBINSON] to take up this bill until the Senate Commerce Committee, which is now studying a national flood-control bill, shall have had an opportunity to consider the whole matter and to report on it.

Mr. ROBINSON. I may say to the Senator from Oregon that the bill just called—Senate bill 3531, being Calendar No. 1731—has relationship to one important phase of the subject of flood control. It does not purport or attempt to deal with the problem on the tributaries of the Mississippi, except in a very limited way.

I myself had hoped that the House bill, which passed during the next to the last day of the last session, and which I myself was instrumental in causing the Senator from New York [Mr. COPELAND] promptly and hastily to report, and which bill was taken up in the Senate during the very last day of the session, and finally, at the insistence of the Senator from Maryland [Mr. TYDINGS], was recommitted, might have reached the calendar before this time.

I know that the Commerce Committee has been very busy and that it has been diligent in studying the subject, and it is my understanding that the committee will be able to report in the early future.

If it meets the approval of the Senator from Oregon [Mr. McNARY] and the Senator from New York [Mr. COPELAND], I suggest that the Senator from Louisiana and myself, with others who are interested, confer in the immediate future as to procedure.

Mr. COPELAND. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. I yield.

Mr. COPELAND. I may say that the Committee on Commerce have been diligent, as our leader has said. We have been having hearings with the War Department through the past 2 weeks. We now have before the committee a tentative bill which will be taken up for consideration by the committee on Monday morning next at 10:30.

The bill to which I refer does not include the projects included in the Overton bill, but it includes other projects; and I assume that on Monday additions may be made to the bill.

I think it proper to make this statement, because, as chairman of the committee, I am anxious to have Senators who are interested and who have projects which they think are meritorious and should be added to the bill, communicate with the committee, either in person on Monday or in writing before that time, in order that we may know what the desires of individual Senators may be.

In this bill we have attempted to establish a yardstick. That never has been done with reference to flood control. It has been done with reference to river and harbor appropriations, but never with reference to flood control. If the committee does not vary from its apparent intention, no project will be included in the bill unless it has received the approval of the Army engineers and is considered meritorious by that Board.

I may say, Mr. President, that the committee is to meet on Monday at 10:30 o'clock in the Commerce Committee room. The whole committee will be there at that time, and if there are Senators who wish to be heard, I hope they will "speak then or forever hold their peace", because if we are to pass this bill it will involve a long conference, and it is necessary that there should be speedy action.

I refer not only to the general bill but also to other bills which, I assume, will be presented in the near future in order to determine what shall be our attitude regarding these various problems.

Mr. ROBINSON. Mr. President, of course it would not be possible now to determine whether the Senate will attempt to combine the two bills or let them proceed separately. It has been thought by some that the two measures—I am referring now to the Overton bill and to the omnibus levee and reservoir bill, which is the one that is still pending in the Commerce Committee—relate to different phases of flood control; and the question will arise, if it does not now arise, as to whether the bills shall be proceeded with separately, or whether an effort shall be made to combine them.

It will be recalled that at the last session, during the last few hours of the session, we hastily brought forward the omnibus levee and reservoir bill, which has relation to the control of floods on the tributaries of the Mississippi, and that during the debate which followed there was much ridicule, or attempted ridicule, of the provisions of the measure. I wish the Senator from Maryland [Mr. TYDINGS], who indulged in that remarkable display of humor, were present. I should like to call his attention to the fact that the Senate has just passed a House bill authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to controlling floods.

Mr. President, events of the past few days have given added significance and emphasis to the importance of flood-control legislation. When a great flood occurs in any community there follows an agitation in favor of action to prevent its recurrence. Differences then arise as to what had best be done; conflicts of opinion manifest themselves, and very little is accomplished. The years go by, and the currents gather their murky volumes and work destruction in their progress toward the sea; and again there is revived an agitation in favor of flood control, only to take the same course as in the past.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. ROBINSON. I will yield in a moment. In 1928 the Congress of the United States passed a comprehensive measure providing for projects for the control of floods within the alluvial valley of the Mississippi and on the tributaries of the Mississippi. The project as to the alluvial valley has been partially worked out; it has not been completed for the reason that public opposition to a prospective floodway became so great that the Federal authorities did not see fit to proceed with it.

The Overton bill, in my judgment, works out that problem, and works it out in accordance with the well-considered plans of the engineers. Almost every dispute touching that feature of flood control, namely, control of floods on the Mississippi or in its alluvial valley, has been settled, and the project is ready for action.

No one more than I realizes the importance of controlling floods on the tributary streams. The truth is that complete control cannot be accomplished without the construction of more levees and the creation of reservoirs.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield now to the Senator from New York.

Mr. McNARY. Mr. President, I think I had the floor.

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield; and if so, to whom?

Mr. McNARY. I am simply calling attention to the matter. I do not wish to yield further if title to the floor will thereby be taken away from me.

Mr. ROBINSON. I apologize to the Senator.

Mr. McNARY. That is all right.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from New York?

Mr. McNARY. I yield.

Mr. COPELAND. Confirmatory of what the Senator from Arkansas has said, it is very probable if the bill which we had before us last year, which was recommitted to the committee by reason of the speech of the Senator from Maryland [Mr. TYDINGS] had been passed and the control meas-

ures contemplated by the bill had been installed, the flood in Pittsburgh this year would not have occurred.

Mr. OVERTON. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. McNARY. I yield to the Senator from Louisiana.

Mr. OVERTON. I wish to add to what the Senator from Arkansas [Mr. ROBINSON] has said with respect to Senate bill 3531, known as the Overton bill, that the bill does not present for the consideration of Congress any new projects at all. The main purpose of the bill is to carry into execution the flood-control project adopted by the act of May 15, 1928, known as the Jadwin plan. The work under that plan and the work authorized by the Flood Control Act of 1928 is, roughly speaking, about half completed.

After the enactment of the act of 1928, the Mississippi River Commission and the Chief of Army Engineers, acting under a resolution adopted by the Flood Control Committee of the other House, made a resurvey and reexamination of the project for the control of floods in the alluvial valley of the Mississippi River, and the Chief of Army Engineers submitted a report in February 1935 suggesting certain modifications of that plan. The purpose of Senate bill 3531 is to adopt the engineering recommendations made by General Markham in modification of the adopted plan. A further purpose is to authorize additional funds to carry the work into execution.

I will say, Mr. President, that the bill for the control of floods in the alluvial valley of the Mississippi River differs from the omnibus flood-control bill and from any other bill relating to flood-control projects in this respect: That the Federal Government has adopted a national policy that flood control in the lower valley of the Mississippi shall be undertaken by the Government itself.

It further differs in this important particular, that the plan referred to in the Overton bill, to be modified according to the recommendation of General Markham as suggested in the Overton bill, has been recommended by the Mississippi River Commission, by the Chief of Engineers, by General Jadwin, by his successor, General Brown, and by the present Chief of Engineers, General Markham. There has not been any project ever submitted to Congress that has had more earnest and thorough consideration, investigation, and study than has the plan referred to in this bill.

I therefore hope that this bill may be considered in the immediate future; and I also express the hope that it will be considered separately and independently from other proposed flood-control legislation.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. In view of the fact that the Overton bill, which is now on the calendar, is based upon a policy heretofore adopted by Congress accepting the responsibility in dealing with the Mississippi River as a separate national flood-control situation, is there any reason why the consideration of the bill should await the report of the committee on another bill containing a large number of miscellaneous projects, which are simply to be surveyed before any action can be taken by Congress? I ask the Senator if there is any real connection between them?

Mr. McNARY. I shall answer that question. I have the floor now, and I have been very gracious in yielding, I think.

Mr. BARKLEY. The Senator from Oregon is always very gracious.

Mr. McNARY. And I should now like to proceed.

I am not here opposing at this time, nor is it my purpose to oppose the so-called Overton bill.

Answering the Senator from Kentucky [Mr. BARKLEY], this bill deals with the same subject matter as does the omnibus bill, namely, flood control, arresting the angry waters of turbulent streams throughout the country. While it deals with the lower reaches of the Mississippi River, it is

just as important to deal with the reaches of other rivers throughout the country.

It is true that in 1928—I recall it, because I happened to be a member of the subcommittee of the Committee on Commerce when the action was taken—Congress adopted the plan with respect to the Mississippi River. Why? Because that reached back to prior legislation which comprehended flood control limited to the Mississippi River and the Sacramento River. At that particular time, or the year following, I tried to have an amendment written into the law making flood control under the responsibility of the Federal Government applicable to the great Columbia River of the Pacific Northwest.

I am not opposing the Overton bill as it stands, but I say it is not good legislative practice to take up separately that bill, which treats of flood control on a principle different from that outlined in the so-called omnibus bill which is now being considered by the Committee on Commerce, and on which a report will be made in the near future. The two ought to go together. We must study this whole problem from a national standpoint. One who lives on the banks of the Arkansas River, of the Suwannee River, or the Wabash River, or that most delightful of all rivers, the Columbia River, is entitled to the same protection from the Federal Government as is anyone who lives on the banks of "Old Man River"—the Mississippi.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. I wish to say that, so far as I am individually concerned, I am in sympathy with the assumption of responsibility by the National Government with respect to all rivers that are causing damage, or may cause damage, by the overflow of their waters, but the provisions of the Overton bill were not included in the omnibus bill which was discussed at the end of the last session and recommitted to the committee. The omnibus bill is largely a bill for surveys seeking information.

Mr. McNARY. Not at all. The Senator is not conversant with the philosophy of the bill and its terms.

Mr. BARKLEY. Of course, many of the items provided for surveys, and some were authorizations; but the stream of ridicule which was directed at that bill, which largely was responsible for its recommitment, was because of surveys which were provided for and not because of authorizations.

What I started to say was that that bill has passed the House and is now in the Senate Committee on Commerce. The Overton bill has passed neither House, and while both bills deal with floods, there is no necessary connection between the two from a legislative standpoint, although it would be desirable, as it always is, for all subjects pertaining to a given policy to be included in the same bill.

Mr. McNARY. They deal with the same subject matter, namely, the Government's attitude and contributions with respect to the control of the floodwaters of streams throughout the country. When we are dealing with a subject matter and it affects one section of the country as it does another, are we to favor one section over another, or shall we grasp the whole problem and study it from that angle? When we had the A. A. A. measure here did we consider just the effect it had on farmers in the South who produce cotton? No. We treated it from a national standpoint. I am appealing only for a fair and decent plan of legislation for the country at large, and that the Overton bill be not taken up until the omnibus bill may be brought before the Senate and a general policy formulated.

Let me say to the Senator from Kentucky that to my mind one of the policies we should determine is how far we are to exact cooperation from those who suffer because of the floodwaters of our angry streams. A plan was brought to me yesterday by one of the generals on the Board of Army Engineers to provide that reservoirs should be built solely at Government expense, and that for some sections of the country levee districts should be established and flood-control

organizations created, for which the farmers themselves would burden their property to take care of floodwaters. In other sections there is a requirement of cooperation on the basis of 50 to 75 percent and as low as 25 percent. Are we going to adopt the policy of noncooperation with some individuals and districts who are protected? Shall one plan apply to the lower reaches of the Mississippi and another to the rivers of New England or of the Middle West or of the far West?

In fairness, my suggestion ought to appeal to the good sense of anyone who is interested in logical and proper legislation. The suggestion is merely that some plan, which is national in its character, should be devised for flood control, because floods are just as disastrous in one section as in another, and we should have a plan which will operate equally in all sections of the country. It is for that reason and in the interest of wise legislation and fair and equitable treatment of all regions of the country that I request, and I insist, so far as I can, that the Overton bill be not taken up until the Commerce Committee can report to this body what it believes should be the future policy of the Government with respect to the control of the floodwaters of our streams.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. The Commerce Committee has had both bills under consideration, the omnibus bill and the Overton bill. We cannot assume the Commerce Committee is derelict in the performance of its duties if it did not see fit to combine the two measures, but has reported the Overton bill for the consideration of the Senate.

Mr. McNARY. I am not interested in any assumption that may be made. If the Senator from Kentucky knew something about the subject matter, he might discuss it with much more understanding. Just yesterday General Pillsbury was before the committee with an entirely new scheme that does not involve cooperation. We have not as yet had copies of the bill for members of the committee to read. It is for that particular reason, among others, that I suggest that the Overton bill, which centralizes itself and localizes itself on one part of a mighty stream, should rest in peace on the calendar of the Senate until a plan is suggested to the Senate by the committee now considering the subject matter.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. McNARY. I yield.

Mr. BARKLEY. The Senator from Oregon seems to be unusually agitated this afternoon and in a frame of mind which induces him to be snappy at his fellow Senators without the slightest justification. I merely stated that the same committee which has the omnibus bill before it has considered the Overton bill and reported them separately, to which the Senator replied I did not know what I was talking about. The record, I believe, shows the bill was reported March 5, 1936, long after both bills had been considered by the committee during all of this session.

My remark merely was directed to an inquiry as to why the committee charged with responsibility as to all this legislation have seen fit to report this bill. I said it was because the committee thought it was worthy of consideration and had not sought to combine it with the omnibus bill now before the committee and which may or may not be acted on in the near future.

Mr. McNARY. I have tried to make it clear to the Senator that the Commerce Committee reported the omnibus bill. Later on it was returned to the Army engineers for further consideration. Yesterday the Board of Army Engineers submitted through one of its members a different plan altogether, which, if adopted, will apply to every section of the country.

It is my attitude and my belief that such a plan, general in its application, should be considered by the Senate.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. OVERTON. I am very much in sympathy with the suggestion that there should be adopted a national policy with reference to flood control generally throughout the Nation. I do not mean by that that on every little stream which happens to overflow its banks flood-control works should be provided by the Federal Government.

I wish to assure the Senator from Oregon that, as a member of the Committee on Commerce, I should be very glad indeed to cooperate with him in the formulation of a bill which would properly express the policy the Federal Government ought to adopt. However, I wish to call his attention to this difference between the omnibus bill and my bill.

No policy whatsoever has been adopted by the Federal Government in respect to all the various projects which are incorporated in this great bill. On the other hand, 8 years ago the Federal Government adopted a policy with reference to the control of floods in the lower Mississippi Valley. The purpose of my bill is not to ask Congress to consider what policy should be adopted in reference to the lower Mississippi Valley, because that policy has already been adopted. In respect to the omnibus flood-control bill, a policy should be carefully considered and carefully formulated. The chairman of the Commerce Committee has been working with that object in view. A bill has been tentatively prepared and submitted announcing such a policy.

But why should the lower Mississippi Valley wait on flood-control projects stretching from California to Maine when the Federal Government has already formulated such a policy, has spent over \$200,000,000 in prosecuting that work, and if not further prosecuted, the work which has been done will be practically worthless and the money which the Federal Government has spent will have been wasted?

As has been pointed out, the omnibus flood-control bill has already passed the House. It has been considered by the Senate Commerce Committee, reported to the Senate, referred back to the Commerce Committee, and again reported by that committee. But my bill has not been considered by the House. After it shall have been passed by the Senate it will have to go to the House and be acted on there. I fear that while we are awaiting a formula to be applied with reference to the other flood-control projects, unrelated to the project covered by my bill, it will be too late to secure the passage of my bill through both branches of Congress.

Mr. McNARY. Let me assure the Senator that I shall take no action which will unnecessarily delay the consideration of his bill. I am only seeking cooperation along a line which I think will be advantageous to the country. Inasmuch as the Commerce Committee is to report within a few days on a general plan, I suggest to the Senator that he do not push his bill until that time. I think he is entitled to have both the House and the Senate consider his bill. I always believe in giving every Senator who has a bill on the calendar an opportunity to be heard. I shall be glad at the proper time to cooperate with the Senator, but at this time I think it would be unfortunate to consider his bill and leave the omnibus bill yet to be considered.

That is the nature of the request I make to the Senator, and in it I think he should concur.

Mr. OVERTON. Mr. President, let me make a further observation, if the Senator will permit me to take up part of his time.

Mr. McNARY. I shall be very glad to yield to the Senator.

Mr. OVERTON. General Markham made his report to Congress in February of last year as to a modification of the Jadwin plan. The House Flood Control Committee considered that plan and held extended hearings thereon. No bill was reported. In the meantime the work of execution of the Jadwin plan, while it has not exactly ceased, has been considerably abated.

Now let me make a further observation. As the Senator from Oregon very well knows, the omnibus flood-control bill relates, while not exclusively, very largely to the construction of reservoirs; and the thought back of the omnibus flood-control bill is to build such detention reservoirs in the headwaters of streams and their tributaries in order to prevent

floods. But the Jadwin plan, as proposed to be modified under the recommendations of General Markham, does not deal with reservoirs, except in one or two isolated instances, but is a well-considered, well-thought-out, successful plan of controlling the flood waters in the lower Mississippi Valley by a system of levees and floodways. It is the most economical plan that can be adopted; it is the most practical plan that has been suggested; and, if carried into execution, it will solve the flood-control problem of the lower valley.

I thank the Senator for yielding to me.

Mr. ROBINSON. Mr. President, there is no subject coming before this Congress of greater importance than that which is being generally discussed at this time.

The overflow of streams in the East and the Northeast during the past few weeks has brought upon peoples and communities deserving protection a situation which has confronted millions of people in the Mississippi Valley from the beginning of the history of the country.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MINN in the chair). Does the Senator from Arkansas yield to the Senator from Massachusetts?

Mr. ROBINSON. I do.

Mr. WALSH. I desire to emphasize what the Senator has said about recent events awakening the country to an appreciation of the necessity for flood control.

We of New England have never thought that flood control was an activity of the Government which ought especially to interest us. Our streams have many dams upon them, built close together, and we have felt that these numerous dams would sufficiently protect us from flood; but we have had a terrible awakening.

I heard a man say the other day that the catastrophe which has recently happened to New England is the greatest catastrophe which has happened in the United States during the history of the country. That possibly may be exaggerated; but because our cities and towns are numerous and close together on our rivers, with a large number of mills built on their banks, mills which employ thousands of people, all of which have been damaged, and many hundreds of thousands thrown out of work, we have a very serious problem, aside from the tremendous damage to property.

I desire to emphasize what the Senator said—that even those portions of the country which did not realize before what flood control meant are now realizing it, and are desirous that some action be taken promptly to prevent the loss of human life and the destruction of public and private property and the increasing unemployment that have been the result.

I thank the Senator for permitting me to interject these statements.

Mr. ROBINSON. Mr. President, the people in the areas referred to by the Senator from Massachusetts are now, for the first time in my lifetime, conscious of the intensity and importance of the problem of flood control.

Mr. WAGNER. As a matter of national concern?

Mr. ROBINSON. Yes. There has been a disposition—it has been manifested in the past few months here in the Senate—to treat flood control as a matter of mere local concern.

In 1928 the Congress of the United States, by formal legislative enactment, declared the control of floods in the alluvial valley of the Mississippi River to be a national problem, and its legislation was based upon that principle and theory.

From 41 to 43 percent of the territory of the United States is drained through "Old Man River." No amount of activity or attention or sacrifice on the part of peoples dwelling within the basins of tributary streams can give protection against the combined wrath and force of the waters which are gathered from half the territory of the United States and emptied into the Gulf of Mexico through the Mississippi.

Flood control is recognized in the law referred to by the Senator from Louisiana and by myself in previous remarks as a national problem; but its importance has not been realized in many sections of the country, because persons living in those sections have not seen what a devastating

flood means. They have not listened through long, dark nights while the angry lightnings were flashing and the deep-voiced thunders rolling, to the rush and roar of maddened waters with force and power irresistible. Palaces and hovels have been swept away, persons enjoying abundance one day have been impoverished the next, all because of flood waters from streams.

A dam cannot be built in a navigable stream, a levee cannot be erected without interfering with the prerogatives of the Government. As the years have gone by, and the forests have been destroyed, the timber cut away and soil erosion increased and augmented, the problem has increased in magnitude. Floods now occur where they did not take place before; and during the very hours when Pittsburgh and Hartford, Conn., and thousands of other towns in the East were being washed away, dust storms occurred in other parts of the country, darkening the sun, indicating the existence of a condition which demands action not by a single community, not by a county, not by a State alone, but by all the communities and all the counties and all the States.

The Senator from Oregon [Mr. McNary] is right in the assumption that the problem ought not to be treated in a local way; but I am telling him what I believe he already knows when he thinks about it, that a sound flood-control policy applying to all the States and Territories cannot be formulated within a few hours. Millions of dollars must first be spent, and the best engineering brains at our command must be employed, to find out what can be done, and to determine what had best be done; and if we wait until the plan is complete for every section of the country, we shall have a recession of the tide of public opinion which will make for further delay.

Talk about the Commerce Committee of the Senate—composed, as it is, of some of the most intelligent and useful Members of this body—working out between now and Monday, and reporting, an adequate, sound bill for the control of floods throughout the United States. If we do not know any more about it than to assume that that can be done, we had better take up the primers again and resume our primary studies.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. FLETCHER. Assuming that it is desirable that there should be established a national policy on this subject, and that the flood-control bill now before the Commerce Committee will eventually outline that policy and determine what shall be done in building reservoirs, and all that sort of thing, in different places—different things in different localities—what has that to do with a project plans and specifications for which and the authorization for which have already been fixed? Whatever national policy may be developed in the omnibus bill will have to do for the future. Am I right about that?

Mr. ROBINSON. Certainly.

Mr. FLETCHER. And will not interfere with this project.

Mr. ROBINSON. I was approaching that aspect of the problem, with a full consciousness of its importance. I resume where I left off, that however courageous, intelligent, and active our great committee may be, we need not expect it to report a bill next Monday, or even next month, which its members will regard and advocate as a complete plan for the control of floods throughout the United States. The most that can be expected—remember this—is a partial solution of the problem, recommendations for projects which have been surveyed, leaving important aspects of this subject for future study and determination.

I would give everything I possess in this world if there could be brought into this body, of which for a time I have the honor to be a Member, a measure which would be generally regarded as approximately correct, designed and calculated to give adequate or reasonable protection to the various communities in this country against the ravages of great floods.

The engineers usually require months, and in a few instances years, to make those researches and surveys which

are essential to sound and wise procedure. We cannot go out and build a dam or a dike or a reservoir just where anybody may suggest that it should be. We must know, insofar as scientific knowledge can inform us, that if we raise a levee, or build a reservoir, if we provide a floodway, it will be effective for the purposes in mind; and in order to find out what levees and what reservoirs and what floodways are necessary many engineers must be called to service, and they must be given the time necessary to ascertain the facts and to reach conclusions.

Nothing would please me better than to have brought to the Senate next week, or tomorrow, if it were possible, a bill which you and I would say would do the work; but I know it is not going to be done, because it cannot be done; it is a physical impossibility.

Then the question arises whether we shall postpone all action until such a time as the countless hundreds, aye thousands, of streams in the United States will make it possible for the Congress to determine what works are required.

In 1928 Congress adopted as a national policy flood control in the Mississippi Valley. It had a general plan for the control of floods on the streams that has scarcely been touched. Very little has been done toward carrying out that plan insofar as the tributaries of the Mississippi are concerned.

The project for control in the lower Mississippi Valley is proposed to be modified by the Overton bill in accordance, in most particulars, with the best judgment of the engineers. It is not necessary to wait until a survey has been made of a river in Maine or Massachusetts to know what to do there. We know what is necessary to be done. We have the technical information required. If we wait until all the surveys which will be necessary have been made and all the projects which will be required have been approved by the Congress, we will see flood after flood; we will see Red Cross ambulances with their beautiful emblems dashing along the highways carrying relief. In the meantime hundreds of lives will be lost and millions of dollars worth of property will be destroyed.

In the floods which have taken place in the East and the Northeast during the last week or 10 days it is estimated that more than \$300,000,000 worth of property has been destroyed.

Mr. WALSH. Without any insurance.

Mr. ROBINSON. And more than 178 lives have been lost. Of course it is right, and of course it is necessary, to work out and put into effect programs to prevent the recurrence of such calamities. But we cannot do it tonight; we cannot do it tomorrow. The best that can be hoped for, responding to all the impulses that are prompted by present and recent occurrences, is that considerable time will be required before plans are ready and before we can know what we ought to do and what can be done. As fast as they are ready and as fast as you know what ought to be done, let me help you, if you please, to accomplish what is desired to be accomplished.

I have been in the habit of giving study to this subject for the past 30 years. My own eyes have witnessed some things which my memory often recalls. During the great flood of 1927 I received many telegrams to come to a certain city in the flood district, and I went there and asked what I was expected to do. The people there said, "We thought perhaps you could help maintain the morale of our people, that you could make some speeches at public meetings within this flood area. But first let us take you out on the river and show you what is occurring."

We drove out a concrete highway, built at local expense, to a point where the levee was threatened with a break, and on the way down they said: "No automobile passes over this highway except it is requisitioned for work in the flood. Sightseers have been coming here from adjoining States. We take them out of their automobiles, give them picks and shovels, and tell them to go to work on the levees. Our women have left their homes and are out here in tents cooking and taking care of flood refugees."

I saw women carrying emaciated little children in their arms, white and black, administering food and medicine to them and trying at times to lull them to sleep, and all the while the current was flowing in against the levee, and men were working and relieving each other in shifts, staying right there. The town had almost been abandoned. No one knew what the result would be.

By accident, some person suggested a simple plan. He suggested that cotton bagging be laid against the levee and that rock and dirt be piled on it, using it as a kind of revetment; and, fortunately, it held.

After 2 or 3 days I went back; and on every mound that appeared above the surface of the water I saw groups of women and children gathered about little fires, partaking of food that had been supplied to them. Here and there I saw men and women still at work. A song of triumph was going up from the hundreds of black men working on the levee. A shout of joy was reverberating through the overflowed region. The effort succeeded.

Since I witnessed that incident I have been ready to do everything within my power to provide protection to the communities that are threatened with destruction by the waters of rivers owned by the United States.

It seems to me that the wise and the fair thing to do is to go forward with determination, taking all the advice that can be obtained from all the scientific agencies that are available in the Government and from private sources. Obtain the information that is necessary to formulate comprehensive plans; but, in the meantime, when a plan has been made and agreed on, do not wait for another overflow before taking action to prevent overflows. Proceed as soon as we are ready to proceed. If we do that, in the course of a few years we shall have in effect a comprehensive program for the control of floods throughout the United States.

Mr. DUFFY. Mr. President, I am today in receipt of a copy of a letter published in the Milwaukee Journal, Milwaukee, Wis., written by O. J. Gromme, a prominent citizen of Milwaukee, who discusses very interestingly the question of flood control. I think this is an appropriate place in the Record to have that letter set forth; and I, therefore, ask unanimous consent that it be printed in the Record at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

MILWAUKEE PUBLIC MUSEUM,
March 24, 1936.

To the CITY EDITOR:

This morning the newspaper headlines are screaming the plight of the people engulfed in the great flood and showing pictures from its scenes of horror and devastation unparalleled in the history of our country. Walls of water beyond human control are causing an appalling loss of life and property and all attempts to stem the flow are futile. Strange as it may seem, at the same time Milwaukeeans while reading this morning's news are choking in a cloud of yellow dust which all but blots out the sun. In our own country we are at the same time the victims of two of Nature's greatest cataclysms—drought and flood.

It hardly seems possible that in this age of enlightenment and scientific knowledge civilized man will permit Nature's furies to engulf him. Here in Wisconsin we feel quite content in the false security and belief that we are far removed from scenes of drought and flood. Scientists remind us that the encroachment is rapidly creeping northward and the dust that is choking us today is the precious top soil borne to us by the wind out of drought-stricken areas. Often do we hear the remark, "Poor drought- and flood-stricken China." I wonder if the unpleasant reminders of today right here in our midst do not pretty thoroughly show us up in the same light to the Chinese and particularly to nations more progressive in the vital function of conservation of natural resources, particularly water and forest resources.

Frantic efforts are being made by the Government to aid our unfortunates in time of distress. The cry right at this moment is for bigger and better levees and deeper channels through which our precious water and top soil is to be delivered via fast express to help build up the Mississippi Delta and add more water to the floods. Millions and millions are to be spent for this type of engineering. I wonder if it has ever occurred to our Army engineers that the way to check floods is at their source. When a doctor is confronted with an infection, he usually looks for the cause. It seems to me and to many others who have given the above problems most serious consideration, that both flood and drought can be checked right here in our Northern States. Now, to put the horse before the cart for a change, we can have permanent relief instead of a patchwork of temporary salving in the form of levees and channels. In time the gradual deposition of silt and continu-

ous and expensive raising of levees in the South will make aqueducts instead of rivers of our southern waterways and at the same time will give us no relief as a whole.

If again we place the horse before the cart, the logical suggestion would be the impounding of flood waters right here in Wisconsin and other Northern States where wise Nature made lavish provision in the form of millions of acres of natural reservoirs and other millions of acres for forest growth. In both cases our senseless and wasteful method of deforestation and so-called marsh reclamation have proven that the land originally intended by Nature for that purpose can adequately serve that purpose only. In Horicon alone our State could, for example, impound 44,000 acres of water at depths varying from 1 to 6 feet. Cut up by drainage ditches as it now is, the consequent rapid outflow is most certainly not relieving the flood situation in the South. All drained marshes in northern United States added together will give us the sum total of the great flood.

Humanity will be far better served by the temporary flooding of marginal and useless farmland than pouring the water in a devastating current down the main street of some American metropolis. With restoration of all our northern United States marshes and the natural basins, these tremendous areas can be made to give up impounded water during the summer drought and gradually during winter months, and made ready to hold the overflow of spring freshets. The whole scheme is so simple that to neglect such an opportunity in the face of disaster would be laughable if it were not so tragic. The function of forests in shading snows from too rapid melting and from the standpoint of moisture absorption is too well known to cite here.

Certain of our economists and legislators propound numerous ideas to place money into the hands of the needy farmer. Could not some of this money be made to serve a manifold service of distribution of wealth and at the same time a redistribution and permanent maintenance of water levels and flood relief? Flood control must be national and not the plaything of prejudice and, still worse, local politics. Would it not be wise, economical, and timely that the United States take over definite control of all overflow basins in all States? Outright purchase of submarginal marshlands will aid the needy farmer and give Government control to floodwaters at their source and not lack of control where the damage is being done.

It is a well-known fact that it takes water to make rain and that rain clouds sometimes travel thousands of miles before giving their moisture back to Mother Earth. If we are to have evenly distributed rainfall and real flood control, we shall be very wise to recreate or restore our natural water levels by undoing the damnable work done by drainage and by standing solidly behind a Nation-wide reforestation program. Here is an opportunity for Government and State to realize an enormous return on an investment made now while we have opportunity to receive money under the Works Progress Administration. Road building is expensive and most worthy, but it seems that we are facing another national emergency from floods and the encroachment of desert conditions. It will take millions of men to rebuild the damage done by drainage and deforestation. We would, indeed, be wise to repair this damage now and, as I see it, we have a most excellent opportunity in our State.

O. J. GROMME,
Milwaukee Public Museum.

Mr. NORRIS. Mr. President, inasmuch as our illustrious and able leaders on both sides of the Chamber have violated the 5-minute rule under which we are now proceeding, I suppose if a similar violation shall take place on the part of one of the rank and file there will not be any objection to it.

Mr. ROBINSON. Not at all.

Mr. NORRIS. Mr. President, the subject of flood control, in my judgment, is the most important subject for Nation-wide discussion. I desire to call attention, as I have often done before, to the fact that the proper way to control floods is to consider streams as a whole, and to build the necessary dams with reference to the complete control of the entire streams.

If we begin now with a systematic control of our flood waters, it probably will take 100 years before the job will be finished; but we shall begin to get the benefits of it within a short time after we commence that kind of control.

I desire for just a moment to discuss the great Mississippi River Basin. As I see it, one of our major undertakings should be the control of the floodwaters of the streams of the Nation. There ought to be projects of a similar nature on the Pacific coast, on the Atlantic coast, perhaps on the Gulf of Mexico, perhaps on some of the Great Lakes; but the Mississippi River Valley flood-control project probably will be greater than any other.

Since I have been in public life we have spent literally hundreds of millions of dollars in trying to control the floods of the Mississippi by building levees on the lower stretches of the river. A systematic control running over years, with a view of making as far as we can a complete control, would,

as I see it, mean that we should begin on the tributaries of the Mississippi River, and wherever nature has made a place for a large reservoir we should hold a large amount of floodwaters, and utilize those, commencing with the largest ones, and continuing from year to year as we were able to expend the money to hold back other floods in other areas and other tributaries, doing that systematically after a careful survey and investigation by competent engineers, and in that way controlling the major part of the floods that do damage in Mississippi and Louisiana.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH. Confirming what the Senator has just said, only yesterday the Army engineers made a report on flood control of the Connecticut River. The greater portion of the damage done by the Connecticut River was to the cities on the lower portion of the river—Hartford, Springfield, Holyoke, Chicopee, Northampton, Greenfield, and adjoining towns. The Army engineers propose the construction of 10 reservoirs. Where would those reservoirs be located? Up in Vermont and New Hampshire, miles and miles away from where the river damage was done.

Mr. NORRIS. Exactly. I believe that is the proper scientific way, and, in fact, the only way, in which we eventually shall control the floodwaters of our inland waterways.

Incidentally, Mr. President, it will be found that flood control is intimately connected with navigation; and, as I see it, and as I read the Supreme Court decisions, we shall have to connect flood control with navigation in order to make our legislation constitutional. I think we can easily do this, because it follows as night follows day that if we should control all the floodwaters of the Mississippi River and its tributaries, every reservoir we provided with a dam in front of it to hold back the floodwaters would improve the navigation of the Mississippi River, and make navigable some of its tributaries that now are not navigable, and improve the navigability of other tributaries. So the two purposes will dovetail, navigation being the basis, the constitutional peg upon which will hang flood-control legislation, for it will improve navigation in the great West, the land to the west of the Mississippi River. Another object might be added, namely, irrigation.

Mr. President, the best way in the world to store floodwaters is to store them in the soil. We cannot store all the waters in the soil, but irrigation projects will take up a great deal of the floodwaters. Flood control and navigation are proper charges against the Federal Government. Irrigation projects would in part be paid for by those who use the water, thus putting it to a beneficial use instead of permitting it to do damage farther down in the Mississippi River Valley.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. HATCH. In connection with the suggestion as to irrigation, would not the use of water for irrigation purposes also help to solve another problem, that of dust storms?

Mr. NORRIS. Exactly. There is another thing which will fit into the program of flood control. If, on a given river, we systematically hunt out the basins that will hold flood waters, and build dams at their mouths to hold the flood waters, we shall generate in the aggregate an enormous amount of electric power. So, again, we come to an element that will help pay the expenses of the operation of the bill—navigation, irrigation, flood control, production of power, all put together, allocating to each one that part of the cost which should properly go to that particular element.

I was today told by the junior Senator from Pennsylvania [Mr. GUFFEY], who honors me with his presence and attention, about a flood-control dam in Pennsylvania. I had asked him how many acre-feet that dam would hold. Today he gave me information to the effect that it would hold something over 900,000 acre-feet. That is a large amount of water, but when it is compared with all the floodwaters of the Mississippi Basin it is small. We would have to have many such dams, as the Senator from Massachusetts [Mr. WALSH] has said, but in the Allegheny Mountains, on the Monongahela River, on the Allegheny River, and on some other tributaries, other reservoirs could be located after

proper survey where 500,000 or 700,000, or even less, acre-feet of water could be held back. If they were all put together, we would lessen the great danger of floods at Pittsburgh. When we lessen that danger at Pittsburgh we likewise lessen the danger at New Orleans.

Putting these thousands of things together we will have practically controlled the floods on the Mississippi River. We will have relieved the lower stretches of the Mississippi Valley from the damage which occurs every year or so from floods.

Mr. President, we have undertaken in one instance which I am now going to cite to develop a stream in a scientific way. I refer to the Tennessee River. Two or three years ago when we passed the Tennessee Valley Act the constitutional peg upon which that legislation hinged was to make the Tennessee River navigable. In order to make it navigable we built flood-control dams. We have just now completed a dam known as Norris Dam on one of the tributaries of the Tennessee River. That dam will hold back 3,500,000 acre-feet of water. That means water which would cover 3,500,000 acres 1 foot deep. We have authorized the construction of a flood-control dam at Hiawatha, which will not hold as much water as Norris Dam, but it will be comparable.

Another storage dam can be built on the Little Tennessee River which would store almost the same amount of water. Several other projects, known from flood-control surveys, would make the flow in the Tennessee River almost continuous the year around. The Tennessee River has the fault of most of the streams, particularly in the South, of getting very low and very high, too high for navigation a portion of the year and too low for navigation the remainder of the year. The other dams built on the streams are not of very great value as flood-control projects, but are necessary as navigation projects, and when they are all constructed and all put together under the law Congress has enacted will constitute a scientific demonstration of what we can do by an orderly system and by proper legislation in the control of the flood waters of any stream.

Incidentally, in the Tennessee River a large amount of power is developed. That has been the prominent point of discussion in connection with that project.

Some have believed there was nothing involved in the legislation but the production of power. However, power was only a byproduct. The navigability of the Tennessee River was the primary object and the constitutional object of the legislation. Power came as a necessary incident.

It will be the same with all the other streams if we develop them scientifically, as we can. For instance, we are now building a dam in Montana at Fort Peck, on the Missouri River, which when it is finished will hold back somewhere in the neighborhood of 17,000,000 acre-feet of water. We have just completed a dam at Boulder, Colo., which will form a lake 150 miles long and 700 to 800 feet deep at one end, holding back flood waters which have been pouring for hundreds of years, yes, for millions of years, down into the valley, destroying property, destroying human life. Now the water is going to be harnessed for the benefit, happiness, and comfort of mankind.

We can do this with every other stream in the United States. We can do this with the Mississippi River. We ought to go at it systematically. It will take years to complete the work. I understand, from talking with engineers, that there is a location on the Ohio River where a flood-control dam can be built which will be very expensive because of the land which it will overflow being well settled and cultivated. But if it had been built that one dam would have taken the crest of the last flood on the Mississippi River and saved hundreds of lives and hundreds of millions of dollars' worth of property from destruction.

I look forward to the time when this great work will be undertaken. I do not expect to be here to see it finished, but I hope to see us start on the Mississippi Valley and, in a scientific way, harness the floodwaters that come from the sources, on the west from the Rocky Mountains and on the east from the Allegheny Mountains. We shall find in many

cases, perhaps in most cases, that the dams that will control the floods will be constructed near the sources of these tributaries. We shall never make the system perfect. I realize that there always will be local floods, local rains; but the great damage which has come about in the past has resulted from floods coming from one direction happening to meet in the stream floods coming from the other direction; and in such cases danger and destruction of property and human life always result.

Mr. TYDINGS. Mr. President—

Mr. NORRIS. I yield to the Senator from Maryland.

Mr. TYDINGS. Without discussing the merits of the flood-control question, I should like to ask the Senator if he does not think this consideration is worth while:

All States receive W. P. A. and P. W. A. work projects on somewhat of a general equation, so that the work shall be evenly distributed according to unemployment, and each State shall be treated generally in line with the treatment accorded other States.

So long as that policy holds, if one State shall receive in addition thereto twenty-five or thirty million dollars for flood-control projects, it is my thought that an equation ought to be worked out so that the work afforded by the twenty-five or thirty million dollar flood-control appropriation shall count against the W. P. A. or P. W. A. appropriation for that State. Otherwise we shall have spent by the Federal Government for work in one State twice as much money as is allotted to another State with no flood-control project in it, even though the latter State may have five times as much unemployment as the former State.

I simply bring out that point, not to take issue with what the Senator from Nebraska is saying, but to show the widespread effect and necessity of a comprehensive plan.

Mr. NORRIS. I think there is much in what the Senator says. However, I was not discussing the subject from the P. W. A. standpoint. I was discussing it from what I believe to be the scientific, efficient standpoint that must be adopted if we are to protect this country from damage by floods.

Mr. President, when we put all these things together—irrigation wherever it can be used, flood control, navigation, the control of dust storms which will to a great degree enter into the matter, and the development of power—and see how they all dovetail together and how each one helps out the other, it seems to me we shall see how it is possible to carry out a uniform method of controlling the floods of all the streams of the United States and making the streams navigable. Do not forget that.

What does this plan mean in the Mississippi Valley? It means, if we carry it out, that a boat may start from Knoxville, Tenn.—it may almost do so now; with one or two more dams in the Tennessee River it will be possible—and go to St. Paul, New Orleans, or Pittsburgh. In the end, Mr. President, we shall have the most complete system of cheap inland transportation that there is in the world, so all these things will work together for the harmony and the happiness of all the people in that great valley. The same thing may be said of almost any other valley on the Atlantic coast or on the Pacific coast.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. OVERTON. I agree with what the Senator has said with reference to reservoirs on the tributaries of the Mississippi River. However, the construction of reservoirs as flood-control factors, according to the statements made by the engineers, will not in itself be sufficient to deal with the problem.

Mr. NORRIS. Let me interrupt the Senator there.

I was a Member of this body when there came into it the authorization of an appropriation of \$10,000,000 to prevent damage from floods of the Mississippi River. I offered an amendment, which on a roll call lacked only two or three votes of being adopted, providing for the payment by the Federal Government of one-half the cost of any irrigation dam built in the West in a stream whose waters, if it had not been for the dam, would have gone into the Mississippi River. That amendment was defeated. So far as I know,

that was the beginning of the agitation of flood control by building dams wherever the proper area could be obtained to hold back enough floodwaters to pay for building the dams.

The Army engineers, however, laughed at me. The Army engineers said I was silly; I was foolish. They said that the flood waters could not be held back in that way. Now we are getting a following. We have just been told by the Senator from Massachusetts [Mr. WALSH] that in order to prevent a recurrence of the recent flood in the valley of the Connecticut River the Army engineers propose to go away back into the mountains to construct flood-control dams.

Mr. WALSH. And build 8 or 10 reservoirs.

Mr. NORRIS. And build 8 or 10 reservoirs to do it. That idea is not silly now. Those who were called dreamers, who once advocated the idea, are now sometimes even admitted into respectable society. The engineers formerly laughed at the idea, however, and said that what was proposed could not be done, and wished to build dikes and levees and let the water come down from all over that great valley and rush through a little bottle neck at New Orleans.

I do not object to building levees. I do not object to building additional channels to let the water out. That may be necessary; but the great floods which cause the greatest damage of all are going to be controlled by holding water in reservoirs that God Almighty has made, and letting it out when it is needed instead of its being let out when it will damage and destroy human life and property.

Mr. OVERTON. Mr. President, I agree with what the Senator from Nebraska has said; but I simply desire to call attention to the fact that, notwithstanding all the reservoirs that may be built upon the tributaries of the Mississippi, we shall still have floods in Louisiana and Arkansas and Mississippi and Missouri and down the alluvial valley unless the work proposed under the Jadwin plan and the Markham plan shall be completed.

Mr. ASHURST. Mr. President, when the able Senator from Nebraska [Mr. NORRIS] rose, he suggested, with that gentle and good-humored sarcasm for which he is so justly famous, that several Senators had violated the rule by speaking over 5 minutes.

I have not this afternoon interpreted the occasion as one limiting Senators to 5 minutes; so, while the Senator's sarcasm was gentle and always good-humored, I do not believe it struck the mark. Moreover, I am of opinion that the Senators who this afternoon have discussed the flood menace, and have discussed the methods of controlling floods, have made a valuable contribution.

I now rise to suggest that after this most illuminating discussion, to which I have listened with information and enlightenment, I assume that the Senate will go right through with the calendar, because some of us have waited here for many hours hoping that bills in which we are interested may come up.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. ROBINSON. I do not believe it will be possible to complete the consideration of the calendar today. It is my purpose to ask unanimous consent that the present order shall be continued tomorrow until it shall be concluded, if that will be satisfactory.

Mr. ASHURST. Mr. President, I feel like apologizing to every Senator for making such a request, but I have a bill which is in the nature of an emergency measure. It is a very small bill, but it is, I might say, at the tail end of the calendar, and I hope I am not presuming—

Mr. FLETCHER. I have one there, too.

Mr. ASHURST. Then I shall not seek for myself a privilege to which others are equally entitled.

Mr. BORAH. Mr. President, we may proceed for a time yet, may we not?

Mr. ROBINSON. Yes; we may proceed for a few minutes.

Mr. ASHURST. Then I ask for the regular order.

The PRESIDING OFFICER. The clerk will state the next bill in order on the calendar.

SITE FOR NAVAL AIR STATION, MIAMI, FLA.

The bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon was announced as next in order.

Mr. KING. Mr. President, there is some merit in this bill, and the Acting Secretary of the Navy has suggested a substitute for it. If the substitute is agreed to, I shall not object to the passage of the bill; but unless the substitute is agreed to, I shall object to the consideration of the measure.

Mr. FLETCHER. Mr. President, I note that the substitute to which the Senator refers is at the end of the report on the bill, and it was evidently considered in the House when the bill was acted on in the House. This is a bill which was passed in the House and was reported unanimously by the Committee on Naval Affairs of the Senate. I would not feel justified in accepting an amendment such as that suggested by the Senator. I would rather have the bill go over and take it up at another time if he insists on having it go over.

Mr. KING. That will be agreeable to me.

The PRESIDING OFFICER. The bill will be passed over.

ACQUISITION OF LAND AT FORT ETHAN ALLEN, VT.

The bill (S. 3411) to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire, by purchase, condemnation, or otherwise, approximately 3,000 acres of land located in the State of Vermont near the Fort Ethan Allen artillery range, for use in enlarging the artillery range and for other military purposes. The purchase price of such land shall not exceed \$175,000, and such land shall be warranted free of all encumbrances and when purchased shall be a part of Fort Ethan Allen.

THOMAS F. GARDINER

The bill (H. R. 8110) for the relief of Thomas F. Gardiner was considered, ordered to a third reading, read the third time, and passed.

EXAMINATION OF SAN JUAN RIVER

The bill (S. 3488) to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cause an examination and survey to be made to determine the best utilization of the surplus waters of the San Juan, a tributary of the Colorado River, and to determine the best possible use of such waters in the San Juan Basin without injury to the present users of the waters of the San Juan River and by diversion if feasible of a portion of such surplus waters to the Rio Chama, a tributary of the Rio Grande River, and to report the results of such surveys and examinations to the Congress as soon as possible. There is authorized to be appropriated the sum of \$50,000, or so much thereof as may be necessary, to carry out the purposes of this act.

RESOLUTION AND BILL PASSED OVER

The resolution (S. Res. 239) to investigate the circumstances attending the removal of Maj. Gen. Johnson Hagood from command of the Eighth Army Corps Area was announced as next in order.

Mr. ROBINSON. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 70) for the relief of agriculture, the producers of livestock, and the producers of raw materials generally, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

HENRY THORNTON MERIWETHER

The bill (S. 3581) for the relief of Henry Thornton Meriwether was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to order Henry Thornton Meriwether, formerly commander, United States Naval Reserve Force, to appear before a naval retiring board for the purpose of determining whether or not the disability complained of in his case originated in the line of duty in time of war: *Provided*, That if said naval retiring board finds that the said Henry Thornton Meriwether is now suffering from a disability incurred in the line of duty in time of war which renders him unfit to perform all the duties of the grade of commander, United States Naval Reserve Force, in time of war, the President be, and he is hereby, authorized to appoint Henry Thornton Meriwether a commander, United States Naval Reserve Force, and to place him on the retired list of the Navy with the retired pay and emoluments of that grade: *Provided further*, That no back pay, allowances, or emoluments shall become due because of the passage of this act.

NAVY CROSS TO J. HAROLD ARNOLD

The Senate proceeded to consider the joint resolution (H. J. Res. 179) authorizing the President to present in the name of Congress a Navy Cross to J. Harold Arnold.

Mr. KING. Mr. President, I call the attention of the Senator from Massachusetts to the fact that the Navy Department opposes this joint resolution.

Mr. WALSH. Mr. President, I may say that I did not become acting chairman of the committee while this measure was under consideration.

Mr. KING. Does the Senator object to its going over, in view of the opposition of the Department?

Mr. WALSH. I do not object.

Mr. KING. Let it go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

AWARD OF DECORATIONS TO CERTAIN BRITISH NAVAL OFFICERS

The Senate proceeded to consider the bill (H. R. 11053) authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles deW. Kitcat, British Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 4, to strike out "Tod" and insert in lieu thereof "Todd", so as to make the bill read:

Be it enacted, etc., That the President is authorized to present the Distinguished Service Medal to Commander Percy Todd, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy, in recognition of the skill and heroism displayed by these officers when the United States ship *Fulton*, en route from Hong Kong, British Crown colony, to Foochow, China, on March 14, 1934, was destroyed by fire.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act authorizing the President to present the Distinguished Service Medal to Commander Percy Todd, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy."

RELIEF OF WATER USERS ON RECLAMATION PROJECTS

The Senate proceeded to consider the bill (S. 4232) to create a commission, and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects, which was read, as follows:

Be it enacted, etc., That there is hereby created a commission to be composed of three members, one of whom shall be appointed by the Secretary of Agriculture from the personnel of the Department of Agriculture, and two of whom shall be appointed by the Secretary of the Interior, one from the personnel of the Department of the Interior, and one who shall be a landowner and water user under a United States reclamation project. The commission is authorized and directed to investigate the financial and economic condition of the various United States reclamation projects, with particular reference to the ability of each such project to make payments of water-right charges without undue burden on the water users, district, association, or other reclamation organization liable for such charges. Such investigation shall include an examination and consideration of any statement filed with the commission, or the Department of the Interior, by any such district, association, or other reclamation organization, or the water users thereof, and, where requested by any such district, association, or other reclamation organization, said commission shall proceed to such project and hold hearings, the proceedings of which shall be reduced to writing and filed with its report. Said commission, after having made careful investigation and study of the financial and economic condition of the various United States reclamation projects and their probable present and future ability

to meet such water-right charges, shall report to the Congress, at the beginning of the Seventy-fifth Congress, with its recommendations as to the best, most feasible, and practicable comprehensive permanent plan for such water-right payments, with due consideration for the development and carrying on of the reclamation program of the United States, and having particularly in mind the probable ability of such water users, districts, associations, or other reclamation organizations to meet such water-right charges regularly and faithfully from year to year, during periods of prosperity and good prices for agricultural products as well as during periods of decline in agricultural income and unsatisfactory conditions of agriculture.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$25,000, which shall be available for expenditure, as the Secretary of the Interior may direct, for expenses and all necessary disbursements, including salaries in carrying out the provisions of this act. The commission is authorized to appoint and fix the compensation of such employees as may be necessary for carrying out its functions under this act without regard to civil-service laws or the Classification Act of 1923, as amended.

SEC. 3. That all of the provisions of the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation law", approved April 1, 1932, as amended, as relate to the deferment of payment of certain water-right charges, be, and all of the provisions thereof are hereby, further extended in like manner to all similar charges coming due for the year 1936: *Provided*, That water users accepting the benefits of the relief extended by this act shall pay interest on deferred payments at the rate of 2 percent from the date when said payment became due to and including the date of the expiration of the period of relief granted hereunder, said interest to be paid at the time of payment of the said water-right charges for 1936.

SEC. 4. The Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar year 1936 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931, 1932, and 1933: *Provided*, That water users accepting the benefits of the relief extended by this act shall pay interest on deferred payments at the rate of 2 percent from the date when said payment became due to and including the date of the expiration of the period of relief granted hereunder, said interest to be paid at the time of payment of the said water-right charges for 1936.

Mr. McKELLAR. Mr. President, may we have an explanation of the bill?

Mr. BORAH. I do not think it needs an explanation, but I will be glad to make a statement.

Mr. McKELLAR. I do not see any report on the bill in my file.

Mr. BORAH. Mr. President, this bill has to do with the extension of the moratorium to reclamation projects for 6 months. The House has passed a bill upon the same subject. It is my purpose to offer certain amendments which will expedite the passage of the measure by the House.

Mr. McKELLAR. It merely extends the time 6 months?

Mr. BORAH. Six months.

Mr. McKELLAR. I shall not object.

Mr. BORAH. In line 4, page 1, I move to strike out the words "one of whom shall be appointed by the Secretary of Agriculture from the personnel of the Department of Agriculture, and."

The amendment was agreed to.

Mr. BORAH. On line 6, I move to strike out the word "two" and to insert in lieu thereof the word "all."

The amendment was agreed to.

Mr. BORAH. In line 7, I move to strike out the word "one" and to insert in lieu thereof the word "two."

The amendment was agreed to.

Mr. BORAH. On page 3, line 7, I move to strike out "\$25,000" and to insert in lieu thereof "\$5,000."

The amendment was agreed to.

Mr. BORAH. Mr. President, I move to strike out all of section 3 and to insert in lieu thereof a bill which was passed by the House of Representatives, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, beginning with line 15, it is proposed to strike out all of section 3 and in lieu thereof to insert the following:

SEC. 3. That all the provisions of the act entitled "An act to further extend relief to water users on the United States reclamation projects and on Indian irrigation projects", approved June 13, 1935, are hereby further extended for the period of 1 year, so far as concerns 50 percent of the construction charges, for the calendar

year 1936: *Provided, however,* That where the construction charge for the calendar year 1936 is payable in two installments the sum hereby extended shall be the amount due as the first of such installments. If payable in one installment, the due date for the 50 percent to be paid shall not be changed.

Mr. KING. Mr. President, will the Senator explain the full implications of the amendment?

Mr. BORAH. The bill which is before the Senate provides for a moratorium of 1 year.

Mr. KING. I thought it was for 6 months.

Mr. BORAH. The effect of the amendment is a moratorium of 6 months. The House passed the bill providing for a moratorium of 6 months, and I have accepted the House amendment, so that it will make the bill when passed provide for a moratorium of 6 months.

Mr. KING. Does it extend to all reclamation projects?

Mr. BORAH. To all reclamation projects.

Mr. KING. Regardless of the capacity and the ability of some persons enjoying the reclamation projects to make payments? Does it exonerate all of them from payments?

Mr. BORAH. We have incorporated in the bill a provision for the appointment of a committee to determine how much can be paid by the respective projects at the end of 6 months.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ARMY DAY

Mr. McNARY. Mr. President, if I may have the attention of the Senator from Arkansas, may we not suspend operations under the agreement heretofore entered into until tomorrow?

Mr. SHEPPARD. Mr. President, will not the Senator allow the next measure on the calendar to be passed? It is a concurrent resolution recognizing April 6, 1936, as Army Day. It is very necessary that the concurrent resolution be passed at the earliest possible moment.

Mr. ROBINSON. Mr. President, I do not object to the consideration of the concurrent resolution; but I do not know whether I am in favor of it or not; I have not read it.

Mr. SHEPPARD. It carries no appropriation. It recognizes April 6 as Army Day, as has been done for several years.

The PRESIDING OFFICER. The next order of business will be stated.

The concurrent resolution (S. Con. Res. 30) to recognize April 6, 1936, as Army Day, was announced as next in order.

Mr. WHEELER. Let that go over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

DISTRICT COURT FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

Mr. ASHURST. Mr. President, if any Senator thinks I am presumptuous at this juncture, I shall not be offended if objection is made, but the Department of Justice has for some time in a proper way urged upon me to try to secure the passage of House bill 11098, to provide for terms of the United States District Court for the Middle District of Pennsylvania, to be held at Wilkes-Barre, Pa.

Mr. President, the Committee on the Judiciary of the Senate authorized me at its meeting last Monday to attach to this measure the bill which has heretofore passed the Senate, providing for two additional district judges for the southern district of New York, which bill has been recommended and urged by the Judicial Council three times and has passed the Senate. There are eight judges in the territory involved, and last year each judge tried or disposed of 655 cases, which, I submit, is a large amount of work. I ask unanimous consent for the present consideration of the bill. I would not ask for the consideration of the amendment except for the fact that on the 20th of last August the Senate passed a bill which I am proposing to add as an amendment.

Mr. KING. I have no objection to the consideration of the

bill; but if the Senator desires to attach to it the amendment to which he refers, I shall object.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF SECTION 12B OF FEDERAL RESERVE ACT

Mr. FLETCHER. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1794, being Senate Joint Resolution 230. I am obliged to leave the Senate Chamber. I have been waiting all day in the hope the joint resolution would be reached. It merely proposes to amend the provision of paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended.

The law at present provides that the rights given shall expire on July 1, 1936; and the committee has reported this joint resolution extending the time to 1938. After quite a full hearing, the joint resolution was unanimously reported by the committee, and it is desired to have action on it now, because the time will soon run out.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

Mr. McNARY. Mr. President, I do not like to object to the request, but I think we should either proceed with the calendar or conclude the session.

Mr. ROBINSON. I may say to the Senator from Oregon that the Senator from Florida has been present in the Senate Chamber all day, and is anxious to have this measure considered, if it is to be considered under the present order. With that in mind, I consented to his making the request. However, following action on the request of the Senator from Florida, I shall make a request for unanimous consent and then move a recess.

Mr. McNARY. In view of that statement, I have no reason to interpose an objection to the request of the Senator from Florida.

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 230) amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended, is amended by striking out "July 1, 1936" and inserting in lieu thereof "July 1, 1938."

ORDER FOR RECESS AND CONSIDERATION OF CALENDAR

Mr. ROBINSON. Mr. President, I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that upon the convening of the Senate tomorrow it proceed to the conclusion of the order now in progress.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably Executive A, Seventy-fourth Congress, second session, a convention between the United States of America and the United Mexican States for the protection of migratory birds and game mammals, signed at Mexico City, February 7, 1936, and submitted a report (Ex. Rept. No. 1) thereon.

He also, from the same committee, reported favorably the nominations of sundry officers for promotion in the Foreign Service.

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Thomas Parran, of New York, to be Surgeon General of the Public Health Service for a term of 4 years, vice Hugh S. Cumming, term expired.

Mr. LONERGAN, from the Committee on Finance, reported favorably the nomination of Richard D. O'Connell, of Connecticut, to be State director, National Emergency Council, for Connecticut.

Mr. VAN NUYS, from the Committee on the Judiciary, reported favorably the nomination of Lamar Hardy, of New York, to be United States attorney, southern district of New York.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

POSTMASTER IN ARKANSAS

Mr. McKELLAR. By direction of the Committee on Post Offices and Post Roads, I also report favorably the nomination of Harris H. Parr to be postmaster at Eudora, Ark. I call the attention of the Senator from Arkansas [Mr. ROBINSON] to this nomination, as I think he desires to make a request concerning it.

Mr. ROBINSON. I ask unanimous consent for the present consideration of the nomination.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and the clerk will state the nomination.

The legislative clerk read the nomination of Harris H. Parr to be postmaster at Eudora, Ark.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBINSON. I ask unanimous consent that the President be notified of the confirmation of the nomination of Harris H. Parr to be postmaster at Eudora, Ark.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further reports of committees, the clerk will state the first nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nomination of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the calendar.

SALARIES AND POSITIONS OF CERTAIN SENATE EMPLOYEES

The Senate resumed legislative session.

Mr. ROBINSON. Mr. President, I have just received a request of the Senator from Maryland [Mr. TYDINGS] having relationship to three resolutions recently adopted by the Senate directing the Appropriations Committee to take certain action. I refer to Senate Resolutions 249, 252, and 253. I ask unanimous consent that the votes by which the resolutions were agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the votes by which the resolutions were agreed to are reconsidered.

Mr. ROBINSON. I now ask unanimous consent that the resolutions may be considered en bloc, as they are of the same general character. If consent is given, I will then move an identical amendment to each resolution.

The PRESIDING OFFICER. Is there objection to considering the resolutions en bloc?

There being no objection, the Senate proceeded to consider the resolutions en bloc.

Mr. ROBINSON. I move that the word "directed" be stricken out of each of the resolutions and that the word "authorized" be inserted in place thereof.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Arkansas to each of the resolutions.

The amendment to each of the resolutions was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to each of the resolutions as amended.

The resolutions as amended were agreed to, as follows:

Senate Resolution 249, submitted by Mr. McNARY on the calendar day of March 12:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the

fiscal year ending June 30, 1937, is hereby authorized to increase the number of clerks at \$1,800 under the supervision of the Sergeant at Arms and Doorkeeper by one.

Senate Resolution 252, submitted by Mr. LEWIS on the calendar day of March 12:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby authorized to make the following changes in salaries and positions under the supervision of the Secretary of the Senate, to wit:

Assistant financial clerk: Strike out "assistant financial clerk, \$4,200" and insert "assistant financial clerk, \$4,500."

Executive and assistant Journal clerks: Strike out "executive clerk and assistant Journal clerk, at \$3,180 each" and insert "executive clerk, \$3,180; assistant Journal clerk, \$3,360."

Library and stationery assistant: Strike out "assistant librarian, and assistant keeper of stationery, at \$2,400 each."

Clerks: Insert "one at \$3,180"; strike out "two at \$2,640 each" and insert "one at \$2,640"; strike out "one at \$2,400" and insert "five at \$2,400 each"; strike out "four at \$2,040 each" and insert "two at \$2,040 each"; strike out "two at \$1,740 each" and insert "four at \$1,740 each"; insert "two at \$1,860 each"; strike out "two assistants in the library at \$1,740 each."

Laborers: Strike out "one in Secretary's office, \$1,680" and insert "two in Secretary's office at \$1,680 each."

Document room: Strike out "first assistant, \$3,360" and insert "first assistant, \$2,640"; strike out "second assistant, \$2,400" and insert "second assistant, \$2,040"; strike out "four assistants, at \$1,860 each" and insert "three assistants, at \$2,040 each."

Senate Resolution 253, submitted by Mr. LEWIS on the calendar day of March 12:

Resolved, That the Committee on Appropriations, or any subcommittee thereof having charge of the preparation of the bill making appropriations for the legislative establishment for the fiscal year ending June 30, 1937, is hereby authorized to make the following changes in salaries and positions under supervision of the Sergeant at Arms and Doorkeeper, to wit:

Deputy sergeant at arms and storekeeper: Strike out "\$4,440" and insert "\$5,400."

Clerks: Strike out "one at \$2,640" and insert "one at \$3,180"; strike out "one at \$2,100" and insert "two at \$2,100 each"; strike out "three at \$1,800 each" and insert "four at \$1,800 each."

Janitor: Strike out "\$2,040" and insert "\$2,700."

Laborers: Strike out "three at \$1,320 each" and insert "two at \$1,320 each."

Skilled laborers: Strike out "five at \$1,680 each" and insert "six at \$1,680 each."

Messengers: Strike out "one at card door, \$2,400, and \$240 additional so long as the position is held by the present incumbent" and insert "one at card door, \$2,400 and \$600 additional so long as the position is held by the present incumbent."

Folding room: Strike out "assistant, \$2,160" and insert "assistant, \$2,400."

Telephone operators: Strike out "13 at \$1,560 each" and insert "14 at \$1,560 each."

Capitol police: Strike out "captain, \$2,460" and insert "captain, \$3,000."

RECESS

Mr. ROBINSON. The Chairman of the Committee on Appropriations would like to suggest to Senators that resolutions of the character of those just acted upon be referred to the Committee on Appropriations before action is requested in the Senate.

I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 36 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Friday, March 27, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 26 (legislative day of Feb. 24), 1936

POSTMASTERS

ARKANSAS

Harris H. Parr, Eudora.

ILLINOIS

Ralph Hawthorne, Galesburg.

George P. Ravens, Kankakee.

Mayme F. Brooke, Matteson.

Bertha E. Sayre, Orion.

KANSAS

Clarence H. White, Burlington.

Leif R. Nelson, Chanute.

John A. Rogers, Cherryvale.
 Clarence A. Kirkpatrick, Council Grove.
 William P. Yearout, Emporia.
 Henry E. Dunham, Erie.
 Frank Barker, Greensburg.
 Howard H. Spear, Leoti.
 Edward N. Sidwell, Natoma.
 Rudolph J. Sharshel, Parsons.
 Gertrude Goddard, Rolla.

KENTUCKY

Walter B. Sisk, Fleming.

NORTH DAKOTA

Peter J. Bott, Marmarth.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 26, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, we call upon the name of the Lord, which is worthy to be praised. He is our rock, our fortress, our deliverer, our strength, and our God, in whom we trust. O pitying, waiting Infinite One, how wonderful are Thy patience and long suffering. In these hours when we are gathered together, united by common hopes, purposes, and common necessities, we pray for the blessing that comes from the soul of the Creator of heaven and earth. Keep us from the fruits of the lawless mind, misplaced affection, and unchastened desire. Inspire in us that which is true, pure, and courageous. May they direct us in our demeanor. Merciful Father, vouchsafe Thy presence to those who carry grief and are acquainted with sorrow. Let the lines of Thy light be traced shining through the shadows. As they grow richer and ripen in their spiritual natures, may they tend more and more toward that beautiful experience—the peace that passeth all understanding. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

VICTOR A. BARRON

Mr. JOHNSON of Texas. Mr. Speaker, by direction of the Committee on Foreign Affairs I call up a privileged report on House Resolution 453, reported by the Committee on Foreign Affairs.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of State is hereby directed to transmit to the House of Representatives at the earliest practicable moment the following information, namely:

First. All facts pertaining to the death of one Victor A. Barron, an American citizen, who met his death while in the custody of the police at Rio de Janeiro, Brazil, on or about March 5, 1936.

Second. What was done by Hon. Hugh S. Gibson, American Ambassador to Brazil, to protect the American citizen, Victor A. Barron.

Third. Did Hon. Hugh S. Gibson, American Ambassador to Brazil, aid and abet in the arrest or questioning of Victor A. Barron.

Fourth. Did Hon. Hugh S. Gibson, American Ambassador to Brazil, or his agents, question said Victor A. Barron while said Victor A. Barron was in the custody of the Brazilian police for the purpose of obtaining information relating to Victor A. Barron's political activities.

Fifth. Any and all information with respect to the conduct of Hon. Hugh S. Gibson, American Ambassador to Brazil, and his agents, in connection with the arrest and death of Victor A. Barron.

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent that the report on the resolution be read.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the report, as follows:

Mr. JOHNSON of Texas, from the Committee on Foreign Affairs, submitted the following report (to accompany H. Res. 453):

"The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 453) directing the Secretary of State to transmit to the House of Representatives information concerning Victor A. Barron, American citizen, who met his death while in the

custody of Brazilian police, having considered the same, submit the following report thereon, with the recommendation that it do not pass:

"The action of the committee is based upon the following letter to the chairman of the committee from the Secretary of State:

"The letter is as follows:

"MARCH 25, 1936.

"The Honorable SAM D. McREYNOLDS,

"Chairman, Committee on Foreign Affairs.

"House of Representatives.

"MY DEAR MR. McREYNOLDS: I have received a letter dated March 19, 1936, from Mr. I. R. Barnes, clerk of the Committee on Foreign Affairs, enclosing a copy of House Resolution No. 453, directing me to transmit information concerning the death of Victor A. Barron, an American citizen who died at Rio de Janeiro, Brazil, on March 5, 1936. I am pleased to submit the following information for consideration by the Committee on Foreign Affairs. The numbered paragraphs of this letter give the information requested in the numbered paragraphs of the resolution.

"1. The Embassy at Rio de Janeiro, Brazil, reported to the Department on March 5, 1936, that Mr. Barron had stated on March 4 that he was willing to indicate the street where Prestes and his companions left his car provided he was guaranteed that he could return to the United States, and that the police had agreed and intended to put him on a steamer sailing for New York on March 5. The Embassy's report indicates that Mr. Barron was taken on March 4 from the prison to police headquarters and pointed out on the city map the exact spot where Prestes and his companion left his car. He was then allowed, in the company of a detective, to go to a barber shop in town and to dine at a restaurant. On his return to police headquarters he was told in the presence of a representative of our Embassy that all arrangements were being made for his embarkation on the following day and that instead of returning to prison he would be given a special room at headquarters. Upon his return to police headquarters, Mr. Barron appears to have been greatly perturbed mentally, and it was only with great difficulty that he could be persuaded to go to a room which the police had arranged for him on the second floor overlooking a patio. At 8 o'clock the following morning he succeeded in evading the guard and committed suicide by plunging into the paved area of the patio two stories below. The Embassy stated in this connection that he had made a previous attempt to commit suicide.

"2. As soon as the Embassy became aware of the arrest of Mr. Barron, Mr. Gibson interested himself in the case with a view to effecting Mr. Barron's release and departure for the United States, and had obtained assurances from the police that upon completion of their investigation they would permit the Embassy to send Mr. Barron to the United States. Moreover, upon learning of Mr. Barron's arrest, the Embassy did everything it could to see that he would not be subjected to third-degree methods and, so far as the Department is informed, its efforts met with success. In view of the fact that he was in an advanced state of tuberculosis, the Embassy sought and obtained assurances that Mr. Barron would be afforded good medical care, and Mr. Gibson reports that the police acquiesced in all suggestions made by the Embassy with regard to Mr. Barron's treatment and care.

"3. The Ambassador did not aid and abet in the arrest or questioning by the police of Mr. Barron. The Embassy's reports indicate that the Ambassador had no advance information of the intention of the police to arrest Mr. Barron.

"4. The Ambassador requested information of Mr. Barron for the purpose of establishing his identity and citizenship in order that, if an American citizen, appropriate assistance might be rendered him, the nature of which would necessarily depend upon the circumstances. It should be recalled in this connection that Mr. Barron was arrested on account of his association with persons participating in an uprising against a foreign government. Upon finding that Mr. Barron was an American citizen, the Ambassador rendered the assistance set forth under point 2 above.

"5. The action taken by the Ambassador in connection with the arrest of Mr. Barron was the same as would be taken in connection with any American citizen arrested in a foreign country in similar circumstances. He did everything he appropriately could to obtain good medical care, release from imprisonment, and return to his home of this American citizen arrested on account of his association with persons participating in an uprising against a foreign government.

"Sincerely yours,

"CORDELL HULL."

Mr. JOHNSON of Texas. Mr. Speaker, I move that the resolution be laid upon the table.

The motion was agreed to.

On motion of Mr. JOHNSON of Texas, the motion by which the resolution was laid upon the table was laid on the table.

STREAM POLLUTION

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, including therein a radio address made by myself on last Friday.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FADDIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by me on March 20, 1936:

According to the poet, thoughts of love dominate the mind of young men during the balmy days of spring; but it is a matter of record that thoughts of fishing also occupy a prominent place during this season of the year, in the minds of quite a large proportion of our population, regardless of age or sex. After a winter of more or less forced confinement we naturally desire an opportunity to commune with Nature—man's greatest friend, teacher, and physician, the most generous of all philanthropists, in herself an infinite power, and God's agent of liaison with the human race. Each year over 7,000,000 of our citizens purchase fishing licenses. Add to this number those fishermen who, by reason of age or locality, do not require licenses, and it is safe to say that nearly 10,000,000 of our citizens are devotees of the art of Izaak Walton. This is quite a large percent of our population, and their desires should not be ignored.

Our land was originally abundantly blessed with streams, rivers, and lakes of pure and sparkling water, which were intended to be used by man in conformity with the spirit of the Golden Rule. I ask, in all candor, have we not sadly misused this element so essential to our health and happiness? In the industrial development necessary to progress, we have neglected to provide for many of the wants of man, which are, in the ultimate, just as essential to human progress as are food and clothing. The results of this negligence are all too clearly reflected in the daily life of our Nation. The findings of criminologists testify to the fact that the opportunity to exercise the desire for outdoor recreation should not be denied. It has long been a matter of record that none of our vicious criminals have ever been devotees of hunting or fishing. With this evidence before us we are forced to conclude that man gains some impelling influence for good from communion with Nature. It may be that he acquires a self-reliance which causes him to scorn a parasitic existence. It may be that he absorbs from natural surroundings a tolerance for others which makes him a better citizen. It may be that his will power is strengthened by the fresh air and exercise. Whatever may be the cause, the effect is, without a doubt, beneficial.

Few, indeed, are those among us of mature age who cannot turn back to the days of their youth and recall enjoyable days spent along or in the waters. Where was there ever a more democratic institution than the old swimming hole? Alas, the shaded pool beneath the willows no longer rings with the hilarity of youthful sport! The once clear water is contaminated by the wastes from concentrated population. Those waters are not only a menace to the health of the small boy who swims in them, but they also threaten the health of those who live nearby. The limpid waters of the creek, where once enchanted lovers canoed blissfully upon a summer's afternoon, are now of stygian hue from the tanneries above town, their foul stench replacing the fragrance of the wild flowers of other and better days.

The pool around the bend, where once the dim outlines of gray rocks could be seen through the translucent green water, is now yellow with the precipitation of the sulphuric acid from a coal mine. The rocks are no longer dim, but stand out brown and distinct through the lifeless water. The black bass, that wonderful game fish of this continent, no longer survives in his natural habitat. The sunfish, suckers, and even the bullhead are but memories. No aquatic life can survive. The acid in the water would consume the live steel of a fishing hook, were any fisherman foolish enough to cast one in it. There are waters so foul, so polluted, so poisonous, that the very ice of midwinter is soft and cheesy. No more can they ring with the strokes of the skaters or the shout of "Shinny on your own side!" Too many of our lakes and rivers have become but so many blots and streaks of disgrace upon the map of our Nation.

Surely all this disgraceful contamination is unnecessary, and should be prevented and corrected. We must have industry, of course; but shall we allow civilization to destroy itself? An individual is not allowed to deposit his wastes upon the yard of a neighbor. Why, then, should a collection of individuals be allowed to deposit their wastes upon the property of neighbors? Running water is common property the same as the atmosphere. It may be impounded and within reason diverted to private use. But certainly it is beyond the law of common decency to contaminate it so as to destroy its value to the public.

Navigable streams are under the control of the Federal Government, although the real estate bordering them enjoys riparian rights. The fishes in the streams are game, and as such are State property, subject to the protection of the State. Collectively they are the property of the citizens of the State, and the citizens may demand their protection. Navigable waters being under the control of the Nation, the citizens have the right to demand that they be protected from pollution. Since navigable streams are susceptible of contamination from sources and tributaries, the contamination of any of the waters flowing into navigable streams is a concern of the Federal Government. Few of our navigable streams are confined to any one State. The Mississippi, our largest, is fed by the waters of 31 States. Most certainly the preservation of its purity is a national question of major importance.

Into the waters of the rivers in the Mississippi Valley each year over 3,000,000 tons of sulphuric acid flows from the abandoned coal mines of the Appalachian coal fields. Year by year this acid has been increasing and its deleterious effects reaching further and further. The damage caused to stock, waterworks, boilers,

plumbing, industrial equipment, and equipment on Government locks and dams is estimated at \$10,000,000 per year. This takes no account of the poor character of the drinking water resulting to the cities which obtain their water from such sources. The economic factor alone is enough to waken public interest in this matter. I am glad to say that under F. E. R. A., C. W. A., and W. P. A. a very valuable program has been carried on in sealing these abandoned mines. This is an encouraging move in the right direction and should pave the way for more prevention of stream pollution. The completion of this program will eliminate about 70 percent of this acid coming from this region. There will remain, however, 30 percent from unsealed mines and all of the water from mines in operation. Unless this pollution is stopped, the money already expended will be of little avail.

It is said by those who have made an extended study of the matter that the prevention of pollution is by no means a difficult matter. As far as the acid from mines and factories is concerned, it can be neutralized. As for such wastes as sawdust and refuse from tanneries, filtering can be resorted to. Pollution caused by sewage is the most menacing of all, as far as the public health is concerned. It can and must be taken care of by sewage-disposal plants, which if of the proper character are productive of valuable byproducts and self-supporting.

At the present time the matter of pollution is in the hands of the various States by virtue of the police power vested in them by the Constitution. Any casual observer can plainly see that correction will be a long time coming if some other system is not adopted. The State laws in most instances are more marked by the breach of the law than by its observance. Some years ago I was fishing along a stream in northern Pennsylvania. A game warden arrested two young men, both under 19 years of age, for fishing without a license. Less than a half mile down the stream, in plain sight, was a tannery pouring its poisonous waste into this same stream, killing all the fish for miles below. This tannery had been in operation for years and innumerable petitions signed by a majority of the residents of the vicinity had been sent to Harrisburg in protest to no avail. The law applied to the sportsman but the tannery was immune. State laws against pollution have generally proven to be inadequate. We must have Federal laws and laws with teeth in them.

We must have cooperation among the various associations interested in the purity of our waters. We must gather together those interested in the matter from the viewpoint of health, economics, morality, beauty, and recreation, and bind them together to accomplish their common aim. Certain States progressive in this respect have demonstrated practical methods for the prevention of the evil of pollution. With this legislation to guide us, as a precedent and example, pollution can and must be prevented throughout the Nation.

We must not continue to neglect the side of our national life which affords recreation to our population. The young and the middle aged turn to Nature for recreation and exercise—the old for solace, the weary for rest. The most wealthy man on earth is the contented one. It is the concern of the Nation to promote contentment, because contented citizens are national assets. Idleness is the father of disorder and crime. Subversive movements originate in idle minds. No man pursuing the conquest for contentment in fishing, hunting, bathing, boating, or skating can be termed as idle. Thomas Jefferson did not write the words "pursuit of happiness" into the Declaration of Independence merely to fill up space. They had a definite meaning. They are the verdict of the philosophers of the ages. Let us unite upon a program which will insure that they do not prove to be an empty promise.

We strive to give our children a better education than we received. We wish them to labor under better surroundings than we have labored under. We wish to hand down to them in every way more advantageous material surroundings than we ourselves knew at their age. Let us determine to hand down to them Nature's great playground in the very best possible condition, consistent with our industrial development, to the end that they may grow up strong physically and morally and appreciative of the handiwork of Him who made heaven and earth. Let us not allow the masterpiece of the Greatest Architect to become befouled, besmirched, polluted, and contaminated by the wastes of those who have no love for their neighbor.

FLOOD CONTROL BY WATER CONSERVATION

Mr. LEMKE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There is no objection.

Mr. LEMKE. Mr. Speaker, at this time when the Nation is contemplating the appalling human and property losses occasioned by the present floods, I wish to call the attention of Congress to H. R. 5533, a bill which I introduced during the last session of Congress. This bill was reported favorably by the subcommittee on Irrigation and Reclamation and is now pending before that committee. This bill provides for a practical solution of our ever-recurring flood problems. It at the same time conserves and makes use of the waters for the people of this Nation. These waters are now wasted and permitted to run to the ocean, leaving destruction and misery in their wake.

The bill provides for the impounding of the unused and uncontrolled floodwaters coming from the eastern slope of the Rocky Mountains, near their source, in such a way as to prevent disastrous floods in the lower Mississippi Valley at a low cost and on a permanent basis. While furnishing flood protection so necessary during the occasional periods of unusually high water, the project outlined in the bill is one which will serve many other important purposes and pay rich dividends 365 days in the year.

The bill authorizes and provides for a series of surveys by which a contour line can be selected along the eastern foothills of the Rocky Mountains. It will extend from a point at or near the Canadian border to a southern terminus near the Mexican line, at an elevation above the semiarid belt, for a total distance of approximately 1,400 miles.

The plan is to build a series of comparatively inexpensive dams in the streams and rivers where this line crosses them. They will be connected by earth-built embankments so that they, with the dams, will form an unbroken wall behind which will be held one continuous reservoir from Canada to Mexico. This will place all the precipitation of this great watershed under the complete control of the Federal Government at the least expense and with the greatest effectiveness.

The land used for reservoirs will be inexpensive, largely untillable hill land. The mountain water will be held away from the Missouri and the Mississippi during the times when they are high and will be released to them when it will be useful for navigation.

But the byproducts of this flood-control program are so many and so great that they will bear a large part of the expense by daily utility. A few of these are: Irrigation, reclamation, electric power, prevention of soil erosion, diminution of the silt now carried to the navigable streams by floods, general improvement of the climate in the entire belt, and through all these the employment of men—millions of men—in noncompetitive work.

Irrigation: In the territory served by this great reservoir the average rainfall is about 12 inches annually. This is just about one-third the amount necessary for successful farming. It is in these lands—the most fertile in the world if they had sufficient water—that the destructive dust and sand storms originate, casting their blight over land which is otherwise fruitful. Competent engineers tell me that there will be enough water conserved by this project to irrigate 15,000,000 acres of land. Part of this water could be used to irrigate the proposed timber shelterbelt, enabling it to grow a much greater variety and more useful types of trees. Much of this irrigating water will sink into the ground and add to the now diminishing underground water flows, thus replenishing the supply of thousands of wells, springs, and lakes.

Reclamation: Reclamation and irrigation are in many cases synonymous. Without irrigation the reclamation of this now untillable land is, of course, impossible. Here, however, we must use reclamation in a much broader sense. It means not only the reclamation of farming land, and there is much need of that, but the reclamation of towns and cities, of business and industry, of languishing utilities and unused transportation facilities.

Electric power: More and more the farmer as well as the city dweller, is relying on electric power. Anything that reduces its cost and increases its availability contributes substantially to better living. This water so stored will provide opportunities for the creation of cheap electric power, while the reclamation feature will provide a market for that power without infringing upon the supply now available within the territory.

Soil erosion: Such a vast amount of water distributed and used over so great a territory, with its resulting tree and vegetable growth, will naturally have a most beneficial effect in preventing soil erosion. Chester C. Davis, Assistant Secretary of Agriculture, says, in an article in February's American Magazine:

Fifty million acres once cultivated in the United States no longer produce crops. * * *

That land lies idle. In large parts it is unprotected by vegetation to hold the soil. * * * Nature has written her pro-

test on our dusty walls, on the desks in Washington, and in the food bills of consumers throughout the land. * * *

More than 3,000,000 tons of soil are washed and blown from our fields every year.

Soil erosion is a matter of tremendous importance to this and to all future generations.

Silt: Silt accumulation is one of the most serious problems with which the War Department engineers have to deal in maintaining the navigability of streams. The impounding of this water will greatly diminish the amount of silt which is ordinarily washed down from the mountain sides at flood times and which must inevitably find its way into the beds of our navigable streams.

Climate: It is a generally recognized fact that increased vegetation and density of trees stimulates the rainfall and has a general beneficial effect upon climatic conditions. This, of course, would be one of the byproducts of this project which would bring its tangible and intangible blessings.

Employment: For 6 long years industry, business, and the Government have been attempting to solve our problem of unemployment, and still there are 11,000,000 men for whom there is no work. Competent experts, who have spent practically their whole lives in the study of conditions of this section, estimate that the development contemplated by the mid-continent reclamation bill will provide direct and indirect employment for 5,000,000 men. This is not relief employment but will be at prevailing wages and will not be in competition with private industry but under a combination of conditions which will insure a return to the Government of every dollar advanced for these purposes.

I realize that the claims which I am advancing for this project seem almost incredible. Yet engineers of national reputation, bankers whose names are known around the world, hard-headed businessmen and some of our Nation's leading statesmen have examined the provisions of this bill. They are unanimous in saying that its enactment, when properly amended, will make provision for these developments and in so doing will make a practical, businesslike demonstration of what this system will accomplish in the prevention of floods. This will point the way for its use in many other sections of the country and, I think, will become the economical and sensible solution of all our flood-control problems.

Friends of this measure, men who are familiar with conditions in all sections of the country, say that the entire plan could be placed in operation on the western slope of the Rocky Mountains from Canada to Mexico. A preliminary survey indicates that a similar system could be located on a contour line, beginning below the mouth of the Ohio River and west of the Mississippi, and thence through parts of Missouri, Arkansas, Oklahoma, and Texas to the Rio Grande River.

Another system could be placed around the foothills of the Allegheny Mountains under most favorable circumstances, not only for the prevention of floods but in making the floodwater usable for many purposes.

Another possible location would be on the headwaters of the Hudson River and its tributaries. The same system could be used in many sections of the Southern States; the benefits in each case would correspond to those contemplated by the midcontinent development as planned by its sponsors, the Mid-Continent Reclamation Association of Chicago.

Let me say again that as we are now reading daily of the havoc created by the floods, which this year have been so violent, we have here an opportunity of beginning the conquest of this gigantic problem.

All any reasonable man has to do is recognize the fact that our land surface rises from sea level to the mountain tops, and that under this condition similar systems for the control of flood waters could be installed wherever desired, and at a reasonable cost as compared to the loss occasioned by floods. Each project of this type can be financed under conditions that will make it self-liquidating; all that is required is to make a start, and in so doing prove the feasibility of the plan, show what it will cost, and what its benefits will be. The net result will be fewer and less disastrous

floods and a richer Nation, all without endangering the public credit.

When this bill becomes a law there will arise a midland empire on the eastern slopes of the Rocky Mountains. Railroads will be running north and south, as well as east and west. The youth of this Nation will be given an opportunity. They will have an opportunity to build homes and enter industrial fields. Millions will be taken from the dole system. It will give a new frontier to our national aims. It will utilize and save the waters of this Nation where they are needed and add millions and billions to our national wealth. It will harness the rivers and streams at their source and use them for the good of mankind, rather than to allow them to destroy millions of dollars worth of property and many lives each year.

PERMISSION TO ADDRESS THE HOUSE

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent that on tomorrow, following the special order, which is the address of the gentleman from Oklahoma [Mr. FERGUSON], I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 465.

The Clerk read as follows:

House Resolution 465

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11689, a bill to amend title I of the National Housing Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. O'CONNOR. Mr. Speaker, this is a rule for the consideration of the bill to extend the life of title I of the National Housing Act being administered by the National Housing Administration. The rule provides 2 hours' general debate and is an open rule.

The bill reported is the House bill. The Senate has passed a bill differing in some respects from the House bill. I mention the matter at this time because I have always been very much interested in the bill. One principal difference is that the Senate bill extends the life of title I until April 1 of next year, whereas the House bill extends it only to December 31 of this year.

Another matter in which I am very much interested and have been is this: You will recall that when the bill was under consideration before some of us made a very determined effort to have included a provision permitting loans up to \$50,000 for the alteration and repair of tenements and apartments in cities. Out of all the billions of dollars appropriated for relief very little has come to the tenement dwellers in the cities, who suffer hardships equal to those suffered by persons in the smaller communities.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. GOLDSBOROUGH. As I stated yesterday, if the gentleman will present an amendment increasing the amount for such purpose from \$25,000 to \$50,000, I personally will make no objection to it whatever.

Mr. O'CONNOR. I hope the gentleman's committee will take the same attitude.

Take my own district, which is typical of a number of districts throughout the country. There never has been a loan made there by the Home Owners' Loan Corporation. This

is not the fault of the Corporation. The fact is that the houses there are old-fashioned brownstone houses and they are worth, because of the value of the land, sufficiently above the limitation in the act so that no loan could be made. Practically all Members have had projects in their respective districts, but none of us Members who represent city districts have had one single solitary project in our districts. We have no C. C. C. camps in our districts. Practically none of our boys go to the C. C. C. camps. We have been carrying the burden of cost and have received practically nothing out of the billions of dollars which have been appropriated and which we so earnestly supported.

Mr. Speaker, this provision was put in the bill for the purpose of helping living conditions in the cities. Rarely is \$50,000 necessary; but this amount of money should be available to be lent for the alteration and the modernization of tenements and apartments. The acting chairman of the Banking and Currency Committee has said that while the committee amended the \$50,000 to read \$25,000 he personally has no objection to the original amount of \$50,000 standing, as indicated in the Senate bill. I understand a number of Members on the committee are willing to permit the \$50,000 to remain in the bill. I hope when that issue is raised, as it was raised last session, the committee will support the bill as it is. If the Committee decides to extend the life of the Housing Administration I hope they will take into consideration how long it shall be extended, and how worth while they will make it and permit these alterations and repairs up to the amount of \$50,000.

Mr. Speaker, I reserve the balance of my time.

Mr. RICH. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 52]

Adair	Dietrich	Lesinski	Romjue
Allen	Doutrich	Lord	Rudd
Amille	Driscoll	Luckey	Sadowski
Andrews, N. Y.	Driver	Lundeen	Sanders, La.
Berlin	Dunn, Miss.	McClellan	Sandlin
Bland	Ferguson	McLeod	Scrugham
Brennan	Fish	McReynolds	Sirovich
Buckbee	Fulmer	McSwain	Steagall
Buckley, N. Y.	Halleck	Maas	Sweeney
Bulwinkle	Hancock, N. Y.	Maloney	Terry
Casey	Harter	Nichols	Thomas
Clalborne	Hess	Oliver	Underwood
Clark, Idaho	Hobbs	Perkins	Wadsworth
Clark, N. C.	Hoeppel	Pettengill	Wilson, La.
Connery	Imhoff	Polk	Wolcott
Cooper, Ohio	Johnson, W. Va.	Rabaut	Wood
Culkin	Kee	Ransley	Zioncheck
Daly	Keller	Reed, Ill.	
Dear	Kocialkowski	Robison, Ky.	

The SPEAKER. Three hundred and fifty-six Members have answered to their names. A quorum is present.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. MAPES. Mr. Speaker, I am in favor of this rule and in favor of the general purpose of the bill which is to extend the time of title I of the Housing Act, but I should like to make some observations in regard to certain provisions of the existing law. I had intended to make them later in the debate, but inasmuch as there has been little demand for time on this side to discuss the rule, I will make them now.

Let me say that I had nothing to do with making the point of no quorum. What I have to say is important, but it is not important enough to justify a point of no quorum.

It is interesting to review in retrospect some of the legislation which was passed during the hysteria which prevailed throughout the country during the first few years of this administration. Now that the hysteria has subsided somewhat it would be becoming for Congress to correct some of the more violent things which it did in the height of that hysteria.

Mr. Speaker, this legislation in one respect is one of the most amazing, if not the most amazing, pieces of legislation of them all. I refer particularly to the provisions in this Housing Act authorizing the Administrator of the act to appoint the employees, as many of them as he sees fit, without reference to the civil-service law, and to fix their compensation or to pay them whatever he sees fit, without regard to the Classification Act of 1923, as amended. He was also given a blank check upon the Treasury of the United States, to go as far as he liked in the disbursement of funds. There was no check whatever put upon his discretion in any of these respects. It was brought out in the hearings before the Committee on Banking and Currency and before the Rules Committee that the expenses of administering the act up to March 31 of this year would be something like \$20,000,000. The act was not passed until June 1934. That is what it will cost directly. What it has cost the Government indirectly no one can tell, because other relief agencies of the Government have been called upon to bear a great deal of the expense.

Mr. FORD of California. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from California.

Mr. FORD of California. Is it not true that the number of men employed as a result of the activities of this particular agency was of such a character as to wipe out that charge altogether, because if these men had been on relief they would not have cost \$20,000,000, but probably \$250,000,000.

Mr. MAPES. I do not think anything could wipe out the charge altogether, but that may have been a partial justification for what was done.

Mr. Speaker, I read in the paper last Sunday, as perhaps all the Members did, that the Roosevelt Administration has added approximately 235,000 persons to the full-time pay roll of the Federal Government and further that only 1 in every 107 of these 235,000 was brought in under the civil service.

Mr. RAMSPECK. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Georgia.

Mr. RAMSPECK. Does the gentleman know that there are 8,500 more positions under civil service today than there were when the Roosevelt administration went into office?

Mr. MAPES. Well, multiply that by 107, because this article says there has been only 1 in every 107 put on under civil service, and the result will show how greatly the forces have been increased in the last 2½ years.

Mr. RAMSPECK. Of course, they have been increased, but the gentleman was leaving a wrong impression.

Of course, most of the emergency agencies have not been put under civil service, although quite a number of new agencies have been put under civil service. It would have been a physical impossibility, as the gentleman knows, to have held examinations and set up these agencies in time for them to become effective, under the civil-service laws.

Mr. MAPES. Mr. Speaker, I do not concede any such thing. That is the usual apology of those opposed to the civil service.

Mr. Speaker, I said this was one of the most amazing, if not the most amazing, pieces of legislation that had been passed so far as this particular feature is concerned.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to my chairman.

Mr. O'CONNOR. Following what the gentleman has said, if we create a new bureau, whether it is an emergency or otherwise, how long does the gentleman think it would take to get it started if it had to start out with civil-service employees?

Mr. MAPES. There are thousands of people on the eligible list in the office of the Civil Service Commission, who are seeking positions all the time, and it would not take any longer, if as long, to start it with civil-service eligibles as it does without them, and once the organization was completed under the civil service, it would be much more efficient and much more competent to carry on than it is when

set up under the patronage system that has been in vogue during the last few years.

Mr. O'CONNOR. I understand there are not enough different lists of different classes of employees to set up any organization.

Mr. MAPES. I am afraid that the gentleman from New York has been so interested in partisan patronage that he has not informed himself as to the number of people on the eligible list in the office of the Civil Service Commission. [Applause.]

Mr. O'CONNOR. I will wager the gentleman I have got fewer jobs than he has under this administration. [Laughter.]

Mr. MAPES. I dare say it has not been any fault of the gentleman from New York. [Laughter.]

Mr. EATON. Mr. Chairman, will the gentleman yield?

Mr. MAPES. I yield to the gentleman from New Jersey.

Mr. EATON. I would like to ask the gentleman if he interprets the remarks of the gentleman from New York to mean that in his view a civil-service set-up in this country is passé and that the Civil Service Commission ought to be abolished?

Mr. O'CONNOR. Oh, no.

Mr. EATON. The gentleman says it will not work.

Mr. MAPES. For all practical purposes it has been abolished during the last 2 or 3 years.

Mr. EATON. It would not work under a New Deal administration.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield.

Mr. O'CONNOR. I did not intend to say any such thing. I have been for civil service. You can set up a bureau, and after it gets going you can put it under civil service and hold your examinations, but you cannot hold them before if you ever want to get the work started.

Mr. EATON. Why set up so many bureaus?

Mr. MAPES. I suppose, Mr. Speaker, under the gentleman's theory, as soon as all the places are filled with good partisan Democrats, then they should be blanketed into office under the civil service.

Mr. Sisson. Mr. Speaker, will the gentleman yield? We would be following Republican example if we did that.

Mr. FORD of California. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Mr. Speaker, I should like to have an opportunity to make a consecutive statement.

All that is needed to substantiate what I have said is to read a few sentences from the Housing Act. I read from the act:

The President is authorized to create a Federal Housing Administration, all of the powers of which shall be exercised by a Federal Housing Administrator.

The President's appointment of the Administrator is to be confirmed by the Senate, and his salary is limited to \$10,000 per year, but there is no limitation put upon the Administrator under the act.

Mr. Speaker, I read further:

In order to carry out the provisions of this title—

Which is title I—

and titles II and III, the Administrator may establish such agencies, accept and utilize such voluntary and uncompensated services—

Then, after providing for utilizing the services of Federal and State employees, it continues—

and appoint such officers and employees as he may find necessary and may prescribe their authority, duties, responsibilities, and tenure.

The gentleman from New York states he has not been able to get many of his constituents on the pay roll. I will say to the gentleman that it is perfectly possible for the Administrator of this law to put as many of the gentleman's constituents on his pay roll as he wants to, without any limitation whatever, and give them any compensation that he desires to pay them.

This is a pretty broad statement, but listen to this language:

The Administrator may fix their compensation without regard to the provisions of other laws applicable to the employment or compensation of officers or employees of the United States.

And, again:

The Administrator may delegate any of the functions and powers conferred upon him under this title—

That is title I—

and titles II and III to such officers, agents, and employees as he may designate or appoint, and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for law books and books of reference and for paper, printing, and binding) as are necessary to carry out the provisions of this title and titles II and III, without regard to any other provisions of law governing the expenditure of public funds.

Here is another provision which should appeal particularly to the members of the Committee on Appropriations, Mr. Speaker:

For the purpose of carrying out the provisions of this title and titles 2 and 3, the Reconstruction Finance Corporation shall make available to the Administrator such funds as he may deem necessary, and the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to have outstanding at any one time under existing law, is hereby increased by an amount sufficient to provide such funds.

The Administrator does not have to come to the Appropriations Committee, nor to Congress, and the Reconstruction Finance Corporation can exercise no discretion, but it is directed under this law to turn over to the Administrator such funds as the Administrator may deem necessary.

Mr. Speaker, I have prepared some amendments which I shall offer during the consideration of the bill to correct some of these things to which I have called attention.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BROWN of Michigan. Does not the gentleman understand that the provisions of this title will cease on December 31 of this year?

Mr. MAPES. The gentleman would not object to having it corrected for the few months still remaining?

Mr. BROWN of Michigan. I do not think it is very important.

Mr. REILLY. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Wisconsin.

Mr. REILLY. I want to suggest that if the gentleman will go back and look over the record of the former administration he will find that the Democratic Party in this matter followed your own leadership.

Mr. MAPES. That is a poor excuse, even if true; and I doubt whether the Republican Party or any other party before this administration ever went to the length that it has gone.

Mr. REILLY. It may be a question of degree.

Mr. RICH. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. RICH. When this administration came into power there were 61 regular departments of the Government. On March 3, 1936, we have established 41 new organizations.

Now, the Democratic Party made the statement in its platform that it was going to reduce the Government bureaus or departments—consolidate them. Instead of that you have increased them 70 percent in 3 years. It seems to me it is time to discontinue a lot of these organizations set up by the Democratic Party in the last 3 years. Their promises to the American people in 1932 were not fulfilled.

Mr. MAPES. Mr. Speaker, I reserve the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, of course this is the open season, elections are coming, and we will seize upon every available opportunity to put something in the RECORD. Yesterday, after a tale of terrible distress which reached the very heart strings, a distinguished Member rose, and, under the cloak of speaking relative to the distress in this coun-

try, delivered one of the worst political tirades that I have heard in the many years of my service here. So, of course, everything that we are doing now which has been going on for the last 2 or 3 years has been criticized, but we want to reiterate it and get it again before the people and say, "See how we are going after these fellows, they have been spending the money right and left, and although you know that they took you out of the slough of despond, yet forget all that, and go after them for not keeping the number of departments down and keeping the organizations as they were, with the accompanying result that the country was in dire distress, desolation and poverty." However, I did not get up to speak about that. I want to speak about this bill. I think that our Committee on Banking and Currency has made a definite mistake in bringing in the bill they have because instead of liberalizing the conditions the way they should be, they have been tightening them up. Why tighten them up, when the end of the depression is approaching, when we are trying to get back on our feet and help everybody else do the same. To begin with, they curtail the time from April 1, 1937, to December 1, 1936. That is indictment no. 1. Indictment no. 2: They strike out the word "additions." Suppose a man wants to add a little bath room to his house, or he wants to add another part to the building to get comfort and recreation for his family, you strike that out. Indictment no. 3: It reduces the amount that can be loaned for commercial and other buildings of that type from \$50,000 to \$25,000, which is a direct slap at the great cities of the country. The great city of New York pays approximately 13 percent of all of the taxes collected by this Government, and yet we have received practically little or no money for commercial alterations in our city. A city alteration cannot be done with \$25,000. Fifty thousand dollars is not enough, and in many cases they need \$100,000 or \$200,000 to accomplish what you set out to do.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. FITZPATRICK. Yesterday morning's paper stated that the State of New York paid one-third of the entire taxes of the United States.

Mr. BOYLAN. The gentleman is correct in regard to the State. I thank him.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. Yes.

Mr. HANCOCK of North Carolina. Is it not a fact that one-fifth of the loans under title I have been made through New York banks?

Mr. BOYLAN. Loans of \$2,000 or less, in the rural sections of the city, but I am speaking of the great metropolitan section, where the tenements are.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes more to the gentleman from New York.

Mr. BOYLAN. That is indictment no. 3. Indictment no. 4: Insurance is restricted to 10 percent. Instead of 20 percent, it is reduced to 10 percent. That is another tightening up, and it will make loans harder to get from the banks. Indictment no. 5: The total amount shall not in the aggregate exceed \$100,000,000, a reduction from \$200,000,000. I am rather surprised that our splendid Committee on Banking and Currency, for the members of which I have the highest respect and regard, should seek to curtail the benefits of this act, which we in the House, noted as the apostles of liberalization in extending benefits to citizens of our country, would naturally have sought to broaden and extend. Therefore, it is with a good deal of pain and sorrow and regret that I see that our committee is taking a stand opposite to that usually taken by the House.

Right here let me say that up to now we have done nothing toward providing cheap housing for the people of low income in the great cities. Even the loans we have made to limited-dividend corporations, carrying only about 4-percent return to the corporations, have not succeeded in bringing

low-cost rentals to the people in the great cities. Even with all these advantages, even with the advantages of reduced taxation and certain exemptions, the best they can get is down to \$12 and \$14 per room per month; and people of low income, earning from \$1,000 to \$1,500 per year, cannot afford to pay these high prices. Before Congress adjourns something definite should be done to make adequate appropriation to subsidize local, State, or municipal corporations, so that with a Federal subsidy proper buildings can be erected that will insure a rent of from \$5 to \$7 per room per month for these underprivileged, underpaid, and low-income people of the great cities. [Applause.]

Mr. MAPES. Mr. Speaker, I yield the remainder of my time to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Speaker, I find myself in somewhat of an unpleasant position this morning in that I am not able to go along with the majority members of our committee. I know it would be futile if I wanted to do so—and I do not—for me to attempt to stop the passage of this rule. I am merely trying to eliminate the defects in the bill and make it operate more effectively and less costly to the taxpayers. I have given long, thorough, and interested study to this legislation. I have been associated with home-financing legislation since its inception in 1932 with the passage of the Federal home-loan bank bill, and my attitude, therefore, toward encouraging home ownership is well known.

I have tried my valiant best to render a service to the House and to the people of America in working out sound programs for home financing. I appreciate that the future of our civilization will depend to a great degree on this type of legislation. I know it is in the home that patriotism is born. It is about the only material thing I have been able to save since the depression. I have always believed that the average man, without reflecting upon conditions which make it so that he must live in them, would not be willing to fight to save a boarding house. I also recognize—and I do not say it in a critical way—that the word has been handed down to pass this bill as it is now written. I recognize that the leadership of the House is powerfully interested in getting this bill through today.

I feel, however, that the study I have made of the legislation and the very close observation I have given to its "impractical" application enables me to help you in your desire to reach a wise conclusion about this bill. I am not anxious that you shall follow my judgment. It is a matter left entirely with you, but I believe that the present bill as written can and should be materially amended in the public interest. These changes will make it sounder, safer, and more effective. I believe the time is not far off when Members of this House and the American people will appreciate exactly what has been going on under title I of the Federal Housing Administration. When the dawn of some of the practices they now engage in breaks in your face you will understand that my efforts here today were timely and constructive. Let us go back in history a few years.

Those who were here in 1934 remember that the original philosophy underlying title I was this: The President sent a message to Congress asking that legislation be enacted which would place the credit of the Government behind private financing for home construction and repair. In other words, that message suggested that the Federal Government become cosigner with every individual who was eligible under the legislation. He set out two very desirable objectives. One was that through legislation of the kind suggested men would be put back to work. Therefore the main objective was to re-create employment. The second major objective was to create tangible, useful wealth in a form for which there is a great social and economic need. The banks had become timid. Other lending institutions were afraid.

Individuals dared not borrow. Something had to be done to break the jam. Those were days of emergency, and nearly everyone felt that any move designed to put the unemployed in the building trades back to work in substantial numbers was worthy of serious consideration. This was the means suggested, and, in my opinion, up to this

date, with all of its faults it has accomplished something worth while toward that end. However, it has not been operated upon a sound and efficient basis. It has utterly and dismally failed to measure up to the claims which its officials make for it. Compare their reports of accomplishments with tangible results in your own districts. Analyze what they claim with what their own records show they have done. It has been carried on by an excess of ballyhoo of every form known to the soap-box artists. N. R. A. was a piker when pitted against this aggregation. More bombarding publicity has been invoked in propagating this work than that of any other agency in my knowledge. Quite recently they have even resorted to the selection of approximately 3,000 W. P. A. workers, who have been sent in the cities to ring doorbells and leave literature asking people to purchase certain appliances. I know we have to do everything we can to give worthy men positions. I recognize and appreciate the fact that the Government owes an obligation to provide a way to work for every honest, worthy, and willing worker. [Applause.] So much for their methods of getting business and making the public buy appliances on the easy terms they do not provide. Who is sponsoring this legislation today? It is a rather strange thing, however, if you will go back to 1934 and examine the hearings, to see the witnesses who appeared before us at that time suggesting the wisdom of this legislation. If you will take that list and compare it with the list who appeared in 1935 you will wonder about the true parentage of this agency which has been ballyhooed as doing so much to encourage employment and recreate wealth in America. Where are those who so solicitously awaited its birth as the forerunner of all that was great and good for the unemployed and the home owners?

In 1934 we had before us distinguished public officials—Mr. Hopkins, Mr. Dean, Miss Perkins, Mr. Fahey. In 1935 we had Mr. McDonald and Mr. Moffett, Mr. Ellenbogen, and several distinguished Members of the House. In 1936 we have Mr. McDonald back, and he is the only one who appeared before. Then comes Mr. Flanders, Mr. Ferguson, Mr. Girard, and Mr. Young, all of whom are splendid gentlemen, but what showing do they make. I strongly intimated when this legislation was originally before our committee and after Mr. Dean and Mr. Riefner had been heard that the real purpose and philosophy would not be put into practice. I knew then, as my questions proved, that title I would be used largely as a grand sales agency, not for the building trades but for a few selected industries engaged in the manufacture of household appliances and equipment. I have not been deceived, but I know some of you have. It is very easy for any man to come back to the House and say, "I told you so", but I am here to tell you that based upon the record—not what I may say about it—I mean their own reports—that the represented true purpose has not been carried out, but on the contrary it has been both distorted and perverted.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. BROWN of Michigan. Is it not a fact that Congressman DUFFY of Ohio introduced the bill asking for an extension of title I and Congressman DINGELL, of Michigan, appeared before the committee in behalf of the bill?

Mr. HANCOCK of North Carolina. I said just now that several other Members of the House appeared.

Mr. BROWN of Michigan. I misunderstood the gentleman. I thought he said no one else exhibited enough interest in the bill to testify.

Mr. HANCOCK of North Carolina. Of course, we all know where the pressure has come from for carrying on the operations without modifications. It is rather significant that no one has referred to a request from a prospective voluntary borrower. Now here is the record. What does the Administrator himself have to say about continuing to subsidize these lending institutions for this purpose to the tune of 20 percent of their total aggregate loans? In the first place, Mr. McDonald on the 13th day of February 1935, on

page 76 of the hearings, stated that he did not personally expect to request an extension of the act; that was the way he felt about it at the moment. That is the record. Now let us examine his recent statement. In the hearings before the Senate recently he stated, in effect, that title I had spent its purpose. Here are his exact words:

If you terminated the activities of title I of the Federal Housing Act on April 1 of this year, I do not think it would cause any marked slowing up in the business activity of the country. We feel that title I has already largely accomplished its objectives.

He did modify that later on in his testimony by saying that whereas these institutions had been using crutches, he thought perhaps it might be necessary for the Government to at least extend to them a cane. No reference is made to the plight of the home owner needing assistance to keep his home in livable condition.

The institutions he was talking about are the banking institutions bulging with cash to lend because they have been doing about 72 percent of this 20-percent guaranteed business. What a gray train this program has been to some of them. It is little wonder that some of them have an affectionate regard for the officials of F. H. A. in charge of title I. Its almost a game of "heads I win, tails you lose" for Uncle Sam. He is the goat and we made him so.

Under the original act, in order to offer inducements to those institutions to make the loans, the Congress provided that each institution that was approved would be guaranteed up to 20 percent of the total loans which they made. Remember and bear in mind that it was not 20 percent on the individual loan, not 20 percent of their losses, but they were guaranteed 20 percent of the total loans made. Can you imagine it?

Now, let us see what that means. Let us take for an illustration the National City Bank of New York, which was instrumental in securing this legislation, through their Mr. Steffon, and which, by the way, has made about one-fifth of all loans guaranteed under title I.

In 1934, under title I, \$40,000,000 in loans had been insured by the Government, through F. H. A., involving a liability of \$8,000,000. This bank had made advances of credit of about \$7,000,000 during the first 6 months of the act, which meant they could lose \$1,400,000 yet not be out a dollar. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Speaker, I think the Federal Housing Administration is a very important agency of the Government, and I think it is aimed at the revival of the industry which means more to us now than perhaps any other affected by the depression. The building industry, in my judgment, is the key to complete recovery. An investigation of the products that enter into the building industry and industries associated therewith leads one to the belief that the building industry needs more encouragement than any other in the country.

I hope no difficulties will be encountered because of the belief on the part of some Member that this organization is being used to promote partisan activities and organizations. We must be fair; partisanship must not divide us when the agency is a helpful one. I ask you to look at the record and then you will agree with me when I say this agency was instituted under Republican auspices. The first director of the agency was himself a Republican. Through real-estate boards and banking organizations who received recommendations that led to the appointment of district directors, I was called in, not by the political organization of my county but by the real-estate board, which, in turn through its national organization, had been requested to give consideration to men who were worthy applicants to head this agency in that part of the country. The director in the city of Buffalo and for all of western New York, therefore, the man who organized the agency, was not selected by partisan methods but, like the National Director, was a Republican.

The statement was made a short time ago that we ought to call upon the Civil Service Commission to give us a list of

eligibles so we might appoint them to these various agencies created during the emergency.

This, indeed, is a fine objective, but it is entirely impractical. Dealing with an emergency requires instant and immediate effort on the part of lawmaker and Executive. There was not a list available that would furnish to us emergency set-ups and the particular kind of skilled men required. We had never gone into this business of relief before; it had been a local activity; but when the counties and the States, both Republican and Democratic insofar as administration was concerned, put up the white flag and demanded that the Federal Government take over relief, the Government was in a new activity for the first time in its career. What did the President of the United States do at that time? Not only did he appoint a Republican in charge of the Housing Administration but he also appointed a Republican to have charge of the great relief agency now known as the W. P. A. The Public Works Administration was placed under another Republican. Everybody here knows that at least 12 or 15 of our former colleagues on the Republican side either now hold or have held jobs under this administration. The Government, of course, could furnish stenographers, typists, and ordinary clerks, but the Civil Service Commission had no available list of men possessing the technical knowledge required in the investigation of mortgages, loans, and so forth, which enter so largely into the work of this organization.

Through the facilities of the Federal Housing Administration at least \$1,000,000,000 have been invested in refinancing and in home construction, repair, and modernization. The movement in durable goods resulting from the F. H. A. program has lent a substantial impetus to national recovery, and at the same time it has been vastly beneficial to American home owners.

This governmental agency is unquestionably a primary factor in our economic revival, as it encourages private capital by its insurance methods to make loans, and this encouragement promotes increased employment in the building trades. In order to insure mortgage loans it has set up an exceptionally precise method for land and building valuations, which, together with the guaranty on those loans, puts real-estate properties on a sounder economic basis and less vulnerable to the dangers from adverse economic cycles. The F. H. A. has made a splendid record and proved itself popular. It merits national commendation.

Mr. O'CONNOR. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, my people are interested in the extension of the authority granted by this bill. It has proved to be a wholesome undertaking in the part of the country where I live. One of our important industries in my part of our State is the building business. The Federal Housing Administration has been a boon to a great many of our mechanics and tradesmen, and we in northern New Jersey are interested in having this bill passed. I do not think there is going to be very great opposition to it.

There is one salutary provision in the bill having to do with loans made to tenants under a lease expiring not less than 6 months after the maturity of an insured loan. Under the original law a loan made to a monthly tenant could be insured. Cases arose where tenants under a monthly tenancy purchased such things as refrigerators and then moved without leaving any trace of their whereabouts. Tenants have made purchases under high-pressure salesmanship. In some cases the equivalent of a month's rent has been offered tenants in order to promote sales, some of which were made without a bona-fide down payment. I feel that in making provision for the sales of such articles as refrigerators the tenants getting the insured loans ought to meet the condition precedent that they have a lease expiring subsequent to the maturity of the loan.

Mr. Speaker, I am in favor of this rule and I know it is going to be adopted.

Mr. Speaker, I yield back the balance of my time.

Mr. O'CONNOR. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, the Senate has passed Senate bill 4212, a measure similar in part to this bill. Originally the language in the Senate bill was practically the same as in the House bill. However, the Senate has inserted new language. Senate bill 4212 has been passed by the Senate and is now on the Speaker's table. The title of the two bills is the same.

I think it is very advisable we substitute the Senate bill. In other words, I suggest that the House strike out everything after the enacting clause, putting in whatever language the House agrees to today for the language in the Senate bill. If we do this we will expedite the final passage of this bill. If we do not follow this procedure, when the House bill, H. R. 11689, goes back to the Senate the Senate will have to take up that particular bill. It must go to a Senate committee. That means delay. I believe this is a courtesy which we owe the Senate.

Mr. Speaker, the present law expires in 5 days. It is essential that this bill become a law by that time or the Housing Administration will have no legal right to carry on business. Surely the committee should see the wisdom of accepting this suggestion. Remember the President is not in this country, but on vacation in the West Indies, or somewhere in that vicinity, and it will be necessary to take the bill to him for his signature. Of course, it will be sent by seaplane. Both Houses have been adjourning Friday over the weekend. Therefore, it appears to me that we must dispose of this bill in both the House and Senate before adjournment tomorrow night if the bill is to reach the President and be signed before the present law expires. By passing the Senate bill at this time it will expedite the passage of the legislation. The Senate can either agree to the House amendment or ask for a conference. Of course, the House will grant an immediate conference, and the conferees can get together tomorrow and reach some agreement, and bring the bill back to both Houses before adjournment tomorrow night. It will be impossible to do this unless you substitute the Senate bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from New York.

Mr. O'CONNOR. In addition to that the bill has to be signed by the President before the 1st of April?

Mr. COCHRAN. The gentleman is correct. Is it a question of pride of authorship? That is the only reason I can see for the committee not accepting this suggestion. I spoke to members of the committee, but could secure no assurance my suggestion would be followed out. I do not think pride of authorship should interfere in a matter as important as this is. I make the suggestion, therefore, that we substitute Senate bill S. 4212, and strike out all after the enacting clause in that bill and substitute the language in the House bill. The parliamentary situation will not permit me to do this, but I am sure the acting chairman of the Committee on Banking and Currency can get those controlling the time to yield to him for that purpose if he will but make the request. It should be done before we go into the Committee of the Whole, as a motion will prevail now. After the bill has been considered in Committee it can only be done by unanimous consent, and some Member opposed to the bill might object. I appeal to the Committee in charge of the bill to take the action I request now.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. Sisson].

Mr. Sisson. Mr. Speaker, I do not agree with the gentleman from North Carolina [Mr. Hancock]. On the contrary, I say—and the figures will so show, if the annual report and the other statements furnished by the F. H. A. are examined—that this has been one of the most useful agencies of the Federal Government in connection with the promotion of employment. It has done so and is doing so at the present time without incurring the criticism of putting the Government into competition with private interests. It has accomplished its purposes by bringing out from hiding private capital.

As I understand it, our committee was practically unanimous in reporting the House bill, and I believe this applies to

the Republican Members as well as the Democratic Members, although I may be in error. I think all of the Republican Members were not present. However, with the sole exception of the gentleman from North Carolina [Mr. Hancock], the committee was, generally speaking, unanimous for the House bill. Some of us did advocate certain changes which appear in the Senate bill.

Mr. Speaker, I fully agree with the gentleman from New York [Mr. O'Connor] that New York City has not received the particular kind of relief and help under the law which has been in effect during the past year that it should have received. Of course, I am not authorized to speak for New York City, but as a matter of fairness I think I should make that statement. I agree with him also that the \$25,000 limitation under title I should be put back to \$50,000.

Mr. Speaker, I want to refer to just two or three other things which I understand will be offered in the form of amendments to the House bill, probably by the gentleman from Michigan [Mr. Brown]. I entirely agree with the position which I understand the gentleman from Michigan [Mr. Brown] will take. One of these has to do with the proposition that title I of the House bill terminates on December 31, 1936, at a time when Congress is not in session. I think it should be extended to April 1, 1937, as provided in the Senate bill.

The second proposition is that there were a great many gentlemen, some Members of the House, and many men from private industry, who appeared before our committee and asked that title I should continue to include, as it does under the present law, financing of electric appliances, this to apply to insurance only. This has been cut as to the amount of insurance from 20 percent to 10 percent.

Mr. Speaker, I think this agency is still doing a useful work in promoting business. This provision as to electric appliances is in the Senate bill, but has been taken out of the House bill. It should be restored.

I cannot argue the merits of the bill. I am not physically able to do so. There is a lot to be said for the bill, and I do not believe there is any substantial opposition to the philosophy of the legislation. I do not believe there will be any really serious or substantial opposition to the amendments which will hereafter be offered either by the gentleman from New York [Mr. O'Connor] or the gentleman from Michigan [Mr. Brown]. I want to say that I am 100 percent for all of them. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. Duffey].

Mr. Duffey of Ohio. Mr. Speaker, answering the remarks of the gentleman from Missouri [Mr. Cochran], I inform the House that since the bill passed the Senate there have been some unusual conditions arising in this country, particularly by reason of floods. The House Committee on Banking and Currency has properly seen fit to include in the pending legislation a provision whereby new construction on unimproved real estate may be made in a sum not to exceed \$2,000. If we substitute the Senate bill for the House bill, we will thereby deny this relief, which is very necessary. I submit therefore, Mr. Speaker, that we should pass the House bill as it has been reported by the Committee on Banking and Currency, with an amendment as to the effective expiration date, to April 1, 1937.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. Farley].

Mr. Farley. Mr. Speaker, I have listened attentively to the many things which have been said on the floor of this Chamber with regard to Government interference with private business. In order that the Members may realize what this Government has done to private business, I checked the following, and I find that on March 1, 1933, the low on the New York Stock Exchange of General Motors stock was 10½. The high was 10%. General Electric stock on the same day, low 11¼, high 12. Today General Motors is selling at 67½ and General Electric at 38¾.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11689) to amend title I of the National Housing Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11689, with Mr. O'NEAL in the chair.

The Clerk read the title of the bill.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, we are not opposing this particular bill, but as we have 2 hours for discussion, certainly some general observations should be made with respect to the present situation. We read a few days ago that the President himself said that the Federal housing program is in such a mess that it is doubtful whether anything can be done about it very soon. That does not detract from this measure particularly, but certainly when he makes a statement like that we wonder whether we may not be to blame for such an utter lack of coordination. One thing that we should keep in mind is that one authority should be doing something to save the homes of our people, and the other proposition should be entirely different, namely, to encourage the building of small homes for the average American family able and eager to do so.

No one could have been more enthusiastic for this plan than I when it was passed. I have, however, criticized the ballyhoo methods adopted. I consulted with the officials of many banks and urged their cooperation. However, I learned that at the start, at least, most loans made were made for refrigerators and other appliances. The lumber dealers and others did not seem immediately to prosper as much as we had hoped and expected they would. The gentleman from North Carolina [Mr. HANCOCK] portrayed these ballyhoo methods accurately to you.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. FORD of California. Did not the lumber dealers come to the committee and urge that this be passed?

Mr. GIFFORD. Indeed they did, and they came to me and I sympathize with their hopefulness. They were a part of the volunteer committee the country was urged to form. They went around doing their best to get people interested in this proposition, and they are still hopeful and are interested. They have received some good, and I hope it will continue to stimulate their business.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. MAY. The gentleman made the statement that the President has said that the Housing Administration is in a mess.

Mr. GIFFORD. Yes.

Mr. MAY. Did he point out the particulars in which it is messy, or did he say anything further about that?

Mr. GIFFORD. I simply read to the House what was in the newspapers as reported from a conference.

Mr. MAY. I think as a matter of fact he made that statement—

Mr. GIFFORD. Oh, everybody knows that it is in a mess.

Mr. MAY. The House is entitled to know something about it.

Mr. GIFFORD. I am going to tell why it is in a mess. There are various activities trying to bring about building operations. There are too many working at cross-purposes. W. P. A. in New Mexico in one little community of 14 people, with only 4 school children, constructed 2 schoolhouses to the tune of \$5,000 each. I get this from a Democratic newspaper, so I presume it must be correct. It stated that they have to allocate money in New Mexico, as well as in other

States. They have two United States Senators. That is one way the P. W. A. is spending money. Another way in which it is spending money is in the matter of slum clearances, and if I had with me certain other Democratic newspaper clippings I could show how they criticize these slum-clearance propositions. I will, however, read to you here a report which shows how the Government is acting at cross-purposes in these matters:

The Federal Housing Administration is insuring real-estate mortgages whereby private building lending may be encouraged. The Home Owners' Loan Corporation has loaned public money to almost a million private owners, and seems to represent a policy of supporting private real-estate values.

But there are two policies involved. One is to try to protect real-estate values; the other to use slum clearance for relief purposes, and then, by low rentals, ruin other real-estate values. They are spending many millions for these slum-clearance projects. This is really working at cross-purposes.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Oh, I know what the gentleman from New York is thinking. I have read a lot about slum clearances. The tears would pour from my eyes if I attended some of those public meetings you have held in New York City, sponsored by your mayor, and I should probably be induced to agree with the gentleman; but before he asks a question about it I want to say that I do not complain where it is really properly done. And while the gentleman is on his feet I want to do a little Yankee trick and ask him a question.

Mr. BOYLAN. Go ahead. I will answer the question.

Mr. GIFFORD. Why, in the nearby city of Stamford, Conn., as I read, where there are no slums, did they receive an allocation of \$800,000 for slum clearance?

Mr. BOYLAN. Well, I do not represent Stamford, Conn. That is represented by the gentleman from Connecticut [Mr. MERRITT], one of the best men in this House. I suppose he got the \$800,000. I did not get it.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a question?

Mr. GIFFORD. Oh, the gentleman from New York has not answered my question.

Mr. BOYLAN. I will answer the gentleman's question. The gentleman said a great deal of money was spent for slum clearance. The gentleman is an intelligent man, well read, well versed, and an excellent Congressman.

Mr. GIFFORD. I thank the gentleman.

Mr. BOYLAN. He represents his district in a splendid manner. The gentleman knows, however, that in all these slum-clearing projects, so called, they have not been slum-clearing projects at all, because even with limited dividend corporations, when the houses were completed, it was necessary to rent them from \$10 to \$12 and \$14 per room per month. So the gentleman knows that is not slum clearance, because in slum clearance the rents would be, at the extreme, from \$5 to \$7 per room per month. The gentleman knows that.

Mr. GIFFORD. That is what I claim is the trouble. I had a picture of a slum-clearance operation in my State. They were good buildings. They looked like some of the new Harvard University dormitories. They cannot rent them to the same people who had them before, so these must have removed to a different section, perhaps no more desirable than the old one. Oh, the thing is to beautify the city at the expense of the Federal Government. Are we to keep on loaning money to wealthy communities like Stamford for this purpose? It is too true that many of my own communities, because the taking was good, have saved their own towns from going into indebtedness by accepting this Federal money. I am not now, or at any time, criticizing any individual who may have charge of any project. I am not much interested even in digging up corruption. As ranking member of the Committee on Expenditures, how often have I said that my criticisms are not aimed at people? You cannot entirely avoid political corruption in projects of this nature. There is plenty of it. I am having it in my own district. But I am not looking

for somebody in particular to punish. I am rather criticizing these policies that we are following. We are indeed working at cross-purposes. Think of the waste of money which has been provided for resettlement. I wonder if we will approve and marvel at the Tugwell projects in and around Washington? How many such favored spots are there going to be?

Mr. BOYLAN. Will the gentleman yield, Mr. Chairman?

Mr. GIFFORD. Yes; I yield.

Mr. BOYLAN. You know the old story of the way the monkey killed the bees, one at a time. We were talking about slum clearance and now the gentleman has gone off to resettlement.

Mr. GIFFORD. I probably meant to lead the gentleman astray.

Mr. BOYLAN. Next the gentleman will be saying something about those celebrated oysters from Cape Cod.

Mr. GIFFORD. I thought the gentleman would arrive at something like that.

Mr. BOYLAN. I guess they were buying the refrigerators of which the gentleman spoke to put these celebrated Cape Cod oysters in. [Laughter.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman from Massachusetts 5 additional minutes.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Well, I should like to talk about these famous oysters that have been referred to.

Mr. BROWN of Michigan. Perhaps the gentleman will yield a little later after he has concluded his remarks.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No; I cannot yield at this time. I was trying to tell you that I urged my banks to loan money under title I. The gentleman from North Carolina [Mr. HANCOCK] is right in part of his argument. Highly trained salesmen who were temporarily out of a job were put to work by the E. R. A. They were good salesmen. Every week end when they reported they naturally wished to report that they had done some business. But their job was to induce people who were able to spend money and not too strongly to urge those who were not in a position to do so.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. BROWN of Michigan. The gentleman has criticized the activities of the E. R. A. workers several times. Is it not a fact that the Government of the United States was kind enough to get E. R. A. workers to circulate a document extolling the beauties of Cape Cod and Cape Cod cottages? Does the gentleman not think he ought to give the Democrats a little credit for that?

Mr. GIFFORD. Just as I did yesterday. I gave them credit for these men urging us to spend money. I am one of those who went into debt when I had no business to do so, and I am now, like many others, suffering for thus going into debt as a result of a desire to go along. That is what I gave you credit for yesterday. That is your whole proposition. Do anything you possibly can to get the people to owe money.

Mr. BROWN of Michigan. They spent their time advertising the gentleman's congressional district as a summer resort.

Mr. GIFFORD. I hope they said something about it. But I know how this thing works. I have talked with these men. I have in mind men they sent out in my district. They were all eager to make a showing. One of the fellows said to me, "The other fellows could not make a certain sale. I sold him." They were high-pressure salesmen. I said in the first place that this was all right where people were able to do it. But you have gone so much further than that and the results are rather disappointing.

I was talking with the gentleman from Maryland the other day, and I feel sure he is willing for me to repeat the conversation, because I know he is one who does not believe in

people going into debt. He fairly and truthfully said that the banks in his own particular district did not care to take this kind of loan; that they were high-pressure loans; that if a man really could afford it, the bank itself would be only too glad to lend the money. I have criticized so many other things that when I see something I am hopeful for I want to see it given a further chance, and I shall support this bill.

Mr. GOLDSBOROUGH. Mr. Chairman, in view of the fact the gentleman has kicked my shins—

Mr. GIFFORD. I paid the gentleman a high compliment.

Mr. GOLDSBOROUGH. May I ask the gentleman whether he will vote for the bill?

Mr. GIFFORD. Oh, certainly; I said so in the beginning.

Mr. GOLDSBOROUGH. I am glad to have the gentleman's support.

Mr. GIFFORD. I am very glad to vote for some of these things, of which I am hopeful. My effort at the present time is to show at what cross-purposes the various agencies of the administration are working, in an endeavor to bring out these weaknesses. This is not necessarily opposition, is it? Certainly we should uncover the weaknesses in the hope of remedying them.

I desire to bring out one further thing. I do not think any of us felt, when we originally passed title I of the bill, that under it new homes could be built. We thought the \$2,000 was to be spent for additions and improvements, but we find they have built \$2,000 homes complete. They want this permission specifically incorporated in the bill, and under the flood conditions now prevailing I am one who would say that if we can go into these flood areas and make a character loan to a man who owns his land, and if he can build a complete house for \$2,000, it is a splendid thing and under present conditions should be put in the bill.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Massachusetts.

Mr. GIFFORD. Mr. Chairman, I have been in the real-estate business for many, many years. When I entered this business I could get a title searched for \$3, but I should like to see you get a loan where you have to have a title searched that will cost you less than \$50. You are fortunate, indeed, these days if you can. If it can be so arranged that this \$2,000 can be lent as a character loan and save the attorneys' fees of \$50, it will be a very wonderful thing at this particular moment; and I urge, when this matter comes up, that it be kept in the bill. As a matter of fact, I think it was in the bill, but that the Federal Housing Administration proposed that it be taken out.

Inasmuch as I see the chairman of the committee looking at me rather sharply, I may say that there is another feature in the bill relating to second mortgages that may have to be amended to achieve the proper result desired.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Briefly.

Mr. ANDRESEN. The trouble we find out in our country is that people do not have sufficient incomes to get these loans, because the lending authorities require that the applicant for a loan must have an income five times the amount of the monthly payment. Consequently they do not receive any advantage from it.

Mr. GIFFORD. That depends wholly upon the banks and how many months they will extend the credit for. Most of them spread it over 18 months. If the period is extended to 36 months, it can be handled with half the income.

Mr. Chairman, I had wanted to comment on another failure to encourage new construction, due to the effect of the Securities Act.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 1 additional minute to the gentleman from Massachusetts.

Mr. GIFFORD. I asked the chairman of that Commission how much of the \$5,000,000,000 that had been registered was for new construction, and I found that except for 5 percent all of it was used for refinancing and not for new construction and plant enlargement.

It might have been a good law, but it has proven a very great detriment to new business. This bill is especially for the little fellow, and I hope it will pass. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I thank the gentleman for allowing me this time. Two minutes is insufficient for me to give a real talk on the subject of slum clearance. Although I am unable to see, I can actually smell the slums in the District of Columbia. I do not think we can spend too much money in eradicating the slum districts not only in Washington, D. C., but throughout the United States. We are spending approximately \$15,000,000 annually to protect society against criminals. It is my opinion if we spend about \$5,000,000,000 to eradicate the slum districts of the country a great deal of the prevailing crime would be discontinued. Of course, one of the reasons why unfortunate people are compelled to live in slum districts is because they cannot find employment, and when they do find employment the wages which they receive are insufficient to keep body and soul together. One of the best ways to wipe out the slums and end poverty in our country is to furnish employment to the millions who are now unemployed and pay them not only a living wage but a saving wage. It is unnecessary for any person to be unemployed today, therefore, Mr. Chairman, we should not hesitate to support this legislation or any other kind of legislation that will help to eradicate the slum districts of our country. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, continuing where I left off a few minutes ago, may I say that in 1934 the gross amount of business which had been done under title I was approximately \$40,000,000. I stated that of the \$40,000,000 of loans insured under title I, about \$7,000,000 had been insured through the National City Bank of New York, one of the largest banking organizations in this country. Of that \$7,000,000, under the present law, the United States Treasury is responsible for 20 percent, or \$1,400,000, in losses. They are not even required to exert themselves if their losses are not in excess of 20 percent of their total loans.

Let us get a practical picture of the way the taxpayers' money goes in this grandiose scheme.

Mr. Chairman, as I understand the mechanics of the Federal Housing Administration, John Smith would go to Sears-Roebuck & Co. and purchase \$200 worth of appliances or improvements for his home. No cash payment is required.

John Smith takes that note to an approved institution, perhaps a new-born subsidiary operating on the mezzanine of each one of its central stores, which accepts it. The name of the borrower is then sent to the Federal Housing Administration; thereupon the Federal Housing Administration becomes responsible for at least \$40 of that \$200 purchase under the present act, and maybe 100 percent, dependent, of course, upon the percent of collections to the total loans made.

It so happens that under title I up to the present date approximately 50 percent of the total amount of renovizing loans made through December 31, 1935, were made through institutions in New York, the National City Bank, and its branches, the Giannini banks in California, and certain banks in New Jersey.

On the present amount of loans made through the National City Bank and its branches the Federal Government is responsible for approximately \$12,000,000 of its losses, and they will be there unless the shape of the world turns flat. I am merely calling these facts to your attention so that you may know what has been going on under title I of the Federal Housing Act and to convince you by the record of their performances that the amendments I am advocating are constructively sound and highly necessary. I need not tell the Members that I supported this legislation previously. I want

to support it again. I believe with certain changes and more efficient coordinated administration great potentialities for good lie in this title. I am also inclined to feel and frank enough to state that with all the abuses that have crept into its administration it has helped business in certain parts of the country, even if it was done at a dear cost. I am a strong and ardent believer in a slum-clearance program, but there is nothing in the bill before us relative to that kind of housing program. I am also not making any point here today because North Carolina, for reasons which I do not care to discuss here, has not participated as much as other States in the Federal Housing programs.

Furthermore, I recognize that certain legislation is passed here from time to time which affects certain sections more than others. I have tried always not to be sectional but take as broad view of each bill as my capacity and vision would permit. I am delighted to throw what little strength I have behind any sound bill designed to aid the larger industrial centers, particularly the large cities in New York, California, and other States. We all know that a large percent of relief funds have gone into these centers. Different conditions make necessary different legislation for different parts of the country. I am merely trying to point out what has been going on so that we may correct it if possible in the House.

Mr. FORD of California. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from California.

Mr. FORD of California. This bill would not have an adverse affect on a slum-clearance program?

Mr. HANCOCK of North Carolina. No. So far as repairs and alteration projects, it could be helpful—

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. In connection with the example which the gentleman gave, he stated that on a \$200 purchase the Government may become responsible for 20 percent, or \$40. I think the gentleman is slightly mistaken. It could become responsible for the total amount, because the F. H. A. insures 20 percent of the total loans, which may be 100 percent of any particular loan.

Mr. HANCOCK of North Carolina. I thought I made that quite clear. The gentleman is, of course, correct, and I know his explanation is very helpful.

Let us see now for a few minutes what the advocates of the bill as it was reported say about it.

The gentleman from Maryland, the acting chairman of the committee, stated that under title I of the original bill there were two major objectives: First, to stimulate new construction, and, second, to stimulate the sale of electrical appliances. I differ, as is quite often the case, with my distinguished colleague in his interpretation of the purposes of title I, if that is his interpretation.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. I coupled new construction and electrical appliances as one. The second objective was low financing.

Mr. HANCOCK of North Carolina. As I stated in the beginning, my conception of it, based on the testimony given before the committee by its authors and sponsors, is twofold: to create employment, and create tangible, useful wealth by putting the durable-goods industries back into action. No one who came before us in 1934 ever intimated that these objectives would be carried out by stimulating the sale of a few appliances and articles made by a few select and favored manufacturers.

There is also a difference of opinion between Mr. GOLDSBOROUGH and myself as to the cost of the operations to date. They have been high, all will admit, when you consider the small amount of business done and the real benefits to the people—not the lenders. Let us look at the record again. Based upon the answer made by the genial Administrator, Mr. McDonald, to a question propounded by the gentleman

from Michigan [Mr. BROWN], my understanding is that the expenses and cost of operating, not including losses, which, as I shall later point out, are being minimized and perhaps deferred until this legislation is passed and the election is behind, would amount to around \$20,000,000 through March 31, which would be about 5 days from now. That is what I read in the record if I can understand the plain old English language.

In addition to that, the gentleman from Maryland says that approximately a million men have been put to work by the F. H. A. activities. I know that he believes that a million men have been put to work or else he would not have made the statement. I want to say, however, that his estimate is nothing in the world but a pure guess, so do not press him for an explanation or break-down of his figure. Now, I will tell you why I know it is a guess and closely akin to a majority of the wild assumptions and bloated claims of this organization. Just glance at the list of other accomplishments in their letter of transmittal.

In February 1935 Mr. McDonald told me that under the operations of the Federal Housing Administration 750,000 people had been put to work. At that time they had only been operating about 6 months. That is as ridiculous a claim as the one you will find on page 17 of the report for 1935, where they say that the modernization credit plan has directly encouraged millions of other property owners to go forward with upward of \$1,000,000,000 worth of repairs and improvements. Bureau of Labor statistics show that only about \$500,000,000 worth was done in the whole United States during 1935.

Mr. BROWN of Michigan. Will the gentleman yield to correct what I think is a mistake on his part?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. The question I asked Mr. McDonald was whether or not the loss was \$20,000,000 for the period that would be ended on March 31, and for the proposed extended period, which, as appears on page 12 of the hearings, is December 31.

I shall continue to stick to the record. We may read it a little differently. I know the gentleman is sincere and I am sure he knows that I am, but let us keep the record straight. What do we find?

Mr. BROWN of Michigan (talking to Mr. McDONALD). Would it be fair to say that your rough estimate of cost, not now taking into consideration benefits which, I can see, would be very great, that the cost of this operation to the taxpayers of the United States for the period that will be finished on March 31, and for the proposed extended period, would be in round figures something like \$20,000,000? I judge that from what you say.

Mr. McDONALD. Well, do you mean on title I or title II or both features of the act?

Mr. BROWN of Michigan. I mean the entire act.

Mr. McDONALD. On both features of the act, I think that is approximately correct.

Mr. BROWN of Michigan. Somewhere around \$20,000,000?

Mr. McDONALD. Yes.

That is for the proposed extended period to December 31.

Mr. HANCOCK of North Carolina. No, my friend; that would be twenty-two million, according to the record. I make this statement without fear of contradiction, that before March 31 of this year the actual expenses of operating the Federal Housing Administration will exceed \$20,000,000.

I further tell you that, based upon the record and common sense, the loss estimated by them of \$980,000 does not approximate the actual losses.

Any man with good, old, horse sense knows that the older the loans get the higher the curve of losses will be. These figures are based on practically new loans. Just wait and see. You will be asked to take care of the F. H. A. through a deficiency appropriation unless it is placed on a sounder operating basis. Mark my words.

Let me tell you something else about it. They probably do not believe their own statement; and I am not saying this to reflect upon them, but I will tell you why they do not. Do you know that in the Budget report they have set aside \$5,000,000—

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman from North Carolina 10 additional minutes.

Mr. HANCOCK of North Carolina. They have set aside \$5,000,000 to cover the repurchase of notes in default for the year ending June 30, 1936. For the year ending June 30, 1937, they have included in the Budget \$23,000,000. This is the record. This is not my estimate of it. Why did they not tell us this. I had to dig it up myself.

Let us examine now hurriedly the bill before us by sections.

Now, they are trying to change the method of getting rid of these repurchased notes. They want Congress to authorize a private or public sale. Under the law this repossessed property has to be turned over to the Procurement Division. Any man who understands what has been going on under title I knows there is not enough space in buildings owned by the Federal Government to store the repossessed property. What are they going to do with it? They want to take these notes, bunch them up in a package, and sell them like a pig in a bag. In the interest of the borrowers and purchasers no private sale should be authorized. I think it is bad public policy, and I shall try to strike out the words "or private", on page 1, line 10.

Mr. Chairman, talking about creating employment, do you know that out of \$254,000,000 of business done under title I through December 31, 54 percent of it was in connection with the sale of plumbing, electrical appliances, and other mechanical equipment? The average loan for the year 1934 was approximately \$400, the loans during the year 1935 averaged \$354, and the loans in December 1935 averaged \$294. Tell me where substantial employment comes there. Where is the widespread employment in installing a Frigidaire, putting in a radio, selling a vacuum cleaner, selling a stove or a range or a cream whipper, if you will. Do you believe that 800,000 loans averaging \$350 would put even 250,000 people to work; and if so, how long? Is not that really silly for grown men, responsible officials, to talk about?

Mr. Chairman, let me tell you something else. These are the bare-bone facts. This report right here made to the Speaker of the House and to the President of the Senate states that through the influence of this Federal Housing Administration more than \$1,000,000,000 in modernization was done in the United States in 1935. The statistics of the Labor Department show that only \$524,000,000 of modernization improvements was made throughout the country during that whole year, and yet they claim credit for \$1,000,000,000.

I say to you, not charging any bad motive, but there never has been, in my judgment, since I have been in this Congress, a more misinforming and misleading report filed by a responsible agency of our Government than the report of the Federal Housing Administration for both years—1934 and 1935. Examine it for yourself.

Now, what about the low-cost interest rates so much touted? Whenever you see advertised in the papers that any individual, living in America, can borrow money under title I or title II of the Federal Housing Act for 5 percent, put it down as unadulterated "baloney." You cannot get it, and I say that such advertising is unfair and misleading. It creates discontent among the present borrowers of this country, and if it is continued, it is a worthy subject for investigation by the Federal Securities Commission, which requires that all people selling and financing securities shall tell the truth and all the truth to the public. Surely a Government agency should conform to its requirements.

What is the cost to the borrower under title I? There has been right much discussion about it. I am keeping to the record. I started with it and I shall end it as the basis for my declarations.

Let the record tell the story. The interest is approximately 9.72. Under the modernization credit plan, Bulletin No. 1, page 18, the discount on a 30-month rediscount loan figures out 11.15. Nobody in this House can deny that fact. That is their own record.

More than that, regulation 3 says that on each payment in delay of 15 days the lending institution is permitted to

charge the borrower 5 cents on a dollar additional. That would make the cost to him run about 14 percent.

Every bit of that is concealed in the report. That is the tragedy of it, my friends. I am not saying that it has been done in bad faith, but it has been done.

Now, if you assume that 50 percent of the cost of administration of the Federal Housing Administration was spent in the administration of title I, you will find that out of every dollar that they have insured of loans it has cost the Government almost 3 cents. That is the record, and I defy any man here to refute it.

Now, what has the Federal Housing Administration done in the way of construction of new homes in America? It has spent approximately \$20,000,000 in operating expenses, and it has been responsible for the construction of 12,132 homes. That is the record. See their own report.

Now, let us see about this bill before us. I must discuss several features. The first thing they want to do, as I said awhile ago, is for Congress to give them the authority to sell these repurchase notes in bulk at private sale. Is that a sound policy? I seriously question it.

The next thing they want to do is to extend the life of this corporation to December 31, 1936. I would like to see it done under certain conditions.

They claim under section 2 that they will no longer permit the sale of electrical appliances. They have probably realized at last what they were doing. I still believe the officials here want to do the right thing.

My contention is that they can continue the sale of electrical appliances and equipment if the person to whom they sell owns the real estate or holds a lease that does not expire until 6 months after the maturity of their loan. I think that is a fair interpretation.

The whole thing hinges around the proper interpretation of what is an improvement to real estate. The language they use now is identical with the language which was in the original bill. Here is my recollection of the language: "To make loans and provide credit for the purpose of repairs, alterations, and improvement on real property."

On May 28, 1935, we changed that language and added, "and the installation of electrical appliances and equipment." In the Banking Act of 1935 we changed it a little bit more. We put in "and the purchase and installation." Therefore, my friends, unless you add before the word "improvement" the word "structural", we will never be able to carry out the original purpose of title I.

Another thing I would like to do is to cut this insurance fund down from 10 percent to 5 percent. These lending institutions collect on an average of 10 percent. They have, as I stated, the right to charge an additional 5-percent penalty. Why insure them on their total loans up to 10 percent? If they make \$100,000 of these loans, why let the Government continue to be liable for \$10,000? If you reduce it to 5 percent it makes the lenders more careful, and it thereby protects the Government accordingly, and in addition to that you will increase the total volume of business that can be done. Already there have been insured \$300,000,000 of these loans. That involves the Government to the extent of \$60,000,000 on the basis of 20 percent. In the present bill you cut it down to 10 percent guaranty, so that permits them, with the \$40,000,000 remaining in the fund, to do a business of \$400,000,000.

If you cut it down to 5 percent, the Federal Housing Administration can do \$800,000,000 worth of business without increasing the liability of the Government. That is my contention. By adding the word "structural" you carry out the original philosophy and purpose of the title, which was to help the small-home owner in this country who had not the means nor the credit to make needed repairs to his home during the depression. In addition to that, you are protecting the United States Treasury. Unless changes are made, I predict here and now that within the next few years Congress is going to be asked to make an appropriation to take care of the losses under Federal Housing. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 10 minutes. I shall not oppose this bill, but in connection with its de-

liberations there are some things I should like to point out in the relationship between our present unemployment condition and the housing program of the Federal Government. I have nothing but admiration for the gentleman from New York [Mr. MEAD], who time and again has shown a most persevering effort in directing attention to the problem of unemployment, and that has been emphasized, of course, by the President of the United States in his recent message to Congress, wherein he points out the appalling number of people who are unemployed at the present time. I believe that more and more Members of Congress ought to emulate Cato, the Roman tribune of old, who, realizing that some day there would be a struggle for mastery between Carthage and Rome, ended every speech he made by the statement, "Carthago delenda est"—"Carthage must be destroyed." I think we should end every speech and letter we write with the cry "unemployment must be banished", and make the Nation unemployment conscious.

My interest in the housing program and in this bill is directly related to my interest in the matter of unemployment, and by way of prelude may I say that a lot of good work done by Congress in the last year or two is going to be undone unless we solve that problem. When we set up the Home Owners' Loan Corporation to protect the homes of people against foreclosure I voted for the bill, and was glad to do so, and yet as we read the record we find that foreclosure proceedings have been instituted against 5,700 pieces of property and that the Home Owners' Loan Corporation owns 1,100 properties outright as a result of foreclosures. That is not because any home owner who has made a loan is indifferent to his loan or to the protection of his home, but is generally the result of inadequate earnings or of being jobless. That is where some of the benefits will be impaired until the unemployment problem is solved.

What is the unemployment situation at the present time? Look at the report dated March 16 from Mr. Green, president of the American Federation of Labor. He says there are 12,636,000 people unemployed in the United States at the present time.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. HEALEY. But in the 12,636,000 people who are unemployed are included three and a half million people who are employed on emergency relief projects, so that as a matter of fact there are 9,000,000 unemployed, approximately, according to the figures of the American Federation of Labor. Three million five hundred thousand are employed on relief projects. The gentleman is referring to figures on unemployment quoted by the American Federation of Labor. It may interest the gentleman to know that the figures 12,600,000 include 3,600,000 W. P. A. workers, according to Mr. Green, president of the American Federation of Labor.

Mr. DIRKSEN. The report points out that there has been an increase of only 1,024,000 in employment between January 1935 and January 1936.

The report also points out there are sixteen and one-half million people on relief. What have we done for them over a period of years?

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. REILLY. In order that the Record may be clear, I think the gentleman should state that a large percentage of the foreclosures instituted by the Home Owners' Loan Corporation are against people who have abandoned their property and others who, able to pay, are opposed to paying, believing that the Government should let them have their loans for nothing.

Mr. DIRKSEN. They state in their report that they are deliberate delinquents, but I do not subscribe to that view particularly. Now, what have we done about unemployment? There was the N. I. R. A., intended to eliminate child labor and absorb people in industry through the shortening of hours. We had the Civilian Conservation Corps; we had the W. P. A., P. W. A., and various others, the total cost of which was about eight and one-half billion dollars, yet we have the

brutal stark fact that there are some twelve and one-half million unemployed in this country at the present time.

When the first flash of the housing idea came along about 2 years ago I looked forward to it with a great deal of hope. I thought that, inasmuch as millions of people were unemployed who were formerly identified with the building industry, men who swing a hammer and push a saw, men who drive brick trucks, and who unload cement cars and all that sort of thing, might very readily find employment if there was a real worth-while housing program. What have we now by way of a housing program? First of all, there was allotted \$125,000,000 to the P. W. A. Housing Division. They did not spend a dime for actual construction. They did not build a house. They finally suspended for a little while when the P. W. A. Emergency Housing Corporation came along. They had an allotment of \$100,000,000. The Comptroller General said they could not legally expend any money. What result? They never built a house. They never built a housing unit. So the Housing Division came back again. They started in with the idea of low-cost housing to be done by private contractors. They finally determined that private enterprise could not draw up the kind of plan or meet the requirements that was in accord with the desires of the Federal Housing Division under the P. W. A. Then came the Louisville decision, in which a Federal court said that the Housing Division could not exercise the right of eminent domain under the Constitution, so they had to forget most of the private projects and address themselves to public projects. What is the record today after a lapse of almost 2 years? They completed seven private projects. They have thirty-some-odd public projects under way at a total cost of about \$140,000,000. This is a mere drop in the bucket when you stop to consider that fire has been destroying \$450,000,000 worth of property every year for the last 15 years. It is a drop in the bucket when you consider that they tore down 9,000 structures in Philadelphia and 11,000 in Chicago in the last few years. So we have had so little real results out of the so-called P. W. A. Housing Division.

Now, then, we had the subsistence homestead projects. I went up to Reedsville, W. Va., to take a look at this phenomenon. It is intriguing, it is instructive, it is inspiring for anybody to go out and take a look. On some of those houses they had to blow out the foundations in order to make the ready-made houses fit. On many the windows would not fit in the frames, and today if you will ask Mr. Pynchon, who was director of subsistence homesteads, he will probably tell you we are going to stand a loss of over \$3,000 a house on one-hundred-and-sixty-one-odd houses at Reedsville, and that ultimately Uncle Sam will suffer a loss of at least a million dollars before we get through. They have had some of these projects in different parts of the country. They have now abandoned over 56 subsistence-homestead projects.

We have at the present time the Rural Resettlement Administration. They are building a big project out at Beltsville. They have a tremendous pay roll down there. But as you evaluate all that has been done under any kind of a housing program, be it the Housing Division, the Emergency Housing Corporation, the Subsistence Homesteads or Rural Resettlement, the result is almost nil. The fact remains we have about twelve and one-half million people unemployed. The fact remains we have spent over eight and one-half billion dollars for unemployment and unemployment relief, and the message of the President of the United States, without my resorting to intemperate language or being a captious critic, is, in my judgment, a confession that after all this expenditure we have not solved the unemployment problem, and it remains for private industry ultimately to do so.

Mr. SCOTT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SCOTT. Does not the gentleman think, then, we have to reach another logical conclusion, that even with the assistance of the Government private industry has not been able, and will not be able, to reabsorb the unemployed?

Mr. DIRKSEN. There is some merit, I would say, in the contention of the gentleman from California, insofar as it applies to manufacturing. That is why I agreed with the gentleman from New York [Mr. MEAD] that the entire hope of a durable, lasting kind of recovery, that will really be worth while, must necessarily be identified with some kind of housing program. It becomes necessary now for the administration, as I see it, to call in builders and architects, labor leaders, and financiers, to call in people who have had some practical experience with the program of housing, to come here and fabricate some kind of a program which the Federal administration can endorse and which will work. The very fact that we have had a conference going on for some time between the American Committee on Economic Security, the American Federation of Labor, and others, to fabricate a housing program, and the fact that it has been reported in the press that the President of the United States said our housing efforts had been a mess is the best indication that it has been a failure.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. SHORT. In answer to the inquiry of the gentleman from California [Mr. SCOTT], could you not answer that instead of the Federal Government's assisting private business, the Federal Government, by going into direct competition with private business, has destroyed it?

Mr. DIRKSEN. Very largely so; yes.

Mr. SHORT. That one thing has retarded recovery more than anything else.

Mr. DIRKSEN. Mr. Chairman, I cannot yield further for a moment. Now, when the Federal Housing Administration came along, the very fact that they used the word "housing", filled me with some degree of inspiration and hope that we were going to get some organization that was actually going to build houses.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DIRKSEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, I thought it was going to be something that would put these craftsmen to work, the millions who were out of work. At the present time, under title II, the Federal Housing Administration can insure mortgages on new construction and on old construction also; and what the gentleman from North Carolina said about its failure insofar as new construction is concerned, is borne out by the second annual report made by the Federal Housing Administration covering the year ending December 31, 1935. Altogether they accepted mortgages for insurance to the number of 42,147. Of this number, 12,360 were on new construction. It is their own report. Substantially only 25 percent of the mortgages accepted for insurance under the mutual-mortgage plan were for new construction. It is nothing but a confession that the Housing Administration, so far as new houses are concerned, has been a dismal failure. This is the reason for my interest in a change of the language in the present bill, so they can go on and build new houses under title I. It may be there will be some abuses, but after all, the program must be measured in terms of how remedial it will be of our unemployment problem.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. FORD of California. After listening to the very brilliant address of the gentleman from Illinois, I would make the observation that the logical conclusion to be drawn from what he has said is that we should stop this right now. I do not think, however, the gentleman wants to do that.

Mr. DIRKSEN. Replying to the gentleman from California, I may say I am interested in any kind of program that will take up these idle hands; that will give relief to these men who sally forth day after day trying to find jobs but come home at night empty-handed. I am in favor of any program that will stop the bitter cry of the children

who must go to bed at night without supper because the breadwinner of the family is not working. In respect of unemployment the administration has not done very much, as indicated by the President's own message to the Congress.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GIFFORD. I wanted to make a suggestion and help reply to the question propounded about private industry and the gentleman's desire that something be done here in Washington. I would suggest that those who come to Washington to fabricate a plan must be those who have listened not more than 3 weeks to instruction under Professor Frankfurter.

Mr. MAVERICK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MAVERICK. The logical conclusion of the gentleman's argument is that we should leave things alone and leave it to private industry. Does not the gentleman think, inasmuch as we have left it to private industry without getting any noticeable result, the indication is we ought to have a mass building of homes—a huge program under the Government of the United States?

Mr. DIRKSEN. I am sorry I cannot be responsible for the misapprehension of the gentleman from Texas.

Mr. MAVERICK. I know; but the gentleman has not answered my question.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes; I am glad to yield to my friend on the committee.

Mr. SISSON. The gentleman, I know, means to be fair.

Mr. DIRKSEN. Indeed.

Mr. SISSON. In the gentleman's statement as to the number of mortgages that have been insured on new construction he should, of course, inform the Committee that this part of title II had to be newly organized. They had to start from nothing. It was an entirely new set-up, and they did not really get into operation under it until about last July. The public, as the gentleman knows; the bankers, as the gentleman knows; the lending institutions, as the gentleman knows; all had to be informed of this as a new method of lending money and of insuring mortgages. So this period of about 8 or 9 months affords hardly sufficient experience to determine whether it is going to be an efficient recovery measure.

Mr. DIRKSEN. In my judgment, that is not the reason they failed so dismally in the new-construction program.

Mr. SISSON. I do not concede they have failed dismally, and I think this is the opinion of the majority of the American people.

Mr. DIRKSEN. The real reason is we have had a lot of swivel-chair, blueprint bureaucrats down here who do not know much about housing, who hold such careful scrutiny over every mortgage and over every home proposed to be built that it is almost impossible to satisfy them.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, let us look at what they do. When Mr. Walsh, of the F. H. A., came before the committee I asked him about it and he very kindly put his memorandum in the record. He said:

Our standards have been carefully designed with the small house in view and it may be confidently said that houses meeting these standards can be produced in nearly any part of the country for \$1,500 or less. There can be no complaint, therefore, that our standards rule out the possibility of a workman's home.

Exaggerated complaint has been made on the score of our neighborhood requirements. These requirements are extremely modest, but, so far as they go, they do offer to this home investment some assurance that a family's life savings will not be destroyed by thoughtless or unscrupulous developers. We seek to avoid the type of exploitation which has resulted in high-pressure selling such families property removed from schools and market centers, stranded as to transportation, endangered by lack of fire protection, and subject to great health hazard from polluted water or inadequate sewage disposal. We have, where possible, required sufficient deed restrictions to prevent obnoxious land uses from destroying the values which these families hope to establish.

There is nothing in any of this that makes houses more expensive, or which should diminish the volume of new construction. On the other hand, through requiring that homes for modest families be honestly built, and that the minimum of protection be assured to their investments, more such families may be encouraged to build. We have only to look at the dilapidated houses of the last boom and the disillusionment of their purchasers to realize the blight upon building which a short-sighted policy can produce.

As a result of such regulations in one case within my own experience they sought to tell the builder how many closets he had to put in a bathroom before they would approve the loan, or how many closets must be put in a bedroom. If this kind of surveillance, this kind of control is to be vested here in Washington, D. C., amongst some 3,800 people administering this set-up, obviously it is not going to get any further than it has gotten in the matter of giving us a real housing program that will absorb the millions at present unemployed.

Mr. DINGELL. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. DINGELL. I have a real admiration for the gentleman from Illinois, and I know he wants to be fair.

Mr. DIRKSEN. I try to be at all times.

Mr. DINGELL. I know he is striving to achieve the same purposes that we are all striving for in connection with relief and unemployment.

Mr. DIRKSEN. That is, after all, the vital question.

Mr. DINGELL. About a year and a half ago I made an extensive survey throughout the United States of this very question. As a result of that survey—and I do not want to take up too much of the gentleman's time—I am convinced that approximately 4,000,000, or 40 percent of the 10,000,000 unemployed are directly in the building trades and about three additional million could be absorbed if we eliminate the building-trades unemployed by the allied and associated industries; in other words, the dependent trades like the brickmakers and the manufacturers in the heavy industries, such as lumber mills, saw mills, and the like.

Mr. DIRKSEN. I may say to the gentleman that irrespective of the claims which are made, and quite aside from all the conjecture and the guess work that has been indulged in, as to how many men have been put to work under this kind of a program, the fact remains we have over sixteen and a half million people on relief this afternoon and we have over twelve and a half million unemployed. You cannot escape that fact. I do not care how presumptuous their claims may be, those are the figures and they indicate what Mr. Hopkins has to contend with.

Mr. MEAD. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. MEAD. There are a great many people without work, but is it not true that the fault does not lie with the Federal Housing Administration so far as the building situation is concerned, but, rather, the fault lies to a great degree with the industry which manufactures materials for housing? If the gentleman will look up the record, I believe he will find that these industries, which have become more or less monopolistic, have been able to do the uneconomical thing in a depression of holding up the price level. If they had come down in the depression period, like the price of farm commodities, there would have been increased purchasing and more homes built. Then, too, there is a difficulty which lies with some of the private builders. They want to play the game that the F. H. Smith Co. played here in the District of Columbia. They want to sell bonds at unreasonable prices, but with the Federal Security set-up they have to play the game straight and they do not want to play it that way. I do not believe we can blame the Federal Housing Administration. I believe they are doing a good job in their sphere. Price fixing on the part of monopolies engaged in the manufacture of durable goods and also the old profiteering and racketeering that has been driven out of the business has to a degree retarded the construction program.

Mr. DIRKSEN. Mr. Chairman, to answer the gentleman from New York would take considerable time. May I sug-

gest to the Members that they get hold of the hearings and read what Mr. Carnahan placed in the record on page 52.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, there appears a letter from the Miller Lumber Co., Seattle, dated March 1, 1936. If the Members will read that, they will get a pretty good idea about what has been going on with respect to new construction, and possibly a good idea of what may be done to give this Government a real housing program that will build houses, a program such as has been taking place in Great Britain and elsewhere.

Mr. CURLEY. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. CURLEY. In arriving at the figure of 16,000,000 unemployed, has the gentleman from Illinois given credit to the advancing age of the young men and young women who have attained 21 years, and who have been absorbed into the present records of the Department of Labor?

Mr. DIRKSEN. If we included all those, the figure would be larger than it is at the present time.

Mr. CURLEY. Does not the record show there are at least three and a half million such?

Mr. DIRKSEN. It is difficult to assemble the records in reference to those things. The fact remains that when all the sound and fury has been spent, when all the fancy rhetoric has vanished into thin air, when all the alibis have been made, when all the defenses have been offered, when all the explanations have been presented, it remains a known fact that we have more than twelve and one-half million unemployed after the expenditure of more than eight and one-half billions of dollars over a 3-year period. Instead of, ostrichlike, sticking our heads in the sand and evading this real vital problem, let us recognize it for what it is and get to work on a durable solution.

If I appear unduly critical of the Federal Housing Administration, it is not that I am unsympathetic to its purposes but, rather, that I feel it has not accomplished what was hoped or expected. We must get results. We must deal with unemployment. A worth-while housing program seems to be the answer, especially when we bear in mind that an improvement in manufacturing to a point where it will reach 1929 levels will only absorb a small proportion of those now unemployed.

Instead of this indifferent, hit-and-miss policy under which we have a Home Owners' Loan, a Federal Housing Administration, a Subsistence Homesteads Division, a P. W. A. Housing Division, a P. W. A. Emergency Housing Corporation, a Resettlement Administration, an Electric Home and Farm Authority, and, perhaps, other agencies that deal with home building, home financing, and home appliances and repairs, let us insist on calling in a group of practical business, labor, and financial leaders to promulgate a housing venture in the spirit of helpful cooperation that will succeed. Let us adopt the psychology of Cato and continue to demand that unemployment must be banished. From that insistence will come tangible results.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. FARLEY].

Mr. FARLEY. Mr. Chairman, it seems to me that we are finally getting back to the original intent of this act, which was to take up the slack in unemployment. One of my colleagues made the statement this afternoon that there was very little labor employed in connection with the installation of a refrigerating plant or something of that character. I concede he is right in that respect. It does not take much time for a man to install a refrigerator. But he failed to go back to the beginning, to the point where the raw material is taken out of the ground. He failed to go back to where the pig iron is originally made. He did not review the steps which these materials take until they become a thermostat control in one of these refrigerating plants. In order to estimate labor's contribution to this we must go back to the beginning. The gentleman from Massachusetts suggested that this had up to now failed to start new industry and new business.

Personally I do not want to see very much new business of any type started where it takes new equipment and where it requires new buildings. I go back to the conclusion of the World War in 1920, when bankers and industrialists everywhere told us to expand, expand and get ready for the big things that were bound to come, until the time came when we overexpanded and when the crash came what was really the matter, as much as any other one thing, was the fact we were in debt and overexpanded at every point. [Applause.]

What we are really trying to do now is to put ourselves in position to rehabilitate industry and put it on a safe, fair, and sound basis.

I contend the Housing Administration has done a good job. It takes time to do these things. When you start out on a big enterprise or building up a big industry you set aside a certain amount of money for experimental work, another amount of money for advertising and for the selling of the proposition. I think this housing program has progressed very finely. It has cost too much money to do it up to the present time, and if we should stop now there would be a loss, but we have every reason to believe that, continued for another year, with the ground work already laid, it will bear very much better fruit in the future.

I do not want us to reach the point where there will be any attempt at overexpansion. I dislike the idea of having them go from house to house to urge people, indiscriminately, to take on this additional financial burden, but this was something that had to be sold to the country. First, it had to be sold to the bankers, it had to be sold to the people generally throughout the land, and this work is well in hand and should be continued.

We have provided in this bill for a reduction to 10 percent of the insurance, with the total amount not to exceed \$100,000,000. My good friend the gentleman from North Carolina suggests that this insurance should be cut to 5 percent. My contention is if we reduced it to 5 percent, we might just as well take it all off entirely. The result would be to destroy rather than to build up the law.

I believe this is an outstandingly good measure and is one that should pass. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CURLEY].

Mr. CURLEY. Mr. Chairman, I also represent a district such as that mentioned by the distinguished gentleman from New York [Mr. O'CONNOR], the chairman of the Rules Committee, and also the distinguished gentleman from New York [Mr. BOYLAN], who spoke here today.

I can speak with some little authority on this question inasmuch as I have had some 35 years of experience in the building industry in the city of New York. I have attended a great many conferences in the city since I have become a Member of the House of Representatives, and I want to stress this point very forcefully. It was the building industry that was the first to suffer at the beginning of this depression, and it was the last to receive any help whatsoever in all our efforts to give relief throughout the country.

I can say further, as one familiar with this great industry, that the building industry will never see recovery in this country until the building trades come back to their own and they are all working 8 hours a day.

Here is a little history for you: In Manhattan, one of the great boroughs of the city of New York, we have 29,056 existing old-law tenements, with 335,042 flats.

In the Borough of Brooklyn we have 31,353, with 148,199 flats.

In the Borough of the Bronx, where I live, we have 4,620, with 31,737 flats.

In the Borough of Queens we have 1,632, with 7,044 flats.

In the Borough of Richmond we have 291, with 1,164 flats.

This makes a total of 66,952 of these old-law tenements, with a total of 523,386 flats, holding something like 1,500,000 people in the city of New York.

I sat in my seat here listening to some of the gentlemen here giving forth some of their cheap satire at the efforts of this administration to give relief, but they do not stop to consider that this child of the depression was not born with the

Democratic Party, but it had been petted and pampered for 12 years when it was healthy by Republican administrations and then dumped into the lap of Franklin Delano Roosevelt when it became sick on March 4, 1933.

I recently attended a conference of members of the building trades of this country at the Hamilton Hotel here, and they mapped out a program of so-called relief that would stimulate the great building industry throughout the country. They did not talk about \$100,000,000; they talked about \$500,000,000; and back in 1920, when there was a housing crisis in the city of New York, \$1,500,000,000 for this purpose was suggested.

Mr. Chairman, the housing problem in the city of New York, also all other populous and wealthy cities in the United States, is of more commanding importance than any other public or private undertaking. How can we hope to stamp out disease, insanity, and crime; how, in fact, can we hope to diminish their blight unless we see to it that those who cannot protect themselves are protected by the people at large, which means governmental agencies?

What I am concerned with most in this effort by the Democratic administration is the attempt to give relief to residents in the congested sections in the greater urban centers, such as exists in New York City in the blighted so-called slum areas.

There are three specific important features in connection with this proposed housing program. First, the stimulation of the building industry through the finance program of the Federal administration. Second, the protection of the health of the tenants in the aforesaid blighted areas. Third, it will reduce the number of unemployed.

In addition to that such a construction program that has for its object rehabilitation of such of these tenement houses as are not obsolete and are in a state wherein they may be rehabilitated and brought up to modern, decent living condition is a grave necessity. [Applause.]

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I am for this bill, although I do not entirely believe in its philosophy, because I believe the time has come when the American people ought to get out of debt. I believe that the Government ought not to urge men and women to go into debt. I feel that the time has come when we all ought to get out of debt. That is why we are for the Frazier-Lemke refinancing bill. [Applause.]

The necessity for this bill is apparent to every person, because as a people we have not sufficient credit. We are swamped with debts. There are three hundred billion—some say three hundred and seventy-nine billion—public and private debts in this Nation. This bill will help to give us more credit and help get the unemployed busy again. That is what we are striving for, to get the men and women off relief and give them more work on useful projects.

The reason we are in this desperate situation is because there is not enough actual money in circulation to do the Nation's business, and until we get the courage in this House to give the Nation the Frazier-Lemke refinance bill, legislation of this kind is essential and necessary.

Therefore, I am for this bill, and the farm bloc is for this bill. The farm bloc is for any bill that will help the unemployed and the distressed in the cities and towns as well as on the farms. We are for this bill in spite of the fact that we are denied a vote on the Frazier-Lemke refinance bill. We are for it because we feel it is for the best interests of this country. We are for it because we feel it will assist in giving to the unemployed an American standard of living.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. GOLDSBOROUGH. I want to say that I am not one of those who have been opposed to bringing out the gentleman's bill.

Mr. LEMKE. I am proud to say that the gentleman is not. We need just a few more signatures to bring the Frazier-Lemke refinance bill out on the floor for a vote.

I hope we will get it out, because we must reestablish representative government here on the floor of this House. If we fail in this the American people will lose confidence in us and in Congress.

In the meantime we must save the homes of this Nation. I am sorry the committee did not bring a bill out, but I hope some time soon the Banking and Currency Committee will bring a bill out that will save the square miles of homes now under foreclosure in the city of Chicago.

Let us save all the homes of the Nation. It can be done, and it must be done, or this Nation cannot continue as a democracy. It cannot continue as a free government, because when you have a great majority of the people no longer owning their own homes, you have no government worthy of the name, whether you call it a republican form or any other kind of a government. Homes make a nation stable; homes make a nation secure. Therefore, as far as we are concerned, we wholeheartedly support this bill.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. Yes.

Mr. MARCANTONIO. Something has been said which would make this bill appear as a step toward slum clearance. Is that the gentleman's opinion of this bill? Do you not believe that something should be done for the people living in the slum districts of our large cities?

Mr. LEMKE. This bill has nothing to do with slum clearance. I can see the need of slum clearance if it is done to help the people living in the slum districts and to improve sanitary conditions, but slum clearance in the recent past has too often been used to save real-estate owners and to put up expensive structures, thus crowding the poor into other slums in place of helping them out of the slums. I am for the bill under consideration because it will put men to work.

Mr. CURLEY. Does the gentleman think it is a funny matter to talk about slum clearance, where a million and a half of suffering people in New York live?

Mr. LEMKE. I said this bill had nothing to do with slum clearance.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. FORD].

Mr. FORD of California. Mr. Chairman, I am primarily interested in the Housing Act from the standpoint of the number of men that it has caused to be employed, the volume of materials, both manufactured and raw, that it has caused to be utilized, and from the standpoint of its social value. Its social value arises from the fact that it enabled thousands of people in the United States, who, because of 4 or 5 years of depression, were unable to keep their homes in repair and to rehabilitate residential rental property. We can discuss the technical details of the bill and its cost all night and get nowhere. What I am interested in is the primary objective of the bill. I repeat, that the primary objective is the reemployment of labor, the utilization of raw and manufactured materials, with the backlog of labor and the social benefits that accrue from a program of this character.

In the State of California under title I, \$39,516,179 worth of improvements to homes and residential income property were made. Last year, in 1935, our building permits for ordinary new construction in Los Angeles ran from \$28,000,000 to \$29,000,000, as against \$2,000,000 or \$3,000,000 the year before, and I am satisfied in my own mind and from what people have told me that many of these structures were erected because the people of Los Angeles were able to secure the necessary financing under the titles of this bill. For that reason I am in favor of the measure, not altogether the one we have on the table for I would like to see the bill amended in one or two particulars, and in that event I think we would have a sane, sound measure, one that would contribute to the upbuilding of employment, to the wide spread of great social benefits, to the utilization of vast quantities of raw material in the way of lumber, cement, brick and mortar, and all of the things that go with them and in the use of manufactured articles like electrical and plumbing equipment, which have a big backlog of labor be-

hind them. I know that there is a great deal of criticism by gentlemen on the other side of the aisle. They point out how it did not do this or that. They seem to forget that we walked in here in 1933 in a crisis. Our good friends of the previous administration had dumped a nice big depression into our lap and we have been struggling for the last 3 years. Because of the unsound policies in the previous 12 years, they were responsible.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. HOUSTON].

Mr. HOUSTON. Mr. Chairman, the gentleman from Illinois [Mr. DIRKSEN] a few moments ago made a remark about some article contributed by Mr. Carnahan, page 52 of the hearings. I am intimately acquainted with Mr. Carnahan, and anything that he might say in regard to this bill I would be inclined, not even knowing what he said, to go along with him, because I believe he is competent and in a position to know what he is talking about, and I would support it.

Mr. Chairman, the part of the National Housing Act of June 1934 which authorizes the issuance of insurance for loans made for modernization purposes will cease on and after April 1, 1936, unless appropriate action is taken by Congress prior to that date.

In more than 8,000 communities throughout the United States volunteer better housing committees have been established through the aid and with the cooperation of the Federal Housing Administration, and these committees have acted to instill into the minds of home owners the necessity and desirability of home modernization and improvement. The amount has far exceeded a billion of dollars in work done and contracted for. This means that this vast sum of money has been placed in the channels of trade and industry for durable goods and the reemployment of tens of thousands of workers in the building and allied trades industries. It means that men and women have been taken off the relief rolls and placed on pay rolls.

In my own State of Kansas the housing canvass of last year, established primarily to determine the facts about modernization needs throughout the State, showed that 11,782 families were interested in building new homes. It is probable there are thousands of other Kansans who have wanted new homes for several years, but have not been able to carry out their plans because of general conditions. The mutual mortgage insurance department of the F. H. A. was designed to serve such cases.

Advantages offered the prospective builders of new homes are that F. H. A. financing means one mortgage, the end of refinancing problems, a fair and controlled interest rate, and service charge. A further advantage of the F. H. A. financing plan for new construction is in the monthly payment plan, which, because a longer period of years is allowed for repayment, makes it possible for each monthly payment to be reduced to a minimum charge. In addition to this the monthly payment covers interest, repayment of loan, taxes, fire insurance, and mortgage insurance.

The F. H. A. is serving a very useful purpose by making it possible for many persons to secure loans who otherwise would not be able to make them, but the F. H. A. loans no money itself and never attempts to interfere with private loans; in fact, applicants are urged to make loans in the regular course if they can, but through the F. H. A. plan it is possible for many persons to finance mortgages, new construction, and repair or remodeling work who have not been able to make satisfactory financial arrangements elsewhere. One of the best things about F. H. A. loans is that usually it does not take long to get one approved—2 weeks or less being the average time; and of the 2,600 or more applications handled in Kansas during the last 12 months there were on hand at the close of business March 1, 1936, less than 90 applications. The volume in Kansas alone has passed the \$6,000,000 mark.

It is highly desirable that this effort should be continued; that it should not lapse on April 1, when there is vast oppor-

tunity for this character of construction during the summer season. Its continuation means a continuance of employment for the workers not only who supply the materials but for those who actually perform the labor of construction; furthermore, it means a still further opening up of opportunity for idle capital for profitable and safe investment; and it means the improvement, repair, and modernization of American homes, increasing their real and substantial worth as well as the comfort, convenience, and well-being of those who own them. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. DIRKSEN. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the pending bill amends title I of the National Housing Act in several particulars:

First. Authority is granted to the Administrator to dispose of property acquired through default of modernization loans under regulations to be prescribed by the Administrator and approved by the Secretary of the Treasury and to compromise claims. This change in the law was made for the purpose of enabling the Administrator of the Federal Housing Act to handle in a more advantageous and expeditious manner the default obligations that have been and will be turned over to the Federal Housing set-up by the loaning institutions. Under this amendment the Housing Administration will not be hampered by State laws in the manner of realizing upon such assets.

Second. The authority of the Federal Housing Administrator under the original act to insure loans for modernizing and improving homes expires on April 1, 1936, and the pending bill extends the expiration time of title I to December 31, 1936, or to such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available.

Third. Insured modernization loans can be made only to owners of real property or to lessees of real property under a lease for a period of not less than 6 months. Formerly loans made to monthly tenants could be insured. The maximum loan on improved commercial real estate, hospitals, schools, and so forth, is reduced from \$50,000 to \$25,000, and property improved by churches is made eligible for insured loans.

Fourth. The amount of insurance is reduced from 20 percent to 10 percent of the total amount insured.

Fifth. The maximum insurance liability of the Administrator under title I is reduced from \$200,000 to \$100,000.

Sixth. Section 3 of the title, which authorizes the Administrator to make loans upon the security of insured notes, is repealed.

When the National Housing Act passed the Seventy-third Congress it received practically the unanimous support of both sides of the House and Senate, for the reason that everybody, including Democrats, Republicans, Progressives, and Farmer-Labor representatives, was looking for some method or program that would put men to work, particularly a program that would enlist the cooperation of the citizenship of the country in making work for our army of unemployed.

The building industry in particular was severely hit by the depression. The 1,500,000 carpenters and mechanics who before the depression were engaged in the various phases of the building industry were unemployed, and this army of our citizens, together with their families, constituted a large element of the unemployed found on the relief rolls of the country.

The National Housing Act had two titles—title I and title II—and this bill only concerns title I, which provides for the insuring up to 20 percent of the total loans of any lending institution, loaned for the purpose of renovating and repairing homes.

Title II deals entirely with the matter of insuring mortgages eligible for insurance made on old homes and newly constructed homes. While we are not concerned at the present time with title II, I want to say that while title II was slow in getting into action, so to speak, it is functioning very

satisfactorily today, and it would appear from the statements of those who are informed that it has made possible the building of many homes in the past year, and it will undoubtedly be a great aid to the home builders in the future.

The National Housing set-up entered upon a new field of national activities. It constituted a pioneering movement to interest those citizens of our country who were financially able to make expenditures for the improving of their homes to do so through the aid of local lending institutions, and thereby contributing their little part in a Nation-wide movement to put men to work. It was estimated that there were at the time the Housing Act was passed 16,000,000 homes in this country that needed repairs and improvements, and the National Housing Act was designed to organize a united country-wide drive by such a class of our citizens to decrease the army of our unemployed through the repairing of said homes. The Housing Act was intended to encourage the granting of character loans for the purpose of putting men to work through home repairs. When the act was passed there were only 115 institutions in this country that would loan on character, while at the present time, as a result of the educational program carried on by the Housing Administration, there are probably 7,000 such institutions who are now making character loans to citizens who are willing to join in the work of repairing and remodeling their homes and thereby create jobs for the unemployed.

While the National Housing Administration has insured only about \$300,000,000 worth of loans, it is stated that for every dollar of insured loans made by the Housing Administration that \$5 more of uninsured loans were made to carry out the purpose of this act. In other words, \$1,500,000,000 of repairs and improvements on the homes of this country have resulted from the National Housing Act.

I recall that when the National Housing Act was before our committee in the Seventy-third Congress a representative of the administration—I do not recall just who the person was—came before our committee and stated that the Government could well afford to pay \$200,000,000 to get a billion dollars' worth of work done in repairing the homes of the country. And it was because of such a belief on the part of the administration that \$200,000,000 was set aside in the act to take care of the Government liabilities, that might result from the insuring of the loans made by loaning institutions to the citizens who wanted to repair and fix up their homes, the liability of the Government under the act being to the amount of 20 percent of the loans insured by any loaning institution.

There can be no question at all but that in view of the huge sum that the Government has been paying out for relief, that it would be advantageous from the financial standpoint of the Government to assume liability of \$200,000,000 for every billion dollars' worth of work done in this country in the way of giving employment to our jobless army, because the more work the less relief.

Now, what are the facts as to the cost of the Housing set-up to date, or its total cost if title I should expire on April 1? The testimony is that to date only about a million dollars has been lost, and that is not all lost because it is estimated that the Housing Administration will recover about 15 percent of such losses through the sale of the defaulted paper or through future collections. The Administration officials represent that as the matter stands today it is safe to conclude that the total cost to the Government of its program for insuring advances to the citizens to improve their homes will not exceed \$10,000,000.

One of the speakers who has spoken in opposition to the pending bill contended that the older the paper, that the Government has guaranteed to the amount of 20 percent, becomes, the more worthless the paper will be and the greater the losses of the Housing Administration. I think such a conclusion is unjustified. Every time a citizen who borrows money to improve his home makes a payment on the note the better that note becomes, and the less likely the citizen is to default in its payment. Of course, any paper that the Government has insured that has run many months

without payment might come under the charge that it was getting more worthless every day, but as a general proposition on all installment purchases, and the program of the Housing Administration is nothing more or less than an installment purchase, the paper becomes better and safer every time a monthly payment is made. And so there is every reason for believing that with only a loss of a million dollars to date, that the total loss to the Government covering all notes that are insured will not exceed \$10,000,000.

Again, the administration was so hopeful of the good results coming from the housing program from the standpoint of losses that it has recommended, and the recommendation is incorporated in the pending bill, that the Government's liability be cut down from \$200,000,000 to \$100,000,000, and that the extent of the insurance on each loan or group of loans be cut from 20 percent to 10 percent. In other words, this amendment means that the indications are that \$100,000,000 will take care of the Government's liability under title I, and that because of the small losses the work will go on with the encouragement of only a 10-percent insurance on the money loaned instead of a 20-percent insurance as provided by the present law.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. REILLY. I yield.

Mr. McCORMACK. I am in favor of this bill, and the gentleman is making a powerful argument in support of it; but the thought in my mind is, why should title I be limited to December 31, 1936? Why not extend its life into next year, when the Congress will be in session, so that if we want to extend it, we will have an opportunity to do so?

Mr. REILLY. I am in accord with the views of my colleague from Massachusetts. I think the expiration time should be fixed as April 1, 1937, instead of December 31, 1936, and it is my intention at the proper time to offer an amendment to the bill fixing the date when the authority of the Administrator to insure loans under the act shall expire as of April 1, 1937.

I understand that some of the Members believe that it would be better to terminate the life of title I of the National Housing Act at a time when Congress is not in session, because of the fact that if Congress is in session the Members will be bombarded with letters and telegrams from interested parties that might influence the better judgment of the Members of Congress as to what should be done with title I as regards the prolonging of its life.

I do not agree with this view. I believe the National Housing Act has been a success. I believe that title I has accomplished all it was expected to do in the way of creating jobs, and I believe that Congress ought to be in session when the expiration date of title I will arrive, so, if the situation is such in the judgment of Congress that the life of said title I should be prolonged, Congress will be in a position to act accordingly. It seems to me that the Members of this House ought to be courageous enough as representatives of the people to say "no" when they think a law, a bureau, or a commission has outlived its usefulness. [Applause.]

Nobody knows or ever will know just how much good title I of the Housing Act has been in the way of bringing about recovery, but the men in the building industry and the supply industry ought to know better than any other class of our citizens what the results of title I have been, and these men, as far as I have been able to discover, all say that title I has been a great help to their respective lines of business and that it should be continued.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. REILLY. I yield.

Mr. RANDOLPH. I may say that in my State of West Virginia they have found it most beneficial to the stimulation of the heavy industries. The lumber business has shown a substantial gain. The men who get the timber from the hills find it has been of much help, in that repair and improvement of homes has come about through help advanced in the matter of loans. It is a real recovery measure and should be continued.

Mr. REILLY. I thank my colleague for his contribution.

The CHAIRMAN. All time under the rule has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That title I of the National Housing Act, as amended, be further amended as follows:

Section 1 of title I is amended by adding at the end of said section the following paragraph:

"Notwithstanding any other provision of law, the Administrator shall have the power, under and subject to regulations prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract claim, property, or security assigned to or held by him, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of insurance under section 2 of this title, until such time as such obligations may be referred to the Attorney General for suit or collection."

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: On page 1, strike out "or private" in line 10, and "or otherwise disposed of" in line 11.

Mr. HANCOCK of North Carolina. Mr. Chairman, I will be as brief as I can. If this amendment is adopted it means that the Administrator of the Federal Housing Administration will have to advertise for public sale and disposition the notes, liens, or chattels recovered. My understanding is that the laws of many of the States require this procedure. It will not hamper the Administrator in making compromises of these different claims where conditions and circumstances so warrant and justify. I believe that the amendment is sound from a standpoint of public policy and I know it will tend to give added protection to the borrowers. This is my first concern. It should insure that speculators shall not profit at the expense of the borrowers or the Government.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. Would the gentleman confine the amendment to claims of larger size? I suppose in the case of small claims the price of advertising may be as large as the face value of the claim.

Mr. HANCOCK of North Carolina. I do not think that would be true. My understanding is that the procedure would be to get together all claims arising in a particular section and advertise them at one time. As I understand it every proper effort will be made by the Administrator to assist the original purchaser in retaining possession of the appliance or mechanical equipment.

Mr. Chairman, may I also, as a matter of fairness to the House, state that this amendment was offered by me in committee and rejected, but I now offer it for the consideration of the House, feeling that the committee did not have the time to adequately consider its merits. You know this measure came to us from the Federal Housing Administration only about 2 weeks ago. That seems to be the practice and strategy of some of the departments and especially where the legislation is of questionable wisdom and merit.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina.

The gentleman states that the statutes of most States provide only for the public sale of securities of this character. I disagree with that statement. As far as the statutes of Michigan are concerned they are almost identical with the provisions of this bill, and I am reliably informed and believe the provision of this bill follows the practice in the various States of the Union with reference to the sale of securities of this kind.

Mr. Chairman, if the amendment of the gentleman from North Carolina should prevail it would mean that when the Federal Housing Administration received a number of notes for say \$300, \$400, or \$600, that they had to take over from the various banks because the notes were not paid, they would have to go into every State in the Union where those notes were given and advertise them in the daily or weekly newspapers for sale at a public sale. It seems to me, Mr.

Chairman, that would unnecessarily complicate the procedure of obtaining payment on these notes. Furthermore, it would add greatly to the expense of securing ultimate payment or settlement on these notes.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Is it not a fact that this probably will be the only way the original purchasers will have any notice as to the disposition of their property?

Mr. BROWN of Michigan. No; I disagree with the gentleman. I think the Federal Housing Commission would, in due course, write to every note maker asking him to pay these notes. I think the Commission will give them an opportunity to negotiate for the payment of the notes and perhaps allow some kind of a discount so that the notes may be paid insofar as the ability of the maker will permit that to be done.

Mr. Chairman, this amendment was offered in committee and came as close to being unanimously voted down as it was possible, to be without being unanimous. I hope the Members of the House will back the committee on this proposition and defeat the amendment.

[Here the gavel fell.]

Mr. SWEENEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in 1934, in the early days of the Seventy-third Congress, I helped organize a group of 26 Members of the House, representing all political parties and the industrial and agricultural groups in this body, to call upon the President of the United States and enlist his aid in support of a housing act. After a very sympathetic interview with the President, the machinery was set in motion the next day by the National Emergency Council to prepare the necessary legislation. We enacted later what is now called the National Housing Act. Many of us had hoped that here was an opportunity in the field of new home construction to put men to work in the large industrial centers. In my community, for instance, there were 60,000 organized building tradesmen out of work and a healthy demand for new construction. When the operations began under this National Housing Act we found the General Motors Co., the Johns-Manville Co., the American Radiator Co., and others dictating to Mr. James Moffett and his assistants, thereby giving effect to title I alone. I saw the books and records of the administration of title I of the act. Mr. Moffett was kind enough to show me the record of earnings of the American Radiator Co. and the General Motors Co., which earnings were approximately \$2,000,000 in excess for each company in 1935 over the year before. Some men were put to work because of the administration of title I of the act, but not enough.

Mr. Chairman, at that time men were walking the streets looking for work, and today are still eager to work. No attempt was made to give any life to title II except promises that the banks and insurance companies would help. Now we have the opportunity to do something. This is not a solution of the whole housing problem, but it will help, and this Congress before it leaves Washington this session ought to pass legislation which will create a revolving fund of not less than \$100,000,000 to bring about employment in the new construction field. You Members from the flood area are going to be affected by this legislation, and it is to your interest to support this bill.

Under title I it is permissible at the present time for the banks qualified under the act to loan up to \$2,000. Thousands of homes have been built under the provisions of title I. They are cottages, small homes. Call them shacks, if you will, but they are homes. Many homes have been wiped out as a result of the flood. In the Johnstown (Pa.) area, and the entire flood sections of Pennsylvania, Ohio, New York, and the New England States, for instance, five-, six-, or ten-thousand-dollar homes are gone forever. Some of these owners might be glad to get the opportunity to

borrow \$2,000 to build a small house until they can get on their feet. That is what will happen if this legislation passes.

Mr. Chairman, we have allowed huge corporations like the Johns Manville Co. and the General Motors Co. and a few others to run the show. In other words, the tail is wagging the dog, if I may use that figure of speech. It is high time that we give effect to this sort of legislation and call a halt to some extent to lending money for refrigerators or to put a furnace in a home or a steam apparatus in a home to satisfy the Johns Manville Co. or the American Radiator Co. or the General Motors Co. and begin putting up some homes. There is a dire need in America today for new homes, and as time goes on there will be more of a need. We can learn a profitable lesson from some of our European countries on the subject of national housing.

Mr. Chairman, I hope that the Members will adopt the Reilly amendment which will extend the time of this agency until April 1, 1937. Speaking for myself, I think we ought to have a permanent housing act, and I think the time will come soon when we will consider and pass such legislation. Mr. Chairman, I am going to support this measure.

Mr. DUNN of Pennsylvania. Will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from Pennsylvania.

Mr. DUNN of Pennsylvania. May I say to the gentleman, with reference to the flood situation, that I hope he will support my measure covering flood relief. I understand there is another flood coming on which will have a disastrous effect on Pittsburgh.

Mr. SWEENEY. Mr. Chairman, I am sure if the Members from New England and Pennsylvania and other States affected would be approached by their constituents, they would be told to vote for legislation and all worth-while measures designed to curb the flood menace so destructive of human life and property.

Mr. DUFFEY of Ohio. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, in my support of this legislation I cannot agree with all the remarks of the gentleman from Ohio [Mr. SWEENEY]. It seems to me there are only two salient and important phases of this bill.

On January 22, 1936, I introduced a bill known as H. R. 10501, the sole and simple purpose of which was to extend title I to April 1, 1938. I choose this date on the theory that the rehabilitation of the building industry and its return to some form of normalcy required 2 years' time and was necessary to obtain some kind of permanent recovery. I do feel it will take 2 years for the building industry to return to normalcy.

However, this pending bill provides for December 31, 1936, and we know that the Senate bill provides for April 1, 1937. I am willing to accept the Senate bill as to the effective date and the amendment to be offered by the gentleman from Wisconsin [Mr. REILLY] designating April 1, 1937.

I take this position, first, on the theory that the new Congress which convenes on January 3, 1937, should have an opportunity for further study of this great problem.

Second, in the history of important legislation it has always been revealed that it takes time and some experience to iron out the difficulties that arise that could not have been anticipated.

What I think is perhaps also more important at this particular time is the other phrase, the provision which comes from the House Committee on Banking and Currency and which is not in the Senate bill, providing for help and assistance and financing of small homes up to the amount of \$2,000.

At the time the Senate passed the bill and at the time the Federal Housing Administrator first made his recommendation to the Committee on Banking and Currency, the Nation did not have the condition that has arisen by reason of the floods.

This legislation, Mr. Chairman, is not only meritorious but it is something that the Nation needs, and needs badly.

I quite concur in the remarks of the gentleman from New York [Mr. CURLEY] that the building industry was, perhaps, the first to suffer and will be the last to be able to recover.

I submit, Mr. Chairman, these two important points are the only things at issue, and even though mistakes have been made, and even though sufficient time or experience has not yet been had to iron out some of the differences of opinion, I believe the legislation is meritorious and that the bill should be passed. [Applause.]

[Here the gavel fell.]

HOUSING, CONSERVATION, AND UNEMPLOYMENT

Mr. MAVERICK. Mr. Chairman, I am in favor of this bill and shall vote for it. It seems to be the opinion of the Members of the House that they are all for it but they are not very well satisfied with it. However, I want to say this about the measure: It is not a housing bill, it is not a slum-clearance bill, and, as the distinguished gentleman from Illinois [Mr. DIRKSEN] said, it is not a drop in the bucket. Yet when I asked him how this should be carried out, or how a proper housing program should be started, he evaded answer and seemed worried about my "misapprehensions." I did not ask him to worry about my misapprehensions; I asked him to answer my question, and not in such a suave and sweet way, either. He answered in sweet nothings; a good Republican answer.

AMERICA SHOULD BUILD A MILLION HOMES A YEAR

We are not meeting the problems we have in reference to unemployment. We are not meeting our problems in reference to building and housing. Instead of building 12,000 houses a year, or, rather, guaranteeing them for bankers and taking the losses on them, a comprehensive building program should be established by the Congress of the United States to build, not these 12,000 houses a year but 1,000,000 houses a year. [Applause.]

In England they had a program where they were building something like 400,000 houses a year. They were doing something like 20 or 30 times as much as we were doing, considering the comparative wealth and size of the two countries. England is about the size of the State of Illinois, and yet she is doing much more in this respect than we are doing. Comparatively, what we are doing is infinitesimal.

I repeat, we are not meeting this problem at all, we are just scratching the surface. I may add that the building trades in this country are still off something like 85 percent, and we are not going to have any recovery here until we rehabilitate the building industry. If we once rehabilitate this industry we can then make some move toward prosperity. This bill hardly touches the subject, and all we can say is that we have done slightly better than nothing.

CONSERVATION OF NATURAL RESOURCES GOES SIDE BY SIDE WITH HOUSING

There is another subject that goes side by side with this, and that is the matter of conservation of our natural resources. I have introduced a bill on conservation known as the Resources Board bill, H. R. 10303. It is widely endorsed all over the Nation by agricultural, forestry, and conservation organizations and, I believe, has the approval of practically every State planning board. It is not even out of the Public Lands Committee.

Most of the gentlemen on that committee say, "I think it is a pretty good bill, but we do not want to bring it out now." The truth of the matter is that Congress has sort of got the mental staggers. Election day is coming and we are not doing as much as we ought to do.

Getting back to this bill on housing. The only criticism I have is that it does not go far enough. We go ahead and spend \$50,000 on investigating the Townsend plan, because some of us are a little scared—and that is all right. I am glad to spend \$50,000 looking into the Townsend plan, but why should we not spend \$50,000 to go into a constructive, intelligent, and scientific study of the building trades of this country in order to get people back to work?

OUR REAL PROBLEM IS UNEMPLOYMENT

Our problem is one of unemployment. This is the grave national question we must solve, and if we go into an intelligent housing campaign we can put two or three million

people to work. We need to build 10 or 15 million houses and not just a few thousand. If we have an effective and substantial building campaign—a million houses a year, or at least 750,000 a year—we know we can then have a period of recovery of at least 10 or 15 years.

Combined with this we should have a definite program of the conservation of natural resources in connection with the C. C. C. camps; we should also have soil conservation, which will also create additional employment. These are the things that concern the fundamental economics of the country; it is all necessary, and must be done if we are to survive as a nation.

Mr. RANDOLPH. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. RANDOLPH. In my district we had the devastating floods. We must aid and assist these home owners to rebuild their properties. Entire communities have been wiped out, and in one community I am told there is only one house in good shape left standing.

Mr. MAVERICK. I thank the gentleman. It is true, and we should do something about it, because it is a national disaster that concerns the general welfare of us all. Now, the Republicans need not smile at the efforts of the Democrats, for you are not doing anything. [Laughter.] You Republicans have no cause for pride; you have no program, no plan, and apparently no ideas.

[Here the gavel fell.]

Mr. MAVERICK. Mr. Chairman, I ask for 2 minutes more.

The CHAIRMAN. The gentleman from Texas asks that his time be extended 2 minutes. Is there objection?

WHEREIN IT IS SHOWN REPUBLICANS SHOULD HAVE GLUM FACES

Mr. RICH. Reserving the right to object, and I shall not object if the gentleman does not spend so much time talking about the Republican Party.

There was no objection.

Mr. MAVERICK. I cannot say all I want to say about the Republicans in 2 minutes. If I recounted their faults it would take too long.

Mr. SHORT. Will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. SHORT. How in the world can any Republican possibly smile under the New Deal? [Laughter.]

Mr. MAVERICK. Well, I might say that the American people are smiling with the New Deal and are well satisfied. [Applause.] My idea is that the Republicans ought to look serious; in fact, they ought to look sick.

Mr. RANDOLPH. Will the gentleman yield?

Mr. MAVERICK. Yes.

Mr. RANDOLPH. I want to say that in West Virginia the partial registration now being taken shows that the Democrats have increased in number. Our citizens appreciate the worth-while program of this administration.

Mr. MAVERICK. Of course; smart people live in the State of West Virginia. [Laughter.] But let me be serious. In any government in the civilized world you are supposed to have an intelligent opposition. We have not got an intelligent opposition in this country. [Laughter and applause.]

Today all the talk I have heard from the Republican side has contained nothing constructive, not a thing. The Republicans have not put forward one single constructive idea; all I have heard is carping and criticism. You have not got any ideas. What do you stand for? As far as I can see, nothing except knocking others down. [Laughter and applause.]

HOUSING SHOULD RECEIVE ATTENTION IN ORDER THAT ALL SHOULD HAVE HOMES

Mr. MARCANTONIO. Will the gentleman yield?

Mr. MAVERICK. I will yield to the gentleman from New York.

Mr. MARCANTONIO. I want to ask this question. The gentleman has introduced a measure for slum clearance. Will he state what his party is doing to push through that bill for slum clearance?

Mr. MAVERICK. I introduced House Resolution 395, to create a select committee to study the matter of housing.

I wish every Member of the House would get a copy of that resolution, which provides as follows:

The committee is authorized and directed to conduct a constructive, comprehensive investigation, study, and analysis of the problems of urban, suburban, and agricultural housing, slum clearance, and conservation of natural resources of the United States, the existing Federal policies and laws on such subjects, and the agencies of the Federal Government administering such laws, with the view to the development of a sound, coordinated program of Federal activity through the fullest utilization of private and public enterprise in these fields and the preparation of legislative recommendations to carry out such program.

Mr. Chairman, we spend millions on all other subjects, scandalous and otherwise; why not spend a few thousand on something substantial? I am convinced that an intelligent, scientific investigation will lead us to adopt some type of housing program for the masses of the people. If it is not for the masses of the people, it is of no value—and furthermore, if we are to revive the building industry and bring recovery, it must be done through mass employment and mass purchasing power. A few houses built here and there will accomplish nothing. Besides, all of the people are entitled to decent homes.

I might say to the gentleman that it is my understanding that a housing bill will be introduced by the distinguished Senator from New York, ROBERT F. WAGNER, and it is a good one. In the meantime, I urge my colleagues to make an investigation of my resolution for the select committee to study the matter of housing. Vote for this bill; but, I repeat again, it is not enough. We must have a great Nation-wide housing campaign, connected with the conservation of our natural resources. [Applause.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro-forma amendment. The amendment pending before the Committee and offered by the gentleman from North Carolina [Mr. HANCOCK] seems to me to be reasonable. In line 10 on page 1 the amendment moves to strike out the words "or private", confining the sale to public sale. I understand that the gentleman from Wisconsin [Mr. REILLY] is going to offer an amendment extending the time within which the bill will operate to April 1 of next year, reserving to the President the right, by Executive order, to discontinue its operation at any prior time should he deem it advisable or necessary. This also seems to be a necessary amendment and one which the Committee should adopt. Neither one of those amendments is harmful to the bill. They are amendments that are not hostile to the bill. They are not offered in an unfriendly way. I hope the Committee will accept them rather than have any controversy about them.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. FITZPATRICK. Will the gentleman from North Carolina [Mr. HANCOCK] support the bill if his amendment is adopted?

Mr. McCORMACK. Mr. HANCOCK will speak for himself.

Mr. FITZPATRICK. The gentleman says that he is favorable to the bill.

Mr. McCORMACK. I did not say that. I said that it was an amendment that was not hostile to the bill.

Mr. HANCOCK of North Carolina. If the gentleman will permit, I have supported every measure that has been brought in here to further home building.

Mr. FITZPATRICK. Will the gentleman support the bill with that amendment?

Mr. HANCOCK of North Carolina. I will with one or two amendments, and I may even do so if those amendments are not adopted.

Mr. McCORMACK. The gentleman from North Carolina is one of the most constructive and able Members of the House.

With reference to the remarks made by the gentleman from Texas [Mr. MAVERICK], I will say there is a lot of logic in what the gentleman from Texas says. Outside of the remarks he made with reference to the Republican Party, it was a very serious speech. The gentleman from New York [Mr. MARCANTONIO] asked the gentleman from Texas about slum clearance, a very pertinent question. I call the attention of the

gentleman from New York to the fact that whatever efforts have been made in this country with reference to slum clearance were instituted by the present administration. The gentleman from Texas referred to the effort being made in England. England, of course, has a central government acting through its Parliament, while here we have a dual system of government. We have difficulty in legislating as a result of our dual system of government which we must appreciate and always have in mind. The United States circuit court recently declared unconstitutional certain aspects of the law we passed within the last few years, that part with reference to the right of the Federal Government to exercise the power of eminent domain in connection with slum-clearance projects. I think the United States courts were right. In any event, the Government is not challenging the conclusion of the circuit court which sustained the opinion of the Federal judge in determining that part of the slum-clearance law to be unconstitutional. Necessity compels us to operate through the several States. Recently the high court of New York State declared constitutional a State statute which vested in a commission appointed in the city of New York the right to exercise the power of eminent domain. In Massachusetts we have passed a similar law, and other States undoubtedly have passed or are considering like legislation. There is pending before this Congress legislation to appropriate from three to five hundred million dollars to carry out these purposes.

It is through the police or constitutional powers of the several States that the right to exercise the power of eminent domain exists. What has been done in this country with reference to slum clearance has been done by this administration. I say that in answer to the question propounded by the gentleman from New York [Mr. MARCANTONIO]. I know the Members realize that slum clearance and slum removal directly concern the public health, and that legislation should pass. There are many unfortunates in this country who are living under such adverse conditions which entitles to such consideration as can be done only through governmental action. The Federal Government has entered into this field, and will continue its efforts to alleviate human distress.

Mr. MAVERICK. The gentleman is perfectly willing to have a law that is constitutional giving the Federal Government this power?

Mr. McCORMACK. Exactly; but I do not think the Federal Government has the right to exercise the power of eminent domain necessary for successful slum clearance, therefore we must have State cooperation.

Mr. MAVERICK. But the gentleman is in favor of it?

Mr. McCORMACK. Not only in principle but I am in favor of something being done.

Mr. SISSON. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am opposed to the amendment offered by the gentleman from North Carolina [Mr. HANCOCK], supported by the gentleman from Massachusetts [Mr. McCORMACK]. In addition to the reasons stated by the gentleman from Michigan [Mr. BROWN], the administrative difficulties of enforcing collections would be tremendous. The additional expense would be tremendous. That amendment was carefully considered by the Committee on Banking and Currency. As the gentleman from Michigan [Mr. BROWN] has indicated, the decision of the committee was almost unanimous against it. There is not any good purpose that can be served by it. There is not any justifiable excuse or reason for it. The rights of the owners of the securities are and can be and will be properly protected without it. We are considering here legislation from a broad standpoint. I hope the House will take the advice of the committee that has studied it, and the advice and recommendations of the Housing Administration that also has studied it. I urge that that amendment be voted down.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. SISSON. Yes; I yield.

Mr. GRAY of Pennsylvania. Is it not true that invariably in court proceedings, when it comes to a private sale or a

public sale of securities or lands or any property, an advantageous sale can be made privately much better than publicly?

Mr. SISSON. Yes; and the interests of the holder protected, and from my personal experience as a lawyer, far more, on the average, can be secured for the administration in collections if this amendment is voted down and private sales allowed.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield for a short statement?

Mr. SISSON. I yield.

Mr. ELLENBOGEN. I want to say, in answer to the speeches made here today about slum clearance and low-cost housing, I have a bill before the Committee on Banking and Currency. It has been endorsed by Secretary Ickes and I am hopeful of obtaining hearings before that committee in a short time, and that this Congress will have before it at this session a slum-clearance and low-cost housing program.

The CHAIRMAN. The time of the gentleman from New York [Mr. Sisson] has expired.

Mr. DINGELL. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, the National Housing Act has been a sort of a pet of mine. I have had some experience before this committee at the last session, when I proposed the amendment for insuring loans up to \$50,000. It was my privilege to introduce the first bill extending the life of this section during this session. I understand, and I hope the understanding is correct, that the \$50,000 figure contained in the bill and which was stricken out and substituted with the amount of \$25,000 will be restored to the original amount. It is my understanding that an amendment will be offered to do that.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. GOLDSBOROUGH. That is the committee amendment. There will not be any amendment offered. The Clerk will read the committee amendment, and those who are opposed to the committee amendment will vote against it, and if the opposition carries, the amount will then be \$50,000.

Mr. DINGELL. However, there will be provision for that. That is what I am chiefly interested in.

Another thing that I am concerned about as provided originally in my bill is the extension of the life of this section of the F. H. A. for a period of at least 1 year. It is manifestly clear that it is entirely wrong that this act should terminate at a time when the Congress is not in session. We should be courageous enough, when we learn that the provisions of the act have outworn their usefulness, to refuse to extend the life of the act further, but at any rate the bill should continue until such time as the Congress is again in session. As I have said before, I believe that 40 percent of our unemployed are in the building trades. That is approximately 4,000,000 people. Three million others, or an additional 30 percent, are to be found directly or indirectly in what may be termed "the allied or associated trades and industries." If we can do anything to reduce that number it is manifestly clear we are going a long way toward the reduction of the unemployment and therefore the elimination of the relief rolls.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. FITZPATRICK. I would like to ask the committee a question. The amendment reduced it from \$50,000 to \$25,000. Will the committee ask the House to defeat its amendment and restore the \$50,000?

Mr. GOLDSBOROUGH. No. I stated this morning, when that part of the bill is reached I personally would not object to the defeat of the House amendment, but I cannot speak for any member of the committee except myself.

Mr. FITZPATRICK. If that is defeated, we will restore the \$50,000?

Mr. GOLDSBOROUGH. That is correct.

Mr. DINGELL. These two questions embody all that I am interested in.

[Here the gavel fell.]

Mr. KENNEY. Mr. Chairman, I rise in opposition to the amendment.

When we come to consider whether we will vote up or vote down the committee amendment, I believe we ought to weigh carefully what is going on in other countries. Reference was made today to the matter of slum clearances as it is carried on in England. We in America seem to think that we have our own way of doing things, and we are reluctant to adopt any plan or any type other than our own, no matter how valuable it may be to the interest or welfare of our people.

Only a short time ago I was sitting as a member of the Committee on Interstate and Foreign Commerce, when Mr. Cook, head of the Rural Electrification Administration, appeared there and undertook to show how we in America were far behind other countries in rural electrification. He pointed out how Japan was far and away ahead of us; how Sweden was ahead of us; and England. Then the committee interrupted him and asked him various questions relating to the subject of electrification as applied to the rural sections of this country.

After he had responded at length to the questions of the members of the committee, I asked him whether he wanted to present as an argument in support of the proposed rural electrification bill the fact other countries had advanced in rural electrification far beyond us. He seemed indignant and said he did not want to submit the progress of other countries as an argument in favor of the bill and only mentioned conditions in other countries incidentally.

But we ought to take notice of what is going on in other countries, especially that which would be advantageous to us here. If the Members of Congress have read the headlines of the newspapers yesterday and today, they know of a notable event happening on the other side of the ocean, the great Atlantic. Tomorrow the Irish Sweepstakes will take place. Our people here in the United States to this single event have contributed, according to estimate \$20,000,000, but I say far in excess of that. It is now our policy not to lend money to foreign countries; yet yearly we are sending them as a contribution—a gift—upward of \$200,000,000, which we ought to keep at home, where, goodness knows, it is needed. The people of America are contributing to the great lotteries of Europe hundreds of millions every year, instead of investing them in a national lottery of our own for the benefit of our own Government and the American people. [Applause.]

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. McFARLANE. Does the gentleman think it is a good business gamble when we get back less than 1 percent of what we send over?

Mr. KENNEY. No; I do not think it is.

Mr. McFARLANE. Then why does the gentleman advocate it so often on the floor of Congress?

Mr. KENNEY. Because I want to keep hundreds of millions of dollars at home. I want these and the proceeds of domestic lotteries to help relieve unemployment, to support old-age pensions, and to protect the American public, which contributes altogether from three to six billions a year in lotteries, many of them dishonest. Participation by our people in an honest lottery conducted under Federal auspices would reap a huge revenue for the Government and curtail taxation, which would make for better business and the solution of some of our problems, including the unemployment problem. The bill before the House will tend to increase employment. The passage of my lottery bill would result in the employment of many men and women, as has been proven in other countries.

No one seriously dotes on a return on his investment. When we contribute to the Red Cross we hardly consider it as a business investment. So participation in a governmental lottery would be a gift to our Government and to ourselves.

Mr. MARCANTONIO. Mr. Chairman, I move to strike out the last line.

Mr. Chairman, at the time I asked the question of the gentleman from Texas with reference to a genuine slum-clearance program it was not my purpose or intention at all to interject any party politics. Everyone knows that I have at no time during my short term here interjected party politics either with regard to my vote or to any speech I have made on the floor of the House. I think the time has come, however, when the Democratic majority must face its obligations, and the reason I pick on the Democrats is because they are in the majority and the responsibility is theirs, and also because I believe I cannot receive much support for my views from members of my own party; I repeat, the reason I pick on the Democrats is because the responsibility is theirs. It seems to me the Democratic Party, up to the present time, has just been shadow boxing with the fundamental problems confronting this Nation. As a matter of fact, the New Deal has been retreating. It has retreated on the question of unemployment relief. While it advocated \$4,800,000,000 for unemployment relief for the fiscal year 1936, it is now advocating only \$1,500,000,000 for the fiscal year 1937, despite the fact that the unemployment situation is the same; and this at a time when, according to the conservative figures of the American Federation of Labor, 12,660,000 are out of employment.

As for slum clearance, you just talk about it; you have not done a single, solitary thing toward genuine slum clearance in the United States. In the one or two instances where you attempted slum clearance you simply drove out the poor class of tenants who could not afford to pay more than \$5 a room a month, and built in the place of what you tore down, buildings which now rent for \$10, \$15, and \$20 a room a month. The result is, you have forced the poor tenants, for whose benefit slum-clearance appropriations should be made, from the quarters they occupied, and in the name of slum clearance you have erected more-costly buildings, used and inhabited by the class that can pay \$10, \$15, and \$20 a room. Do you call that program a slum-clearance program? It is a profit-making scheme for a chosen few. Why not quit demagoging and appropriate funds to give American workers decent buildings in which to live, at rents which they can afford to pay?

In the final analysis the Democratic Party, the majority party, which today has the leadership, should fight the Liberty League by deed and not merely by making faces at it. Instead, it just talks a good fight and always surrenders. You have failed the workingmen and women of this country and, as far as the unemployed are concerned, you have substituted in the place and stead of the fantastic Hoover myth of two chickens in every pot, the stark reality of two wolves at every door. [Laughter.]

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. GIFFORD. I thank the gentleman for his explanation of the slum-clearance work. If in the first place the fact be as the gentleman stated, that we Republicans lack ideas, do you Democrats object if we borrow the ideas incorporated in your platform of 1932?

Mr. FIESINGER. Mr. Chairman, I rise in opposition to the pro-forma amendment, for the purpose of making an observation and asking a question of some member of the committee.

I had this experience last fall in my home city: The housing authority held a meeting in the high school there and invited the public to hear an explanation of the proposition. This was all right, and I participated in the meeting. What I say now is not in criticism of the Housing Administration, but after the proposition was thoroughly explained and the people were quite enthusiastic and wanted to participate in its benefits, it appeared the restrictions did not permit of very much business, and I mention one instance: A young man in my city owns a building lot in a very good part of the city. He is in business and has a good job and has ability to repay the loan and all the charges. He is a young married man of fine character, well-liked in the community, and, if

banking credit was normal, I should say he would be able to get the money at the bank. He made application for a loan through the Federal Housing Administration. He was not successful in securing the loan, because, as they said, the lot was not in restricted territory. Now, if a loan cannot be made to build a house on anything but restricted territory, I do not see how the people in my district can get very much benefit under this act, because there is very little restricted property in my city or in any city.

Mr. GOLDSBOROUGH. I think sufficient answer to the gentleman's observation is the statement that the restricted-territory regulations apply under title II of this act.

Mr. FIESINGER. Is that the section dealing with building new houses?

Mr. GOLDSBOROUGH. That only applies to title II, and has no relation to the title we are now considering.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. MAPES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 1, after line 4, strike out after the word "compensation", in the second sentence of section 1 of title I, the rest of the sentence and insert in lieu thereof the following: "said officers and employees to be appointed in accordance with the civil-service laws and rules thereunder and their compensation fixed as provided in the Classification Act of 1923, as amended", and in the third sentence of said section 1 strike out the words "without regard to any other provisions of law governing the expenditure of public funds."

Mr. GOLDSBOROUGH. Mr. Chairman, I make a point of order against the amendment that it is not germane. It is new matter entirely.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard?

Mr. MAPES. Mr. Chairman, as I understand the rule, if the bill was confined to one particular amendment there might be some question as to the germaneness of my amendment. But this bill attempts to amend existing law in several particulars. It amends section 1 of title I and it amends section 2 of title I.

Mr. GOLDSBOROUGH. Mr. Chairman, the matter desired to be inserted by the gentleman from Michigan does not refer in any way to the subject matter of the legislation. It has no possible reference to the subject matter of the legislation.

The CHAIRMAN. The Chair is ready to rule. Section 1 of this bill deals with the sale and handling of securities.

Mr. MAPES. Mr. Chairman, I do not like to interrupt the Chairman, but section 1 of the law relates to appointment of employees and the fixing of their compensation, which is the section I am trying to amend.

The CHAIRMAN. The Chair will read a syllabus from a decision made by Mr. Speaker Gillett:

To a bill amendatory of an act in several particulars an amendment proposing to modify the act, but not relating to the bill, was held not to be germane (Cannon's Precedents, sec. 2947).

It seems very clear to the Chair that the amendment offered by the gentleman from Michigan does attempt to modify a section of the existing law, but it is not germane to this particular section of the bill. The point of order, therefore, is sustained.

The Clerk read as follows:

SEC. 2. Section 2 of title I is amended, effective on and after April 1, 1936, to read as follows:

"Sec. 2. The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building-and-loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit not in excess of \$2,000, and purchases of obligations representing such loans and advances of credit, made by them on and after April 1, 1936, and prior to December 31, 1936, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit

available for the purpose of financing alterations, repairs, and additions upon improved real property by the owners thereof or lessees of such real property under a lease expiring not less than 6 months after the maturity of the loan, and against losses which they may sustain as a result of loans and advances of credit, not in excess of \$50,000, and purchases of obligations representing such loans and advances of credit, made during such period to owners of real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, or manufacturing or industrial plants, or improved by some other structure which is to be converted into one of the above-mentioned types of structure, or to lessees thereof under a lease expiring not less than 6 months after the maturity of the loan, for the purpose of financing alterations, repairs, and additions to such real property, and the purchase and installation of equipment and machinery thereon.

"In no case shall the insurance granted by the Administrator under this section to any such financial institution on loans, advances of credit, and purchases made by such financial institutions for such purposes after April 1, 1936, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance granted under this section, including all insurance heretofore and hereafter granted, shall not exceed in the aggregate of \$100,000,000. No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions, as the Administrator shall prescribe in order to make credit available for the purposes of this title.

"The Administrator is authorized and empowered to transfer, under such regulations as he may prescribe, any insurance in connection with any loans and advances of credit which may be sold by one approved financial institution to another approved financial institution."

With the following committee amendment:

On page 2, line 24, strike out "additions upon improved" and insert "improvements upon."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read the committee amendment, as follows:

On page 3, line 4, strike out "\$50,000" and insert "\$25,000."

Mr. O'CONNOR. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, this is the matter about which I spoke previously in presenting the rule. Last year the committee and the House inserted a provision for \$50,000 to cover alterations and repair of tenements, apartments, and so forth. The Senate bill contains the \$50,000. The Federal Housing Administration, I understand, is in favor of the \$50,000. This committee, by a majority, offers an amendment to reduce this to \$25,000.

Mr. Chairman, what the gentleman from New York [Mr. MARCANTONIO] said in one respect is not far from the fact. The whole slum-clearance problem and low-cost housing under the R. F. C., the P. W. A., and Federal Housing Act has been substantially a complete failure. There has been no sentiment in their administrations for it. The gentleman from New York [Mr. MARCANTONIO] blames it on the Democratic Party.

From my experience, which has been quite extensive with it, the blame lies at the doorstep of the Republican administrators who are administering the law—appointed, unfortunately, by a Democratic administration. They are practically all Republicans who have had charge of these matters, and they have no sympathy with low-cost housing or slum clearance.

This opportunity being gone—and I do not believe you will ever get any low-cost housing—this provision was put in here to meet, to some extent, the conditions in the cities and to remodel and modernize tenements and apartments, so that a decent place in which to live might be furnished at a much lower rent than the low-cost housing.

As the distinguished gentleman from New York [Mr. MARCANTONIO] has said, where they have financed or developed low-cost housing, just to make a showing, the rents run from \$10 to \$15 a room, whereas if this provision is afforded, not alone to my city but to every city in the country, we can remodel tenements and apartments and give as good quarters at from \$5 to \$7 a room. This is why we want to preserve this limitation of \$50,000.

I believe the committee is not definitely in favor of the \$25,000, and I believe they would be content if the limitation of \$50,000 were permitted to remain.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. ELLENBOGEN. The \$50,000 limitation is particularly necessary now on account of the destruction caused by the floodwaters in the various cities.

Mr. O'CONNOR. More so than ever; yes.

This bill would probably not be here if it were not for the flood condition, and I may say that the limitation of \$2,000 on houses is here principally to furnish some relief in the flood areas, and the new provision in the bill allowing construction on unimproved real estate is here solely on account of such condition.

I hope the committee amendment will be voted down and the provision of the bill as it was last year and as it passed the Senate and as nearly a majority of the committee wish it to be, providing a limitation of \$50,000, will be retained.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. MILLARD. The gentleman spoke about these administrators being Republicans; they were appointed by the President and are subject to removal by the President?

Mr. O'CONNOR. Yes; that is the fact.

Mr. BURDICK. Mr. Chairman, I move to strike out the last word.

In regard to this measure I want the Members of the House from the cities of the country to understand and know that the Representatives from the farming sections of the United States are not entirely ignorant of the fact that the cities need help, and anything we can contribute to the relief of people who live in large tenement houses, I am sure, will be done, and the farm people will support us in anything we may do in the Congress to this end.

There is only one danger in legislation of this kind, and that is we give too much blanket authority to someone. We have discovered this in respect of the seed situation in North Dakota. We have discovered that the seed situation is being handled by the Resettlement Administration; and before a farmer can get seed he must show he is absolutely no good financially, and after showing this by an application as long as an income-tax report he must conclude by showing the Government that in a period of 5 years he will be all right financially and will pay everybody. The result is that about 15,000 worthy farmers in North Dakota cannot get seed unless we can get the Resettlement rules changed.

This situation applies to all of the Northwest or North Central States. We must have seed now. May 1 will be too late.

This situation arises, I think, because Congress delegates blanket authority to these institutions without hemming in such organizations and administrations with more direct instructions from Congress. I think it is our own fault as much as the fault of anyone else that we do not take time enough to go into the administrative end of these measures instead of just handing the matter over to them, which is the easy thing to do.

I wish to state, Mr. Chairman, I am mighty glad to support the suggestion offered by the gentleman from New York [Mr. O'CONNOR] to vote down the committee amendment and leave the bill as it is. [Applause.]

Mr. SISSON. Mr. Chairman, I move to strike out the last two words, and I shall not take the 5 minutes.

I shall only impose upon the patience of the Committee a couple of minutes. I think a little history of this legislation might not do us any harm. I am speaking in favor of the position taken by the gentleman from New York [Mr. O'CONNOR], and I want to remind the House that in 1934, when the Housing bill came up, many of the vital provisions of the bill were then opposed by many gentlemen who, in fairness, have now come around are favoring the legislation. Had it not been for the gentleman from New York [Mr. O'CONNOR], we could not have restored, as we did upon the floor of the House, some of the vital provisions of the bill which are benefiting the employment situation today.

We had the same situation last year. At that time this committee came in with this \$25,000 limitation. We restored the amount to \$50,000 on the floor, to no small extent through the influence of the gentleman from New York [Mr. O'CONNOR].

I do not know how many loans will be made or how much improvement will be carried on by reason of having the limitation at \$50,000 rather than \$25,000, but it cannot do any harm, as the losses under it have been and our experience shows will be inconsiderable.

Furthermore, the instances that I have just cited as to the prominent part taken in passing this legislation by the distinguished chairman of the Rules Committee [Mr. O'CONNOR] and the study that he has so evidently given to the needs of the great city of New York and the needs of his own congressional district, entitle him to have his opinion given some weight and his wishes respected. I know during my 4 years of service here I have found that my distinguished colleague from New York has always looked at things from a national point of view and has always been willing to further legislation for the interests of agriculture and for all sections of the country. It is no more than fair that the needs of his congressional district and his city should be given consideration in this legislation, as he requests. He has earned the right to demand it. [Applause.]

I recall also that the very able gentleman from Michigan [Mr. DINGELL], when we had legislation perfecting and amendatory to the Housing Act before us last year, had, with remarkable industry, collected a large amount of data and information for the uses of the committee and of the House. He was the author of one of these amendments to carry out this same purpose. He appeared before our committee on several occasions on this subject and gave us valuable support in securing its passage by the House. [Applause.]

Mr. BROWN of Michigan. The gentleman knows that many members of our committee, not a majority, favored putting the figure at \$50,000.

Mr. SISSON. That is a correct statement.

Mr. BROWN of Michigan. And the bill, containing the \$50,000 limit, passed the Senate yesterday.

Mr. SISSON. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The question was taken, and the committee amendment was rejected.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

On page 3, line 9, after the word "schools", insert "churches."

The committee amendment was agreed to.

The Clerk reported the next committee amendment, as follows:

On page 3, line 16, strike out "an" and insert the word "and."

The committee amendment was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I send two amendments to the Clerk's desk.

The Clerk read as follows:

Page 3, line 22, strike out the figures "10" and insert the figure "5."

Mr. HANCOCK of North Carolina. Mr. Chairman, the other amendment should be reported first.

The Clerk read as follows:

Amendment by Mr. HANCOCK of North Carolina: Page 2, line 25, insert before the word "improvements" the word "structural."

Mr. HANCOCK of North Carolina. Mr. Chairman and Members of the Committee, it was the judgment of our committee that under title I as amended, no further loans for electrical appliances and miscellaneous household articles would be eligible under the language of section 2 as amended. The Administrator told the committee that in view of the fact that the Electric Home and Farm Authority and the Rural Electrification Administration were dealing in the financing of appliances of this kind that they were willing to withdraw from this field of activity. Now if you want to encourage the real building trades in this

country this amendment offers that opportunity. This amendment means that hereafter the improvements must be of a structural character. That, I know, was what we wanted title I to do in the original act. It was a major objective. It was one of its attractive features.

We know that under the present operations of the Housing Administration more than 54 percent of the loans in amount already insured have been loans for electrical appliances, plumbing and heating fixtures, and other mechanical equipment.

This amendment does not apply to loans insured under the \$50,000 limitation. It only means that improvements that are to be made under \$2,000 loans shall be real useful and needed improvements to small-home owners who have been almost forgotten by the Federal Housing Administrator. This phase of the program was its heart. All of us know that due to the depression there were literally thousands upon thousands of small-home owners who had been forced to neglect their homes; that this condition obtained throughout the breadth and length of the land; that through the operations of title I these worthy people would have a chance to get the money on their character notes and put their homes back in livable and decent condition for their families. Aside from the economic considerations involved, it was pregnant with social advantages. What could have been a more worthy governmental objective?

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. SMITH of Connecticut. Would the insertion of the word "structural" prevent loans for painting houses?

Mr. HANCOCK of North Carolina. I do not think there is any question about that.

Mr. SMITH of Connecticut. Is not painting an important improvement upon real estate?

Mr. HANCOCK of North Carolina. That is an important improvement, but usually not so important as a structural improvement.

Mr. SMITH of Connecticut. If the language is left as it is, it will allow both.

Mr. HANCOCK of North Carolina. The words "repairs and alterations" are broad enough to include painting or any other improvement of this character. Here is my purpose in offering this amendment. Of course, if somebody can offer one which is more clarifying, I would be delighted to support it. Under the present language, I am confident that the Federal Housing Administration can continue to insure loans covering the sale of electrical appliances, and so forth, because the present language is identical with the language of the original act. Unless some change in the language like this proposed is made, it means that financing of these loans can be carried on. Here is the only difference that I can see: From now on the borrower must own an interest in real estate or his lease must run for 6 years beyond the time of the maturity of the loan insured. Heretofore anybody, anywhere, if I am correctly advised, could buy this stuff and was eligible as a partner with the Government. Employment or improvements on real estate was a secondary consideration. Volume of sales by the manufacturers was the first thought and consideration of the F. H. A. officials.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. GOLDSBOROUGH. The original act of 1934 was passed in June 1934, and it did not permit loans on electrical equipment. On August 25 we amended and inserted the words "including equipment and machinery."

Mr. HANCOCK of North Carolina. I understand the gentleman is advising me what Congress has done, but the gentleman should know well that before the amendment to which he refers was enacted, loans had been insured on the sale of electrical appliances. All he has to do is to look at the report. There is no doubt in the world about that. My friend has evidently never carefully read the hearings or a single report of this agency. It all centers on the question

of the interpretation of what is meant by improvements on or to real estate or real property. Here is the question: Would the installation of a Frigidaire or a radio, both, of course, useful articles, or a cream whipper be such an improvement to real property? You have got to spell out its meaning if you do not want the Federal Housing Administration to continue using this insurance fund to stimulate the business of these favorite clients. I recognize that many of these articles are useful to home owners, but I am convinced that they are available to anybody on reasonable terms without the Government subsidy which is going to assist manufacturers who are amply able to take care of their own sales. These are not character loans for renovizing or modernization of homes. They are anything else. If you want to stop it, adopt the amendment I am offering. If you do not, vote it down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. HANCOCK of North Carolina. Mr. Chairman, I have a further amendment which I offer and which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 3, line 22, strike out the figure "10" and insert in lieu thereof the figure "5."

Mr. HANCOCK of North Carolina. Mr. Chairman, this is perhaps the last time I shall appear before the Committee with reference to this bill. I believe the discussion has been helpful in giving the membership a picture of Federal Housing activities to date. I certainly hope it has. The amendment I am now offering would limit the amount of the Government guaranty to the lending institution to 5 percent of their total loans made from the date of this amendment rather than 10 percent as provided on page 3 of the bill. It would work in this way: They draw 9½ percent interest plus on the loans which they make. As I have pointed out heretofore, they are also permitted under the regulations of the Federal Housing Administration to charge, in addition, a 5-percent penalty for defaults where there has been a delay of 15 days. Remember all of this falls on the borrower. He pays the freight. In other words, if an approved institution from now on made loans of \$100,000 in the aggregate, the Federal Government would only be responsible for \$5,000 of their losses. Is not that fair? Is it not enough as an inducement on paper of this kind and especially since they require security in the form of a lien on the articles? What consideration, if any, is shown toward the borrower or old Uncle Sam?

Approximately \$60,000,000 of the \$100,000,000 which can be used for this purpose has been set aside as an insurance reserve to cover the liability of the Federal Government on the \$300,000,000 of loans insured up to date. Therefore, there is left about \$40,000,000. That means that the Federal Housing Administration can insure approximately \$400,000,000 additional in loans under this title. If you reduce the amount of the guaranty from 10 to 5 percent you thereby automatically increase the amount of business they can do from this time on from \$400,000,000 to \$800,000,000.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. FITZPATRICK. Is it not a fact that if that amendment is carried through they cannot make any loans, because they will not loan money with a 5-percent guaranty? Is that not true?

Mr. HANCOCK of North Carolina. I cannot follow your logic or reasoning. We cannot continue indefinitely to coax and wet-nurse them. Many of them do not want it. They know it is largely a hand-out. I imagine that today, with loans being made by banks to the Farm, Home, and Electric Authority, as was developed yesterday, at three-quarters of 1 percent, and on cotton and other commodities at 1 percent, and with their vaults bulging over with cash, a 5-percent guaranty on loans of this kind, which carry an interest rate of 9½ percent, plus a charge of 5 percent for defaults, ought

to be very attractive. Who else is being accorded such favorite treatment? If the loans were purely "character loans" for true modernization of homes, a 10-percent guaranty might be justified.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. SISSON. Is it not a fact that the gentleman from North Carolina is opposed to this particular provision and was opposed to this particular provision and would defeat it if he could, if it was 10 percent or 20 percent or 5 percent?

Mr. HANCOCK of North Carolina. No. I am perfectly willing to go along if it is reduced to 5 percent; but whether I go along or not, it will probably not make any serious difference. I have tried to make my position clear, for I am anxious to see this agency operate for the welfare of all the people. I fully appreciate my limited influence, and especially when instructions have been handed down. I know, though, I am doing my duty and this makes me peacefully happy. But I say, whether you adopt this amendment or not, I shall vote for this bill, because, notwithstanding the fact that I have not been able to eliminate the known evils and abuses, I still believe there is some good left in the Federal Housing Administration.

In presenting my arguments on the bill and the agency I have tried to be fair. My deductions can be confirmed by the records which I have studied for several days and nights.

I wish to say with respect to the criticisms that have been directed toward me—and I reply not in the spirit of controversy but in the most friendly attitude possible—that some of the statements that have been made, especially the statements made by the distinguished acting chairman, the gentleman from Maryland, a while ago, when he pointed to another one of my exaggerations, was but an attempt to evade rather than puncture my contentions.

Some of the facts which I have developed took him by surprise. He evidently had not kept up with what was going on "Federal Housingly." I invite a correction or contradiction of any statement of fact or charge that I have made. In bringing out these facts—all true, based on the records—I have tried my best to help the American people and save the taxpayers all the money I could. I also want to say, as a parting statement, that the RECORD will show that my attitude toward the Federal Housing Administration has always been as fair, cooperatively, and kindly, as the attitude of the gentleman from Maryland [Mr. GOLDSBOROUGH], the acting chairman. I hope sincerely the amendment will be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina.

Let me say regarding the gentleman from North Carolina [Mr. HANCOCK] that we who have worked with him for 4 years on the Committee on Banking and Currency fully appreciate his deep interest in this legislation. We look upon him as one of the leading authorities in our committee upon this subject. He has devoted himself most assiduously to obtaining a thorough knowledge of all of these matters connected with the various activities of Federal housing. No one admires him more than does the man who is now speaking, for his absolute sincerity and thorough knowledge of the subject.

We have guaranteed the accounts of persons investing in building-and-loan associations up to the amount of \$5,000 and have done so to the extent of 100 percent of that amount. The gentleman from North Carolina has been most assiduous in his efforts to bring that about, and he is largely to be credited with it. There are a great many of us from States like Michigan and other Midwestern States who are not affected to any extent by the building-and-loan associations. They are not a factor with us. If the amendment offered by the gentleman from North Carolina is passed, it means that those States where building-and-loan associations do not exist or do not do very much business, are not going to get any benefit out of this bill. There is no question in my mind that if this 5-percent amendment is agreed to by the

Committee of the Whole, it means an end to this legislation. If you want this legislation, you will vote down the amendment offered by the gentleman from North Carolina.

[Here the gavel fell.]

Mr. BOYLAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BOYLAN to the amendment offered by Mr. HANCOCK of North Carolina: On page 3, in line 22, strike out "5" and insert "20."

Mr. BOYLAN. Mr. Chairman, in my remarks this morning I quoted this change in the bill as indictment no. 4 against the bill, because you know and I know that no financial institution will accept these loans if they are only insured even up to 10 percent, whereas the gentleman from North Carolina brings in an amendment to reduce it to 5 percent.

As has been well stated by the gentleman from Michigan [Mr. BROWN], it simply means to kill the bill. All I am doing is to put in the language of the existing law permitting the insurance of loans up to 20 percent. Under the amendment offered by the gentleman from North Carolina, but 5 percent can be insured, which means there will be practically no loans accepted at all.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. COCHRAN. The gentleman from Michigan has just stated that the amendment of the gentleman from North Carolina would kill the bill. If this be so, then the 20-percent amendment of the gentleman from New York will make it a 100-percent better bill; is this right?

Mr. BOYLAN. Absolutely; and it continues the present law. Surely, if we should do anything, we should liberalize it, not only make it 20 percent but even go to 33½ percent or 40 percent, and not try to reduce the thing to a practical nonentity; for no financial institution would accept these loans if they were covered only up to 5 percent.

Mr. Chairman, I ask the Members of the Committee to support my amendment to the amendment.

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I urge the Members of the Committee to defeat both these amendments and stand by what the committee has reported. There is a very logical reason for this. The present act, it is true, insures up to 20 percent of the portfolio of an approved lending institution. To state it more clearly, this does not mean that 20 percent of each individual loan is insured; it is insurance of 20 percent of all the loans that may be made. In other words, if there are a lot of cats and dogs left in the hands of the bank or other institutions which made the loan, the Government takes 100 percent loss on them if it does not exceed 20 percent of the loans of that institution. For this reason there is certainly good reason to cut down, as this whole operation of the Housing Administration is being curtailed. There is thus every reason to cut down from 20 percent to 10 percent.

It is true, on the other hand, that if we cut down too far, whatever inducement there may be in the insurance feature disappears. In other words, the bank or other lending institution, in order to qualify and in order to proceed under the Housing Act, has to comply with certain conditions and has to put on, perhaps, an extra clerk, or in the case of large institutions, several clerks, and there is, therefore, some trouble and expense in connection with it. They are willing to do this, however, to get a certain amount of insurance. If we cut down the insurance too far, the incentive disappears. Thus the amendment of the gentleman from North Carolina to reduce the insurance to 5 percent would practically end the matter.

On the other hand we have an agency which has been set up and operating for a considerable length of time appearing before our committee and saying that in their opinion the work has been pretty well done, and that it is time to curtail and to taper off. They, therefore, ask that the insurance be cut to 10 percent on the theory that there will thus be fewer cats and dogs left in the hands of the

insured institutions and, therefore, less loss to the Government. It does seem to me we ought to go along with the Housing Administration. I ask, therefore, that these amendments be defeated and the bill left as reported by the committee.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. GOLDSBOROUGH. Is it not a fact also that this \$40,000,000 with a 10-percent insurance feature would serve as a guaranty for \$400,000,000 of loans?

Mr. HOLLISTER. Yes.

Mr. GOLDSBOROUGH. Whereas if it is made 20 percent it will serve to insure not more than \$20,000,000 of loans.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

Mr. LAMNECK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LAMNECK. My point of order is that all time for debate on this amendment has been exhausted.

The CHAIRMAN. The Chair sustains the point of order, as all time has been exhausted on the pending amendments.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last three words.

The CHAIRMAN. The amendment of the gentleman from Massachusetts is not in order, as his amendment would be an amendment in the third degree.

The question is on the amendment of the gentleman from New York to the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. BOYLAN) there were—ayes 14, noes 92.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The amendment was rejected.

Mr. REILLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REILLY: On page 2, in line 20, strike out "December 31, 1936" and insert "April 1, 1937."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REILLY].

The amendment was agreed to.

Mr. GRAY of Pennsylvania. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. GRAY of Pennsylvania: On page 2, line 17, strike out "\$2,000" and insert "\$5,000."

Mr. GRAY of Pennsylvania. Mr. Chairman, I have offered this amendment with the most serious intentions and hope it will be considered as such by the Committee, and not merely for the sake of something to do, or in order uselessly to consume the time of this body. Under section 2, the Administrator is authorized and empowered to insure against losses which the lending companies may sustain as a result of loans and advances of credit not in excess of \$2,000.

The point is, that if any home repair or construction repair work is started or permitted by reason of this act, or any other act, or if for any reason there is a business impetus in the country, there will undoubtedly be a natural increase in material costs and an increase in labor costs, particularly in the sections where such work is required.

While the \$2,000 limitation on loans may have been tolerably sufficient when there was only a general business, financial, and employment stagnation, that limit of \$2,000 is intolerably insufficient in the face of a gigantic physical demoralism such as those of us have who represent districts devastated by the ravages of the recent unimagined and unexpected floods.

If this specific bill, which, it is said, is intended to help the unfortunate victims of the recent floods, has any practical application to the purpose of its design, if it is to prove of any value to those people, and if they are going to take advantage of its provisions, it is very evident that very substantial amounts of repair and improvement work will be

undertaken. Plainly, that will cause increased demand for the required materials and labor, and thus will be stimulated the prices and costs of both material and labor.

In circumstances such as that it would be manifestly insufficient to limit loans that may be insured to \$2,000. Many of the best and most comfortable private dwellings in flooded cities and towns have been all but destroyed, and to increase the loan limit to from \$2,000 to \$5,000 would be a sane and proper provision.

Mr. Chairman, I am not sure that the gentleman from New York, the distinguished chairman of the Rules Committee, was correct when he said that this bill was intended to reach out to the help of the people who have suffered by reason of the overflow of rivers and to relieve the flooded areas. That may, it is true, be the intent, but as a practicable measure, it is to be doubted if it will have even the least beneficial effect. For some of the cities in the district I represent, I am sure it will mean next to nothing.

In the first place, I do not believe that anyone in that district, with few exceptions—and they do not need the provisions of this bill—can pay any such rate of interest as has been stated here this afternoon is being charged under the national housing loans. The situation of thousands of unfortunate people is much too desperate to carry any such a burdensome charge as is being exacted.

If the act is to have any helpful application to those who need whatever beneficence it offers, then it should be made a reality and not a shadow. When the act was passed in 1934, the \$2,000 figure, considering everything, may have been satisfactory, but it is plain to me that it should be more than doubled now. An absolute minimum is in my opinion the sum of \$5,000. The difference in costs of material and labor and rates, in the event of any impetus to building or repair or reconstruction, makes it imperative these loans should be greater than the amount contained in this bill.

Mr. FORD of California. Title II takes care of that matter.

Mr. GRAY of Pennsylvania. I do not see how it can when the amount is limited in this section 2. I am talking about repairs to buildings, not new construction. Take Johnstown, where the first floors, and possibly the second and third floors, of many residences have been ruined. The windows are out, the porches are gone, the steps are destroyed, the floors are ruined, and all that sort of thing. On some of the main streets where the residences and homes are of considerable value, \$2,000 will not even begin to cover the loss. That is, it will not begin to pay the cost involved in re-improving or reconstructing the property.

Mr. Chairman, the money to rehabilitate will have to come out of some governmental agency for those people, because the banks or lending agencies in the communities no longer possess the necessary capital. The money will have to come out of the Federal Government or through some agency of the Federal Government. I am deadly serious about this amendment, because I feel that the \$2,000 limitation on loans is grossly and ridiculously insufficient.

Mr. FITZPATRICK. That only referred to one-family houses. On apartments and tenements they can lend as high as \$50,000.

Mr. GRAY of Pennsylvania. I am talking about the houses on the streets which people live in; just one-family houses, possibly two-family houses. Here is the situation which confronts us and there is no other way about it. Many comfortable, fairly commodious, and extra good dwellings, in which the owner lives or rented to some other family in whole or in part, were encumbered with obligations, mortgages, or judgments of one kind or another. Taxes, both current and delinquent, stand charged against these buildings and the ground on which they are built. The owners are homeless, and without finances even to begin to re-furnish their homes. The municipal authorities will not be able to collect; the school districts will not be able to collect from them. The very best that the authorities can do is to eventually take over the properties to liquidate the tax liens, and then what becomes of the encumbrance holder, the

bank, the trust company, or whatever agency has lent money on the property. What further becomes of the homeless home owners?

This is a deadly serious business and demands every ounce of competent statesmanship that is in Washington. Unless you intend to pay no heed to the distress of hundreds of thousands—and God forbid that anyone should think of us in that light—this Congress must devise ways and means not to shadow-box with this terrible reality of suffering but to come face to face with it in all its miserable results; those most direct and appalling, and as well, those more distant and indirect but nevertheless monumentally disastrous, and overcome them all.

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania.

Mr. Chairman, I have all the sympathy in the world for the purposes of the gentleman from Pennsylvania [Mr. GRAY]; nevertheless his amendment would entirely destroy the philosophy of this legislation. When we passed this act in 1934—and I think this is a fair statement—it was not the intention of the Congress to in any way finance the construction of new dwellings under title I. Title II was enacted for that purpose.

Mr. GRAY of Pennsylvania. Will the gentleman yield?

Mr. SISSON. I will in a moment, if I have time. I want to finish my statement.

Mr. GRAY of Pennsylvania. I want to correct the gentleman's statement.

Mr. SISSON. I do not yield.

Mr. Chairman, it was found that through an inadvertence title I did allow the construction of \$2,000 houses, and loans made for that purpose were character loans. There is no security behind them except the character of the borrower and the insurance. The Government, through the F. H. A., insures those under the present law up to 20 percent, which we are reducing now to 10 percent; but that 10 percent may mean even the payment of 100 percent of a given loan, as has been explained by other members of the committee. We were disposed, I think, to eliminate that, and so amended the present act as to eliminate from title I that construction.

The House bill retains this provision. The Senate bill does not, but struck it out. After considerable discussion in the House Banking and Currency Committee, we retained it in the committee largely out of consideration for the flood sufferers, so that this provision might be used to enable them to build their small homes or bungalows or shacks, although this is not a flood-relief bill. The F. H. A. has been advising bankers at this time in the restricted districts affected by the flood what may be done under the law as it will probably be. The amendment offered by the gentleman from Pennsylvania [Mr. GRAY] increasing this to \$5,000 throws the whole bill out of joint. It destroys its philosophy. It is contrary to the recommendations of the F. H. A. It is contrary to the result of the careful consideration of the committee. Where they have to have \$5,000 or more, this may be taken care of under the provisions of title II.

Mr. Chairman, I urge the Committee to reject this amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I tried to obtain the floor after my distinguished friend, the gentleman from Michigan [Mr. BROWN] got through, because I felt the gentleman unconsciously had made remarks which showed a misunderstanding of the position of the gentleman from North Carolina [Mr. HANCOCK]. I say "unconsciously" because I have the greatest respect for the gentleman from Michigan, but after eulogizing the gentleman from North Carolina, for whom I have profound respect—whether I agree with him or not on any amendment he may offer I have profound respect for the gentleman and for his sincerity—the gentleman from Michigan closed by saying that the gentleman from North Carolina is trying to kill the bill, although the gentleman from North Carolina just prior thereto had stated that if his amendments were defeated he was going to vote for the bill.

Anything the gentleman from North Carolina states I will accept, and he has stated that he intends to vote for the bill. My friend from Michigan, Mr. BROWN, I am sure did not hear the statement of the gentleman from North Carolina that he intended to vote for the bill.

On the other side my friend the gentleman from Ohio [Mr. HOLLISTER] opposed the amendment. He took issue with the gentleman from North Carolina, and in a manner which showed that he did not misunderstand his position. He took issue with the gentleman, as he had the right to do, and I supported him and the committee in the position that they took.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I shall be pleased to yield to the gentleman.

Mr. BROWN of Michigan. I did not hear the gentleman from North Carolina say he was going to vote for the bill. I understood him to say that he might vote for the bill. There is certainly nothing wrong in a gentleman opposing a bill. I have frequently done so, and I hope no one has questioned my motives, and I certainly do not question his.

Mr. McCORMACK. The gentleman from North Carolina had just previously stated that if his last amendment was defeated he was going to vote for the bill.

Mr. BROWN of Michigan. And I may say to the gentleman from Massachusetts there is no one here who has greater respect for the gentleman from North Carolina than I have, but—

Mr. McCORMACK. I have no doubt about that.

The gentleman from North Carolina is one of the most constructive and valuable Members of the House. I am glad that this situation has been cleared up.

Mr. LAMNECK. Mr. Chairman, I move that all debate on this bill and all amendments thereto close in 5 minutes.

The CHAIRMAN. The gentleman from Ohio moves that all debate on this section and all amendments thereto close in 5 minutes.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Page 2, line 25, after the word "property", insert "and the purchase and installation of equipment and machinery upon such real property."

The CHAIRMAN. Debate on this section and all amendments thereto is to be closed in 5 minutes.

Mr. BROWN of Michigan. Mr. Chairman and members of the Committee, this amendment was rejected in committee by a close vote. Under the bill as reported the present policy of the Federal Housing Administration will be changed. They now insure loans made to finance the purchase of electrical and other household equipment. If the bill as reported by the committee becomes a law, that will be changed. As it stands now, they can finance this kind of purchase. As the bill passed the Senate yesterday, it contains language similar to my amendment, and I think the House ought to vote on this proposition, so when the bill goes to conference the conferees will know what the attitude of the House is.

Now, I want to say that the losses we have been talking about in connection with the insurance feature of the bill are so small that they can be characterized as infinitesimal. They are only three-tenths of 1 percent of the total amount of business done under the Federal Housing Administration. There was something like \$850,000 losses out of approximately \$312,000,000 business.

If the amendment is adopted, it means that F. H. A. can no longer finance the purchase of electrical appliances, washing machines, and other household appliances of that kind.

Mr. FORD of California. If the gentleman will yield, I should like to ask him how it is possible to modernize a house if you cannot have electrical appliances?

Mr. GOLDSBOROUGH. Mr. Chairman, the time for debate having been fixed, there is very little opportunity to say much, but the committee deliberately cut this out, respecting electrical equipment, upon the theory that the bill which was passed yesterday covered that ground and it is not necessary.

Mr. BROWN of Michigan. I disagree with the gentleman.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. ELLENBOGEN. How are you going to do anything for the people in the flooded areas if you cut that off? I hope my colleagues will vote for this amendment.

Mr. BROWN of Michigan. How is it expected to do anything for the housewives of America unless these labor-saving appliances be permitted to be insured under the act?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. BROWN of Michigan) there were—ayes 45, noes 52.

Mr. BROWN of Michigan. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. ELLENBOGEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLENBOGEN: Page 3, line 16, after the word "of", insert "fixtures."

Mr. ELLENBOGEN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes.

The CHAIRMAN. Is there objection?

Mr. MILLARD. Mr. Chairman, I object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

The Clerk read as follows:

SEC. 3. Section 3 of title I is hereby repealed.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield to me for a moment?

Mr. COCHRAN. Yes.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that all debate upon this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Chairman, I ask the attention of the Committee. This bill is being considered under a rule, to expedite its passage. The House bill and a similar Senate bill were introduced on the same day. Senate bill 4212 is on the Speaker's table. We are now considering the House bill. The titles of the two bills are identical. If it is desired to expedite this legislation, then I urge the Committee, when we go into the House, that they request that Senate bill 4212 be taken from the Speaker's table, that all after the enacting clause be stricken out, and that the language we have just adopted in the Committee in the House bill be substituted for the language of the Senate bill, and that the Senate bill be then passed. Then the bill will go back to the Senate, and if the Senate does not agree to the amendments the bill can immediately be sent to conference. If that be not done, then the House bill, 11689, which we have been considering, must go to the Committee on Banking and Currency of the Senate and be considered there and reported out before the Senate can consider it.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. GOLDSBOROUGH. It is my purpose to ask unanimous consent that that be done.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'NEAL, Chairman of the Committee of the Whole House on the state of the Union, reported

that that Committee had had under consideration the bill H. R. 11689, and pursuant to House Resolution 465 he reported the same back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill S. 4212, and that all after the enacting clause be stricken out and the House bill H. R. 11689, as amended, be substituted for the Senate bill.

The SPEAKER. The gentleman from Maryland asks unanimous consent to take from the Speaker's table the bill S. 4212, and that all after the enacting clause be stricken out and the House bill, as amended, be substituted therefor. Is there objection?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A similar House bill was laid on the table.

A motion to reconsider was laid on the table.

The title was amended to read as follows: "To amend title I of the National Housing Act, and for other purposes."

EXTENSION OF REMARKS—NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their own remarks on this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I am happy, indeed, to have the privilege of voting to extend title I of the National Housing Act, as amended, to April 1, 1937, to provide insurance of loans and advances for the purpose of financing alterations, repairs, and improvements of homes and other real property.

Mr. Speaker, I was one of a small group of House Members who called upon President Roosevelt in the spring of 1934 and started the movement for the enactment by Congress of the original Federal Housing Act. Our group which conferred at the White House with the President consisted of Mr. DUFFEY of Ohio; Mr. SWEENEY, of Ohio; Mr. HEALEY, of Massachusetts; Mr. MEAD, of New York; and myself, and we also conferred with Hon. Jesse Jones, chairman of the Reconstruction Finance Corporation, and other officials of the Federal Government. I consider that the legislation which was subsequently introduced and sponsored by the Banking and Currency Committee and passed by the House and Senate and approved by the President, has justified all the anticipations as to benefits to workers and manufacturers expressed by Mr. Spencer D. Baldwin, president of the National Retail Lumber Dealers Association, Washington, D. C., bearing date of June 18, 1934, and reading as follows:

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION, Washington, D. C., June 18, 1934.

MY DEAR CONGRESSMAN SMITH: On behalf of this organization, and the Western Retail Lumbermen's Association, we desire to thank you for the excellent and effective work you did in cooperation with these and other national organizations, including the American Federation of Labor in the early stages and through to the finish to secure the enactment of the National Housing Act.

Your assistance in promoting a congressional delegation to call upon the President of the United States and the manner in which the problems of the building industry and labor was presented was instrumental in securing his active interest. It is significant that on the day you called upon him, March 20, he issued the Executive order to prepare a complete program for legislative action.

Your willingness at all times and the unselfish manner with which you cooperated certainly merits the approval and support of all who are affected by this legislation.

With kindest personal regards, and best wishes for your continued success, I remain

Very sincerely yours,

SPENCER D. BALDWIN, President.

The repair and remodeling features of the Federal Housing Act have been of vast benefit to the workers in the building trades, to the lumber, plywood, shingle, and other allied industries, and to manufacturers generally. Insurance on loans up to \$2,000 for new construction is likewise highly beneficial to both labor and industry. I have taken a keen interest and active part in promoting this legislation to extend the act to April 1, 1937, and have received the following letters from the Federal Housing Administration, to wit:

FEDERAL HOUSING ADMINISTRATION,
Washington, February 11, 1936.

HON. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: We were very pleased to have you visit us yesterday and discuss with us the advisability of continuing title I of the National Housing Act which expires on April 1. In accordance with your recommendation, as well as those of other Members of Congress, we have decided to ask for an extension of title I of the act from April 1 to December 31 of this year.

Many of the banks and other lending institutions in your State have taken advantage of this section of the act, which provides for the lending institutions making loans for the purpose of modernization, repair, and additions to dwellings on the basis whereby the Government insures the lending institution against losses up to 20 percent of the total amount of money they lend.

This plan has made it possible for owners of property to make much-needed repairs, and has stimulated considerable activity in the lumber industry and has reemployed many thousands of workmen.

We expect that our amendment will be introduced in Congress within a week's time, and I will let you know the exact time of its introduction so that you may lend your influence in having it enacted.

Very truly yours,

W. D. FLANDERS,
Deputy Administrator.

FEDERAL HOUSING ADMINISTRATION,
Washington, March 11, 1936.

HON. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: In accordance with our conversation, I am attaching a copy of Senate bill 4212, relating to the proposed amendment to title I of the National Housing Act.

Very truly yours,

W. D. FLANDERS,
Deputy Administrator.

P. S.—This bill is identical with H. R. 11689.

MR. BURDICK. Mr. Speaker, I desire to call the attention of the House and of the country to costly errors that are being made by the various relief organizations of the Government, set up for the purpose of carrying out the intent of this Congress in voting unprecedented relief appropriations.

First, let me say that this Congress passed a bill to provide \$50,000,000 for feed and seed for needy farmers of the Nation. This act was vetoed by the President on the assumption that the appropriation was not needed. The President then allocated \$30,000,000 from other funds for this purpose, and word went out to the Northwest that funds would immediately be available for the purchase of feed and seed.

It must also be remembered that if wheat is not sown by April 20 there is not much use in having seed. Last year, you will recall, I called attention to the seed situation and tried to impress upon the House the necessity of getting seed out to the farmers in time. This was not done, and many farmers did not receive their seed wheat until well along in May. As a result, the unprecedented rust which visited these States just before harvest caught all of the late-sown wheat. Most of the early-sown wheat escaped this damage. While North Dakota had over a hundred million bushel wheat crop in prospect, the rust reduced this to 50,000,000 bushels and the rusted wheat was reduced in weight from 42 pounds down to 30 pounds. This wheat had no sale value and in many instances sold for \$15 per ton.

I trust this will not be repeated this year. I am fearful that a worse condition will prevail unless this Congress acts at once. As the President has worked out the plan of furnishing feed and seed, the whole administration of it has been turned over to the resettlement administrations of the various States.

Before a farmer, in need of feed and seed, can secure the money he must make a written application to the resettlement

administration of his State on forms that are long, involved, and intricate. No loan will be passed unless and until the following precedent conditions have been met (quoting from the instructions of the Resettlement Administration):

The plan under which the Resettlement Administration operates calls for approved farm and home management budgets worked out by the local supervisor in cooperation with the local county agent. In this way every possible method of making the farm pay and operating the home economically is outlined.

"At the same time the recipient of the loan is given the benefit of the farming knowledge of people thoroughly familiar with agricultural conditions in his county", said State Director _____. "The county supervisor confers with the farmer applicant on proper cultivation methods and at the same time the housewife is given every assistance in the homemaking budget. In this way they get both a loan and expert assistance."

Those eligible, the State director said, are farm owners, farm tenants, farm laborers, sharecroppers, or persons who, when last employed, obtained the major portion of their income from farming operations. They must be the heads of destitute or low-income farm families who are unable to obtain credit at reasonable terms from other Federal or private credit agencies.

Those judged capable are being extended loans for the purchase of livestock, seed, fertilizer, and other necessities, and are given up to 5 years to repay loans. In addition, short-term loans of 1 or 2 years for rent, subsistence, medical care, etc., are made. No family is granted a loan until the budget expenditure plan has been carefully mapped out on a basis making repayment probable. Applications should be made to the county resettlement supervisor or to the county agricultural agent.

The less aid is given the farmers now, immediately, for feed and seed, the worse their condition will be. Finally they will have to seek direct relief. If that is what this administration wants, then the resettlement plans and specifications are admirably calculated to accomplish this purpose. Congress should step in now and pass a joint resolution giving definite instructions as to how these loans are to be made. I have no faith that the various administrations—Farm Credit or Resettlement—will ever cut out the red tape and get this feed and seed to the farmers in time.

There is one other matter, Mr. Speaker, in which the Relief Administration, as it operates, is committing an unpardonable blunder. It is this: Under the W. P. A., according to the program announced, no one who was not on F. E. R. A. last year is qualified to receive work in the W. P. A. In cases where farmers, through self-denial and pride kept off relief until now, that farmer finds that it is too late now for him to get work. When he makes application for help the first time in his life, he is turned down because the records do not show he was on relief last year. This program is most unfair and it is now causing a great deal of suffering in the Northwest States. There are thousands of farmers in desperate need of the necessities of life. They do not ask for charity. They ask for work, but that work is refused them for the reasons given above.

That was not the intent of Congress when it voted this huge fund of \$4,800,000,000. Congress made a mistake in granting this fund without some control over it. No one, except the President, can change the matter now. He has failed in his plans to provide help for those who have kept off relief heretofore. Congress should step in now and by a new appropriation provide for those whom the President has forgotten. The "forgotten man" was quite an issue in the last campaign, but, as this relief plan now operates, the "forgotten man" is still forgotten.

In a land of plenty—a land of too much—we owe the duty to the unfortunate to provide the necessities of life. I am for doing that very thing even if the so-called Budget is never balanced. Between balancing the Budget and feeding hungry people, I am for the people. Business interests could go a long way toward balancing the Budget if they would now give back the rebates on income taxes that were handed back to them.

It is much easier to praise than censure; it is easier to agree than disagree; it is easier to accept things as they are than to find fault. When the times comes, however, when good, honest, hard-working people in this country are in distress, through no fault of their own, I stand ready to be accused of censuring, of disagreeing, and with finding fault. I know of no other way in getting the truth to the people;

I know no other way than to appeal to the public conscience of the Nation. I am thankful that I have no party ties that prevent me from stating the facts as they are. I am thankful, too, that I have no political ambition of any kind other than to represent the people of North Dakota and this Nation as Congressman for the term for which I have been elected.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 543. Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes.

SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Education of the Committee on the District of Columbia may be permitted to sit during the session of the House on Monday next.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

ADDITIONAL EMERGENCY RELIEF APPROPRIATION FOR THE DISTRICT OF COLUMBIA

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 543, making additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia, with a Senate amendment, and agree to the Senate amendment.

The Clerk reported the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate amendment, as follows:

Senate amendment: In line 11, after the word "law", insert: "There is hereby appropriated out of any money in the Treasury not otherwise appropriated, the sum of."

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

THE POWER OF THE COURT AT HOME AND ABROAD

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. MEAD. Mr. Speaker, a review of powers of the high courts in the advanced nations of the world, insofar as their authority to declare legislative acts invalid or unconstitutional, presents an interesting and somewhat paradoxical study. Constitutional governments are well split on the question of whether or not the judiciary should be empowered with the authority to overrule and invalidate laws enacted by a representative legislature. In some countries the constitution specifically vests the courts with authority to pass upon the validity of laws, in others the courts pass upon the constitutionality of legislative proposals before the legislature acts, and in still others the courts have no jurisdiction over constitutionality of law and the people's representatives assume that responsibility.

The Constitution of the United States does not grant the Supreme Court power to pass upon the constitutionality of acts of the Congress. This prerogative of the Court is based upon a precedent established by Chief Justice Marshall in 1803—Marbury against Madison—when he handed down a decision declaring a law passed by Congress contrary to the

intent of the Constitution. This assumed power of the Court, however, was not exercised again for 54 years. In 1857 Chief Justice Taney, using the Marbury against Madison decision as a precedent, decided for the second time against the constitutionality of an act of Congress in the historic Dred Scott decision. Since that time the validity of numerous laws has been decided by the Court; and today, with a total of 74 laws declared to be unconstitutional by the Court, the principle is firmly established.

In Norway and Rumania procedure similar to our own American court history has resulted in the assumption by the courts of the right to declare laws unconstitutional.

The constitution of Colombia is probably the most definite in conferring authority upon its supreme court in that the court is specifically directed to decide upon the constitutionality of legislative acts which may have been objected to by the Government as unconstitutional. In Mexico the supreme court is given similar jurisdiction in all controversies arising between powers of Government and any State as to the constitutionality of their acts.

In Salvador, Honduras, Nicaragua, and Czechoslovakia authority is given to the courts to pass upon the constitutionality of legislative proposals prior to their enactment into law. In Salvador the supreme court may even initiate legislation which in its judgment would correct imperfections or deficiencies in existing law. In Czechoslovakia a special constitutional court is provided by the constitution separate and apart from the regular judiciary, which passes upon the validity of legislative measures before they may be enacted into law.

Germany is in a position somewhat like the United States prior to the Marbury against Madison decision. The question of the court's authority to pass upon the constitutionality of laws is not mentioned and will be decided in the future by custom and legal precedents.

In varying degrees and in some cases with qualifications, at least 11 major constitutional governments do not permit consideration or usurpation of the legislature's prerogatives, with respect to the constitutionality of its acts, by the judiciary. England, Japan, Italy, Finland, New Zealand, Belgium, France, Australia, Switzerland, Union of South Africa, and Canada confer upon their legislatures the duty and responsibility of determining the validity of the measures which they consider. In England, where law is based upon precedent and a bill of rights rather than a written constitution, the Parliament is the supreme power and no court may question the authority of its acts. In Australia the legislature may confer upon the courts, in specific instances, the right to pass upon the constitutionality of a law.

Periodically, and with increasing intensity, the question rises in the United States whether the Supreme Court's assumed authority over acts of Congress is in the best interests of a representative democracy. This same controversy is known to every constitutional government and, except perhaps in those nations where the court is specifically stripped of jurisdiction over constitutionality of law, at home and abroad the power of the court is a regular topic for debate.

When our courts divide so often and so evenly it is difficult for the lawmaker to decide in advance on the constitutionality of any given question. A better system which would obviate the tremendous work and expense involved in the preparation and passage of legislation and the injury resulting from the delay and uncertainty would help our country's situation. At any rate, I believe the Court should pass on legislation.

CONNECTICUT VALLEY FLOOD CONDITIONS

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a radio address made by my colleague [Mr. GRANFIELD] in Springfield, Mass., on Saturday last on the flood situation.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. HEALEY. Mr. Speaker, under unanimous consent to extend my remarks, I am inserting in the Record a radio address delivered by my colleague, Hon. WILLIAM J. GRAN-

FIELD, on Saturday evening, March 21, 1936, at Springfield, Mass., on the flood conditions in the Connecticut Valley, as follows:

Early this week I was impressed with the seriousness of the situation that confronted the people of the Connecticut Valley. I realized the appalling effects that follow in the wake of a flood such as the one we have experienced.

The mayors of Springfield, Chicopee, and Northampton impromptu action on the part of the Federal Government, in consequence of which I immediately communicated with the Red Cross headquarters at Washington, where assurances were given me that the situation in the Connecticut Valley was well in hand and that its citizens would not be without food, clothing, or shelter.

I also contacted Harry L. Hopkins, National W. P. A. Administrator, who assured me that everything possible would be done for our people. Today at Washington Senator DAVID I. WALSH called a conference of the Members of Congress from Massachusetts in order to bring the full force of the Federal Government to the aid and relief of distress in our valley, and there a fourfold program of action was agreed upon.

It is proposed, first, that an emergency fund be provided for the general and immediate relief of our people, and that our homeowners who have suffered losses, which in some cases will prove irreparable, be provided for by the Federal Housing Administration.

Senator WALSH on Monday will present an amendment to the Reconstruction Finance Corporation Act extending the authority of that Commission to authorize loans to industries, large and small, affected by this disaster. Many of our smaller business concerns which have been seriously affected, it is hoped, will be provided for under this amendment.

The havoc wrought by the flood to the bridges and highways was also considered, and enabling legislation will be presented to Congress on Monday by Congressman HOLMES, of Worcester, a member of the Committee on Highways and Bridges, so that immediate action may be taken for their restoration.

At a conference today I was assured by District Attorney Moriarty; Mayors Martens, of Springfield; Stonina, of Chicopee; and Dunn, of Northampton; and Chairman Thomas J. Costello, of the county commission, that every effort would be made to ameliorate the severity of this flood. I want the people of this valley to know that everything possible will be done for their immediate relief. I cannot forego this opportunity to extol the very splendid and humanitarian services of the American Red Cross. Yesterday, in a conference with Mr. Earle, of that organization, at Washington, I was assured of the fullest cooperation. Today, after a personal survey, I am thoroughly satisfied that the American Red Cross has done its full duty to the people of the Connecticut Valley, and I wish to take this opportunity to congratulate the organization and those members who have worked so tirelessly for our people.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on tomorrow after the reading of the Journal and the disposition of business on the Speaker's table, and at the conclusion of the special orders, I be allowed to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, already 40 minutes have been granted. We have a rule coming in with 2 hours of general debate. Ordinarily I figure the bill will not be voted on until 7 or 8 o'clock tomorrow night. There is a long discussion on it. Monday would be a much better day. We would not have granted the 40 minutes had we been aware they were being asked at the time. I wish the gentleman would put it off until Monday. Otherwise we will be here until 9 or 10 o'clock tomorrow night.

Mr. HOOK. I should like to do so, but I can assure the gentleman it will only be for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Hook]?

Mr. MERRITT of New York. Mr. Speaker, I object.

IMPORTATION OF COTTON GOODS FROM JAPAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend as a part of my remarks a letter from the National Association of Cotton Manufacturers, signed by Mr. Russell Fisher, and a copy of a letter that he sent to the Department of Commerce; also some tables from the Department of Commerce showing the increase of Japanese cotton imports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters and table:

THE NATIONAL ASSOCIATION OF
COTTON MANUFACTURERS,
Boston, Mass., March 25, 1936.

HON. EDITH NOURSE ROGERS,

House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: Early this year we sent you copy of a resolution passed at a meeting of our member mills protesting the continued and increasing importation of cotton goods from Japan. It was apparent from statements made by State Department officials at the time that they felt the matter had been adequately taken care of through an agreement reached with the Japanese Government.

Now, that figures for January 1936 are available, it is very evident that the importation of Japanese cotton goods continues as an increasing threat, and that the agreement with the Japanese Government falls far short of what is desirable.

Enclosed is a copy of a letter and table prepared by the Cotton Textile Institute on this subject which, I think, will be of interest to you.

Yours very truly,

RUSSELL T. FISHER.

THE COTTON-TEXTILE INSTITUTE, INC.,
New York, March 23, 1936.

DEAR SIR: You will doubtless recall the pleasant conference which we had with you about 2 months ago regarding importations from Japan, and in this connection I wonder whether the figures for January covering imports of cotton piece goods from Japan have come to your attention? A total of 6,812,986 square yards were imported for consumption, which is a volume more than double that of January 1935, and some 2,000,000 square yards greater than that of the peak month of February 1935. This is at the rate of over 80,000,000 square yards per year, compared with a total for 1935 of about 36,474,000 square yards.

To give you a more complete picture, I am enclosing a table of imports of these cotton piece goods from Japan for a period of years. The greatest bulk, you will note, is in the "bleached" classification. The total imports of this type in 1933 were 256,624 square yards; in 1934, 6,043,345 square yards; in 1935, 30,041,422 square yards; and in January 1936, 5,842,933 square yards—which is at the rate of over 70,000,000 square yards per year.

The major portion of this type of goods is used by the handkerchief and underwear trades. Therefore the imports from Japan of cotton handkerchiefs are closely related to the imports of bleached piece goods. The attached table, covering importations of cotton handkerchiefs, indicates the enormous growth of business enjoyed by the Japanese in recent years. The 505,518 dozens imported in January 1936 are doubtless the equivalent of at least 1,000,000 square yards of bleached cloth. When it is realized that the estimated annual volume of domestic business in bleached print cloths for the handkerchief and underwear trades is only 150,000,000 yards, the significance of these combined imports—bleached cloth and handkerchiefs—is seen in its true perspective.

Another division of our industry which is sorely oppressed is the cotton velveteen group. A table showing the rapid expansion of imports from Japan in this category is also enclosed. From a total volume of about 1,000 square yards during the 9 years 1925 to 1933 importations jumped to nearly 84,000 square yards in 1934 (all of which arrived in the last 4 months of the year) and to the amazing total of 1,793,557 square yards in 1935. The volume imported last year is estimated to be over 50 percent of the domestic production for that year. The active season for velveteens is June to October, inclusive, which accounts for the substantial falling off of imports commencing in November 1935.

Another most disturbing development has been the arrival in this country during December 1935 and January 1936 of over 100,000 square yards of Japanese cloth under the unbleached classification. Last May, at a hearing before the Tariff Commission in the matter of importations of bleached goods from Japan, representatives of the Japanese importers claimed that it was not practicable or possible for the Japanese exporters to extend their activities with respect to shipments to the United States to other types of cloth. Nevertheless, since that time we have seen the tremendous expansion of receipts in this country of cotton velveteens, and more recently the above-mentioned unbleached goods.

There is nothing of special merit in these importations. They are largely imitations of American cloths, but, with Japanese labor costs only one-seventh or one-eighth of our labor costs, the effectiveness of the Tariff Act of 1930 is completely destroyed. Consequently we find Japanese bleached goods selling in our markets from three-fourths to 1½ cents a yard below the cost of comparable American goods; also Japanese velveteens from 10 to 25 cents a yard below the cost of comparable American products. And this does not reflect the full effect of the competition. Other American goods, which normally sell in price brackets bearing certain relationships to goods now in competition with Japanese goods, are adversely affected, first, by the destruction of the long-established differentials; and, second, by the threat of extension of activities by Japanese imports to types of cloth hitherto not brought into this country.

Needless to say, there will be little opportunity for our industry to make any further contribution toward relieving the unemployment situation when a rapidly increasing proportion of its market is being supplied by a foreign country. Nor can our industry be expected to contribute materially to improvement in the durable-goods industry when investments in replacements of machinery, etc., would doubtless result in outright loss.

The answer is that this industry needs and deserves relief from the rapidly increasing threat from Japanese importations. The instrument for that relief seems to be available in section 22 of the A. A. A., now made applicable by amendment to the Soil Conservation and Domestic Allotment Act. In effect this section has the same force as section 3 (e) of the N. I. R. A. Early in 1935, pursuant to a complaint under that Recovery Act section, the Tariff Commission investigated importations of Japanese bleached cotton cloth. Due to the invalidation of the act, however, the findings of the Commission have never been released.

In view of the work already accomplished, it would seem that little additional study would be necessary preparatory to initiating prompt hearings. We also understand that the members of the Tariff Commission are thoroughly familiar with the velvetene situation. Therefore, there seems to be no obstacle which would prevent prompt hearings before the Tariff Commission with respect to these imports.

Your good offices in behalf of the cotton-textile industry will be greatly appreciated.

Faithfully yours,

CLAUDIUS T. MURCHISON.

United States imports from Japan
(U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce)

	Cotton cloth						Cotton handkerchiefs		Cotton velveteens	
	Unbleached		Bleached		Printed, dyed, or colored		Not trimmed, dozens (lbs. 1925-32)	Value	Square yards	Value
	Square yards	Value	Square yards	Value	Square yards	Value				
1925	59,682	\$8,444	266,789	\$38,648	5,046,593	\$742,958	275	\$643		
1926	31,117	3,952	372,779	47,623	1,862,875	277,742	536	919		
1927	104,772	11,470	356,634	29,634	1,400,821	218,861	13	139		
1928	48,004	4,408	186,541	23,005	1,475,569	229,032	21	208	125	\$41
1929	2,103	546	176,308	17,517	1,038,473	170,505	16	131		
1930	817	100	47,624	5,042	967,068	113,539	19	55		
1931			100,266	11,554	669,942	94,787	273	337	450	142
1932	455	121	51,397	3,629	737,392	52,941	6,144	2,338	461	141
1933			256,624	12,184	859,089	66,324	61,068	6,034		
1934			6,043,345	252,057	1,243,172	110,986	751,597	78,695	83,765	16,179
1935	57,302	1,844	30,041,422	1,302,605	6,375,510	423,349	2,733,817	254,178	1,793,557	268,122
1935:										
January			2,633,295	112,682	707,658	44,283	181,852	18,543	3,901	867
February			4,347,739	204,894	506,915	36,270	131,424	14,453	21,248	3,822
March			3,854,250	192,740	721,030	51,453	127,895	11,331	31,070	4,245
April			2,318,931	98,356	850,764	61,243	208,279	20,810	48,752	5,922
May			2,461,023	101,552	725,055	46,550	169,718	15,848	75,096	11,907
June			2,038,655	82,101	324,937	25,796	262,521	24,154	201,433	26,857
July			1,238,893	52,629	348,755	24,262	407,500	32,965	145,671	22,136
August			1,699,840	66,781	195,904	13,864	245,523	26,258	249,349	40,092
September			1,718,023	72,412	547,411	32,156	270,847	24,310	358,841	58,048
October			3,136,794	128,097	530,922	33,993	197,671	17,700	470,841	65,546
November			2,772,982	109,863	302,933	12,805	241,462	22,025	60,669	9,655
December	57,302	1,844	1,820,997	80,498	613,226	40,674	289,125	25,781	126,686	19,025
1936: January	53,515	2,010	5,842,933	231,642	916,538	53,724	505,518	40,975	84,741	12,040

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent that on tomorrow, after the reading of the Journal and the disposition of other matters on the Speaker's table and the other special orders, I may be allowed to proceed for 20 minutes.

The SPEAKER. Is there objection to the gentleman from New York?

Mr. HOOK. Mr. Speaker, I object.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the business on the Speaker's table, I be allowed to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HOOK. Mr. Speaker, I object.

Mr. TREADWAY. Well, Mr. Speaker, if that sort of thing is going to start we might as well start it right now. I make the point of order that there is no quorum present.

Mr. HOLMES. Will the gentleman withhold that for a moment?

Mr. TREADWAY. I will withhold it for a moment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLAIBORNE (at the request of Mr. COCHRAN), on account of illness.

To Mr. McCLELLAN (at the request of Mr. MILLER), for 1 week, on account of important business.

To Mr. TERRY (at the request of Mr. MILLER), for the day, on account of illness.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I will withdraw my objection to the request of the gentleman from Massachusetts.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. TREADWAY], that on Monday next he may have permission to address the House for 20 minutes?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent that on tomorrow morning, after the reading of the Journal, the disposition of matters on the Speaker's table, and the special orders, that I may be allowed to proceed for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MERRITT of New York. Mr. Speaker, I object.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4086. An act for the relief of Ellis Duke, also known as Elias Duke; and

H. J. Res. 543. Joint resolution making additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes; and

S. 3699. An act to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music, and its contribution to the art of music for the past 50 years.

FREE HIGHWAY BRIDGES IN MASSACHUSETTS

Mr. HOLMES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts.

The Clerk read the title of the bill.

Mrs. ROGERS of Massachusetts. Mr. Speaker, reserving the right to object, does this bill include the Central Street Bridge?

Mr. HOLMES. It does.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate the following temporary and permanent free highway bridges and approaches thereto:

(1) Across the Merrimack River, at a point suitable to the interests of navigation, at or near Central Street, in the city of Lowell, Mass., to replace the Central Street Bridge;

(2) Across the Merrimack River, at a point suitable to the interests of navigation, between Haverhill and Groveland, Mass., to replace the Groveland Bridge;

(3) Across the Connecticut River, at a point suitable to the interests of navigation, between Gill and Montague, Mass., to replace the Turners Falls Bridge.

(4) Across the Connecticut River, at a point suitable to the interests of navigation, between Montague and Greenfield, Mass., to replace the Montague City Bridge;

(5) Across the Connecticut River, at a point suitable to the interests of navigation, between Deerfield and Sunderland, Mass., to replace the Deerfield-Sunderland Bridge;

(6) Across the Connecticut River, at a point suitable to the interests of navigation, between Northampton and Hadley, Mass., to replace the Northampton-Hadley Bridge;

(7) Across the Connecticut River, at a point suitable to the interests of navigation, between Holyoke and South Hadley, Mass., to replace the Holyoke-South Hadley Bridge;

(8) Across the Connecticut River, at a point suitable to the interests of navigation, between Springfield and Agawam, Mass., to replace South End Bridge; in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

Sec. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAMEY BROS.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

Mr. TABER. Mr. Speaker, I make the point of order there is not a quorum present.

ADJOURNMENT

Mr. BANKHEAD. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Friday, March 27, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

738. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting a draft of a bill to authorize the President to designate an Acting High Commissioner to the Philippine Islands, was taken from the Speaker's table, and referred to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GREGORY: Committee on the Judiciary. H. R. 8293. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act; with amendment (Rept. No. 2237). Referred to the Committee of the Whole House on the state of the Union.

Mr. SHANLEY: Committee on Foreign Affairs. H. R. 11768. A bill authorizing construction, operation, and maintenance of Rio Grande canalization project and authorizing appropriation for that purpose; without amendment (Rept. No. 2239). Referred to the Committee of the Whole House on the state of the Union.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 10925. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.; with-

out amendment (Rept. No. 2240). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 11772. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Sistersville, W. Va.; without amendment (Rept. No. 2241). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. H. R. 11945. A bill granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts; without amendment (Rept. No. 2242). Referred to the House Calendar.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. S. 2496. An act to amend the Railway Labor Act; without amendment (Rept. No. 2243). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTE HILL: Committee on Indian Affairs. H. R. 9866. A bill to extend certain provisions of the act approved June 18, 1934, commonly known as the Wheeler-Howard Act (Public Law No. 383, 73d Cong., 48 Stat. 984), to the Territory of Alaska, to provide for the designation of Indian reservations in Alaska, and for other purposes; with amendment (Rept. No. 2244). Referred to the Committee of the Whole House on the state of the Union.

Mr. CARTWRIGHT: Committee on Insular Affairs. H. R. 10312. A bill to amend section 40 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; without amendment (Rept. No. 2245). Referred to the Committee of the Whole House on the state of the Union.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 9273. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Weldon Spring, Mo.; with amendment (Rept. No. 2246). Referred to the House Calendar.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 11043. A bill to extend the times for commencing and completing the construction of a bridge across the Waccamaw River at or near Conway, S. C.; without amendment (Rept. No. 2247). Referred to the House Calendar.

Mr. KENNEY: Committee on Interstate and Foreign Commerce. H. R. 11402. A bill authorizing the Delaware River Joint Toll Bridge Commission of the State of Pennsylvania and the State of New Jersey to construct, maintain, and operate a toll bridge across the Delaware River at a point near Delaware Water Gap; with amendment (Rept. No. 2248). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 11476. A bill to revive and reenact the act entitled "An act granting the consent of Congress to the Lamar Lumber Co. to construct, maintain, and operate a railroad bridge across the West Pearl River, at or near Talisheek, La.", approved June 17, 1930; without amendment (Rept. No. 2249). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 11478. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; without amendment (Rept. No. 2250). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 11613. A bill to extend the times for commencing and completing the construction of a bridge across the Tennessee River between Colbert County and Lauderdale County, Ala.; with amendment (Rept. No. 2251). Referred to the House Calendar.

Mr. KELLY: Committee on Interstate and Foreign Commerce. H. R. 11644. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and

Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; with amendment (Rept. No. 2252). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 11738. A bill granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; without amendment (Rept. No. 2253). Referred to the House Calendar.

Mr. LEA of California: Committee on Interstate and Foreign Commerce. S. 33. An act to encourage travel to and within the United States by citizens of foreign countries, and for other purposes; with amendment (Rept. No. 2254). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11187) for the relief of Catherine Humbler, and the same was referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 12027) to authorize the execution of plans for a permanent memorial to Thomas Jefferson; to the Committee on the Library.

By Mr. KENNEDY of Maryland: A bill (H. R. 12028) to provide hospitalization for certain employees in the Bureau of Navigation and Steamboat Inspection of the Department of Commerce and for licensed local pilots of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. MASSINGALE: A bill (H. R. 12029) to provide for the establishment of a term of the District Court of the United States for the Western District of Oklahoma at Clinton, Okla.; to the Committee on the Judiciary.

By Mr. O'CONNELL: A bill (H. R. 12030) authorizing construction of a 300-ton airship for naval service, subject to the acceptance by the United States Government; to the Committee on Naval Affairs.

Also, a bill (H. R. 12031) authorizing a preliminary examination of the Pawtuxet River; to the Committee on Flood Control.

By Mr. VINSON of Georgia: A bill (H. R. 12032) to amend section 10 and to repeal section 16 of the act entitled "An act to regulate the distribution, promotion, retirement, and discharge of commissioned officers of the Marine Corps, and for other purposes", approved May 29, 1934 (48 Stat. 811), and for other purposes; to the Committee on Naval Affairs.

By Mr. FORD of California: A bill (H. R. 12033) authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, Calif., certain public lands in California; and granting rights-of-way over public lands and reserve lands to the city of Los Angeles in Mono County in the State of California; to the Committee on the Public Lands.

By Mr. LEMKE: A bill (H. R. 12034) to authorize the erection of an addition to the existing Veterans' Administration facility at Fargo, N. Dak.; to the Committee on World War Veterans' Legislation.

By Mrs. NORTON (by request): A bill (H. R. 12035) to provide for the treatment and care of persons addicted to the use of intoxicating liquors; to the Committee on the District of Columbia.

By Mr. SCOTT: A bill (H. R. 12036) to provide for the establishment of a system of social insurance for the District of Columbia; to the Committee on the District of Columbia.

By Mr. KERR: A bill (H. R. 12037) relating to compacts and agreements among States in which tobacco is produced providing for the control of production of, or commerce in, tobacco in such States, and for other purposes; to the Committee on Agriculture.

By Mr. THOMAS: A bill (H. R. 12038) to authorize funds for the prosecution of works for flood control against flood disasters along the Hoosac River in New York and Vermont; to the Committee on Flood Control.

By Mr. HANCOCK of North Carolina: Resolution (H. Res. 466) to provide for appointment of a select committee to investigate housing problems in the United States and Great Britain; to the Committee on Rules.

By Mr. MORITZ: Joint resolution (H. J. Res. 546) to permit articles imported from foreign countries for the purpose of rehabilitation in the flood areas to be admitted without payment of tariff; to the Committee on Ways and Means.

By Mr. BOLTON: Joint resolution (H. J. Res. 547) providing for importation of articles free from tariff or customs duty for the purpose of exhibition at Great Lakes Exposition, to be held at Cleveland, Ohio, beginning in June 1936, and for other purposes; to the Committee on Ways and Means.

By Mrs. JENCKES of Indiana: Joint resolution (H. J. Res. 548) to amend House Joint Resolution 201 (Public Res. No. 40, 74th Cong.), entitled "Joint resolution giving authority to the Commissioners of the District of Columbia to make special regulations for the occasion of the Seventieth National Encampment of the Grand Army of the Republic in the month of September 1936, and for other purposes, incidental to said encampment", approved July 18, 1935; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIERMANN: A bill (H. R. 12039) granting an increase of pension to Maggie B. Gunsalus; to the Committee on Invalid Pensions.

By Mr. CONNERY: A bill (H. R. 12040) for the relief of George R. Whyte; to the Committee on Military Affairs.

By Mr. CULKIN: A bill (H. R. 12041) granting an increase of pension to Mary W. Hannaford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12042) granting an increase of pension to Mary E. Starkweather; to the Committee on Invalid Pensions.

By Mr. FARLEY: A bill (H. R. 12043) for the relief of Clyde C. Rhodenbaugh; to the Committee on Military Affairs.

Also, a bill (H. R. 12044) granting a pension to Catherine Keyser; to the Committee on Invalid Pensions.

By Mr. KELLAR: A bill (H. R. 12045) for the relief of Alonzo Luther Fuller and Letha Lindsey Fuller; to the Committee on Claims.

By Mr. LEHLBACH: A bill (H. R. 12046) for the relief of Newark, N. J.; to the Committee on Military Affairs.

By Mr. McLAUGHLIN: A bill (H. R. 12047) for the relief of Thomas P. Dineen; to the Committee on Claims.

By Mrs. NORTON: A bill (H. R. 12048) granting a pension to Belle A. Roberts; to the Committee on Pensions.

By Mr. PETERSON of Florida: A bill (H. R. 12049) for the relief of Jennie De Mata; to the Committee on Claims.

By Mr. SMITH of West Virginia: A bill (H. R. 12050) to provide for the appointment of James W. Grose as a sergeant, first-class (master sergeant), United States Army; to the Committee on Military Affairs.

By Mr. THOMAS: A bill (H. R. 12051) granting an increase of pension to Hulda Bennett; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 12052) granting a pension to Lela Lewellin; to the Committee on Invalid Pensions.

By Mr. WILCOX: A bill (H. R. 12053) for the relief of the estate of Elizabeth R. Jay, deceased; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10599. By Mr. CULKIN: Petition of the Madison-Onondaga district of the Dairymen's League Cooperative Association, Inc., of Syracuse, N. Y., requesting the President to immediately exercise the powers granted him by Congress to raise the price of gold to the limit authorized; to the Committee on Ways and Means.

10600. Also, petition of 43 residents of Cazenovia, N. Y., urging a 5-cent additional tax on oleomargarine; to the Committee on Interstate and Foreign Commerce.

10601. Also, petition of the Woman's Christian Temperance Union of Winters, Calif., urging adoption of House bill 2999 and block-booking legislation; to the Committee on Interstate and Foreign Commerce.

10602. By Mr. COLDEN: Resolution adopted by the Board of Supervisors of the County of Los Angeles, Calif., on March 18, 1936, urging the allocation of funds for the relief of needy unemployed; to the Committee on Appropriations.

10603. Also, letter from the Wilshire Lions Club, of Los Angeles, Calif., containing resolution adopted by the board of directors of that organization, urging the passage of House bill 4688 and Senate bill 2196, the purpose of which is to rehabilitate employable blind persons in the United States by permitting them to operate newsstands in Federal buildings, to find other suitable stand locations, and to make a national survey of industries wherein blind persons can be employed, and to train, place, and supervise blind persons in such jobs; to the Committee on Labor.

10604. By Mr. CONNERY: Petition of the New England section of the Society of American Foresters, endorsing the efforts of the Federal and State agencies in eradication of the Dutch elm disease, together with the program of sanitation, by removal of dead and dying elms which are potential sources of spread of the disease; and that the Federal appropriation for Dutch elm disease eradication for the coming year be not less than \$3,000,000; that these funds be made available upon appropriation, or, in any case, not later than April 1, 1936, in connection with and under the regulations governing the regular functions of the Department of Agriculture; to the Committee on Agriculture.

10605. Also, petition of the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment-relief projects financed by Federal funds; to the Committee on Appropriations.

10606. Also, petition of the General Court of Massachusetts, memorializing Congress against legislation violating the letter or spirit of neutrality; to the Committee on Foreign Affairs.

10607. Also, petition of the State health officers of the New England States, in connection with Senate bill 3958, favoring steps to promote the betterment of New England streams and shore waters by antipollution measures; that the adoption by the New England States of interstate compacts to abate water pollution is the most satisfactory method of accomplishing that purpose; that no extension of Federal control over streams is desirable; that the activities of the Federal Government should be restricted in the field of stream pollution to fact finding and coordination and stimulation of State and interstate programs and to directing the promotion of interstate compacts with the cooperation of the interested States; that the establishment of standards of water purity in particular areas and the enforcement of antipollution measures should be delegated to the States as provided for in compact agreements; to the Committee on Rivers and Harbors.

10608. By Mr. LAMNECK: Petition of Elizabeth S. Tilton, president, and Mary E. Taylor, secretary, Young Women's Foreign Missionary Society, Columbus, Ohio, urging early hearings on motion pictures now before Congress; to the Committee on Interstate and Foreign Commerce.

10609. By Mr. McCORMACK: Memorial of the Massachusetts General Court, memorializing the Congress to require that preference be given to citizens of the United States in employment on unemployment-relief projects financed by Federal funds; to the Committee on Appropriations.

SENATE

FRIDAY, MARCH 27, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 26, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 543) making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

The message also announced that the House had passed the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 3424. An act to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes; and

H. J. Res. 543. A joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Pope
Ashurst	Clark	La Follette	Radcliffe
Austin	Connally	Lewis	Robinson
Bachman	Copeland	Logan	Russell
Bailey	Couzens	Loung	Schwellenbach
Barbour	Davis	Long	Sheppard
Barkley	Donahay	McGill	Shipstead
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Truman
Borah	George	Minton	Tydings
Brown	Gibson	Murphy	Vandenberg
Bulkley	Guffey	Murray	Van Nuys
Bulow	Hale	Neely	Wagner
Burke	Harrison	Norris	Walsh
Byrd	Hatch	Nye	Wheeler
Byrnes	Hayden	O'Mahoney	White
Capper	Johnson	Overton	
Caraway	Keyes	Pittman	

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from California [Mr. McADOO], and the Senator from Florida [Mr. TRAMMELL], caused by illness; and I further announce that the Senator from Virginia [Mr. GLASS], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from West Virginia [Mr. HOLT], the Senator from Nevada [Mr. MCCARRAN], the Senator from South Carolina [Mr. SMITH], the Senator from Connecticut [Mr. MALONEY], and the Senator from Oklahoma [Mr. THOMAS] are necessarily detained from the Senate.

I also announce that the Senator from North Carolina [Mr. REYNOLDS] is detained at the Department of Labor on official business.

Mr. AUSTIN. I announce that the senior Senator from Delaware [Mr. HASTINGS], the junior Senator from Delaware [Mr. TOWNSEND], the Senator from Iowa [Mr. DICKINSON], and the Senator from Wyoming [Mr. CAREY] are necessarily absent.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

LOANS AND ADVANCES UNDER NATIONAL HOUSING ACT

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, which were to strike out all after the enacting clause and insert:

That title I of the National Housing Act, as amended, be further amended as follows:

Section 1 of title I is amended by adding at the end of said section the following paragraph:

"Notwithstanding any other provision of law, the Administrator shall have the power, under and subject to regulations prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract claim, property, or security assigned to or held by him, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of insurance under section 2 of this title, until such time as such obligations may be referred to the Attorney General for suit or collection."

Sec. 2. Section 2 of title I is amended, effective on and after April 1, 1936, to read as follows:

"Sec. 2. The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit not in excess of \$2,000, and purchases of obligations representing such loans and advances of credit, made by them on and after April 1, 1936, and prior to April 1, 1937, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available for the purpose of financing alterations, repairs, and improvements upon real property by the owners thereof or lessees of such real property under a lease expiring not less than 6 months after the maturity of the loan, and against losses which they may sustain as a result of loans and advances of credit, not in excess of \$50,000, and purchases of obligations representing such loans and advances of credit, made during such period to owners of real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, or improved by some other structure which is to be converted into one of the above-mentioned types of structure, or to lessees thereof under a lease expiring not less than 6 months after the maturity of the loan, for the purpose of financing alterations, repairs, and additions to such real property, and the purchase and installation of equipment and machinery thereon.

"In no case shall the insurance granted by the Administrator under this section to any such financial institution on loans, advances of credit, and purchases made by such financial institutions for such purposes after April 1, 1936, exceed 10 percent of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance granted under this section, including all insurance heretofore and hereafter granted, shall not exceed in the aggregate of \$100,000,000. No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title.

"The Administrator is authorized and empowered to transfer, under such regulations as he may prescribe, any insurance in connection with any loans and advances of credit which may be sold by one approved financial institution to another approved financial institution."

Sec. 3. Section 3 of title I is hereby repealed.

And to amend the title so as to read: "An act to amend title I of the National Housing Act, and for other purposes."

Mr. BULKLEY. I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BULKLEY, Mr. WAGNER, Mr. BARKLEY, Mr.

STEIWER, and Mr. TOWNSEND conferees on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions of the General Court of Massachusetts, memorializing Congress relative to requiring that preference be given to citizens of the United States in employment on unemployment-relief projects financed by Federal funds, which were referred to the Committee on Education and Labor.

(See resolutions printed in full when presented by Mr. WALSH on the 24th instant, p. 4242, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from Hon. Quintin Paredes, Resident Commissioner of the Philippines, remonstrating against the enactment of the bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States", and presenting certain data in connection therewith, which was referred to the Committee on Banking and Currency.

He also laid before the Senate a resolution adopted by the Workers Welfare Association of Ogden, Utah, favoring the adoption of the so-called workers' rights amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a petition from the South Carolina Aeronautics Commission, Columbia, S. C., praying for the creation by the Senate of a committee on air commerce and civil aviation, which was referred to the Committee on Rules.

Mr. COPELAND presented a resolution of Local No. 374, National Federation of Post Office Clerks, of Buffalo, N. Y., protesting against the reinstatement of postal employees who quit the service for their own personal gain, and also favoring the establishment of a civil-service court of appeals, which was referred to the Committee on Civil Service.

He also presented resolutions adopted by the New York Board of Trade, of New York City, N. Y., favoring the reduction of Federal expenditures and the imposition of direct taxes, which were referred to the Committee on Finance.

He also presented resolutions adopted by the Retail Dry Goods Clerks Union; the A. W. P. R. A.; Local No. 164, Bakery and Confectionary Workers International Union, and Branch No. 417 of the Workmen's Circle, all of New York City, and Branch No. 3564, International Workers Order of Maspeth, Long Island, all in the State of New York, favoring the enactment of the bill (S. 3475) to provide for the establishment of a Nation-wide system of social insurance, which were referred to the Committee on Finance.

He also presented a resolution adopted by the Chamber of Commerce of Canastota, N. Y., opposing Government ownership and control of railroads, which was referred to the Committee on Interstate Commerce.

He also presented a paper in the nature of a petition from the Saranac Lake (N. Y.) Bar Association, praying for the enactment of Senate bill 2944, to prevent and make unlawful the practice of law before the Government departments, bureaus, commissions, and other agencies by those other than duly licensed attorneys at law, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the nursing committee of the Henry Street Visiting Nurse Service, New York City, N. Y., favoring the enactment of legislation to exempt licensed physicians, hospitals, and clinics from the provisions of law now excluding contraceptive supplies and medical literature relating to birth control from the mails and common carriers, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the New York Board of Trade, New York City, N. Y., favoring the establishment of a uniform rate of 2 cents per ounce on first-class mail matter within the city of New York, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Jackson Heights and vicinity, Long Island, N. Y., praying for the enactment of the so-called Barry bill, providing postal consolidation for Queens County, N. Y., which was referred to the Committee on Post Offices and Post Roads.

IMPORTATION OF COTTON GOODS FROM JAPAN

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD, treated as a petition, and appropriately referred a letter I have received from the secretary of the National Association of Cotton Manufacturers, Boston, Mass., giving information, including a table, prepared by the Cotton Textile Institute, on the continued and increasing importation of cotton goods from Japan.

There being no objection, the letters and table were referred to the Committee on Finance and ordered printed in the RECORD, as follows:

THE NATIONAL ASSOCIATION OF COTTON MANUFACTURERS,
Boston, Mass., March 25, 1936.

HON. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR WALSH: Early this year we sent you copy of a resolution passed at a meeting of our member mills, protesting the continued and increasing importation of cotton goods from Japan. It was apparent from statements made by State Department officials at the time that they felt the matter had been adequately taken care of through an agreement reached with the Japanese Government.

Now that figures for January 1936 are available, it is very evident that the importation of Japanese cotton goods continues as an increasing threat, and that the agreement with the Japanese Government falls far short of what is desirable.

Enclosed is a copy of a letter and table prepared by the Cotton Textile Institute on this subject, which I think will be of interest to you.

Yours very truly,

RUSSELL T. FISHER.

THE COTTON-TEXTILE INSTITUTE, INC.,
New York, March 23, 1936.

DEAR SIR: You will doubtless recall the pleasant conference which we had with you about 2 months ago regarding importations from Japan, and in this connection I wonder whether the figures for January covering imports of cotton piece goods from Japan have come to your attention? A total of 6,812,986 square yards were imported for consumption, which is a volume more than double that of January 1935, and some 2,000,000 square yards greater than that of the peak month of February 1935. This is at the rate of over 80,000,000 square yards per year, compared with a total for 1935 of about 36,474,000 square yards.

To give you a more complete picture, I am enclosing a table of imports of these cotton piece goods from Japan for a period of years. The greatest bulk, you will note, is in the "bleached" classification. The total imports of this type in 1933 were 256,624 square yards; in 1934, 6,043,345 square yards; in 1935, 30,041,422 square yards; and in January 1936, 5,842,933 square yards—which is at the rate of over 70,000,000 square yards per year.

The major portion of this type of goods is used by the handkerchief and underwear trades. Therefore the imports from Japan of cotton handkerchiefs are closely related to the imports of bleached piece goods. The attached table, covering importations of cotton handkerchiefs, indicates the enormous growth of business enjoyed by the Japanese in recent years. The 505,518 dozens imported in January 1936 are doubtless the equivalent of at least 1,000,000 square yards of bleached cloth. When it is realized that the estimated annual volume of domestic business in bleached print cloths for the handkerchief and underwear trades is only 150,000,000

yards, the significance of these combined imports—bleached cloth and handkerchiefs—is seen in its true perspective.

Another division of our industry which is sorely oppressed is the cotton velveteen group. A table showing the rapid expansion of imports from Japan in this category is also enclosed. From a total volume of about 1,000 square yards during the 9 years 1925 to 1933 importations jumped to nearly 84,000 square yards in 1934 (all of which arrived in the last 4 months of the year) and to the amazing total of 1,793,557 square yards in 1935. The volume imported last year is estimated to be over 50 percent of the domestic production for that year. The active season for velveteens is June to October, inclusive, which accounts for the substantial falling off of imports commencing in November 1935.

Another most disturbing development has been the arrival in this country during December 1935 and January 1936 of over 100,000 square yards of Japanese cloth under the unbleached classification. Last May, at a hearing before the Tariff Commission in the matter of importations of bleached goods from Japan, representatives of the Japanese importers claimed that it was not practicable or possible for the Japanese exporters to extend their activities with respect to shipments to the United States to other types of cloth. Nevertheless, since that time we have seen the tremendous expansion of receipts in this country of cotton velveteens, and more recently the above-mentioned unbleached goods.

There is nothing of special merit in these importations. They are largely imitations of American cloths, but with Japanese labor costs only one-seventh or one-eighth of our labor costs, the effectiveness of the Tariff Act of 1930 is completely destroyed. Consequently we find Japanese bleached goods selling in our markets from three-fourths to 1½ cents a yard below the cost of comparable American goods; also Japanese velveteens from 10 to 25 cents a yard below the cost of comparable American products. And this does not reflect the full effect of the competition. Other American goods, which normally sell in price brackets bearing certain relationships to goods now in competition with Japanese goods, are adversely affected, first, by the destruction of the long-established differentials; and, second, by the threat of extension of activities by Japanese imports to types of cloth hitherto not brought into this country.

Needless to say, there will be little opportunity for our industry to make any further contribution toward relieving the unemployment situation when a rapidly increasing proportion of its market is being supplied by a foreign country. Nor can our industry be expected to contribute materially to improvement in the durable-goods industry when investments in replacements of machinery, etc., would doubtless result in outright loss.

The answer is that this industry needs and deserves relief from the rapidly increasing threat from Japanese importations. The instrument for that relief seems to be available in section 22 of the A. A. A., now made applicable by amendment to the Soil Conservation and Domestic Allotment Acts. In effect this section has the same force as section 3 (e) of the N. I. R. A. Early in 1935, pursuant to a complaint under that Recovery Act section, the Tariff Commission investigated importations of Japanese bleached cotton cloth. Due to the invalidation of the act, however, the findings of the Commission have never been released. In view of the work already accomplished, it would seem that little additional study would be necessary preparatory to initiating prompt hearings. We also understand that the members of the Tariff Commission are thoroughly familiar with the velveteen situation. Therefore there seems to be no obstacle which would prevent prompt hearings before the Tariff Commission with respect to these imports.

Your good offices in behalf of the cotton-textile industry will be greatly appreciated.

Faithfully yours,

CLAUDIUS T. MURCHISON.

United States imports from Japan
(U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce)

	Cotton cloth						Cotton handkerchiefs		Cotton velveteens		
	Unbleached		Bleached		Printed, dyed, or colored		Not trimmed, dozens (lbs. 1925-32)	Value	Square yards	Value	
	Square yards	Value	Square yards	Value	Square yards	Value					
1925	59,682	\$8,444	266,789	\$38,648	5,046,593	\$742,958	275	\$643			
1926	31,117	3,952	372,779	47,623	1,862,875	277,742	539	910			
1927	104,772	11,470	356,634	29,634	1,400,821	218,861	13	139			
1928	48,004	4,408	186,541	23,005	1,475,569	229,032	21	208	125	\$41	
1929	2,103	546	176,308	17,517	1,038,473	170,505	16	131			
1930	817	100	47,624	5,042	967,088	113,539	19	55	450	142	
1931			100,266	11,554	669,942	94,787	273	337	461	141	
1932	455	121	51,397	3,629	737,392	52,941	6,144	2,338			
1933			256,624	12,184	859,089	66,324	61,098	6,034			
1934			6,043,345	252,057	1,243,172	110,986	751,597	78,695	83,765	16,179	
1935	57,302	1,844	30,041,422	1,302,605	6,375,510	423,349	2,733,817	254,178	1,793,557	268,122	
1936:											
January			2,633,295	112,682	707,658	44,283	181,852	18,543	3,901	867	
February			4,347,739	204,894	506,915	36,270	131,424	14,453	21,248	3,822	
March			3,854,250	192,740	721,030	51,453	127,895	11,331	31,070	4,245	
April			2,313,931	98,356	850,764	61,243	208,279	20,810	48,752	5,922	
May			2,461,023	101,552	725,055	46,550	109,718	15,848	75,096	11,907	
June			2,038,655	82,101	324,937	25,796	262,521	24,154	201,433	26,857	
July			1,238,893	52,629	348,755	24,262	407,500	32,965	145,671	22,136	
August			1,699,840	66,781	195,904	13,864	245,523	26,258	249,349	40,092	
September			1,718,023	72,412	547,411	32,156	270,847	24,310	358,841	58,048	
October			3,136,794	128,097	530,922	33,993	197,671	17,700	470,841	65,546	
November			2,772,982	109,863	302,933	12,805	241,462	22,025	60,669	9,655	
December	57,302	1,844	1,820,997	80,498	613,226	40,674	289,125	25,781	126,686	19,025	
1936: January	53,515	2,010	5,842,933	231,642	916,538	53,724	505,518	40,975	84,741	12,040	

APPORTIONMENT OF FUNDS FOR SLUM CLEARANCE

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD, treated as a petition, and appropriately referred, a letter I have received from the secretary-treasurer of the Massachusetts State Federation of Labor, embodying resolutions adopted by the executive council of the federation, urging the apportionment of funds for the purpose of subsidizing through local agencies the work of slum clearance.

There being no objection, the letter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

MASSACHUSETTS STATE FEDERATION OF LABOR,
Boston, Mass., March 24, 1936.

HON. DAVID I. WALSH,
United States Senator,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: At the meeting of the executive council of the Massachusetts State Federation of Labor held on Friday, March 20, it was voted to urge you to consider favorably the apportionment of funds for the purpose of subsidizing through local agencies the work of slum clearance.

For the past 4 years the rate of building for family living units has been but 15 to 20 percent of normal requirements. The Federal Housing Administration has failed to provide the necessary new construction in the field of single-family dwellings or of low-cost multiple units.

During the past 2½ years we have perfected in Massachusetts a responsible State housing board, along with local housing authorities, who, we feel, are capable of dealing with housing problems.

We now believe that the time is opportune to give consideration to large groups of our people who have not had an opportunity to live under decent and sanitary conditions. We request that a substantial amount of money scheduled for relief be diverted toward the providing of legitimate employment in projects of a self-liquidating nature. This would not only provide employment, but it would assure for large numbers of wage earners an opportunity to live in quarters conforming to a decent American standard.

Very truly yours,

ROBERT J. WAIT,
Secretary-Treasurer.

REPORTS OF COMMITTEES

Mr. SCHWELLENBACH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3784) to extend the benefits of the Adams Act, the Purnell Act, and the Capper-Ketcham Act to the Territory of Alaska, and for other purposes, reported it with amendments and submitted a report (No. 1733) thereon.

Mr. DUFFY, from the Committee on Military Affairs, I report back favorably with amendments a joint resolution to award a posthumous Congressional Medal of Honor to a very distinguished soldier of my State, William Mitchell, and I submit a report (No. 1734) thereon.

The joint resolution reported by Mr. DUFFY, from the Committee on Military Affairs, is Senate Joint Resolution 219, authorizing the President of the United States to award a posthumous Congressional Medal of Honor to William Mitchell.

MODIFICATION OR CANCELATION OF CERTAIN CONTRACTS

Mr. McKELLAR. From the Committee on Post Offices and Post Roads, I report back favorably without amendment the joint resolution (S. J. Res. 238) to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, and I submit a report (No. 1732) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. The Senator from Tennessee asks unanimous consent for the present consideration of a joint resolution, which will be read.

The joint resolution was read, as follows:

Resolved, etc., That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "March 31, 1936" and inserting in lieu thereof "May 31, 1936": *Provided,* That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

Mr. McKELLAR. Mr. President, I should like to make a brief explanation to the Senate. As is well known, for some years the Government has been paying a subsidy to ocean-mail carriers. That subsidy amounts to a considerable sum,

between \$20,000,000 and \$25,000,000 a year. There has been great doubt expressed about the contracts. About 2 years ago section 5 of the Economy Act authorized the President to examine and report upon the validity of those contracts. The Postmaster General made a report in which it was held that a large number of them were invalid. The President has never acted on that report, but has sent a message to Congress in which he recommended that independent merchant-marine subsidy legislation be enacted. Such proposed legislation is now before the Senate in the form of a bill introduced by the Senator from New York [Mr. COPELAND] and approved by the Committee on Commerce. That bill cannot be passed before the 31st of March. On that day the President's authority expires.

The joint resolution to which I have referred merely extends that authority for 60 days. The Post Office Department thinks it ought to be done. It seems to me it is perfectly clear, knowing the condition of the business of the Senate and the procedure as we all do, that the time should be extended. I ask that the joint resolution may be considered and passed.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. AUSTIN. Mr. President, may I ask the Senator from Tennessee if section 5, which I have not before me at the present time, relates to air-mail contracts?

Mr. McKELLAR. No; it includes only the ocean-mail contracts, as I recall. I do not have it before me at the moment, but I am quite sure it does not apply to air-mail contracts.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. WHITE. Mr. President, reserving the right to object, may I ask if the joint resolution has been considered by any committee?

Mr. McKELLAR. Oh, yes. It was before the Committee on Post Offices and Post Roads this morning, and was unanimously reported by that committee. We will have to act quickly, because the 31st of March is not far away, and the joint resolution will have to go to the House for action. I hope the Senator from Maine will see fit to make no objection.

Mr. WHITE. Has the Senator from New York [Mr. COPELAND], the chairman of the Commerce Committee, given consideration to the joint resolution?

Mr. COPELAND. Mr. President, I have been spoken to about the joint resolution. It is a matter of utter indifference to me whether or not it passes. Last year I tried to have the time extended to the 30th of June, but the Senate was not willing to do so. So far as I am concerned, I do not care whether it passes or whether it does not pass. I repeat, it is a matter of utter indifference to me.

Mr. JOHNSON. Mr. President, is it the design of the joint resolution to extend the time for action upon the contracts which are now existing until real action may be taken or action may be defeated upon a merchant-marine bill?

Mr. McKELLAR. That is true.

Mr. JOHNSON. That is the purpose of it?

Mr. McKELLAR. That is the purpose, simply to extend the time for 60 days.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McKELLAR. I ask that the report of the committee to accompany the joint resolution may be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The report is as follows:

[S. Rept. No. 1732. To accompany S. J. Res. 238]

The Committee on Post Offices and Post Roads of the Senate, to which was referred Senate Joint Resolution 238, a resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934, after having considered the same, beg

leave to report the resolution back to the Senate with the recommendation that the same do pass.

Section 5 of the Independent Offices Appropriation Act, 1934, as amended, provides as follows:

"Sec. 5. Whenever it shall appear to the President, in respect of any contract entered into by the United States prior to the date of enactment of this act for the transportation of persons and/or things, that the full performance of such contract is not required in the public interest, and that modification or cancellation of such contract will result in substantial savings to the United States, the President is hereby, upon giving 60 days' notice and opportunity for public hearing to the parties to such contract, authorized, in his discretion, on or before April 30, 1935, to modify or cancel such contract. Whenever the President shall modify or cancel any such contract, he shall determine just compensation therefor; and if the amount thereof, so determined by the President, is unsatisfactory to the individual, firm, or corporation entitled to receive the same, such individual, firm, or corporation shall be entitled to receive such portion thereof as the President shall determine and shall be entitled to sue the United States to recover such further sum as, added to said portion so received, will make up such amount as will be just compensation therefor, in the manner provided for by paragraph 20 of section 41 and section 250 of title 28 of the United States Code: *Provided*, That where any such contract makes provision for settlement in the event of modification or cancellation, the amount of just compensation as determined hereunder shall not exceed such amount as is authorized by said contract. Any appropriation out of which payments upon the said contract were authorized to be made is hereby made available for the payment of such just compensation."

Under the authority of that act the Postmaster General made a lengthy report some time ago concerning each and every one of the contracts therein mentioned, and holding a number of these invalid. The President has not yet acted on that report, and the time within which he may act expires March 31, 1936.

Since that time the President has recommended an independent subsidy bill, and the Appropriations Committee of the Senate, acting upon the Treasury and Post Office appropriation bill, has cut down the appropriation for ocean mail from \$26,500,000 to \$4,500,000 on the theory that subsidy legislation would be had at this session.

The Post Office Department desires that the time of the President be extended for 60 days so that the bill which has been reported from the Senate Committee on Commerce may be considered.

Your committee recommends the passage of this resolution.

INVESTIGATION OF LOBBYING ACTIVITIES—INCREASE IN LIMIT OF EXPENDITURES

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 254 and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution reported by the Senator from South Carolina?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 254), submitted by Mr. BLACK on the 12th instant, reported by the Special Committee to Investigate Lobbying Activities, referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and by that committee reported with an amendment, on page 1, line 5, after the word "figures", to strike out "\$75,000" and insert "\$62,500", so as to make the resolution read.

Resolved, That Senate Resolution 165 of the Seventy-fourth Congress, first session, providing for an investigation of lobbying activities in connection with the so-called holding company bill (S. 2796), agreed to July 11, 1935, is further amended by substituting the figures "\$62,500" for the figures "\$50,000" on line 12, page 2, of the resolution.

The amendment was agreed to.

The resolution as amended was agreed to.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 26, 1936, that committee presented to the President of the United States the enrolled bill (S. 3699) to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of Cincinnati, Ohio, as a center of music and its contribution to the art of music for the past 50 years.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POPE:

A bill (S. 4375) to revise the tax on furs; to the Committee on Finance.

By Mr. BURKE:

A bill (S. 4376) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr.; to the Committee on Commerce.

By Mr. WALSH (by request):

A bill (S. 4377) to amend an act approved June 16, 1934, entitled "An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes"; to the Committee on Education and Labor.

By Mr. WHEELER:

A bill (S. 4378) granting a pension to William W. Harvey (with accompanying papers); to the Committee on Pensions.

By Mr. MINTON:

A bill (S. 4379) for the relief of the Indiana Limestone Corporation; to the Committee on Claims.

By Mr. MURPHY:

A bill (S. 4380) granting an increase of pension to Ellen Donovan; to the Committee on Pensions.

By Mr. COPELAND (by request):

A bill (S. 4381) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James M. Winter; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4382) to promote the efficiency of the Army Air Corps; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts was read twice by its title and referred to the Committee on Commerce.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN FOREIGN TRADE

Mr. BLACK submitted amendments intended to be proposed by him to the resolution (S. Res. 269) requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade (submitted by Mr. TYDINGS on the 19th inst.), which were ordered to lie on the table and to be printed.

CHANGES IN CERTAIN SENATE SALARIES AND POSITIONS

Mr. POPE. Mr. President, yesterday I submitted Senate Resolution 269, which was ordered to lie on the table. I now desire to modify the resolution in line 5 by striking out the word "directed" and inserting the word "authorized", and I ask that the resolution then be referred to the Appropriations Committee.

Mr. McKELLAR. Mr. President, may I ask, is the resolution one referring to salary increases of Senate employees?

Mr. POPE. Yes.

Mr. McKELLAR. The Senator desires to have the resolution referred to the Committee on Appropriations?

Mr. POPE. Yes.

Mr. McKELLAR. Very well.

The VICE PRESIDENT. Without objection, the resolution, as modified, will be referred to the Committee on Appropriations.

NATIONAL AFFAIRS AND POLICIES

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions having reference to national affairs and policies adopted at the annual meeting of the Kansas Livestock Association at Topeka, Kans., March 6. As Mr. Joe H. Mercer, secretary of the association, says in a letter accompanying the resolutions:

I am sure that these resolutions express the views of every thinking farmer and livestock producer in this section of the country.

I should like particularly to direct the attention of the Senate to the fact that the Kansas Livestock Association specifically endorses and urges the passage of the Capper-Hope-Wearing amendments to the Packers and Stockyards Act.

Those amendments are contained in S. 1424, which is the pending unfinished business before the Senate, having been temporarily laid aside for consideration of the agricultural appropriation bill.

Also I can and do endorse the general program set forth in these resolutions, and I especially urge careful consideration by the Senate of the recommendation that the Argentine convention pact be not ratified. I am strongly opposed to the ratification of that pact, as I believe it would result in large importations of cattle and beef from the Argentine which would subject our cattle to foot-and-mouth disease. I ask the resolution be printed as a part of my remarks at this point.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., March 16, 1936.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SENATOR: I am enclosing you a copy of the principal resolutions passed at the annual convention of the Kansas Livestock Association in Topeka, March 6, 1936, which have reference to national matters.

I am sure these resolutions express the views of every thinking farmer and livestock producer in this section of the country. A copy of these has been sent also to the members of the Kansas delegation in Washington.

Very truly,

J. H. MERCER, Secretary.

Resolutions adopted at the annual convention of the Kansas Livestock Association, Topeka, Kans., March 6, 1936

(1) We demand protection for fats and oils of both vegetable and animal origin produced in continental United States against the competition of vegetable oils of foreign origin. We specifically demand that excise taxes be maintained in respect to the domestic utilization of coconut oil produced in the Philippines.

(2) We commend the United States Bureau of Animal Industry for eradicating the hoof and mouth disease and other foreign infections from our livestock. We urge strict regulations be maintained to prevent reinfection from contagious diseases now present in foreign countries. We further urge legislation to prevent importation of dairy products unless such products are produced from herds free from tuberculosis and other contagious and infectious diseases.

(4) We urge the passage by Congress of the Capper-Hope-Wearin amendments to the Packers and Stockyards Act of 1921.

(6) We urge that no processing taxes as provided for under the invalidated Agricultural Adjustment Act be levied on livestock or livestock products, but that any additional Federal taxation made necessary by expenditures under the Soil Conservation Act, as amended, be provided for through a Federal retail sales tax.

(7) We urge that livestock and livestock products be given complete protection by tariff from foreign competition in order that the home market may be preserved for our own producers. Also, that livestock and livestock products be given protection from the competition of production on lands under Federal control.

(8) We urge that our Senators oppose the ratification of the Argentine Convention pact.

STEAMSHIP CONFERENCES AND THE MERCHANT MARINE

Mr. CLARK. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter written to me by Mr. P. J. Williams and also a letter written to me by the Raphael Steamship Line on the subject of steamship conferences and the pending ship-subsidy bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., March 26, 1936.

Re: Foreign ship conference operations; American and foreign ship operations.

HON. BENNETT CHAMP CLARK,
United States Senator (Mo.),
Senate Office Building, Washington, D. C.

DEAR SENATOR CLARK: I note in this morning's issue of the New York Herald Tribune that Mr. R. C. Lee, vice president of Moore & McCormack Steamship Co., has written you defending conference operations and condemning Government operation of the American merchant marine. I do not agree with Mr. Lee and his statements and take this opportunity of submitting the following facts for your information on this subject:

CONFERENCE OPERATIONS

I call your attention to the statements made by the late Mr. Dockendorf, then president of the Black Diamond Lines, as found on page 392 of volume 1 of the Special Senate Committee's Investigation of Ocean Mail Contracts. Mr. Dockendorf's own admissions before the Black committee bring out the fact that, as a result of a conference pooling agreement, the Black Diamond Lines received 33 1/3 percent of the Antwerp-Rotterdam traffic; the balance of 66 2/3

percent went to the foreign ship lines participating in this conference. The United States Shipping Board waived the penalties of the Sherman and Clayton Antitrust Acts for restraint of trade when they approved of this conference, which was for the entire benefit of the participating foreign lines. Since Mr. Dockendorf's death, Mr. Sudman has "broken" this conference pool and now operates on a 50-50 basis with the Royal Lloyd Belge Line in the Antwerp trade. I do not know what disposition has been made of the Rotterdam traffic.

At the Senate Commerce Committee hearings on March 10 the question of conference operations was discussed very thoroughly. At that time it developed that the West Mediterranean-United States Conference had increased the rates \$1.25 per ton on traffic going to the port of Boston. This action was protested by Mr. Richard Parkhurst, vice chairman of the Boston Port Authority, in a telegram which was read at the hearings, inasmuch as it was a concrete example of how conference operations attempted, through a rate penalty, to discriminate against the port of Boston in favor of the port of New York, diverting the traffic out of Boston for benefit of New York. I telephoned Senator Gibson's office this morning on this matter and was informed that the "conference rate penalty" against Boston had been withdrawn by the conference, apparently as a result of the protest and discussion of this subject by the Senate Committee on Commerce. If the conference purposes are justifiable, as stated by Mr. Lee, then why did this mentioned conference withdraw their penalty against Boston which withdrawal is a result of the publicity given their discriminatory action? This was an arbitrary action aimed to divert the flow of traffic for benefit of the port of New York.

I have no data in the case of the Far East Conference of New York, but an examination of the participating ship lines again reveals that the foreign ship lines are in the majority. In this instance we have:

A. The Shipping Board's owned American Pioneer Line services to the Far East from United States Atlantic ports, operated by the Roosevelt Steamship Co., owned by the International Mercantile Marine Co. of New York. The Roosevelt Steamship Co. are members of this Far East Conference operating Shipping Board tonnage. I am very confident that if examination were made of the traffic carried by the American flag, American Pioneer Line, and the foreign-flag ship lines on this Far East trade, it would be found that again American ships carry the minor portion of the traffic. The Shipping Board has ample available ships suitable for this trade so that Roosevelt Steamship Co. could increase their tonnage any time if it were not for the fact that they are restricted by the conference agreements in which they participate. Again, I state that if this Shipping Board, American Pioneer Line, receives less than 50 percent of the total volume of traffic, that the Shipping Board's action in approving this minority conference agreement is another concrete example of how the Shipping Board have waived the Sherman and Clayton antitrust laws for benefit of foreign ship lines.

B. Another member of this conference is Barber Lines, of New York, owners of the American West African Line, a subsidized American-flag service. However, Barber Lines operate foreign-flag ships on the Far East trade, which are in competition with the Shipping Board's American Pioneer Line services.

AMERICAN- AND FOREIGN-FLAG SHIP OPERATION

A. Moore and McCormack Steamship Co. of New York. As per the enclosed advertisements taken from the New York Journal of Commerce on page 1 of the enclosed exhibits, you will note that this company are owners of the American Scantic Line. With respect to this American-flag service, I call your attention to the fact that no new tonnage has been provided for by the owners, and the reconditioning done on some few of their vessels is of a secondary character.

They operate the Mooremack Lines, which is a foreign-flag service to South America, in direct competition with the American-flag subsidized Munson Line, which is in bankruptcy and in the process of repossession by the Shipping Board. Foreign-flag ship competition on this route is the primary factor for the breakdown of the American-flag Munson Line. If American shipping companies want to run foreign-flag vessels, then they should and must be denied any American-flag services and any consideration for such services. The two cannot be combined and give the American merchant marine the full benefit of aggressive operation and constructive development.

B. Barber Lines of New York. An American steamship company, owners of the American-flag subsidized services, The American West African Line. This is the only American-flag service they operate and again I call your attention to the fact that no new tonnage has been laid down for these services.

Page 2 of the enclosed exhibits shows the foreign-flag services operated by Barber Lines to the Far East in competition with the Shipping Board's American Pioneer Line services. This is the Far East conference operation mentioned in this letter.

Page 3 of the enclosed exhibit shows the foreign-flag services of the Barber Lines in competition with the American-flag American-South African Line, a subsidized service operated and owned by the American-South African Line, Inc.

Page 4 of the enclosed exhibit shows the foreign-flag services of both Barber Lines and Moore and McCormack against the American-flag subsidized Munson Line to South America.

Another serious factor to be considered in this shipping problem is the fact that; in my many conversations with various people on the subject I have determined that for many months some American ship operators, who are faced with a cancelation of their

mail contracts and possible loss of services as a result of the two investigations into shipping and the evidence thereto, these so-called American ship operators have instituted a deliberate campaign for continuation of their mail contracts under a threat of turning back their ships and going into foreign-ship operation entirely. In some instances, they have deliberately threatened such action by showing what appear to be attractive ship-construction offers from foreign shipyards and attractive charters for foreign-flag tonnage owned by foreign shipowners to certain Government officials having to do with the formulation of our shipping legislation.

This campaign has resulted in an apparent attitude of "leniency" toward these operators threatening such foreign-ship operation, who have been so severely and justifiably condemned in the reports of the Black committee and the Postmaster General. I question whether anything constructive can be accomplished for the merchant marine until these operators have been called to account, completely thrown out of American-flag shipping, and the administration of our shipping and merchant marine placed in the hands of courageous officials who will not be lenient in the face of such threats of foreign construction and operation.

I have every desire to be fair and just in my opinions and conclusions, but the facts as I have determined them, the facts and truths developed in two investigations of our merchant marine within the last 3 years, compel me to disagree sharply with the writer of the enclosed article and bring this matter to your attention.

Thanking you for your kind consideration, I remain,

Yours very truly,

P. J. WILLIAMS.

NEW YORK, March 26, 1936.

Hon. Senator BENNETT C. CLARK,
Washington, D. C.

DEAR SIR: In this morning's New York Tribune I read an article in which Mr. Robert C. Lee, vice president of Messrs. Moore & McCormack, quoted your views on the matter of steamship conferences.

In connection with this matter, I take pleasure in enclosing herewith copy of my letter of March 23 to the United States Shipping Board, which speaks for itself. There is no question in my mind that these conferences are a conspiracy for the restraint of trade as you indicate yourself, and I trust that you will take such steps to see that such abuses are done away with.

The penalty item is the most pernicious, as this gives the monopolizers the opportunity of establishing the amount of this penalty at figures that might prohibit smaller lines from participating therein. It does seem odd that companies that consider themselves honest should have to have such monetary deposit as a weapon to hold their members in line, and it does not speak very well for their integrity if that is the only basis that they can do business on. In commercial transactions we find no such penalty requirements; and if a conference member did not live up to his agreement, the other members naturally would have damages that could be easily established at law. On the present basis these monopolizers attribute to themselves the role of the courts, which in itself is also contrary to the fundamentals of our Government.

I have been identified with the steamship business for 25 years. I was the founder of the Raporel Steamship Line, Inc., in 1915; and, after 5 years' development, and being the first American steamship line to ply through the Leeward and Windward Islands and Guianas, the Clyde Steamship Line thought well enough of my connections in the Tropics to pay \$225,000 cash for the goodwill of that company plus my obligation to not reenter the steamship business for a period of 10 years. That period has now elapsed, and I have started resumption of my service; and if the abuses now present can be done away with, I fully expect to have an operation of a line second to none; but if the powerful interests are able to not only get financial support from our Government, but also secure perhaps treble the amount that they are entitled to, are allowed to continue on the present status quo, then I doubt as to whether other good Americans can find their place under the sun in the shipping world. I might state that I have also been a member of the maritime committee of the New York Maritime Exchange, as well as a member of the New York Produce Exchange for 27 years, and I offer you my possibly meager services in any direction that you may care to utilize same.

Yours truly,

RAPHEL STEAMSHIP LINE, INC.,
EDWARD M. RAPHEL, President.

NEW YORK, March 23, 1936.

DEPARTMENT OF COMMERCE,

United States Shipping Board Bureau, Washington, D. C.

GENTLEMEN: We have before us your letter of March 10 and thank you for agreement no. 4610, called the United States Atlantic and Gulf Ports-Jamaica (B. W. I.) Steamship Conference, and which we note was approved by your department on November 4, 1935, and which was eventually amended on January 2, 1936, and the rates of freight covered by same were eventually established in February 1936.

Regardless of the fact that we feel that we were completely ignored in the formation of this conference, we wish to further point out that, in our estimation, clause 6 of agreement of October 7, 1935, is in absolute restraint of trade and consequently should have no place in the rules and regulations of business in

America. The paragraph in question refers to the deposit of a sum of money, in cash or otherwise, of \$10,000, and which in itself might be sufficient reason for companies desiring to join being unable to do so. The acceptance of such restraint by your Bureau in the sum of \$10,000 might grant privileges to these conference makers to designate the amount as \$50,000 or \$100,000, shutting out other shippers that might have liked to join such conference. The monopolizing of this business is further controlled by clauses 16 and 18.

Before proceeding further in this matter, we would appreciate your decision as to whether you consider such conference within the laws prohibiting restraint of trade.

Yours truly,

EDWARD M. RAPHEL, President.

INFLATION—ADDRESS BY PROF. H. B. HASTINGS

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the RECORD a radio address on the subject Inflation Ahead, delivered by Prof. Hudson B. Hastings, of Yale University.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ever since the summer of 1933, when the weight of gold in the dollar was reduced by 41 percent, there has been an increasing amount of talk about inflation. And it is well that there should be, for we are now faced with the danger of a disastrous inflationary period.

There are many definitions of the term, but to the average person inflation means a rise in the prices of goods and services to points which are, on the average, considerably higher than those which have typically prevailed in recent years. This is not a satisfactory definition to economists but it is the sense in which I will use the term in this talk.

If asked their opinion, practically all Americans would say that they are opposed to inflation, but it would be, on the whole, a rather mild opposition.

In the first place, few people fully realize the terrible consequences of inflation, and, secondly, they do not know that its causes are definitely recognized and that it is possible to eliminate every one of them.

Now it is possible to classify inflation, as I have just defined the term, into two general types. First, slow inflation which is a somewhat moderate and irregular, but nevertheless sustained increase in prices over a long period of years. Second, rapid inflation or a very sharp increase in the general price level over a short period of time which is always followed by a collapse of prices and business activity.

An example of the first type was the rise in prices of about 40 percent from 1897 to 1914. An example of the second was the rise of prices of 150 percent from 1915 to 1920, followed by the severe drop in both prices and business activity in 1921.

Few economists classify these two American experiences as examples of inflation, since during the entire period, all forms of money were freely redeemable in gold. But call them what you will, the fact remains that both price movements caused much injustice and suffering. Let us see why.

During a period of slow inflation the real income of all those who work for others suffers a decline. This is because increases in wages and salaries always have, and always will, lag behind the rise in the cost of living. Farmers also lose heavily because the prices of the products of their toll rise less rapidly than the prices of the goods which they buy.

Still greater injustice is done to all those who have placed their savings or endowments in savings banks, bonds, mortgages, notes, life-insurance policies, or preferred stocks. The principal of their savings and the income therefrom remains an absolutely fixed number of dollars but the buying power of these dollars gradually diminishes. The thrifty are cheated out of the just rewards of their hard work and the sacrifices of saving. Likewise, pensioners, both public and private, suffer a progressive reduction in what their pensions will buy.

The only people who gain by slow inflation are some of the owners of business and the speculators.

It is certainly conservative to say that 9 out of every 10 people suffer a material and wholly unjust loss in the buying power of their dollar income during a slow inflation.

In a rapid inflation these losses and injustices are greatly increased, and, in addition, every rapid inflation in this and all other countries has always ended in a collapse of business activity and severe depression. The greater and more rapid the rise in prices, the more disastrous the consequences. There is not a single exception on record.

Even the owners of business and industry, and the financiers, suffer losses on the collapse and the ensuing depression which are, in most cases, far greater than the temporary gains during the prior period of rising prices. Only a negligible number of shrewd or lucky speculators gain, in the long run, from rapid inflation. For practically everybody it means financial disaster and suffering, often for a lifetime.

Thus slow inflation works injury to employees, pensioners, endowed institutions, and all whose savings are conservatively invested. Rapid inflation works disaster for practically everybody.

Let us turn now for a moment to the causes of inflation. Space limitation does not permit me to present an analysis of the relation of the volume of money to the price level, and I

shall have to confine myself to an unsupported general statement that inflation will sooner or later occur when the volume of money in circulation continues to increase at a faster rate than the growth in the physical volume of business. By money, I mean to include both hand-to-hand money and commercial bank deposits subject to check. At the present time about four-fifths of our money supply consists of deposits subject to check, or, in other words, bank-credit money.

If the country maintains a gold standard, that is, all forms of money being freely redeemable in gold dollars of a fixed weight, then there is a rather definite limit to the amount of money which can be created on the given gold reserves and therefore a more or less definite limit to the possible rise in prices. But even under these conditions we have had disastrous inflations.

If, however, we reduce the weight of gold in the dollar we increase the possible degree of inflation, and if we abandon the gold standard entirely and finance a governmental deficit by the issue of irredeemable paper money there is no limit to the amount of money that may be put into circulation, and therefore no limit to the extent to which prices may rise. This is the most insidious and dangerous form of inflation. Once a country embarks on financing a governmental deficit by paper money all history shows that it is never stopped until the resulting inflation has brought disaster to its citizens.

The post-war paper-money inflation in France permanently wiped out four-fifths of the savings of the thrifty which had been placed in apparently the most secure form. In Germany such savings were entirely wiped out.

In our own country the rapid increase of prices by 150 percent from 1915 to 1920 was primarily due to the influx of gold from Europe and the expansion of bank credit money based on this new gold. Wages and salaries lagged seriously behind the rise in prices. Pensioners and those dependent on the income from savings suffered severely.

Then even more intense suffering followed the inevitable collapse. Unemployment and business failures were widespread and severe.

Furthermore, we were finally left with a price level about 50 percent above the prewar level, and thus thrifty individuals and endowed institutions had one-third of the buying power of the principal and interest of their wealth wiped out.

Let us now turn to our present situation.

If our voters had been living in Germany or France during the recent paper-money inflation in these countries, or in our own country during the Civil War, there is not the slightest question but that they would never have permitted their representatives in Congress to pass the law, which is still on the statute books, giving the President the power to issue \$3,000,000,000 of greenbacks.

Congress should immediately repeal this law. No pay envelope is free from the danger of having a large part of its buying power destroyed. Savings and endowments are in jeopardy as long as it remains on the books.

This is the first step to be taken in the fight of the people against the present dangers of inflation, but let no one suppose that a decisive victory over the paper-money inflationists will remove all danger of a tremendous rise in prices in this country in the near future. Far from it.

First let me briefly mention the silver situation.

Congress has directed the Secretary of the Treasury to buy silver until we have one-third as much silver as gold. Up to now we have added about \$450,000,000 to our silver-secured money, and, although it is not yet a potent influence, unless this law is repealed it will ultimately result in a considerable degree of inflation. For the moment, however, the gold situation and the heavily unbalanced Federal Budget constitute the greatest threats toward inflation—an inflation of much reater magnitude than we suffered from 1915 to 1920.

We now have \$10,000,000,000 of gold reserves in our banking system, as compared with \$4,000,000,000 in 1929, and gold is still pouring in from abroad. The principal cause of this enormous increase in our gold holdings was that ill-advised devaluation of the dollar by the President in 1933 to 59 percent of its former gold content. This immediately increased the dollar value of our gold bullion by nearly 70 percent.

Our present gold reserves will permit the creation of a supply of hand-to-hand and bank credit money sufficient to finance full business activity at prices at least three times as high as those existing today. The Board of Governors of the Federal Reserve System cannot prevent a considerable degree of inflation unless the Federal Government cooperates by balancing its Budget.

If the Budget deficit could be financed by the sale of Government bonds to those who have real savings to invest, rather than to the commercial and Federal Reserve banks, it would not tend toward inflation. But under the present complicated situation, which I have not time to explain, the deficit must continue to be largely financed by the banks, or, in other words, by the creation of additional bank credit money.

Six billion dollars of bank credit money have already been created and put into circulation by the process of financing the Government deficits by borrowing from the banks.

The Budget recently recommended to Congress by the President showed a deficit of \$1,500,000,000. To this must be added another \$2,000,000,000 if relief disbursements are continued at their present rate, and probably another \$600,000,000 to fulfill contracts with the farmers.

And now Congress passes the soldiers' bonus bill, over a half-hearted veto, compelling the Government to issue nearly \$2,000,-

000,000 of bonds to veterans, and, worse still, to cash all bonds on demand at par at any post office. According to conservative estimates, this will call for a cash outlay during this coming summer of at least \$1,000,000,000.

The Government thus proposes to operate at a deficit of more than \$5,000,000,000 during the next fiscal year, and, under present conditions in the investment market, about \$4,000,000,000 of this must be obtained by expanding our bank credit money.

The volume of such money already in circulation is nearly up to the levels of 1929, and the only reason that prices and volume of business are not more nearly up to normal is because of the sluggishness with which this money is circulating through the channels of trade. This, in turn, is due to the grave uncertainties for the future created by the heavily unbalanced Budget of the Federal Government and the unwise and unnecessary interference of the Government with our business and industrial activities and processes. With only moderately restored confidence in the business outlook, and a continuing unbalanced Budget of the present dimensions, we are certain to be plunged into an era of rapid inflation.

We are, in fact, face to face with the gravest threat to disastrous inflation which has confronted us since the greenback days of the Civil War. It can and should be stopped before it is too late. The steps which should be taken in the immediate future are:

First. Repeal the laws giving the President the power to issue \$3,000,000,000 of greenbacks and the further power to devalue the gold dollar by another 17 percent;

Second. Repeal the Silver Purchase Act of 1934; and

Third, and most important of all: Immediately and drastically reduce Federal expenditures and increase taxes to a point where the expenses and income of the Government will be brought into current balance within the next fiscal year.

It is absolutely essential that this be done if we are to prevent this rise in prices, which is already well under way, from developing into an inflation which will bring disaster to all.

ARTICLE ON SENATOR BENSON BY GEORGE CREEL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the RECORD an article by George Creel on the junior Senator from Minnesota [Mr. BENSON] which was published in Collier's Weekly for March 21, 1936.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Collier's for Mar. 21, 1936]

FINISHING SCHOOL

By George Creel

There is nothing devious or secretive about ELMER A. BENSON, the 40-year-old Farmer-Laborite, newly arrived in the Senate of the United States from Minnesota to fill out the term of that rock-ribbed Republican, the late Thomas D. Schall. When it comes to political, social, and economic beliefs, he disdains even the traditional fig leaf, wearing every conviction in plain view. Not for him any revamping of the old order. What he wants is a brand new one, and he stands ready and willing to superintend the construction. Every pocket bulges with a plan.

At no point does Senator BENSON make any effort to conceal his radicalism. He is a left winger, so far to the left, in fact, that even the La Follettes will have to communicate with him by swift runners and smoke signals. Were it in his power, he would collect all of the international bankers, the munitions magnates, and heads of the great monopolies, have them expertly stuffed, and then hand them over to the Smithsonian Institution for the edification and education of posterity.

From all of which it might be argued that Elmer A. is the wild and woolly type, collarless and uncurried. On the contrary, he is slim, well-tailored, as precise in his speech as in his attire, and looks and acts far more like a young partner in the House of Morgan than a representative of the rampant and rebellious democracy of the Northwest.

To make attack by Senate conservatives even more difficult, they will not be able to tell him to go back where he came from if he doesn't like it here. As it happens, Master Elmer was born in Appleton, Minn., and quit his law school to go to France to fight for his country. His parents, it is true, were immigrants, but they came from solid, substantial Norway as far back as 1866 and played no mean part in turning Minnesota's virgin forests into fields and orchards.

A BIGGER AND BETTER NEW DEAL

To give his radicalism an even more respectable background, he quit the law to become a banker in his home town, and between the years of 1919 and 1933 rose to be a cashier. At the beginning of 1933 he was appointed State securities commissioner by Governor Floyd Olson, and a few months later was elevated to the post of State bank commissioner. As a proof of his persuasiveness, and by way of warning to Republican Senators, he succeeded in winning some of Minnesota's independent bankers to his way of thinking, so that today small-town money masters in Minnesota can be heard denouncing Wall Street and special privilege.

Democrats in the Senate thrilled mightily when the newcomer elected to sit on the administration side, but they are due for a shock if they proceed on the theory that the choice indicated unquestioning support of the President and his policies. On the contrary, Senator BENSON makes no bones of his belief that the New

Deal has only pecked at problems. Instead of going too far, it has only made an encouraging start. Take, for instance, his attitude with respect to the A. A. A.

"Good enough in its way, but palpably a makeshift." Leaning forward, he tapped the desk with well-tended fingers by way of emphasis. "There can be no such thing as real recovery until the crushing debt burden has been lifted from agriculture. The Frazier-Lemke bill goes straight to the heart of the matter. Three billions in new currency will permit the purchase of Farm Credit Administration bonds that will be used to take up farm mortgages under a long-term financing plan at low interest rates.

"Printing-press money?" His smile was one of amused tolerance. "What have we got right now? Our currency is not redeemable in gold. It is nothing on earth but the Government's promise to pay. More than that, our printing of currency can go much further before it is near the danger point. We have some five billions in currency today. At the same time, the Federal Treasury has nine billions in gold and a billion and a half dollars' worth of silver. Even under the terms of the old law, which stipulated a 40-percent gold base for our currency, we would be justified in having approximately \$22,000,000,000 in currency. So, far from having a dangerous expansion today, we do not possess even an adequate currency."

"The Supreme Court?" Here a very distinct irritation clouded the Senator's youthful face. "Well, one may have respect for the Constitution and the courts and at the same time question the authority of the judicial branch of Government to ride roughshod over the executive and legislative branches. Certainly the people of today have the right to deal with the problems of today as their needs require, and I have the deep conviction that there is a growing resentment against five-to-four decisions which have all the earmarks of economic judgments rather than conclusions based on law."

THE MAN WITHOUT DOUBTS

Along with his money views and his impatience with Supreme Court curbs, Senator BENSON believes implicitly that all natural resources ought to be brought under popular control for fullest development, and particularly is he insistent on the public ownership and operation of all public utilities. Rural electrification, in his opinion, can and should be carried to a point where there is electric light and power in every barn.

"Government ownership of railroads?" The lift of his eyebrows expressed surprise at the question. "Of course! It is the one and only way to a fair and effective machinery of distribution."

"No." He shook his head when asked about the "share our wealth" movement. "Nevertheless, the concentration of the country's income in a few hands is an evil that must be cured. How? Why, by a fearless extension of the Roosevelt tax program to a point where society will reclaim that portion of wealth which represents mass cooperation."

The Townsend plan likewise fails to excite his enthusiasm, but in the same breath he insists that the present social-security law is "grossly inadequate" in the matter of pensions for America's aged. "A far more generous provision for our old must be made," he declared.

"Production for use? I have never believed in the possibility of creating economic islands or the possibility of any new type of civilization in a community or a State wholly apart from the life of the Nation. I do hold, however, that we have got to cure the disparity between what the producer receives and what the consumer pays; that we have got to bridge the big gap between America's purchasing power and America's producing capacity."

"Chain banks and chain stores and chains of every kind have no place in the American scheme of things. I mean to work for drastic legislation that will put an end to monopolistic combinations and pyramidal finance by means of which powerful, distant groups are able to drain the wealth out of every American community."

KNOWS HIS POLITICS

Let no one make the blunder of writing the Minnesotan down as a yeasty, impractical emotionalist. He is every whit as hard-headed and assured in his own way as any Old Guard Republican, and knows his politics just as well, if not better. He represents, in fact, a distinct change in the radical movement's type and idea, standing for plan, purpose, and organization as opposed to fanatical individualism. The Farmer-Labor Party in Minnesota, for instance, is no longer a loose thing, held together by indignations, but a disciplined body that works with all the iron precision of an intelligent political machine. About the only point of difference is in the frankness with which intentions are announced and orders given. Witness, as an example, the following editorial from a Minnesota paper at the time of the Benson appointment:

"From their standpoint, the managers of the Farmer-Labor Party in Minnesota are fully justified in sending BENSON to the Senate. He is their choice for governor to take over that office when Olson's term ends, and Olson goes to the Senate. A year in Washington will give BENSON more opportunity to develop as a public speaker. It will give him a chance to mix with national leaders, sit in high places, deal with national and world problems, and to return for the 1936 campaign with a bigger reputation. It will give him the use of the franking privilege, which means that he can mail speeches and statements into all parts of the State without paying postage. This will be a big help in making his name familiar to the voters in preparation for the campaign after he has been nominated for governor."

Could James Aloysius Farley do it any better?

CONSIDERATION OF THE CALENDAR

The VICE PRESIDENT. Under the order entered yesterday, the Senate will proceed with the consideration of unobjected bills on the calendar, beginning with the number at which the Senate left off yesterday.

SALES OF GOODS IN THE DISTRICT OF COLUMBIA

Mr. KING. Mr. President, yesterday when Senate bill 3450, being Order of Business No. 1599, was reached on the calendar, the Senator from North Dakota [Mr. FRAZIER], believing that it provided for the imposition of a sales tax, interposed an objection. As a matter of fact, it merely is an ordinary commercial sales measure such as obtains in 42 States of the Union. I now ask unanimous consent to recur to that bill on the calendar, because I am sure there is no objection to the measure.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 3450) to regulate the sales of goods in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That on and after July 1, 1935, all sales of goods in the District of Columbia shall be made under and in accordance with the following provisions of law:

PART I

FORMATION OF THE CONTRACT

SECTION 1. Contracts to sell and sales: (1) A contract to sell goods is a contract whereby the seller agrees to transfer the property in goods to the buyer for a consideration called the "price."

(2) A sale of goods is an agreement whereby the seller transfers the property in goods to the buyer for a consideration called the "price."

(3) A contract to sell or a sale may be absolute or conditional.

(4) There may be a contract to sell or a sale between one part owner and another.

Sec. 2. Capacity—Liabilities for necessities: Capacity to buy and sell is regulated by the general law concerning capacity to contract, and to transfer and acquire property.

Where necessities are sold and delivered to an infant, or to a person who by reason of mental incapacity or drunkenness is incompetent to contract, he must pay a reasonable price therefor.

"Necessaries" in this section means goods suitable to the condition in life of such infant or other person, and to his actual requirements at the time of delivery.

FORMALITIES OF THE CONTRACT

Sec. 3. Form of contract or sale: Subject to the provisions of this act and of any statute in that behalf, a contract to sell or a sale may be made in writing (either with or without seal), or by word of mouth, or partly in writing and partly by word of mouth, or may be inferred from the conduct of the parties.

Sec. 4. Statute of frauds: (1) A contract to sell or a sale of any goods or choses in action of the value of \$500 or upwards shall not be enforceable by action unless the buyer shall accept part of the goods or choses in action so contracted to be sold or sold, and actually receive the same, or give something in earnest to bind the contract, or in part payment, or unless some note or memorandum in writing of the contract or sale be signed by the party to be charged or his agent in that behalf.

(2) The provisions of this section apply to every such contract or sale, notwithstanding that the goods may be intended to be delivered at some future time or may not at the time of such contract or sale be actually made, procured, or provided, or fit or ready for delivery, or some act may be requisite for the making or completing thereof, or rendering the same fit for delivery; but if the goods are to be manufactured by the seller especially for the buyer and are not suitable for sale to others in the ordinary course of the seller's business, the provisions of this section shall not apply.

(3) There is an acceptance of goods within the meaning of this section when the buyer, either before or after delivery of the goods, expresses by words or conduct his assent to becoming the owner of those specific goods.

SUBJECT MATTER OF CONTRACT

Sec. 5. Existing and future goods: (1) The goods which form the subject of a contract to sell may be either existing goods, owned or possessed by the seller, or goods to be manufactured or acquired by the seller after the making of the contract to sell, in this act called "future goods."

(2) There may be a contract to sell goods, the acquisition of which by the seller depends upon a contingency which may or may not happen.

(3) Where the parties purport to effect a present sale of future goods the agreement operates as a contract to sell the goods.

Sec. 6. Undivided shares: (1) There may be a contract to sell or a sale of an undivided share of goods. If the parties intend to effect a present sale, the buyer, by force of the agreement, becomes an owner in common with the owner or owners of the remaining shares.

(2) In the case of fungible goods, there may be a sale of an undivided share of a specific mass, though the seller purports to sell and the buyer to buy a definite number, weight, or measure of the goods in the mass, and though the number, weight, or measure of the goods in the mass is undetermined. By such a sale the buyer becomes owner in common of such a share of the mass as the number, weight, or measure bought bears to the number, weight, or measure of the mass. If the mass contains less than the number, weight, or measure bought, the buyer becomes the owner of the whole mass and the seller is bound to make good the deficiency from similar goods unless a contrary intent appears.

SEC. 7. Destruction of goods sold: (1) Where the parties purport to sell specific goods, and the goods without the knowledge of the seller have wholly perished at the time when the agreement is made, the agreement is void.

(2) Where the parties purport to sell specific goods, and the goods without the knowledge of the seller have perished in part or have wholly or in a material part so deteriorated in quality as to be substantially changed in character, the buyer may at his option treat the sale—

(a) As avoided; or

(b) As transferring the property in all of the existing goods or in so much thereof as have not deteriorated, and as binding the buyer to pay the full agreed price if the sale was indivisible, or to pay the agreed price for the goods in which the property passes if the sale was divisible.

SEC. 8. Destruction of goods contracted to be sold: (1) Where there is a contract to sell specific goods, and subsequently, but before the risk passes to the buyer, without any fault on the part of the seller or the buyer, the goods wholly perish, the contract is thereby voided.

(2) Where there is a contract to sell specific goods, and subsequently, but before the risk passes to the buyer, without any fault of the seller or the buyer, part of the goods perish or the whole or a material part of the goods so deteriorate in quality as to be substantially changed in character, the buyer may at his option treat the contract—

(a) As avoided; or

(b) As binding the seller to transfer the property in all of the existing goods or in so much thereof as have not deteriorated, and as binding the buyer to pay the full agreed price if the contract was indivisible, or to pay the agreed price for so much of the goods as the seller, by the buyer's option, is bound to transfer if the contract was divisible.

THE PRICE

SEC. 9. Definition and ascertainment of price: (1) The price may be fixed by the contract, or may be left to be fixed in such manner as may be agreed, or it may be determined by the course of dealing between the parties.

(2) The price may be made payable in any personal property.

(3) Where transferring or promising to transfer any interest in real estate constitutes the whole or part of the consideration for transferring or for promising to transfer the property in goods, this act shall not apply.

(4) Where the price is not determined in accordance with the foregoing provisions, the buyer must pay a reasonable price. What is a reasonable price is a question of fact dependent on the circumstances of each particular case.

SEC. 10. Sale at a valuation: (1) Where there is a contract to sell or a sale of goods at a price or on terms to be fixed by a third person, and such third person without fault of the seller or the buyer cannot or does not fix the price or terms, the contract or the sale is thereby avoided; but if the goods or any part thereof have been delivered to and appropriated by the buyer he must pay a reasonable price therefor.

(2) Where such third person is prevented from fixing the price or terms by fault of the seller or the buyer, the party not in fault may have such remedies against the party in fault as are allowed by parts IV and V of this act.

CONDITIONS AND WARRANTIES

SEC. 11. Effect of conditions: (1) Where the obligation of either party to a contract to sell or a sale is subject to any condition which is not performed, such party may refuse to proceed with the contract or sale or he may waive performance of the condition. If the other party has promised that the condition should happen or be performed, such first-mentioned party may also treat the nonperformance of the condition as a breach of warranty.

(2) Where the property in the goods has not passed, the buyer may treat the fulfillment by the seller of his obligations to furnish goods as described and as warranted expressly or by implication in the contract to sell as a condition of the obligation of the buyer to perform his promise to accept and pay for the goods.

SEC. 12. Definition of express warranty: Any affirmation of fact or any promise by the seller relating to the goods is an express warranty if the natural tendency of such affirmation or promise is to induce the buyer to purchase the goods, and if the buyer purchases the goods relying thereon. No affirmation of the value of the goods, nor any statement purporting to be a statement of the seller's opinion only, shall be construed as a warranty.

SEC. 13. Implied warranties of title: In a contract to sell or a sale, unless a contrary intention appears, there is—

(1) An implied warranty on the part of the seller that in case of a sale he has a right to sell the goods, and that in case of a contract to sell he will have a right to sell the goods at the time when the property is to pass;

(2) An implied warranty that the buyer shall have and enjoy quiet possession of the goods as against any lawful claims existing at the time of the sale;

(3) An implied warranty that the goods shall be free at the time of the sale from any charge or encumbrance in favor of any third person, not declared or known to the buyer before or at the time when the contract or sale is made.

(4) This section shall not, however, be held to render liable a sheriff, auctioneer, mortgagee, or other person professing to sell by virtue of authority in fact or law, goods in which a third person has a legal or equitable interest.

SEC. 14. Implied warranty in sale by description: Where there is a contract to sell or a sale of goods by description, there is an implied warranty that the goods shall correspond with the description and if the contract or sale be by sample, as well as by description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

SEC. 15. Implied warranties of quality: Subject to the provisions of this act and of any statute in that behalf, there is no implied warranty or condition as to the quality or fitness for any particular purpose of goods supplied under a contract to sell or a sale, except as follows:

(1) Where the buyer, expressly or by implication, makes known to the seller the particular purpose for which the goods are required, and it appears that the buyer relies on the seller's skill or judgment (whether he be the grower or manufacturer or not), there is an implied warranty that the goods shall be reasonably fit for such purpose.

(2) Where the goods are bought by description from a seller who deals in goods of that description (whether he be the grower or manufacturer or not), there is an implied warranty that the goods shall be merchantable quality.

(3) If the buyer has examined the goods, there is no implied warranty as regards defects which such examination ought to have revealed.

(4) In the case of a contract to sell or a sale of a specified article under its patent or other trade name, there is no implied warranty as to its fitness for any particular purpose.

(5) An implied warranty or condition as to the quality or fitness for a particular purpose may be annexed by the usage of trade.

(6) An express warranty or condition does not negative a warranty or condition implied under this act unless inconsistent therewith.

SALE BY SAMPLE

SEC. 16. Implied warranties in sale by sample: In the case of a contract to sell or a sale by sample—

(a) There is an implied warranty that the bulk shall correspond with the sample in quality.

(b) There is an implied warranty that the buyer shall have a reasonable opportunity of comparing the bulk with the sample, except so far as otherwise provided in section 47 (3).

(c) If the seller is a dealer in goods of that kind, there is an implied warranty that the goods shall be free from any defect rendering them unmerchantable which would not be apparent on reasonable examination of the sample.

PART II

TRANSFER OF PROPERTY AS BETWEEN SELLER AND BUYER

SEC. 17. No property passes until goods are ascertained: Where there is a contract to sell unascertained goods no property in the goods is transferred to the buyer unless and until the goods are ascertained, but property in an undivided share of ascertained goods may be transferred as provided in section 6.

SEC. 18. Property in specific goods passes when parties so intend: (1) Where there is a contract to sell specific or ascertained goods, the property in them is transferred to the buyer at such time as the parties to the contract intend it to be transferred.

(2) For the purpose of ascertaining the intention of the parties, regard shall be had to the terms of the contract, the conduct of the parties, usages of trade, and the circumstances of the case.

SEC. 19. Rules for ascertaining intention: Unless a different intention appears, the following are rules for ascertaining the intention of the parties as to the time at which the property in the goods is to pass to the buyer:

Rule 1. Where there is an unconditional contract to sell specific goods, in a deliverable state, the property in the goods passes to the buyer when the contract is made and it is immaterial whether the time of payment, or the time of delivery, or both, be postponed.

Rule 2. Where there is a contract to sell specific goods and the seller is bound to do something to the goods, for the purpose of putting them into a deliverable state, the property does not pass until such thing is done.

Rule 3. (1) When goods are delivered to the buyer "on sale or return", or on other terms indicating an intention to make a present sale, but to give the buyer an option to return the goods instead of paying the price, the property passes to the buyer on delivery, but he may revert the property in the seller by returning or tendering the goods within the time fixed in the contract, or, if no time has been fixed, within a reasonable time.

(2) When goods are delivered to the buyer on approval or on trial or on satisfaction, or other similar terms, the property therein passes to the buyer—

(a) When he signifies his approval or acceptance to the seller or does any other act adopting the transaction;

(b) If he does not signify his approval or acceptance to the seller, but retains the goods without giving notice of rejection, then if a time has been fixed for the return of the goods, on the expiration of such time, and, if no time has been fixed, on the expiration of a reasonable time. What is a reasonable time is a question of fact.

Rule 4. (1) Where there is a contract to sell unascertained or future goods by description, and goods of that description and in a deliverable state are unconditionally appropriated to the contract, either by the seller with the assent of the buyer, or by the buyer with the assent of the seller, the property in the goods thereupon passes to the buyer. Such assent may be expressed or implied, and may be given either before or after the appropriation is made.

(2) Where, in pursuance of a contract to sell, the seller delivers the goods to the buyer, or to a carrier or other bailee (whether named by the buyer or not) for the purpose of transmission to or holding for the buyer, he is presumed to have unconditionally appropriated the goods to the contract, except in the cases provided for in the next rule and in section 20. This presumption is applicable, although by the terms of the contract, the buyer is to pay the price before receiving delivery of the goods, and the goods are marked with the words "collect on delivery" or their equivalents.

Rule 5. If the contract to sell requires the seller to deliver the goods to the buyer, or at a particular place, or to pay the freight or cost of transportation to the buyer, or to a particular place, the property does not pass until the goods have been delivered to the buyer or reached the place agreed upon.

Sec. 20. Reservation of right of possession or property when goods are shipped: (1) Where there is a contract to sell specific goods, or where goods are subsequently appropriated to the contract, the seller may, by the terms of the contract or appropriation, reserve the right of possession or property in the goods until certain conditions have been fulfilled. The right of possession or property may be thus reserved notwithstanding the delivery of the goods to the buyer or to a carrier or other bailee for the purpose of transmission to the buyer.

(2) Where goods are shipped, and by the bill of lading the goods are deliverable to the seller or his agent, or to the order of the seller or of his agent, the seller thereby reserves the property in the goods. But if, except for the form of the bill of lading, the property would have passed to the buyer on shipment of the goods, the seller's property in the goods shall be deemed to be only for the purpose of securing performance by the buyer of his obligations under the contract.

(3) Where goods are shipped, and by the bill of lading the goods are deliverable to the order of the buyer or of his agent, but possession of the bill of lading is retained by the seller or his agent, the seller thereby reserves a right to the possession of the goods as against the buyer.

(4) Where the seller of goods draws on the buyer for the price and transmits the bill of exchange and bill of lading together to the buyer to secure acceptance or payment of the bill of exchange, the buyer is bound to return the bill of lading if he does not honor the bill of exchange, and if he wrongfully retains the bill of lading he acquires no added right thereby. If, however, the bill of lading provides that the goods are deliverable to the buyer or to the order of the buyer, or is endorsed in blank, or to the buyer by the consignee named therein, one who purchases in good faith, for value, the bill of lading, or goods from the buyer will obtain the property in the goods, although the bill of exchange has not been honored, provided that such purchaser has received delivery of the bill of lading endorsed by the consignee named therein, or of the goods, without notice of the facts, making the transfer wrongful.

Sec. 21. Sale by auction: In the case of a sale by auction—

(1) Where goods are put up for sale by auction in lots, each lot is the subject of a separate contract of sale.

(2) A sale by auction is complete when the auctioneer announces its completion by the fall of the hammer, or in other customary manner. Until such announcement is made, any bidder may retract his bid; and the auctioneer may withdraw the goods from sale unless the auction has been announced to be without reserve.

(3) A right to bid may be reserved expressly by or on behalf of the seller.

(4) Where notice has not been given that a sale by auction is subject to a right to bid on behalf of the seller, it shall not be lawful for the seller to bid himself or to employ or induce any person to bid at such sale on his behalf, or for the auctioneer to employ or induce any person to bid at such sale on behalf of the seller or knowingly to take any bid from the seller or any person employed by him. Any sale contravening this rule may be treated as fraudulent by the buyer.

Sec. 22. Risk of loss: Unless otherwise agreed, the goods remain at the seller's risk until the property therein is transferred to the buyer, but when the property therein is transferred to the buyer the goods are at the buyer's risk whether delivery has been made or not, except that—

(a) Where delivery of the goods has been made to the buyer or to a bailee for the buyer, in pursuance of the contract and the property in the goods has been retained by the seller merely to secure performance by the buyer of his obligations under the contract, the goods are at the buyer's risk from the time of such delivery.

(b) Where delivery has been delayed through the fault of either the buyer or seller the goods are at the risk of the party in fault as regards any loss which might not have occurred but for such fault.

TRANSFER OF TITLE

Sec. 23. Sale by a person not the owner: (1) Subject to the provisions of this act, where goods are sold by a person who is not the owner thereof, and who does not sell them under the authority or with the consent of the owner, the buyer acquires no better title to the goods than the seller had, unless the owner of the goods is by his conduct precluded from denying the seller's authority to sell.

(2) Nothing in this act, however, shall affect—

(a) The provisions of any factors' acts, recording acts, or any enactment enabling the apparent owner of goods to dispose of them as if he were the true owner thereof.

(b) The validity of any contract to sell or sale under any special common law or statutory power of sale or under the order of a court of competent jurisdiction.

Sec. 24. Sale by one having a voidable title: Where the seller of goods has a voidable title thereto, but his title has not been avoided at the time of the sale, the buyer acquires a good title to the goods, provided he buys them in good faith, for value, and without notice of the seller's defect of title.

Sec. 25. Sale by seller in possession of goods already sold: Where a person having sold goods continues in possession of the goods, or of negotiable documents of title to the goods, the delivery or transfer by that person, or by an agent acting for him, of the goods or documents of title under any sale, pledge, or other disposition thereof, to any person receiving and paying value for the same in good faith and without notice of the previous sale, shall have the same effect as if the person making the delivery or transfer were expressly authorized by the owner of the goods to make the same.

Sec. 26. Creditors' rights against sold goods in seller's possession: Where a person having sold goods continues in possession of the goods, or of negotiable documents of title to the goods, and such retention of possession is fraudulent in fact or is deemed fraudulent under any rule of law, a creditor or creditors of the seller may treat the sale as void.

Sec. 27. Definition of negotiable documents of title: A document of title in which it is stated that the goods referred to therein will be delivered to the bearer, or to the order of any person named in such document, is a negotiable document of title within the meaning of this act.

Sec. 28. Negotiation of negotiable documents by delivery: A negotiable document of title may be negotiated by delivery—

(a) Where by the terms of the document the carrier, warehouseman, or other bailee issuing the same undertakes to deliver the goods to the bearer; or

(b) Where by the terms of the document the carrier, warehouseman, or other bailee issuing the same, undertakes to deliver the goods to the order of a specified person, and such person or a subsequent endorsee of the document has endorsed it in blank or to the bearer.

Where by the terms of a negotiable document of title the goods are deliverable to bearer or where a negotiable document of title has been endorsed in blank or to bearer, any holder may endorse the same to himself or to any specified person, and in such case the document shall thereafter be negotiated only by the endorsement of such endorsee.

Sec. 29. Negotiation of negotiable documents by endorsement: A negotiable document of title may be negotiated by the endorsement of the person to whose order the goods are by the terms of the document deliverable. Such endorsement may be in blank, to bearer, or to a specified person. If endorsed to a specified person, it may be again negotiated by the endorsement of such person in blank, to bearer, or to another specified person. Subsequent negotiations may be made in like manner.

Sec. 30. Negotiable documents of title marked "Not negotiable": If a document of title which contains an undertaking by a carrier, warehouseman, or other bailee to deliver the goods to the bearer, to a specified person or order, or to the order of a specified person, or which contains words of like import, has placed upon it the words "not negotiable", "nonnegotiable", or the like, such a document may nevertheless be negotiated by the holder and is a negotiable document of title within the meaning of this act. But nothing in this act contained shall be construed as limiting or defining the effect upon the obligations of the carrier, warehouseman, or other bailee issuing a document of title or placing thereon the words "not negotiable", "nonnegotiable", or the like.

Sec. 31. Transfer of nonnegotiable documents: A document of title which is not in such form that it can be negotiated by delivery may be transferred by the holder by delivery to a purchaser or donee. A nonnegotiable document cannot be negotiated and the endorsement of such a document gives the transferee no additional right.

Sec. 32. Who may negotiate a document: A negotiable document may be negotiated by any person in possession of the same, however such possession may have been acquired if, by the terms of the document, the bailee issuing it undertakes to deliver the goods to the order of such person, or if at the time of negotiation the document is in such form that it may be negotiated by delivery.

Sec. 33. Rights of person to whom document has been negotiated: A person to whom a negotiable document of title has been duly negotiated acquires thereby—

(a) Such title to the goods as the person negotiating the document to him had or had ability to convey to a purchaser in good faith for value and also such title to the goods as the person to whose order the goods were to be delivered by the terms of the document had or had ability to convey to a purchaser in good faith for value; and

(b) The direct obligation of the bailee issuing the document to hold possession of the goods for him according to the terms of the document as fully as if such bailee had contracted directly with him.

SEC. 34. Rights of person to whom document has been transferred: A person to whom a document of title has been transferred, but not negotiated, acquires thereby, as against the transferor, the title to the goods, subject to the terms of any agreement with the transferor.

If the document is nonnegotiable, such person also acquires the right to notify the bailee who issued the document of the transfer thereof, and thereby to acquire the direct obligation of such bailee to hold possession of the goods for him according to the terms of the document.

Prior to the notification of such bailee by the transferor or transferee of a nonnegotiable document of title, the title of the transferee to the goods and the right to acquire the obligation of such bailee may be defeated by the levy of an attachment or execution upon the goods by a creditor of the transferor, or by a notification to such bailee by the transferor or a subsequent purchaser from the transferor of a subsequent sale of the goods by the transferor.

SEC. 35. Transfer of negotiable document without endorsement: Where a negotiable document of title is transferred for value by delivery, and the endorsement of the transferor is essential for negotiation, the transferee acquires a right against the transferor to compel him to endorse the document unless a contrary intention appears. The negotiation shall take effect as of the time when the endorsement is actually made.

SEC. 36. Warranties on sale of document: A person who for value negotiates or transfers a document of title by endorsement or delivery, including one who assigns for value a claim secured by a document of title unless a contrary intention appears, warrants:

- (a) That the document is genuine;
- (b) That he has a legal right to negotiate or transfer it;
- (c) That he has knowledge of no fact which would impair the validity or worth of the document; and
- (d) That he has a right to transfer the title to the goods and that the goods are merchantable or fit for a particular purpose, whenever such warranties would have been implied if the contract of the parties had been to transfer without a document of title the goods represented thereby.

SEC. 37. Endorser not a guarantor: The endorsement of a document of title shall not make the endorser liable for any failure on the part of the bailee who issued the document or previous endorsers thereof to fulfill their respective obligations.

SEC. 38. When negotiation not impaired by fraud, mistake, or duress: The validity of the negotiation of a negotiable document of title is not impaired by the fact that the negotiation was a breach of duty on the part of the person making the negotiation, or by the fact that the owner of the document was deprived of the possession of the same by loss, theft, fraud, accident, mistake, duress, or conversion, if the person to whom the document was negotiated or a person to whom the document was subsequently negotiated paid value therefor in good faith without notice of the breach of duty, or loss, theft, fraud, accident, mistake, duress, or conversion.

SEC. 39. Attachment or levy upon goods for which a negotiable document has been issued: If goods are delivered to a bailee by the owner or by a person whose act in conveying the title to them to a purchaser in good faith for value would bind the owner and a negotiable document of title is issued for them, they cannot thereafter, while in the possession of such bailee, be attached by garnishment or otherwise or be levied under an execution unless the document be first surrendered to the bailee or its negotiation enjoined. The bailee shall in no case be compelled to deliver up the actual possession of the goods until the document is surrendered to him or impounded by the court.

SEC. 40. Creditors' remedies to reach negotiable documents: A creditor whose debtor is the owner of a negotiable document of title shall be entitled to such aid from courts of appropriate jurisdiction by injunction and otherwise in attaching such document or in satisfying the claim by means thereof as is allowed at law or in equity in regard to property which cannot readily be attached or levied upon by ordinary legal process.

PART III

PERFORMANCE OF THE CONTRACT

SEC. 41. Seller must deliver and buyer accept goods: It is the duty of the seller to deliver the goods, and of the buyer to accept and pay for them, in accordance with the terms of the contract to sell or sale.

SEC. 42. Delivery and payment are concurrent conditions: Unless otherwise agreed, delivery of the goods and payment of the price are concurrent conditions; that is to say, the seller must be ready and willing to give possession of the goods to the buyer in exchange for the price, and the buyer must be ready and willing to pay the price in exchange for possession of the goods.

SEC. 43. Place, time, and manner of delivery: (1) Whether it is for the buyer to take possession of the goods or for the seller to send them to the buyer is a question depending in each case on

the contract, express or implied, between the parties. Apart from any such contract, express or implied, or usage of trade to the contrary, the place of delivery is the seller's place of business if he have one, and, if not, his residence; but in case of a contract to sell or a sale of specific goods, which to the knowledge of the parties when the contract or the sale was made were in some other place, then that place is the place of delivery.

(2) Where by a contract to sell or a sale the seller is bound to send the goods to the buyer, but no time for sending them is fixed, the seller is bound to send them within a reasonable time.

(3) Where the goods at the time of sale are in the possession of a third person, the seller has not fulfilled his obligation to deliver to the buyer unless and until such third person acknowledges to the buyer that he holds the goods on the buyer's behalf; but as against all others than the seller the buyer shall be regarded as having received delivery from the time when such third person first has notice of the sale. Nothing in this section, however, shall affect the operation of the issue or transfer of any document of title to goods.

(4) Demand or tender of delivery may be treated as ineffectual unless made at a reasonable hour. What is a reasonable hour is a question of fact.

(5) Unless otherwise agreed, the expenses of and incidental to putting the goods into a deliverable state must be borne by the seller.

SEC. 44. Delivery of wrong quantity: (1) Where the seller delivers to the buyer a quantity of goods less than he contracted to sell, the buyer may reject them, but if the buyer accepts or retains the goods so delivered, knowing that the seller is not going to perform the contract in full, he must pay for them at the contract rate. If, however, the buyer has used or disposed of the goods delivered before he knows that the seller is not going to perform his contract in full, the buyer shall not be liable for more than the fair value of him of the goods so received.

(2) Where the seller delivers to the buyer a quantity of goods larger than he contracted to sell, the buyer may accept the goods included in the contract and reject the rest, or he may reject the whole. If the buyer accepts the whole of the goods so delivered, he must pay for them at the contract rate.

(3) Where the seller delivers to the buyer the goods he contracted to sell mixed with goods of a different description not included in the contract, the buyer may accept the goods which are in accordance with the contract and reject the rest, or he may reject the whole.

(4) The provisions of this section are subject to any usage of trade, special agreement, or course of dealing between the parties.

SEC. 45. Delivery in installments: (1) Unless otherwise agreed, the buyer of goods is not bound to accept delivery thereof by installments.

(2) Where there is a contract to sell goods to be delivered by stated installments, which are to be separately paid for, and the seller makes defective deliveries in respect of one or more installments, or the buyer neglects or refuses to take delivery of or pay for one or more installments, it depends in each case on the terms of the contract and the circumstances of the case, whether the breach of contract is so material as to justify the injured party in refusing to proceed further and suing for damages for breach of the entire contract, or whether the breach is severable, giving rise to a claim for compensation but not to a right to treat the whole contract as broken.

SEC. 46. Delivery to a carrier on behalf of the buyer: (1) Where, in pursuance of a contract to sell or a sale, the seller is authorized or required to send the goods to the buyer, delivery of the goods to a carrier, whether named by the buyer or not, for the purpose of transmission to the buyer is deemed to be a delivery of the goods to the buyer, except in the cases provided for in section 19, rule 5, or unless a contrary intent appears.

(2) Unless otherwise authorized by the buyer, the seller must make such contract with the carrier on behalf of the buyer as may be reasonable, having regard to the nature of the goods and the other circumstances of the case. If the seller omits so to do, and the goods are lost or damaged in course of transit, the buyer may decline to treat the delivery to the carrier as a delivery to himself, or may hold the seller responsible in damages.

(3) Unless otherwise agreed, where goods are sent by the seller to the buyer under circumstances in which the seller knows or ought to know that it is usual to insure, the seller must give such notice to the buyer as may enable him to insure them during their transit, and, if the seller fails to do so, the goods shall be deemed to be at his risk during such transit.

SEC. 47. Right to examine the goods: (1) Where goods are delivered to the buyer which he has not previously examined, he is not deemed to have accepted them unless and until he has had a reasonable opportunity of examining them for the purpose of ascertaining whether they are in conformity with the contract.

(2) Unless otherwise agreed, when the seller tenders delivery of goods to the buyer, he is bound, on request, to afford the buyer a reasonable opportunity of examining the goods for the purpose of ascertaining whether they are in conformity with the contract.

(3) Where goods are delivered to a carrier by the seller, in accordance with an order from or agreement with the buyer, upon the terms that the goods shall not be delivered by the carrier to the buyer until he has paid the price, whether such terms are indicated by marking the goods with the words "collect on delivery", or otherwise, the buyer is not entitled to examine the goods before payment of the price in the absence of agreement permitting such examination.

SEC. 48. What constitutes acceptance: The buyer is deemed to have accepted the goods when he intimates to the seller that he has accepted them, or when the goods have been delivered to him, and he does any act in relation to them which is inconsistent with the ownership of the seller, or when, after the lapse of a reasonable time, he retains the goods without intimating to the seller that he has rejected them.

SEC. 49. Acceptance does not bar action for damages: In the absence of express or implied agreement of the parties, acceptance of the goods by the buyer shall not discharge the seller from liability in damages or other legal remedy for breach of any promise or warranty in the contract to sell or the sale. But if, after acceptance of the goods, the buyer fails to give notice to the seller of the breach of any promise or warranty within a reasonable time after the buyer knows, or ought to know, of such breach, the seller shall not be liable therefor.

SEC. 50. Buyer is not bound to return goods wrongly delivered: Unless otherwise agreed, where goods are delivered to the buyer, and he refused to accept them, having the right so to do, he is not bound to return them to the seller, but it is sufficient if he notifies the seller that he refuses to accept them.

SEC. 51. Buyer's liability for failing to accept delivery: When the seller is ready and willing to deliver the goods, and requests the buyer to take delivery, and the buyer does not within a reasonable time after such request take delivery of the goods, he is liable to the seller for any loss occasioned by his neglect or refusal to take delivery, and also for a reasonable charge for the care and custody of the goods. If the neglect or refusal of the buyer to take delivery amounts to a repudiation or breach of the entire contract, the seller shall have the right against the goods and on the contract hereinafter provided in favor of the seller when the buyer is in default.

PART IV

RIGHTS OF UNPAID SELLER AGAINST THE GOODS

SEC. 52. Definition of unpaid seller: (1) The seller of goods is deemed to be an unpaid seller within the meaning of this act—

(a) When the whole of the price has not been paid or tendered.
(b) When a bill of exchange or other negotiable instrument has been received as conditional payment, and the condition on which it was received has been broken by reason of the dishonor of the instrument, the insolvency of the buyer, or otherwise.

(2) In this part of this act the term "seller" includes an agent of the seller to whom the bill of lading has been endorsed, or a consignor or agent who has himself paid, or is directly responsible for, the price, or any other person who is in the position of a seller.

SEC. 53. Remedies of an unpaid seller: (1) Subject to the provisions of this act, notwithstanding that the property in the goods may have passed to the buyer, the unpaid seller of goods, as such, has—

(a) A lien on the goods or right to retain them for the price while he is in possession of them;

(b) In case of insolvency of the buyer, the right of stopping the goods in transitu after he has parted with the possession of them;

(c) A right of resale as limited by this act; and
(d) A right to rescind the sale as limited by this act.

(2) Where the property in goods has not passed to the buyer, the unpaid seller has, in addition to his other remedies, a right of withholding delivery similar to and coextensive with his rights of lien and stoppage in transitu where the property has passed to the buyer.

UNPAID SELLER'S LIEN

SEC. 54. When right of lien may be exercised: (1) Subject to the provisions of this act, the unpaid seller of goods who is in possession of them is entitled to retain possession of them until payment or tender of the price in the following cases, namely—

(a) Where the goods have been sold without any stipulation as to credit;

(b) Where the goods have been sold on credit, but the term of credit has expired; and

(c) Where the buyer becomes insolvent.

(2) The seller may exercise his right of lien, notwithstanding that he is in possession of the goods as agent or bailee for the buyer.

SEC. 55. Lien after part delivery: Where an unpaid seller has made part delivery of the goods, he may exercise his right of lien on the remainder, unless such part delivery has been made under such circumstances as to show an intent to waive the lien or right of retention.

SEC. 56. When lien is lost: (1) The unpaid seller of goods loses his lien thereon—

(a) When he delivers the goods to a carrier or other bailee for the purpose of transmission to the buyer without reserving the property in the goods or the right to the possession thereof;

(b) When the buyer or his agent lawfully obtains possession of the goods; and

(c) By waiver thereof.

(2) The unpaid seller of goods, having a lien thereon, does not lose his lien by reason only that he has obtained judgment or decree for the price of goods.

STOPPAGE IN TRANSIT

SEC. 57. Seller may stop goods on buyer's insolvency: Subject to the provisions of this act, when the buyer of goods is or becomes insolvent, the unpaid seller who has parted with the

possession of the goods has the right of stopping them in transitu; that is to say, he may resume possession of the goods at any time while they are in transit, and he will then become entitled to the same rights in regard to the goods as he would have had if he had never parted with the possession.

SEC. 58. When goods are in transit: (1) Goods are in transit within the meaning of section 57—

(a) From the time when they are delivered to a carrier by land or water, or other bailee for the purpose of transmission to the buyer, until the buyer, or his agent in that behalf, takes delivery of them from such carrier or other bailee; and

(b) If the goods are rejected by the buyer, and the carrier or other bailee continues in possession of them, even if the seller has refused to receive them back.

(2) Goods are no longer in transit within the meaning of section 57—

(a) If the buyer, or his agent in that behalf, obtains delivery of the goods before their arrival at the appointed destination;

(b) If, after the arrival of the goods at the appointed destination, the carrier or other bailee acknowledges to the buyer or his agent that he holds the goods on his behalf and continues in possession of them as bailee for the buyer or his agent; and it is immaterial that a further destination for the goods may have been indicated by the buyer; and

(c) If the carrier or other bailee wrongfully refuses to deliver the goods to the buyer or his agent in that behalf.

(3) If goods are delivered to a ship chartered by the buyer, it is a question depending on the circumstances of the particular case, whether they are in the possession of the master as a carrier or as agent of the buyer.

(4) If part delivery of the goods has been made to the buyer, or his agent in that behalf, the remainder of the goods may be stopped in transitu, unless such part delivery has been made under such circumstances as to show an agreement with the buyer to give up possession of the whole of the goods.

SEC. 59. Ways of exercising the right to stop: (1) The unpaid seller may exercise his right of stoppage in transitu either by obtaining actual possession of the goods or by giving notice of his claim to the carrier or other bailee in whose possession the goods are. Such notice may be given either to the person in actual possession of the goods or to his principal. In the latter case the notice, to be effectual, must be given at such time and under such circumstances that the principal, by the exercise of reasonable diligence, may prevent a delivery to the buyer.

(2) When notice of stoppage in transitu is given by the seller to the carrier, or other bailee in possession of the goods, he must redeliver the goods to, or according to the directions of, the seller. The expenses of such delivery must be borne by the seller. If, however, a negotiable document of title representing the goods has been issued by the carrier or other bailee, he shall not be obliged to deliver or justified in delivering the goods to the seller unless such document is first surrendered for cancellation.

RESALE BY THE SELLER

SEC. 60. When and how resale may be made: (1) Where the goods are of perishable nature, or where the seller expressly reserves the right of resale in case the buyer should make default, or where the buyer has been in default in the payment of the price an unreasonable time, an unpaid seller having a right of lien or having stopped the goods in transitu may resell the goods. He shall not thereafter be liable to the original buyer upon the contract to sell or the sale or for any profit made by such resale, but may recover from the buyer damages for any loss occasioned by the breach of the contract or the sale.

(2) Where a resale is made, as authorized in this section, the buyer acquires a good title as against the original buyer.

(3) It is not essential to the validity of a resale that notice of an intention to resell the goods be given by the seller to the original buyer. But where the right to resell is not based on the perishable nature of the goods or upon an express provision of the contract or the sale, the giving or failure to give such notice shall be relevant in any issue involving the question whether the buyer had been in default an unreasonable time before the sale was made.

(4) It is not essential to the validity of a resale that notice of the time and place of such resale should be given by the seller to the original buyer.

(5) The seller is bound to exercise reasonable care and judgment in making a resale, and subject to this requirement may make a resale either by public or private sale.

RESCISSION BY THE SELLER

SEC. 61. When and how the seller may rescind the sale: (1) An unpaid seller having the right of lien or having stopped the goods in transitu may rescind the transfer of title and resume the property in the goods, where he expressly reserved the right to do so in case the buyer should make default, or where the buyer has been in default in the payment of the price an unreasonable time. The seller shall not thereafter be liable to the buyer upon the contract to sell or the sale, but may recover from the buyer damages for any loss occasioned by the breach of the contract or the sale.

(2) The transfer of title shall not be held to have been rescinded by an unpaid seller until he has manifested by notice to the buyer or by some other overt act an intention to rescind. It is not necessary that such overt act should be communicated to the buyer, but the giving or failure to give notice to the buyer of the intention to rescind shall be relevant in any issue involving the question whether the buyer had been in default an unreasonable time before the right of rescission was asserted.

SEC. 62. Effect of sale of goods subject to lien or stoppage in transitu: Subject to the provisions of this act, the unpaid seller's right of lien or stoppage in transitu is not affected by any sale, or other disposition of the goods which the buyer may have made, unless the seller has assented thereto.

If, however, a negotiable document of title has been issued for goods, no seller's lien or right of stoppage in transitu shall defeat the right of any purchaser for value in good faith to whom such document has been negotiated, whether such negotiations be prior or subsequent to the notification to the carrier, or other bailee who issued such document, of the seller's claim to a lien or right of stoppage in transitu.

PART V

ACTION FOR BREACH OF THE CONTRACT; REMEDIES OF THE SELLER

SEC. 63. Action for the price: (1) Where, under a contract to sell or a sale, the property in the goods has passed to the buyer, and the buyer wrongfully neglects or refuses to pay for the goods according to the terms of the contract or the sale, the seller may maintain an action against him for the price of the goods.

(2) Where, under a contract to sell or a sale, the price is payable on a day certain, irrespective of delivery or of transfer of title, and the buyer wrongfully neglects or refuses to pay such price, the seller may maintain an action for the price, although the property in the goods has not passed, and the goods have not been appropriated to the contract. But it shall be a defense to such an action that the seller at any time before judgment in such action has manifested an inability to perform the contract or the sale on his part or an intention not to perform it.

(3) Although the property in the goods has not passed, if they cannot readily be resold for a reasonable price, and if the provisions of section 64 (4) are not applicable, the seller may offer to deliver the goods to the buyer, and, if the buyer refuses to receive them, may notify the buyer that the goods are thereafter held by the seller as bailee for the buyer. Thereafter the seller may treat the goods as the buyer's and may maintain an action for the price.

SEC. 64. Action for damages for nonacceptance of the goods: (1) Where the buyer wrongfully neglects or refuses to accept and pay for the goods, the seller may maintain an action against him for damages for nonacceptance.

(2) The measure of damages is the estimated loss directly and naturally resulting, in the ordinary course of events, from the buyer's breach of contract.

(3) Where there is an available market for the goods in question, the measure of damages is, in the absence of special circumstances, showing proximate damage of a greater amount, the difference between the contract price and the market or current price at the time or times when the goods ought to have been accepted, or, if no time was fixed for acceptance, then at the time of the refusal to accept.

(4) If, while labor or expense of material amount are necessary on the part of the seller to enable him to fulfill his obligations under the contract to sell or the sale, the buyer repudiates the contract or the sale, or notifies the seller to proceed no further therewith, the buyer shall be liable to the seller for no greater damages than the seller would have suffered if he did nothing toward carrying out the contract or the sale after receiving notice of the buyer's repudiation or countermand. The profit the seller would have made if the contract or the sale had been fully performed shall be considered in estimating such damages.

SEC. 65. When seller may rescind contract or sale: Where the goods have not been delivered to the buyer, and the buyer has repudiated the contract to sell or sale, or has manifested his inability to perform his obligations thereunder, or has committed a material breach thereof, the seller may totally rescind the contract or the sale by giving notice of his election so to do to the buyer.

REMEDIES OF THE BUYER

SEC. 66. Action for converting or detaining goods: Where the property in the goods has passed to the buyer and the seller wrongfully neglects or refuses to deliver the goods, the buyer may maintain any action allowed by law to the owner of goods of similar kind when wrongfully converted or withheld.

SEC. 67. Action for failing to deliver goods: (1) Where the property in the goods has not passed to the buyer, and the seller wrongfully neglects or refuses to deliver the goods, the buyer may maintain an action against the seller for damages for non-delivery.

(2) The measure of damages is the loss directly and naturally resulting in the ordinary course of events from the seller's breach of contract.

(3) Where there is an available market for the goods in question, the measure of damages, in the absence of special circumstances showing proximate damages of a greater amount, is the difference between the contract price and the market or current price of the goods at the time or times when they ought to have been delivered, or, if no time was fixed, then at the time of the refusal to deliver.

SEC. 68. Specific performance: Where the seller has broken a contract to deliver specific or ascertained goods, a court having the powers of a court of equity may, if it thinks fit, on the application of the buyer, by its judgment or decree direct that the contract shall be performed specifically, without giving the seller the option of retaining the goods on payment of damages. The judgment or decree may be unconditional, or upon such terms and conditions as to damages, payment of the price, and otherwise as to the court may seem just.

SEC. 69. Remedies for breach of warranty: (1) Where there is a breach of warranty by the seller, the buyer may, at his election—

(a) Accept or keep the goods and set up against the seller the breach of warranty by way of recoupment in diminution or extinction of the price;

(b) Accept or keep the goods and maintain an action against the seller for damages for the breach of warranty;

(c) Refuse to accept the goods, if the property therein has not passed, and maintain an action against the seller for damages for the breach of warranty; and

(d) Rescind the contract to sell or the sale and refuse to receive the goods, or, if the goods have already been received, return them or offer to return them to the seller and recover the price or any part thereof which has been paid.

(2) When the buyer has claimed and has been granted a remedy in any one of these ways, no other remedy can thereafter be granted.

(3) Where the goods have been delivered to the buyer, he cannot rescind the sale if he knew of the breach of warranty when he accepted the goods, or if he fails to notify the seller within a reasonable time of the election to rescind, or if he fails to return or to offer to return the goods to the seller in substantially as good condition as they were in at the time the property was transferred to the buyer. But if deterioration or injury of the goods is due to the breach of warranty, such deterioration or injury shall not prevent the buyer from returning or offering to return the goods to the seller and rescinding the sale.

(4) Where the buyer is entitled to rescind the sale and elects to do so, the buyer shall cease to be liable for the price upon returning or offering to return the goods. If the price or any part thereof has already been paid, the seller shall be liable to repay so much thereof as has been paid, concurrently with the return of the goods, or immediately after an offer to return the goods in exchange for repayment of the price.

(5) Where the buyer is entitled to rescind the sale and elects to do so, if the seller refuses to accept an offer of the buyer to return the goods, the buyer shall thereafter be deemed to hold the goods as bailee for the seller, but subject to a lien to secure the repayment of any portion of the price which has been paid, and with the remedies for the enforcement of such lien allowed to an unpaid seller by section 53.

(6) The measure of damages for breach of warranty is the loss directly and naturally resulting, in the ordinary course of events, from the breach of warranty.

(7) In the case of breach of warranty of quality, such loss, in the absence of special circumstances showing proximate damage of a greater amount, is the difference between the value of the goods at the time of delivery to the buyer and the value they would have had if they had answered to the warranty.

SEC. 70. Interest and special damages: Nothing in this act shall affect the right of the buyer or the seller to recover interest or special damages in any case where by law interest or special damages may be recoverable, or to recover money paid where the consideration for the payment of it has failed.

PART VI

INTERPRETATION

SEC. 71. Variation of implied obligations: Where any right, duty, or liability would arise under a contract to sell or a sale by implication of law, it may be negated or varied by express agreement or by the course of dealing between the parties, or by custom, if the custom be such as to bind both parties to the contract or the sale.

SEC. 72. Rights may be enforced by action: Where any right, duty, or liability is declared by this act, it may, unless otherwise by this act provided, be enforced by action.

SEC. 73. Rule for cases not provided for by this act: In any case not provided for in this act, the rules of law and equity, including the law merchant, and in particular the rules relating to the law of principal and agent and to the effect of fraud, misrepresentation, duress or coercion, mistake, bankruptcy, or other invalidating cause, shall continue to apply to contracts to sell and to sales of goods.

SEC. 74. Interpretation shall give effect to purpose of uniformity: This act shall be so interpreted and construed as to effectuate its general purpose to make uniform the laws of those States which enact it.

SEC. 75. Provisions not applicable to mortgages: The provisions of this act relating to contracts to sell and to sales do not apply, unless so stated, to any transaction in the form of a contract to sell or a sale which is intended to operate by way of mortgage, pledge, charge, or other security.

SEC. 76. Definitions: (1) In this act, unless the context or subject matter otherwise requires—

"Action" includes counterclaim, set-off, and suit in equity.

"Buyer" means a person who buys or agrees to buy goods or any legal successor in interest of such person.

"Defendant" includes a plaintiff against whom a right of set-off or counterclaim is asserted.

"Delivery" means voluntary transfer of possession from one person to another.

"Divisible contract to sell or sale" means a contract to sell or a sale in which by its term the price for a portion or portions of the goods less than the whole is fixed or ascertainable by computation.

"Document of title to goods" includes any bill of lading, dock warrant, warehouse receipt or order for the delivery of goods, or any other document used in the ordinary course of business in the

sale or transfer of goods, as proof of the possession or control of the goods, or authorizing or purporting to authorize the possessor of the document to transfer or receive, either by endorsement or by delivery, goods represented by such document.

"Fault" means wrongful act or default.

"Fungible goods" means goods of which any unit is from its nature or mercantile usage treated as the equivalent of any other unit.

"Future goods" means goods to be manufactured or acquired by the seller after the making of the contract of sale.

"Goods" include all chattels personal other than things in action and money. The term includes emblements, industrial growing crops, and things attached to or forming part of the land which are agreed to be served before sale or under the contract of sale.

"Order" in sections of this act relating to documents of title means an order by endorsement on the documents.

"Person" includes a corporation or partnership or two or more persons having a joint or common interest.

"Plaintiff" includes defendant asserting a right of set-off or counterclaim.

"Property" means the general property in goods, and not merely a special property.

"Purchaser" includes mortgagee and pledgee.

"Purchases" includes taking as a mortgagee or as a pledgee.

"Quality of goods" includes their state or condition.

"Sale" includes a bargain and sale as well as a sale and delivery.

"Seller" means a person who sells or agrees to sell goods, or any legal successor in the interest of such person.

"Specific goods" means goods identified and agreed upon at the time a contract to sell or a sale is made.

"Value" is any consideration sufficient to support a simple contract. An antecedent or preexisting claim, whether for money or not, constitutes value where goods or documents of titles are taken either in satisfaction thereof or as security therefor.

(2) A thing is done "in good faith" within the meaning of this act when it is in fact done honestly, whether it be done negligently or not.

(3) A person is insolvent within the meaning of this act who either has ceased to pay his debts in the ordinary course of business or cannot pay his debts as they become due, whether he has committed an act of bankruptcy or not, and whether he is insolvent within the meaning of the Federal bankruptcy law or not.

(4) Goods are in a "deliverable state" within the meaning of this act when they are in such a state that the buyer would, under the contract, be bound to take delivery of them.

Sec. 76a. Act does not apply to the existing sales or contracts to sell: None of the provisions of this act shall apply to any sale, or to any contract to sell, made prior to the taking effect of this act.

Sec. 77. Inconsistent legislation repealed: All acts or parts of acts inconsistent with this act are hereby repealed.

Sec. 78. Time when the act takes effect: This act shall take effect on the 1st day of July 1936.

Sec. 79. Name of act: This act may be cited as the "Uniform Sales Act."

ADJUSTMENT OF LOSSES BY COOPERATING MARKETING ASSOCIATIONS

Mr. FRAZIER. Mr. President, yesterday when Order of Business No. 500, being Senate Joint Resolution 38, was reached on the call of the calendar the Senator from Utah [Mr. KING] objected. I had intended to offer an amendment. I understand the Senator from Utah is willing to withdraw his objection. I ask unanimous consent to recur to the joint resolution and to have it considered at this time in order that I may offer the amendment.

The VICE PRESIDENT. Is there objection to recurring to Calendar No. 500, being Senate Joint Resolution 38, for the purpose of consideration? The Chair hears none.

Mr. McKELLAR. Mr. President, is the joint resolution still open to objection?

The VICE PRESIDENT. Is there objection to its present consideration?

Mr. McKELLAR. That will depend on the attitude of the Senator from North Dakota.

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 38) for the adjustment and settlement of losses sustained by the cooperative marketing associations.

Mr. FRAZIER. Mr. President, yesterday I offered an amendment to strike out the words "and/or cotton."

Mr. McKELLAR. The reason why I ask that those words be stricken out is that I am not familiar with the cooperatives so far as wheat and some other products in the West are concerned, but I am very familiar with the cooperatives so far as cotton is concerned. I think cotton ought not to be included. With the understanding that cotton is to be excluded I shall have no objection to the passage of the joint resolution.

LXXX—283

Mr. JOHNSON. Mr. President, to what cooperatives does the joint resolution refer?

Mr. FRAZIER. It refers to grains, and I intend to offer an amendment to strike out cotton.

The VICE PRESIDENT. The joint resolution is before the Senate and open to amendment.

Mr. FRAZIER. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 1, line 8, after the word "grain", it is proposed to strike out the words "and/or cotton"; on page 2, line 6, after the word "grain", to strike out the words "and/or cotton"; and in line 8, after the word "grain", to strike out the words "and/or cotton", so as to make the joint resolution read:

Resolved, etc., That for the purpose of adjustment and settlement of losses sustained by the cooperative marketing associations dealing in grain during the stabilization operations of the Federal Farm Board in the years 1929 and 1930 when such cooperative marketing associations were induced and requested by the Federal Farm Board to withhold grain from the market and to make advances to their members in order to stabilize prices, the Federal Farm Credit Administration is hereby authorized and directed to make such adjustments and settlements in accordance with the understanding that such cooperative marketing associations had with the Federal Farm Board, and on the basis of a price or a sum equal to the amount directly loaned or advanced to such associations plus carrying charges and operation costs in connection with such grain from the date of the loans or advances to the date that such grain was finally taken over by the Federal Farm Board or delivered pursuant to its instructions.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ESTATE OF EMIL HOYER (DECEASED)

Mr. GIBSON. Mr. President, I ask unanimous consent to return to Calendar No. 1705, being House bill 685, and I ask the attention of the senior Senator from Tennessee [Mr. McKELLAR].

The VICE PRESIDENT. The Senator from Vermont asks unanimous consent to return to Order of Business 1705. Is there objection? The Chair hears none.

Mr. McKELLAR. Mr. President, I objected yesterday to the consideration of the bill, but I have since talked with the Senator from Vermont and am glad to withdraw my objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 685) for the relief of the estate of Emil Hoyer (deceased) was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Emil Hoyer (deceased), the sum of \$5,000, in full settlement of all claims against the Government of the United States, or any employee thereof, for the fatal injury to Emil Hoyer as the result of his being struck by an Essex mail truck, no. 16604, owned by the United States Post Office Department, Boston, Mass., and operated by John Mohr, of Brookline, Mass., the accident occurring at 11 o'clock p. m., August 22, 1933, on Massachusetts Avenue, Boston, Mass., near the intersection of St. Botolph Street, the said Emil Hoyer, as a result of the injuries received, having died at 11:10 o'clock p. m., August 22, 1933, at the Boston City Hospital, Boston, Mass.: Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

NAVAL AIR STATION, MIAMI, FLA.

Mr. FLETCHER. Mr. President, I ask unanimous consent to recur to Calendar No. 1732, House bill 8372. This bill was objected to yesterday by the Senator from Utah [Mr. KING], but I believe we can now adjust the matter without difficulty.

Mr. KING. Mr. President, I hope the request of the Senator from Florida will be granted. Yesterday when the measure was called for consideration I said I would have no objection to it if the Senate would accept the recommendation of the Navy Department to strike out all the bill after the enacting clause and insert in lieu thereof the language which had been recommended by the Navy Department. I understand my friend the Senator from Florida is willing to accept that suggestion. I hope the Senate may consider the bill in order that I may offer the substitute tendered by the Navy Department.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida to recur to Calendar No. 1732? The Chair hears none. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon.

Mr. KING. Mr. President, I move to strike out all after the enacting clause and insert in lieu thereof the language which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That the Secretary of the Navy be, and he is hereby, authorized to accept on the behalf of the United States, free from encumbrances and without cost to the United States, the title in fee simple to such lands as he may deem necessary or desirable, in the vicinity of Miami, Fla., approximately 650 acres, as a site for such naval development as, when, and if, in his discretion, he may consider warranted by naval necessities; the property to be returned to the grantor if not used by the United States for such purposes within 10 years.

Mr. FLETCHER. Mr. President, I do not agree to the amendment; but in order to secure action in the Senate and so that the bill may go to conference I am willing to have it acted on at this time.

Mr. WALSH. Mr. President, in behalf of the Committee on Naval Affairs I will say that if the proposal is agreeable to the Senator from Florida, the Committee on Naval Affairs is likewise agreeable. The measure involves a gift of land near Miami, Fla., for a naval air station and it is desirable that some action be had.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the amendment of the Senator from Utah [Mr. KING].

Mr. FLETCHER. I am willing to have the amendment adopted in order to have the bill go to conference.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PENSIONS TO SOLDIERS AND SAILORS OF REGULAR ARMY AND NAVY, ETC.

The bill (H. R. 9074) granting pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows and dependents of such soldiers and sailors, was announced as next in order.

Mr. MCGILL. Mr. President, I reported this bill on behalf of the Committee on Pensions. In my judgment, it is entirely too complicated a measure to take up on this call of the calendar. In addition to that, a measure of a general character has been introduced which would cover such cases as are included in this bill. For that reason I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ACCEPTANCE OF BEQUEST OF THE LATE HENRY H. ROGERS

The Senate proceeded to consider the bill (S. 3720) to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States the collection of ship models, with glass exhibit cases, bequeathed

the United States Naval Academy by the late Henry H. Rogers, of Southampton, Long Island, N. Y.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$5,000 to carry out the purposes of section 1 of this act.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Maine, who reported the bill, as to the nature of the bequest, and its probable value. I observe that \$5,000 is appropriated to carry out the purposes of the bill.

Mr. HALE. Mr. President, in reply to the Senator from Tennessee, I will say that in the will of the late Henry H. Rogers a bequest to the Government was made of a very fine collection of ship models which are valued at between \$300,000 and \$500,000. This bill provides for accepting the collection and authorizes the appropriation of a small sum of money to care for it.

Mr. McKELLAR. That answers the question.

Mr. WALSH. Mr. President, this bill should not be enacted without a word of commendation.

The gift of the late Henry H. Rogers is that of a collection of model ships, the finest in the world, valued at about \$300,000.

The purpose of the bill is to authorize the Secretary of the Navy to accept on behalf of the United States, to be placed in the Naval Academy, the bequest of the late Henry H. Rogers, of Southampton, N. Y., a collection of ship models and to authorize the appropriation of \$5,000 to carry out the purposes of this act.

This collection consists of 107 ship models varying from 6 inches to 6 feet, the average being about 4 feet in length. It is estimated that the value of this collection is about \$300,000 and is probably the most valuable collection of its kind in the world.

The passage of this bill is necessary before this bequest can be accepted, and the Navy Department has received notice of the pending probate of Colonel Rogers' will and is concerned lest its lack of authority to accept the specific bequest delay the probate. The committee strongly recommends that this bill be enacted.

The Navy Department favors this bill as indicated by the letter from the Secretary of the Navy to the Chairman of the Committee and made a part of the report.

Mr. BORAH. Mr. President, I do not yet understand what it is that was bequeathed.

Mr. WALSH. A collection of 107 ship models that represent the development and expansion of shipbuilding. The collection is a very remarkable and very valuable one.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LEAVE OF ABSENCE TO HOMESTEAD SETTLERS

The Senate proceeded to consider the bill (S. 3870) granting a leave of absence to settlers of homestead lands during the year 1936, which had been reported from the Committee on Public Lands and Surveys with an amendment at the end of the bill to insert a new section, so as to make the bill read:

Be it enacted, etc., That any homestead settler or entryman who, during the calendar year 1936, should find it necessary, because of economic conditions, to leave his homestead to seek employment in order to obtain the necessities of life for himself or family or to provide for the education of his children, may, upon filing with the register of the district his affidavit, supported by corroborating affidavits of two disinterested persons, showing the necessity of such absence, be excused from compliance with the requirements of the homestead laws as to residence, cultivation, improvements, expenditures, or payment of purchase money, as the case may be, during all or any part of the calendar year 1936, and said entries shall not be open to contest or protest because of failure to comply with such requirements during such absence; except that the time of such absence shall not be deducted from the actual residence required by law, but a period equal to such absence shall be added to the statutory life of the entry: *Provided,* That any entryman holding an unperfected entry on ceded Indian lands may be excused from the requirements of residence upon the conditions provided herein, but shall not be entitled to extension of time for the payment of any installment of the purchase price of the land except upon payment of interest, in advance, at the rate of 4 percent per annum on the principal of any unpaid purchase price from the date when such payment or payments became due to and inclusive of the date of the expiration of the period of relief granted hereunder.

SEC. 2. Any homestead settler or entryman, including any entryman on ceded Indian lands, who is unable to make the payments due on the purchase price of his land on account of economic conditions, shall be excused from making any such payment during the calendar year 1936 upon payment of interest, in advance, at the rate of 4 percent per annum on the principal of any unpaid purchase price from the date when such payment or payments became due to and inclusive of the date of the expiration of the period of relief granted hereunder.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RETIREMENT OF EMPLOYEES OF LEGISLATIVE BRANCH

The bill (H. R. 3044) to amend the act of May 29, 1930 (46 Stat. 349), for the retirement of employees in the classified civil service and in certain positions in the legislative branch of the Government to include all other employees in the legislative branch was announced as next in order.

Mr. VANDENBERG, Mr. KING, and other Senators. Let the bill go over.

Mr. COPELAND. Mr. President, if those who object to the consideration of this bill will withhold their objections for a moment, with the permission of the chairman of the Committee on Rules, I should like to say a word about the bill.

This measure is intended to give the benefits of a very small retirement fund to employees in the legislative branch who are not now provided for in the regular pension law.

We have here in the Senate, in the persons of the Sergeant at Arms, the assistants on both sides of the Chamber, the Secretary, and others, and some clerks in our offices—I think I perhaps have one; I am not sure—officers and employees who have done valiant service for the Government through a great many years. The provision proposed in this bill is identical with the benefit extended to civil-service employees.

There is an impression, I think, that civil-service employees contribute, and thereby have the benefits of retirement through their own financial participation. As a matter of fact, every single civil-service employee has an outright grant of \$30 a month. Then, under the general law, they may make monthly contributions from their salaries which accumulate and on their retirement will be added to the original \$30.

The purpose of the pending bill—which was discussed on two different occasions at special meetings of the Committee on Rules—is that the benefits which are now given to all other employees of the Government may be extended to our clerks and our employees in the legislative branch.

I do not know that it is possible for me to convert the many Senators who objected to the bill; but it seems to me they objected because they did not exactly realize the significance and the propriety of the measure.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Tennessee.

Mr. McKELLAR. I have a great deal of sympathy with the purpose of the bill, but it is a question of how it can be worked out.

Suppose a man is appointed to the Senate, and serves, say, 3 months. I have known Senators to serve less than 3 months. The Senators have full quotas of clerks, even in that short space of time. Since I have been here, as I recall, one Senator served less than 5 weeks; and under the Senator's bill his clerks would all be under civil service.

Mr. COPELAND. No; the Senator from Tennessee is entirely mistaken. If what he says were the case, I should be in full sympathy with the opposition of the Senator. The clerk must have been 15 years in the service, and 50 years of age, before being eligible for this benefit.

Mr. McKELLAR. Take such a case: The appointment is purely personal to the Senator. The Senator may depart at any time, as we all know; and I do not believe the plan outlined in the bill will effect right and justice.

Mr. COPELAND. On the contrary, I will say to the Senator, that all those objections have been met by the bill. The bill was given very serious study in the committee, and amendments have been reported proposing to safeguard every single step in the procedure.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. ROBINSON. This bill, as it is now presented to the Senate, does not place Senate clerks under the Civil Service Commission.

Mr. COPELAND. No; it does not.

Mr. ROBINSON. It merely gives them the privilege of retirement, as stated by the Senator from New York, after they shall have served 15 years and reached the age of 50 years.

Mr. COPELAND. That is correct.

Mr. ROBINSON. The bill does not interfere with the right of a Senator to choose his own clerk or confidential employees.

Mr. COPELAND. Or to dismiss them.

Mr. ROBINSON. Or to dismiss them. It merely gives to those who are fortunate enough to have had the required service and also who have reached the required age an opportunity for retirement.

Mr. COPELAND. That is correct.

Mr. ROBINSON. I myself raised in the committee, as the Senator from New York will recall, the suggestions which are now being made by the Senator from Tennessee. I became satisfied that those objections were removed in the final draft of the bill.

Mr. McKELLAR. Mr. President, I believe objection has already been made to the consideration of the bill; but I should like to ask the Senator from New York to let it go over and let me look into the measure.

Mr. COPELAND. Very well. At this point I ask that a letter from the Civil Service Commission be inserted in the RECORD so that the record will be complete.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD; and, objection having been made, the bill will be passed over.

The letter is as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 18, 1936.

Mr. CHESLEY W. JUNEY.

Sergeant at Arms, United States Senate.

DEAR MR. JUNEY: Receipt is acknowledged of your communication of March 17, 1936, inquiring whether the Civil Service Commission would have anything to do with the appointment of employees at the Capitol in the event either the House or Senate bills providing for retirement of employees in the legislative branch of the Government should pass. It is assumed that you refer to H. R. 3044, introduced by Mr. RAMSPECK, and S. 3205, introduced by Senator NEELY.

In reply you are advised that if either bill should become law this Commission would have nothing whatever to do with appointments to positions at the Capitol. The civil-service retirement law in no way limits or repeals the power of appointing officers in the matter of making appointments. Certain employees of the legislative branch of the Government, such as employees of the Architect of the Capitol and Library of Congress are now subject to the provisions of the Civil Service Retirement Act of May 29, 1930, whose appointments are made without regard to Civil Service Act and rules, the Commission exercising no control over such appointments.

Of course, under both bills records of service would be necessary. Section 15 of the Civil Service Retirement Act provides in part:

"The Civil Service Commission shall keep a record of appointments, transfers, changes in grade, separations from the service, reinstatements, loss of pay, and such other information concerning individual service as may be deemed essential to a proper determination of rights under this act."

If H. R. 3044, as passed by the House of Representatives, should become law, such records would be prepared under regulations approved by this Commission, but so far as appointments are concerned they would not come under the jurisdiction of this office.

Very sincerely yours,

HARRY B. MITCHELL, President.

SANTA BARBARA NATIONAL FOREST, CALIF.

The Senate proceeded to consider the bill (H. R. 6544) to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws, which had been reported from the Committee on Public Lands and Surveys with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the public lands of the United States, within the boundaries of the Santa Barbara National Forest, located

in the State of California and hereinafter described, are hereby withdrawn from location or entry under the mining laws of the United States:

All Government lands in sections 29, 30, 31, 32, and 33, township 7 north, range 24 west, San Bernardino meridian.

All Government lands in sections 7, 8, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, township 7 north, range 25 west, San Bernardino meridian.

All Government lands in sections 7 to 36, inclusive, township 7 north, range 26 west, San Bernardino meridian.

All Government lands in sections 1 to 36, inclusive, township 7 north, range 27 west, San Bernardino meridian.

All Government lands in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, township 7 north, range 28 west, San Bernardino meridian.

All Government lands in sections 5, 8, and 17, township 6 north, range 24 west, San Bernardino meridian.

All Government lands in township 6 north, range 25 west, San Bernardino meridian.

All Government lands in township 6 north, range 26 west, San Bernardino meridian.

All Government lands in township 6 north, range 27 west, San Bernardino meridian, except sections 19, 30, and 31.

All Government lands in sections 1, 2, and 12, township 6 north, range 28 west, San Bernardino meridian.

All Government lands in sections 6, 7, 18, 19, 30, and 31, township 5 north, range 24 west, San Bernardino meridian.

All Government lands in township 5 north, range 25 west, San Bernardino meridian.

All Government lands in township 5 north, range 26 west, San Bernardino meridian, except in sections 31 and 32.

All Government lands in sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, township 5 north, range 27 west, San Bernardino meridian: *Provided*, That this act shall not defeat or affect any lawful right which has already attached under the mining laws and which is hereinafter maintained in accordance with such laws: *Provided further*, That the President upon recommendation of the Secretary of the Interior and the Secretary of Agriculture, may, by Executive order, when in his judgment the public interest would best be served thereby, and after reasonable notice has been given through the Department of the Interior, restore to location and entry under the mining laws, any of the lands hereby withdrawn therefrom: *Provided further*, That any person desiring to locate and enter upon any such withdrawn lands under the mineral land laws may make such location and entry upon a showing satisfactory to the Secretary of the Interior and the Secretary of Agriculture that the lands to be entered are chiefly valuable for minerals.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? It seems to be more or less important.

Mr. JOHNSON. Mr. President, I simply know that this is a House bill which has come over here with the approval of the Department of the Interior and the Department of Agriculture. The reports of both Departments are annexed to the report of the committee, and the Senator will see if he will examine his records, approving the bill, and making no objection to it.

Mr. KING. Mr. President, I should like to ask the Senator from California if he knows the cost that will be involved to the Federal Treasury as a result of the enactment of this measure.

Mr. JOHNSON. It is a matter of withdrawal of lands. I do not see how there can be any very great cost, or in fact any cost.

Mr. McNARY. Mr. President, I will state that, after examination, if it shall be ascertained that no valuable minerals are on the lands, it is desirous of incorporating them in the Santa Barbara National Forest for the purpose of conserving the watersheds of Santa Barbara County.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HELEN CURTIS

The bill (S. 4135) for the relief of Helen Curtis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Helen Curtis, widow of James L. Curtis, late American Minister to Liberia, the sum of \$5,000, equal to 1 year's salary of her deceased husband.

AMENDMENT OF NATIONAL FIREARMS ACT

The bill (H. R. 3254) to exempt certain small firearms from the provisions of the National Firearms Act was con-

sidered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsection (a) of section 1 of the National Firearms Act, relating to the definition of "firearms", is amended by inserting, after "definition", a comma and the following: "but does not include any rifle which is within the foregoing provisions solely by reason of the length of its barrel if the caliber of such rifle is .22 or smaller and if its barrel is 16 inches or more in length."

FILING OF COPIES OF INCOME RETURNS

The Senate proceeded to consider the bill (H. R. 11365) relating to the filing of copies of income returns, and for other purposes.

Mr. McKELLAR. Mr. President, what does this bill provide?

Mr. WALSH. Mr. President, under section 55 (b) of the Revenue Act of 1934 copies of income returns are authorized to be made available to States for the administration of State and local tax laws. It is estimated that over 6,000,000 returns will be filed this year. Of these approximately 2,500,000 will be sent to Washington, from which will be selected approximately 750,000 returns for investigation. These investigations produce additional revenue of approximately \$300,000,000, although the Bureau of Internal Revenue in the time allotted to perform this work cannot complete more than 400,000 investigations.

To permit the original returns to be available for inspection would result in a great deal of delay in the auditing and investigation of returns, with a consequent loss of millions of dollars in revenue. It is necessary that copies thereof be available for the purposes of such inspection, but to impose upon the Treasury Department the work of making copies of a great number of returns would seriously interfere with the work of audit and investigation, as the returns would have to be withdrawn from use by the Treasury during the process of making copies.

Moreover, the Bureau of Internal Revenue today is not equipped to make any large number of copies of income returns, since it has only three photostating machines. These machines cost approximately \$1,300, and at least one machine will be required in each of the 64 collection districts, with a number of machines required in some of the larger districts. Since it will be necessary also to employ a considerable number of additional personnel to prepare copies, it is evident that a large additional appropriation will be required if the burden of preparing a great number of copies of returns is placed on the Bureau.

The Treasury Department has issued regulations requiring taxpayers to file copies, but the only method of enforcing such regulations is a criminal penalty for willful failure. The bill, therefore, provides for the assessment and payment of \$5 in the case of failure by an individual to file a copy, and \$10 in the case of failure by a corporation, partnership, or fiduciary to file such copy.

Although forms have been distributed to taxpayers which contain a statement that the taxpayer must file a copy with the original return, nevertheless, further opportunity is provided in the bill for taxpayers to become familiar with the requirement of filing a copy. It is provided that in case of returns for the calendar year 1935, and fiscal years beginning in 1935, such assessment shall only be made after the taxpayer has been mailed a request to file the copy required within 15 days. The bill, therefore, provides for a reasonable, yet effective, means of enforcing the requirement of filing copies of returns.

Mr. President, the purpose of the bill is to save the time of the Department, and the expense which would be involved if the Department itself had to make these copies for the several State governments.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. WALSH. I yield.

Mr. McKELLAR. Then it does not do away with the law which provides that States may have this information? It is merely to expedite and give the Treasury Department less trouble?

Mr. WALSH. It seeks to enforce the regulation that copies shall be filed with the income-tax returns.

Mr. McKELLAR. It seems to me that is proper. I thought at first it was a bill to repeal the provision of the law referred to.

Mr. WALSH. It is unanimously reported by the committee.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

GRANT OF LAND TO THE NORTHERN MONTANA AGRICULTURAL AND MANUAL TRAINING SCHOOL

The bill (S. 1871) granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

Mr. ROBINSON. Mr. President, I observe from the report submitted with this measure that the recommendation of the Interior Department is adverse. Some Senator suggested that the bill go over.

The PRESIDING OFFICER. On objection, the bill will be passed over.

GRADING OF ENLISTED MEN IN THE ARMY

The Senate proceeded to consider the bill (S. 4132) to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army, which was read, as follows:

Be it enacted, etc., That section 4b of the National Defense Act, as amended, be, and the same hereby is, amended by striking out the present wording and substituting therefor the following:

"Sec. 4b. Enlisted men: On and after July 1, 1936, the grades and ratings of enlisted men shall be such as the President may from time to time direct, with monthly base pay in each grade and pay for each rating as prescribed by law. The numbers in grades and/or ratings of enlisted men shall be such as are authorized from time to time by the President by Executive order: *Provided*, That nothing in this section shall operate to reduce the pay which any enlisted man is now receiving, during his current enlistment and while he holds his present grade and rating, nor to change the present rate of pay of any enlisted man now on the retired list, nor to change existing provisions of law relating to flying cadets: *Provided further*, That the transportation privileges authorized by section 12 of the act of Congress approved May 18, 1920, shall apply only to enlisted men of the first three grades."

SEC. 2. All laws and parts of laws in conflict with the provisions of this act are repealed as of the effective date of this act.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. SHEPPARD. Mr. President, this bill enables the President to rearrange grades and ratings of enlisted men without increasing the total number. It is an administrative measure, which gives the Department greater flexibility in these respects.

Mr. KING. May I inquire of the Senator whether it would increase the cost to the Government?

Mr. SHEPPARD. As to whether there would be any actual increase in appropriations would depend on the appropriations made by Congress for the Army from time to time.

Mr. KING. If the ratings and grades changed the status and gave the men advanced status, obviously it would increase the annual expenses of the War Department.

Mr. SHEPPARD. Final power in the matter would rest with the Committees on Appropriations and Congress. The Navy Department has the same flexibility in rearranging grades and ratings.

Mr. KING. Is there any limitation as to the grades and the compensation in the respective grades? Suppose the President should transfer all the men to the highest grade; what would be the result?

Mr. SHEPPARD. He is supposed to exercise his discretion in the matter within the enlisted strength allowed by law.

Mr. KING. Does the law fix the grades and the compensation in each grade?

Mr. SHEPPARD. It does at present. Under the National Defense Act there are established for the enlisted men in the Army seven grades and six specialist ratings, the specialist

ratings carrying extra pay applicable to men in the sixth and seventh grades. In addition there are two specialist air-mechanics ratings applicable to the Air Corps.

This bill would permit the President by Executive order from time to time to establish the numbers of enlisted men of the Regular Army in grades or ratings in accordance with changed circumstances and conditions. Its effect would be to eliminate from the National Defense Act the provisions specifying the numbers in enlisted grades and specialist ratings.

The War Department advises that the Navy already has this administrative freedom to adjust its allotments. In recommending this legislation for favorable action the War Department contends that the bill will have no effect at all of endangering the control of expenditures for enlisted pay, and that since the appropriation for enlisted pay has been the basic control factor in the past and will so continue in the future, the enactment of the bill would not increase the cost of the Military Establishment.

Mr. KING. Obviously the latter statement of the War Department is not quite accurate, because if we should lift from a lower grade to a higher grade any considerable number, it would be bound to increase the expenditures, and though the Committees on Appropriations finally have the say as to what the aggregate appropriations for the Army shall be, if enlisted men are lifted from grades A, B, and C to higher grades, and serve in those grades, obviously when the Committees on Appropriations are asked to make appropriations they would take into account the fact that those grades had been filled by persons of lower grades, and it would be their duty, it seems to me, to make the necessary appropriations to meet the larger expenditures.

Mr. SHEPPARD. It is a matter of policy, of determination as to what should be done in the best interest of the Army. The same rule we are trying to adopt by this bill prevails in the Navy.

Mr. KING. Mr. President, we are in the habit of citing the case of one department that has had some favorable consideration, and had a set-up that becomes a precedent, in an endeavor to provide certain set-ups in all the departments. That is true in the civil service; employees are moved to grades, and because Mr. A has been elevated to a higher grade, then Mr. B must be elevated to a higher grade. The result is that in the higher grades there is, in my opinion, a superabundance of employees.

Mr. SHEPPARD. I do not think the War Department has anything like that in mind. I think they are actuated by a desire to use the best method of classifying enlisted men.

Mr. KING. Mr. President, I shall not object to the consideration of the bill, but I shall vote against it, because I think it is unwise legislation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STUDIES OF SUB-BITUMINOUS AND LIGNITE COAL

The Senate proceeded to consider the bill (S. 3748) to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to sub-bituminous and lignite coal, and for other purposes, which had been reported from the Committee on Mines and Mining with an amendment, on page 2, line 15, after the word "act" and the period, to insert the words, "the above amount to be expended over a period of 3 years, as follows: \$40,000 to be expended during the fiscal year ending June 30, 1937; \$30,000 to be expended during the fiscal year ending June 30, 1938; and \$30,000 to be expended during the fiscal year ending June 30, 1939", so as to make the bill read:

Be it enacted, etc., That the Bureau of Mines, under the general direction of the Secretary of the Interior, is authorized to conduct investigations, studies, and experiments on its own initiative and in cooperation with individuals, State institutions, laboratories, and other organizations, with a view to (1) the development of a commercially practicable carbonization method of processing sub-bituminous and lignite coal so as to convert such coal into an all-purpose fuel, to provide fertilizers, and obtain such other byproducts thereof as may be commercially valuable; (2) the development of efficient methods, equipment, and devices for burning

lignite or char therefrom; and (3) determining and developing methods for more efficient utilization of such sub-bituminous and lignite coal for purposes of generating electric power.

SEC. 2. The Bureau of Mines is further authorized, under the general direction of the Secretary of the Interior, to erect such plants, construct and purchase such machinery and equipment, and to take such other steps as it may deem necessary and proper to effectuate the purposes of this act.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$100,000 for the purpose of carrying out the provisions of this act. The above amount to be expended over a period of 3 years, as follows: \$40,000 to be expended during the fiscal year ending June 30, 1937; \$30,000 to be expended during the fiscal year ending June 30, 1938; and \$30,000 to be expended during the fiscal year ending June 30, 1939.

Mr. ROBINSON. Mr. President, this bill carries a comparatively large authorization, the sum of \$100,000. It is true that the expenditure of the fund would be restricted to \$40,000 during the fiscal year ending June 30, 1937; \$30,000 during the fiscal year ending June 30, 1938, and the remainder during the fiscal year ending June 30, 1939. It provides for certain studies and experimentation. I think the obligation is on the author of the bill to justify its provisions.

Mr. FRAZIER. Mr. President, it will be noted, from the report of the Secretary of the Interior, that the bill is recommended by the Bureau of Mines, by the Interior Department, and also by the Director of the Bureau of the Budget, and they suggest an amendment, which has been included. The bill was discussed before the Committee on Mines and Mining, of which the Senator from Kentucky [Mr. LOGAN] is chairman, and was reported unanimously.

There is a great deal of lignite coal in several States, especially in four Western States. According to the Bureau of Mines, over 60 percent of all the coal in the United States is in the form of lignite and sub-bituminous coal, in four States, Wyoming, North Dakota, Montana, and Colorado, and owing to the excessive amount of moisture contained in the lignite coal, it is not practical to ship it any great distance; it does not keep well. The desire is to experiment further in the carbonization of the coal. Some work along this line was done some years ago, as is set out in the report of the Secretary; but the Bureau did not have enough money to complete the work. It was along the line of carbonizing the coal and compressing it into briquets, which make an excellent fuel. It will also burn under certain conditions in the form of char as it comes from the carbonization process. There is a desire also to experiment in the generation of electricity by the use of this lignite coal, which is a very cheap process, according to engineers who have made an investigation of it. They say it is even cheaper than water power. There is no water power in some of the lignite-coal States where there is such an abundance of lignite coal. The Bureau of Mines estimates that in North Dakota lignite coal exists to the extent of 600,000,000,000 tons, and it is mined only to a small extent.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. McKELLAR. Have not studies long since been made as to this kind of coal? It seems to me the owners of the land, and others interested in such a vast project, have all the information that could possibly be obtained by the Bureau now; that the information has already been obtained and is before the public.

Mr. FRAZIER. It is very true that a great deal of experimental work has been done, but coal is still shipped from the head of the Lakes to the section of the country to which I have referred; that is, it comes from West Virginia and Pennsylvania, and it is sold out there at seventeen or eighteen dollars a ton, instead of the lignite coal being used, because so many people do not know how to burn the lignite coal. It burns very well if there is just the proper kind of grates in the stoves and furnaces and the proper sort of drafts. But we desire that there shall be more experimentation in this regard. Then, the electric feature is very important. It would work right in with the rural electrification program which is being carried on at the present time.

Mr. COUZENS. Mr. President, may I ask the Senator whether the lignite land is not all privately owned?

Mr. FRAZIER. It is not all privately owned. It is not a question of the land. The State owns a good deal of coal land in North Dakota, and I presume the same is true in the other States, but the bill authorizes the Bureau of Mines to cooperate with State institutions, like the schools of mines in those States, or private institutions, in making the investigation.

Mr. McKELLAR. Is any part of the money to be used in teaching people how to use this particular kind of coal?

Mr. FRAZIER. It may be used to demonstrate, under the direction of the Bureau of Mines, how that coal can be burned, and the process of making briquets by carbonization. It is also to be used in the generation of electricity. It is claimed that 2½ tons of lignite coal will make a ton of first-class briquets, which have the heating quality of anthracite coal.

The PRESIDING OFFICER. Under the rule, the Senator's time has expired. The Senate is operating under the 5-minute rule.

Mr. FRAZIER. Mr. President, yesterday, under the 5-minute rule, certain Senators spoke for an hour and a half. I ask unanimous consent to have a little more time.

The PRESIDING OFFICER. Without objection, the Chair will recognize the Senator from North Dakota for 5 minutes more. The Chair feels that he should enforce the rule. Everything done yesterday was done by unanimous consent. The Senate is operating under a rule, and should recognize it if the rule is to continue to exist.

Mr. ROBINSON. Mr. President, it is to be observed that the bill as originally introduced by the Senator from North Dakota contemplated that the appropriation should be made without express limitation on the time for its expenditure.

Mr. FRAZIER. The expenditure is under the direction of the Bureau of Mines, of course.

Mr. ROBINSON. Yes. It will be noted also that the approval of the bill by the Department is on condition that the investigations be continued over a period of 3 years.

Mr. FRAZIER. There is no objection to that.

Mr. ROBINSON. I know; but I am wondering if there is not really an objection to it. Considering the research which has been made, the progress which has been had in the matter, why is it necessary to have a 3-year investigation?

Mr. FRAZIER. The Department seems to think—and I suppose the suggestion came from the Bureau of Mines—that it would be necessary to carry out experiments through a period of 3 years. Personally, I had not thought it would take that long; but I was perfectly willing to comply with the request of the Department. I have talked several times with officials of the Bureau of Mines in regard to a proposition of this kind. In fact, the Bureau of Mines made the request for funds from the P. W. A. for this purpose; but its request was not granted, either because the money at that time was allocated, or because there were so many requests for money that they could not be accommodated.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. KING. I shall speak in my own time.

I have visited the lignite- and brown-coal mines in Germany, from which are produced coal which has a lower heating content than the lignite coal of the Senator's State. I am familiar with the coal of the Senator's State as well as the coal of South Dakota. In Germany lignite and brown coal are used effectively. I saw the German coal mines in 1923 and again in 1926. Their great chemists years ago had worked out processes by which were removed all the carboniferous content and the heating content of the coal. All that is necessary to be done is to get a good chemist to analyze the coal. If we have none in the United States, we can send over to Germany and immediately get all the information that is desired; and if the proposition is a feasible one, the chemist will tell us in a short time.

Mr. FRAZIER. I appreciate the remarks of the Senator from Utah. One of the important things is the generation of electricity by the use of lignite coal. I started to make a statement in that connection.

In making a ton of briquets out of 2½ tons of lignite coal, natural gas or coal gas is eliminated by the carbonization process. It is claimed by engineers who have experimented on it, and who are ready to stake their reputations on it, that that gas can be used as fuel for gas engines to propel motors to generate electricity. The exhaust of the gas engines is very hot and will carbonize the coal, and in that carbonization process there is given off the gas which can be used as fuel. If that is correct, then in the States where lignite coal is found, communities can be taken care of by a project of this kind for furnishing electric light and electric power; and I think it would work very well with the rural electrification program which is now under way. The Bureau of Mines is strongly in favor of it, and I hope the bill may be passed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF SUWANNEE RIVER, FLA.

The Senate proceeded to consider the bill (H. R. 8300) to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico.

REFERENCES TO DEBATE IN HOUSE OF COMMONS (LONDON) ON THE AMERICAN FOREIGN DEBTS—REPLY TO SPEECHES

Mr. LEWIS. Mr. President, I ask the Senate to indulge me for one or two moments. I should like to have the attention of the eminent Senator from Idaho [Mr. BORAH], the Senator from Michigan [Mr. VANDENBERG], and the Senator from California [Mr. JOHNSON]—these who have ever joined me in the preservation of American rights.

Mr. President, the public press brings us information this morning that yesterday, in the House of Commons in England, Mr. Lloyd George, known to fame and recorded in history, impeached the conduct of England for repudiating her debt to the United States. He called attention to the fact that while England was accusing Germany of violation of a treaty in moving her troops to the border of the Rhine, she—England—at the same time was violating the treaty she made with the United States of America and failing in her promise to pay her debt due this country; and he pounded the query:

What is the difference between the violation by Germany of a treaty and that which you (England) are doing in violating your agreement as against America?

At the same time, sirs, he was responded to by the officer of the exchequer, who answered that they are not repudiating their debts, and observed that they cannot do that which is impossible. It is at this point that I attract the attention of those who, like myself, are interested in seeking to obtain our rights from these governments in collecting money due us. I summon all to the knowledge that when the able officer of England cries out that the payment to us by his Government is impossible, we cannot refrain from calling the attention of the world to the fact that while England says it is impossible to pay, and assumes to deny and refute the charge that she is repudiating her debt, England gives out to the public that she is paying her debts, is reducing her taxes, and now has a surplus in her Treasury, and boasts of it, as rightfully she should, if the facts be as she states.

In addition to this, sirs, let it be recalled that this noble nation announces the extra and additional expenditure of \$1,000,000,000 for extra armament in preparation for assault upon nations, or to prepare against those which she assumes will be involved in conflict against her. At the same time, Senators, we see from financial international records that England is to lend the equivalent of one-half billion dollars to France in money, part of which is contracted for to be turned over to Rumania as one of the lesser adjuncts of France in anticipation of military conflict, and preparation for what is called by Mr. Lloyd George "a new world war." Yet this eminent officer of the exchequer cries that to pay some installments on our debt is impossible!

I invite the Senate to the thought that even if it were true, as a justification, that there was any impossibility to pay the debt, where was the impossibility to acknowledge the debt, to include it in the budget as due, which they refuse to do? Where, we ask, was the impossibility to carry out the last contract, separately made, to pay interest upon the debt contracted after the war?

Sirs, not only is this interest not paid but a short while ago, in our presence here in Washington, through the representative of this great Government, it was asserted that there was no change in the denial of the debt; that "things had not changed." What things? Why, the things in which they had announced their refusal to pay us; their declining to include in their budget the acknowledgment of the debt; and their further declining even to treat with us in respect to the now-due interest.

Mr. President, in this same connection I invite my colleagues to recall what happened in the late days with our other ally debtor, great France. Herriot, making a campaign to return to his previous premier position, announced that the first duty of France is to pay her debt to America. The labor member in England on the floor of the house joined Mr. Lloyd George in denunciation of the course of England in repudiating the debt to America and defeating the just demands of our country in return for the largess and generosity we have displayed to them. In France at the same time the labor forces, partly Socialists, joined Herriot in demanding that the debt due by France shall be paid to America, while one high official representing the Government of the French Republic announced: "We owe no money to America. If there be anything owed, it is by America to us for saving her from being run over, ravished, and destroyed by Germany."

In addition to this, there arises an eminent source in this great body of French statesmen who asserts to the world that instead of France owing America, America should credit France with amounts she owes France, "of money lent to save America in her revolution against England." And this is the attitude lately again expressed at a time when, as I behold the situation, these two great Nations of Europe should be remembering the kindnesses of this America in advancing to each of them, in the hour of their travail and danger, the money which rescued them from devastation and death.

Mr. President, what do these eminent men mean? Do they really mean that they are disguising the truth, that they are deceiving the country? Is it not the witches, Senators, who, referring to their attitude as to Macbeth, cry out, as a model of execution?—

Fair is foul, and foul is fair;
Hover through the fog and filthy air.

Mr. President, the United States of America is seeking nothing from these lands as a favor. We are asking nothing from them, sir, that is not due us. In the meantime, while they are seeking trade relations with us, they are denying every opportunity to give us a fair profit from a just trade. They are embarrassing us with every obstruction, of which we are not complaining. They are expending large sums preparatory to a conflict which they feel and openly assert in all instances will involve us, with the assertion on the part of their great leader that we—to use the exact language of the quotation—"cannot escape being brought in" to preserve what they call our rights.

Mr. President, I resent the intimation that it is impossible to recognize this debt. I resent the more the effort to avoid its existence; and, sir, I both repudiate and resent it as bad manners, their refusal even to negotiate with us, or even to include the subject in a memorandum, as they presume upon the theory that this, the Nation of America, will forget the obligation. It is assumed we will ignore it, because it is known that certain large financial interests in the United States, which wish to dispose of new bonds, are exerting themselves to have the debt wiped out, canceled, to the end that the new bonds will become a first lien. In this prospect they hope to negotiate further loans from America,

while they would deprive us of all the benefit of the loans of European debtors now due America.

As to the masters of finance who manipulate this trickery, I denounce them in their combination with the English policy and that of the French design. For myself, I announce that the time has come when Government, through whoever speaks for it, will proclaim that the American people exact something in the name of America, and that we here today again remind these honorable debtors that America will not forget the debts due us; she will not cancel them, and she will not excuse the insult unnecessarily heaped upon her.

We will inform the world that as to America our position is, as against these debtors to us, that the debts should be paid, particularly at a time when our needs are so great to compensate the woes and agonies of the farmers and to assuage the distress of the toiler in his need and to restore the ravaged lands upon which the rivers and great floods have belched their infliction and devastation. For the relief of all these we seek this money due, that we may repair these damages and these destructions. For these causes it is seen that we are not seeking favor, sirs; we are demanding our right; and, for myself, I trust I may have the cooperation of my honorable colleagues as we announce to the world that we expect to force, by every means that friendly pressure can bring, the payment of these debts due us, in order that before the world we may continue to stand as independent, courageous America.

FOREIGN DEBTS DUE TO THE UNITED STATES

Mr. BORAH. Mr. President, I wish to say a word in support of the remarks made by the able Senator from Illinois [Mr. LEWIS] with reference to the international debts due the United States.

The debate which took place in the House of Commons in Great Britain on yesterday, taken in connection with the things which had preceded, indicates unmistakably that it is not the intention of the Government of Great Britain ever to pay its debt to us. I can reach no other conclusion.

No international debts could be grounded upon more just, equitable, and moral grounds than those which underlie the debts now due to the people of the United States from European countries. No international obligation could rest upon grounds more binding. It must be borne in mind that these debts do not represent the amount of money which was loaned to the Allies during the world conflict. They represent the amount which was agreed upon long after the war closed, and after full consultation upon the part of the parties in interest and after the presentation of all facts touching matters which could be considered in the nature of equitable offsets. These debts represent a settlement after full discussion upon the basis of what the governments could pay and what the governments should pay. The money had been loaned, and the obligation incurred, and thereafter a free and full adjustment made.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McKELLAR. They really represent an adjustment and compromise of very, very much larger sums which the nations actually owed us.

Mr. BORAH. The Senator is quite right. These debts taken as a whole represent a settlement upon the basis of about 50 cents on the dollar. With one nation we settled on the basis of about 28 cents on the dollar. It is true that the proportion in the case of Great Britain was higher than that, but taken as an average the debts represent a curtailment, or settlement, or adjustment, on the basis of about 50 cents on the dollar of the amounts which were actually loaned.

These debts are not, therefore, debts which were incurred at a time of national conflict, representing the entire amount which was loaned. They are debts representing a contractual relation made in time of peace, when all parties had an opportunity to present their case. In my opinion the actions of these governments during the last few years indicate unmistakably that they are not intending to pay the amounts of the debts as adjusted after the war was

over. The repudiation of these debts when all circumstances are considered is without precedent in international affairs.

It will be recalled that the great Premier of England, Mr. Ramsay MacDonald, according to press reports, stated months ago in the House of Commons, in answer to a query, in substance, that you need not give yourselves any uneasiness further about the debt due to the United States. The statement was construed and could be construed in no other light than that the debt obligation had passed out of the mind and purpose of the British Government. They were not proposing to include the debt in the budget, or apparently to give any further consideration or take any cognizance of it thereafter. There followed repeatedly acts upon the part of the governments which have indicated their attitude.

Mr. President, not a person in the United States would insist upon Great Britain or any other government paying a debt which they were actually physically unable to pay at a particular time, as the Chancellor of the Exchequer has said was the case with Great Britain.

What we do expect, what we have a right to expect, what the integrity of international contracts demands, is a recognition of the obligations and an assurance of an intention to meet them as soon as the nations are able to meet the debts. There is no indication of that kind upon the part of these governments; no indication that when they are more able to meet the obligations they will do so. Apparently they have wiped them away and off the record, and do not propose at any time in the future to meet their obligations.

The distinguished war Premier of Great Britain, Mr. Lloyd George, made the following statement upon yesterday:

It is an essential principle of the law of nations that no power can liberate itself from an engagement of a treaty or modify the stipulations thereof except with the consent of the other contracting party.

The whole structure of international order depends upon adhering to, obeying, and carrying out international agreements, and there is not a contract or a treaty involved in the chaotic conditions which now embroil Europe which entails any obligation, legal or moral, more binding than the obligation to pay these debts.

It is claimed that Germany has ignored the obligations of the Versailles Treaty, and that Italy has ignored the obligations of the Covenant of the League of Nations, and that by reason of these actions Europe has been placed again in a state of chaos of turmoil. There is no difference in law and in morals, in international obligations, between the act of Germany and the act of Italy, and the acts of these nations in repudiating these debts which they contracted to pay upon an investigation. Greater consequences may flow from one than from the other, there may be differences in that respect, but so far as moral or legal obligation goes, the nations are just as much bound to respect these obligations as Germany was to respect the Versailles Treaty, and infinitely more so, because Germany signed the Versailles Treaty under duress, at the point of the bayonet, while these debt contracts were made after full, free, deliberate investigation and agreement to pay.

If we are not to give consideration to such contracts as that, I ask, how we can expect international contracts to be respected by any nation which has the slightest interest in disregarding them. What element of integrity, of validity, of honor, is absent in these solemn contracts entered into for the highest consideration, and after the most thorough investigation the great war Minister in urging payment is speaking for the honor of the nation and for the validity of international agreements.

It is not alone a question of the dollars and cents involved. That is very great, because the amount now due, interest and all, is about \$12,000,000,000, and about \$10,000,000 of it in default. That is an item of very great moment. But of even greater moment than that is the fact that these nations came here when in distress, and came here to this Chamber and spoke from the Senate to our people in behalf of their people. And the people of the United States, the taxpayers, went down in their pockets and contributed, and we took the obligations of the nations who borrowed from

us. It is an obligation due to the taxpayers of the United States. After the war was over and all the equities which might inhere were disposed of, we entered into an agreement.

I ask what reason there can be for entering into any agreement with any of these nations in the future if they disregard an obligation of that kind? It is striking at the very heart of international order, of international amity, of international good faith to disregard the obligation.

Mr. Chamberlain says, in reply to the ex-Premier:

His Majesty's Government never repudiated its obligations to the United States. No country, no person, can be bound to fulfill the impossible.

I ask, in reply to that peculiar answer, what has the Government of Great Britain indicated by word or act as to their intention to meet these obligations in the future? Have they said to the American people "that under the depressed conditions which now prevail we are unable to meet the debts, but we propose to meet them"? Have they indicated that in the future, when conditions are different economically and financially, they will meet them? Certainly not. They have eliminated them from their budget. He is careful to utter no word that would indicate their intention to meet these obligations in the future.

They have stated from the floor of the Houses of Parliament that there is no reason further to regard them. We must reach the conclusion that Great Britain has concluded to repudiate her debt to the people of the United States. If she has not reached that conclusion, it is time that she say to the people of the world that "We propose to pay as soon as it is possible for us to pay." Her reputation calls for an assuring statement that the default is temporary.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. McKELLAR. May I say in that connection that Great Britain could not possibly offer the excuse of not being able to pay because she is today continuing to build one of the greatest navies that the world has ever seen and is adding tremendously to her Army expenditures? With all the money that she has she could easily reduce the expenditures on the Navy and Army alone and pay along on her debts.

Mr. BORAH. Mr. President, whatever argument Great Britain may advance as to her present inability to meet the situation, and certainly in the present conditions as they obtain, they would all be considered sympathetically. Whatever argument she might advance, she can advance no argument against the attitude of mind which she has unmistakably manifested with reference to these debts.

Mr. President, Great Britain alone is not responsible for this situation. We have had numerous travelers abroad—and some of them much more regarded abroad than at home—advising the people of Great Britain and the people of Europe that they should not pay the debts, that the people of the United States do not expect them to pay the debts, and undoubtedly that has had its effect in molding the policy of Great Britain and the other nations. For a little attention abroad they betray the rights of their own people.

Who can speak for the taxpayers of the United States? This Government has no right to compromise their claim, and it should not permit any act or policy which would indicate that they propose to do so.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WALSH. Have the members of the Committee on Foreign Relations requested or examined any correspondence which has passed between the departments of the Federal Government and the Government of Great Britain and other debtor countries in connection with these claims?

Mr. BORAH. Not that I know of.

Mr. WALSH. Does anyone know just what moves have been made by officials of the Federal Government to urge and impress upon the Government of Great Britain and the other debtor governments what the attitude of the American Government is?

Mr. BORAH. I will say to the Senator that I was not speaking of any act upon the part of any official of our Government.

Mr. WALSH. I understand that. The Senator is speaking for the taxpayers, but I do think there ought to be some protest made other than on the floor of the Senate or the floor of the House.

Mr. BORAH. I do not know why the Members of the body which made this contract should not have an opportunity to discuss it and to manifest our disposition toward it. I do not know why we should be silent. We were the people who loaned this money. The Congress is responsible for the loan and for the settlement.

Mr. WALSH. I did not intend to infer any criticism of the Senator. I think he is pursuing exactly the proper course, but I did want to inquire what else was being done besides making protests on the floor of the Senate and the floor of the House.

Mr. BORAH. In my opinion, nothing.

Mr. WALSH. Does not the Senator think something ought to be done?

Mr. BORAH. I do. I feel a firm, decisive attitude on the part of our Government would restore payment.

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. KING. I think I am speaking entirely within the record when I speak in answer to the question propounded by the Senator from Massachusetts [Mr. WALSH] that the President of the United States in a recent utterance indicates that Congress has declared upon this question, and, as the Chief Executive, he took the same view.

Mr. BORAH. Mr. President, I am not controverting that proposition. But the question was asked me what was being done except recording the protest. I do not know of anything being done except that.

Mr. WALSH. It seems to me that the Foreign Relations Committee might well ask what correspondence has passed between these debtor countries and what available information there is.

Mr. BORAH. A few days ago, Mr. President, the distinguished Senator—he is not present, and I hesitate therefore to refer to the matter—the distinguished Senator from California [Mr. McAbol] introduced a resolution looking to a further compromise of the debt, a further reduction of the debt. That can be construed across the water in only one light, and that is we do not expect the payment according to the present contract. The contract is out. It is their contract. They entered into it. They presented the facts. Upon them they were willing to contract, and that contract should stand. There is no occasion for indicating that we propose to make another contract which in due time may also be repudiated. We have been just and fair and patient. We should insist on payment according to the terms of the agreement.

PRELIMINARY EXAMINATION OF SUWANNEE RIVER, FLA.

The Senate resumed the consideration of the bill (H. R. 8300) to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXAMINATION OF ONONDAGA CREEK, N. Y.

The bill (H. R. 8797) to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods was considered, ordered to a third reading, read the third time, and passed.

LITTLE ROCK CONFEDERATE CEMETERY, ARKANSAS

The bill (S. 4190) to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 of the act of Congress approved February 7, 1913 (37 Stat. 663), be, and the same is hereby, amended to read as follows:

"That the Secretary of War is hereby authorized to accept a conveyance to the United States of the Confederate Cemetery in Little Rock, Ark., which adjoins the national cemetery at that place, and when so accepted the Government shall take care of and properly maintain and preserve the cemetery, its monument or monuments, headstones, and other marks of the graves, its walls, gates, and appurtenances, and preserve and keep a record, as far as reasonably practicable, of the names of those buried therein, with such history of each as can be obtained, and the said conveyance shall be such that it will permit the burial in said cemetery of all soldiers, sailors, or marines and all officers or men of the Coast Guard, dying in the service of the United States, or dying in a destitute condition after having been honorably discharged from the service, or who served, or hereafter shall have served, during any war in which the United States has been, or may hereafter be, engaged, and, with the consent of the Secretary of War, any citizen of the United States who served in the army or navy of any government at war with Germany or Austria during the World War and who died while in such service or after honorable discharge therefrom, as provided in Revised Statutes, 4878, amended by the act of April 15, 1920 (41 Stat. 552; U. S. C., title 24, sec. 281), and the act of June 13, 1935 (Public. No. 132, 74th Cong.), in addition to men who were in the military and naval service of the Confederate States of America: *Provided*, That the Secretary of War shall at all times leave sufficient space in said cemetery for the purpose of future burials of Confederate veterans: *Provided further*, That organized bodies of ex-Confederates or individuals shall have free and unrestricted entry to said cemetery for the purpose of burying worthy ex-Confederates, for decorating the graves, and for all other purposes which they have heretofore enjoyed, all under proper and reasonable regulations and restrictions made by the Secretary of War."

Mr. ROBINSON. I ask that the report of the committee accompanying the bill may be printed in the RECORD.

There being no objection, the report (No. 1690) was ordered to be printed in the RECORD, as follows:

Report to accompany S. 4190

The Committee on Military Affairs, to whom was referred the bill (S. 4190), to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes, having considered the same, report favorably thereon with a recommendation that it do pass.

In 1913 the city of Little Rock conveyed to the United States the Confederate Cemetery in Little Rock. The War Department submits that a large portion of the tract so conveyed will never be required for the burial of Confederate veterans, and the purpose of S. 4190 is to authorize the Secretary of War to accept a conveyance from the city of Little Rock without restriction to the end that the Confederate area may be available for the future interment of those individuals who, under existing law, are entitled to burial in national cemeteries. The original donors, the city of Little Rock, are agreeable to this change, and the measure is recommended for enactment by the War Department. Attention is called to the fact that the wall formerly separating the National and Confederate Cemeteries has been removed, and the entire tract now comprises one cemetery. The Secretary of War has advised that the National Cemetery area will soon be filled, and that this additional space made possible under the provisions of S. 4190 will provide ample burial space for many years.

Report of the War Department on S. 4190 follows:

JANUARY 24, 1936.

HON. MORRIS SHEPPARD,
Chairman, Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: There is enclosed the draft of a bill to "Amend the act of February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, and for other purposes", which the War Department presents for the consideration of the Congress with a view to its enactment into law.

Existing laws which will be affected are as follows:

The act of February 7, 1913 (37 Stat. 663), authorizing the Secretary of War to accept a conveyance to the United States of the Confederate Cemetery in Little Rock, Ark., and restricting its use for the burial of men who served in the military or naval service of the Confederate States of America only.

Revised Statutes 4878, as amended by the act of April 15, 1920 (41 Stat. 532; U. S. C., 24:281), and the act of June 13, 1935 (Public. No. 132, 74th Cong.), authorizing burials in national cemeteries.

By deed dated June 9, 1913, the city of Little Rock conveyed to the United States of America the Confederate Cemetery in Little Rock, which property was accepted by the Secretary of War under the authority contained in the act of February 7, 1913, supra, for the purposes therein specified. A large portion of the tract so conveyed will never be required for the burial of Confederate veterans, and it is desired to amend said act in order that a conveyance may now be accepted from the city of Little Rock, without restriction, to the end that the Confederate area may be available for the future interment of those individuals who, under existing law, are entitled to burial in national cemeteries. The wall formerly separating the national and Confederate cemeteries has been removed, and the entire tract now comprises

one cemetery. The national cemetery area will soon be filled, and this additional space will provide ample burial space for many years. The proposed amendment removes the restrictions in the act of February 7, 1913, authorizes the acceptance of a new conveyance and adds appropriate language to permit the burial of all classes of soldiers, sailors, marines, and officers and enlisted men of the Coast Guard entitled to interment in a national cemetery.

The original donors, the city of Little Rock, are agreeable to this change.

The Acting Director, Bureau of the Budget, has advised that the proposed legislation would not be in conflict with the financial program of the President.

Sincerely yours,

GEO. H. DERN, Secretary of War.

Supplemental report from the War Department follows:

FEBRUARY 15, 1936.

HON. MORRIS SHEPPARD,
Chairman, Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: Referring to my letter to you of January 24, 1936, requesting the introduction of a bill to "Amend the act of February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes", it is further requested that this draft of bill be amended, before its introduction, if practicable to do so: (a) By inserting immediately after the word "marines", appearing in line 16 of the War Department draft, the words "and all officers or men of the Coast Guard", and (b) by inserting immediately after the word "dying", appearing in line 17 of the War Department draft, the words "in a destitute condition."

The foregoing amendments are deemed advisable in order that the bill will conform to title 24, section 281, United States Code.

Sincerely yours,

GEO. H. DERN, Secretary of War.

DISTINGUISHED SERVICE CROSS TO COL. JOHN A. LOCKWOOD

The Senate proceeded to consider the bill (S. 1880) granting the Distinguished Service Cross to Col. John A. Lockwood, United States Army, retired, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and to insert:

That the President is hereby authorized to cause the recommendation for the award of a decoration to Col. John A. Lockwood, United States Army, retired, who served as a captain in the United States Army, commanding Troop M, Fourth Regiment United States Cavalry, during October, November, and December 1899, for distinguished conduct in the Philippine Islands, to be considered by the proper boards or authorities, and such award made to said Lockwood as his said conduct merits.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the award of a decoration for distinguished service to Col. John A. Lockwood, United States Army, retired."

SLUM-CLEARING AND LOW-COST HOUSING PROJECTS

The Senate proceeded to consider the bill (S. 3247) to amend title II of the National Industrial Recovery Act, as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935, which had been reported from the Committee on Finance with an amendment, in section 2, page 3, line 9, after the date "1935", to strike out "shall not be construed as the acquisition of exclusive jurisdiction thereof by the United States and the civil rights under the local law of the tenants or inhabitants on such property shall remain unimpaired, and jurisdiction over any such property heretofore or hereafter acquired is hereby ceded back to the respective States in which such property is or may be located" and insert "shall not be held to deprive any State or political subdivision thereof, of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property heretofore or hereafter acquired is hereby ceded back to such State or subdivision", so as to make the bill read:

Be it enacted, etc., That section 203 (a) (3) of title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195), as amended by the Emergency Appropriation Act, fiscal year 1935, approved June 19, 1934 (48 Stat. 1055), and as extended by the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (Public Res. No. 11, 74th Cong.), is hereby amended by

inserting, after the words "required to be used for such purpose" and before the semicolon, the following: "Provided, That such sums as the Administrator shall determine to be necessary to provide for the payment of operation and maintenance (including insurance) of any project for slum clearance or low-cost housing or both (whether constructed or financed under this title or under or pursuant to the Emergency Relief Appropriation Act of 1935) shall be available for such purposes to the Administrator out of any moneys received from any lease of or from or on account of such project: *Provided further*, That section 321 of the act entitled 'An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes', approved June 30, 1932 (47 Stat. 382, 412), shall have no application to such leases."

SEC. 2. Section 203 (a) of the said National Industrial Recovery Act is further amended by striking out the word "and", after the words "improvement of transportation facilities"; and by inserting, after the words "in accordance with such act", the following: "and (6) to maintain and operate any project for slum clearance or low-cost housing or both (whether constructed or financed under this title or under or pursuant to the Emergency Relief Appropriation Act of 1935) and to pay as an operating expense such sums in lieu of taxes or special assessments or both to States, counties, municipalities, and political subdivisions thereof or any of them, as the Administrator may determine, and to dedicate streets, alleys, and parks for public use and grant easements: *Provided*, That the acquisition by the Administrator of any real or personal property in connection with the construction of any project for slum clearance or low-cost housing or both under this title or under or pursuant to the Emergency Relief Appropriation Act of 1935 shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property heretofore or hereafter acquired is hereby ceded back to such State or subdivision."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 10104) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof was announced as next in order.

Mr. ADAMS. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government was announced as next in order.

Mr. COUZENS. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

WASHINGTON GAS LIGHT CO.

The Senate proceeded to consider the bill (S. 3977) to authorize the Washington Gas Light Co. to alter its corporate structure, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, in section 1, page 1, line 5, after the word "Company", to insert the word "may."

The amendment was agreed to.

Mr. CLARK. Mr. President, I ask that the bill go over.

Mr. KING. Mr. President, will the Senator withhold his objection?

Mr. CLARK. I will be glad to withhold it.

Mr. KING. This bill is very important. It has been unanimously reported by the respective committees of the House and the Senate. It has the approval also of the District Commissioners and the Public Utilities Commission. They are very much in favor of it.

Mr. CLARK. I will ask the Senator to let the bill go over. I should like to have an opportunity to examine it. I regard the Washington Gas Light Co. as the most unconscionable monopoly that I know of in the utilities field in the United States. It has come under my observation, and I am not disposed to consent by my vote to any change in its corporate structure unless I have an opportunity to examine it and see what it is.

The PRESIDING OFFICER. The bill will be passed over, and the clerk will state the next bill on the calendar.

MISSOURI RIVER BRIDGE AT RANDOLPH, MO.

The bill (S. 3799) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo., was announced as next in order.

The PRESIDING OFFICER. There is an identical House bill on the calendar. Without objection, the House bill will be substituted for the Senate bill and considered at this time.

There being no objection, the bill (H. R. 10187) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo., was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3799 will be indefinitely postponed.

ST. LAWRENCE RIVER BRIDGE NEAR OGDENSBURG, N. Y.

The bill (S. 3971) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, heretofore extended by acts of Congress approved June 8, 1934, and May 28, 1935, are hereby further extended 1 and 3 years, respectively, from June 14, 1936.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

BILL PASSED OVER

The bill (S. 3486) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States" was announced as next in order.

Mr. ROBINSON. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT TO DISTRICT OF COLUMBIA UNEMPLOYMENT ACT

The bill (S. 4165) amending section 1 (h) of the District of Columbia Unemployment Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 (h) of the District of Columbia Unemployment Compensation Act is hereby amended by striking therefrom the figure "15" and inserting in lieu thereof the figure "16."

SEC. 2. Section 1 (k) of the said act is hereby amended so as to read as follows:

"(k) The term 'week' means the calendar week commencing at 12:01 o'clock antemeridian Sunday and ending at 12 o'clock midnight the following Saturday, or any fiscal week of 7 days ending at 12 o'clock midnight on any week day: *Provided*, That an employer keeping records and making reports on a fiscal-week basis shall not change such basis without specific written permission of the Board or its duly authorized officer."

SEC. 3. Section 4 of the aforesaid act is hereby amended by inserting at the end thereof a new subsection to be lettered "(f)" and to read as follows:

"(f) The Board may, if it determines such measure to be advisable, by suitable regulations provide for the payment of contributions of \$2 or less by the cancelation of stamps to be sold by the Board."

SEC. 4. Section 18 (b) of the said act is hereby amended by striking therefrom the words "which will reveal the employer's identity."

The title was amended so as to read: "A bill amending the District of Columbia Unemployment Act."

PENALTIES FOR RECKLESS DRIVING IN THE DISTRICT

The Senate proceeded to consider the bill (S. 3976) to amend the act approved February 27, 1931, known as the District of Columbia Traffic Act, which had been reported from the Committee on the District of Columbia with amendments.

Mr. BORAH. Mr. President—

Mr. McKELLAR. I should like an explanation of the bill. Mr. BORAH. I wish to inquire what this bill proposes with reference to the District of Columbia Traffic Act?

Mr. KING. Mr. President, the bill now before the Senate deals only with the question of reckless driving. Under the present law the penalty for reckless driving is, as I recall, \$100 and 30 days in jail. The Commissioners recommended

6 months' imprisonment and \$500 fine. The committee, or some members of the committee, believed that was a little too extreme, and they amended it by providing for a \$250 fine and 3 months' imprisonment for reckless driving.

Mr. BORAH. What is the fine now?

Mr. KING. It is \$100.

Mr. BORAH. And I presume it is not inflicted once in a thousand times?

Mr. KING. Oh, yes; it is.

Mr. BORAH. I never heard of it being done.

Mr. KING. I may say that the District authorities are administering the present act very effectively, and every day, if the Senator will note the newspapers, he will see that many, many drivers' licenses are suspended.

Mr. BORAH. That may be true, but they assess a fine of \$5, and sometimes even remit that.

Mr. KING. That is a matter for the judges, but this bill provides a greater penalty for an offense of which, I am sorry to say, some people are guilty.

Mr. ROBINSON. The bill, as I understand, authorizes both fine and imprisonment?

Mr. KING. Exactly, and increases the penalty. I should like to see it a little more severe.

Mr. McKELLAR. As I understand, it does not provide for both penalties, but either may be inflicted.

Mr. ROBINSON. Well, it may be both. The clause is in the usual form.

The PRESIDING OFFICER. The amendments reported by the committee will be stated.

The amendments of the Committee on the District of Columbia were, on page 1, at the beginning of line 11, to strike out "\$500" and insert "\$250", and in the same line, after the word "than", to strike out the word "six" and insert the word "three", so as to make the bill read:

Be it enacted, etc., That subsection (c) of section 9 of the act of Congress entitled "An act to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia Traffic Acts, etc.", be, and the same is hereby, amended to read as follows: "(c) Any individual violating any provision of this section where the offense constitutes reckless driving shall upon conviction for the first offense be fined not more than \$250 or imprisoned not more than 3 months, or both; and upon conviction for the second or any subsequent offense committed within 2 years from the date of any such previous offense such individual shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRADE AND VOCATIONAL SCHOOLS IN THE DISTRICT

The bill (H. R. 8577) to amend the Teachers' Salary Act of the District of Columbia approved June 4, 1924, as amended in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That it is the purpose of this act to raise the trade or vocational schools from the present elementary-school level to the rank of junior high schools as to salary schedule; and to provide other necessary legislation relating thereto.

SEC. 2. That on and after July 1, 1936, the salaries of teachers and principals of the trade or vocational schools shall be as follows:

CLASS 1—TEACHERS

Group A. A basic salary of \$1,400 per year, with an annual increase in salary of \$100 for 8 years, or until a maximum salary of \$2,200 per year is reached.

Group B. A basic salary of \$2,300 per year, with an annual increase in salary of \$100 for 3 years, or until a maximum salary of \$2,600 per year is reached.

CLASS 2—TEACHERS

Group A. A basic salary of \$1,600 per year, with an annual increase in salary of \$100 for 8 years, or until a maximum salary of \$2,400 per year is reached.

Group B. A basic salary of \$2,500 per year, with an annual increase in salary of \$100 for 3 years, or until a maximum salary of \$2,800 per year is reached.

Group C. A basic salary of \$1,800 per year, with an annual increase in salary of \$100 for 10 years, or until a maximum salary of \$2,800 per year is reached.

Group D. A basic salary of \$2,900 per year, with an annual increase in salary of \$100 for 3 years, or until a maximum salary of \$3,200 per year is reached.

CLASS 8—PRINCIPALS

A basic salary of \$3,500 per year, with an annual increase in salary of \$100 for 5 years, or until a maximum salary of \$4,000 per year is reached.

SEC. 3. That the Board of Education is hereby authorized, empowered, and directed to classify and assign the teachers and principals in the service in trade or vocational schools on July 1, 1936, to the salary classes and positions in the foregoing salary schedule for said trade or vocational schools, in accordance with such rules as the Board of Education may prescribe.

SEC. 4. That the Board of Education is authorized and empowered to establish occupational schools on the elementary-school level for pupils not prepared to pursue vocational courses in the trade or vocational schools; and also to carry on trade or vocational courses on the senior high school level or in senior high schools.

SEC. 5. The appointments, assignments, and transfers of teachers and principals authorized in this act shall be made in accordance with the act approved June 20, 1906, as amended (Public, No. 254).

SEC. 6. This act shall take effect on July 1, 1936.

RED RIVER BRIDGE, MINNESOTA AND NORTH DAKOTA

The Senate proceeded to consider the bill (S. 3945) to extend the times for commencing and completing the construction of a certain free highway bridge across the Red River from Moorhead, Minn., to Fargo, N. Dak., which had been reported from the Committee on Commerce with amendments, on page 1, line 8, after the date 1934, to insert "heretofore extended by an act of Congress approved August 5, 1935", and on page 2, at the beginning of line 1, to insert the word "further", so as to make the bill read:

Be it enacted, etc., That the times for commencing and completing the construction of two free highway bridges across the Red River, between Moorhead, Minn., and Fargo, N. Dak., authorized to be built by the State Highway Departments of the States of Minnesota and North Dakota by an act of Congress approved June 4, 1934, heretofore extended by an act of Congress approved August 5, 1935, are hereby further extended 1 and 3 years, respectively, from June 4, 1936.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALICE D. HOLLIS

The bill (S. 3516) for the relief of Alice D. Hollis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alice D. Hollis, widow of William Stanley Hollis, late a consul general of the United States, the sum of \$7,000, such sum representing 1 year's salary of her deceased husband who died while in the Foreign Service.

BILL PASSED OVER

The bill (S. 3744) to amend the act creating the Federal Trade Commission, to define its powers and duties, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JURISDICTION IN NORTHERN AND MIDDLE DISTRICTS OF ALABAMA

The bill (S. 3477) relating to the jurisdiction of the judge for the northern and middle districts of Alabama was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That from and after the date of enactment of this act, except as hereinafter provided, the jurisdiction of the present district judge for the northern and middle districts of Alabama, and his successors, shall be confined to the middle district of such State.

SEC. 2. (a) If the trial of any case has been entered upon in the northern district of Alabama before said district judge for the northern and middle districts of Alabama and has not been concluded on or before the date of enactment of this act, the jurisdiction in such northern district of said judge shall be deemed to be extended as to such trial until it has been concluded.

(b) The said judge shall have power, notwithstanding his absence from such northern district, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon in writing filed with the clerk of the court where the trial or hearing was had shall be as valid as if such action had been taken

by him within such district and prior to the date of enactment of this act.

Sec. 3. Nothing in this act shall be construed to alter or amend any provision of law relating to the designation and assignment of a district judge to hold court in a district other than his own.

CONVEYANCE OF LAND TO ENFIELD, CONN.

The bill (H. R. 8559) to convey certain land to the city of Enfield, Conn., was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to convey to the board of selectmen of the town of Enfield of the State of Connecticut, for street purposes only, all the right, title, and interest of the United States to the following-described parcel of land which forms a part of the new post-office site at Enfield, Conn.:

Lying and being in the town of Enfield, county of Hartford, State of Connecticut, being a strip of land fronting 32 feet on the northerly side of High Street and extending of that width in a northwardly direction along the westerly side of Bartley Avenue for the full depth of the post-office site, a distance of 150 feet: *Provided, however,* That the said town of Enfield, Conn., shall not have the right to sell or convey the said described premises nor to devote the same to any other purpose than as hereinbefore provided; and in the event said premises shall not be used for street purposes only and cared for and maintained as are other public streets in said town, the right, title, and interest conveyed to the town of Enfield shall revert to the United States.

DISPOSITION OF POST-OFFICE PROPERTY AT OAKLAND, CALIF.

The bill (H. R. 6645) to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926, is amended by adding the following: "That the Secretary of the Treasury be, and he is hereby, authorized and empowered, as soon as he advantageously can do so, to sell, alter, remodel, demolish, or otherwise dispose of the old post-office building at Oakland, Calif., the cost of demolition or other disposition, if any, to be paid from any unallocated moneys available for public building construction. The Secretary of the Treasury is hereby further authorized to sell all of the old post-office site situated at Broadway, Seventeenth, and Franklin Streets in Oakland, Calif., at such time, for such price, and upon such terms and conditions as he may deem to be to the best interests of the United States, and to convey such property to the purchaser thereof by the usual quitclaim deed, the proceeds of said sale to be covered into the Treasury as miscellaneous receipts."

C. C. YOUNG

The Senate proceeded to consider the bill (S. 2553) for the relief of C. C. Young, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

That jurisdiction is hereby conferred upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment, as if the United States were suable in tort, upon the claim of C. C. Young, father of Adriel Young, who was killed by the explosion of a 37-millimeter shell near Camp Pike, Ark., on September 15, 1932.

Sec. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 20 of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of C. C. Young."

ADDITIONAL LAND FOR WALTER REED GENERAL HOSPITAL

The Senate proceeded to consider the bill (H. R. 3629) to authorize the acquisition of additional land for the use of Walter Reed General Hospital, which was read, as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to negotiate for the purchase from the present owner or owners, and to enter into a contract for the purchase, if the price be satisfactory and within the limits hereby authorized, of all that tract or parcel of land shown on plat book of the District of Columbia

as parcels 89/16, 89/17, 89/18, and 89/19, located adjacent to and on the south side of the existing reservation of the Walter Reed General Hospital, and extending from Sixteenth Street on the west through to Georgia Avenue on the east, and containing 22.78 acres, more or less, exclusive of all lands therein set apart for streets; and if said land be acquired, the said Walter Reed General Hospital, by the Secretary of War, is hereby authorized and empowered to use for hospital purposes all land indicated upon said plat book as reserved and set apart for streets within said tract of land, and all of said land when so acquired shall be for use in connection with the Walter Reed General Hospital.

Sec. 2. That there is hereby authorized to be appropriated a sum not exceeding \$204,162 to enable the Secretary of War to carry out the provisions of this act.

Sec. 3. If the Secretary of War be unable to negotiate a contract for the purchase of said tract of land from the present owner or owners thereof at a price that he shall deem to be fair and reasonable, and not exceeding the sum of \$204,162, then and in such event the Secretary of War is hereby authorized to cause condemnation proceedings to be instituted in the name of the United States for the condemnation of said tract of land for the purposes herein stated, under the provisions of the act of Congress of May 18, 1933, being Public Law No. 17 of the Seventy-third Congress, and entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama; and for other purposes." Section 25 of said act, with reference to the procedure in condemnation proceedings, is hereby made a part of this act by way of reference and for the purpose of prescribing the mode and manner of exercising the right of eminent domain for securing for the uses of the Government of the United States the land hereinbefore mentioned. The provisions of this section shall not be construed to be in substitution for but shall be supplemental to any method of acquiring land or interests therein provided in existing law.

Sec. 4. In the hearing upon said condemnation proceedings it shall be in order to introduce in evidence the tax assessments as to said real estate of the taxing authorities of the District of Columbia for the 10 years preceding the institution of such condemnation proceedings, and it shall be further in order to offer in evidence in the course of said condemnation proceedings testimony as to the prices for which parcels of real estate situate within 1,000 feet of any portion of the land hereby sought to be acquired for the uses of the United States Government, whether such sale was by private contract between the seller and buyer, or at any judicial sale, whether for the partition of real estate or for the satisfaction of any lien, or for the satisfaction of any execution based upon judgment, and any other facts logically and naturally indicating the fair and reasonable value of said parcel of real estate shall be competent to be introduced in evidence in such condemnation proceedings, irrespective and notwithstanding any existing rules of evidence heretofore prevailing in the United States courts in the District of Columbia or elsewhere.

Mr. KING. Mr. President, I notice that the War Department opposes this measure. I am not familiar with it.

Mr. SHEPPARD. Mr. President, the purpose of this bill is to authorize the Secretary of War to negotiate for the purchase of a tract of land of some 22 acres lying immediately south of the present Army Medical Center here in Washington, which includes Walter Reed Hospital. The War Department points out that this land is needed for additional facilities, primarily for quarters. Eighty-three officers of the 105 on duty at Walter Reed General Hospital now reside at varying distances therefrom, and at an annual commutation cost to the Government of about \$100,000. The War Department calls attention to the fact that savings would eventually accrue to the Government by the enactment of this legislation, and that in addition it is considered necessary for the efficient functioning of the hospital that a greater number of the officer personnel on duty at the hospital should reside in closer proximity thereto.

The land for which provision is made in the bill is the only available land remaining for the expansion of Walter Reed General Hospital, expansion in any other direction being precluded by existing street and building developments. The bill authorizes an appropriation of not to exceed \$204,162 to enable the Secretary of War to carry out the provisions of the measure. In view of the fact that the Bureau of the Budget points out this proposed legislation is not in accord with the President's financial program, the War Department does not recommend favorable action. However, in its report on the bill the needs for the additional land for Walter Reed are clearly set forth, and in view of these needs the Military Affairs Committee, after

giving careful consideration to House bill 3629, has reported it favorably with a recommendation that it pass.

The bill was ordered to a third reading, read the third time, and passed.

TIMBER RIGHTS ON GIGLING MILITARY RESERVATION, CALIF.

The bill (H. R. 10182) to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to acquire by purchase, condemnation, or otherwise, all the rights and interests which were reserved by the former owners on conveyance to the United States of the land embraced in the military reservation known as the Gigling Military Reservation (now designated as Camp Ord), in Monterey County, Calif., relative to the cutting of timber thereon and the preparation and removal of forest products, and to terminate all easements, rights, and privileges insofar as they have application to timber operations for private benefit; and there is hereby authorized to be appropriated the sum of \$25,000 to carry out the provisions of this act.

RELIEF OF STATE OF ALABAMA

The bill (H. R. 3369) for the relief of the State of Alabama, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the State of Alabama be, and is hereby, relieved from all responsibility and accountability for certain quartermaster and other property to the approximate value of \$22,361.43, the property of the War Department in possession of the Alabama National Guard, which was lost, destroyed, or used for emergency relief work incident to the Elba (Ala.) flood of March 1929, and the tornadoes which occurred over large portions of said State in March 1932; and the Secretary of War is hereby authorized and directed to terminate all further accountability for said property.

ARMY BASE TERMINAL, CHARLESTON, S. C.

The Senate proceeded to consider the bill (S. 3789) authorizing the Secretary of Commerce to convey the Charleston Army base terminal to the city of Charleston, S. C., which had been reported to the Committee on Commerce with an amendment, on page 1, after line 7, to strike out the words "leased by the United States Shipping Board to the Port Utilities Commission of Charleston, S. C., on December 3, 1930, with the exception of such portion of said land as has been transferred by the War Department by Executive order" and to insert in lieu thereof "transferred to the United States Shipping Board by Executive Order No. 3920 dated November 3, 1923, with the exception of such portion of said land as has been retransferred to the War Department by Executive order, or is now under consideration for retransfer, and also subject to all the rights and privileges now enjoyed by the War Department as specifically set forth in said Executive Order No. 3920, or as may hereafter be agreed upon by Secretary of War and the city of Charleston: *Provided, however,* That the charges for water and electric current furnished the War Department shall not exceed rates prevailing in the city of Charleston and vicinity for such services", so as to make the bill read:

Be it enacted, etc., That the Secretary of Commerce is authorized and directed to convey by quitclaim deed to the city of Charleston, S. C., that portion of the Charleston Quartermaster Intermediate Depot, including improvements thereon, which was transferred to the United States Shipping Board by Executive Order No. 3920 dated November 3, 1923, with the exception of such portion of said land as has been retransferred to the War Department by Executive order, or is now under consideration for retransfer, and also subject to all the rights and privileges now enjoyed by the War Department as specifically set forth in said Executive Order No. 3920, or as may hereafter be agreed upon by Secretary of War and the city of Charleston: *Provided, however,* That the charges for water and electric current furnished the War Department shall not exceed rates prevailing in the city of Charleston and vicinity for such services.

SEC. 2. The deed executed by the Secretary of Commerce shall contain the express condition that in the event of a national emergency the property so conveyed, with all improvements placed thereon, may be taken upon order of the President by the United States for the use of the War Department during the period of such emergency.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IRRIGATION CHARGES ON INDIAN RESERVATION PROJECTS

The bill (S. 1318) to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let the bill go over.

Mr. O'MAHONEY. Mr. President, I hope the Senator will withhold his objection in order that I may make an explanation of the measure.

Mr. McKELLAR. I shall withhold it to hear what the Senator has to say.

Mr. O'MAHONEY. This is a measure to authorize and direct the Secretary of the Interior to make an investigation into the question of irrigation charges to white settlers on certain Indian reclamation projects. As long ago as 1914 a law was enacted by Congress which made reimbursable to the Federal Government all expenditures that had been theretofore or might thereafter be made on Indian reclamation projects. The result has been that in numerous cases whites who purchased lands within certain projects were by that act of Congress made responsible for the repayment pro rata of expenditures which had previously been made.

In 1932 Congress enacted a law authorizing the Secretary of the Interior to make investigation with respect to Indian-owned lands and to adjust the charges, so that the lands now owned by whites are in a different status from those owned by Indians. The bill merely authorizes the Secretary to make investigation and report to Congress. No modification of charges can be made without an act of Congress after the report is submitted.

Mr. McKELLAR. Mr. President, I invite the Senator's attention to the report of Secretary Ickes, who said:

The foregoing facts, and the substitute draft of legislation, were submitted to the Bureau of the Budget on April 22 for consideration and appropriate recommendation. The Acting Director of that Bureau advised on May 28 that neither S. 1318, nor the proposed substitute therefor, would be in accord with the financial program of the President. His reasons are set forth at some length, as will be noted from the enclosed copy of his letter to me.

That is signed by Secretary Ickes. In the report of the Acting Director of the Budget, who is the present Budget Director, I find this statement:

In this view of the situation you are advised that neither the bill S. 1318, nor the proposed substitute therefor, would be in accord with the financial program of the President.

Mr. O'MAHONEY. The committee has met that objection.

Mr. McKELLAR. Why did they overrule the objection?

Mr. O'MAHONEY. The committee did not overrule the objection as a matter of fact, but met it by eliminating from the bill the provision which would have made the recommendations of the Secretary effective within 60 days after being reported to Congress unless rejected. That provision is no longer in the bill, so that nothing can be made effective without special act of Congress. Therefore the Bureau of the Budget and the Secretary of the Interior will have ample opportunity to raise objections if any financial problem should be involved.

Mr. McKELLAR. Will the Senator state in a word what is the purpose of the bill?

Mr. O'MAHONEY. The purpose of the bill is to enable the Secretary of the Interior to make recommendations to Congress for the modification or cancellation of certain charges upon the old Indian projects where white settlers, having moved in and having purchased the land in good faith, are now being bound by expenditures which were made before they purchased the land.

Mr. McKELLAR. The effect of the bill would be to give the Secretary a power which he does not want to assume and does not think proper to assume, and he reports against the bill.

Mr. O'MAHONEY. Only because of the provision regarding the budgetary objection.

Mr. KING. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. KING. May I inquire whether the investigation contemplated by the act is limited only to the State of Wyoming or will it embrace investigations in other States where white settlers have obtained Indian lands and many of whom now are unable to get water, though water was promised by the Government when they purchased the land.

Mr. O'MAHONEY. It will apply to all Indian reclamation projects.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1318) to authorize the Secretary of the Interior to adjust irrigation charges on projects on Indian reservations, and for other purposes, which had been reported from the Committee on Indian Affairs with an amendment to strike out all after the enacting clause and to insert the following:

That the Secretary of the Interior is authorized and directed to cause an investigation to be made to determine whether the owners of non-Indian lands under Indian irrigation projects and under projects where the United States has purchased water rights for Indians are unable to pay irrigation charges, including construction, maintenance, and operating charges, because of inability to operate such lands profitably by reason of lack of fertility of the soil, inadequacy of water supply, defects of irrigation works, or for any other causes. Where the Secretary finds that said landowners are unable to make payment due to the existence of such causes, he may adjust, defer, or cancel such charges, in whole or in part, as the facts and conditions warrant. In adjusting or deferring any such charges the Secretary may enter into contracts with said landowners for the payment of past due charges, but such contracts shall not extend the payment of such charges over a period in excess of 10 years.

SEC. 2. Where the Secretary finds that any such lands cannot be cultivated profitably due to a present lack of water supply, proper drainage facilities, or need of additional construction work, he shall declare such lands temporarily nonirrigable for periods not to exceed 5 years and no charges shall be assessed against such lands during such periods.

SEC. 3. Where the Secretary finds that any such lands are permanently nonirrigable he may, with the consent of the landowner, eliminate such lands from the project.

SEC. 4. Where irrigation assessments against any such lands remained unpaid at the time the Indian title to such lands became extinguished and no lien existed and attached to such lands for the payment of charges so assessed and no contract for the payment of such charges was entered into, the Secretary shall cancel all such charges.

SEC. 5. The Secretary shall have power to make such rules and regulations as may be necessary to carry out the provisions of this act.

SEC. 6. The Secretary shall make reports to the Congress on the first Monday of each regular session, and from time to time thereafter, showing the action taken under the provisions of this act during the preceding year. No proceedings under this act shall become effective until approved by the Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes."

MANNER OF INFLECTING THE PUNISHMENT OF DEATH

The Senate proceeded to consider the bill (S. 3836) to amend the Criminal Code with respect to the manner of inflicting the punishment of death, which was read, as follows:

Be it enacted, etc., That section 323 of the act entitled "An act to codify, revise, and amend the penal laws of the United States", approved March 4, 1909, is amended to read as follows:

"Sec. 323. The manner of inflicting the punishment of death shall be the same as that provided by the law of the State, Territory, possession, or the District of Columbia, in which the judgment of death is rendered, but if the laws of any such State, Territory, possession, or the District of Columbia do not provide for the penalty of death or for the manner of inflicting the punishment of death, then the manner of inflicting such punishment shall be by hanging. Such punishment may be inflicted at any place within the State, Territory, possession, or the District of Columbia in which the judgment of death is rendered."

Mr. ROBINSON. Mr. President, I think the Senator in charge of the bill should explain it.

Mr. VAN NUYS. Mr. President, the present law where the penalty is death provides as follows:

The manner of inflicting the penalty of death shall be by hanging.

The bill would amend that provision of the statute so as to make the punishment accord to the State practice. In those States whose law provides for electrocution, the death penalty would be inflicted by electrocution. Arizona uses lethal gas to inflict the death penalty. Other States have different means of inflicting the death penalty. This measure would make the punishment accord to the State practice.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. VAN NUYS. Certainly.

Mr. BORAH. There is so much disturbance in the Chamber I cannot understand the explanation which the Senator is making.

Mr. VAN NUYS. The only purpose of the bill is, where the death penalty is inflicted under the Federal statute, to provide that the penalty shall be inflicted in the manner provided by the laws of the different States. In Indiana it would be by electrocution. In Arizona it would be by lethal gas. Other States have different means of inflicting capital punishment.

The Federal law is arbitrary as it stands today and death must be by hanging. For instance, in the United States District Court of Indiana recently there was convicted a man who under the present law had to be hanged. The United States marshal had to search several States to procure a gallows to inflict the punishment according to the Federal statute as it now reads. Under the amendment proposed by this bill that man could have been electrocuted in the State penitentiary in the form provided by the State statute.

Mr. BORAH. It simply provides that the Federal Government in the matter of execution shall conform to the practice in the States?

Mr. VAN NUYS. That is all there is to it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITIONAL JURISDICTION UNDER THE BANKRUPTCY ACT

The bill (H. R. 10490) to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 79 of chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, be, and the same is hereby, amended to read as follows:

"Sec. 79. Additional jurisdiction: Until January 1, 1940, in addition to the jurisdiction exercised in voluntary and involuntary proceedings to adjudge persons bankrupt, courts of bankruptcy shall exercise original jurisdiction in proceedings for the relief of debtors, as provided in this chapter of this act."

Mr. ROBINSON. Mr. President, may I say with reference to the bill just passed that it merely extends the time in which debtors may be adjudged bankrupts.

OPERATION OF FOREIGN AND AMERICAN SHIPS IN THE FOREIGN TRADE

The Senate proceeded to consider the resolution (S. Res. 260) requesting certain information concerning the operation of foreign ships and of American ships engaged in foreign trade.

Mr. COPELAND. Mr. President, there are on the desk some amendments which have been considered and reported by the Commerce Committee. I ask that they may be now considered.

The PRESIDING OFFICER. The clerk will report the amendments.

The amendments were, on page 1, line 3, after "of", insert "all"; on page 1, line 3, after "the", strike out "most important"; on page 2, line 13, after "of", strike out "the six" and insert "each of the"; on page 2, line 13, after "operating", strike out "the largest"; on page 2, line 14, after "for", insert "each of"; on page 2, line 14, after "1926" strike out all down to and including "and" in line 15 and insert "to"; on page 2, line 15, after "1935", insert a comma and the following: "inclusive"; and, on page 2, line 19, after

"contracts", strike out all down to and including "mail" in line 22, so as to make the resolution read:

Resolved, That the Secretary of Commerce is requested to furnish to the Senate, as soon as practicable, the following information: (1) A list of all the acts of Congress governing the operation of American ships in foreign trade; (2) a brief summary of the handicaps which confront American-flag ships when competing with ships of a foreign flag; (3) show how these handicaps result in higher operating costs to the American shipowner; (4) whether it is the general practice of American shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-trade ships of the American merchant marine; (5) whether it is the general practice of foreign shipowners to purchase fuel and supplies in this country or abroad, and the approximate annual amount of such purchases for all foreign-flag ships trading with the United States and its possessions; (6) the estimated percentage of the relative operating costs of ships flying the flags of Great Britain, Germany, France, Italy, and Japan on the basis of 100 percent for ships flying the flag of the United States; (7) the percentage of American trans-Atlantic cargo carried by American-flag ships and the percentage carried by foreign-flag ships; (8) the percentage of American trans-Pacific cargo carried by American-flag ships and the percentage carried by foreign-flag ships; (9) the profit or loss of American lines operating American-flag tonnage for each of the years 1926 to 1935, inclusive; (10) the operating expenses of the same lines for the same years and their gross incomes for such years; (11) how many of such lines held mail contracts, either on a poundage or per-mile basis, and the aggregate amount of money paid to them under such contracts.

The amendments were agreed to.

Mr. BLACK. Mr. President, I have a number of amendments which I desire to offer to the resolution.

The PRESIDING OFFICER. The amendments offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 2, line 10, after the word "ships", it is proposed to insert "during each year from 1918 to 1935, inclusive."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 12, it is proposed to make the same amendment.

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 12, it is proposed to strike out the words "the profit or" and all of lines 13 and 14, and in line 15 to strike out "1934, and 1935" and to insert in lieu thereof:

The profit or loss of all American lines now holding foreign ocean mail contracts for each of the years from 1926 to 1935, inclusive, showing in each instance the percentage that such profits or losses bears to the capital stock of the company reported upon, and showing in each instance all commissions and compensation of any nature paid by such lines to all affiliated, associated, subsidiary, or holding companies of such lines.

Mr. McNARY. Mr. President, before action is taken upon that amendment, I wish to ask the Senator from Alabama a question. The amendment has not been printed, has it?

Mr. BLACK. It has not.

Mr. McNARY. This is the first exposition we have had of the amendment, and there has been no discussion of it. A number of absent Senators are interested in this matter.

Mr. BLACK. No; there has been no discussion of it. I may state to the Senator that I did explain to the Senator from Maryland the type of amendment I desired to offer. This is a resolution calling for information only.

Mr. McNARY. I appreciate that fact; but, in view of the absence of some Members on this side of the Chamber, I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. COPELAND. Would it not be well to have the amendments printed so that they will be available?

Mr. McNARY. Of course, my request would include the printing of the amendments.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

ENFORCEMENT OF TWENTY-FIRST AMENDMENT

The Senate proceeded to consider the bill (H. R. 8368) to enforce the twenty-first amendment, which had been reported from the Committee on the Judiciary with an amendment, in section 11, page 7, line 12, after the word "act", to insert "and nothing in this act shall apply to the Canal Zone", so as to make the section read:

Sec. 11. Nothing contained in this act shall repeal any other provisions of existing laws except such provisions of such laws as are directly in conflict with this act and nothing in this act shall apply to the Canal Zone.

Mr. McKELLAR. Mr. President, will the Senator from Utah explain this bill?

Mr. KING. Mr. President, a number of amendments have been submitted in part to meet typographical errors and because of the necessity of renumbering the paragraphs and sections. There is one amendment which strikes out a provision which is found in another bill which has passed the House and will be reported by the Finance Committee within a few days. The primary purpose of the bill is to protect the dry States against the transportation of liquor into the same.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. BORAH. Mr. President, I have not had an opportunity to read the bill. What do I understand the Senator to say to be the object of the bill?

Mr. KING. It is to protect the dry States.

Mr. BORAH. In what way?

Mr. KING. In matters arising under the twenty-first amendment; that is, following the repeal of the eighteenth amendment and the adoption of the twenty-first amendment, it became necessary to provide by Federal law for the protection of the so-called dry States.

Mr. BORAH. I understand; but how is it proposed to protect the dry States?

Mr. KING. So that liquor may not be transported into dry States, or, if so, then, with respect to its movement or use, it shall be subject to the laws of such States.

Mr. BORAH. Does the bill undertake to deal with the matter of transporting liquor into the States?

Mr. KING. As I understand the bill, it forbids it.

Mr. BORAH. It forbids the shipment of liquor into dry States?

Mr. KING. Yes.

Mr. BORAH. And provides a penalty for such shipment?

Mr. KING. Yes; that is my understanding.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. KING subsequently said: Mr. President, inadvertently, when the Senate considered House bill 8368, there were a number of amendments not disposed of. I now enter a motion to reconsider the votes whereby the bill was ordered to a third reading, read the third time, and passed; and when the Senate again meets, I shall ask to have the bill again considered.

The PRESIDING OFFICER. The motion of the Senator from Utah will be entered.

BILL PASSED OVER

The bill (S. 4197) relating to the admissibility in evidence of certain writings and records made in the regular course of business was announced as next in order.

Mr. ASHURST. Mr. President, in that bill there is a word which I think I should like to explore further before I ask the Senate to consider the bill. I ask to have the bill go over for the present.

The PRESIDING OFFICER. The bill will be passed over.

TERMS OF DISTRICT COURT, MIDDLE DISTRICT OF PENNSYLVANIA

The bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., was announced as next in order.

Mr. COPELAND. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. ASHURST. Mr. President, I should like to take a moment on the next bill.

My able friend from New York, the senior Senator from that State, has objected to this bill. With reluctance and regret, my conception of my duty will require me to move to proceed to the consideration of the bill as soon as the call of the calendar shall have been completed. Not as a threat, not in any bad humor, but, carrying out what I believe to be my duty, I now respectfully give notice that just as soon as the call of the calendar shall have been completed I will move to proceed to the consideration of this bill, for reasons which I shall then give.

I ask to have the notice entered that I shall make the motion and crave the recognition of the Chair when the calendar shall have been completed.

STATUE OF ALBERT GALLATIN

The joint resolution (S. J. Res. 215) authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C., was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That authority is hereby granted to any association organized within 2 years from date of the approval of this resolution for that purpose to erect a statue of Albert Gallatin, Secretary of the Treasury, from May 14, 1801, to February 9, 1814, opposite the west entrance to the Treasury Building in the city of Washington within the grounds occupied by such building, or at such other place within such grounds as may be designated by the Fine Arts Commission, subject to the approval of the Joint Committee on the Library, the model of the statue so to be erected and the pedestal thereof to be first approved by the said Commission and by the Joint Committee on the Library, the same to be presented by such association to the people of the United States.

Sec. 2. That for the preparation of the site and the erection of a pedestal upon which to place the said statue, under the direction of the Director of Public Buildings and Public Parks of the National Capital, the sum of \$10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated.

CONSTRUCTION OF BASIN FOR TESTING MODELS OF NAVAL CRAFT

The bill (H. R. 10135) to authorize the construction of a model basin establishment, and for other purposes, was announced as next in order.

Mr. BORAH. Mr. President, what is the proposed model basin?

Mr. WALSH. Mr. President, this is a bill which has already been passed by the House. The naval appropriation bill contains an appropriation of the amount mentioned in the bill, which authorizes the appropriation of \$3,500,000.

I can best explain what the naval experimental model basin is by reading some of the testimony presented to the Naval Affairs Committee by Admiral Land.

Mr. BORAH. I will not ask the Senator to do that; but I do not understand the object of the basin. Is it a bathing basin?

Mr. WALSH. No, sir. Before ships are built, models of them are made, and tests are made of the speed and strength of the models; tests are made of the material of the different parts of the mechanism, and so forth; and that is true also of airplanes. There is now in every country such a basin. We now have one at the Washington Navy Yard, but it is obsolete and is unable to perform the functions that are required. Great Britain has two such model basins; Germany has one; Japan is planning one; nearly every maritime country in the world has one. The one at the Washington Navy Yard is obsolete and inadequate and too small for the purposes required.

Mr. BORAH. This basin is necessary as a part of the Naval Establishment; is it?

Mr. WALSH. In order correctly to build a ship, it is necessary to have a basin of this kind, not only for the Navy but for our merchant marine. Private shipping interests hire the use of this basin for the purpose of testing out their models; and it is expected that one-half the expense will be borne by income received from American shipping interests which now have to go to foreign countries to have this work done.

Mr. KING. Mr. President, may I ask the Senator a question?

Mr. WALSH. I yield to the Senator from Utah.

Mr. KING. I notice in the bill it is provided, in line 11, page 1—

Including aircraft and the investigation of other problems of ship design, at a cost not to exceed \$3,500,000.

Is the Government to expend \$3,500,000 for this purpose?

Mr. WALSH. This bill merely authorizes the appropriation. The naval appropriation bill, which is before the House and is about to reach the Senate, will have in it an item for this purpose; and at that time the Senator will be able to question the appropriation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WALSH. I yield to the Senator from Maryland.

Mr. TYDINGS. Is it not a fact that without a basin of this kind not only war craft but all merchant marine ships cannot be tested as to displacement, safety devices, speed, oil carriage, how they heel in rough water, the angle of pitch, and many other things that are necessary to be determined in the design of a ship? Models of all the ships that are being built in this country are tested in foreign countries except those that will fit in the present antiquated basin in Washington; and unless this proposed basin shall be built it will be necessary to prepare large models of ships that are to be constructed, send them abroad, have them tested in foreign model basins, and pay the fee over there. While every other maritime country in the world has one of these model-testing basins, we have none that will now fit the needs.

Mr. WALSH. It is a matter of great humiliation that we have no such basin.

Mr. KING. Mr. President—

Mr. WALSH. If the Senator will withhold his question for a moment, I desire to read what Admiral Land says:

The naval experimental model basin is one of the most vital projects that face the country as a whole. That is evident, because it has not only to do with ships or shipping but also has to do with aviation.

The model basin which we now have is in the Washington Navy Yard and was designed in 1895. It is quite obsolete in its size and in everything pertaining thereto. Its poor foundations—

By the way, it is necessary to have a rock foundation. That is why it is contemplated to build this new basin away out in the District of Columbia, up the Potomac River, where a suitable rock foundation may be had.

Its poor foundations make it extremely difficult to obtain better designs by the designing Bureau of the Navy Department. They cannot expand because of the lack of space. It is in a congested area and is quite unsatisfactory.

Other maritime countries of the world have produced, or have built, far more efficient model basins in the last few years, the data of which is available in this House Pamphlet No. 484. Those countries are: Two in England, 3 in Germany, 1 in Austria, 2 in Italy, 1 in France, and a projected one in Japan.

I hope the Senator will not object to the consideration of the bill, because I really think this model basin is a basic necessity for the building of proper naval sea and aircraft.

Mr. KING. Mr. President, I am unwilling now to vote for an authorization of \$3,500,000 for building such a basin. That is what it amounts to. Let the bill go over for the present.

The PRESIDING OFFICER. The Senator from Utah objects. The clerk will state the next bill on the calendar.

LAND FOR NAVAL AIR STATION, CALIFORNIA

The Senate proceeded to consider the bill (S. 4020) to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to purchase in behalf of the United States as a site for a naval air station, at a cost not to exceed \$1, and to accept the title in fee simple to all that certain piece or parcel of land situate, lying and being south of the Alameda Mole, in the city of Alameda, county of Alameda, State of California, and more particularly described as follows: Commencing at a point on the United States bulkhead line, said point being distant due south thereon 202.1 feet from point "K" as said line and point are delineated and so designated upon that certain map entitled "Harbor

Line Survey, San Francisco Bay, 1910, Sheet No. 6", on file in the United States engineer's office, Customs House, San Francisco; and running thence north 73°58' west 409.95 feet to a point, said line being parallel with and distant southerly 122.7 feet measured at right angles from center line of the South Pacific Coast Railway Co.'s right-of-way; thence north 83°28' west 342 feet to a point; thence north 76°5' west 500 feet to a point; thence north 81°15' west 680 feet to a point; thence north 89°50' west 1,687.88 feet to a point on the United States Pierhead Line; thence south 47°50'53" west 482.14 feet to a point, which point is the intersection of the United States pierhead line with the southwesterly line of the city of Alameda (also easterly line of the city and county of San Francisco); thence south 27°50' east 11,529 feet along the southwesterly boundary line of the city of Alameda to a point, which point is the intersection with the westerly line of Benton Field; thence north 16°2' east 9,344.13 feet to a point; thence north 73°58' west 4,190.05 feet to the point of beginning, containing 929.337 acres, more or less, free from all encumbrances, except a certain lease entered into by and between the city of Alameda and the Alameda Airports, Inc., a subsidiary of the Curtiss-Wright Corporation. Title to the above-referred-to property is accepted by the United States upon the understanding that at least \$1,000,000 will be expended by the Government of the United States in development work by December 31, 1939, otherwise title to said lands will revert to the city of Alameda.

SEC. 2. The Secretary of the Navy is further authorized to construct, install, and equip at said naval air station such buildings and utilities, technical buildings and utilities, landing field and mats, and all utilities and appurtenances necessary for the operation, maintenance, and repair of landplanes and seaplanes, including ammunition storage, fuel and oil storage, and distribution systems therefor, roads, walks, aprons, seaplane ramps, docks, runways, sewer, water, power, station and aerodrome lighting, telephone and signal communications, and other essentials, including the necessary bulkheading, dredging, grading, and filling and the removal and remodeling of existing structures and installations.

SEC. 3. There is authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the following sums: (a) Not to exceed \$296,000 for the purpose of acquiring the Curtiss-Wright Corporation leasehold interest and all improvements of every kind and nature on said tract of land; (b) \$4,000 to be paid to the city of Alameda, Calif., to reimburse said city for the expenses of a special election held for the purpose of authorizing the city council of the city of Alameda to convey to the United States the above-described parcel of land for the above-specified purpose, and for incidental expenditures in connection with such conveyance; and (c) \$1,000,000 to be used for any of the purposes as set forth in section 2 of this act.

Mr. KING. Mr. President, I should like to have an explanation of this bill. I notice that it requires the expenditure of at least a million dollars in the development of work by December 31, 1939.

Mr. JOHNSON. The Senator is in error in saying that it requires that expenditure. The grant is made upon the condition that by the time referred to a certain amount of work will have been done on this particular project.

Mr. KING. It is provided:

Title to the above-referred-to property is accepted by the United States upon the understanding that at least \$1,000,000 will be expended by the Government of the United States in development work by December 31, 1939.

Mr. JOHNSON. There is something over 900 acres of land, and a portion of 95 acres in use as an airport. In addition to that there are eight-hundred-and-some-odd acres of tide lands. The city has held a referendum on the grant of the site to the Navy Department, and upon the terms stated on the referendum voted overwhelmingly to convey it. Of course it wants to make this grant, and to be certain that if it is accepted—and the acceptance is wholly discretionary—the work will be done. So it is made a condition precedent that by 1939 a million dollars shall have been expended upon this particular project, which the Navy Department and everybody connected with the national defense says is an absolutely necessary work. Between Puget Sound and San Diego there is not a single naval airport, and that one is essential on San Francisco Bay, or in its vicinity, nobody questions.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE AMERICAN MERCHANT MARINE

The bill (S. 3500) to develop a strong American merchant marine to promote the commerce of the United States, to

aid national defense, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

INTERNATIONAL EXPOSITION OF PARIS—ART AND TECHNIQUE IN MODERN LIFE

The joint resolution (H. J. Res. 305) accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937, was considered, ordered to a third reading, read the third time, and passed.

AVIATION INSTRUCTION IN PUBLIC SCHOOLS

The bill (S. 2926) to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to meet the growing demand from all parts of the United States and its Territories for comprehensive information regarding suitable aviation instruction courses for the public schools, the Office of Education of the Interior Department is hereby authorized to make the necessary field and other studies and disseminate its findings and recommendations in such manner as will best meet the educational requirements of the public.

SEC. 2. The information to be so disseminated shall have as its objectives (1) the broadening of the reader's horizon with respect to progress made in aviation and its place in our commercial, industrial, and social life; (2) providing outlines for suitable elementary academic background instruction for secondary schools in such subjects as aerodynamics and the theory of flight, and airplane and its engine, meteorology, and map reading; (3) furnishing information on model airplane building and model airplane clubs in the public schools and other organizations; (4) providing data on occupational opportunities in aviation, including educational and training requirements, where training can be secured, and expense of such training; (5) supplying outlines and recommending programs for training in the various aviation industries, including information regarding Federal aid; (6) mapping outlines for extension courses for those employed in some phase of aviation; (7) suggesting procedure for surveying aviation training needs in a region or locality; (8) indicating procedure for the improvement of aviation personnel by conference methods.

SEC. 3. The Commissioner of Education is hereby authorized to employ such professional and other personnel in the city of Washington and elsewhere as may be necessary to carry out the provisions of this act.

SEC. 4. That this act shall be in full force and effect on and after July 1, 1935.

VOCATIONAL EDUCATION IN ALASKA

The Senate proceeded to consider the bill (S. 3167) to extend the provision of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska, which had been reported from the Committee on Education and Labor with an amendment, on page 2, line 6, to strike out "\$30,000" and to insert in lieu thereof "\$15,000", so as to make the bill read:

Be it enacted, etc., That the Territory of Alaska shall be entitled to share in the benefits of the act entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure", approved February 23, 1917, and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1936, and annually thereafter, the sum of \$15,000, to be available for allotment under such act to the Territory.

SEC. 2. The Territory of Alaska shall be entitled to share in the benefits of the act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment", approved June 2, 1920, and any act amendatory thereof or supplementary thereto, upon the same terms and conditions as any of the several States. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1936, and annually thereafter, the sum of \$5,000, to be available for allotment under such act to the Territory.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMEMORATION OF THE LANDING OF THE SWEDES IN DELAWARE

The Senate proceeded to consider the joint resolution (S. J. Res. 231) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert the following:

That in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 20,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design, containing some recognized emblem of the State of Delaware, to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the president of the Delaware Tercentenary Commission upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such commission, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

COMMEMORATION OF THE INCORPORATION OF BRIDGEPORT, CONN.

The Senate proceeded to consider the bill (S. 4229) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert the following:

That in commemoration of the one hundredth anniversary of the incorporation of the city of Bridgeport, Conn., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 10,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the Bridgeport Centennial, Inc., Bridgeport, Conn., upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time, and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Bridgeport Centennial, Inc., and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMEMORATION OF CLEVELAND CENTENNIAL CELEBRATION

The Senate proceeded to consider the bill (S. 4335) to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition, which had been reported by

the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That in commemoration of the centennial anniversary in 1936 of the city of Cleveland, Ohio, to be known as the Great Lakes Exposition, and to commemorate Cleveland's contribution to the industrial progress of the United States for the past 100 years, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 50,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the treasurer of the Cleveland Centennial Commemorative Coin Association upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such Cleveland Centennial Commemorative Coin Association, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

COMMEMORATION OF ONE HUNDREDTH ANNIVERSARY OF STATEHOOD OF WISCONSIN

The Senate proceeded to consider the bill (S. 3842) to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the statehood of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936, which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and to insert:

That in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to further and give added meaning to the centennial celebration of said State during the year of 1936, there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 20,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design, containing some recognized emblem of the State of Wisconsin, to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman of the coinage committee of the Wisconsin centennial celebration upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it, in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936."

TWO HUNDRED AND FIFTIETH ANNIVERSARY OF NEW ROCHELLE, N. Y.

The Senate proceeded to consider the bill (H. R. 10489) to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 25,000 silver 50-cent pieces of standard size, weight, and composition and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of a committee of not less than three persons duly authorized by the mayor of the city of New Rochelle, N. Y., upon payment by it of the par value of such coins, but not less than 5,000 such coins shall be issued to it at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

COMMEMORATION OF THREE HUNDREDTH ANNIVERSARY OF LONG ISLAND, N. Y.

The Senate proceeded to consider the bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and to insert:

That in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., there shall be coined at a mint of the United States to be designated by the Director of the Mint not to exceed 100,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

SEC. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman or secretary of the Long Island Tercentenary Committee upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

SEC. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. That completes the calendar.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

PERSONNEL OF REGIONAL OFFICES OF HOME LOAN BANK BOARD

Mr. McKELLAR. Mr. President, I ask that the unfinished business be laid aside temporarily in order that I may bring before the Senate a resolution. I think there will be no objection to the consideration of the resolution.

A day or two ago I submitted Senate Resolution 268, asking for certain information from the Federal Home Loan Bank Board and the Home Owners' Loan Corporation. I ask unanimous consent to have the unfinished business temporarily laid aside in order that the resolution may be considered.

The PRESIDING OFFICER. Is there objection to laying aside the unfinished business temporarily? The Chair hears none. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 268) calling on the Federal Home Loan Bank Board for certain information concerning regional offices and employees.

Mr. McKELLAR. I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, line 1, after the word "Board", it is proposed to insert "and Home Owners' Loan Corporation."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Whereas the question of regional offices established by the Federal home-loan bank, in addition to State offices, is a question to be dealt with by the Congress; and

Whereas it is desired by the Senate to have information concerning such regional offices for the purpose of proposed legislation: Therefore be it

Resolved, That the Federal Home Loan Bank Board and Home Owners' Loan Corporation furnish to the Senate, at the earliest practicable moment, the number and location of regional offices, the number of persons employed in each, the names of the various officials and employees of such offices, the legal residence of each such official and employee at the date of their first employment by the Corporation, the date of such first employment, the salary of each such official and employee, the general duties of such regional offices, and for what reasons, if any, regional offices were established in States where there are State offices or district offices; and the total monthly pay-roll expense, for the last available month, of State and regional offices in each State in which such regional offices are located; also the total pay-roll expense of the home office in Washington, by months, from January 1, 1935, to January 31, 1936, inclusive.

The preamble was agreed to.

NORTHERN MONTANA AGRICULTURAL AND MANUAL TRAINING SCHOOL

Mr. MURRAY. Mr. President, I ask unanimous consent to revert to Senate bill 1871, Calendar No. 1755, granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School. The bill was introduced by my colleague the senior Senator from Montana [Mr. WHEELER].

The purpose of the bill is to provide a grant of lands to the Northern Montana Agricultural and Manual Training School. An amendment was presented in the Committee on Public Lands and Surveys which provides—

That the withdrawal of lands for purposes of classification or the inclusion of lands within a grazing district, as provided by the act approved June 28, 1934, shall not be considered to be a reservation for the purposes of this act.

The purpose of the bill is to overcome the fact that all of these lands had been temporarily withdrawn in connection with the passage of the Grazing Act. All the other colleges in the State of Montana have had grants of this character. This is the only college in the State that is without such a grant. The land is all practically worthless; all of the good lands have already been granted. I do not understand why there should be any objection to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Montana asks unanimous consent to return to Calendar No. 1755, being Senate bill 1871.

Mr. VANDENBERG. Mr. President, I ask the Senator from Montana to explain why the Department of the Interior is opposed to the bill.

Mr. MURRAY. I do not understand that the Department of the Interior is opposed to it. Here is the statement made:

It has not been the policy of this Department to recommend further grants of lands to the States for specific purposes, except in the case of some special and urgent reason for such a grant.

The urgent reason is that this is the only college in the State that has not had a similar grant. The land, as I have said, is practically worthless, and it is doing the Federal Government a favor to allow it to turn the land over to the State.

Mr. VANDENBERG. Is what the Senator has read the extent of the Department's opinion?

Mr. MURRAY. That is the important part of it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 1871) granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 1, line 8, after the word "School", to insert: "Provided, That the withdrawal of lands for purposes of classification or the inclusion of lands within a grazing district, as provided by the act approved June 28, 1934 (48 Stat. 1269), shall not be considered to be a reservation for the purposes of this act", so as to make the bill read:

Be it enacted, etc., That there are hereby granted and confirmed to the State of Montana 500,000 acres of surveyed, nonmineral, unappropriated, and unreserved public lands of the United States in the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School: *Provided,* That the withdrawal of lands for purposes of classification or the inclusion of lands within a grazing district, as provided by the act approved June 28, 1934 (48 Stat. 1269), shall not be considered to be a reservation for the purposes of this act.

Sec. 2. Such lands shall be in addition to the land granted to the State of Montana under the provisions of the act entitled "An act to provide for the division of Dakota into two States and to enable the people of North Dakota, South Dakota, Montana, and Washington to form constitutions and State governments and to be admitted into the Union on an equal footing with the original States, and to make donations of public lands to such States", approved February 22, 1889, as amended, and the grant of such lands shall be subject to the same terms and conditions as are imposed upon the grants made by such act of February 22, 1889, as amended, so far as is consistent with the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TERMS OF DISTRICT COURT, MIDDLE DISTRICT OF PENNSYLVANIA

Mr. ASHURST. Mr. President, pursuant to the notice I gave while the calendar was being called, with the distinct understanding that my motion, if agreed to, will not do more than temporarily suspend or displace the unfinished business, I move that the Senate proceed to the consideration of Order of Business No. 1795, being the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

Mr. McNARY. Mr. President, may I invite the attention of the Senator from Arizona to the fact that, if his motion should prevail it would have the parliamentary effect of displacing the unfinished business, which I am sure the Senator does not want to do.

Mr. ASHURST. The Senator is correct.

Mr. McNARY. If the Senator desires to have his proposal considered, it would be necessary first to ask unanimous consent temporarily to lay aside the unfinished business and proceed to the consideration of the bill in which he is interested. I doubt if the Senator could obtain such consent in view of the attitude earlier in the day of the distinguished Senator from New York. From that predicament, I do not know how the Senator is going to extricate himself.

Mr. ASHURST. Mr. President, I move that the Senate proceed to consider House bill 11098 as a special order.

The PRESIDING OFFICER. The Chair will state to the Senator from Arizona that even the motion as he now puts it, to proceed to the consideration of the bill indicated by him as a special order, would have the effect of displacing the unfinished business.

Mr. ASHURST. Then, with the distinct understanding that it will not displace the unfinished business for longer than this day, I move that the Senate proceed to the consideration of the bill named by me.

The PRESIDING OFFICER. The Chair will state that he is unable to put the motion, except as a request for unanimous consent, with the proviso attached to it by the Senator from Arizona.

Mr. ASHURST. I do not believe that I can procure unanimous consent. That is my judgment.

Mr. President, I will state the reason why I make the motion. Law and order broke down in Los Angeles, Calif. Law and order have now to some extent been restored in Los Angeles. Law and order have broken down in New York City. There are eight judges in the southern district of that State. Each judge last year tried and disposed of an average of 772 cases. The docket is 22 months in arrears in the trial of actions at law; 23 months in arrears in the trial of suits in equity; and 27 months in arrears in the trial of admiralty suits. The intervals are computed not from the date of filing the suits but from the date of joining the issue.

The judicial conference recommended two additional district judges for the southern district of New York.

The Judiciary Committee last year agreed to the bill, and the bill was passed by the Senate. A bill has now come from the House to provide for the terms of the district court in the middle district of Pennsylvania. The Judiciary Committee authorized its chairman to move as an amendment to that bill the bill which passed the Senate last August. If the United States Senate believes that a condition which denies justice, for justice long delayed is justice denied, should be allowed to continue because, forsooth, one of the most powerful political organizations of America is opposed to the creation of any more judges, peace be with you.

I now insist on my motion—and I shall later ask for unanimous consent, if I am so driven—that the Senate proceed to the consideration of the House bill. Let the roll be called and let us see who stands for law and order and who stands for a political organization which says, "You shall have no law and order." Mr. President, have I spoken plainly? If not, I can use more direct English, if necessary. [Laughter.]

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New York?

Mr. ASHURST. I always yield to my able friend the Senator from New York. He has been frank; that virtue has characterized him always; he has never deceived me, and in his long career I do not think he has ever deceived any man. He is opposing this bill. I yield to him my tribute of respect, because he is opposing it on grounds that seem to him sufficient. I simply do not agree with him, and I wish the Senate to meet this test without avoidance, without shirking. The man who meets a test squarely is secure from my prejudice; the man who dodges a test has no respect anywhere. Now I ask that my motion be put, unless the Senator from New York desires to interrupt me.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona that the Senate proceed to the consideration of House bill 11098.

Mr. McNARY. Mr. President, I thought the Senator said it was not his purpose to displace the unfinished business.

Mr. ASHURST. I do not intend to do so. I now call as a witness the Senator in charge of the unfinished business to confirm my statement that the unfinished business will not be considered until next Monday. It is well known that I do not intend to displace the unfinished business. I should prefer to have the measure providing the two additional for

New York defeated rather than that the unfinished business should be delayed for 1 hour. But let not this mere fiction of displacing the unfinished business deny justice to millions of people. Let no mere fiction as to displacing the unfinished business, when everybody knows it will not be considered until Monday, be the screen behind which the Senate will stand to avoid a test on what is a hot question. [Laughter.]

Mr. McNARY obtained the floor.

Mr. COPELAND. Mr. President—

The PRESIDING OFFICER. The Senator from Oregon [Mr. McNARY] has been recognized.

Mr. COPELAND. Will the Senator yield to me for a moment?

Mr. McNARY. I simply wish to inquire whether the Senator from Arizona persists in his motion to displace the unfinished business?

Mr. ASHURST. Yes, Mr. President; with all due respect, all I want is a test. I want a vote, and if it is required of me I shall move to substitute as the unfinished business the bill I have indicated, and then I will move to replace the unfinished business just as soon as this day's work shall have been ended.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Nebraska?

Mr. McNARY. I yield.

Mr. NORRIS. The motion of the Senator from Arizona, as I see it, will not bring a test such as he has outlined to those who are opposed to law and order, and one thing and another. The unfinished business is a bill which the Committee on Agriculture and Forestry has reported pertaining to public stock markets in the United States. As between that bill and the bill the Senator wants considered, it may be that many Senators favor them both.

Mr. ASHURST. That is true.

Mr. NORRIS. But the Senate cannot consider them both at once; and under our parliamentary rules, if the Senator's motion should prevail, then the unfinished business, the other bill, would be out in the air. It could be taken up again, of course, but it would have to go through a certain formality.

Mr. ASHURST. As usual, the Senator from Nebraska is correct. While I doubt the propriety of such a procedure, I will ask the senior Senator from Kansas, who is in charge of the unfinished business, if he intends to have the unfinished business considered until Monday, if the Senator from Kansas will be so courteous as to reply to that question?

Mr. CAPPER. Mr. President, two or three Senators are absent from the city at this time who have asked that the unfinished business be not brought to a vote until Monday. There is no objection, of course, to a discussion of the unfinished business.

Mr. ASHURST. But the Senator has no intention to have the unfinished business seriously considered until Monday?

Mr. CAPPER. I can promise not to ask that, so far as I have anything to do with it.

Mr. ASHURST. The Senator's promise is as good as his bond. His promise to his colleague is that the bill will not be considered until Monday. So another fiction has fallen and been shattered. Let us not try now to say that the unfinished business is going to be interrupted by the consideration of the bill to which I have referred. I am opposed to the unfinished business; I shall not vote for it; but I shall move, as soon as the New York judgeship bill shall have been disposed of, to resume the consideration of the unfinished business. I give a pledge that, while I am very much opposed to the unfinished business, I shall not use 3 minutes in arguing against it. Now, I call for a vote on my motion to proceed to the consideration of House bill 11098.

Mr. COPELAND. Mr. President, I should like to ask the Senator from Arizona, who is very well informed regarding Federal judges, whether there is now a vacancy on the bench in New York City?

Mr. ASHURST. Does the Senator mean the district bench?

Mr. COPELAND. Yes.

Mr. ASHURST. Really I do not know. There are eight judges in the southern district of New York, and those eight judges in the last calendar year each tried and disposed of 772 cases. As to a vacancy, I do not know.

Mr. COPELAND. Let us test the matter. The Senator does not know whether there is or is not a vacancy.

Mr. ASHURST. A vacancy to be filled?

Mr. COPELAND. Yes.

Mr. ASHURST. Frankly, I do not know.

Mr. COPELAND. There is a vacancy which has been there a long time. It is a great pity that law and justice have broken down in New York, when the situation could be saved if we had judges. Why has not the vacancy been filled? Why not fill the vacancy?

Mr. ASHURST. The Senator is too able to fail to know that we have no appointing power and that judges are appointed upon the recommendations of Senators. Have the Senators from New York made the recommendation?

Mr. COPELAND. Upon the recommendation of a Senator?

Mr. ASHURST. Yes; the judges are appointed upon the recommendation of Senators.

Mr. COPELAND. Why, Mr. President!

Mr. ASHURST. My able friend is not going to set up a screen and say these judges are appointed without our recommendation. We know they are appointed upon the recommendation of Senators. Has the Senator made his recommendation for the filling of the vacancy?

Mr. COPELAND. Does the Senator mean that individual Senators make recommendations?

Mr. ASHURST. Mr. President, I cannot accuse the Senator of being disingenuous. He is too frank, too manly, and too lovable a man, but he would be disingenuous, which is the last quality he wishes to assume, to pretend that Senators do not make recommendations as to the appointment of Federal judges. A great deal of the trouble arises because our recommendations are not respected by the executive arm of the Government.

If I were the President, I would appoint judges upon the recommendation of the Senators from New York. I have read—and not one Senator has read more often than I—the life of Roscoe Conkling and the life of David B. Hill. I am familiar with the works of Elihu Root, James A. O'Gorman, and James W. Wadsworth. But the Empire State of New York, with those learned men in the United States Senate, was never better represented than she is now when ROYAL COPELAND and "BOB" WAGNER sit in the Senate.

I regret that the performance of my duty requires me even for a moment to embarrass them, but if they are embarrassed because the chairman of the Senate Committee on the Judiciary proceeds with his duty, I am not to blame. Let us not be embarrassed too much in this life. The able Senator from Tennessee [Mr. McKELLAR] one morning about a year ago said something that I have remembered, and I shall never forget. He said, "Do not try to come to the Senate unless you are a fighter. If you are not a fighter, do not attempt to come to the United States Senate."

I am only making this fight because I am profoundly convinced of the propriety of that which the judiciary of New York three times has requested, to wit, the appointment of additional judges. The Senate of the United States last August considered and passed a bill providing for their appointment. Now the necessity is equally as great. I do not retreat because of any objection that may come from very capable men politically.

Senators, I am proud of the Senate. Do not forget when you enter the door to this Chamber that you have walked into the greatest body in the world. Here we can talk all the time or at any time upon any subject we please without individual hesitation, and sometimes we talk without reflection. It is the greatest office to which an American may aspire. We may talk about the executive and judicial branches of the

Government. These seats, Senators, are the seats of learning. This is the forum where liberty is perpetuated. This is the place where justice is done.

We criticize the courts, and I have been a critic in my time. Let us be certain first before we become too vociferous in our criticism of courts and Presidents, that we are doing our own duty. To refuse and fail to pass this bill granting needed aid to the judicial arm of the Government would be a failure on the part of the Senate to do its duty.

I may not be parliamentarily correct. When I have had to enlist myself against trained parliamentarians possibly I have erred, but I am not going to believe that a mere parliamentary technicality will keep the Senate from doing what it knows ought to be done. I ask for a vote upon my motion.

Mr. COPELAND. Mr. President, I am delighted to have been interrupted by the Senator from Arizona. I am always happy to hear him. However, I return to my question. There has been a vacancy in the southern district of New York for about a year. If law and justice are breaking down in New York—and I had not known that it had until today; indeed, I thought we were really quite orderly.

Mr. ASHURST. Mr. President, will the Senator yield further right at that point?

Mr. COPELAND. I yield.

Mr. ASHURST. Before this debate proceeds further, duty and courtesy require me to say that I followed the lead of the Senator from New York [Mr. COPELAND] and the Senator from Michigan [Mr. VANDENBERG]. They were the ones who, among all the Senators, first saw that law and order were breaking down. They were the ones who introduced the bills called the anticrime bills.

It was the magnificent leadership of the Senator from New York and his speeches, not only in this forum but in others, in which he reiterated that law and order were breaking down in our country, which convinced me. Because of his leadership we have today anticrime statutes which the Government is using in pursuing and convicting and imprisoning wild and reckless men who pay no attention to public laws. If I have said that law and order were breaking down in various parts of our country, I have but followed the lead and cribbed the speeches of the splendid Senator from New York.

Mr. COPELAND. Mr. President, have I still the floor?

The PRESIDING OFFICER. The Senator from New York still has the floor.

Mr. COPELAND. Mr. President, it is true the Senator from Michigan [Mr. VANDENBERG] and I have called attention of the country repeatedly, together with our colleague, the Senator from Iowa [Mr. MURPHY]—

Mr. ASHURST. I hope I may be indulged another interruption to say that I beg the pardon of the Senator from Iowa. He should have been included as a member of the illustrious trio which led the fight for law and order. It was not the chairman of the Judiciary Committee who led that fight. I was but a wayworn and heavy-paced traveler. I wish to include in that worthy trio the junior Senator from Iowa [Mr. MURPHY].

Mr. COPELAND. Mr. President, when we made our speeches around the country we were not talking about the Federal courts. Law and order have broken down in certain sections. There are large communities in the country under the domination of the underworld. In those communities law and order have broken down, but not so far as the Federal Government is concerned. No man who knows the facts would say that there has been any failure on the part of the Federal Government to do its duty. If we were talking today about police courts or magistrate courts, courts having to do immediately with the underworld, I would say of almost every community in America that law and order have disappeared. No matter how carefully the police may make the fight, no matter how well the facts may be presented, the failure of magistrates and judges in the lower courts is preventing the proper administration of law and order in the United States of America.

There is no trouble with the Federal courts. One reason why, in the work of our crime committee, we sought to trans-

fer larger powers to the Federal courts was that the underworld fears the Federal courts. Those in the underworld do not want Uncle Sam to pursue them. They do not want to be in the clutches of the Federal Government.

So, when the Senator from Arizona said that law and order had broken down in New York or Chicago or any other community of the country because of the failure of Federal judges to do their duty, he demonstrated that he is not well informed.

Mr. President, as regards New York, there has been a vacancy there which might have been filled by appointment at any time from the time we were in session last summer up to this moment. If law and order suffer in New York, why has not that vacancy been filled? We have been hearing about fictions this morning—legal fictions, social fictions, legislative fictions. There is no break-down in law and order so far as the Federal courts are concerned in the southern district of New York.

Mr. President, the Senator has spoken about something else. He has spoken about the recommendations of Senators being conclusive or influential.

Mr. WALSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. COPELAND. I do.

Mr. WALSH. Would the Senator be willing to tell the Senate why the vacancy has not been filled for a period of over a year?

Mr. COPELAND. I think perhaps I should say that we have just enough candidates so that we ought to have three places, and to make one appointment would break the balance.

Mr. WALSH. So the Senator implies that the purpose of this proposed legislation is to make jobs for three persons?

Mr. COPELAND. It is to make enough in the group so that all of them may be taken care of.

Mr. WALSH. That is a rather serious charge.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. I yield.

Mr. NORRIS. How many new judges are provided for in this bill?

Mr. COPELAND. Two in this bill, and we have one vacancy.

Mr. NORRIS. Does the Senator mean to say that it is necessary to take care of only two men?

Mr. COPELAND. No; three men.

Mr. NORRIS. Cannot more candidates than that be found in New York?

Mr. COPELAND. We have to take care of three men.

Mr. NORRIS. Will three positions be enough?

Mr. COPELAND. No; three are not enough to take care of all those who want the jobs.

Mr. NORRIS. Then provision for more ought to be put in the bill. [Laughter.]

Mr. COPELAND. But if we could have three jobs, we would just about balance things, so that everything would be all right.

Mr. President, there is no man in the Senate who is less interested in politics, pure and simple, than am I; but we have had long and many discussions here about the Federal judges. I opposed the increase of Federal judges in the southern district of New York back in the time when former Senator WADSWORTH was my colleague, and figures were brought here to indicate that there was no necessity for any more. I was prevailed upon by somebody—I have no idea now who it was—to introduce the bill which passed last year providing for two additional judges. But since discovering that through a year's time those in authority have not seen fit to fill the vacancy and do away with 33½ percent of the break-down of law and order, I have become weakened in my belief that we need any more judges.

Mr. President, this is a matter of very little concern to me personally. I am not a member of the legal profession.

I have no occasion to consult Federal judges. So far, I have been able to keep out of their grasp; but so far as I can see there is no pressing need at the moment for the expenditure of \$20,000 a year, beginning now and going on forever, for two additional judges at \$10,000 each.

If the present judgeship vacancy had been filled, and there still existed an apparent need for more judges, there would be some sense in the proposition; but, as it is, why not fill the one place and see how well we get along?

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Arizona.

Mr. ASHURST. In the first place, I do not know why the vacancy has not been filled. I have dispatched a young man to telephone the executive branch and ask the reason.

I remember an occasion in New York when a great explosion occurred, and glass was flying everywhere. The pieces of glass were 6 inches or more long. They flew around as poniards and pierced the eyes of people; and the able Senator from New York left his place of business and went out and served bleeding and crushed humanity; but he could not properly take care of more than two or three cases at one time.

Applying the same test, refusing help to a judge who disposes of 772 cases each year would be like saying to my able friend the Senator from New York, "Take care of more cases of injury than you can possibly care for. We will not give you help. You shall not have nurses; you shall not have the media by which you can efficiently do your work."

I say, and the record is unchallenged, that the eight judges in the southern district of New York—in some instances they call in a judge from the outside—between July 1, 1934, and July 1, 1935, disposed of 6,175 cases, an average of 772 cases each a year. It was suggested that their vacations were too long, whereupon I caused an investigation to be made and found that their vacations were not one-tenth as long as the vacations which Senators of the United States take each year, on full salary—and I do not complain of that; I hope the vacations will continue. So I found that we cannot say that the judges are not working properly. Their vacations are short. Moreover, the bankruptcy law which we passed, and I think properly passed, has thrown each year 1,500 more cases on these judges.

I am no great apologist for Federal judges. I believe in the Federal judiciary. They have no way of enforcing their opinions and decisions save the force of public opinion. They have no army, no navy, no treasury, no patronage. There was one beautiful thing about the old regime of England during feudal times, in the days of the harsh laws of the knights—noblesse oblige. Lofty station, noble birth, and great privilege required high-minded men to act with scrupulous fairness on all occasions.

Is it noblesse oblige, is it knightly, is it chivalrous to compel these judges to work harder than we work, far harder than we work, when their vacation is only one-fifth of our vacations, and say, "You shall not have the media, you shall not have the instrumentalities necessary to carry on your great work"? They are a coordinate part of the Government. Noblesse oblige, courtesy, no less statesmanship, require the Senate, when a necessity appears, to grant proper help to the judges and provide extra judges when they are necessary.

I ask the Senator, will he not say that disposing of 772 cases a year is good, solid work for any court?

Mr. COPELAND. Mr. President, I do not know whether that is much work or not sufficient work; but I am here to say that my observation is that no Federal judge that I know works as much in 1 month as I do in 3 days.

Mr. ASHURST. Very well. The Senator from New York is an exception; and I can bear testimony to the fact that he employed at one time eight additional secretaries or clerks at his own expense. I happen to know that fact, because I led the fight to provide an additional clerk for each Senator. I happen to know that the Senator from New York is an industrious, hard-working Senator; but I am sure that, hard as he is driven, he is not driven with any greater intensity than are the judges now sitting in the southern district of New York or than the Federal judges

in Los Angeles were driven before the two additional judges were provided for that district.

Mr. COPELAND. Mr. President, I should like now to resume the floor in my own right. I am in a yielding mood, and, of course, I yield to the Senator from Arizona whenever he wishes to speak.

Referring to the matter in general, I have the conviction that about the nicest, easiest job a man may have is to be a Federal judge. I observe that judges are sent into New York in the summertime from other districts. They come from southern districts, where it is hot. They come up because the atmosphere of New York is rather enjoyable in the summer. Then our own judges go up in the mountains, or go to Europe. Mr. President, without speaking from professional knowledge, I venture to say that we could reduce the number of Federal judges in this country by 25 percent, and law and order would not break down.

It is a notorious fact that one cannot have the ear of a judge until 10 o'clock in the morning. He is all through his arduous duties by 3 or 4 o'clock in the afternoon. I never in my life had any job that I could finish within those hours. If it were a fact that Federal judges were taking home with them packages of papers and burning the midnight oil to inform themselves regarding the precedents and the decisions in order to determine what they ought to do in the various cases presented to them, we should say, "Well, you ought to have some help." But when anyone says that law and order in this country are breaking down because of the lack of Federal judges, "it is to laugh"; it is an absurdity; it is not in accordance with the observation of any man who looks into the matter at all.

If we were now to adopt a motion to take away two Federal judges from the southern district of New York, in my judgment, it would be a wise motion. We have had a vacancy, as I have said several times, for a year. If these judges are so overworked and interfered with in their trips to Europe and in their trips to the mountains, let us fill that vacancy and provide them a little more leisure. I cannot see a particle of statesmanship in the proposal to add now to the one vacancy which exists two more judgeships so that three judges could be appointed.

I am not interested personally; it makes no difference to me. The political aspects mean nothing. I would not have anything to say about the appointment of one of them anyway, but if I felt the judges were needed, that would not make any difference. I am not concerning myself with the political aspects of this job or that; I am trying here to serve, in the first place, the people of my State, and so far as I can to serve the people of the United States, to do those things which I can in my feeble way to help my Government. I do not care who the persons may be who recommend the appointments; I am not concerned as to that; but I know there is a place which should have been filled, and which has not been filled. And why is it not filled? If that does not give it the taint of politics I do not know anything about politics from observation. Yet before we can fill one vacancy, which has existed for a year, there must be two more vacancies in order that the balance may be maintained.

Mr. President, the Senate may do as it pleases, of course, but so far as I am concerned, I am not in favor of adding any more judgeships until the vacancies which now exist shall have been filled.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona [Mr. ASHURST] that the Senate proceed to the consideration of House bill 11098, to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

Mr. ASHURST. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULKLEY (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CAREY], who is necessarily absent from the Senate. Not knowing how he would vote, I transfer my pair to the junior Senator from Massachusetts [Mr. COOLIDGE] and vote "yea."

Mr. ASHURST (when Mr. NEELY's name was called). I am authorized to announce that the Senator from West Virginia [Mr. NEELY] is unavoidably absent. If present, he would vote "yea."

The roll call was concluded.

Mr. BILBO. I have a pair with the Senator from Iowa [Mr. DICKINSON], which I transfer to the Senator from Alabama [Mr. BANKHEAD] and vote "nay." I am not advised as to how the Senator from Iowa or the Senator from Alabama would vote if present.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Rhode Island [Mr. GERRY], the Senator from California [Mr. McADOO], and the Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

The Senator from North Carolina [Mr. BAILEY], the Senator from Washington [Mr. BONE], the Senator from Virginia [Mr. BYRD], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Texas [Mr. CONNALLY], the Senator from Oklahoma [Mr. GORE], the Senator from Maryland [Mr. TYDINGS], the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mrs. LONG], the Senator from Georgia [Mr. RUSSELL], the Senator from Utah [Mr. THOMAS], and the Senator from Montana [Mr. WHEELER] are detained in important committee meetings.

The Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Colorado [Mr. COSTIGAN], the Senator from Connecticut [Mr. MALONEY], the Senator from Illinois [Mr. DIETERICH], the Senator from Virginia [Mr. GLASS], the Senator from Nevada [Mr. McCARRAN], the Senator from West Virginia [Mr. HOLT], the Senator from New Jersey [Mr. MOORE], the Senator from South Carolina [Mr. SMITH], and the Senator from Oklahoma [Mr. THOMAS] are unavoidably detained.

The Senator from North Carolina [Mr. REYNOLDS] is detained on official business at the Department of Labor, doing some research work in connection with the Reynolds-Starnes bill.

Mr. SHIPSTEAD. I have a pair with the senior Senator from Virginia [Mr. GLASS], who is absent. I transfer that pair to the junior Senator from Minnesota [Mr. BENSON] and vote "nay."

Mr. METCALF (after having voted in the negative). I have a general pair with the senior Senator from Maryland [Mr. TYDINGS]. I understand that Senator has not voted, so I withdraw my vote, not knowing how he would vote.

Mr. McKELLAR. I have a pair with the junior Senator from Delaware [Mr. TOWNSEND], which I transfer to the junior Senator from Illinois [Mr. DIETERICH], and vote "yea."

Mr. BARKLEY. I have a pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. I transfer that pair to the junior Senator from New Jersey [Mr. MOORE], and vote "yea."

The result was announced—yeas 36, nays 25, as follows:

YEAS—36

Ashurst	Chavez	King	O'Mahoney
Austin	Clark	Lewis	Pittman
Bachman	Couzens	Logan	Pope
Barkley	Davis	Lohergan	Radcliffe
Black	Fletcher	McGill	Robinson
Brown	George	McKellar	Schwellenbach
Bulkeley	Guffey	Minton	Sheppard
Burke	Harrison	Murphy	Truman
Byrnes	Hatch	Murray	Van Nuys

NAYS—25

Adams	Donahay	La Follette	Vandenberg
Barbour	Duffy	McNary	Wagner
Bilbo	Frazier	Norris	Walsh
Borah	Gibson	Nye	White
Bulow	Hale	Overton	
Capper	Johnson	Shipstead	
Copeland	Keyes	Steiwer	

NOT VOTING—35

Bailey	Costigan	Long	Russell
Bankhead	Dickinson	McAdoo	Smith
Benson	Dieterich	McCarran	Thomas, Okla.
Bone	Gerry	Maloney	Thomas, Utah
Byrd	Glass	Metcalfe	Townsend
Caraway	Gore	Moore	Trammell
Carey	Hastings	Neely	Tydings
Connally	Hayden	Norbeck	Wheeler
Coolidge	Holt	Reynolds	

So Mr. ASHURST's motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., which had been reported from the Committee on the Judiciary with an amendment to add a section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That terms of the United States District Court for the Middle District of Pennsylvania shall be held at Wilkes-Barre, Pa., on the second Monday of April and second Monday of September of each year: *Provided, however,* That all writs, precepts, and processes shall be returnable to the terms at Scranton and all court papers shall be kept in the clerk's office at Scranton unless otherwise specially ordered by the court, and the terms at Scranton shall not be terminated or affected by the terms herein provided for at Wilkes-Barre: *Provided further,* That this authority shall continue only during such time as suitable accommodations for holding court at Wilkes-Barre are furnished free of expense to the United States.

Sec. 2. That the President of the United States be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, two additional judges of the District Court of the United States for the Southern District of New York.

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. STEIWER. Mr. President, I desire for a few minutes to present another question to the Senate. In response to Senate Resolution No. 245 the Federal Communications Commission some days ago made its report in writing, and in its report set forth certain transactions which have been had in connection with the taking of telegraphic messages from certain telegraph companies. There seems to be some misunderstanding concerning the purport and effect of this response. Certainly there is more than one interpretation which may be placed upon it. There are those who believe that the report in its effect is a general and sweeping acquittal of all those concerned; that it tends to or actually does exonerate all concerned from the charges which have been made against them.

In view of this apparent interpretation of the report, I desire to call attention very briefly to three or four of the facts which are stated in the report.

In the first place, on page 3 we find reference to an agreement between the Communications Commission and the Senate committee, or the agents of the committee. I read at that point only one sentence, as follows:

In order to secure information with the least possible disruption of the business of the telegraph companies it was agreed that the separate studies of the Commission and of the committee, to be made in Washington, should be coordinated.

I make no point of this particular part of the response except to call attention to the fact that the report does disclose that an agreement was entered into. It is then further stated as follows:

The Commission formally authorized this procedure in the following minute entry of September 26, 1935, which has been a matter of public record from the date on which the action was taken.

And there is set out the entry referred to, and I should also like to read that entry. It is as follows:

The Commission authorized Commissioner Stewart to detail a member of the Commission's staff to work with examiners from Senator BLACK's investigating committee in an examination of the messages and records in the Washington offices of the telegraph companies, relating to lobbying activities which are being investigated by the Senate committee, the records and messages to be made available in the name of the Federal Communications Commission.

I make no comment upon that entry, Mr. President, except to say that it evidently was made in furtherance of the agreement and in order to effectuate the understanding that had been had. The significant fact about the entry is the indication, clearly there recited, that the records and messages which were to be obtained by the agents of the Commission were to be made available in the name of the Commission, and I take it that phrase "to be made available" means that such messages were to be made available to the Senate's investigating committee.

The third recital to which I would call attention is the statement on the same page to the effect that the investigators

of the committee and the agents of the Commission—I now quote again:

entered the Washington offices of the telegraph companies at the same time.

Thus we find reference to the agreement to the entry made in order to effectuate the agreement establishing the fact that the Commission was undertaking to obtain telegrams in its own right and then to turn them over to the committee and we find also that the agents of the two bodies were proceeding at the same time in quest of the various messages which were in controversy.

It has been said in effect that it was a mere coincidence that the two investigations went on simultaneously. A rare coincidence! But this report indicates that there was not even the first hint of coincidence, because these two groups of investigators, by the authority of those by whom they were employed and under an agreement in pursuance of the entry made in the records of the Federal Communications Commission went together to the office of the telegraph companies. And on page 4 we find further significant language.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. STEIWER. I yield.

Mr. JOHNSON. May I call to the Senator's attention the sentence immediately following that which he read:

There, messages were called for by the Commission's employees, who inspected them for irregularities under the Communications Act.

I call that to the Senator's attention because it is rather a singular statement in view of what has gone before.

Mr. STEIWER. That is true, Mr. President. I thank the Senator from California for reminding me of that sentence. I had not read it, because to my mind it is or may be a little equivocal, and I did not know what interpretation to place upon it.

Now let me read from the language that I have in mind on page 4, this paragraph:

After the Commission's employees had completed their inspection, the telegrams were examined by the Senate committee investigators pursuant to the Senate committee's subpoenas. The Senate committee investigators desired for the use of the Senate committee copies of certain telegrams, the originals of which were covered by their subpoenas. At the request of the Commission's employees, copies of these telegrams, covered by the Senate committee's subpoenas, were made by the telegraph companies, and the copies so made were turned over to the Senate committee's investigators by the Commission's employees.

The significance of that recital, as I understand the recital, is that, although there were subpoenas issued, no messages were turned over to the Senate committee under the order of the subpoenas. I concede that this statement may be erroneous. It may be contrary to the understanding of our own committee. I have no knowledge of the facts outside of this report, but, basing my understanding upon the report itself, I am justified in the statement made, namely, that the messages demanded by the subpoenas were not produced in accordance with the order of the subpoenas.

Everyone knows that a subpoena duces tecum requires, first, the appearance of a witness; and, second, that the witness produce and bring to court such documents or exhibits as may be contemplated by those who have issued the subpoena. Apparently, this procedure was not followed. No employee of the telegraph companies, in response to the subpoena, appeared before the committee. No employee of the telegraph companies, in response to a subpoena, brought to the committee messages, the production of which were commanded by the subpoena.

In lieu of that regular and normal procedure, if we may rely upon the report of our Federal Communications Commission, the thing that was substituted was, in brief, this: That the Communications Commission, carrying out the desire of the Senate investigators, requested employees of the telegraph companies to abstract or copy certain information. I do not know whether the telegrams were copied in whole or in part; nor do I believe that to be a matter of importance. But they extracted certain information from the face of the telegrams, the production of which had been

demanding by the subpoena; and after they had obtained that information, after the telegraph company, through its agents, had divulged that information, the agents of the Communications Commission took that information into their possession and then, pursuant, I presume, to agreement and to the entry that had been made by the Commission in its minutes on September 26, 1935, they turned the information over to the employees of the Senate committee.

I make no further comment upon that phase of the matter, Mr. President. I have no desire to draw deductions from the facts stated in this report further than I have already done in this brief statement to the Senate. I have no desire to make any unpleasant characterization of any agent or employee of either group that is involved in this controversy. It is my desire that the facts shall speak for themselves. If, however, there are Senators who feel that this report discloses something other than a normal, orderly, good-faith compliance with the subpoena, they will find considerable interest in the provisions of the law which governs the disclosure of information by the agents of the telegraph companies. In section 605—and this section is from the act of June 19, 1934—we find the prohibition against divulging the contents of messages. I will read a portion of the section:

No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority.

I will ask that the remainder of the section be included in my remarks at this point, but I will not read it.

The PRESIDING OFFICER (Mr. BURKE in the chair). Without objection, it is so ordered.

The remainder of the section is as follows:

And no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: *Provided*, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress.

Mr. STEIWER. For violation of the section just read an appropriate penalty is provided in section 501. That section is short and I will read it:

Sec. 501. Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing, in this act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully or knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which penalty (other than a forfeiture) is provided herein, by a fine of not more than \$10,000 or by imprisonment for a term of not more than 2 years, or both.

I shall not at this time detain the Senate to discuss the meaning and purposes of the Communications Act of 1934, from which these excerpts are taken, but I think it will be understood everywhere by those who give careful and thoughtful consideration to the act that the authority of the Federal Communications Commission and its agents is to make examinations of the records of the telegraph companies for the purpose of performing the duties of the Commission under the terms of that act. I think it will be conceded that the Commission has no further authority,

and that there is no theory upon which it may usurp or arrogate unto itself an authority to examine communications for the purpose of learning what is included therein, and then to divulge that information either to the agents of a Senate committee or anyone else.

It probably is worth while, in considering the procedure to which resort was had by the Commission, to go back to the proposition of inquiring exactly what was done. Obviously, from the face of the report, the Senate committee was not content to issue a subpoena and by the force of that subpoena to command the production of the records. Evidently there was something else desired. Obviously, the Communications Commission was not content to examine messages for the purpose of ascertaining whether there had been forgeries or whether messages had been destroyed by burning or otherwise. Obviously, the purpose of the Communications Commission was to find means to make delivery to our committee of the contents or information contained in the telegrams.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. Yes.

Mr. MINTON. Does not the Senator think that the Senate committee had as much power or more than the Federal Communications Commission had?

Mr. STEIWER. I conceive that under valid process the Senate committee might have far greater power than has the Commission.

Mr. MINTON. Then, why should we resort to the aid of the Federal Communications Commission—

Mr. STEIWER. I do not know.

Mr. MINTON. Or enter into any conspiracy with them to get things that we ourselves have authority to get?

Mr. STEIWER. I have charged the Senate committee with conspiracy. I am frank to say that the Senator's question raises a speculation that might be invoked for the purpose of exculpating employees of the Commission or the committee's agents. I cannot answer the question. I am merely dealing with the report itself, and I deal with the report because there are those who have drawn the inference and arrived at the understanding that this report acquits everybody concerned. I am trying to show that, so far as the face of the report is concerned, it recites affirmatively that there was an agreement; it recites also that the entry which shows that information was to be taken in the name of the Commission and delivered to the committee. It discloses that the agents of both bodies went to the offices of the telegraph companies together. It discloses that the Commission, at the request of the agents of the committee, requested the copying of telegrams and that the telegrams were copied by agents of the telegraph company, and that the information thus derived was turned over to the agents of the Commission, and it was then turned over by the agents of the Commission to the agents of the committee. I merely wish to stress the fact, which I think cannot be escaped unless the Commission's report is to be impeached, a fact that cannot be escaped if we are to be guided by this report, namely, that messages were not taken by process of law under subpoena; original messages were not taken at all; the physical message, the paper on which it was written, was never taken apparently. The thing that was taken was information. It was abstracted from the messages. The process that was had was not one of delivery under a subpoena but it was one of divulging contents and apparently divulging contents in violation of the statute.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. STEIWER. I will yield in a moment; I wish to finish one more sentence.

I do not rise, Mr. President, to characterize anyone; I do not rise to attempt to fix blame. I concede that I do not know where the blame should be fixed. I cheerfully admit that there may be a complete defense to the implications that grow so forcefully out of this report. I hope there is such a defense. I accuse no one. I merely say that, in my judgment, the report may not be used in and of itself to acquit anybody of anything.

TERMS OF DISTRICT COURT, MIDDLE DISTRICT OF PENNSYLVANIA

The Senate resumed the consideration of the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

The VICE PRESIDENT. The question is on the amendment reported by the Committee on the Judiciary.

Mr. COPELAND. Mr. President, on that I should like to have a roll call.

The VICE PRESIDENT. Does the Senator from New York ask for the yeas and nays?

Mr. COPELAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

Mr. BLACK. Mr. President—

Mr. COPELAND. I withhold the suggestion for a moment and yield to the Senator from Alabama [Mr. BLACK].

INSPECTION AND ALLEGED SEIZURE OF TELEGRAMS, ETC.

Mr. BLACK. Mr. President, I wish to say just a few words in connection with the remarks made by the Senator from Oregon [Mr. STEIWER]. What he has said today reminds me of the discussion on the floor a few days ago in which he wanted to accuse nobody of anything; but today he does not want to acquit anyone of anything; he does not want to exculpate anyone from anything; he does not know where the blame rests. He accuses no one in direct language. Certainly not! That is not his method. It is quite a different method which is adopted by the Senator from Oregon. His method is to use many words, expressing his entire innocence of wanting to say anyone has done anything wrong or just who did it, whose agent it was that committed some horrible crime, and yet he says enough so that the newspapers which are representing the cause which the Senator from Oregon was representing on this floor can take what he said, with their usual distortion, because he knows how valuable it will be for that purpose.

Mr. President, the statement has been made that it is a very abnormal and unusual thing to go into an office and get the copies instead of the original papers; that it is a very unusual thing to serve a subpoena without having the papers brought to the Senate. The Senator should have known there is nothing unusual about it because the very committee on which he sat adopted exactly that system from day to day. They sent subpoenas into the offices of various people engaged in business, and the service of the subpoenas was accepted. He knows that. If he does not, it is very strange that he does not. After the subpoenas were accepted the agents of the committee on which he was serving went through the papers in that office and brought back copies of those papers to the committee on which the Senator was serving.

Not only did that committee do that, but that is the regular method adopted by all the committees which have been engaged in investigations. In other words, a subpoena duces tecum is served or service is accepted. When that is done, by agreements—that is the word the Senator mentioned—which agreements were made by representatives of the Banking and Currency Committee and those whose papers were being examined, they then looked over the records in order that they might determine just which they desired. They then returned the copies to the committee room and there they used the copies of the books, of memoranda, of the letters, of the telegrams. It is exactly the system and the method that was used by the committee on which the Senator from Oregon served and to which he referred a few days ago.

Mr. STEIWER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. BLACK. Certainly.

Mr. STEIWER. Cannot the Senator from Alabama conceive any difference between the thing he is now outlining and the procedure which is referred to and outlined in the report of the Federal Communications Commission?

Mr. BLACK. No; and I do not expect the Senator to see it.

Mr. STEIWER. I ask if the Senator from Alabama can see it. I do see it.

Mr. BLACK. I think the Senator is in such frame of mind that for some reason nothing this committee has done or can do or will do will meet with his meticulous taste.

Mr. STEIWER. Is the Senator going to attempt to answer my question?

Mr. BLACK. I have answered the Senator's question. I do not intend to try to answer it to the satisfaction of the Senator, because I do not think anyone who believes that we should conduct this investigation can satisfy the Senator.

Mr. STEIWER. I merely ask the Senator if he did not see the difference between the procedure he just outlined and the procedure referred to and outlined in the report of the Federal Communications Commission.

Mr. BLACK. I said I did not, because there is no difference. The parts of the report which the Senator did not read, which he was very careful not to read, state repeatedly that the Senate committee went into that office with a subpoena. The Senate committee went into that office with a subpoena of exactly the same type as that used by the representatives of the Banking and Currency Committee when they went into the other office.

Mr. STEIWER. What I wanted to suggest to the Senator is that in the case to which he is referring—I assume he is referring to the procedure of the Banking and Currency Committee? In that case the evidence was actually secured under subpoena.

Mr. BLACK. So was this.

Mr. STEIWER. Possibly it was, but so far as the report of the Federal Communications Commission is concerned the information was not obtained under subpoena, but was obtained under the vicarious practice of getting the contents of the telegrams copied or abstracted and turned over to the Communications Commission, and then the Communications Commission delivered them to the agents of the Senate committee. There is the difference.

Mr. BLACK. The Senator should be perfectly familiar with the facts if he has read the remainder of the report, which he did not.

Mr. STEIWER. I have read it all.

Mr. BLACK. Certainly, but the Senator was careful not to read it all to the Senate in the remarks which he was making. He withheld it. He did not abstract it. He withheld it.

Mr. STEIWER. Will not the Senator add that this report was delivered to the Senate and printed and a copy placed upon each Senator's desk? I assume every Senator is familiar with it. There is no necessity for me to read the whole report.

Mr. BLACK. If the Senator thought every Senator was familiar with it, why did he read any of it into the Record?

Mr. STEIWER. The report has not been printed in the Record; I read it to call attention to the points I was trying to make.

Mr. BLACK. And to leave out the parts which the Senator did not want called to the attention of the public and to leave it out in such a way that the paper the Senator was reading the other day when he made his remarks, the Chicago Tribune, could utilize it as the Senator's statement without putting in the remainder of the report.

Mr. STEIWER. The Senator is not justified in making that statement. I would be glad to print the whole report in the Record.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. SCHWELLENBACH. If the Senator was making his remarks for the benefit of the Members of the Senate, there might be some excuse for the method he is using, because of his statement that Senators have had an opportunity to read the report; but every Member of the Senate knows that the Senator from Oregon is making these speeches not for the benefit of the Senate but for the benefit of the Hearst papers, so they can publish his remarks in the papers.

Mr. STEIWER. Why do the two Senators rise and question the motives of the Senator from Oregon? Does not the

Senator remember that my colleague the senior Senator from Oregon [Mr. McNARY] asked for order and that we were endeavoring to get the attention of Members of the Senate? I cannot help it if Senators were not listening to the presentation I was making.

Mr. BLACK. Mr. President, the facts remain that this report shows that the Senate committee obtained its messages by a subpoena. The fact is the subpoena was exactly the same type as the subpoenas to which the Senator from Oregon paid such high tribute, issued by the Banking and Currency Committee, of which he was a member. I assume he was vitally interested in that investigation. I assume he actively and aggressively assisted Mr. Pecora and the others who wanted to obtain the truth. Therefore I assume he was sympathetic with their subpoenas and the methods they adopted.

Mr. STEIWER. May I help the Senator from Alabama on that point? That investigation was conducted by a subcommittee, of which the Senator from Oregon was not a member except during the period when the senior Senator from Michigan [Mr. COUZENS] was abroad on official business. During that time I served in his stead. During the time I was on the subcommittee I took a very close and active interest in the proceedings of the subcommittee.

Mr. BLACK. Mr. President, the fact still remains that the Senate committee, a committee of this body, followed this procedure. If the Senator from Oregon does not like the way the committee has proceeded, let him cite the committee to come before this body. Let him present his accusations and not with "whys" and "whereases" and "buts" in the newspapers. Let him join issue face to face like a man and let the country know to whose defense he has sprung in this body—who it is behind the attacks which are being made. We know who it is.

Let us determine whether or not the time has come when a small group of lobbyists and a small group of men, including a newspaper owner who has a great deal of power, who want to control this country, can control it. Let it be determined whether any man can rise to such fame that he can secure the Presidential nomination upon a rotten issue like this, an issue honeycombed with the efforts of people to conceal the truth; people who are afraid of the truth, who dare not let the truth come out; people who are adopting every conceivable plan in court, in the Senate or elsewhere, to conceal from the Nation the nefarious practices in which they have been engaging.

Let it be determined whether or not a man can hide behind the Constitution, when as a matter of fact he is an enemy of the Constitution. Let it be determined once and for all whether or not this country believes, as I believe it does, that the safety of the Republic does not depend upon concealment and secrecy and attempting to hide behind veiled insinuations and veiled threats and veiled charges—practices which are contrary to the best interests of the people of the Nation.

Mr. President, this committee is serving as a part of the Senate. It is a little strange that Members of the Senate choose as their method to rise and say, "We do not know just exactly what is the fact, but we make no charges, and we would not exculpate anyone, and we are not going to try to prove the defense."

This committee has acted in accordance with the rules of the Senate and the rules of law. It has obtained evidence. It has obtained evidence which some persons wish to conceal. That is the trouble. Some persons do not desire to have this evidence exposed. They wish to keep it buried. They desire, if possible, to prevent any more committees investigating the truth and exposing the corruption seeping through certain groups in this country. Therefore, their method is the same old method: "Well, let us see if we cannot, by insinuation or otherwise, place some charges around those who wish to expose the truth. If we can keep doing this from day to day, and keep the subject in the press; if we can just say enough so that that part of the press which is tied up with this group can seize on it, perhaps the people will forget the destruction of evidence. Perhaps they will forget that one man in this country seeks to direct the destinies of the people of the Nation from greed. Perhaps they will forget that one

man having far-flung possessions over America, South and North, interested in various activities, is, perhaps, interested in activities which might cause profits to roll into his pocket if war should be declared with foreign nations. Conceal, hide, do anything, just so that you create a smoke screen in order that the truth may be concealed."

Mr. SCHWELLENBACH. Mr. President, the Senator from Oregon [Mr. STEIWER] spoke upon this question last Friday. It had been my intention to reply this week to the remarks of the Senator from Oregon. I have been detained from the Senate this week on account of illness. I do not feel like discussing the question at length today. I doubt whether I shall feel so on Monday.

However, I do wish at this time to serve notice that on Tuesday next, as soon after the convening of the Senate as it is possible for me to obtain the floor, I shall discuss the subject, Shall the Senate Permit Mr. William Randolph Hearst to Prevent a Committee of the Senate From Uncovering Fraudulent and Corrupt Lobbying Activities by Hiding Behind the Shield of Legal Technicality?

Mr. STEIWER. Mr. President, I merely wish to express my regret that the distinguished Senator from Alabama [Mr. BLACK] and the others who are defending the course of our committee in this matter have not seen fit to deal with the affirmative recitals contained in the report of the Communications Commission nor to explain away the apparent violation of law which is there recorded.

To me it is regrettable that when we need light we get only heat, and that the members of the committee who seek to defend the methods which have been employed resort only to insinuation, to veiled and unveiled accusation, to an unfounded questioning of motives, and then permit the report to remain unexplained and the arguments to go entirely unanswered.

TERMS OF DISTRICT COURT, MIDDLE DISTRICT OF PENNSYLVANIA

The Senate resumed the consideration of the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee. On that amendment the Senator from New York [Mr. COPELAND] has demanded the yeas and nays.

Mr. COPELAND obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator from New York is discussing a question which it seems to me a full Senate should hear. We apparently confront the amazing proposition that the Senate is being asked to force two United States judges upon a State whose own Senators do not wish the legislation to pass. Will the Senator permit me to ask for a quorum?

Mr. COPELAND. I yield for that purpose.

Mr. VANDENBERG. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Keyes	Pittman
Ashurst	Clark	King	Pope
Austin	Connally	La Follette	Radcliffe
Bachman	Copeland	Lewis	Robinson
Bailey	Couzens	Logan	Russell
Barbour	Davis	Loneragan	Schwellenbach
Barkley	Donahay	Long	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Steiwer
Bone	Frazier	McNary	Thomas, Utah
Borah	George	Metcalf	Truman
Brown	Gibson	Minton	Tydings
Bulkley	Gore	Murphy	Vandenberg
Bulow	Guffey	Murray	Van Nuys
Burke	Hale	Neely	Wagner
Byrd	Harrison	Norris	Walsh
Byrnes	Hatch	Nye	Wheeler
Capper	Hayden	O'Mahoney	White
Caraway	Johnson	Overton	

The PRESIDING OFFICER (Mr. BONE in the chair). Seventy-five Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, this afternoon the able and genial senior Senator from Arizona [Mr. ASHURST], my long-time friend, who will be my friend regardless of any differences we might have in the Senate, called attention to what he called the break-down of law and justice. I think the average citizen fails to recognize the fundamental difference between the State courts and those courts known as the Federal courts, which in their highest branches have to do with the interpretation of the Constitution of the United States, and in their lower branches with the effective dealing with interstate crime.

In my opinion, so far as the Federal courts and all their branches are concerned, we have a very effective system. Sometimes fault is found with the decisions of the Supreme Court of the United States; attention is called to 5-to-4 opinions and other divided opinions. As a matter of fact, in the entire history of our country, as I recall, there have been only about fifty 5-to-4 decisions. Dissenting opinions have been filed in a great number of cases, of course, but so far as close decisions are concerned, there have been very few. I had occasion to ask the Clerk of the Supreme Court some years ago for a list of the 5-to-4 decisions, and up to that time there had been only 38 in the entire history of the country. I think a few have been handed down since that time. Sometimes fault is found with the Supreme Court; yet the rank and file of the people of the country are firm believers in the Supreme Court, and in all the higher Federal courts.

As I said a little while ago, in connection with the work of the crime committee, we recommended a number of changes in Federal laws, and widened powers of the Federal courts in dealing with new forms of crime incident to the use of the automobile and the telegraph and the telephone. We recommended giving the courts new powers. But by and large there has been no complaint of the lack of judges or prompt action in the Federal courts, no piling up of work such as we sometimes see in the lower courts. There have been few complaints of that sort.

With the great economic depression we have experienced and the increased numbers of bankruptcies and other legal proceedings which have to do with the problems which are to be dealt with by the Federal courts, there may have been some delay, but, so far as the normal operations are concerned, I think there is little cause for complaint.

Our study of crime brought to me a firm conviction that the greatest social problem with which the United States has to deal is the problem of juvenile delinquency. It is a sad commentary upon American civilization that at this very time in the jails of the United States and in all the penal institutions, the average age of the criminal is 23 years, the largest group being those of 19 years of age and the next largest group those of 18 years—just misguided boys and girls. How can it happen that in a country which has spent billions of dollars for education, and every year spends millions of dollars to maintain its churches and schools and other institutions having to do with the formation of character, there is such a break-down and that such conditions can exist as those indicated by the figures I have stated?

It would be interesting to give consideration to this great problem. I think we would all agree that the first responsibility for character and behavior rests upon the home. There has been a great change in the American home since the days of the founding of the Republic. The American home is not today what it was. Perhaps it is useless to discuss why that is so, but it is true, in my judgment. The first responsibility for character is in the home. I do not know any way to reach the home except through the churches and various social organizations.

Naturally, we ask about the church. Judge Marcus A. Kavanagh, of Chicago, in a remarkable book, *The Criminal and His Allies*, makes a statement, in effect, something like this: In 1850 religion in America was at high tide, and in all the prisons in the United States there were only 7,000 inmates. Discussing the matter at some length, he decides

that when the churches are full the prisons are empty. He does not undertake to discuss the question at all from the standpoint of a religionist, or as one who is interested in a denomination, or a special branch of the church. He simply makes the statement that when the churches are full the prisons are empty.

In the average city community today, if on one Sunday all the citizens should strangely want to go to church, there would not be pews enough to take care of one-tenth of those who desired to enter. There are attractive forms of amusement and entertainment outside the church and outside the home.

There no longer seems to be the impulse to go to church which characterized the Nation in 1850. I do not know how to reach the church. I have no right to criticize any church but my own. I do not hesitate to do that; but the church is failing of its high purpose. It is not doing for youth today what it did in olden times. As I dismiss the home as being impossible to reach by any method that I know except through the church, and as it is impossible to give strength to the church, I go to the third agency in character building; that is the school.

I have a right as a citizen, as a taxpayer, to inquire whether the school is doing its part in the development of character, whether it is doing its part in the prevention of juvenile delinquency. I do not think it is. In saying that, I do not reflect upon the public-school teacher. No one honest with himself, who will search his mind, can fail to find memories of this and that teacher who had much to do with molding thought and character. Every man knows that to be true. I have no fault to find, Mr. President, with the teachers. It is the system of which I complain.

In my judgment, the objectives of education must be revised. When that statement is made, someone may ask, "Well, what are the objectives of education? What should be the objectives of education?"

The objectives of education are clear to me: In the first place, to fit for parenthood. That means a clean body and a clean mind. Second, so far as possible, to fit for a livelihood. Third, to give every child a sense of social responsibility, and make him understand that he belongs to a country, to make him a patriotic citizen, to make him a lover of the flag, to give him an appreciation of the necessity of the recognition of authority.

The trouble with the schools, as I see it—and all this has a bearing on the question before us—is the fact that mass instruction is the rule. Every child is made to conform to a conventional standard. A yardstick is laid down, and every child must measure up to that yardstick. The differences of the individual child as compared with the mass of children are utterly disregarded. The result is that many a child is a retarded child. He does not progress. He becomes a hindrance and a nuisance to the rest of the children, and to the teachers, and to the system. Then what happens? Pretty soon the teacher, in the language of the street, "gets sore" on the child. She "picks" on the child; and the poor little humiliated youngster, resentful of his surroundings and of the treatment accorded him, does the perfectly human thing; he runs away from school. He is an occasional truant, and it is not long before he becomes an habitual truant. The boy meets with other bad boys. That is the beginning of a gang. It is not long before there are pilferings and burglaries and even murders in that community. That is the way gangs begin.

Mr. President, as I see the matter, the hope of the country lies in the school. The prevention of crime lies in the school. The development of what we should like to know as American character depends upon the school. Failure there means that very soon the youngsters are brought to the attention of the police; they are arrested and taken to court; and that is the beginning of the outrageous treatment of youth by the machinery of the courts.

Upon the wall in the office of Mr. Sanford Bates, the Director of the Bureau of Prisons of the United States—a very able man, a great credit to his country—is a great map of

the United States, as large as two panels on the wall before me; and in this map are stuck pins. The face of the map looks like the face of a man who has had virulent smallpox, so pitted is it, so marked is it. I said, "Mr. Bates, what is that map?" He replied, "Every pin in that map marks the location of a county jail. There are 35,000 of them in the United States, every one of them a breeding-place for crime."

We do not deal intelligently with our youth who fall on evil ways. Instead of preventing the tendency to crime or antisocial conduct in the first place, when youths are arrested for one cause or another they are taken before a court, found guilty, and sent to some kind of a custodial institution. Older youths are sent to jails where hardened criminals are incarcerated. Certainly such jails are breeding places of crime. The youngsters may have been simply nonsocial at the time of their admission. They come out against society, and ready to carry on depredations against organized society.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. HATCH. I am quite interested in the subject which the Senator is discussing. I have had some little experience with the matter. I was wondering whether the Senator intended to say that there is a custom prevailing in the United States today under which first offenders are sent to jail.

Mr. COPELAND. Many first offenders, I am sorry to say, are sent to jail. That is an indecent thing, an unthinkable thing; but, due to the inertia of our people, we can become more excited over the question whether there shall be two new Federal judges in the southern district of New York than over the question how we are going to deal with wayward children.

If I had my way, I should not permit a judge who deals with a case involving a child, to pass sentence, unless it were a juvenile-court judge operating under laws which are humane, and which give consideration to all the things we are discussing.

A child taken to court for a misdemeanor or a crime should be fairly tried; and then, if found guilty, the question is, what is going to be done with him? I would have another body of equal dignity with a court. I would have a doctor on that board; I would have a psychologist or a psychiatrist; I would have another specialist who could test the eyesight and the hearing; I would have a sociologist and a social worker; and I would have one fine, motherly woman on that board.

Mr. President, in response to the question of the able Senator from New Mexico [Mr. HATCH], who, himself, served for years as a juvenile-court judge—and I should like to say in passing that I have no doubt he used the degree of kindness and good judgment that a man in that important position should use—I will say that undoubtedly the laws of his State made it possible for him to exercise his judgment; but there are places in these great United States where conviction is automatically followed by a sentence to a jail, a prison, or some other custodial institution. It is cruel beyond words. I am sure the Senator will agree with me as to that.

I said I would have upon that board which would examine the child a doctor. I presume I will be accused of thinking of the doctor first because I, myself, used to be one, but we have learned much in the medical profession about health and the relationship of health to the mental processes.

There is an insane asylum in this country where the discharges are 78 percent of the admissions; that is to say, there are 78 chances out of a hundred that recovery will be brought about. Mr. President, when I tell you that the average discharges in this country from certain institutions amount to only 35 percent you naturally inquire, Why is it possible that in this particular institution proportionately twice as many are restored to health as in the average institution? The answer is because every person admitted to that insane asylum is regarded as a patient. The question is in every instance, "What is wrong with this patient?"

They do not have bars and shackles and chains. This institution is operated as a hospital, and a careful physical examination is given to find out what is wrong with the patient. Is there an infection, a bad gall bladder or bad teeth or bad tonsils or an infected intestinal tract or an infection somewhere else?

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. COPELAND. I will yield in just a moment. Then the doctor proceeds to get rid of the infection, and, strange as it may seem, when the source of the poison is removed, and the poisons already absorbed have been eliminated, then the mental processes are restored and sanity is given to the person who theretofore was insane. Now I yield to the Senator from Arizona.

Mr. ASHURST. Mr. President, there may be implied in the question I am about to ask, some thought that I am listening with impatience to the able Senator from New York. On the contrary, I always gladly listen to him. He speaks with very cool locution and without excitement. I have learned much from his speeches, and when I ask this question of him it is not because I think he should desist, for I assure him I am glad to hear him and he is one of the rare wise men we see. If, however, it be the purpose of the able Senator to prevent a vote—and he has the intellectual power and the laryngeal activity to prevent a vote if he wishes to do so [laughter]; and he is always frank—I certainly have no comment to make, and I have no criticism, but, if that be his purpose, I think the Senate has other business to which it could turn its attention at this time.

Now I am exploring to ascertain if we can agree upon a time to vote, say, next Tuesday or next Wednesday, or some other time, with the understanding that the bill which is in charge of the Senator from Kansas [Mr. CAPPER], shall be restored Monday morning to its status as the unfinished business. Would the Senator from New York have the kindness to enlighten me as to his views as to when we may fix a time for a vote?

Mr. COPELAND. I think I would have no objection to that; in fact, I would rather welcome it.

Mr. ASHURST. Will the Senator himself fix a time?

Mr. COPELAND. I would welcome it, because I find myself at the moment without certain material which fully demonstrates the fact that these judges are not needed, and I will be glad to have a few days in order to gather the material together.

Mr. ASHURST. Would the Senator object to a final vote at 3 o'clock 1 week from today?

Mr. COPELAND. Will that be Friday?

Mr. ASHURST. Say Thursday next at 3 o'clock.

Mr. COPELAND. When would the measure be taken up for consideration?

Mr. ASHURST. The Senator from New York may choose the time, but, as men of honor, we are bound to restore the unfinished business to its place on Monday morning.

Much as I want this bill passed, I would help to defeat it rather than break my word that I have given the Senator from Kansas. So I feel on Monday morning the unfinished business, being Senate bill 1424, should be restored to its place. That, however, would leave the Senator from New York or any other Senator at full liberty at any time to talk on the judgeship bill, because, as we all know, there is in the Senate no rule of germaneness, and a Senator, if he obtains recognition, may speak at any time he chooses.

Mr. COPELAND. Mr. President, will the Senator yield for a moment?

Mr. ASHURST. Certainly. The Senator from New York has the floor, and I am speaking by his indulgence.

Mr. COPELAND. The Senator, of course, realizes that I have spoken with germaneness. I am discussing penal institutions.

Mr. ASHURST. While the Senator's discussion may not have been germane, it has been very enlightening to me. So, Mr. President, may we not agree that a vote on the judgeship

bill, House bill 11098, be taken at 3 o'clock on Thursday next?

Mr. COPELAND. I think we may do that. Could it not be made a special order under the rules?

Mr. ASHURST. I doubt it. I fear that might be inconvenient.

Mr. ROBINSON. I think that could be done, if there were no objection to it.

Mr. COPELAND. Suppose we make it a special order for 1 o'clock on Thursday and vote not later than 3 o'clock on that day.

Mr. ASHURST. Very good.

Mr. ROBINSON. Mr. President, I ask unanimous consent that on next Thursday at not later than 1 o'clock the unfinished business be laid aside temporarily; that at that hour the Senate proceed to the consideration of House bill 11098; and that at not later than 3 o'clock a vote be taken on the bill and all amendments that may be pending or that may be offered.

The VICE PRESIDENT. Does the Senator want a quorum called?

Mr. ROBINSON. Action on the request would require a quorum. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	King	Pope
Ashurst	Clark	La Follette	Radcliffe
Austin	Connally	Lewis	Robinson
Bachman	Copeland	Logan	Russell
Bailey	Couzens	Loneragan	Schwellenbach
Barbour	Davis	Long	Sheppard
Barkley	Donahey	McGill	Shipstead
Bilbo	Duffy	McKellar	Steiwer
Black	Fletcher	McNary	Thomas, Utah
Bone	Frazier	Metcalf	Truman
Borah	George	Minton	Tydings
Brown	Gibson	Murphy	Vandenberg
Bulkley	Guffey	Murray	Van Nuys
Bulow	Hale	Neely	Wagner
Burke	Harrison	Norris	Walsh
Byrd	Hatch	Nye	Wheeler
Byrnes	Hayden	O'Mahoney	White
Capper	Johnson	Overton	
Caraway	Keyes	Pittman	

The VICE PRESIDENT. Seventy-four Senators having answered to their names, a quorum is present. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. COPELAND. Mr. President, I merely wish to say that I had not finished what I wanted to say about juvenile delinquency. The hour is late. I want to make one statement about the bill itself, and I hope Senators will bear it in mind.

The Senate passed a bill which I introduced nearly a year ago. That bill is now before a committee of the House. It has seemed to me a very unusual thing, with a bill being in the House upon which the House has not chosen to act, that another bill for the same purpose should be sent to the House in the form of a rider. I do not think it is quite fair to the other body. We certainly have no desire and no right to interfere here with the orderly processes of the operation of legislation in the other House.

I believe Senators do not quite realize that this bill is already in the House. It is there to be acted upon whenever the House chooses to do so. Yet, in our anxiety to pass this particular bill, we propose now to hitch it on to another bill. We will dispose of this one next Thursday, and then, I suppose, if the House fails to act, in 3 or 4 weeks' time we will put it on another bill, hoping some time to give it wings sufficient to carry it through the House on its way to ultimate passage.

STOCKYARDS AND MEAT PACKING

Mr. ROBINSON. Mr. President, I ask unanimous consent that the bill (S. 1424) to amend the Packers and Stockyards Act, 1921, be proceeded with. The reason for that is that it was displaced by the motion submitted by the Senator from Arizona [Mr. ASHURST].

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that the bill known as the stock-yards bill, in charge of the Senator from Kansas [Mr. CAPPER], be restored to the parliamentary status which it occupied before the motion of the Senator from Arizona was adopted. Is there objection?

There being no objection, the Senate resumed consideration of the bill (S. 1424) to amend the Packers and Stock-yards Act, 1921.

The VICE PRESIDENT. Let the Chair state the parliamentary situation. The motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill is the pending question before the Senate at this time.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment, or appointment by transfer, in the Regular Army.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the first nomination in order on the calendar will be stated.

THE JUDICIARY

The legislative clerk read the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NATIONAL EMERGENCY COUNCIL

The legislative clerk read the nomination of Richard B. O'Connell, of Connecticut, to be State director, National Emergency Council, from Connecticut.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk read the nomination of Thomas Parran, of New York, to be Surgeon General, Public Health Service.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service.

Mr. ROBINSON. I ask that nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the post-office nominations are confirmed en bloc.

That completes the calendar.

THE JUDICIARY—LAMAR HARDY

Mr. NORRIS. Mr. President, I have just come into the Chamber. Were any nominations from the Judiciary Committee acted upon?

Mr. ROBINSON. All nominations on the calendar have been disposed of. There was one nomination on the calendar from the Judiciary Committee—the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

Mr. NORRIS. Has it been disposed of?

Mr. ROBINSON. That nomination was confirmed.

Mr. NORRIS. Mr. President, I think it has been known that I desired to oppose the confirmation of this nomination. I now understand that it has been disposed of. I will ask the chairman of the committee about it.

Mr. ASHURST. Mr. President, does the Senator refer to the Hardy nomination?

Mr. NORRIS. I do.

Mr. ASHURST. Frankness and candor require me to say that the Senator told me yesterday that he wished to speak in opposition to the confirmation of this nomination.

Mr. NORRIS. Yes; and I am informed that it has been disposed of.

Mr. ASHURST. It is on the calendar.

Mr. NORRIS. Mr. President, if the nomination has been confirmed, I ask unanimous consent that the vote by which the nomination was confirmed be reconsidered. I desire to be heard on the nomination.

Mr. ROBINSON. I make no objection to that. I had no information that the Senator opposed the confirmation of the nomination.

Mr. NORRIS. I know that. I told the chairman of the committee about it.

The VICE PRESIDENT. The Senator from Nebraska asks unanimous consent that the action of the Senate in confirming the nomination of Mr. Hardy be rescinded. Is there objection? The Chair hears none.

Mr. NORRIS. Now I wonder if we cannot arrange for a definite time to take up the nomination. Some time will be occupied on the nomination, I think.

Mr. ROBINSON. Mr. President, it is my intention to move a recess until Monday.

Mr. NORRIS. I am not anxious to fix the time now; but in any event, we could not take up the nomination at this time of the day. I am willing to let it stand just as it is.

Mr. ROBINSON. Very well.

The VICE PRESIDENT. The nomination will go over.

Mr. ROBINSON. I ask unanimous consent that on next Tuesday, at the hour of 3:30 p. m., the Senate proceed to the consideration of this nomination in executive session.

Mr. NORRIS. I have no objection to that; but I suggest that the hour be fixed at 2:30, in anticipation of considerable debate.

Mr. ROBINSON. Very well; I modify the request to that effect.

The VICE PRESIDENT. The Senator from Arkansas asks unanimous consent that, at 2:30 o'clock p. m., on Tuesday next, the Senate resolve itself into executive session, and that the nomination of Mr. Lamar Hardy to be United States attorney for the southern district of New York be then taken up for consideration. Is there objection? The Chair hears none, and it is so ordered.

RECESS TO MONDAY

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate took a recess until Monday, March 30, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27 (legislative day of Feb. 24), 1936

NATIONAL EMERGENCY COUNCIL

Richard D. O'Connell to be State director, National Emergency Council, for Connecticut.

SURGEON GENERAL, PUBLIC HEALTH SERVICE

Thomas Parran to be Surgeon General, Public Health Service.

PROMOTIONS IN THE FOREIGN SERVICE

Thomas H. Bevan to be Foreign Service officer of class 2.
Cornelius Van H. Engert to be Foreign Service officer of class 2.

Herbert S. Gould to be Foreign Service officer of class 2.
Kenneth S. Patton to be Foreign Service officer of class 2.
James B. Young to be Foreign Service officer of class 2.
Harry E. Carlson to be Foreign Service officer of class 4.
Jefferson Patterson to be Foreign Service officer of class 4.
Harold L. Williamson to be Foreign Service officer of class 4.

David C. Berger to be Foreign Service officer of class 5.
Ellis O. Briggs to be Foreign Service officer of class 5.
Allan Dawson to be Foreign Service officer of class 5.
William E. DeCourcy to be Foreign Service officer of class 5.
Robert F. Fernald to be Foreign Service officer of class 5.
John J. Muccio to be Foreign Service officer of class 5.
Christian T. Steger to be Foreign Service officer of class 5.
William H. Beach to be Foreign Service officer of class 6.
George H. Butler to be Foreign Service officer of class 6.
Leo J. Callanan to be Foreign Service officer of class 6.
Selden Chapin to be Foreign Service officer of class 6.
Prescott Childs to be Foreign Service officer of class 6.
Winthrop S. Greene to be Foreign Service officer of class 6.
William M. Gwynn to be Foreign Service officer of class 6.
Julian F. Harrington to be Foreign Service officer of class 6.

George F. Kennan to be Foreign Service officer of class 6.
Edward P. Lawton to be Foreign Service officer of class 6.
Dale W. Maher to be Foreign Service officer of class 6.
Gordon P. Merriam to be Foreign Service officer of class 6.
C. Warwick Perkins, Jr., to be Foreign Service officer of class 6.

Samuel Reber to be Foreign Service officer of class 6.
Joseph C. Satterthwaite to be Foreign Service officer of class 6.

George Tait to be Foreign Service officer of class 6.
Angus I. Ward to be Foreign Service officer of class 6.
S. Walter Washington to be Foreign Service officer of class 6.

LaVerne Baldwin to be Foreign Service officer of class 7.
William W. Butterworth, Jr., to be Foreign Service officer of class 7.

Warren M. Chase to be Foreign Service officer of class 7.
Oliver Edmund Clubb to be Foreign Service officer of class 7.
Paul C. Daniels to be Foreign Service officer of class 7.
Cecil Wayne Gray to be Foreign Service officer of class 7.
Raymond A. Hare to be Foreign Service officer of class 7.
Gerald Keith to be Foreign Service officer of class 7.
Bertel E. Kuniholm to be Foreign Service officer of class 7.
James S. Moose, Jr., to be Foreign Service officer of class 7.
Henry S. Villard to be Foreign Service officer of class 7.
George H. Winters to be Foreign Service officer of class 7.

POSTMASTERS

COLORADO

Will Van Engen, Crawford.
James M. Faricy, Florence.
Mathias J. Schmitz, Gunnison.
James H. Parker, Julesburg.
Cyril Edward Taylor, Spivak.
James L. Allison, Woodmen.

CONNECTICUT

Charles J. Fields, Norfolk.

FLORIDA

Robert L. Horsman, Lake Worth.
William H. Cox, Palmetto.

GEORGIA

Lois Horton, Guyton.
Henry C. Hightower, McDonough.

INDIANA

Francis P. Gavagan, Chesterton.

LOUISIANA

Joseph J. Ferguson, New Orleans.

MAINE

Norman E. Willis, Harmony.
Lula E. Crockett, North Haven.
Spellman C. Marshall, Oakland.
Ferdinand H. Parady, Orono.
Edward C. Moran, Rockland.

MASSACHUSETTS

John J. O'Brien, Bridgewater.
John J. Pendergast, Centerville.
John F. Kennedy, Chicopee.
Isabelle Crocker, Cotuit.
Mary T. Harrington, Holden.
Louis H. Chase, Norfolk.
James L. Sullivan, Peabody.
Philip Morris, Siasconset.
Frank M. Merrigan, South Deerfield.
Walter P. Cook, Yarmouth Port.

NEBRASKA

Oda D. Adkins, Arthur.

NEW HAMPSHIRE

Mina S. Roberge, Cascade.
Harriet O. Harriman, Jackson.

NEW JERSEY

Rachel E. Berger, Ringoes.
Susan L. Kenworthy, Wanaque.

NEW MEXICO

Irwin C. Floersheim, Springer.

NEW YORK

John H. Quinlan, Pavilion.
Timothy V. O'Shea, Rome.
Clarence A. Lockwood, Schroon Lake.

NORTH CAROLINA

Brevard E. Harris, Concord.
Edgar S. Woodley, Creswell.
Grady L. Friday, Dallas.
Robert B. Mewborn, Grifton.
William W. Fleming, Hot Springs.
John P. LeGrand, Mocksville.
James H. Ledbetter, Mount Gilead.
Spurgeon K. Yelton, Spindale.

OHIO

Rollo C. Witwer, Akron.
Francis P. Frebault, Athens.
Leo V. Walsh, Barberton.
Charles Wassman, Bellaire.
Walter M. Dill, Fredericktown.
May C. Eldridge, North Olmsted.
Lawrence J. Heiner, Rutland.
Harry L. Hines, Williamsburg.

OREGON

Floyd B. Willert, Dayton.
Lemuel T. McPheeters, Hillsboro.
Vinnie B. Lay, Powers.
Von D. Seaton, Yamhill.

PUERTO RICO

Nicolas Ortiz Lebron, Aibonito.
Carlos F. Torregrosa, Aguadilla.
Cristina G. Sandoval, Hato Rey.
Jose Monserrate, Salinas.

SOUTH DAKOTA

Kelsey R. Highsaw, Belle Fourche.
Joseph H. Ryan, Madison.
Thomas R. Mickelson, Wilmot.
Edd A. Sinkler, Wood.

VIRGINIA

Harold W. Hale, Jr., Narrows.

WISCONSIN

Charles G. Pagel, Brandon.
George B. Meulemans, Greenleaf.
Anal E. Lennon, Hurley.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 27, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, according to the multitude of Thy tender mercies, turn Thou to us. As servants of the Republic, we have our mission—a service that each may render, an influence that the humblest may exert. Heavenly Father, may we not be satisfied with just small achievements. With gratitude to Thee for Thy matchless providence, lead us in those paths that shall bring the best compensation to our country which has called us. O lift this glorious world out of the valley of dismay. Fill it with countless human creatures worthy and altogether capable of enjoying it. Pity the weak, the indolent, and the disobedient; have mercy upon them. We pray that our own land may be led higher and higher, where afflictions cease and national ills disturb no more. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

- H. R. 381. An act granting insurance to Lydia C. Spry;
- H. R. 605. An act for the relief of Joseph Maier;
- H. R. 762. An act for the relief of Stanislaus Lipowicz;
- H. R. 977. An act for the relief of Herman Schierhoff;
- H. R. 2469. An act for the relief of Michael P. Lucas;
- H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;
- H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;
- H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;
- H. R. 6335. An act for the relief of Sam Cable;
- H. R. 7788. An act for the relief of Mrs. Earl H. Smith;
- H. R. 8032. An act for the relief of the Ward Funeral Home;
- H. R. 8038. An act for the relief of Edward C. Paxton;
- H. R. 8061. An act for the relief of David Duquaine, Jr.;
- H. R. 8110. An act for the relief of Thomas F. Gardiner;
- H. R. 8901. An act to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis.;
- H. R. 9200. An act authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865;
- H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;
- H. R. 10185. An act to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge;
- H. R. 10262. An act to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;
- H. R. 10316. An act to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.;
- H. R. 10465. An act to legalize a bridge across Second Creek, Lauderdale County, Ala.;
- H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods;
- H. R. 11045. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; and
- H. R. 11425. An act for the relief of Gustava Hanna.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

- H. R. 1252. An act for the relief of Odessa Mason;
 - H. R. 2982. An act for the relief of Sarah Shelton;
 - H. R. 3912. An act to amend an act for the relief of Clarence R. Killion;
 - H. R. 3952. An act for the relief of Mr. and Mrs. Bruce Lee;
 - H. R. 4387. An act for the relief of Barbara Backstrom;
 - H. R. 6297. An act for the relief of Leon Frederick Ruggles;
 - H. R. 6982. An act to amend section 80 of chapter 9 of an act to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898;
 - H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex.;
 - H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods;
 - H. R. 8069. An act for the relief of Mr. and Mrs. A. S. Mull;
 - H. R. 11053. An act authorizing the President to present the Distinguished Service Medal to Commander Percy Tod, British Navy, and the Navy Cross to Lt. Comdr. Charles A. deW. Kitcat, British Navy; and
 - H. J. Res. 215. Joint resolution to amend Public Act No. 435, Seventy-second Congress.
- The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:
- S. 813. An act authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona;
 - S. 1075. An act for the relief of Louis H. Cordis;
 - S. 1419. An act for the relief of George S. Geer;
 - S. 1975. An act to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered;
 - S. 2126. An act for the relief of Ralph Reisler;
 - S. 3128. An act for the relief of Daniel Yates;
 - S. 3160. An act to amend the law relating to residence requirements of applicants for examinations before the Civil Service Commission;
 - S. 3371. An act for the relief of John Walker;
 - S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and improvement of public-school buildings to be available for Indian children;
 - S. 3411. An act to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt.;
 - S. 3445. An act to authorize the Secretary of Agriculture to release the claim of the United States to certain land within the Ouachita National Forest, Ark.;
 - S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of Private Claim 111, parcel 1, Nambe Pueblo grant;
 - S. 3488. An act to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama;
 - S. 3537. An act for the relief of Felix Griego;
 - S. 3581. An act for the relief of Henry Thornton Meriwether;
 - S. 3685. An act for the relief of George Rabcinski;
 - S. 3692. An act for the relief of William T. J. Ryan;
 - S. 3747. An act for the relief of Maizee Hamley;
 - S. 3770. An act to award a special gold medal to Lincoln Ellsworth;

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases;

S. 3821. An act to authorize the award of the Purple Heart decoration to Maj. Charles E. Sprague;

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes;

S. 3868. An act to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935;

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.;

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937;

S. 3997. An act to authorize the Secretary of War to lend War Department equipment for use at the Eighteenth National Convention of the American Legion at Cleveland, Ohio, during the month of December 1936;

S. 4026. An act to amend the National Defense Act of June 3, 1916, as amended;

S. 4232. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects;

S. J. Res. 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition;

S. J. Res. 230. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended; and

S. J. Res. 238. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 4212) entitled "An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes", requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BULKLEY, Mr. WAGNER, Mr. BARKLEY, Mr. STEIWER, and Mr. TOWNSEND to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes today immediately after disposition of the pending special orders.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. BANKHEAD. Mr. Speaker, reserving the right to object, and I am not going to object, Members on this side have been granted 35 minutes to address the House this morning. We are very anxious to take up and finish a bill today, and I hope no other similar requests will be made.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PURCHASE OF POTATOES AND CHERRIES BY THE SURPLUS CROP RELIEF CORPORATION FOR RELIEF PURPOSES

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I wrote to Harry L. Hopkins, of the Federal Surplus Relief Corporation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ENGEL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter written

by me to Hon. Harry L. Hopkins, Chairman of the Federal Surplus Relief Corporation:

MARCH 25, 1936.

HON. HARRY L. HOPKINS,
President, Federal Surplus Relief Corporation,
Washington, D. C.

MY DEAR MR. HOPKINS: On April 1, 1935, I wrote you with reference to the purchase of potatoes made by the Surplus Crop Relief Corporation for relief purposes. I stated then, and I say now, that I was under the impression that the surplus crop was to be purchased where the surplus crop was for relief purposes by your Corporation. At that time I wrote you, in part, as follows:

"I wish to call your attention to the following statement based upon the facts given in your letter and the above report. Idaho produced in 1934, 19,240,000 bushels of potatoes, or 5 percent of the total 1934 crop, and furnished 559 carloads of potatoes. Maine produced 56,280,000 bushels, or 14.6 percent of the total crop, and furnished 2,300 cars. Maryland produced 3,267,000 bushels, or eight-tenths of 1 percent of the total crop, and furnished 106.6 cars. Michigan produced 34,304,000 bushels, or 8.8 percent of the total crop, and furnished 180 cars. New York produced 32,550,000 bushels, or 8.4 percent of the total crop, and furnished 300.8 cars. North Carolina produced 10,672,000 bushels, or 2.7 percent of the total crop, and furnished 211.8 cars. Virginia produced 13,433,000 bushels, or 3.4 percent of the total crop, and furnished 1,392.3 cars. Wisconsin produced 31,320,000 bushels, or 8.1 percent, and furnished 181.4 cars. Minnesota produced 23,380,000, or 6 percent of the total crop, and was allowed to furnish none of the potatoes, according to your letter.

"I wish to call your attention to the fact that while Maine produced approximately one and a half times as many potatoes as Michigan produced, she was allowed to furnish nearly 13 times as many potatoes as Michigan furnished. While Maryland produced less than one-tenth of the potatoes Michigan produced, she was given 106 cars to Michigan's 180 cars. While Michigan produced two and a half times as many potatoes as Virginia, Virginia was allowed to furnish more than seven and a half times as many as Michigan was permitted to furnish. In view of the fact that Michigan stood third in the amount of potatoes produced and Michigan farmers and produce men are holding this tremendous surplus on their hands, I feel that the above method of handling this surplus is not fair and just to the growers of my State."

I received a reply but no satisfaction. I did hope, however, that Michigan would receive a square deal with reference to the purchasing of potatoes for relief out of the 1935 crop. I now have before me the report of the Federal Surplus Commodities Corporation as to potatoes purchased, and also the Crops and Markets Report, published monthly by the Department of Agriculture. These reports show the following purchases of potatoes as compared to production of potatoes in the States quoted during the year 1935:

State	Quantity produced	Quantity purchased
	Bushels	Bushels
Idaho.....	17,800,000	206,530
Maine.....	56,280,000	1,533,320
Maryland.....	3,113,500	91,560
Michigan.....	34,304,000	108,313
New Jersey.....	9,750,000	55,438
New York.....	32,550,000	180,600
Pennsylvania.....	22,572,000	123,032
Virginia.....	11,352,000	355,904
Wisconsin.....	31,320,000	181,780
Minnesota.....	23,380,000	None

I call attention again to the fact that while Maine produced approximately 50 percent more potatoes than Michigan, she was allowed to furnish 15 times as many potatoes for relief purposes as Michigan was allowed to furnish. Maine furnished 1,533,320 bushels, while Michigan was only allowed to furnish 108,313 bushels. While Michigan produced 50 percent more potatoes than Idaho produced, Idaho was allowed to furnish nearly twice as many as Michigan. Idaho furnishing 206,530 bushels, while Michigan furnished 108,313 bushels. The same is true with practically every State mentioned above. There may be some justification for buying more potatoes in New York because the place of production is close to the place of consumption. This applies equally to Michigan. When you look over the map, you will find that Michigan is in the center of a large population, with such cities as Detroit, Chicago, Cleveland, Toledo, and other large cities, which should naturally receive their potato supply from Michigan. While I realize that Virginia is an early-potato State, Maine and Michigan are both late-potato States, and there is no justification for this discrimination.

I also wish to call attention to the fact that despite the fact that Michigan leads the world in the production of cherries, and that we have had the largest cherry surplus in the cherry crop in the United States, the cherry grower was given no consideration by the Federal Surplus Commodities Corporation in any purchase made, for your letter of March 12 states that no cherries were purchased during the calendar year of 1935.

I protested recently to the proper department because Oregon cherries were sent into Michigan to the C. C. C. camps. Despite the fact that Michigan leads the world in the production of cherries, the Government saw fit to buy Oregon cherries and shipped

them into Michigan at a much higher price. Every year we send a Cherry Queen to Washington to present a cherry pie to the President of the United States. The President last year graciously received the Cherry Queen and the pie, and we have a right to assume he ate it. Surely, if these cherries are good enough, as I stated before, for the President of the United States, they ought to be good enough for the C. C. C. camps.

After my protest of last year I had hoped the potato and cherry growers of my State would receive a square deal from the New Deal, but apparently the only thing we are getting is a "raw deal", as the above facts indicate.

Unless you can give me some legitimate reasons for not giving Michigan a square deal, I do not care to have you answer this letter. I would like to have reasons, but not excuses.

Very truly yours,

ALBERT J. ENGEL.

FLOOD-CONTROL BILL

The SPEAKER. Under the special order for today the gentleman from Oklahoma [Mr. FERGUSON] is recognized for 20 minutes.

Mr. FERGUSON. Mr. Speaker, following the recent flood disasters which have destroyed property estimated to be worth at least a quarter of a billion dollars, and which have taken a number of lives in the New England States, may I say I feel that the Flood Control Committee of the House may today say, "We told you so." Last August a flood-control bill was passed by this House, the first flood-control bill ever to pass this House which included reservoirs as a method of tributary control. This bill passed amid the cries of "pork barrel", "logrolling", and amid the cry of trying to build up something for the future campaign, but the bill was passed, and now we have demonstrated that floods are the greatest menace to the future prosperity and welfare of this country.

This bill is now receiving consideration by the Senate Commerce Committee. May I call the attention of the House that it should pass at this session? [Applause.] On the whole, H. R. 8455 contained good projects, and if returned by the Senate with the addition of projects for eastern streams recently in flood it will be a credit to this Congress. We should consider that it is not only the loss of property, stores, and goods, and the lives which may be destroyed, but these floods are the plague which has accompanied the open-door policy of America.

We have dissipated our national resources, and this is the plague that always follows disaster. We moved over the whole virgin country of our Nation like a vast plague of locusts. We cut the timber. We destroyed the streams, and then, after we had exhausted the forests, we went out to my country and plowed up the grass, so that the last vestige of natural resources was taken from the face of this Nation. This was done to build up the Nation. We looked upon any nation that husbanded its natural resources as a country that was undeveloped. If our own resources were not exploited, we pointed our finger and said: "There is some land, there is some timber, there is some prairie sod that has not been devastated. Let us develop it." In this development no cognizance was taken of what future generations would have to live on. When we take into consideration that the whole capital structure of this Nation is built on bonds, whether these bonds be Federal, municipal, industrial, or railroad bonds, they are the backbone of the capital structure. In reality these bonds are a mortgage on the natural resources of this country, a mortgage on the productivity of the soil. If this productivity decreases, the value of the railroad capital structure decreases; the value of the insurance companies' resources from which they pay their claims decreases; and the ability of the Government to operate decreases. So the whole Nation rests not on what we can drain out of the soil, not what we can squeeze out in the shortest number of years, but this is the policy this Nation has followed since its inception. The future happiness and welfare of every man and woman in this country depends on our recognition of the necessity to sustain production in the years to come. The responsibility is ours as Members of Congress, whatever may be the cost, be it one billion or fifty billion dollars, in order to insure the continuance of this Nation and to close the door on the policy of "haste to develop" that up to now has left no room in the picture for the thought of conservation.

Mr. Speaker, we have dredged rivers, we have drained swamps, we have put in roads to help carry the flood waters to the Gulf and the oceans. We have spent over a billion dollars dredging our rivers and harbors in the last 10 years, taking the very lifeblood of the Nation and piling it up in the form of levies. Now, we have a flood in the East. What is going to be the result of that flood? Because there is a bill pending in the Senate we will go over there and mechanically propose to put an end to all floods in the East. The engineers by figuring in exact sums will say: "We will build a dam here and it will take care of so many acres of flood water. We will build another one over here and it will do the same thing." But if we do not look after the areas back of those dams, if we do not carry out a policy as proposed in the agricultural bill that was passed the other day, which provided for the proper handling of land back of these dams, if we do not continue our soil-conservation program and the education of our farmers, the expenditure of one, two, three, or four hundred million dollars will be for monuments to man's stupidity, because in 30 years these dams will be useless. They will be filled with silt. They will be just impediments in the progress of our Nation. But that is the American way of doing things when it comes to dealing with natural resources.

Mr. Speaker, if we can do something immediately, if we can offer something that will show up for this fiscal year, we think we have accomplished a great deal. Are we going to rush in with that thought in mind without thinking about the drainage areas back of these dams and put up these structures which in 30 or 40 years may be absolutely worthless?

I am grateful that we have a party leader that recognizes this problem. His theories may not have been carried out, but he realizes the problem and has made a start. We put an awful burden on the shoulders of Mr. Tugwell when we said, "Yours is the duty of resettlement; yours is the problem of bringing this distressed land back into some useful program and disposing of the poor people who are trying to live on it." What a task for one Government department to restore productivity nature spent centuries in building. Man destroyed these treasures in 100 years. A century of progressive leadership with man aiding Nature will see us on the road back.

I drove down through the Carolinas not so long ago. Every road was filled with trucks carrying chemical fertilizer. The smell filled the air. When you look at the texture of the soil you realize that chemicals can never make this land continue to be productive. Only nature can provide the necessary humus for the correct soil texture.

Farther down, as you approach Florida, the area that was once covered with splendid productive timber was being burned off because the grass would be a little better in the spring. Immediate use of the land is all that is considered, because we maintain that we must have the individual right to despoil this country of all its natural resources. We maintain that the land cannot be taken out and put into Federal reserves. Why, it would take it off the local tax rolls, but year after year more of it is drained of its last productivity until it produces neither revenue for the owner nor revenue for the local entity.

It is my prediction that this Government will have to purchase 100,000,000 acres of land. Who else has the capital? Who else can borrow money at a rate of interest that will allow him to accumulate worthless land that, at best, will require from 5 to 10 years to be brought back to any semblance of productivity. It now furnishes a harbor for the poor tenant farmer to squat on and try to raise just enough to eke out an existence, without any thought of whether it will continue to be a guaranty for the payment of the obligations of this Nation.

I also drove through the old State of Tennessee, and when I saw a farmer plowing up a very steep hillside I got outside and asked, "How long will this field produce?" He said, "Three or four years, and then it will look like the one next to it", and the next field was just a series of gullies, but he said, "The fellow who owns it does not live here and does not know about it, and he has to get something out of the land."

This is the problem that is facing the Nation. We have a system proposed by the Army engineers to expend \$1,000,000,000 on reservoirs all over the United States that they state would completely control the lower Mississippi, but because the Army engineers many years ago started out on the proposition that the floods in the States constituted a State proposition or a local proposition, it was held that the water does not become a national proposition until it reaches the lower Mississippi. It then becomes a national problem. So they have patiently expended \$292,000,000 since 1928 on works to take care of the water after it gets down there.

The water situation is a national problem in every State in the Union and on every stream. The fact that our cities dispose of their sewage, that should be restored to the soil, by poisoning our streams, killing all the fish, and changing our once clear water into cesspools is only a phase of the price we have paid for individual and State rights to destroy natural resources. If this Congress does not recognize this fact now, it will do so 5 or 10 years later, after the destruction has continued and we have continued to wash this soil on down our polluted rivers and out into the Gulf and the ocean to be picked up by barges and carried out to sea. We are aiding the water to carry out to sea the only guarantee of the future of this country.

How much land do we have, anyway? There is less than 2,000,000,000 acres of land in this Nation. Only 413,000,000 acres of land in the entire Nation is fit for cultivation, and 100,000,000 acres of our total productive land has already been destroyed.

Then you say, "Oh, we can reclaim the deserts." We do not know how long they will be productive after they are reclaimed; but let me tell the House that they contemplate spending, under the program now under way, a billion dollars to reclaim 4,000,000 acres of desert land that nobody knows how long will be productive under water or how much it will produce.

This is not something that is going to affect us in the next century. If the present attitude of saying that we cannot tackle the problem is continued, in 10 years this area of 75,000,000 acres from North Dakota to Texas will be destroyed. Only a part of the picture when you consider the worn-out lands in New England and the South. This is a job for the Congress to tackle in a resettlement program and not for an Under Secretary of Agriculture. Although you must admire his nerve to tackle such a huge program. It is the biggest job that ever faced this Nation.

This desert extends from the North Dakota line down into Texas and it is marching every year. In my lifetime I have seen it come east. I have seen fields that were once beautiful wheat fields now blowing sand, and, of course, it will be just like the floods. When it destroys half of the great grain belt, when it comes down here to Washington and makes it so we can hardly sit in this chamber on account of the infiltration of dust, then we will say that for the next fiscal year we will allow so much money to meet the problem.

The whole thing is going to take a lifetime to solve, and it should be undertaken on a nonpartisan national basis that recognizes that the only agent to solve such a problem is the Federal Government.

If it interferes with exploitation by individuals it will have to interfere; we have given them the cream of the Nation. The open-door policy lauded so highly by Alfred E. Smith in his Washington speech, letting the individual do what he wishes with his own land, has permitted them to take all of the top. After the horse is stolen the Federal Government is going to lock the door. If we do not lock the barn door the barn will be gone. [Applause.]

THE SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. Ludlow] for 20 minutes.

Mr. LUDLOW. Mr. Speaker, I want to thank the House for its generous courtesy in giving me time to speak on a subject very dear to my heart.

Mr. MAVERICK. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MAVERICK. I feel inclined to introduce a privileged resolution some time today for Congress to adjourn on the 11th day of May. I think we can plan the work so that we can adjourn at that time. What does the gentleman think of it?

Mr. LUDLOW. I have not had time to think anything about it. [Laughter.] I do have a strong conviction that Congress ought not to adjourn until it does something of a more adequate nature than it has done to keep this Nation out of war. When that is done I think an early adjournment would be advisable, but not until that is done.

Mr. MAVERICK. Does not the gentleman think that we should plan the work so that we can get out as soon as we can?

Mr. LUDLOW. I think that would be wise.

Mr. MAVERICK. Of course; if we plan our work we can finish before May 11. We have the appropriation bills, the antilobbying bill today, the Bankhead tenant bill, and legislation on rural electrification. We ought to have a housing bill, and legislation on natural resources; in any event, we ought to plan our work and get out in a reasonable time instead of staying here on a treadmill. I thank the gentleman for permitting me to take this time, and I am glad to say his work on keeping this Nation out of war is an admirable one.

Mr. LUDLOW. Mr. Speaker, I have arisen with some temerity, but from a sense of duty, to urge Members of the House of Representatives, with all the strength of argument and power of persuasion I can command to make a move forthwith to force the hand of the upper branch of Congress on legislation to extract the profit from war, thus vindicating the position on war profits taken by the House last year and rescuing from utter abandonment and despair the very wise and salutary movement which this House has started to keep America out of war by removing the profit incentive to war.

The way to rescue anti-war-profits legislation from its perilous position in the Senate and speed it on the way to enactment is for this House to take up and pass House Joint Resolution No. 167, which I have introduced and which provides a certain way to extract the profit from war by constitutional amendment.

Members of the House, I firmly believe, can render a public service of enormous value and vindicate the hopes of the rank and file who want protection from war if they will go to the Speaker's desk and sign discharge petition no. 28, which I have filed under the rules of the House, to bring my war referendum and anti-war-profits joint resolution out of committee and before the House for debate and action. I do not believe there is any more patriotic service a Member of the House could perform at this time than to sign that discharge petition.

If for no other reason, my resolution should be brought out of committee and passed to reaffirm and emphasize the position this House already has taken—and well taken—for anti-war-profits legislation. Over at the other wing of the Capitol they are playing battledore and shuttlecock with the McSwain bill which we passed here to put a curb on war profiteers, and there is every reason to believe it will be allowed to die unless the House does something rather drastic and dramatic to rescue this very vital and important principle. If the House will now pass my resolution for a constitutional amendment which covers the same subject and send it over to the Senate the game of battledore and shuttlecock will cease and we may expect some direct, straightforward performance.

The House ought to take this action. It ought to adopt my resolution. It owes to an expectant and tremendously interested country a duty of using this method of reaffirming its position in favor of taking the profits out of war. This policy of reaching the war evil is distinctly a House policy. The House, having proposed it and adopted it, should not permit it to die like a neglected foundling on the Senate's doorsteps.

The House is the body that history and tradition recognize as being nearest to the rank and file of our countrymen.

It is supposed to reflect, and I believe it does reflect, though sometimes dimly and imperfectly, the hopes and aspirations of the common people. I predict that if this Chamber, which symbolizes popular sovereignty, would pass my anti-war-profits constitutional amendment and send it over to the other body, that body would cease dillydallying and do something to cooperate with the House in keeping America out of war.

The House was everlastingly right when it took its stand last year for removal of the profits from war. It ought to stick to its guns and reaffirm its position by adopting my resolution by an overwhelming and impressive vote. Then we shall get somewhere. Spurred by this demonstration the other body, unless I am mistaken, will then pass either the McSwain bill or my resolution and, in either event, the common people—those who have to suffer and die when war comes—will win a great and significant victory.

Have you ever stopped to consider that over 23,000 American millionaires were made during the World War and that up to date, as shown by official records, one American munitions firm has reaped the dizzy profit of 1,143,725 percent on its original investment? You can see from the amazing hearings of the Nye committee how the bloody business of war fattens the fortunes of those who engage in it. While our boys in the trenches were going through hell itself in 1917 and 1918, the president of a large steel corporation was receiving bonuses totaling \$2,887,725 and officials of munitions concerns were drawing salaries that stagger the imagination. Take the profit out of war and there will be few wars.

This House did something very fine; it did something very grand; it wrote an epochal chapter in history when it rallied at the last session to the principle of extracting the swollen profits from war. Let us not run away from that great principle like whipped dogs. Remembering our obligations to humanity and the country's eagerness to keep out of war, let us stand by that principle and revitalize it by passing the resolution I have introduced.

I have arisen to point out exactly the action I think should be taken by this House to register another milestone—an important milestone—in the direction of permanent peace.

The time to act is now and the course to be followed is plain.

Responsive to the almost universal sentiment of America, which is opposed to allowing selfish influences to maneuver this country into war for the sake of profit, this House of Representatives on April 9 last, passed the McSwain bill to take the profit out of war. The unanimity and determination with which the House went on record against war profiteering are shown by the report of that day's proceedings. Of 383 Members who were present and who responded to the roll call, 368 voted for the McSwain anti-war-profits bill and only 15 voted against it.

I wish that the time allotted to me today would permit me to quote the many eloquent speeches made by Members of the House in that debate denouncing war profits as a cause of war. Many of them are gems worthy of being embalmed in permanent literature. One of the most impressive of the numerous very striking utterances was by our able colleague, Representative FRED J. Sisson, of New York, who asked the question, "Who won the World War, anyway?" and then answered it thus:

Why, the war profiteers are the only ones who won the World War, because they added to their swollen fortunes; they increased the wealth and power of a few men at the cost of millions of heartaches and a hell of suffering beyond the power of any tongue to describe.

In passing the McSwain bill the House proved in a fine way its responsiveness to the universal demand that the Seventy-fourth Congress shall do something to protect our boys from being dragged into slaughter pens in foreign countries. It recognized in a very impressive manner the fact that if the profit is taken out of war there will be few wars.

McSWAIN BILL PIGEONHOLED

But what has happened to the McSwain anti-war-profits bill? It will soon be a year since that most meritorious

measure, in which rest the hope and faith of the American people for protection from unjustifiable wars, passed this body.

Two days after its passage here it was read in another body and referred to the special committee on investigation of the munitions industry. That committee held it 29 days and referred it to the Committee on Military Affairs. That committee held it 13 days and referred it to the Committee on Finance. While the last-named committee from time to time makes some show of activity in regard to the measure, my firm conviction is that its final reference is going to be to a pigeonhole, where it will be resting when this Seventy-fourth Congress adjourns sine die unless this House, by some wise and energetic action, can do something to retrieve this very vital principle from the danger it is in of being submerged by approaching adjournment.

Now, I believe that the House can act wisely and that it can act effectively and that it should act as quickly as possible to save this situation.

On February 14, 1935, now considerably more than a year ago, I introduced a proposed anti-war-profits amendment to the Constitution of the United States (House Joint Resolution No. 167), and I quote the second section of the proposed constitutional amendment—the section that deals with war profits—as follows:

SEC. 2. Whenever war is declared the President shall immediately conscript and take over for use by the Government all the public and private war properties, yards, factories, and supplies, fixing the compensation for private properties temporarily employed for the war period at a rate not in excess of 4 per centum, based on tax values assessed in the year preceding the war.

The proposed constitutional anti-war-profits amendment, which I introduced, has now been pending more than 13 months before the House Committee on the Judiciary without action. Availing myself of my parliamentary rights I have filed at the Speaker's desk a petition to discharge the Committee on the Judiciary from further control over House Joint Resolution No. 167, to the end that that very important resolution may be brought forward from the committee's pigeonhole into the light of the floor of this House for consideration and debate and action on its merits.

If it comes out of the committee I shall be entirely willing that it shall be thrown wide open for amendment. I have no pride of authorship and I will gladly accept any perfecting amendments that will not destroy the purposes of the resolution. In the resolution I have introduced, the anti-war-profits section is joined with a section providing for a popular vote on a declaration of war. If in the judgment of the House the two propositions should not be joined I shall agree to having them segregated for separate votes.

HOUSE CAN SAVE THE SITUATION

The point I am leading up to—and I believe it is an important and vital point in the achievement of peace legislation in this Congress—is that if the House will now take up and pass my proposed anti-war-profits constitutional amendment and send it over to another body, that action will most surely stir the other body out of its apparent attitude of indifference and lethargy, and then we may look forward to some action at this session to take the profit out of war, either by statute or by constitutional amendment.

Personally, I think a constitutional amendment is much to be preferred, as the selfish forces that sometimes maneuver a country into war have such control when the war stage is set as to enable them to wipe off from the statute books instantaneously any statutes that interfere with their nefarious purposes. They could not get rid of a constitutional amendment so conveniently and easily. Only a constitutional amendment has the permanency and stability necessary to meet this situation.

HAMILTON FISH'S SPEECH

I wonder if the Democratic side of the House, to which I belong, is going to pass unnoticed the sharp and stirring challenge issued by the gentleman from New York, Mr. HAMILTON FISH, in his very able speech in this chamber on March 11. The gentleman from New York is a very vigorous

speaker and he never anesthetizes the subjects he operates on. He is a good deal of a partisan and sometimes does not rub the fur of our Democratic friends the right way, but I want to say this about him: He is also a great deal of a patriot and I admire him immensely, not only for his courage and ability, but also for the fact that although he was born to the purple, he takes the people's view of these great human questions. He is in favor of a referendum on war because he thinks that those who have to suffer, and if need be to die, and to bear the awful burdens and costs of war, should have something to say as to whether war shall be declared.

He also believes in taking the profits out of war. Mr. FISH is one of the signers of the discharge petition I have filed to bring my war referendum and antiwar profits resolution out of committee to the floor of the House for action, and I thank him kindly for his valuable support. In his speech in the House on March 11 Mr. FISH spoke approvingly of the McSwain bill to take the profit out of war—the bill that is now being put to sleep in another body—and the following colloquy ensued:

Mr. McFARLANE. Does not the gentleman know that we passed that legislation last session, and it is buried in a pigeonhole over in the Senate, where it will probably die?

Mr. FISH. I knew that. I am glad the gentleman stated it; but, after all, you have a Democratic Congress and a Democratic Senate. You say to me, "Bring it out." How could I bring it out? You are responsible for legislation. You have a 3-to-1 vote in the Senate and a 3-to-1 vote here. I believe that bill would be a great deterrent to war. I do not mind saying that I loathe and abhor war. There is almost nothing that I would not do to prevent war or to make it less likely. Take the profit out of war, so in another war industry will not make all these unlimited millions. I believe in the incentive of the profit system and in the American industrial system based upon private initiative and reasonable profit; but, if we do not take the profit out of war in future wars, particularly the munitions industry, then I am for Government ownership and operation of the munition industry in America.

CANNOT THROTTLE THESE MEASURES AND KEEP FAITH

Mr. FISH is right. We of the Democratic Party do have an overwhelming majority in both branches of Congress. On us rests not the entire responsibility, but the principal responsibility, for legislation. If we are to throttle these great measures that are intended to keep America out of war, and are to permit them to be killed in committees, fiddling while the world burns, and the dreaded time of American involvement draws ever nearer, the American people will hold us primarily responsible, though they will not excuse Members of the minority party who might be assisting us in the passage of this legislation.

OVER 1,100,000 PERCENT PROFIT

Take the profit out of war and there will be few wars. I repeat that aphorism because it is so everlastingly true. If you want to get a vivid picture of how profits enter into the fomentation of wars, read the hearings before the Nye investigating committee, which comprise one of the most shameful records ever written into legislative annals, showing how greedy, selfish interests have thumbed their noses at solemn treaties and embargoes and have deliberately incited nations to war for the purpose of coining filthy profits out of human blood, the profits in the case of one company rising to over 1,100,000 percent on the original investment!

"Again we dream as war clouds gather", declares that practical old warrior, Gen. James E. Harbord, in a recent magazine article. Let us quit dreaming and do something to justify the confidence and the expectations of those who sent us here and who are looking to us to keep our fine American boys out of the hell of foreign wars.

DISCHARGE PETITION NO. 28 MAKES ACTION ON WAR PROFITS LEGISLATION POSSIBLE

I plead with Members of the House to sign discharge petition no. 28. Let us get my anti-war-profits constitutional amendment out of committee and pass it and send it to the other body to let that other body know that we were in earnest and meant business when we passed the McSwain anti-war-profits bill. In that way we may hope for some action at this session in line with our promise to the American people to do something to keep our country out of war. Time is fleeting rapidly, and if we do not do this the Seventy-

fourth Congress will come to an end with our promise unredeemed and with a mark of disgrace against our record which time will not efface. [Applause.]

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. TABER] for 20 minutes.

Mr. TABER. Mr. Speaker, I ask unanimous consent that in my time I may be permitted to read a letter from the Comptroller, and also the extracts from a letter from the A. A. A.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MAVERICK. Will the gentleman yield?

Mr. TABER. I yield.

Mr. MAVERICK. It is my intention to introduce a privileged resolution that Congress shall adjourn on the 11th day of May. I want to help establish a sort of finish-our-business-and-adjourn consciousness. What does the gentleman think about it?

Mr. TABER. Congress had better adjourn before they appropriate and obligate all the money in the Treasury and all the country can bear.

Mr. MAVERICK. Does the gentleman think that we can do it so as to adjourn on May 11? [Laughter.]

Mr. TABER. At the rate they are going now they will have appropriated and authorized four or five times as much as there is in the Treasury.

Mr. MAVERICK. In any event, the gentleman does not think that May 11 will be too late, does he?

Mr. TABER. It will be too late unless you stop this spending business.

Mr. Speaker, on the 21st of February I introduced House Resolution 426, calling upon the Secretary of Agriculture to furnish the House of Representatives forthwith the name and address and the amount paid to each producer receiving more than \$2,000 in each calendar year, pursuant to the A. A. A. That resolution was referred to the Committee on Agriculture of the House. That committee communicated with the A. A. A. Mr. Chester Davis, the head of that organization, replied to them—the date is not here, but the reply appears on page 3064 of the Record—indicating that—

Our comptroller estimates that it would take more than 6 weeks working his staff in two shifts to get this data. During this time about 80 percent of the machine equipment of the comptroller's office would be tied up. This would mean a practical stop in getting out checks to farmers on payments not yet made in connection with 1935 program. The expense, of course, would be great. We also doubt whether any really useful purpose could be served by gathering this data. The records, of course, show the amount of payments made by commodities.

The Committee on Agriculture on March 2 brought in a report recommending, in view of that letter, that the information be not demanded. A little later Senator VANDENBERG introduced in another body a resolution calling for practically the same information. That resolution was referred to the Senate Committee on Agriculture, and last week one day Senator VANDENBERG commented very forcefully upon the failure and the unwillingness of the Agricultural Adjustment Administration to furnish the information.

Following the receipt of that information, I began an investigation to find out how near the Secretary of Agriculture and the A. A. A. came to telling the truth. Secretary Wallace gave an interview which appeared in the Baltimore Sun of yesterday, stating that it would require the whole force of the Comptroller General's office for 6 months to work that situation out. What is the whole force of the Comptroller General's office? Four thousand one hundred and fifty employees. I took the matter up with the Comptroller General's office, and I have received a letter from the Comptroller General's office, showing conclusively just what it would take to get the information. These checks that are paid to these people are perforated and punched by the check-printing machines that the Government uses. As I understand it, the Government has 10 of these over in the Division of Disbursements of the Treasury Department. Some of the time these machines have been working 24 hours a day on three shifts. At the present time I

understand they are working about one and a half shifts, and I read from a letter which I received from the Comptroller General under date of March 26. It came in yesterday afternoon.

It is estimated by a representative of my office with some experience with these cards and their use that by use of high-speed punch-card sorting machines the punch cards for payments of \$1,000 or more could be segregated at the rate of approximately 147,000 per 7-hour day. Upon an estimated total of 25,000,000 cards for all payments on all commodities, it would require approximately 170 days of 7 hours each for one machine and one operator, or 17 days for 10 machines and operators.

By putting on three shifts in 17 days, or practically 3 weeks, all those checks of \$1,000 and over can be segregated. As near as I can get at it, there are perhaps 20,000 to 25,000 of those payments of over \$1,000 each. It is a fact that you can get at the payments of over \$1,000 more easily than you can at payments over \$2,000, because the number of figures involved on the checks governs the group into which checks can be segregated by the check-sorting machines. I quote further from the letter:

It is his view that segregation by payments of \$1,000 would be better adapted to the sorting machines than segregation by payments of \$2,000.

He further estimates that from the cards for payments of \$1,000 or more, thus segregated, such payments could be listed by tabulating machines at the rate of approximately 480 per hour for one machine and operator.

That means that these items could be listed in approximately 50 hours, or possibly 60 hours of labor, to be on the safe side, by perhaps two people working for a week, and the contracts could undoubtedly be examined in another week by four or five people.

I appreciate, Mr. Speaker, that that is not just the information that was asked, but if the Secretary of Agriculture had wanted to give the Congress the information to which it is entitled, he could have told us that, or otherwise he did not make investigation enough or did not know enough about his own business to be competent to be running it. Since I made this request—and I made it because I had information of some payments of large amounts—many others have come to light. The gentleman from Kentucky [Mr. ROSSION] disclosed some. Senator VANDENBERG has disclosed some. It is perfectly apparent to me that there is a desire on the part of the A. A. A. not to take the Congress and the people of the United States into its confidence in this matter, and that they have something to cover up. I believe that the Congress should assert its rights and get what it is entitled to. [Applause.]

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. GIFFORD. I want to be helpful about this matter in getting at the truth, and I shall recite what I read yesterday about a gentleman who came before your committee and told the truth.

There was a man named Hagood,
Who told the truth as he should;
But for telling the truth
He was banished, forsooth,
So telling the truth don't pay good.

Mr. TABER. Well, I believe the people of the United States will insist on General Hagood receiving his rights and being restored to duty in the Army of the United States. [Applause.]

Now, frankly, if the Department of Agriculture wanted to be frank and square with the people of the United States and give them this information, they could do so, and do so at a very moderate expense. Let me say further it is apparent that this A. A. A. has been used for the purpose of making large payments to certain producers, away out of line, instead of being used as a matter of agricultural relief for the poor farmer. I do not believe the Department of Agriculture and the A. A. A. should be permitted longer to cover up their iniquities.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. SHORT. Is it not also a fact that by limiting acreage and restricting production, thousands of sharecroppers

and tenant farmers in the South have been thrown out of employment and placed upon the relief rolls, whereas the absent landlord who lives in New York or New Jersey has received vast benefits?

Mr. TABER. More money than he could have gotten out of the farm by operating it, and he has thrown his own help on relief.

Mr. SHORT. I can corroborate that statement by saying that farmers south of my district have received as much as the land was worth, by not working it.

Mr. TABER. For 1 year?

Mr. SHORT. For 1 year.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. REED of New York. Two southern universities, through their research departments, have found, after thorough investigation, that 5,000,000 sharecroppers have been placed on the relief rolls.

Mr. TABER. That is one of the ways in which the number of unemployed in this country has continued to rise.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. KNUTSON. Has the gentleman any definite information with reference to the story that is going around here that a Member of Congress received \$225,000 for curtailing production?

Mr. TABER. No.

Mr. KNUTSON. And that an insurance company received \$700,000?

Mr. TABER. Well, if that is the situation, the country ought to know it.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. TABER. In a few moments. There is a tremendous interest in this country. I have seen editorials in many of the leading papers. They cannot understand, if this outfit over at the A. A. A. is playing the game with both hands on the table, why they do not come across and give the information to the public.

Mr. BLANTON. Will the gentleman yield now?

Mr. TABER. I yield.

Mr. BLANTON. I think our friend from New York is the proper man to administer this whipping to Secretary Wallace, a Republican. The gentleman from New York [Mr. TABER] is a distinguished leader of the Republicans on his side of the House. The President of the United States has to depend upon agents to administer his program and to carry out his will. When his agents are not efficient they make a mess of administering. Unfortunately, instead of choosing a loyal, efficient Democrat, the President saw fit to select a leading Republican to put in charge of the Department of Agriculture, Henry Wallace, and I think the gentleman is the proper Republican to do the whipping. [Applause and laughter.]

Mr. TABER. Now, the gentleman is just right in every respect, except that Henry Wallace is not a Republican. He has not voted for a Republican candidate for President, according to my information, in 15 years.

Mr. BLANTON. Oh, look in Who's Who and the history of past national Republican conventions and you will find that Henry Wallace's whole family have been partisan Republicans back for generations, back to the time when the memory of man runneth not to the contrary.

Mr. TABER. Henry Wallace is one of those fellows who was brought up by a good family, but who had more education than he had capacity to absorb, and has been a fluke. [Laughter and applause.]

Mr. BLANTON. My colleague is quite right. Henry Wallace is now and has been a fluke.

Mr. TABER. I hope that just what little I have said on the actual facts as to what this sort of thing would cost and how long it would take will arouse Congress and the country to demand their rights to find out who is the beneficiary of the taxes that have been placed upon the people, and whether or not and to what extent and how enormously this proposition under the administration of Henry Wallace has been a racket. I believe it has been a racket right along.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes; I yield.

Mr. PIERCE. This is an open book, is it not, in all of the counties of the United States?

Mr. TABER. It should be.

Mr. PIERCE. It is today.

Mr. TABER. It should be, but it is not.

Mr. PIERCE. These checks went back to the local communities. It is an open book at Pendleton, Oreg., and every county where these checks went. What is your object, except political?

Mr. TABER. My object is to find out the truth, and we do not know the truth and we cannot get it the way the gentleman can. It is absolutely impossible.

Mr. PIERCE. You can communicate with the boards that handle these checks. It is all an open book. The gentleman is just making a political speech.

Mr. TABER. I refuse to yield further, Mr. Speaker.

Mr. PIERCE. It does not mean anything.

Mr. TABER. I refuse to yield further. It is the custom of those who desire to cover up their own iniquities to say that a man is playing politics when he wants to find out the truth. Now, that is the situation here. Let us find the truth. Let the politics fall where they may. If it falls on me, let it fall, but let us find the truth and do not try to dodge your responsibilities here in this House. [Applause.]

The SPEAKER. The time of the gentleman from New York [Mr. TABER] has expired.

THE FLOOD IN CONNECTICUT

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a copy of a speech I made on the air the other evening.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOPPLEMANN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my radio address on the subject, *The Flood in Connecticut*, delivered on March 24, 1936, over the Yankee Network System, from Station WJSV.

I had intended to talk this evening on a subject which I have been studying for years, namely, the part which is played in economic activity by the small commercial enterprises of our Nation and the important contribution to reemployment and recovery which it is in their power to make.

I was putting the finishing touches to my talk last Friday around noon when a Washington paper was brought to me, shrieking this headline across the front page: "Hartford Inundated!" I was stunned. I grabbed for the telephone, frantically called my office in Hartford. The operator told me no calls could go through to Hartford for the rest of the day. "What about tomorrow?", I asked. "I can't promise that", was her reply. I waited no longer. I took the train to Hartford that night.

The next morning I looked out from the station platform on Asylum Street, one of the leading thoroughfares of the city. I saw something I never expected would meet my sight. Asylum Street, running by our beautiful capitol grounds, was a sea of water. Guests were leaving the Hotel Bond, our leading hostelry, in rowboats, which carried them directly to the station. I had to use planks to cross the street from the railroad station. Rain was pouring. There were no taxis. The great Bond Hotel stood as though it were a tall building set in the middle of a lake. I made my way to my office, which fortunately was not flooded. But as far as my eye could see the other end of Market Street was a canal. The old Brown School that I attended as a boy was surrounded completely by water. Men and women bewildered, knowing not what to do, passed to and fro, silent, sad. Business was at a standstill. Stores were closed. The electric power had gone out of commission. All lights were out. Homes that depended upon oil for heat were cold. There was no refrigeration. Elevators were not running. I had gone to Hartford, expecting to see water along the Connecticut River front but I never expected to find it covering the heart of the city.

Soldiers and policemen patrolled the streets. The fire department headquarters had been flooded. The engines and apparatus were moved from the headquarters and were filling the street close to my office. Across the street, the police station was crowded with hundreds appealing hopelessly that the police might do something about the flood. Mothers of children and babes in arms, fathers asking for doctors for dear ones who were ill from exposure and cold. I went to the State Armory where Adj. Gen. William F. Ladd was in command of the Army and Naval forces. There I was assigned a naval aide and provided with passes to take me by the lines that had been laid out for

the protection of the people and began a tour of the city and adjacent territory.

Down at the South Meadows were dikes, the building of which had been started by Samuel Colt back in 1854. They had withstood every flood, big and little. They had been supplemented by the best engineering skill obtainable. Saturday morning they were far under the swirling, rushing water. The South Meadows was a lake. The new sewage disposal plant, just completed by the metropolitan district commission was completely submerged. The Church of Good Shepherd had water almost to its roof. The famous Colt's Patent Firearms factory was half way submerged.

My naval aide and I got into a boat. Our boatman wound his way in and out cautiously. We had to be extra careful. There were the wires overhead which we must not touch for fear of their being charged. Water was running over land that had never before been submerged. We had to be careful also because of automobiles that were caught, fences, and low sheds under us.

The second story of a 16-apartment house was level with our boat at one point. We climbed into the house. In the top story we found furniture, bric-a-brac, bedding, all the goods of the tenants piled high in the hallways, in spare rooms, and on the stairways. In the hurry to save these goods there was much breakage. Upholstery was ripped and torn. The tenants had fled. There were hundreds of houses like that one.

Back to our boat, and farther out we rode. We came upon the shed of a brickyard that had come all the way down from Windsor, 10 miles up the river. There is grim humor in a brickyard's floating away, but to me it was stark tragedy. The owner's all was invested in that brickyard. We came upon tons of floating lumber which had been the property of a boyhood friend of mine. We came upon great gasoline-storage tanks which the floods had torn away from their foundations and sent hurtling down the river, ripping and tearing and destroying everything in their path. A Government cutter was doing great service in forcing these tanks up on to the ground where they might be anchored and kept from continuing in their path of destruction. Every store leading toward the Connecticut River, beginning with a few feet below Main Street, was submerged.

An automobile trip through the city brought me next to the municipal building, two sides of which were completely surrounded by water. The valuable records of many years had been taken out of the vaults and basement to save them from destruction. The mayor's office was open all night, where people sought refuge and help. I went down Morgan Street, the main thoroughfare leading to the million-dollar Memorial Bridge that spans the Connecticut. There I had to leave my car in order to proceed farther toward the bridge. We took a lifeboat provided by the Connecticut Navy Militia which was being used to ferry doctors and others on important business.

We rowed over the bridge where ordinarily we rode over in an automobile. We passed the great freight yards of the railroads. Hundreds of cars filled with perishable goods were almost completely submerged. I turned to the right and looked down Front Street, one of the important East Side business streets of Hartford. Every store was flooded, the tenements completely evacuated. The street was supposedly protected against floods by dikes built in connection with the Memorial Bridge. I am told that an owner of a small store gave a truckman and his assistants \$200 to move his stock to a place where he thought it would be safe. Overnight the water reached the supposedly safe storage and engulfed that also. On the crest of the Memorial Bridge I looked up and down the river. Here I was told that the records of the floods in the Connecticut River Valley kept since March 18, 1639, had reached their height on this day. There have been many great floods but never one approaching this.

We rowed among the houses of East Hartford. From the East Hartford side of the bridge to Church Corner, a distance of over a mile, the entire boulevard was completely covered by water. We stopped at the tallest building in that district, climbed a fire-escape ladder, and from the roof viewed a scene of devastation such as had never before been seen in that district.

I was amazed at the havoc wrought. Up the river, jammed against the Willimantic Railroad bridge, were whole houses that had been swept from their foundations into the river and were bumping against the railroad bridge, seriously endangering it.

Again, great oil tanks, battered, were floating down the river. A heavy stillness like the quiet of a desolate cemetery hung over everything. The only motion was that of the water. Here there was no human activity. I turned back. I had seen enough.

In Hartford, everywhere people stopped me, each with stories more horrible than the other. A mother with a babe on one arm was leading a child with the other hand, talking with a girl about 14. I heard the young girl say, "Perhaps my cousin can take you in." This is the plight of 10,000.

I was told of small businessmen and industrialists who suddenly had lost everything. Hopelessness was everywhere, yet there was a spirit of determination and courage which was thrilling. Friday night, Saturday night, Sunday night the city was in total darkness. There was no heat, no hot food, no hot water. We moved by flashlight and by candlelight.

That afternoon I attended a meeting in the Governor's office. There were gathered those men and women who always come forward in great crises, ready to give of themselves for their fellow-men who need their help. The American Red Cross, the health departments, the welfare departments, the United States Army were represented. Engineers, doctors, civic leaders, businessmen were there. We did not discuss the havoc, but instead what must now be done for relief and rehabilitation. Everyone was ready.

Everyone was anxious to do something. Other conferences were held, one at my own office. Among those who were present were Charles A. Goodwin, chairman of the metropolitan district commission; Roscoe Clark, engineer for the metropolitan district commission; Caleb Saville, city engineer; Judge George H. Day, chairman of the board of police commissioners; Gen. S. H. Wadhams, chairman of the State water commission; Judge Solomon Elsner, former corporation counsel for the city of Hartford; Maj. Mason J. Young, district engineer of the War Department, of Providence, R. I., who especially made the trip to Hartford and gave valuable counsel.

The one question asked by all was, What are you going to do to prevent another such catastrophe? Flood havoc can be prevented. When will America rise to her responsibility and take measures which will prevent and curb the devastation of floods?

I learned that one small hospital on the very day of high waters had taken in 41 patients in spite of the fact that the hospital was already overcrowded. I was told of the illness, the disease which was overtaking the people as the floodwaters began to recede. I was told of the lives that had been lost, the property and business ruined, of the people thrown out of work because their places of employment had been flooded out.

The necessity for coordinated, cooperative action in the way of relief was forcibly driven home. The value of the experience of the Federal relief agencies has been proven. No time is wasted in first investigating conditions. The emergency is met immediately. In certain parts of the country, even as I am talking, the flood has not reached its crest. But already in the areas where the flood has passed through, the forces of relief and rehabilitation are at work. The Red Cross and the Surplus Commodities Food Corporation are rushing to the stricken areas additional supplies of food, equipment, clothing, and bedding. Officials and employees of the relief agencies are already working in the stricken zones. Concerted and coordinated action from Washington is disseminating help throughout every area. Appeals for aid coming from every section of the country include many from men who during the past 12 months have been crying aloud against the relief that has been given the unfortunate by the Government. Today, finding themselves in a severe plight, their criticism against the humane activities of this Government have been silenced in their own plea for help from the floodwaters.

Flood devastation, like bank failures, like unemployment, has presented a serious and menacing recurring problem. Efforts to control it have been made since the beginning of time. Surveys of the great tributaries of our country have resulted in suggested flood-control projects, recognized as imperative by the engineers of this Nation, but which were not undertaken because of the refusal to spend the funds.

Thus countless projects for flood prevention which have been recommended were never undertaken. The momentary loss resulting from the present flood alone would have paid a great part of the cost of this prevention work. The loss of lives, health, homes, business, jobs, because business was ruined, is inestimable.

Every time a dollar was spent on flood prevention there were those who protested the spending of the money. Vast damage has been prevented in those areas where flood-control construction has been completed. But the big jobs, carefully worked out, have never been started.

It is unfortunate that it took this catastrophe to bring us all to a realization that something must be done to avoid, or at least to ameliorate, flood conditions in the future in the Connecticut Valley.

We must get at the root of the problem. Expensive dikes are not the solution. The splendid dike system in southern Hartford rose many feet above the level of any flood previously recorded. It succumbed to this one.

The problem must be met by prevention along the source streams throughout New England.

The Government engineers have already developed complete plans for the construction of 33 storage reservoirs to be located along the Connecticut River and tributary streams in New Hampshire, Massachusetts, Vermont, and Connecticut. These reservoirs would greatly reduce the peril of future floods. Plans are so far advanced that work could be begun immediately upon the construction of 10 of these reservoirs.

The engineers of the War Department have found that these reservoirs may be operated so as to reconcile the interests of flood control and power. On the one hand flood devastation would be prevented and curbed; on the other hand additional force would be given to power operations. Sanitary and health conditions would be improved.

The 33 reservoirs could be constructed at an estimated cost of \$43,000,000, which includes the cost of acquiring the land. To construct the 10 reservoirs suggested as the initial part of the program would cost approximately \$13,393,000, which sum also includes the acquisition of the land.

According to the recommendation made by the War Department, it is suggested that the Government pay one-half the cost of constructing the reservoirs, or \$5,000,000. It is up to the States to do the rest.

I hope conferences will soon be held by representatives of New Hampshire, Massachusetts, Vermont, and Connecticut to form a compact and agree as to the division of the cost.

But in the event that there is likely to be a delay because of prolonged discussion and argument, because of disagreement as to the share of the expense, I hope that the Federal Government will assume the entire expense of constructing these initial 10 reservoirs, plans for which have been fully completed.

The property damage alone in New England resulting from this flood would more than pay for the entire cost of constructing the 33 reservoirs, which have been recommended by the engineers of the War Department. The loss of lives, homes, business, employment, health, the cost of rehabilitation of property which wasn't entirely damaged, the inconvenience and terror to which the people were subjected—these cannot be counted in dollars.

In this day and age, with the science of engineering so perfected that floods can be controlled, there is no excuse for the havoc which is being wrought in our land today. We cannot stop the rush of waters. We can stop or at least ameliorate the devastation that they wreak. It is up to the people to demand that flood-prevention work be immediately undertaken. I call upon you, the people of New England, to demand that this be done. When the Governors, the legislators, and other officers of your State find that you, the people, demand an end of floods, there will be an end of floods.

It has unfortunately remained for this catastrophe to overtake approximately one-third of the States of the Union, the most populous States, for the Nation to awake startlingly to the fact that we may no longer put off the construction of reservoirs, dams, and dikes, to insofar as we can combat the force of nature, keep our rivers from turning into forces of destruction.

MEMORIAL EXERCISES

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 467

Resolved, That on Tuesday, April 21, 1936, immediately after the approval of the Journal, the House shall stand at recess for the purpose of holding the memorial services as arranged by the Committee on Memorials, under the provisions of clause 40-A of rule XI. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD, and all Members shall be given the privilege of extending their remarks in the CONGRESSIONAL RECORD. At the conclusion of the proceedings the Speaker shall call the House to order, and then, as a further mark of respect to the memories of the deceased, he shall declare the House adjourned.

The SPEAKER. Is there objection to the consideration of the resolution?

There was no objection.

The resolution was agreed to; and a motion to reconsider was laid on the table.

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. MAPES. Mr. Speaker, reserving the right to object, what is the gentleman going to talk about?

Mr. MAVERICK. I am going to talk about when we ought to adjourn. I am not going to offer the privileged resolution to which I referred earlier. This will save time. I should like to talk about 2 minutes. This will result in the saving of about 40 minutes for a roll call. I am giving a discount of time there of about 98 percent.

Mr. MAPES. Mr. Speaker, I object. I think the gentleman has made his speech twice this morning.

Mr. BANKHEAD. Mr. Speaker, unless the gentleman has some particular reason, I trust he will not object. This is a privileged resolution. The gentleman from Texas, of course, has the right to offer it. It will save a good deal of time if the gentleman from Michigan does not object.

Mr. MAPES. Mr. Speaker, I do not think the gentleman from Texas has any right to stand up here and say he is going to have a roll call if he does not get unanimous consent.

Mr. MAVERICK. Mr. Speaker, I do not like to be lectured by a Republican. I did not say that. What I said was that "I am not going to offer" the resolution. But since I cannot offer a short explanation, I will offer the resolution for the Record to show we ought to adjourn in a reasonable time.

Mr. Speaker, I offer a privileged resolution. I have as much right to offer it as has any other Member, and the gentleman from Michigan knows I have this right.

The Clerk read as follows:

Mr. MAVERICK submits the following concurrent resolution:

"House Concurrent Resolution 46

"Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Monday, the 11th day of May 1936; that when they adjourn on said day they stand adjourned sine die."

Mr. BANKHEAD. Mr. Speaker, I move to lay the resolution on the table.

The SPEAKER. The question is on the motion to lay the resolution on the table.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MAVERICK. Mr. Speaker, I make a point of order that a quorum is not present and challenge the vote on the ground that a quorum is not present.

Mr. BLANTON. Mr. Speaker, I hope the gentleman will not insist upon his point of order.

Mr. MAVERICK. Mr. Speaker, I withdraw it; but I am going to offer the resolution next week.

The SPEAKER. The point of order is withdrawn.

The motion to lay the resolution on the table was agreed to, and a motion to reconsider was laid on the table.

HOME MERCHANTS ARE OUR NEIGHBORS AND FRIENDS—CONGRESS MUST PROTECT THEIR INTERESTS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on legislation reported out by the Judiciary Committee known as the Patman-Utterback bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, we have at last gotten favorable action on our home merchants bill, H. R. 8442, introduced June 11, 1935, by our distinguished colleague from Texas [Mr. PATMAN]. The Judiciary Committee has just ordered a favorable report on it, which will be prepared promptly and in a few days filed by our friend from Iowa [Mr. UTTERBACK].

ONCE UPON A TIME

I can remember through the days of long ago, when our home merchants were the leading, substantial citizens in our towns and cities. Their money was deposited in local banks. Their profits were invested in their home town. They were actively identified with the local churches, fraternal lodges, and civic associations. All of their employees were local citizens thoroughly identified with the best interests, progress, and growth of the community.

CROWDED OUT ONE BY ONE

Then monopolies began to operate. The retail business became organized and controlled by officials of high finance in New York and other large cities. They had unlimited means. They could buy in trainload lots. They could afford to sell certain staples far below what same cost the local merchant, and it was only a question of time when many of the home merchants were forced out of business. One by one they had to quit. Many lost their investments. Many were ruined. They were supplanted by strangers. Only a few have been able to keep their doors open. By passing this bill, Congress will grant them lawful protection. Congress will give the home merchant another chance. Congress will then say to monopolies "Let our home merchants alone; you cannot run them out of business."

ECONOMIC CRISES IN GREECE AND ROME

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the depression, and to include therein a letter from Dr. Arthur Patch McKinley which I found extremely interesting and which I should like to have published in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon to extend his remarks in the RECORD and to include the letter to which he has referred?

There was no objection.

Mr. PIERCE. Mr. Speaker, for some time I have had in my hands a memorandum on the methods used by certain ancient states in facing economic crises. I have always been an interested student of history and this material appealed to me from the historical standpoint, also, as of practical value in our present economic difficulties. Our so-called "depression" has gone on now 6 years, without the discovery of any real remedy, and it is my opinion that we may as well turn to history and study what was

accomplished by the Romans, people so like us in many ways. The very striking parallel between Roman civilization and our own is brought out most effectively in Ferrero's History of Rome. It is, of course, essential that in any comparison we should note the difference between a civilization built on slavery and one built on machinery. The difference, however, is not so great as to destroy the value of comparative study of these crises.

Both ancient countries had an economic structure top-heavy with debt. The author of the memorandum to which I refer is Dr. Arthur Patch McKinley, professor in the University of California, at Los Angeles, and author of that delightful volume on Cicero, entitled "Letters of a Roman Gentleman." In that book he presented the difficulties that came to Rome from her financial dealings with the "allies", basing his comment on that experience of Rome. He suggested that if our own State Department and foreign investment bankers were not careful about placing their foreign loans, we might have the same experience Rome had. That warning was written in 1926.

The author is convinced that what we need is some immediate action to bring about a proper relation between the debts and capital structure of our country. I strongly recommend study of the provisions made by Caesar allowing interest payments to be credited on principal, and for real property valuation in liquidations. Whatever may be the opinions of my colleagues on the questions of inflation and deflation, I feel sure that this memorandum by a student of ancient history will be found entertaining and suggestive. I am not ready to go full length with my friend when he suggests that we knock off 40 percent of obligations, but it makes one reflect on the possible necessities we face unless we accept the fact of a changed economic order. I therefore insert it as part of my remarks, and ask unanimous consent that it may be included in the RECORD with this brief statement.

MEMORANDUM ON ECONOMIC CRISES IN GREECE AND ROME

MAY 11, 1933.

You suggest that the experience of Greece and Rome may throw some light on the problem of what to do when the debt situation in a country has come to the place that the very life of the nation is at stake. In reply to this question I refer you to the legislation of Solon at Athens and to the Licinian laws of Rome, 377-357 B. C., and to the financial legislation of Caesar in 48 B. C.

By way of preface, a word about the social setting for these several occasions will help. At Athens, owing to wars and debt, conditions had become so perilous that all classes turned to Solon and gave him carte blanche to handle the situation. Rome of the fourth century was an heir to the social collapse that followed close on the expulsion of the Etruscan kings in 509 B. C. The Etruscans had made Rome into a thriving metropolis. With the destruction of their industrial edifice by the restoration of the noncommercially minded Latins, great numbers of citizens found themselves without any means of support. This condition obtained for nearly 150 years, with a gradual readjustment of the city to the new economic point of view until Rome reverted to its former status (before the incoming of the Etruscans) and became hardly more than a country village. Meanwhile the less favored classes kept pressing for social and political opportunity. In successive stages they finally won the latter, and came in a position to claim the former. Then a champion of the plebs arose in the form of the Tribune Licinius, who in 367 B. C. put through the bills referred to above.

Caesar's legislation of 48 B. C. was an outcome of an orgy of speculation following upon the Second Punic War and resulting in more than 100 years of deflation, most of which was one long agony of social struggles with the attendant phenomenon of crushing debt. At last, affairs muddled through into Caesar's dictatorship and his reform measures.

With this preliminary discussion in mind, we now pass on to the remedies applied to these intolerable conditions. Solon solved the problem by canceling all debts secured either by mortgage or personal security. He also inflated the currency so that the mina of 73 drachma now had 100. There is some dispute as to how this ancient tradition of Solon's financial reforms should be interpreted; but suffice it to say that he found a debt-ridden country and, if we may include the reforms of Pisistratus a few years later, left it so well reorganized from the debt point of view that in all the centuries to come his descendants did not have recourse to any further impairing of contracts or to tampering with the money standard.

At Rome, the Licinian laws of 377-357 provided that the principal of a loan should be reduced by the interest that had been already paid. Consequently (352 B. C.) a commission of five was appointed to liquidate the mass of outstanding accounts. This commission arranged for the payment of debts from public funds, substituting the state, with proper precautions, for the private

creditor. They also paid off creditors with the goods of debtors, but took care that such goods should be taken at a fair valuation. Caesar, in his reorganization of finances, also allowed interest already paid to count against the principal. Debtors could also liquidate by handing over their real property to the creditors, and that, too, not at the vastly depreciated current value, but at the rate obtaining before the war. He arranged for arbitration in cases of dispute. To force money into circulation he allowed no one to hold more than \$2,400 in cash. Caesar did this in 11 days.

Incidentally, it may be remarked that Sparta once was forced to a repudiation of debts. This was accomplished through a division of land among the people, just as the French did after the Revolution. It should also be noted that all these solutions of social bankruptcies were followed, whether in consequence or not, by long periods of great social prosperity. If it had not been for Solon's reforms, the Athenian democracy with its 100 years of transcendent glory could never have been. The 150 years following the Licinian legislation was the great period of the Roman Republic, just as likewise the 200 years subsequent to Caesar were the most prosperous centuries of the Roman Empire. Sparta prospered under the laws of Lycurgus for 500 years.

It is also interesting to note the modernity of some of the preceding measures: Inflation of currency, Government credit for refunding, commissions for execution and arbitration, financial dictatorships, post-war deflations as causes of social bankruptcies, and antihoarding provisions.

It is a great temptation for the student of ancient history to apply these experiences of the ancients to our own predicament and suggest that we might take the economic bull by the horns and knock off at one stroke 40 percent, say, of all obligations, mortgages, accounts, bonds, including war debts, life insurance, and building-and-loan-association obligations incurred before the crash in 1929. Besides, why not invoke the principle of caveat faenerator (let the lender beware) and require him to liquidate the property under lien at its value when the loan was made?

A word or two about the advantages of this plan: The immediate need at this time is to set millions of men to work. Knock off two-fifths of a firm's obligations and it will be in a position to start its wheels going. Properties too heavily obligated should be turned over to the bondholders, on the basis of the appraised value at time of loan. The new owners would no longer be a drag on industry but would perforce put their property to work.

Anyone familiar with the plans of the administration will recognize that the aims of the ancient and modern legislatures are similar, to relieve industry from the burden of parasitic wealth. If the inflation of the dollar can immediately result in a large reduction in debt, well and good; but it may turn out that it will be about as hard to get hold of an inflated dollar as of the deflated one. If so, precious time will have been lost and it will be fearful to contemplate what is ahead of a social order that has 75 percent of its wealth in the form of vested securities. As to any scruples about the sacredness of contract, one must recall the proverb that necessity knows no law, and also remind himself of the fact that, if he had died in 1928, nobody would have eked out the pitiful pittance (in buying power) the insurance companies would have paid his widow for the good dollars he had deposited with them throughout the early years of the century. Besides, a wise man will be satisfied with a 60-cent dollar that will buy a dollar's worth of stuff or more rather than to take what he will get if millions of men don't go to work pretty soon.

ARTHUR PATCH MCKINLAY.

THE ANTILOBBYING BILL

Mr. CLARK of North Carolina. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 462.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11663, a bill to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. CLARK of North Carolina. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the adoption of this rule will make in order the bill H. R. 11663, introduced by the gentleman from Virginia [Mr. SMITH], and referred to usually as the antilobbying bill. I do not care to discuss the rule, which is the usual form of open rule, provides 2 hours of general debate, and leaves the bill open to amendment.

I want to say just a little something about the background of the proposed legislation. This bill is in a way a part of the report of the Committee on Rules in response to a resolution at the last session directing it to make certain investigations of the activities of so-called lobbyists around the Capitol last summer when utility legislation was under consideration. Pursuant to that resolution the committee met and held hearings for many days.

Mr. GOLDSBOROUGH. Will the gentleman yield so that I may propound a unanimous-consent request?

Mr. CLARK of North Carolina. I yield to the gentleman from Maryland.

AUTHORITY OF RECONSTRUCTION FINANCE CORPORATION

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until 12 o'clock tonight to file reports on the bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes, and the bill (H. R. 12014) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

THE ANTILOBBYING BILL

Mr. CLARK of North Carolina. Mr. Speaker, the investigation undertaken by the Rules Committee of lobbying activities is not widely different, according to my observation, from other similar investigations which have taken place from time to time. It is not easy for an investigating committee to get anything very definite, concrete, or satisfactory about lobbying activities under present conditions. These sporadic investigations which are made from time to time may result in some temporary good, but they are expensive and cumbersome and seldom result in the punishment of any violator of what may be right and proper in that respect.

The Rules Committee felt that some permanent and wise legislation should be enacted by the Congress which would tend within itself to retard these activities in the future and hereafter enable investigating committees to secure with a great deal less expense and a great deal less trouble, and in a great deal shorter time, much more concrete, direct, and satisfactory information as to what does take place and to provide a means of punishment for wrongdoers. Therefore this bill was introduced by the gentleman from Virginia [Mr. SMITH], a member of the Rules Committee, and has been made a part of the report of the Rules Committee. It has since been passed upon by the Judiciary Committee and is now pending before the House.

It has just two objectives. Certainly no member of the Rules Committee questions the right of any citizen or any interest that may be affected by proposed legislation to appear and be heard. That is a high privilege of every American citizen and interest that should not be prescribed or abridged in any way. But as the Members well know certain things have happened. People who advocate or oppose the passage of important legislation come to Washington, set up an establishment, make such contacts as they may be able to make around the Capitol here, and then proceed to make an appeal to the country through propaganda of every description, in which they are not overly particular about the statement of facts. They thereby try to make the "worse appear the better reason." They try to create the impression here in the Capitol that the vocal minority is really the silent majority. This bill deals with both angles of these activities.

Under the terms of this measure the lobbyist who comes here must register under oath. He must state by whom he is employed, how much he receives in the way of salary and expense accounts, and in what manner he spends these funds. Any organization which collects money for the prin-

cial purpose of going out and putting on one of these propaganda campaigns by which they hope to stir up enough fuss to confuse the representatives of the people in the Capitol as to what is the status of public opinion, have to file reports showing how much money it collects, and from whom, when the collection of that money is for the principal purpose of that kind of an activity.

Mr. Speaker, this bill does not in any way prohibit lobbying. It certainly does not prohibit or seek to proscribe any American citizen or interest in an appeal to the public; but it does undertake to bring lobbying activities to the point where the Representatives of the people in Congress may see what is going on, whether here at the Capitol or by way of appeal to the country at large. This is accomplished in such a way that the American people may understand from what source the appeal comes, what it costs, who contributes to it, and what the objective is. It does not undertake to prohibit these activities, but it does seek to draw them out into the broad light of day in order that we may see and the public may see just what is being done.

Count Leo Tolstoy was a wise man. He was a private citizen, but the world made a beaten path to his door. In one of his great books in which he deals with some of the major movements of men and of nations, a book completed in his older days, he opens one of the concluding chapters with the question: "What is the force that moves nations?" Bringing into play his great analytical mind and drawing upon the great fund of information acquired by observation and research during his long life, he answers the question a few chapters later by saying, "The force that moves nations is the will of the masses." That pronouncement of this great and wise man is but another way of saying that public opinion is king. In this country of ours, so organized as to be peculiarly responsible to the will of the people, public opinion is king, and there is no more important question before the country today than the necessity for a sound, intelligent, wise, and well-balanced public opinion.

The SPEAKER. The gentleman has consumed 10 minutes.

Mr. CLARK of North Carolina. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, this bill does no more than to pull back the smoke screen and lay all these activities out in the light of day so that the American people may see and form intelligent and sound opinion, and that we in Washington may have no smoke in our eyes when we undertake as best we can to interpret their will and purposes. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, I do not rise either to oppose the rule or to oppose the bill. I trust that if the bill is enacted into law it may do some good, although I am not very sanguine of that.

The bill has two major objects. The first is to compel all persons or organizations that seek to influence legislation and to elect or defeat candidates for Congress or Members for reelection in order to influence legislation, either to advance or oppose legislative propositions, to keep account of all the moneys they collect for this purpose and all the moneys they expend for such purpose and make reports to the Clerk of the House of Representatives to be filed in his office. In other words, it imposes similar duties upon persons or organizations that seek to influence legislation as the Corrupt Practices Act imposes upon persons or organizations that engage in attempts to elect Members of Congress.

I think insofar as organizations influencing legislation is concerned, this provision will have about the same effect as the Corrupt Practices Act has had in political campaigning in this country.

The other provision is that lobbyists who come to Washington to establish contacts for the purpose of influencing legislation are to register and state by whom they are employed, what their compensation is, and so forth.

The trouble with this provision is that it may catch a practicing lawyer here in Washington who has been retained to engineer a private claim through the Congress, or some-

body of that kind, while it excludes all the important lobbyists concerning whom all the to-do has been about in the last year.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield? That is a rather important statement the gentleman has made.

Mr. LEHLBACH. Yes; I yield.

Mr. BANKHEAD. In what way does this bill exclude from its operations the important lobbyists to whom the gentleman has referred?

Mr. LEHLBACH (reading):

Any person who shall accept employment for any consideration to attempt to influence the passage or defeat of any pending or proposed legislation or appropriation by the Congress of the United States.

This applies to that kind of individual and no one else. Now, every lobbyist who has been belabored here, justly or unjustly, is not within this classification. Hopson was not employed for the purpose of influencing legislation. No general counsel of a big corporation is employed for such a purpose. It may be incident to his employment. And the person who organizes and gets contributions from persons interested or persons gullible enough to send in contributions and then is here in Washington and purports to advocate or to oppose something in the interest of his contributors is not employed for that purpose.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield briefly for another question?

Mr. LEHLBACH. I yield.

Mr. BANKHEAD. If what the gentleman states is true with respect to a proper interpretation of this bill, then it certainly seems to me that if that type of serious omission has been made in the provisions of the bill, it should be corrected by an amendment, if such an amendment is possible.

Mr. LEHLBACH. I do not know how such an amendment can be drawn without infringing upon perfectly legitimate rights.

I just wanted to make these two comments on the bill. I do not see any reason why anybody should get excited about it at all. There is no reason to oppose it, but it is not going to do what some may hope it will do.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield there?

Mr. LEHLBACH. Yes.

Mr. O'CONNOR. The gentleman is aware that in the time the Rules Committee spent on this measure, and we spent a good deal of time on it, we were of a fairly unanimous opinion on the necessity of the bill.

Mr. LEHLBACH. Yes; I have no opposition to the bill.

Mr. O'CONNOR. We did intend to reach the Hopsons and the Robinsons and the other people who have been around here lobbying on legislation.

Mr. LEHLBACH. You reach them by section 6 of the earlier sections, but so far as their personal representation here is concerned, and making them disclose their purposes, and so forth, the presidents of utility holding corporations, general counsels of big corporations, and commanders of veterans' organizations are not people employed for the purpose of lobbying. Their representation of the interests of their organizations is incident to their executive positions in such organizations, and they do not come under the classification of people specifically employed for such purpose at all.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. FULLER. If the bill would exempt all those the gentleman has described—labor organizations, mail-carrier organizations, Federal employees, the Legion, and all veteran organizations, and if it is going to also exempt the officers of the big corporations—whom is it going to reach?

Mr. LEHLBACH. Perhaps an attorney who has been retained to help through a private claim.

Mr. FULLER. Can the gentleman name any particular one he has known around here lately that would be reached? Can the gentleman describe a case where it would reach anybody who has come around here lately trying to influence Congress?

Mr. O'CONNOR. Yes; I will name one, if the gentleman will yield to me to answer.

Mr. LEHLBACH. I yield.

Mr. O'CONNOR. It would reach this fellow Smith, who was lobbying on the Pettengill bill, and if the Members of Congress had known he was a lobbyist by reason of his registration in the Clerk's office they would not have been inveigled into attending his party.

Mr. LEHLBACH. I do not know the terms or conditions under which Mr. Smith was here.

Mr. FULLER. Did not he claim he was attorney for the firm he represented?

Mr. LEHLBACH. I do not know; but the mere fact that he was here in Washington would not make him an attorney employed for that purpose.

Mr. DONDERO. Will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. DONDERO. Does the gentleman think the bill is broad enough to include the old-age-pension plan which is now being investigated?

Mr. LEHLBACH. Not as far as registering lobbyists, but as far as the accounting it does.

Here is one thing in the bill that I want to point out, and particularly to those who are specifically backing the legislation.

In describing the organizations who will have to file accounts of their receipts and expenditures, it was intended to exclude all those who already, insofar as the election of Members are concerned, must file such statements under the Corrupt Practices Act, and for that reason it excluded political committees as defined in said act.

(The time of Mr. LEHLBACH having expired, he was given 5 minutes more.)

Mr. LEHLBACH. The provisions of this act will not apply to any committee now required by the Federal Corrupt Practices Act to file such report.

That means that the Republican, Democratic, and Socialist political parties or political committees do not have to file expense accounts over again because they are taken care of in the Corrupt Practices Act. But that act says that a political committee includes any committee, and so forth, other than a duly organized State or local committee of a party. For instance, branches of the Democratic or Republican Party in a State, county, or municipality, or a congressional district are not required each one of them to flood the Clerk's office of the House of Representatives with an account of their receipts and expenditures. So that they are excepted from the definition of political committees.

In this bill you except political committees as defined in the act. Consequently the local committees are included in the bill under consideration, which means that every county and congressional political committee must file with the Clerk of the House.

Mr. CLARK of North Carolina. That is a complicated matter and was overlooked. There is an amendment contemplated to cure that.

Mr. LEHLBACH. I was going to suggest an amendment that would cure it, providing that the act shall not apply to those committees excepted in the Corrupt Practices Act.

The amendment I intend to propose is as follows: On page 5, line 10, after the word "act", insert the words "and except an organized State or local committee of a political party."

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. KNUTSON. Would it not be a good idea to have it provide for a duly legal committee, organized legally, a recognized committee?

Mr. LEHLBACH. I am using the language of the Corrupt Practices Act in suggesting this amendment. I refer to the language in the Corrupt Practices Act used to except those local committees from the workings of the Corrupt Practices Act. The point is that what is in the Corrupt Practices Act should be excluded in this bill, and this bill takes in everything that is excluded in the Corrupt Practices Act, but the local branches of a national political party should be excluded in both instances. For that reason I am offering the

amendment. As far as the language is concerned, it is always safe to use the language of a law instead of trying to improve upon it.

Mr. KNUTSON. What is the gentleman's construction of subsection (c) of section 6 on page 6?

Mr. LEHLBACH. It means any organization, for instance, the Townsend organization, that seeks to influence Members of Congress to vote for a bill incorporating the Townsend plan and threatens to defeat Members who refuse to accede to their directions. That brings them within subsection (c) of section 6—

To influence, directly or indirectly, the election or defeat of any candidate for an elective Federal office.

They have to show where they get their money and to show for what purpose and how they are spending it.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. Yes.

Mr. MICHENER. I want some personal information with reference to this bill. Would this prevent an organization back in a district writing a Member urging or opposing legislation?

Mr. LEHLBACH. I should not think so.

Mr. MICHENER. For instance, I hold in my hand a notice that was sent out by an organization to many citizens of my district. This notice contains much misinformation. This was forwarded to me by one of the recipients of the notice. It is as follows:

Urgent! Urgent! Urgent!

We are informed Michigan Congressman Hon. EARL C. MICHENER opposing action on Robinson-Patman bill in present form. Also trying to amend bill to make it worthless. Suggest you write or wire him today demanding the support bill in present form. Address him at Washington, D. C. Get all merchants in other lines to write or wire him. Understand bill would be on floor of Congress except for MICHENER and a few others. Don't mince words. Let the gentleman know your attitude toward his present opposition. Act now! Passage of this bill is new hope for small-business men.

Mr. LEHLBACH. What is the organization that sent this?

Mr. MICHENER. I do not care to mention that, but there is much misinformation in that card. Would this bill affect a notice of that kind?

Mr. LEHLBACH. It depends upon the organization that sends out such a notice.

Mr. MICHENER. Say, it was a retail organization? I do not want to do anything to prevent my constituents from communicating with me.

Mr. LEHLBACH. If it were a wholesale grocers' organization or a wholesale drug organization, it would not apply for the simple reason that it describes an organization—

The principal purpose of which is to aid in the accomplishment of the following purposes:

The enactment or defeat of any legislation or appropriation, etc. To influence directly or indirectly the election or defeat of any candidate for any elective Federal office.

An organization that is permanent in character and looks out, generally, for the welfare of those in a particular line of business, just because it advocates or proposes to try to influence specific Members of Congress to advocate or oppose a particular legislation, does not come within the provisions of the bill. The major purpose of such an organization is not to defeat or further specific legislation. But an organization like the Townsend organization, which is organized for the purpose of passing specific legislation, would clearly come under it.

I would suggest that, with the amendment I propose, I see no reason for opposing the bill. I hope it accomplishes in a measure what its authors expect.

Mr. KNUTSON. How about Father Coughlin's organization? Would that be classified the same as the Townsend organization?

Mr. LEHLBACH. In my judgment, it would, because it exists for the purpose of influencing legislation, not specifically, but generally.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. CLARK of North Carolina. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, several weeks ago I spoke in reference to this bill. Since then the Committee on the Judiciary has reported the bill after having made certain amendments to it. The gentleman from New Jersey [Mr. LEHLBACH] has raised a serious question, but I think he has overstated the case. When he says that most of the lobbying is carried on by the individual himself, he overlooks the fact that the evidence before the investigating committee shows that these corporations and utility associations acted almost invariably through lobbyists.

Hopson was acting through a paid lobbyist whom he had stationed in the city of Washington and who represented him for all purposes and to all intents. The same was true of Smith. The same was true of Magill, and the same was true of Mr. Cramer. I think you will find very few instances of these utility magnates actually lobbying themselves or contacting Members of Congress. However, this amendment can be strengthened by including not only those who usually accept employment for a consideration but those who are paid directly or indirectly for such purposes, so as to include the attorney of any corporation or any utility concern who, although he is paid a regular salary, devotes a portion of his time to lobbying.

Of course, the intent and purpose of the bill is to reach that class of professional lobbyists who prey upon the credulity of businessmen in this country. There is a type of lobbyist who advertises the fact that it is necessary to keep some paid experts with political influence in the city of Washington to influence legislation. Those professional lobbyists are engaged in a character of racketeering. There are many business individuals and groups who think it is necessary to maintain in this city those whose primary occupation is presumably to influence the course of legislation. They succeed in creating the impression that they have numerous contacts in the city. They make it a point to form the acquaintance of Members of the House and the Senate, so that when in company with their employers they can address Members of the House or the Senate. That condition has steadily grown worse not only in the Capitol but in some of the State legislatures. If it were not for the business of the lobbyists in some State capitals, the hotels would be compelled to close down.

Now, whether or not we can expand this bill so as to include all people who are seeking to influence legislation is a matter for the Congress to decide. It certainly is the right of every citizen, of every individual, of every business concern, to present his or her views to the Congress of the United States, and there should be no disposition to curtail or abridge that right. Therefore, whatever amendments are offered, we should bear constantly in mind that the farthest we can go is to reach that type of professional lobbyist who is preying upon the credulity and ignorance of the country and who seeks to bring into disrepute the Congress of the United States, because there are many people who believe that legislation is materially influenced by paid lobbyists.

This bill not only seeks to make those lobbyists register and to give to the country all of the information in regard to their employment and in regard to their salary, so that it will be available, not only to the Congress but likewise to the country at large, but it also seeks to reach those associations and those groups who are soliciting funds or receiving funds for the purpose of influencing legislation or for the purpose of bringing about the election or defeat of candidates for office. It was my hope that the bill could contain a provision that would reach not only general elections but would likewise compel those associations and groups to disclose their activities in regard to primary elections. But evidently, under the Newberry case, where the Supreme Court held that Congress had no jurisdiction to legislate in regard to any primary election and that that was a matter wholly without the scope of congressional authority, the Committee on the Judiciary decided that it could not reach that type of political activity. It is most unfortunate that we are unable to do so, because in many States nomination in the primary is equivalent to election,

and many States have no laws governing this matter, and some States, like the State of Texas, have ineffective laws, with the result that these organizations can influence the nomination of a candidate for office in some States without having to disclose that fact, whereas in other States, where the election is the important thing, they will be compelled to disclose their activities.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield to the gentleman from Texas.

Mr. McFARLANE. We have had State campaigns for many years, especially the last few years, where candidates for office who never earned a fee of over \$1,000 in their lives up to the time they ran for some important State office can run for office and spend two or three hundred thousand dollars to be elected.

Mr. DIES. Of course, that is a matter of public knowledge in Texas. I do not know how it is in other States, but it is a matter that we have seen in Texas with our own eyes. In fact, we have seen men run for State offices of the State of Texas who never made over \$4,000 in their lives, and who have spent \$100,000 or \$200,000 in behalf of their campaign, with an army of paid assistants, with radio hook-ups, and all that sort of thing.

Mr. McFARLANE. Further in regard to the gentleman's statement regarding the Newberry case, in Texas, as in many other States, election in the primary is equivalent to election to office. We should enact legislation that will adequately cover the situation just discussed.

Mr. DIES. I think this bill could contain a provision providing for nominations, in spite of the Newberry case, on this theory, that this bill is not directed at the candidate. It is directed at these Nation-wide organizations that are formed for the primary purpose of influencing the nomination or defeat of a candidate for office. Upon that theory I cannot understand why we could not insert in the bill a provision that would include primary nominations.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. MILLER. I will tell the gentleman why it cannot be put in there. If the gentleman will read the Newberry case, he will find that the authority of Congress in dealing with party organizations is not in existence at all.

Mr. DIES. I agree with the gentleman.

Mr. MILLER. The only authority that the Congress has is derived from section 4 of article I of the Constitution. In the Newberry case the Court had that question squarely before it. It would be a futile effort on the part of Congress to attempt to regulate primary elections. This is a matter wholly within the province of the State.

Mr. DIES. I agree with the gentleman in regard to the holding in the Newberry case, except there is this distinction, that the Newberry case dealt with the candidate himself under a law requiring him to do certain things. [Applause.]

Mr. MILLER. If the gentleman will read the decision carefully, he will find it holds as I have indicated.

[Here the gavel fell.]

Mr. CLARK of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. LUDLOW). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McFARLANE. Mr. Speaker, I am heartily in favor of the purposes to be served by this kind of legislation. I think Congress has neglected far too long to bring in adequate legislation to require paid lobbyists and those who exert influence upon Congress to disclose this confidential information the Members of Congress are entitled to have in order properly to evaluate the reasons back of these lobbyists and others appearing here to influence legislation. I say, therefore, that this bill is certainly a step in the right direction and while it seems to me, as has been pointed out by several other Members, that some of the provisions of the pending measure are rather vague, indefinite, uncertain, and it is doubtful whether or not it will compel even some

of the superlobbyists, such as Mr. Hopson and others who have been in the forefront in the matter of lobbying before Congress in recent times, to register. I think we ought to amend it wherever needed and make it an airtight bill that will apply to everyone who comes before Congress who for any kind of consideration comes for the purpose of influencing legislation, so we shall get a complete background of the person and their reasons for trying to influence legislation.

No honest person ought for a minute to object to giving a complete disclosure of all information as to why he is here trying to influence legislation, and certainly all the crooks ought to be required to give this information so the Congress can properly look at the background and understand the reason prompting their action.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mrs. ROGERS of Massachusetts. Does this mean that representatives of veterans' organizations who are here for legislative purposes, and representatives of farm bureaus who are here for legislative purposes would also have to register?

Mr. McFARLANE. I doubt it under this bill as it is drawn, but I think they ought to. I think we ought to amend this bill and enact a law that will require all such organizations to register. I think we ought to treat them all alike. Then the Congress can properly look at their background and credentials, see how much money they are collecting and spending, and what their motives are.

I offered legislation of this type while serving in the Senate of Texas. I even went so far in the legislation I offered as to propose that the members of the legislature, the house and senate, be required to register and disclose full information as to any fees or anything of value they had received directly or indirectly while serving in the Legislature of the State of Texas.

Mr. DIES. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. DIES. What success did the gentleman have in the State senate along this line?

Mr. McFARLANE. They threatened to impeach me and throw me out of the senate. Down in Texas I put them on record, and you will find officials holding high office in Texas today who voted against that resolution.

Mr. DIES. Mr. Speaker, will the gentleman yield further?

Mr. McFARLANE. I yield.

Mr. DIES. We heard a great many promises in that State about driving the lobbyists out of the Capitol, in the last State campaign. Does the gentleman know whether any progress has been made along this line in Texas?

Mr. McFARLANE. Yes; we in Texas all remember that the special-interest lobbyists, who have controlled legislation in Texas for years, were the one big issue in the last Governor's race. Our present Governor made this the real issue of his campaign. He recommended that such legislation be enacted, but the legislature refused to pass such legislation, and the lobbyists still rule Texas. Back in the early twenties they passed a resolution requiring these lobbyists to register, but after the first session the lobbyists stole the register and threw it away. [Laughter.] Since that time we have been unable to enact any legislation requiring the lobbyists to register. Somehow or other the special interests in Texas have completely controlled and dominated the situation, so much so that we have never been able even to require the setting up of any kind of an adequate State regulatory commission to regulate the utility rates.

[Here the gavel fell.]

Mr. CLARK of North Carolina. Mr. Speaker, I yield the balance of my time, 4 minutes, to the gentleman from New York [Mr. O'CONNOR].

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, the Rules Committee, following its investigation, as directed by the House, of the utility lobby, has given a great deal of thought and attention to this matter. The gentleman from Virginia [Mr.

SMITH] and the gentleman from North Carolina [Mr. CLARK] have been especially industrious in working out a proposal which the Rules Committee endorses in its report on the lobby investigation.

It is not extravagant to say that countless millions were expended on the utility lobby. The Associated Gas & Electric Co. confessed to expending nearly \$1,000,000, and Mr. Hopson, of that company, testified there were about 19 or 20 companies, equally as large as or larger than his company, and that in his opinion they spent as much as his company did, if not more; so it may fairly be said that the stupendous sum of \$20,000,000 was spent, and, of course, as usual, with no effect.

I have never seen any effect a lobbyist ever had in Washington, but they are, at the same time, a nuisance to the Members. They claim to do what they never can do, and they collect money from organizations and people back home by deceiving the people as to their influence, which is nil. In my opinion, the janitor of the building has as much influence as any lobbyist who ever appeared in Washington, including the "boiled shirt" lawyers from my city and elsewhere, who often receive fees as high as \$250,000. [Applause.]

Information was conveyed to me recently that one of the lobbyists in Washington who lobbies for a number of matters was opposed to the bill because, as he stated, "if you have to register, nobody will hire you." If that is what this bill is going to accomplish, all Members ought to be for it. Why, when the utility bill was being considered on the floor of this House, the Members had difficulty getting into the Chamber. The lobbyists were out in the lobby in large numbers. There was one fellow from Ohio calling out the Members through that east door and there were lobbyists clogging the entrance to the Speaker's lobby. If this bill has no more effect than to keep these leeches away from us so that we may walk through the corridors of the Capitol, it is well worth while passing.

Mr. Speaker, this bill does not interfere with anyone appearing before a committee. That is specifically exempted. It does reach these organizations which collect from gullible people huge sums of money to influence the passage or defeat of legislation and to influence the election or defeat of candidates for Congress. This bill is a supplement to the Corrupt Practices Act, which pertains to elections for Members of Congress. Under that act, every candidate must file his return. This bill will require these organizations and individuals mentioned to register and file returns showing how much they have spent.

There is such a thing around here as "universal lobbyists." For instance, when the utility bill was in here for consideration, the utilities called in all the standing lobbyists and put them to work, no matter what organizations they usually represented. They had a universal lobby here, and they did not miss many lobby representatives of these other organizations. Even the lobbyists for charitable organizations were put on the pay roll of the utilities. Now, that situation, of course, is at least an annoyance.

Mr. McFARLANE. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Texas.

Mr. McFARLANE. Does the gentleman believe this bill will go to the extent of reaching certain public relations people and the expenditures of large corporations, which have included money under miscellaneous items for this purpose? Will this bill require an accurate accounting from those organizations and individuals so that we may judge what influence they are exerting, if any?

Mr. O'CONNOR. Offhand I could not say, but I hope it does. This bill, of course, is a start in the right direction. We must do something to deter lobbying. It will, we hope, have a deterring influence. I have some sympathy with the point raised by the gentleman from New Jersey as to whether it will cover people who are not actually "employed." Our committee and the Judiciary Committee sat in conference together and jointly we gave some thought to that problem. If a start is made by making everybody employed who comes here trying to influence legislation go into the Clerk's office

and sign the book there and then every 3 months file an account of his expenditures, and so forth, we will have done something worth while to dissipate this idea which exists throughout the country that these people can come here and influence Congress. Of course, they never did and never will.

Mr. COCHRAN. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Missouri.

Mr. COCHRAN. I may say that I am in full accord with the evil that this bill seeks to reach. I am in favor of the bill because when it comes back for the final vote some of the provisions, now too broad, will be eliminated. I want to ask the gentleman if there is anything in this proposed legislation which would require a Member of Congress who introduces a bill, then floods the country with propaganda in order to get organizations to threaten Members of Congress if they do not support his legislation, to be included under this bill?

Mr. O'CONNOR. Unfortunately, not.

Mr. LAMNECK. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Ohio.

Mr. LAMNECK. I would like to know whether this bill covers, say, representatives of the administration that may be in power or any department thereof who may come down here and urge us to pass or not to pass certain legislation?

Mr. O'CONNOR. I regret to say it does not. That problem was considered, but the difficulty of meeting it must be quite apparent to the gentleman. The same thing may be said of Members of Congress who might urge other Members to support or defeat certain legislation.

Mr. WHITE. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Idaho.

Mr. WHITE. Is there anything in this bill to reach the lobbyists who work through the members of a department to influence Members of Congress?

Mr. O'CONNOR. Oh, I do not think any lobbyist could prevail upon a member of a department. We are the only susceptible people!

Mr. DONDERO. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Michigan.

Mr. DONDERO. Let us make this practical and assume that the Lake Carriers' Association is interested in a bill that has been introduced in Congress. Assume further that a representative of theirs here in Washington is requested by that association to see the Members of Congress in reference to this bill. Does the pending legislation include that individual?

Mr. O'CONNOR. He comes down here, as I understand it, and registers in the Clerk's office; then he files a statement which shows who employs him and how much he receives in pay and what he expends in connection with the mission. There should be no reluctance on the part of the lake carriers, or the individual, to disclose this information.

Mr. DONDERO. This might go far enough to include labor organizations and farmer organizations?

Mr. O'CONNOR. Yes.

Mr. LAMNECK. Does it include those organizations?

Mr. O'CONNOR. I understand it includes any organization that is trying to influence the passage or defeat of legislation.

Mr. LAMNECK. As an illustration may I say that a week or two ago there appeared before our committee Admiral Hobson who is interested in a narcotic drive throughout the United States. He was down here urging us not to do a certain thing in reference to a bill which was then pending before our committee. He is not hired as a lobbyist. He is an employee of this world-wide organization. Would this bill prevent him from coming down here and urging us to pass or not to pass legislation?

Mr. O'CONNOR. Does the gentleman mean that he appeared before a particular committee?

Mr. LAMNECK. Yes; and he contacted many Members of Congress.

Mr. O'CONNOR. As to the proposition of appearing before a committee, he is specifically exempted. I hesitate to

answer some of these questions, because members of the Judiciary Committee and some members of our Rules Committee know much more about the situation than I do, but, as I understand it, if he is here representing an organization and contacting Congressmen he must register and account for his expenses. I do not know why he should object to that.

Mr. SCOTT. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SCOTT. This does not prevent anybody from coming down here. All they have to do is to register when they get here; is not that true?

Mr. O'CONNOR. Yes; that is true.

Mr. ANDREWS of New York. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. ANDREWS of New York. The gentleman is the very able chairman of the Rules Committee, and, aside from the matter immediately under discussion, I am wondering if the gentleman would inform the House why the Rules Committee has seen fit to give no consideration to the resolution introduced by the gentleman from Massachusetts [Mr. CONNERY], to investigate the Federal Communications Commission.

Mr. O'CONNOR. Does the gentleman want to inquire about a number of other measures before the Rules Committee? [Laughter.]

Mr. MILLARD. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from New York.

Mr. MILLARD. The gentleman from Ohio asked the gentleman from New York about lobbying by the executive departments or the administrative bureaus. As a matter of fact, on page 7, the bill specifically exempts any public official acting in his official capacity.

Mr. O'CONNOR. That is correct. I had forgotten that for the moment. That was put in there to meet the suggestion as to Congressmen principally.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SHORT. Mr. Speaker, I would like to ask the distinguished chairman of the Rules Committee, who is an able lawyer, whether in his opinion under the terms of this bill representatives of farm organizations, labor organizations, veterans' organizations, flood-control and waterway organizations would come under it.

Mr. O'CONNOR. I think I have answered that question by saying that in my opinion they would, but I would prefer to have the committee go into that fully. In my opinion they would, and I can see no objection to that.

Mr. SHORT. Do the provisions of this bill forbid any lobbyist from seeing a Member of Congress while we are not in session, for instance, calling upon us at our homes?

Mr. O'CONNOR. I do not think so, but it should be discouraged. [Laughter.]

Mr. LAMNECK. Mr. Speaker, will the gentleman yield to me on one further point?

Mr. O'CONNOR. I yield.

Mr. LAMNECK. We are now having a tax bill considered before the Committee on Ways and Means, and I have several hundred letters from prominent business men of my district who want to come here and talk to me about the tax bill. Would they be prevented from coming here and talking to me about it, or would they have to register?

Mr. O'CONNOR. Not at all.

Mr. LUDLOW. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Indiana.

Mr. LUDLOW. I am entirely in harmony with this proposed antilobbying legislation, but I would like to ask the very able gentleman from New York for his interpretation of the bill in one respect. Would representatives of individual companies who come to Washington on matters that pertain to their business alone be covered by this bill?

Mr. O'CONNOR. In my opinion, not.

Mr. LUDLOW. Or would they have to establish a domicile here and engage in general lobby to come within the terms of the measure?

Mr. O'CONNOR. Yes.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Texas.

Mr. LANHAM. I notice a provision at the top of page 6, subsection (c), of paragraph 7, containing this language:

To influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office.

Under the present Corrupt Practices Act, Members of Congress file reports with the Clerk of the House only with reference to the general election and with the authorities of their own States with respect to primary elections. Would this subsection also require the filing with the Clerk of the House of Representatives of an account of the contributions and expenditures in primary elections?

Mr. O'CONNOR. That matter has been discussed thoroughly here this afternoon, and it was pointed out that, in the opinion of a number of the members of the Judiciary Committee and the Rules Committee, in the Newberry case, in the Supreme Court of the United States it was held that no Federal law could be passed applying to primaries, and any measure that we might enact must apply only to general elections.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. FULLER. That applies to the candidate himself, but would it not affect such people as the Townsendites, who go out and try to defeat a man who is opposed to their plan, or would it not apply to Father Coughlin, who is in the same line of business, or to the Liberty League? They would have to file a report under that provision, would they not?

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GREGORY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11663, with Mr. COLE of Maryland in the chair.

The Clerk read the title of the bill.

Mr. GREGORY. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I do not know whether I can be of any material assistance to the Committee in discussing this bill or not. It shall be my purpose to clarify, if I am able to do so, some of the questions that this bill covers and some things it attempts to do.

The history of this bill is this, as I understand it: We have had a great many lobby and antilobby bills before the Judiciary Committee of the House. I would like to have the membership get this statement, regardless of how they feel about the passage of lobby or antilobby legislation. It is practically impossible to agree upon the terms of an antilobby bill which is broad and comprehensive, and one that will satisfy the various groups and interests of this Nation.

We have had hearings day after day in an effort to work out a bill that was comprehensive enough to cover situations that you and I know ought to be covered, but we run afoul of labor, we run afoul of the veterans' associations, we run afoul of the rural letter carriers, farm organizations, and we run into trouble on every turn.

We also come in conflict with the advocates of free speech, and so forth, and the right to petition guaranteed by the Constitution.

It is very easy to say, "You ought to draft a bill that is comprehensive and has teeth in it", but you undertake to do it and get it through a committee or pass it through this body, and you will find that you are up against it. That was the situation we had confronting us.

This bill came to us from the Rules Committee. I am not a member of the subcommittee that considered the bill. Subcommittees 3 and 4 considered the bill for days; they wrote it and rewrote and wrote it again and again in an effort to arrive at a bill that would really meet the situation.

The bill before us may be divided into two divisions. Sections 1 to 6, inclusive, are simply that part of the bill requiring an accounting of money collected from and by various organizations, and so forth.

It seems to me that is a wholesome provision and should be enacted into law. What is there that should prevent or what argument should be made against any organization that collects money from its membership for the purpose of influencing legislation or other action by the Congress—what reason is there that organizations should not be compelled to file an account of the money collected and expended? That is all that the first six sections do in effect.

Now, I want to call attention particularly to section 6, and let us see to whom the bill applies.

It says:

The provisions of this act shall apply to any individual, partnership, committee (except a political committee as defined in the Federal Corrupt Practices Act), association, corporation, or any other organization or group of persons who by themselves, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicit, collect, or receive money or other thing of value to be used in whole or in part to aid, or the principal purpose of which organization is to aid, in the accomplishment of any of the following purposes:

(a) The enactment or defeat of any legislation or appropriation by the Congress of the United States, or the repeal or nonrepeal of any existing laws of the United States, or the adoption or defeat of any amendment to the Constitution of the United States.

(b) To influence directly or indirectly the passage or defeat of any legislation or appropriation by the Congress of the United States.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. MILLARD. What is the difference between the first portion of subsection (a) and subsection (b)?

Mr. MILLER. Subsection (a) refers to the proposed amendment to the Constitution of the United States and was intended to deal primarily with the repeal or nonrepeal of existing laws. The first two lines of subsection (a) are not different from subsection (b). Subsection (b), of course, is self-explanatory.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. HARLAN. Let us bring this down to a practical proposition. There is not a community here that does not have an organization along the lines of the Knights and Ladies of the Right, or something else.

Mr. MILLER. That is correct.

Mr. HARLAN. That has some idea to change the world overnight.

Mr. MILLER. That is correct.

Mr. HARLAN. They meet in their sewing circles and take up a collection to have some literature printed and sent to the Congress. They do not come here at all. They simply have something printed and sent here.

Mr. MILLER. Yes.

Mr. HARLAN. Then somebody collects \$25 from their membership and it is used for that purpose. Do they come under the provisions of this bill?

Mr. MILLER. If the principal purpose of the organization is to influence legislation or to amend the Constitution of the United States, they do.

Mr. LAMNECK. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. LAMNECK. I want to know whether this applies to the National Association of Letter Carriers, the National Association of Clerks, the National Association of Rural Carriers, or the National Association of the Brotherhood of

Locomotive Engineers, or to the United Mine Workers, and such organizations as those.

Mr. MILLER. If the organizations collect money and distribute money intended for the purpose directly or indirectly of influencing legislation, they do, of course.

Mr. LAMNECK. The gentleman knows that all those organizations have legislative agents in Washington.

Mr. MILLER. That is true.

Mr. LAMNECK. As a lawyer, does the gentleman say that it would apply to those groups or that it would not?

Mr. MILLER. I say that it would apply to those groups.

Mr. LAMNECK. In other words, if they come down here for a bill to increase salaries or to do something else, they have to register.

Mr. MILLER. That is correct.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. DIES. I call the gentleman's attention again to subsection (c), and I want the gentleman to explain how under the Newberry case, which only applies to the candidate himself in a primary election, we would be precluded under that decision from requiring these associations and groups to report their expenditures, to affect the nomination of a candidate for office.

Mr. MILLER. Simply in this way. The gentleman overlooks his premise. The constitutional provision does not deal with individuals, it does not deal with the individual who is a candidate, but it deals with the election, and the provision of the Constitution which gives the Congress its authority over the election of its Members deals with the election, and not with individuals. That is the distinction.

Mr. DIES. Under the terms of this bill, if there is an indirect effect upon an election, let us say, assuming that a utility company is in the gentleman's district—

Mr. MILLER. Oh, I ask the gentleman not to take up my time. The gentleman is confused about the definition of the word "election." The word "election", as used in the Constitution, refers to that operation by which a candidate is chosen by the people. If the gentleman will look at the case of United States against Gradwell, decided about 15 years prior to the Newberry case, he will find that the court took up the history of primary elections and pointed out the fact that primary elections were never included or thought of when the Constitution was written, and primary elections were not even intended to be included in the Corrupt Practices Act. I am sure the gentleman is a better lawyer than I am, and things that look confusing to me look plain to the gentleman.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. DONDERO. Suppose an industry in the district of any Member of this House is informed of legislation that may affect that industry either adversely or favorably. The industry selects a man to come here to Washington to inquire about the legislation and to see the individual Members of Congress. Does this bill go far enough to stop him from coming here?

Mr. MILLER. It would not stop him from coming or from talking, but he ought to register if he did come, or I am afraid that he would run afoul of the law.

Mr. DONDERO. Suppose he comes for that one purpose only and goes back home. Would he be a lobbyist?

Mr. MILLER. I believe that he would have to register under section 7 of the bill.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mrs. KAHN. Take an organization such as the League of Women Voters, where the service is practically voluntary. They certainly take a great interest in bills being passed by the Congress. Would they come under this?

Mr. MILLER. If they collect money for that purpose or expend it, I think they would.

Mrs. KAHN. If they did not collect it directly, but if they were financed by the dues of the organization, would they come under this bill?

Mr. MILLER. Of course, it would depend upon whether or not they were principally organized for the purpose of influencing legislation.

Mrs. KAHN. Of course they are principally organized to consider the principles of good government.

Mr. MILLER. If they were, they would probably have to file a statement of their receipts and expenditures.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. GIFFORD. This is a very serious question. Representing the textile industry, if certain officials paid by textile manufacturers, sent a dozen men to Washington and they all spoke before a committee but afterward saw me personally, each of the dozen men must register as lobbyists, get a receipt for his railroad fare, for his hotel bill, keep those receipts 2 years and go through all that formality?

Mr. MILLER. No, no. They would not have to go through all that formality of keeping their receipts and so forth, because they would not be collecting any money from any organizations, the primary purpose of which was to influence legislation, but they would have to register when they came here as lobbyists.

Mr. GIFFORD. If they spoke to a committee alone, would they have to register?

Mr. MILLER. No, no.

Mr. GIFFORD. But if they happened to come to my office, a dozen of them, they would have to register?

Mr. MILLER. The purpose of this bill—

Mr. GIFFORD. Never mind the purpose. We understand the purpose is to terrorize these people.

Mr. MILLER. Oh, no.

Mr. GIFFORD. Oh, yes.

Mr. MILLER. Oh, no. In all seriousness—

Mr. GIFFORD. Now, be serious. If they spoke to me personally, they would have to register?

Mr. MILLER. I do not know anybody who wants to terrorize anybody.

Mr. GIFFORD. Oh, that is the intent of this.

Mr. MILLER. No. This is not the intent of this bill. I would not want to terrorize anybody and I am very much in favor of this bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. DONDERO. I want to pursue my inquiry a step further. Suppose a representative who comes here for an industry happens to be their attorney through the year, or even an officer of that industry himself; does the gentleman then say he would come within the provisions of this bill, where his visit is incident to his regular work?

Mr. MILLER. He might not come under section 7, but I am going to offer an amendment to bring him under it. [Laughter.]

Mr. McFARLANE. I already have one prepared.

Mr. MILLER. Further discussing the question raised by the gentleman from Massachusetts, that is a pertinent question, and I want to call attention to section 7 of this act.

The CHAIRMAN. The time of the gentleman from Arkansas [Mr. MILLER] has again expired.

Mr. GREGORY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HESS. Mr. Chairman, I also yield the gentleman 5 additional minutes.

Mr. MILLER. Mr. Chairman, I want to call attention to section 7. I do not want to do anything to prevent any constituent of anybody or any interest in the United States from presenting his or their case to the American Congress. Everybody has a perfect right, whether that right be guaranteed under the Constitution or otherwise—they just simply have that natural right to speak for themselves. Congress or any other lawmaking body is always glad to hear from the real parties in interest in proposed legislation. It is not the purpose of section 7 to curb that right or to prevent that right from being exercised at all. Now, what does section 7 do? It does not matter what my personal views are about it or what your personal views are about it. We

are up against not so much a theory as against a condition that exists here. It is said there are lobbyists running wild in Washington. I do not know whether I ever saw one or not. I heard a great deal of talk about lobbyists all during this utility legislation, and I became convinced of one thing, and that was that I did not amount to anything, because no lobbyists ever spoke to me, as far as I know, and I think probably the situation is altogether overdrawn.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield right there?

Mr. MILLER. Yes; I yield.

Mr. GIFFORD. I simply wanted at this point to say that I do not know that I have been approached by any lobbyist, to know him, but you now want to tag all my friends as lobbyists who come here from my State. You want to tag them as such, and I object.

Mr. MILLER. No. The gentleman's friends are not all lobbyists; they are good citizens. [Applause and laughter.] They are good citizens and mean well.

Mr. GIFFORD. But I want to say to the gentleman that if these friends of mine identified with business, come down here and take expense money, they have to go over and register and then everybody says, "Lobbyist! Lobbyist"! It is a terrorizing word, really.

Mr. MILLER. Under section 7—and I want to call attention to it—any person who shall accept employment for any consideration—now for what purpose? If he accepts employment for the purpose of attempting to influence the passage or defeat of any pending or proposed legislation or appropriation.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. DIES. Would an attorney be within the terms of the bill who is primarily engaged to represent a corporation and comes to Washington only occasionally during the sessions of Congress to lobby?

Mr. MILLER. It is doubtful, as pointed out by the gentleman from New Jersey, that such a person would come under it. I say he should come under it.

Mr. DIES. Mr. Chairman, will the gentleman yield further?

Mr. MILLER. I yield.

Mr. DIES. The gentleman from Texas [Mr. McFARLANE] and myself, have prepared an amendment strengthening this provision which will be presented in due time. Is not the gentleman from Arkansas in favor of strengthening this provision so as to get the attorneys of these corporations?

Mr. MILLER. I thought I had made myself perfectly clear on that; I am. If these gentlemen from Texas can work out an amendment of this kind, so far as I am concerned, I would be perfectly satisfied to have them do it.

What else have we? Whether it is true or not, the people of this Nation think a great deal of legislation is effected by lobbying; that the judgment of the Congress is warped or directed by sinister influences; and they always speak about "the interests", and about this influence and that influence affecting Congress. I think we owe it to the people to pass this legislation, and I do not see why any honest person who has legitimate business to present before a body of the Congress, a committee or otherwise, would have the slightest objection to registering as provided by the terms of section 7.

Mr. DIES. Mr. Chairman, will the gentleman yield again? I hate to trespass so much on the gentleman's time.

Mr. MILLER. I yield to the gentleman from Texas.

Mr. DIES. Will the gentleman explain why he omitted from the bill these lobbyists who appear before bureaus and agencies with regard to having Government contracts canceled or altered in favor of their employers?

Mr. MILLER. This gentleman did not omit anything from the bill. This bill came from the Rules Committee, as I said, to the Judiciary Committee, and subcommittees 3 and 4 worked on the matter.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. HANCOCK of New York. Quite a number of the departments require attorneys and others practicing before the department to register and obtain a license, as the gentleman knows. Included in these are the Patent Office, Treasury Department, and a dozen others. They have what might be called bars of their own.

Mr. DIES. The gentleman does not mean that all of them require registration?

Mr. HANCOCK of New York. There are 10 or a dozen which do.

Mr. DIES. What is that to the hundreds there are?

Mr. MILLER. I would like to proceed for just a little while, and then I shall yield the floor.

Mr. Chairman, I want now to call attention to one condition which, in my opinion, justifies the enactment of this bill; that is the publication of articles by lobbyists or others in an effort to create public sentiment for or against legislation. The gentleman from Michigan [Mr. MICHENER], at the time the gentleman from New Jersey was speaking, called attention to certain propaganda that swept this country with reference to a certain bill recently before the Committee on the Judiciary.

The greatest harm done in this country today, the greatest disservice that is done your constituents and my constituents, is done by organizations that do not give them the facts of a situation as it exists, but through the publication of syndicated articles in various magazines and periodicals build up and control public sentiment without disclosing to the people their selfish interest in the subject matter. It is perfectly natural for a person to believe what he reads.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield to me once more?

Mr. MILLER. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I presume the purpose of this bill is to protect Congressmen. Would the gentleman be willing to accept an amendment providing that when the lobbyist registers he should be handed a blue ribbon in order that he may be plainly marked so we shall know him?

Mr. MILLER. I would if the badges were made of different colors, for we must have something to keep them separated. I do not, however, think at all it is for the purpose of protecting Congressmen.

Mr. GIFFORD. It is a stigma on them.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. CRAWFORD. What language does the bill contain which will make available to the public and the press the registry and the information to be filed by the lobbyists? The public is as much interested in this as are the Members of Congress.

Mr. MILLER. The gentleman asks if it will be made available to the public?

Mr. CRAWFORD. Will the information, for instance, be subject to review by newspapermen so they can place it before the public?

Mr. MILLER. It will be a public record; yes. It will be such a record that will disclose the selfish interest that has prompted the publication of the article and in that manner the people will not be misled. The people can be trusted fully if they have the facts before them, but they never get the true facts by reading the statements and newspapers that are printed by the paid lobbyists and who are serving the interests of their employers.

The bill is a step in the right direction and should be passed. It will help us all serve the people who have no paid lobbyist here.

Mr. HESS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I am in somewhat the same position as the gentleman from Arkansas in that I

have never had any lobbyists trouble me particularly. I have always thought that the Members of Congress were men of such conviction that what lobbyists might say to them would not have any particular effect. Of course, we have different types of lobbyists.

Since my return to Congress a year or so ago I found the most iniquitous type was the Government lobbyist, who comes up here and tries to bring pressure upon Members to legislate in a certain way. I do not know whether there is anything in this bill that will compel those men to register so that we may know just what kind of work they are carrying on.

Mr. MILLARD. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from New York.

Mr. MILLARD. The bill specifically exempts them. The chairman of the Rules Committee so stated.

Mr. ANDRESEN. I think there should be an amendment to the bill so that we may know who the men are that are clogging up these halls and preventing us from getting into the Chamber. We should find out whether those men belong to the executive department of the Government or to the other iniquitous class of lobbyist. Possibly this bill will accomplish a great deal of good. I expect to vote for it, and I hope it will function according to the intent that its sponsors claim for it.

Mr. Chairman, I am wondering whether the bill takes in small groups of men and women throughout the country who may get together and present their views to Members of Congress, either in person or by way of petition with reference to legislation in which they might be interested. Some have said the bill does not cover that. This morning I received a communication from a group of 50 individuals in Minnesota who got together and collected enough money to have their communication written by a stenographer and attach the necessary postage thereto.

These individuals are the residents of a Federal homestead project which is being sponsored by the administration. It appears that this group of men and women has written to the officials of the Government to get information in connection with their particular troubles, and not being able to get any information whatsoever, they saw fit to write to me and to other Members of Congress, as well as Mrs. Franklin D. Roosevelt, wife of the Chief Executive of this Nation. I want to read this communication and inquire whether or not this group comes under the provisions of the bill, and whether it would be necessary for them, under the provisions of the bill, to register. They write me as follows:

DEAR SIR: Word has been received from Washington that the administration desires to know how this homestead project is being received by the homesteaders and what impression it is making upon the citizens of the surrounding territory.

We, the homesteaders, welcome this opportunity to make a direct contact with the administration.

We were chosen as dependable people with salaries, people who would take pride in keeping and improving a home, and we were given to understand that we would be buying homes of small cost at a low rate of interest on the unpaid balance.

When we signed our temporary licensing agreement we were promised that our permanent contracts for title would be in our hands by March 1936. With this understanding we moved in. We put our own money and labor into improving the places, making them habitable, and planning homes in which we would have quiet, peace, and security.

The following questions have been asked of Government officials, but they have not given satisfactory answers.

Will the cost of the repairs, which are now being made and which we are told are necessary due to the fact that the houses were improperly built, be added to the final purchase price in addition to what the houses originally cost? Such repairs as insulating the bathtubs, weather-stripping windows, repairing roof boards which were improperly installed and now necessitate removing a strip around the entire roof, adding cold-air ducts to the heating system, installing water pans in furnaces, repairing leaks in roofs, resealing the basement headings, repairing basement floors, etc.

Why, if we are merely lessees or renters, as our present contract states, must we maintain our own repairs on homes that do not belong to us? Why must we pay taxes, maintain our own roads? How can we afford to paint, varnish, build cupboards, plant annual shrubs, other than the ones which we are told that we are going to receive, when we have only a 30-day assurance that we have our homes to live in?

When mechanical features were placed in these homes no directions were given as to the proper method of oiling, cleaning, and their general care; nor was general advice given for their proper usage. Why then must we, as renters, be held responsible for their operation and repairs?

Why must we be forced to build a \$10,000 community house, equipped with conveniences which we do not need, necessitating a continuous fire throughout 8 months of the year, and a custodian to do away with the ever-present menace of vandalism, when a meeting house is all that we would need? This could be built for about \$2,500. We hear it rumored that \$5,000 already has been allotted and is included in our monthly payments. If that is so, the difference could be returned to us for more needful purposes.

Who is to pay the salaries of the officials who have been sent here from time to time for the purpose of investigation and supervision? Why must we be sent new supervisors at short intervals who have no personal interest in our welfare, and who have proven incompetent, dictatorial, and ungentlemanly, stirring up a feeling of uncertainty and discontent, and disrupting the neighborly spirit of our community?

Why, when we have caused an organization of our own to be formed for the betterment of our entire group socially and for a more convenient form of dealing with representatives of the Government, must an official who is sent to us with the purpose of cementing friendship, start breeding seeds of discontent by appointing committees of outside people over the heads of our group and cause a general disturbance in our organization?

Why are we now to be put upon a 5-year proving period before we receive a contract for deed; this 5 years was not in the original agreement. We were told by the first committee that the term of payment would be 20 years; later Mr. Plum informed us that the term of payment would be 30 years, and upon this we understand our payments are based. Now, Mr. Stephenson informs us that the term has been changed to 40 years. When will our payments per month be lowered in conformity with this change. We are told that during these 40 years we will not be allowed to pay up our contract other than paying the greater share of it for the purpose of lowering our interest rate. In the event of our death, would our equity in these homes be passed on to our heirs?

We entered into the idea of a good little home on a small acreage where we could be happy, and now we are told that we are merely living in these homes from month to month, with the ever-present menace of being forced out by each new supervisor whose ideas may conflict with those of his predecessor. These conditions rather than being conducive to happiness, cause such a state of mental uncertainty that it is impossible to live a normal life.

Why has not the final contract for title been presented this month as was originally promised, so that we could become legitimate taxpayers and not taxed renters? When do we receive a final contract? When will we be able to use and improve the property in our own way without the necessity of having an overseer in charge?

Copies to Mrs. Franklin D. Roosevelt, Hon. Henrik Shipstead, Hon. Elmer Benson, Hon. Rexford Tugwell, Mr. B. G. Stephenson, Miss Corrine Jahren.

Mr. Chairman, this communication is signed by all of the men and women who reside on this particular Government subsistence homestead project which is located in my congressional district.

Mr. CREAL. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Kentucky.

Mr. CREAL. May I ask the gentleman if there is a Republican precinct committee man on that list?

Mr. ANDRESEN. I am frank to say I do not know any of them, but these are men and women who had faith in the good intentions of the Government. They were willing to go ahead and spend their own money in order to obtain a home. Apparently the Government is now saddling upon them so many burdens that instead of getting a moderate-priced home they will be forced to pay for more than 40 years, or for a generation or two, in order to get a home for themselves and their families.

Mr. CULKIN. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from New York.

Mr. CULKIN. I assume the gentleman knows that the particular activity to which he has just referred is under the charge of Prof. Rex Tugwell. Does the gentleman know further that Mr. Tugwell at present is boondoggling with some \$290,000,000, but his tenure of office is uncertain, because Field Marshal Farley is demanding his resignation? However, some other influence is keeping him in. That may be the reason for the fact these good people cannot get a reply.

Mr. ANDRESEN. I thank the gentleman for his comment. I have not had the pleasure of meeting Dr. Tugwell.

Mr. CULKIN. He is a very charming gentleman, a great personality.

Mr. ANDRESEN. But I feel these people, who have entered into contracts with the Government, as citizens of this country, have a right to receive courteous treatment. They are entitled to a fulfillment of the contracts which they entered into. The Government should carry out the specifications of the contracts in reference to the building of those homes without extra cost to the people. These individuals are entitled to an answer. They are entitled to an "honest deal" at the hands of the Government.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ANDRESEN. Mr. Chairman, I do not know whether these good people up there could be called lobbyists or not. I do not feel that they are lobbyists. I feel they have a right to get together, just as they have done in this instance, and file their petition, asking their Representative in Congress, whether it be myself or someone else, to intercede for them with the officials in Washington who have absolute and unlimited power and money.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. REED of New York. Would you consider that they are lobbyists if they selected some person to come down here with photographs and present the matter to the Congress, and would they have to register as lobbyists?

Mr. THOM. Their Congressman ought to do it for them.

Mr. ANDRESEN. Their Congressman will take care of it, and I am pleased to have the opportunity to serve them in this or any other capacity.

Mr. THOM. He does not seem to have done it.

Mr. ANDRESEN. I do not think they would be considered as lobbyists, although there might be some gentlemen on this side of the aisle who would brand them as such.

Mr. THOM. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. THOM. Has the gentleman submitted those questions and complaints to the proper department here before publishing them in this way?

Mr. ANDRESEN. The letter of complaint which I have just read reached me today and I have transmitted it to Dr. Tugwell by mail.

Mr. THOM. No; the gentleman has not done a thing yet in behalf of his constituents.

Mr. ANDRESEN. Because these people submitted these questions to the Department time after time and got no satisfaction. Therefore they were forced to communicate with their Member of Congress in order to bring the matter to the attention of the high and distinguished gentleman in the executive Department, and I am now calling it to your attention and to the attention of the other Members of the Congress.

Mr. THOM. But as yet the gentleman has not presented the complaints to Mr. Tugwell or to any official authorized to deal with the matter.

Mr. ANDRESEN. They are in the mail and now on the way.

Mr. THOM. Oh, I see.

Mr. ANDRESEN. And this is a very opportune time to let you gentlemen know what is being done by men high up in the administrative departments here in the Nation's Capital. [Applause.]

[Here the gavel fell.]

Mr. GREGORY. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, I have carefully read this bill and attempted to digest it. I realize the bill is going to pass, because the Members of Congress think they are under suspicion and have not nerve enough to try to amend the bill or try to defeat it. In the language of my colleague the gentleman from Arkansas, "we owe it to our people back home to pass this bill." We do not owe them anything of the kind. We do not owe them any right to acknowledge

that there is a lobby here that is influencing Members of Congress, because it is not a fact.

I think I can truthfully say, without fear of successful contradiction, that during the time I have served here of four terms I never even heard a man in this House suspected of having solicited or accepting anything or having been improperly influenced in voting for any measure on the floor of this House. You cannot force honesty into people by law any more than you can religion.

The purposes of this bill are commendable, but it is just like fishing for a minnow and getting hold of an alligator. They go out and take in the entire universe. They drag in honest men when they are trying to get crooks, and they do not even seek to catch a crook. Why, a crook who is a real crook, and would come here for the purpose of lobbying and buying and influencing a Member of Congress, would not come here and register, would he? Certainly not; and whom would you get? You would get the legitimate people of my district, your district, and the legitimate people all over the United States. Whom else would you catch? The railroad employees, who, more or less, maintain an organization here to look after their interests. All the union labor and veteran organizations which come here not only to appear before the committees but to contact their Congressman from their district, and also to send out literature and propaganda. You would get each and every one of them as lobbyists and require them to register. You would also catch the civil-service employees, the mail carriers and the rural carriers and the clerks and all the Federal employees here in Washington, who keep a bureau here continuously and are sending propaganda to us almost daily, both personally and in the newspapers, thus seeking to influence legislation. They would be designated as lobbyists.

Not only this, but under the terms of the bill every farm organization in the country is a lobbying organization, and the heads of these organizations would have to register when they came to Washington. They come not only for the purpose of appearing before committees but they want to talk to their Congressman. I want them to talk to me. I am not afraid of being contaminated by people of this character who come here to talk and lay their cards on the table. They would have to register under the terms of this bill and be branded as lobbyists.

If a constituency has a Representative in Congress that it suspicions, the way to remedy that situation is to remedy it at home and keep him there, and not send him to a Congress that has to pass a law to rule and regulate him and keep lobbyists from coming in contact with him.

It would catch men coming here today in connection with public improvements. Men who are here in the interests of W. P. A. and P. W. A. and their attorneys and engineers. They are coming here for the purpose of influencing public officials in connection with appropriations for courthouses, schoolhouses, roads, libraries, universities, and especially when it comes to a matter of post-office appropriations that we are going to have to pass upon. You would get them all.

Mr. LAMNECK. Also Governors and mayors.

Mr. FULLER. Certainly; none of them are exempt.

Why, some good women came here from my State the other day to talk to the Arkansas delegation, including myself. They were sent by the tuberculosis association of my State with the purpose in mind of having a law enacted to carry out the objects of their association. Only a few days ago various officers of my State were here in the interest of the Arkansas Centennial, seeking an appropriation. Under this law they must register, give an account of money received and expended, and thus be branded as lobbyists. Such legislation is childish.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FULLER. Why, Mr. Chairman, if any of these good women came here on birth control they would have to register as lobbyists. [Laughter.]

If they have to register, as the gentleman from Massachusetts said, what is the use of having a register, if you

cannot identify them? If conditions are as bad all over the country as they say they are in Texas, they ought to have a badge on them that states, "I am registered as a lobbyist", and it ought to be in red as a sign of danger, so that we who are presumed to be the suckers may know when we come in contact with them.

Mr. McFARLANE. Will the gentleman yield?

Mr. FULLER. Yes.

Mr. McFARLANE. Is the gentleman worried about birth control? [Laughter.]

Mr. FULLER. Not a bit in the world. I recollect when the gentleman from Texas appeared on the floor of the House and made a wonderful speech in which he paid a tribute to his State and got an appropriation for \$3,000,000 for a celebration. Today the gentleman said in substance the legislators in his State were so dishonest they had to pass a bill requiring the lobbyist to register, and when they came to register it was discovered the register was stolen. [Laughter.] My people are not that kind. Few of that kind of people are coming here asking for legislation. They would have no influence if they did.

The Rules Committee was designated as a committee to investigate lobbyists as a result of the utility legislation. This bill is the result of that investigation. It is a demonstration that the mountains have been in labor and brought forth a mouse. If a representative from any person or corporation, even as attorney or agent, comes to Washington with his expenses paid for the purpose of influencing an appropriation or influencing the action of any Congressman, he must register and therefore is branded as a lobbyist. The good citizen, of course, would register, but the crook would never register; and, in fact, would find another way of doing business if he were engaged in corrupt practices. The whole purpose of this bill is to protect Congress from sinister influences. To me it is a demagogue bill which seeks to appease the public, but it is a bill that has no teeth in it, goes nowhere, does nothing, and accomplishes nothing except to humiliate the good citizens of our States who come here on legitimate business. Suppose a lobbyist were to register, how would Members of Congress know him or know that he had registered? In my opinion a law should be enacted to make it a penitentiary offense to in any way be interested in influencing improperly or with dishonest or sinister motives a Member of Congress. In fact, that is practically the law now. If any other measure could be suggested to make it stronger, it would certainly meet with my approval; but to me this bill is nothing more than an insult to the Members of Congress, an acknowledgment that we are possibly being influenced, and in order to protect ourselves we are willing to have our friends who come here register as lobbyists.

This bill should never become a law in its present form.

Mr. GREGORY. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman and gentlemen of the Committee, I am sorry that the gentleman from Arkansas who just preceded me was not with us when we worked so many days and weeks over the language of the bill, that he did not have an opportunity with other Members to study and realize the purposes of the bill and the reasons behind it. If he had, I am sure that the eloquent speech that he has made would have been for the bill instead of against it.

We all know that there is no purpose of terrorizing anyone or branding anyone. I think in giving an explanation of the purposes of the bill I would begin by perhaps telling you what the bill does not do rather than what the bill does do.

There is no legislation on this subject at this time. As you all know, there have been efforts from time to time to secure legislation on this subject. Nobody could hope to get a perfect bill, perfect legislation on the subject in the first bill that is enacted. It is going to be a process of evolution, and we have sought to bring in a bill here for your consideration which would in a measure correct the evils without running into many complications.

I want to tell you a few things that the bill does not cover, and that perhaps will answer some of the questions that have been asked here today.

In the first place, it does not prohibit anyone from doing anything. The bill does not stop or preclude any activity that is going on now. The only thing it does in that particular is to make them come forward and disclose whom they represent, who pays them, and the amount they are paid. It seems to me that no person can object to that—no one but a dishonest person, and it is the dishonest persons we are after in this bill.

I would say there are three classes of people affected by this bill, commonly known as lobbyists. One class will be those people who sit at home and raise great funds to flood Congress with false propaganda; people who cause telegrams and letters to be sent to you and to me to try to make it appear to us that there is a great surge of public sentiment for or against a certain measure proposed here.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield on that point?

Mr. SMITH of Virginia. Yes.

Mr. DOBBINS. I do not believe that the bill as drawn covers those people. It refers to any one employed by certain organizations. Take an organization like Magills. That is not employed by anyone. It receives contributions from people.

Mr. SMITH of Virginia. I think I can answer that. I think it does reach that class. That is perhaps the most harmful class, in my estimation, because they seek to make us believe that the sentiment at home for or against legislation is not what it really is; and the Magill case and the case of Hopson in the matter of the utilities bill last year are strong illustrations of that situation, where millions of fictitious letters and telegrams were sent to Members of Congress.

There is another class of lobbyists, and he is the man who gets employed under the false pretense that he has a great influence with Members of Congress. He comes here and probably registers at some hotel and may perhaps sit in the gallery for a few days, write some letters back home, and learn to speak to a few Members of Congress, but he never does a single thing toward influencing legislation, good or bad. Yet he poses as performing a great service for his people. That class of people will object to registering.

The third class of people are those who come here regularly employed, honestly employed by honest organizations, honest trade and other associations. They have a legitimate purpose here. They disclose that purpose frankly and openly; and at times they give to Members of Congress, I have no doubt, as they have given to me, valuable information. They come here openly. These people will be required to register; and my view of the subject is that when we compel them to register and disclose who they are, the honest, legitimate employee who comes here to represent his people will be placed on a higher plane and will not be placed in the class with those folk who come here under false pretenses.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. DONDERO. This week I have had in Washington two members of the board of directors of a corporation in Pontiac, Mich., who came here to confer with me about the proposed tax bill as it will affect their company. Does the gentleman think those men should be registered as lobbyists and subjected to that embarrassment?

Mr. SMITH of Virginia. If they have come here and are paid for coming here, they are required to register. If they are here for an honest purpose, they ought not to object to registering, and if they are here for a dishonest purpose, we ought to know it.

Mr. DONDERO. But they have come as representatives of their own property, of their own company, to confer with their Congressman regarding taxes to be imposed upon them. Does the gentleman think they should be required to register under those circumstances?

Mr. SMITH of Virginia. No.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. COCHRAN. I commend the gentleman for his efforts to eliminate, or to try and bring about control of a bad evil, but I want to ask if the gentleman does not think the language of the bill, especially section 6, goes a little bit too far. For instance, you are going to require the filing with the clerk of the membership of great organizations whose representatives are here and who have been here for years and years. They are all interested not only in legislation but in other matters. Does the gentleman not think that that should be amended to some extent?

Mr. SMITH of Virginia. The bill as it is drafted would perhaps require a tremendous organization like a labor organization that has millions of members who contribute, under some construction, to report to Congress all dues that they receive, but in order to meet that situation I should be very glad, when we reach the 5-minute rule, to offer an amendment which would cut that out and make it all right.

Mr. COCHRAN. I am very glad to hear the gentleman say that, as the statement is in keeping with the gentleman's view as expressed to me privately a short while ago. The gentleman's attitude clearly shows his desire to be perfectly fair. I am sure all Members appreciate the very difficult task of the gentleman from Virginia, and I am confident in view of the gentleman's attitude, when this bill is finally sent to the White House many Members now opposed to its provisions will be found supporting and commending our good friend from Virginia.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. LUDLOW. I am in sympathy with the spirit and purpose of the gentleman's bill, and I intend to vote for it, but I want an interpretation from the gentleman himself. Suppose a businessman or an attorney employed by that businessman should come to Washington to take up with Members of Congress a matter affecting that businessman's business. Would he have to be registered as a lobbyist?

Mr. SMITH of Virginia. I do not think so.

Mr. LUDLOW. Or would his attorney have to register as a lobbyist?

Mr. SMITH of Virginia. If his attorney is here for the purpose of endeavoring to influence legislation, he would have to register.

Mr. LUDLOW. Representing only that one company?

Mr. SMITH of Virginia. Yes. If he is here to influence legislation. Undoubtedly there will be some cases where registration may be required where it ought not to be required, but you cannot frame this language for every case, because so many people come here for so many different purposes. Doubtless there will be some hardships under any language you may adopt, but I think the good of the bill will far outweigh the hardships.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HEALEY. The gentleman has stated that perhaps organizations, such as the American Federation of Labor, might be affected by this legislation. I would like to ask the gentleman if this provision in section 7, requiring the person or organization to state the names of papers, periodicals, and magazines to which they have contributed articles, would also affect organizations maintaining newspapers, such as the American Federation of Labor and other organizations that do maintain periodicals?

Mr. SMITH of Virginia. In the original draft of the bill there was a provision that required publications which were published for the particular purpose of influencing legislation to come under the terms of the bill. After consideration by the Committee on the Judiciary it was concluded that was going too far and struck out that provision with respect to publications. The only reference to publications is the one that is now in the bill.

Mr. HEALEY. What situation does the provision apply to now?

Mr. SMITH of Virginia. If they take a page advertisement in all the Washington newspapers, for instance, saying we are going to ruin the pickle industry. [Laughter and applause.]

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. FORD of California. I would like to ask the gentleman from Virginia the status of an attorney who lives here in Washington, has an office in Washington, who represents some interest, mining, coal, or whatnot.

Mr. SMITH of Virginia. But what is he doing? Is he attempting to influence legislation?

Mr. FORD of California. In that capacity, if he undertakes to influence the activities of Members of Congress, will he then come within the purview of this bill?

Mr. SMITH of Virginia. I think so, if he is employed for that purpose.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. CULKIN. The gentleman said he intended to introduce an amendment to exempt labor organizations?

Mr. SMITH of Virginia. Not specifically, but to cover a case of that kind, where their activities here are merely incidental, where it is not the principal purpose of the organization to influence legislation.

Mr. CULKIN. Of course, that general amendment would cover farm organizations, such as the Grange?

Mr. SMITH of Virginia. Anything that falls within that classification. However, their representatives here, who are paid and employed here for the purpose of influencing legislation, would have to register just like anybody else.

Mr. CULKIN. It would be difficult to carry out the provisions of section 3 without some such exemption.

Mr. SMITH of Virginia. I realize that.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. FULLER. As I understand the real intent and purpose of this bill, it is to protect the Congress from sinister influences?

Mr. SMITH of Virginia. Not at all. I do not think Congress needs any protection. I think we can protect ourselves.

Mr. FULLER. What could be the purpose of this? If a man registers, we would not know that he has registered.

Mr. SMITH of Virginia. No, sir. You would not know he had registered unless you took the trouble to walk into the Clerk's office to find out; but it would be there just the same.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, it is not strange that a jittery administration should try to do something to prevent opposition to a lot of New Deal legislation such as we have had. A few moments ago I stated they wanted to do something to "terrorize" the business of the country. That is, this entrenched greed they talk about should now be curbed. They should not be allowed any longer to "gang up" against this administration. They wish now to put them on record and know exactly who they may be that oppose them in the future. Heretofore I have boasted that lobbyists did not bother with me. I did not know who they were. But now, in the future, when my friends come here representing my business interests I must first ask them, "Are you registered and stigmatized as a lobbyist?" That word "lobbyist" certainly carries a stigma with it. I read that in this country today people are being taught to believe that there are at least 7,000 Du Ponts, each of them contributing \$12,000,000 to beat the present administration.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I do not have much time, but I will yield briefly.

Mr. HOOK. Should the word "lobbyist" carry any stigma with it?

Mr. GIFFORD. It should not, perhaps, but it does. All I ask is that when you make those who represent my people

and who come to Washington register, that you give them a blue ribbon. Please give them a blue ribbon, reading "Lobbyist", and then when the contact men of the President or other public officials come here to lobby, put a red ribbon on them, so I can tell them apart. Think of the power of the patronage of this administration and with billions to spend! Their lobbyists are to be excused, but the poor little business organization coming down here must tag his man. This discrimination is utterly ridiculous.

A chamber of commerce often takes the initiative. It collects money from the various businesses involved when there is a bill affecting them pending here. If it collects money they will now have to report it. Then they select a certain number of men to come down here, pay their expenses, and often they pay them for the time which they lose, so they receive remuneration. They may come here and appear before a committee. That is excusable. But if they should happen to see a Congressman and tell him about their errand, I for one would have to first ask, "Have you registered?" I do not want to be pulled into court as a witness against a constituent who may have failed to register, perhaps from ignorance, and who possibly may be made to pay a fine of \$1,000 and perhaps put in jail. I shall have to remember to ask, "Are you registered? I do not dare talk with you unless you are—even if you are here but for 1 day on this particular legislation."

When he goes to a hotel he should register as a lobbyist, and the proprietor should notify us as follows: "There is a lobbyist in the hotel, Congressman. Beware of him. You may become involved."

We should have a private detective to go around with us lest we speak to anybody for fear they may be a lobbyist! I can talk freely; I am not under the influence of any lobbyist. I owe nothing to them, I am perfectly free. Some of you may have had a dinner with one of them recently. But, however, in the future as they will have to report how they spend their money and perhaps you have attended such a dinner, your name may appear in his report.

The bait in the bill is that these fellows must register and tell all about it if their activities are used to defeat or elect us, because this is in it we are supposed to vote for it. Mr. Chairman, I do not even know that I would dare vote against this bill. I am afraid the gentleman who may oppose me, whoever he may be, might attempt to make political capital of it. However, this bill, of course, is aimed against the Townsend plan, and as I am against that plan I would be supposed to vote for it.

I have often taken the floor here and now I suffer what I may call "the weariness of futility" in trying to point out weaknesses in some of the things connected with this administration.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts.

Mr. GIFFORD. Oh, many of these things ought to be ridiculed and I am proud of the gentleman from Arkansas who does not fear to do so. Many times he has had the courage to stand here and oppose foolish measures and he does not always excuse this socialistic administration which frames legislation through the help of the Frankfurter boys who have their standing of public officials and would not have to register as lobbyists.

We all agree, of course, that lobbying in regard to the public-utility bill was undoubtedly carried too far. We are glad to have it corrected; but the method you use to correct abuses is generally to abolish or make the innocent suffer more than the guilty.

There is a stigma attached to the word "lobbyist"; you know it; that is why you want to do this. You wish to stigmatize many good citizens. Think of my chamber of commerce back home reporting every 3 months as to everybody who contributed to send labor leaders or other representatives to Washington to tell you the effect of this bill or that bill should they be passed. A person may, of course, appear before a committee, but in what a position we are placed if he comes to see us! Think of the annoyances! He must

get a receipt from the railroad; it says so in the bill if his fare is for more than \$10. He must get a receipt from the hotel if his bill is for \$10, and he must hold them 2 long years and must report every 3 months how he spent the money for his expenses.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. SMITH of Virginia. I am just wondering if the gentleman has read the bill he is discussing.

Mr. GIFFORD. Yes, carefully; and I can read a bill; I have had a lot of experience. [Laughter.] I have read it very carefully. I have it here, marked in almost every paragraph. The gentleman's definitions I find no fault with. As I say, section (c), whereby the fellow who tries to defeat us will have to tell all about it, is there as bait. I think the gentleman suggested an amendment with reference to chambers of commerce, labor organizations, and other organizations. I think an amendment may be necessary as they probably ought not to be included; but as I read the bill in its present form a chamber of commerce which solicits money to send people here to defeat or pass a bill certainly would come under it. The gentleman says, "If people are honest they will not object to registering." I would remind the gentleman that the honest man is not the man who desires to come here and register and be known as a lobbyist. The honest man would hesitate lest he fail to live up to all these regulations and be punished. The honest man does not like to take the chance of going to jail, but the dishonest man is used to taking chances and would not so much care.

Mr. CLARK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from North Carolina, if I have time remaining.

Mr. CLARK of North Carolina. What objection could an honest man have to registering and letting it be known that he is in Washington?

Mr. GIFFORD. An honest man hesitates to take such chances, and the present stigma as a lobbyist does not appeal to him.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. FULLER. What is the object of having a man register? If he has a sinister purpose in his mind, the mere fact of registering will not disclose it.

Mr. GIFFORD. Probably not.

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. McFARLANE].

Mr. GREGORY. Mr. Chairman, I also yield the gentleman 10 minutes.

WE NEED ADEQUATE ANTILOBBYING LEGISLATION

Mr. McFARLANE. Mr. Chairman, the gentleman who preceded me has raised some interesting questions as to the necessity for this legislation. It is not meant by the proponents of this legislation that those who come to Washington to influence legislation are crooks or are dishonest. That is not the point at all. Might it not be possible that the author of this legislation and those who believe in it have some honest and sincere purposes in mind in offering the legislation?

MANY STATES HAVE ANTILOBBY LAWS

Let me call attention to some of these motives. Everything done here is not done, I take it, with an ulterior motive in mind. This is not new legislation to the Congress of the United States or to the legislatures of the various States of the Union. I have taken the time to study carefully the different antilobby laws of the various States of the Union. Some of you may be surprised to know that a majority of the States of this Nation have in effect some kind of antilobby legislation today. It is true that much of the legislation on this subject in the different States is very inadequate to cope with the situation, but the fact that they are trying to deal with the subject shows that the legislators of the various States have recognized the importance of requiring information from these lobbyists for their

membership, and that is very necessary in our complicated system of government. The thing we must be very careful of is to see to it that all parties trying to influence legislation must be required to register and give complete information showing their whole interest.

The Members of Congress are all elected every 2 years and one-third of the Members of the Senate each 2 years. A great many of these Members have had little, if any, previous training or experience in the methods of legislation, and the many different ways these shrewd lobbyists carry on. They come down here unfamiliar with the procedure. The Congress is entitled to know all about their background. These new Members have to learn it all. Under these circumstances it is easy for the lobbyists to deceive an unsuspecting Member however honest and sincere his motives may be.

HONEST WILL NOT MIND—OTHERS DO NOT MATTER

Mr. Chairman, is there anything wrong in requiring an honest man to register and give information with reference to the nature of his employment, how much he is receiving, who is paying him, and what legislation he is interested in? No honest man will object to that and certainly the crooks ought to be required to give this information. Why should not Members of Congress know all the motives back of what may be prompting the opposition or the support of any particular legislation? Every Member of Congress is entitled to know the driving motive back of what is prompting an individual or a group to take a certain action. He is entitled to know how much the lobbyist is being paid and who is paying him. The Congress should know the whole background of everyone appearing here for or against legislation. We are entitled to know the size of their fee, whether or not it is contingent, and all such information should be always available to the public. This will give us some idea of what is back of the legislation presented, and perhaps help point out some of the jokers that may be written into such legislation. Legislation is rather speedily presented here. Much of the legislation presented is under gag rules, permitting limited debate, and rushed through under pressure that does not permit mature consideration.

When you know who is supporting a given bill, how much money is being spent to put it over, this gives you notice that you should carefully investigate it and see if it will be for the benefit of the classes or the masses. Most of the legislation enacted prior to this administration for many years has been legislation for the benefit of the special interests.

Why should not the Members of Congress have complete information on these lobbyists? The answer is, They should have it. The answer has been given by a majority of the State legislatures of this Nation which have enacted legislation on this subject. This legislation does not question the motives of the Members of Congress. It simply tries to give to the Members of Congress as much information as it is possible to give, so that the Members may act intelligently upon the legislation which is presented to them for consideration. I submit that we should get all the information that we can on any pending legislation, and when we know the complete background of the different groups for or against a measure it will help us to better arrive at a fair decision for all parties concerned.

TEXAS LEGISLATURE FAILED TO ACT

Mr. Chairman, it is unfortunate that we have not adequate antilobby legislation in the State of Texas to take care of the situation there.

Mr. DIES. Will the gentleman yield?

Mr. McFARLANE. I yield to my colleague from Texas.

DOES NOT APPLY TO PRIMARY ELECTIONS

Mr. DIES. There is one thing that disturbs me about the bill, and that is the fact it does not apply to nominations. Take the case of the gentleman who is now speaking. It is well known that the utilities are fighting the gentleman in his district. However, this legislation will not make it necessary for them to disclose how much money is being spent to try to defeat the gentleman in his own district.

Mr. McFARLANE. The gentleman is right. But I do not believe the people of my district will be misled by the tactics pursued by this crowd not only in my district but throughout the country. It is unfortunate that in the South, where we are elected in the primary, the special interests, such as the public utilities and the other special interest groups that largely control elections, cannot be required to divulge this information and show how much money they have put into these political campaigns toward the election of Congressmen. It seems that there should be some way of requiring this crowd to furnish this information. There is no doubt but what the special interests have elected men to high offices. Under our primary system election in the primary is equivalent to election in the general election, because very seldom do we have any opposition in the general election in the Southern States.

Mr. WADSWORTH. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from New York.

Mr. WADSWORTH. Is it not within the power of the State of Texas to obtain this information?

NO RATE REGULATORY COMMISSION IN TEXAS

Mr. McFARLANE. Why, we do not even have a State regulatory utilities commission down there, and the special interests control such legislation in Texas, and they have done so for years. They have blocked such legislation in Texas. Try to get legislation enacted down there to require these paid lobbyists to register and disclose their background—they just have not been able to do it, that is all.

Mr. DIES. The gentleman will recall that an effort was made to bring about certain disclosures with reference to enormous sums of money that had been spent in the State of Texas, and the Supreme Court held that the act could not be enforced because, under our Constitution, it was not a requisite for holding office.

SUPREME COURT DECLARES VOID CORRUPT PRACTICES ACT

Mr. McFARLANE. They have so held. The law that we had, weak as it was, required certain disclosures to be made in primary elections regarding the campaign contributions received and to limit the amount of money a candidate could spend, but the Supreme Court of Texas in October 1934, as I understand it, practically nullified the accountability in primary elections and held that a corrupt practice act statute that refused to allow a candidate's name to go on the ballot for spending more than allowed by law was adding provisions of disqualifications not mentioned by the Constitution and was void.

Mr. WADSWORTH. In view of the description given by the gentleman from Texas of the horrid conditions prevalent in his State, may I inquire what political party is in the majority there?

Mr. McFARLANE. Well, the State went for Hoover in 1928, but that will not happen again. Let me call the gentleman's attention to the fact it is not a horrid condition that prevails down there. It is just democracy of its kind asserting itself, such as you have in many other States; and if we can enact legislation on this subject, we think we can further correct the situation.

Mr. DIES. Does not the gentleman believe that if we set a good example here in Washington maybe the Legislature of Texas will follow suit?

Mr. McFARLANE. I am hoping that may be true.

Mr. MAVERICK. Will the gentleman yield for a short observation?

Mr. McFARLANE. I yield to the gentleman from Texas.

Mr. MAVERICK. My district had a Republican Representative in Congress for 14 years and I may say he was a good Congressman too. There are a great many Republican voters down there in Texas. There are many Republicans in my own district; I mention this for the benefit of the gentleman from New York [Mr. WADSWORTH].

Mr. HAMLIN. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Maine.

Mr. HAMLIN. I am wondering whether the same question which was just propounded might not be asked rela-

tive to the State of Maine, where some 25 men had money given to them by the utility and holding companies back in 1930, as disclosed in an Interstate Commerce report. I guess there is no question about what party was in power then in the State of Maine, but there is some question now, thank God. [Laughter and applause.]

SPECIAL INTERESTS LOBBYISTS ALWAYS WORK NATION-WIDE

Mr. McFARLANE. In answer to the gentleman let me say it is well known that the special interests have taken a very active part in politics. They have done this in my State and I take it they have taken the same active part and interest in the politics of the different States of the Union, perhaps no more or no less than in Texas.

MOST IMPORTANT LEGISLATION WE CAN ENACT

Mr. Chairman, if we had had an adequate antilobby legislation law in effect since the World War, so that the Congress could have had complete information on the background of all lobbyists and paid propaganda of all kinds that floods Washington, I do not believe we would have had the depression in which we now find ourselves. I believe that much of the special interests legislation written into law would have been prohibited. The many pieces of special-privileged legislation such as the tariff laws, amendments to the banking laws, procurement laws, and tax laws would have been strongly amended for the benefit of the masses of the people.

THE MONEY TRUST LOBBY

As it is, for example take this administration, and go back even to the Banking Act of 1935, which we find was a compromise measure, as finally written which leaves under the control of the five presidents of the Reserve banks the right to largely control the open-market operations of the banks of the Nation which allows them through the purchase and sale of Government bonds to largely contract and expand the credit of the Nation and thus to regulate the value of money and cause future panics. Other similar amendments to the law favor private banking at the expense of the Government.

A later illustration was the recent second consideration of the bill to permit the preferred stock of national banks in the hands of the R. F. C. to be exempt from taxation by the States and local subdivisions thereof. We defeated this legislation on February 25 only to find the lobby reorganizing to come back and enact it March 19.

THE POWER TRUST LOBBY

The second strongest lobby is the Power Trust. We had a fair illustration of their power in the tremendous battle waged last session by the Congress in trying to enact adequate regulation of the utility-holding companies under the Wheeler-Rayburn utility bill.

You will remember how the Congress fought from January until August trying to enact adequate legislation on this subject and finally were forced to accept a compromise in order to get any legislation on this subject. It is well known that the Power Trust who admittedly are collecting about \$1,000,000,000 annually in the Nation beyond what is considered a fair rate for the electricity consumed have determined to defeat any and all Members of Congress who voted against them on this legislation. Since under our inadequate rate regulatory laws the Power Trust is able to spend unlimited amounts of money in political campaigns and charge these expenditures up as part of their overhead expenses and thus make the consuming public pay for them, should cause the American people to rise up in their might and insist upon adequate laws on this subject to stop this kind of high-powered racketeering.

POWER TRUST PROPAGANDA AT WICHITA FALLS

Coming a little closer to home, we find that the Power Trust dailies at Wichita Falls are now wailing long and loud about being oppressed and insulted because the Black investigating committee inspected their telegrams and because two Government inspectors were sent to check up on the February 8 municipal-light-plant election. I see no reason why the Power Trust dailies crowd should feel outraged. They did all within their power to defeat the rights of the people to secure lower light rates even to the extent of send-

ing Mr. J. H. Allison to Washington to try to block the project. Failing in that, they misrepresented all the facts they could to defeat the election, and now that the truth is fairly well known to the people in Wichita Falls as to how the election was bought, they try to act like they are outraged about the exposure. They say that "snoopers" should not be allowed to tell the truth about them. They have made so many complaints about what they allege to be the unfairness of the P. W. A. investigators' report on the February 8 election that additional investigators have been sent down to check the report and see if any errors have been made. So it seems that the "snoopers" are all right if sent at the instance and request of the Power Trust crowd. I predict that when the people of Wichita Falls and elsewhere realize how they have been duped by the Power Trust through their paid hirelings, and their misrepresentations and falsehoods scattered, that they will rise up and demand legislation that will put a stop to such tactics and will permit free people to operate and manage their Government for the benefit of all the people rather than the privileged few.

Many other special interests' lobbies now functioning before Congress could be mentioned, but time will not permit.

Now, I have a few amendments I expect to offer to this bill. One amendment will be on page 6 in regard to disclosures with respect to certain publications.

It was disclosed recently, as I mentioned here on the floor of the House, that no record is required to be kept of radio broadcasts. Speeches are not required to be filed under our Federal Communications Act, and there is no such requirement by the Commission. The radio stations are not required to file any report of broadcasts made. I believe we ought to require that a report of any broadcast made to influence legislation should be filed as other information is required to be filed under this bill.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

LOBBYING

Mr. PATMAN. Mr. Chairman, as I understand this proposed bill, it will not prevent anyone from talking to a Member of Congress about any proposed legislation, whether he is interested in its adoption or its defeat, provided, of course, he is not accepting, soliciting, or collecting funds from some other person or corporation for the purpose of influencing such legislation. If I am wrong about this, I hope some member of the committee will speak up and say I am wrong.

Mr. FULLER. I can tell the gentleman that he is wrong.

Mr. PATMAN. Where is the provision in the bill?

Mr. FULLER. Section 7, page 6:

any person who shall accept employment for any consideration to attempt to influence the passage or defeat of any pending or proposed legislation or appropriation.

Mr. PATMAN. I know what the gentleman has in mind. That refers to employment. If they are employed, certainly, they are representing another person or corporation. They would not be employed by someone else if they were not representing some other person or corporation. Therefore, the bill does not include any person who visits your office for any purpose on earth in regard to the adoption or the defeat of legislation, unless that person is collecting, receiving, or soliciting funds from some other person or corporation in order to assist him in placing this proposal before such Member of Congress.

Mr. FULLER. I cannot agree with the gentleman.

Mr. PATMAN. I know I am right about that.

Mr. FULLER. I cannot agree with the gentleman because the gentleman cannot find language in the bill to substantiate what he is saying.

Mr. PATMAN. The gentleman pointed out the provision referring to employment. I have the bill here and the gentleman can read it over himself.

Mr. FULLER. I know what it does.

HIDDEN AND CORRUPT LOBBIES BROUGHT OUT INTO THE OPEN

Mr. PATMAN. All in the world this bill does is to bring out into the open hidden and corrupt lobbies. It is true

that some good lobbies will be involved. You cannot bring out all the crooks before the public view unless you inconvenience a few innocent people. The innocent people should not object to this if it is for a good purpose.

I have been chairman of a special committee investigating lobbies in different States, and here is the policy that they pursue. They first hire some person in the State with influence. They do not care whether he is a good lawyer or not. They will pay him sometimes on a contingent basis, paying him \$2,500 to stay there during the session of the legislature, with a provision that if he succeeds in stopping the bills they want stopped they will give him \$2,500 more at the end of the session.

They are sometimes employed on a contingent basis. If they were known, possibly, such persons would not be able to suggest certain amendments and have influence.

The way to defeat legislation in Congress or in the legislature of a State is to get some person who is innocent, myself or yourself, convinced that certain amendments should be inserted in a bill. We have not studied the amendment like the person who tells us about it. We think offhand it is all right. We go ahead and get the amendment in there, and maybe it destroys the bill or causes the bill to be held unconstitutional.

Under this proposed law the people who are around here suggesting these amendments and endeavoring to influence committees and Members of Congress will be required to register. We will know whom they represent, we will know where they are getting their money, and when they come to us asking us to suggest certain amendments and do certain things, we can still listen to them and tell them that we shall be glad to give the amendments consideration.

[Here the gavel fell.]

Mr. GREGORY. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. PATMAN. We will still listen to them, if we desire to give their views consideration, but we will know their interest in the matter and we will take their interest into consideration.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In just a moment. So, after all, this is just a matter of bringing hidden and corrupt bodies out into the open.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I cannot yield right now.

We had one situation before this committee where it was shown that a certain organization known as the "Cornstalk Brigade" had a lobbyist who was paid big money. The corporations had gone in together and paid him an enormous sum. He was to go out and get certain farm leaders—innocent they were—get them to do certain things, go to the State legislature and tell the members certain things about the legislation, hoping to get it defeated.

If that lobbyist had been required to register, these people would not have been misled and the members of the legislature would not have been misled.

The same situation will apply here. It will bring them out into the open. If the man is honest, he does not care, he will put his name on the book, on the register. There are going to be good lobbyists and bad lobbyists. This brings out the facts, so you may know who they represent.

Mr. McFARLANE. Will the gentleman yield?

Mr. PATMAN. Briefly, as my time has almost expired.

Mr. McFARLANE. What does the gentleman think about the lobby situation in Texas?

Mr. PATMAN. I wish we had an effective lobby law there. But that does not affect the legislation here. I am for an effective law for the Congress of the United States, for the protection of the public, for the protection of the Members of Congress as well. Not that we will ever be bribed or influenced; I am not afraid of that. Members of Congress are influenced, sometimes improperly, when they do not know it. If we knew the interests behind the person who is seeking to influence the passage or defeat the legislation,

Members of Congress and the public would be in a better position to protect themselves. This bill is to protect Members of Congress and the public as well.

Mr. MITCHELL of Tennessee. Will the gentleman yield?

Mr. PATMAN. Yes.

Mr. MITCHELL of Tennessee. The gentleman knows that there is an antilobbying bill known as the Black bill. What is the difference between that legislation and this bill under consideration, if the gentleman is familiar with it?

Mr. PATMAN. I am not familiar with the Black bill; but this bill, it occurs to me, is a good bill. It will not restrict anybody's rights. Anyone will still have the right to ask a Member of Congress to vote for or against a bill. This will only affect those who are working for some other person or corporation where they are soliciting or receiving money. I hope the bill will pass and become a law.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, one of the most dangerous forces in this life of America have been influences within the Government.

This measure as now written brings into the open all the influences outside of the Government which seek to influence legislation, but it does not include the bureaucracies which have been created in the last several years. More than \$7,000,000,000 has been turned over to these inexperienced and nontechnical gentlemen for disbursement. Much of this has been used unwisely. It is stated that some of it has been used to influence legislation. Let me give you an illustration: Last year a bill was pending before one of the House committees that had for its purpose the establishment of a public-works department, which would take over all of the public works of America and put them under the Secretary of the Interior. The bill was defeated in committee, largely by Democratic influence, but while the bill was pending, the minions of Honest Harold Ickes, went to and fro among members urging them to support the bill, talking knowingly about public works in their several districts. Ickes then had the spending of some four billions of dollars. He held the purse strings of our Government for this purpose of protecting the membership of the House against such influence. I propose to offer an amendment to the bill at the proper time as follows:

Excepting that no public official shall use the power or patronage of his office for the purpose of influencing legislation.

This amendment, if adopted, will protect Congress from a greater temptation perhaps than the temptation from without. It will protect the integrity of the legislative branch of government. I am for this bill. I will be for any bill of this general nature which bears the name of my distinguished colleague from Virginia, Judge SMITH. The amendment I propose will insure that the bureaucrats who are vested with temporary power, with the disposition of billions of dollars, shall not use that power within the law for the purpose of making over the pattern of this Government or for the purpose of boring from within.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I cannot yield now as I have only 5 minutes. I trust the Members on both sides of the aisle, mindful of this peril, this ever-living peril of bureaucracy, will support this amendment to the end that this Republic may not be destroyed from within.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HESS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I am not opposed to the principle involved in this bill. As a matter of fact, I am in hearty accord with it, but there are certain inherent dangers in this bill, involving such groups as labor organizations, unemployment organizations, and farmers' organizations, that I want to ask the gentleman in charge of the bill certain questions on that particular phase. For instance section 6 defines what organizations must comply—those having for their purpose:

(a) The enactment or defeat of any legislation or appropriation by the Congress of the United States or the repeal or nonrepeal of any existing laws of the United States, or adoption or defeat of any amendment to the Constitution of the United States.

(b) To influence directly or indirectly the passage or defeat of any legislation or appropriation by the Congress of the United States.

Under section 2 they must file a list of contributors and contributions of any amount or of any value whatsoever. Throughout the United States there exist many so-called unemployed organizations, organizations composed of the unemployed, whose contributions amount to perhaps no more than 25 cents a month. These organizations are interested in legislation before Congress. They are interested in adequate appropriations for relief, both direct and work relief. My question is, Would such organizations be compelled to file the names and addresses of any members making any such contribution or contributions of any value whatsoever?

Mr. SMITH of Virginia. No; unless their principal purpose is to influence legislation or to influence directly or indirectly the election or defeat of any Federal officer.

Mr. MARCANTONIO. Is not that rather vague? Some organizations may have a different principal purpose tomorrow from what they have today. Let us say that an organization is today in existence for the simple purpose of petitioning Congress for adequate relief appropriations?

Mr. SMITH of Virginia. If that is the principal purpose of the organization, if the principal purpose is to influence legislation, it does not make any difference what the organization is.

Mr. MARCANTONIO. Their purpose is to bring about adequate appropriations for relief. They would be required to file according to section 2. In other words, they would be required to give a full list of the 10-cent and the 25-cent contributions? Does not the gentleman think that is a rather absurd situation?

Mr. SMITH of Virginia. I do not. If they are organized for that specific purpose, for the purpose of trying to influence legislation, whether their sums are made up of a few contributors of large sums or of many contributors of small sums, I do not see that it makes a great deal of difference.

Mr. MARCANTONIO. It does for the reason that if you are going to compel an organization of the unemployed, with a membership perhaps of 50,000 or 100,000, whose contributions are in nickels and dimes, to comply with the provisions of section 2 of your bill, what you are accomplishing here is merely hampering minorities of unemployed and propertyless people, men without money or privileges at all in their petitioning Congress. In other words, you are aiming at the real lobbyist of special privileges. You miss him and you hit the unemployed and labor organizations. Unless this bill is amended, that is just what you are doing.

Mr. O'CONNOR. I think the gentleman is unduly worried about the actual working out of the matter.

Of course, the organization that collects 25 cents in dues usually has a record of its membership, and so forth, but where they take up collections of nickels and dimes, of course, it probably will be impossible to have the individual contributions. They would say they took up a collection at such-and-such an occasion and collected so much money.

Mr. MARCANTONIO. Very well, then why should there be any serious objection to fixing a specific amount, say, of \$5, under section 2, instead of saying "of any value whatsoever"?

Mr. SMITH of Virginia. Will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. SMITH of Virginia. My thought was, as I stated before, that, no matter whether a few people are contributing large sums or many people are contributing small sums, the public ought to know where the money is coming from.

Mr. MARCANTONIO. That is just what I was referring to. The result will be that you will know very little about the money behind privileged interests and you will expose contributors to the causes of labor and the unemployed to all sort of intimidation. Why not be realistic about this matter? Why has not the House committee adopted the Black bill, which does a real job on the lobbyist of entrenched interests? What you are doing is hampering or-

ganizations such as the unemployed, from effectively petitioning Congress.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield.

Mr. O'CONNOR. You are not hampering them. You may be putting them to a lot of detail accounting. I agree with the gentleman that far.

Mr. MARCANTONIO. Yes; but the organizations which we are really after, representing privileged interests, which come here to promote legislation, have accountants and a number of clever specialists to prepare their reports, and they will always present reports keeping them within the law, but if you want to get at some unemployed group you can very easily strike at them through this bill.

Mr. O'CONNOR. I am not talking about any unemployed group.

Mr. MARCANTONIO. That is what I am interested in.

Mr. O'CONNOR. It does happen, and it is happening right now, that a greater total amount is being collected in dimes than in dollars.

Mr. MARCANTONIO. Even so, it is about time that the underprivileged got together and contributed for their own benefit. They have just as much right to use nickels and dimes as the "big boys" have to use their hundreds and thousands. In those cases where they are collecting nickels and dimes, the cause for which they are fighting, whether it is right or wrong, irrespective of the merits of the cause, is not for the special privileged property and financial interests. What you should be aiming at is to compel the lobbyists for the privileged interests to sign up and register and throw light on their activities. They constitute the real evil we should get at. When you compel a list of the contributors of the unemployed organizations to be registered, or even that of a labor union, you are exposing those lists to their enemies, whose lobbyists we should eliminate.

Mr. O'CONNOR. Now, will the gentleman tell me why any unemployed should be contributing a nickel to anybody, and what form of human being ever took a nickel from the unemployed? There are plenty of people ready to champion them without taking nickels and dimes from them.

Mr. MARCANTONIO. That should be true, but experience has taught the unemployed, the farmers, and labor that to rely on their so-called friends is futile. They are better off when they rely on themselves, on their own collective action. This united collective action requires money for organizational purposes, literature, and other necessary expenses. Unity and a good war chest will bring these masses real results. They are contributing to themselves. This policy of self-reliance is better than expecting anything from "friendly" politicians.

Mr. O'CONNOR. I have never heard of an unemployed having contributed a nickel or a dime or a quarter. If they do, the people who take the money ought to be put in jail, and the gentleman knows that.

Mr. MARCANTONIO. The unemployed are not contributing for anybody else's benefit but for their own. They need bigger and better organizations. Their nickels go for literature and for the distribution of that literature and for newspapers of their own. They have just as much right to contribute their nickels and dimes to fight for their cause as the big politicians or the big industrialists have to collect their thousands of dollars to influence Congress. The people who should be in jail should be those who refuse adequate relief and not the leaders of the jobless.

Mr. O'CONNOR. Now, can the gentleman give us a concrete case of where anybody collected money from the unemployed for any purpose?

Mr. MARCANTONIO. Just now all I know is this, that the various unemployed organizations are contributing nickels and dimes for literature, to be distributed among the unemployed and to send to the Members of Congress and to send to the various influential citizens of the community. They are building their own organizations. Have they not a legal and ethical right to do this?

Mr. O'CONNOR. That has nothing to do with this bill.

Mr. MARCANTONIO. Oh, they would have to register and give a list of everybody who gives a nickel or a dime, when they organize for the purpose of petitioning Congress. The proponent of this bill does not even deny that.

The CHAIRMAN. The time of the gentleman from New York [Mr. MARCANTONIO] has expired.

Mr. GREGORY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. MAVERICK].

LOBBY LEGISLATION GOOD—TEXAS NEEDS IT, TOO

Mr. MAVERICK. Mr. Chairman, I am especially interested in this bill because I come from the State of Texas, where we have no similar legislation, where the big corporations dominate the State, and where lobbyists go wholly unrestrained; where they do practically as they please.

In considering lobby legislation let us consider it as it applies to all types of organizations, including those devoted to labor. I have studied the labor movement a great deal. I know there has been crookedness in labor organizations, in radical organizations, just as there has been crookedness in conservative organizations. I am not saying that to please the conservative organizations, but it was found in Chicago and in other places that there were labor leaders who were shadily making from forty to seventy-five thousand dollars a year. We ought to know, if it is a labor organization or any other kind, where the money is coming from. We are entitled to know, and so is the public. I think this type of legislation will lead to tracing a great many things that we want to know. For instance, every now and then somebody rises and roars that the American Civil Liberties Union, of which I am a member, is getting money from Moscow. You know everybody has to use the word "Moscow" when they have not got any brains or have not got anything to say. It is just an alibi. The American Civil Liberties Union spent \$40,000, the American Liberty League spent around \$400,000—each in the year 1935—and the first one defended many friendless people in their rights under the Constitution; the latter, none. This should be known, but in both cases the sources of funds should be available for the public.

LOBBY LEGISLATION SHOULD APPLY STRICTLY TO ALL TYPES OF ORGANIZATIONS

When such a bill as this becomes law every organization—labor, industry, business, commerce, or the unemployed—will be required to furnish information that will give the whole background to movements of all kinds in this country. In Germany Hitler fooled the people, but he could never have done it without the money of the reactionaries and munitions makers. Had the people known, he might not have come to power. This bill should apply to all—radicals, too; and we will know where they get their money. The principle, at least, will protect all honest citizens. This is a reasonable proposition; it works on all classes of people; and I do not see any reason why an organization of unemployed, an organization of liberals, an organization of radicals, whatever they may be called, should not be put on the same basis as the Liberty League. Now, I like to get up here and say hard things—and true, by the way—about the Liberty League. I do not like what they do, and I should like to destroy their organization. I consider them to be as arrogant and as ignorant as the French nobility; but it would be both arrogant and ignorant of me to deny them their full civil rights or to require reports from them, but not from labor and unemployed organizations; but I want to do it with truth. Every organization that operates with lobbyists in this country should be willing to give the truth to the people of the United States, not because we as Congressmen particularly want to put somebody in jail, not because we are afraid we cannot take care of ourselves, but because we want the American people to know the truth.

I just want to get these few words in about my own State. I do not have to tell you about the greatness of my State; it is the greatest State, the largest State, in the Union. We have fine large trees, high cactuses, beautiful sunsets, pretty moonlight, and all that; but we have myriads of lobbyists, too. We have some crooked lobbyists. We have utility lobbyists, we have great corporations, owned outside

the State, robbing us of our natural resources; and as I said before, they just about run the State of Texas. Although this is Federal legislation, it will help every State, including Texas. I hope we will pass this bill for the benefit of the people of the Union and to give my people back in Texas a good example. [Applause.]

Mr. GREGORY. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I want to declare in favor of the bill before the House. I have been convinced for quite some time that something must be done to bring under control this pernicious lobbyist element which is so much in evidence here in the city of Washington. I do not much care how we do it, just so we can accomplish what we set out to do. There are altogether too many cheap lawyers here whose practice is about on a par with petit larceny, who would starve to death anywhere but in Washington. When a bill comes up, no matter whether it is good, bad, or indifferent, these men with their special connections immediately send wires to your home town and my home town and create a panic by telling our legitimate industries and organizations that their liberties are at stake, or that they are about to be destroyed; and immediately you receive an avalanche of telegrams and appeals, followed by delegations that come to call on you. Frequently legislation that is intended for the best interest of all the people is defeated or emasculated in such way as to be made absolutely worthless. In the absence of any disturbing legislation this slimy element frequently tries to introduce sandbag legislation which it later agitates against and thus it creates an atmosphere of doing something to protect either legitimate industries or organizations. Thus they justify their existence and continue to draw big retainers and fees. Their service is worthless; they are not needed. They should have to go.

The gentleman from New York [Mr. MARCANTONIO] expressed concern about organizations of labor and the unemployed. I am not afraid the interests of the unemployed will be jeopardized under this bill, and I am confident that my labor friends and board of commerce element in Detroit will be willing to register if they qualify as lobbyists. This bill is not intended in any way to compromise such people or organizations, to restrict their efforts, or to prevent their working for a good bill or against a bad bill, as they may see it; it is for the purpose of knowing the scoundrel who seeks to influence legislation. He is the only one who has any reason or cause for concern.

I am not at all fearful about my board of commerce element or about the Detroit Federation of Labor or the American Federation of Labor or any church organization or any honorable element that is interested in legislation. They will be willing, if they come here as lobbyists, to register; they will be willing to uncover, to work in the open. It is the scoundrel permanently here or who comes here to sell you in what seems to be a disinterested way, and the man who would compromise you, that this bill is aimed at. These are the men we want to put on record. The professionals who will work for any cause or for any element, good or bad, just so they are paid for their services.

I do not see how any Member of this House can honestly and conscientiously object to this legislation. I am not certain that it goes far enough. I am positive of one thing, the bill is not perfect; but it is not the only time a first attempt has not produced perfection.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to my Michigan colleague.

Mr. DONDERO. Suppose the president of a corporation in the gentleman's district should come to Washington and talk to the gentleman about legislation; does the gentleman think he ought to register before he talks to the gentleman?

Mr. DINGELL. No; and I do not believe he has to register under the terms of this bill. My colleague from Kentucky tells me he does not have to register.

Mr. DONDERO. I call the gentleman's attention to section 7, which states that the provisions of this section shall not apply to any person who merely appears before a com-

mittee. No one else is excluded, everybody else is included. Does the gentleman think it should be left this way?

Mr. DINGELL. It also indicates he must be employed, and I assume that means employed for the express purpose of lobbying and does not apply when he comes down here to protect himself.

Mr. DONDERO. The gentleman would not object to an amendment to clear up that situation?

Mr. DINGELL. No. I believe the committee is anxious to protect everyone under this bill. I believe they want to protect anyone who may come here to ask a Congressman or a group of Congressmen to consider certain action in reference to some particular legislation that may be pending. I assume the bill will exclude nonprofessional lobbyists, seeking to protect themselves and their interests.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Alabama.

Mr. BANKHEAD. What is the use of offering a clarifying amendment when it is already admitted that the bill would not apply to such a situation as the gentleman has stated? There is no need for a clarifying amendment.

Mr. DINGELL. I may say to the gentleman from Alabama that I am not familiar with every detail of the bill; however, I am confident that the committee is willing to agree to such clarifying amendments as may be necessary to protect honorable individuals and organizations as may be interested in certain legislation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That when used in this act—

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or any thing of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make contribution;

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or any thing of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(c) The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons;

(d) The term "Clerk" means the Clerk of the House of Representatives of the United States.

SEC. 2. It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) All contributions of any amount or of any value whatsoever;

(2) The name and address of every person making any such contribution and the date thereof;

(3) All expenditures made by or on behalf of such organization or fund; and

(4) The name and address of every person to whom any such expenditure is made and the date thereof.

(5) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding \$10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least 2 years from the date of the filing of the statement containing such items.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 2, line 16, after the word "contribution", insert "in excess of \$5 in amount or value."

On page 2, line 20, insert "in excess of \$5 in amount or value."

Mr. BOILEAU. Mr. Chairman, I should like to direct the attention of the chairman of the committee to this amendment. The bill in its present form requires that each person or organization receiving any money shall, in accordance with the terms and conditions of this bill, keep an accurate and complete record of each and every contribution regardless of amount, together with the name of the contributor. There are a large number of organizations that are collecting money, and within their constitutional right, for the purpose of influencing legislation. I know there will be no attempt on the part of the membership of this House to deprive such organizations of their right to function.

They have the right to collect money from interested persons and to present their views to the Congress of the United States.

I think, however, it is advisable to keep an accurate record of the names of those people who are supporting such organizations through large contributions. But it seems to me ridiculous to expect an organization such as the Townsend plan, we will say, or the Father Coughlin organization, or any of these others, to keep a record of everyone who contributes a dime or a quarter or some other small amount. I believe such organizations should make an accounting of the aggregate amount received. If they receive a hundred thousand dollars a year, the public is entitled to know that fact, but certainly it is unimportant to know whether Bill Jones or John Smith contributed 25 cents or 50 cents.

Mr. Chairman, I think the purposes of this bill could well be met if we required them to keep an account of the aggregate amount collected, but when it comes to keeping a record of the names of contributors, we should require them only to keep a list of those who contribute \$5 or any amount in excess of that sum.

Mr. CREAL. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. CREAL. I believe the gentleman is a little high in his figure. Let us make it \$4.98.

Mr. BOILEAU. I do not know whether the gentleman is being facetious or not, but it does seem to me ridiculous to ask the Townsend organization to submit a list of everybody who pays 10 cents a month dues. I want to say right here and now that I am not offering this amendment for the purpose of advocating the Townsend plan, because I believe it is obnoxious, and I believe it is wrong.

Mr. DINGELL. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. DINGELL. The statement of the gentleman from Kentucky [Mr. CREAL] about \$4.98 is not at all facetious. There is a serious part of the question which he raises. The gentleman from Wisconsin is endeavoring by his amendment to provide a loophole. If it is under \$4.98, it will be all right to lobby without registering.

Mr. BOILEAU. No; the gentleman is in error. It means that the organization who collects funds must keep a record of the name of contributors of \$5 or more. They still have to register, and would have to do so in either event.

Mr. DINGELL. If anything is paid in for the purpose of lobbying, they would not have to report it?

Mr. BOILEAU. The gentleman is in error. This amendment is such that if they collect any amount, regardless of what it may be, they will have to register. The bill in its present form, however, requires them to keep a list of everybody who contributes, even a penny. They have to record the name of the person, and that, it seems to me, is ridiculous. If it should be required that they keep a record of the names of those who contribute any sums in excess of \$5, that should be sufficient. Certainly there is not going to be any great amount of corruption on the part of persons who contribute such small amounts.

Mr. Chairman, I ask the Committee to give this amendment its serious consideration.

[Here the gavel fell.]

Mr. GREGORY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman has raised a question with reference to the Townsend organization making a report. I do not believe the objection upon that score is applicable at all, because that is the basis and foundation of the Townsend plan. They want everybody to make a report on every transaction and certainly they will not object to reporting 10 cents or a quarter. I am sure therefore that group will not offer a strenuous objection.

Mr. BOILEAU. Will the gentleman yield?

Mr. GREGORY. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I hope the gentleman understands that my amendment will still require the Townsend organization

or any other organization to keep a record of the aggregate amount of receipts. My amendment only provides that they will not have to list the names of everyone who contributes a dime or a quarter. Under the present provisions of the bill they might have to report millions of names, and it would not be of any particular benefit to the Congress because no one would be interested in knowing who contributed such small amounts.

Mr. GREGORY. How would the gentleman find out what the aggregate contribution was unless he knew something about the source of the contribution? Would there not be quite a loophole there affording an opportunity for incorrect reports to be made unless we required the name and address of those who had made the contributions which made up the aggregate fund reported?

Mr. BOILEAU. If we take the Townsend organization as an illustration, the Townsend Club in the gentleman's district or in mine that contributes \$50 to national headquarters would have to be listed as a contributor.

Mr. GREGORY. As defined in lines 11 and 12, on page 2, if it is a fund for the purpose hereinafter designated, which is outlined on page 5, in section 6, and if they do these things for this purpose, then they ought to report, and there should be no exemption of anyone.

Mr. BOILEAU. My only object is that we may have an effective antilobbying bill. I am as anxious to have such a bill as the gentleman or any other Member of the House, but it seems to me we are tying this down so it will be ridiculous, and I may say, with all deference to the committee, I do not think this matter has been given sufficient consideration, and it seems to me we are asking too much to require all these small contributions to be listed here with the name of the contributor. It is not going to be helpful to the Members or anyone else to know whether these individuals contributed 25 cents or 50 cents.

Mr. GREGORY. Mr. Chairman, in my opinion, it is very important to retain this section as written. The committee has given very careful consideration to the matter, and I hope the committee will vote down the amendment offered by the gentleman from Wisconsin.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The question was taken; and on a division (demanded by Mr. BOILEAU and Mr. SCOTT) there were—ayes 21, noes 45.

So the amendment was rejected.

The Clerk read as follows:

Sec. 3. Every individual who received a contribution for any of the purposes hereinafter designated shall within 5 days after receipt thereof render to the person or organization for which such contributions were received a detailed account thereof, including the name and address of the person making such contribution and the date on which received.

Sec. 4. Every individual, partnership, committee, association, corporation, and any other organization or group of persons receiving any contributions for the purposes hereinafter designated shall file with the Clerk between the first and the tenth day of each month, a statement containing complete as of the day next preceding the date of filing—

(1) The name and address of each person who has made a contribution of any size or value not mentioned in the preceding report; except that the first report filed pursuant to this act shall contain the name and address of each person who has made any contribution to such organization during the preceding 6 months;

(2) The total sum of the contributions made to or for such person or organization during the calendar year and not stated under paragraph (1);

(3) The total sum of all contributions made to or for such organization or person during the calendar year;

(4) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of \$10 or more has been made by or on behalf of such person or organization, and the amount, date, and purpose of such expenditure;

(5) The total sum of all expenditures made by or on behalf of such organization during the calendar year and not stated under paragraph (4);

(6) The total sum of expenditures made by or on behalf of such organization during the calendar year;

(7) The statements required to be filed by subdivision (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

Mr. BOILEAU. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU:

Page 3, lines 20 and 21, strike out "organization" and insert "person."

Page 3, line 23, strike out "or organization."

Page 4, lines 6 and 7, strike out "or organization."

Page 4, line 9, strike out "organization" and insert "person."

Page 4, line 12, strike out "organization" and insert "person."

Mr. GREGORY. Mr. Chairman, the committee will accept the amendment of the gentleman from Wisconsin.

The amendment was agreed to.

Mr. BOILEAU. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 4, line 2, strike out "organization or."

Mr. GREGORY. Mr. Chairman, the committee will accept the amendment.

The amendment was agreed to.

The Clerk read as follows:

Sec. 5. A statement required by this act to be filed with the Clerk—

(a) Shall be verified by the oath or affirmation of the person filing such statement, taken before any officer authorized to administer oaths;

(b) Shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Clerk at Washington, D. C., but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice of the Clerk of its nonreceipt;

(c) Shall be preserved by the Clerk for a period of 2 years from the date of filing, shall constitute a part of the public record of his office, and shall be open to public inspection.

Sec. 6. The provisions of this act shall apply to any individual, partnership, committee (except a political committee as defined in the Federal Corrupt Practices Act), association, corporation, or any other organization or group of persons who by themselves, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicit, collect, or receive money or other thing of value to be used in whole or in part to aid, or the principal purpose of which organization is to aid, in the accomplishment of any of the following purposes:

(a) The enactment or defeat of any legislation or appropriation by the Congress of the United States or the repeal or non-repeal of any existing laws of the United States, or adoption or defeat of any amendment to the Constitution of the United States.

(b) To influence directly or indirectly the passage or defeat of any legislation or appropriation by the Congress of the United States.

(c) To influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office.

Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 10, after the word "Act", insert a comma and the following: "and duly organized State or local committees of a political party."

Mr. SMITH of Virginia. Mr. Chairman, the purpose of the amendment is to cure an oversight in the original draft of the bill, as I stated this morning to the gentleman from New Jersey. It was intended in the original draft to except political committees and those required to file under the Corrupt Practices Act. In going over it more carefully, we felt that there might be some misunderstanding about the meaning of that clause, and therefore I offer this amendment.

Mr. LEHLBACH. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. LEHLBACH. My attention was distracted at the moment the Clerk read the amendment. Will the gentleman state just what his amendment is?

Mr. SMITH of Virginia. It inserts the words "duly organized State or local committees of a political party."

Mr. LEHLBACH. After the word "act"?

Mr. SMITH of Virginia. After the word "act."

Mr. FULLER. Will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. FULLER. I notice that the committee accepted an amendment offered by the gentleman from Wisconsin [Mr. BOILEAU], in which it struck out the word "organization." What purpose does that serve, when on page 2, line 4, it says that the term "person" includes an individual, part-

nership, committee, association, corporation, and any other organization or group of persons?

Mr. SMITH of Virginia. The gentleman has discovered the reason why the amendment was offered and why it was accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. SMITH].

The question was taken, and the amendment was agreed to. Mr. SMITH of Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. SMITH of Virginia: Page 5, line 15, strike out the words "in whole or in part" and insert the word "principally."

Mr. SMITH of Virginia. Mr. Chairman, the language of the bill on page 5, line 15, as it now reads is:

Solicit, collect, or receive money or other thing of value to be used in whole or in part to aid, etc.

The amendment proposes to change that language by striking out the words "in whole or in part" and by inserting the word "principally." The reason for that amendment is, it was brought to my attention, and I think to the attention of other members of the committee, that there were many organizations of national scope who have large memberships of thousands and some of millions of members organized principally for other purposes than affecting legislation, but many of those organizations do from time to time become interested in legislation, and they undertake to do something about it. It was not thought necessary or proper that that class of organization, because a minor part of its funds were devoted to purposes of influencing legislation, should be required to report all of the dues of their hundreds of thousands of members, and for that reason this amendment is proposed so that it would not apply except where the money is collected for the principal purpose of undertaking to influence legislation or the election of Federal officers, and I think it takes care of the question the gentleman from Wisconsin is interested in.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. BOILEAU. I call the gentleman's attention to line 16 of that same section, where the word "organization" is used. Does not the gentleman believe that that should be changed to make it read "person", because there are others than organizations receiving money, and the word "person" would relate back to include organizations, associations, and so forth.

Mr. SMITH of Virginia. I do not think we object to that.

Mr. BOILEAU. I think it is important, because some individuals will be receiving money and it seems to me we want to include them. Also, in the first few words we have a repetition of the definition of the word "person." That is not so important. That can be changed in the interest of clarity, but it seems to me in line 16 it is vital that the word "organization" should be changed to "person."

Mr. SMITH of Virginia. I suggest that we dispose of the pending amendment.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. Yes.

Mr. GIFFORD. If the word "principally" is to be used here, the matter of the Townsend Club is suggested, and how can one tell whether their activities are principally to aid, and so forth? Would it not provide a loophole to let out some of these organizations?

Mr. SMITH of Virginia. I think it would not if they are engaged in the activities mentioned in the bill.

Mr. McFARLANE. If we are to have the word "principally" in there should we not define it by saying at least one-half or three-quarters of their efforts, and so forth.

Mr. MILLARD. And who is going to determine this "principally" that is referred to?

Mr. SMITH of Virginia. Ultimately it will be determined by a court if someone is haled into court for violation of the terms of the act.

Mr. GIFFORD. I hope the gentleman will recognize the great danger there of defeating its purposes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 59, noes 18.

So the amendment was agreed to.

Mr. BOILEAU. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BOILEAU: Page 6, strike out all of lines 1 and 2.

Mr. BOILEAU. Mr. Chairman, my amendment is intended to strike out all of subsection (c), at the top of page 6:

To influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office.

If this language remains in the bill, it will require that any person who advocates or attempts to influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office must file in accordance with the provisions of this bill. If we look at the last section of the bill, section 10, we will find that it provides—

The provisions of this act shall not apply to any person now required by the Federal Corrupt Practices Act to file such reports, nor be construed as repealing any portion of said Corrupt Practices Act.

In other words, this section I now direct attention to requires that any person who attempts to influence the election of any Federal officer must file under the provisions of this bill, while section 10 provides that he does not have to do it because of the Federal Corrupt Practices Act. One provision puts him in and the other puts him out. It seems to me that that is not well considered and that this language should be stricken from the bill.

It is not my purpose to try in anyway to protect anybody who attempts to control an election. I think they should file under the Corrupt Practices Act. That certainly is not lobbying. When a man tries to influence the election of a Member of Congress or the President of the United States, he is not lobbying. He is campaigning. That is taken care of under the Corrupt Practices Act. Section 10 specifically exempts him from the operation of this bill, so why have him in here?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I am glad to yield to the distinguished majority leader.

Mr. BANKHEAD. Is it the gentleman's contention that the provision he has referred to in section 6 and section 10 are inconsistent?

Mr. BOILEAU. I think so.

Mr. BANKHEAD. And contradictory?

Mr. BOILEAU. Contradictory to this extent, that lines 1 and 2 on the top of page 6 require persons who are attempting to influence, directly or indirectly, the election or defeat of any candidate for any elective Federal office to file. I am under the impression that the Federal Corrupt Practices Act now requires them to file. If so, section 10 exempts the same people that subsection (c) of section 6 tries to put into the bill.

Mr. MILLER. Mr. Chairman, will the gentleman yield? Is there not this distinction? Does not the Corrupt Practices Act simply require the candidates and the committees who expend money and who receive contributions as a party organization, to file those reports? Lines 8 to 17, on page 5, section 6, make it applicable to a person or to those organizations which go out and collect money independent of a political organization and independent of politics entirely, and simply open fire on a particular candidate?

Mr. BOILEAU. But he collects money and attempts to influence the election of Federal officers.

Mr. MILLER. That is true.

Mr. BOILEAU. I may be in error. Perhaps the Committee on the Judiciary has this information. I regret I do not have it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BOILEAU. I will not use all of this time if we can get this matter clarified. I am satisfied that the Corrupt Practices Act provides that any person who collects or expends money for the purpose of influencing an election must file a report with the Clerk of the House of Representatives. Does anyone dispute that? If I am in error, I would like to know it.

Mr. DOBBINS. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. DOBBINS. The gentleman is exactly right if the amount expended exceeds \$50 and is expended in more than one State.

Mr. BOILEAU. That is assumed. I assume no one is trying to investigate any huge organization that does not expend more than \$50 a year. So I believe the gentleman from Illinois will agree that this language is unnecessary?

Mr. DOBBINS. I believe it is necessary if section 10 is clarified as it should be. Section 10 is faulty as it is printed now.

Mr. BOILEAU. I appreciate it is faulty and should be corrected, but I believe this language should be stricken out in any event.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. WADSWORTH. The bill seems to open up possibilities which perhaps were not intended, yet I am not sure that the thing I suspect is actually in it, but I want to ask the gentleman if, under section 6, paragraph (c), on the top of page 6, speakers employed by a national committee, who collect money from it, would fall under the terms of this act? I refer to political speakers. They influence directly or indirectly the election or defeat of a candidate, and they collect and receive money for doing it. They are paid as speakers.

Mr. BOILEAU. I believe the gentleman is absolutely correct in that respect. I presume that under the Corrupt Practices Act they would be obliged to specify that they paid John Jones \$200 a month for the purpose of campaigning in Arkansas, for instance.

Mr. FULLER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. FULLER. But the gentleman will concede that it will get Dr. Townsend and Father Coughlin and the Liberty League? You will get them under this section, will you not?

Mr. BOILEAU. I do not think that helps at all, because such persons as are included in section 6 are also included in section 10.

Mr. FULLER. Those are the fellows we intend to catch up with by paragraph (c) in the first two lines. We do not want you to eliminate that.

Mr. BOILEAU. Anybody that section (c) brings within the scope of the bill is automatically kicked out of the bill under section 10.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. SMITH of Virginia. Mr. Chairman, I rise in opposition to the amendment.

The amendment offered by the gentleman from Wisconsin strikes at the very vitals of this bill. I think it strikingly illustrates the difficulty of undertaking to write a bill of this kind, or almost any other kind, on the floor of the House. As was stated this morning, almost every word of this bill has been given most careful thought as to interpretation and possible meaning by the Rules Committee, by two separate subcommittees of the Committee on the Judiciary and by subcommittees composed of both members of the Committee on the Judiciary and of the Rules Committee. Perhaps we have made some mistakes in the bill, in that we

have not been able to make as strong a bill as some of us would like to have had.

This bill undertakes to parallel the Corrupt Practices Act. The very purpose for which the bill was drafted was to bring in and make disclose their receipts and disbursements those organizations which are not now required to report under the Corrupt Practices Act. Let me explain: If the gentleman runs for Congress, or if I run for Congress, and we are supported by our committees, we have to file, under the Corrupt Practices Act, a statement of our receipts and disbursements. An organization may be formed, however, for the simple purpose of defeating Members of Congress. Under the law as it exists now, such an organization can raise all the money it is able to raise, can spend it freely in the gentleman's district or in my district, and account to nobody. The very purpose of this section to which the gentleman calls attention is to bring in this class of people; and the only reason there is the apparent conflict, to which the gentleman calls attention, is to distinguish this bill from the Corrupt Practices Act and to see that those who already are required to file reports under the Corrupt Practices Act do not have to duplicate their reports under this act. Strike these words out of the bill, and you strike out the very vitals of the bill.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are taking a lot of time on this bill, possibly rewriting the bill on the floor. It might be well for us to appreciate the parliamentary situation and what is going to happen. The Black antilobbying bill passed the Senate and came to the House; it was referred to the Judiciary Committee. The Smith bill originating in the House was referred to the same committee. The Judiciary Committee reported the Smith bill. The Smith bill is being rewritten here. It will pass the House—there is no question about it. It will go to the Senate, and then the work will commence.

The antilobbying bill, if there is one, will be written in conference after the passage of this bill. Many things have been agreed to here today; we have been going along nicely, adopting almost any kind of amendment. Some of us who have been here a number of years realize the procedure and know what it means. The mere adoption of an amendment on the floor does not mean a single thing. When the bill passes the Senate and goes to conference it will be rewritten. So do not be surprised if when the bill comes back you see the Black bill almost as it originally passed the Senate.

The pending bill is divided into two parts. The first six sections deal with these organizations about which we have heard so much today. This is the only purpose of the first six sections of this bill. Section 7 is a sort of consolidation of many of the meritorious points in the Black bill.

I call attention to these things in order that you may realize just what the situation will be when the bill comes back from conference. For my part, I cannot see much advantage in spending a great deal more time here today amending this particular bill, for I believe what we are doing now is futile.

I think we are all opposed to lobbying, as that word is significantly used throughout the country. My own experience teaches me, however, that there is very little pernicious lobbying in Washington. True, there are crooked lobbyists, but let us not forget that in reality all of these organizations interested in good government act in good faith, rightfully present their views, are honest, and should be given consideration. Personally I am not afraid of lobbyists. My office is always open to any citizen who wants to present his or her views on pending legislation. All wisdom does not repose in Members of Congress. Good and wholesome legislation comes from study and investigation, and much of the valuable information comes from organizations and interested individuals, who have given especial attention to the particular subject matter in which the group, or the individual, is particularly interested. We do not want to do anything to discourage or prevent this legitimate help. Our constituents should be encouraged to give us their views rather than prohibited from contacting us.

There are lobbying evils, yet we must not destroy the benefits of wholesome information in order to kill off a few violators. I can see no objection to legislative representatives of farm organizations, business organizations, labor organizations, or any other organizations having headquarters in Washington, being compelled to register. I have talked with several of them and feel that they have no objection. That is their business and that is why they are in Washington; there is no secret about it and no harm can come from it. On the other hand, I am hesitant about doing anything that might discourage the folks at home from writing to me, talking with me, or sending delegations to Washington in the interest of what they believe to be necessary and good legislation.

I do not want to do anything that will make it impossible for my conscientious constituents to meet and discuss their problems. If it becomes necessary, in their judgment, to take up a collection or make individual contributions in order that their views and reactions might be communicated to me, there is no necessity for a lot of bookkeeping and receipts on their part.

Of course, some so-called lobbyists do disreputable things, but we cannot make people honest by legislation. I realize that in these days of acquisition and demagoguery it is difficult to vote against anything that appears to strike at lobbying. Yet, I am sure that the good far outweighs the reprehensible so far as most of the information and propaganda coming to Congress is concerned. Undoubtedly, evils exist. We want to cure those evils, but it seems to me that the first six sections of this bill are so drastic that the right of petition on the part of the people will be denied in some instances. A reasonable, regulatory bill should be worked out, but the floor of the House is not the place to do it. May I hope that the Members of the House will give more careful consideration to the language of this bill as it goes to the Senate and, therefore, be in a position to act intelligently and definitely, when the bill comes back from conference?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. BOILEAU. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 5, line 16, strike out the word "organization" and insert the word "person."

Mr. BOILEAU. Mr. Chairman, I call to the attention of the gentleman from Virginia [Mr. SMITH] that this is the amendment to which I referred a little while ago. Does he object to the amendment?

Mr. SMITH of Virginia. This amendment is all right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike out the last word for the purpose of asking the members of the committee a question about section 7.

Mr. Chairman, it seems to me there is much uncertainty as to whether or not one of the largest legitimate factors there is in the matter of influencing legislation is included. I refer to employees of newspapers and special writers. Section 7 reads, in part:

Any person who shall accept employment . . . to attempt to influence the passage or defeat of any legislation, etc., shall register, report expenses, pay, etc.

It seems to me the employees of newspapers might very well be considered to be within the provisions of this section. We certainly do not want to do anything like that. We do not want to affect this entirely legitimate means of influencing legislation. I am not sure, however, but that under the provisions of this section we are doing this very thing. I notice toward the end of the section certain exceptions are made, and I am wondering whether this section ought not to be clarified by the addition to the language now in the bill to the effect that this section shall not apply to any person who appears before a committee in support of or op-

position to pending legislation the following: "nor to employees of regularly published newspapers and periodicals"?

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield.

Mr. MILLER. The very sentence the gentleman read, line 3, on page 6, starts with this language:

Any person who shall accept employment for any consideration.

If the newspaperman to which the gentleman refers is working for the newspaper, he is employed to set type, to edit the paper, or what not.

Mr. BROWN of Michigan. But he is employed by the newspaper, and the newspaper attempts to influence legislation. We have four newspapers in the city of Washington which are continually hammering at us, influencing or attempting to influence legislation, and they should not be hampered.

Mr. MILLER. That is true; but that employee has not been employed for the purpose of influencing legislation; he has been employed to run a newspaper.

Mr. BROWN of Michigan. The newspaper, in substance, hires its editors and pays them for the purpose, in many cases, of carrying out the policy of a publisher to influence legislation, as he views it, in the public interest.

The statute as written will force registration of a person hired to write an article for a newspaper directed against any pending bill, even if the writer did not come within 1,000 miles of Washington. Even if it does not apply to general editorial employees, it surely would apply to a special writer hired because of his knowledge and understanding of a legislative problem to discuss in the newspaper or magazine a bill pending in Congress. Surely we do not want it to apply to such situations. I think the bill should be clarified. In the case of regularly employed editors supporting or opposing legislation pending, it is not entirely clear that such editor was not employed for the purpose that his political writings indicate. I recall one writer who was brought here to expound in the press one economic principle then before Congress in a banking bill. He would have to register under this act.

The regular editorial writer has been employed to assist in running a newspaper which influences or attempts to influence legislation.

Mr. MILLER. It seems to me it is very clear now.

Mr. BROWN of Michigan. But it is not stated in your bill that this man is employed for the sole purpose of assisting in running a newspaper. It is stated that if he is employed to attempt to influence the passage or defeat of legislation he must do certain things. Now, the newspaper is a corporation and cannot speak itself; it must speak through its editors.

Mr. MILLER. Let me call the attention of the gentleman to the fact that this is a criminal statute, which will be strictly construed, and everything that is not prohibited by the terms of the statute will not be an offense. In other words, whenever a criminal act is defined, it is defined according to the substantive provisions of the law itself, and any act that is not prohibited is not included within the act.

Mr. BROWN of Michigan. It seems to me it is a rather doubtful proposition, and I do not see why the gentleman should object to an amendment clarifying the situation.

Mr. MILLER. I do not object to it, but I do not see any necessity for the amendment.

Mr. BROWN of Michigan. I am not going to offer the amendment, but I trust the conferees will give some consideration to the fact that this bill is aimed at lobbying here in Washington and not at legitimate public criticism and discussion of legislation in the public press.

BLACK LOBBY BILL A GOOD ONE; BILLS SHOULD BE COMBINED

Mr. MAVERICK. Mr. Chairman, I understand Senator BLACK has pending a bill on the subject of lobbying and that it is an excellent bill. I also understand that bill is considerably different from the House bill. I am not familiar with the technical differences. In any event, if the bill as passed by the Senate is much different from the House bill, may I ask the gentlemen who are proponents of the bill

what the parliamentary situation will be in reference to obtaining final passage, because we all want an effective piece of legislation?

Mr. SMITH of Virginia. Does the gentleman wish me to answer that question?

Mr. MAVERICK. I will appreciate it.

Mr. SMITH of Virginia. Section 7 of this bill contains the provisions of the Black bill as passed by the Senate as far as the Judiciary Committee felt justified in reporting it. Section 7 of the bill is the Black bill so far as the House committee concurred in the Senate bill. The rest of the bill is different.

Mr. MAVERICK. But what will be the parliamentary situation?

Mr. SMITH of Virginia. If we pass this bill it will then go to the Senate and will there be referred to a committee. It will not go to conference. It will have to be passed by the Senate first.

Mr. MAVERICK. It will have to be reported by the committee over there, but will that not take a long time?

Mr. SMITH of Virginia. I do not know.

Mr. MAVERICK. I just mention this matter, because we should get through an effective piece of legislation at an early date.

Mr. SMITH of Virginia. I think that will be accomplished.

Mr. MAVERICK. I thank the gentleman from Virginia. I trust my colleagues will forgive me for a more or less repetitious statement. I urge the proponents of this bill to get the parliamentary kinks out of the situation. Let us not have the situation of a Senate bill in the House and a House bill in the Senate, both lost in committees and never meeting each other. We should have a bill like that, and it should be effectively drawn up in such a way as to expose lobbying practices, whether good or bad, and any corrupt practices of any kind. We ought not to let good legislation be lost in a congressional shuffle.

The pro-forma amendment was withdrawn.

The Clerk read as follows:

SEC. 7. Any person who shall accept employment for any consideration to attempt to influence the passage or defeat of any pending or proposed legislation or appropriation by the Congress of the United States shall, before doing anything in furtherance of such object, register with the Clerk of the House of Representatives and the Secretary of the Senate and shall give to those officers, in writing and under oath, his name and business address and the name and address of the person by whom he is employed and in whose interest he appears or works as aforesaid, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, at the end of each 3-month period, so long as his activity continues, file with the Clerk and Secretary aforesaid a detailed report of all money received and expended by him during such 3-month period in carrying on his work as aforesaid; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials. The provisions of this section shall not apply to any person who merely appears before a committee of the Congress of the United States in support of or opposition to pending legislation and who engages in no further or other activities in connection with the passage or defeat of such legislation; nor to any public official acting in his official capacity.

Mr. CULKIN. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CULKIN: On page 7, line 4, after the word "capacity", strike out the period, insert a comma, and add the following: "except that no public official shall use or threaten to use the power of patronage of his office for the purpose of influencing legislation."

Mr. CULKIN. Mr. Chairman, I called the attention of the Members of the House a moment ago to the fact that the danger to the life of this Republic is not necessarily from without but from within. May I say that in the Continental Congress and afterward in the writings of Washington and Jefferson it was definitely impressed upon the people of the country by these great Americans that it was necessary to keep the separate divisions of the Government coordinated but apart.

We have witnessed in the past 4 years a tremendous delegation of power by Congress to the executive departments—sometimes to untrained men. I am not going to discuss that from the political angle, but merely state it. These men have been given the purse strings of government which under a popular dispensation belonged to this House. As the result of this great delegation of power they have become infested with delusions of grandeur and have attempted to rewrite the governmental pattern of America.

Mr. Chairman, the amendment which I have just offered permits their recommendations to be made, but makes it a violation of the statute if they use the patronage of their office for the purpose of influencing legislation. I could go into that phase of the matter in great detail, but will not do so at this time. May I say, however, particularly to you gentlemen on the other side of the aisle, that you are not always going to be in power. Your power will be terminated by the people of the country in the coming November election. I am earnestly praying that it will. The proposed amendment is an anchor to the windward, as the sailors say, for you in the next administration, which is sure to be Republican in this House and Executive Mansion. May I say in all frankness that bureaucracies sometimes during Republican regimes have reached for power. But they never developed the boldness or success that they have under the auspices of the Democratic Party. The difference is that we Republicans never surrendered the purse strings to them. [Applause.] I am glad that you concur in that sentiment; and, in view of that alleged concurrence, I hope you gentlemen on that side will support my amendment, which, in my judgment, will make for the continuance of popular government in America.

Mr. O'CONNOR. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York.

Mr. Chairman, if the fond hope of the distinguished gentleman from the banks of the Oswego Canal should ever be realized, and the remote possibility should ever happen that his party as now constituted should regain possession of the Government, I can picture him offering such an amendment as this! Of course, it is a political amendment purely and simply. It is one of those Parthian thrusts at the administration or some of the officials of the administration, not to mention how ridiculous would be any attempt to carry it into effect or how difficult it might be to prove whether anybody ever gave patronage to influence legislation. From my own personal experience I am afraid I might be corrupted if the form of a bribe was offered to me. I have not been tempted, I am sorry to say, and I have an idea that no other Member has had the prize dangled before his eyes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. CULKIN. May I interject the remark that I personally believe the gentleman is absolutely incorruptible by ecclesiastical or other influence. [Laughter.]

Mr. O'CONNOR. I think patronage is the only form of corruption to which I might knowingly submit, but I believe the amendment should be defeated because it is only a political gesture, offered in a spirit of merriment—I will not even say partisanship. [Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CULKIN].

The question was taken; and on a division (demanded by Mr. CULKIN) there were—ayes 33, noes 69.

So the amendment was rejected.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: Page 6, line 4, after the word "consideration", insert a comma and "or any administrative official of the Federal Government who visits the Capitol other than by invitation of a committee of either House."

Mr. REED of New York. Mr. Chairman, I realize the hour is getting late and that you are impatient to get away, therefore, I shall try not to take the entire 5 minutes.

I am offering this amendment in good faith, at least to the extent of asking you to listen for just a moment. I believe you people who have been here in Congress a long time realize that the bureaus of the Government, like Tennyson's brook, go on forever.

I may say, without intending any reflection upon the younger Members of the House or those who have had less experience, that there are men in the bureaus who are better equipped, who have a more thorough knowledge, perhaps, of legislation and legislative tricks than the Members on the floor of the House. It is well known to the Members of the Congress that the inside lobbyist is the most dangerous lobbyist of all. There are corporations in this country that have their men in the present administration, as they have in other administrations, who hold key positions, who are in the most strategic positions to influence Congress. I think if the dairy interests of this House were to realize what is happening to them they would understand the implication of what I am saying.

It was not so long ago that we had a situation in the House that was in the headlines of every newspaper in the country. If I had the time I would read just a short bit of the testimony showing the arrogance of men connected with departments of the Government, walking into the lobbies of Congress, putting up charts and invading the Speaker's lobby and occupying every door of the Congress, button-holing Members with reference to the utilities. You have had an investigation of that matter. You know how far these inside lobbyists will go, and I believe it would be very wise to put in the bill the amendment I have offered here.

If you will read the proposed amendment in connection with the language of the section, you will realize it is not depriving them of coming to the Capitol unless they come here for the specific purpose of influencing legislation.

They can and they do go out into the various districts and with their propaganda attempt to defeat experienced Congressmen who are getting in their way, who are preventing them from obtaining large appropriations for their bureaus. They are delighted when they get a large number of freshmen in the Congress. To use plain language, they can make monkeys out of new Members and get all kinds of appropriations and privileges at the expense of the taxpayers of this country.

I believe this amendment will help the entire situation on both sides of the House if it is adopted. Now, just get the language as the bill would read with this amendment:

Any person who shall accept employment for any consideration, or any administrative official of the Federal Government who visits the Capitol other than by invitation of a committee of either House, to attempt to influence the passage or defeat of any pending or proposed legislation.

Mr. Chairman, we are sent here to legislate for our constituents, and we have seen the situation in the last few years—not alone, perhaps, in your administration—when bills have been written by these bureaucrats and handed to committees. They have even sat in executive sessions with the members of committees, and when any member undertook to state his views on the merits of the case hostile to the views of the inside lobbyists, within 24 hours the member was burned up with a deluge of propaganda. The departmental lobbyists had built the fires back home. It is time to stop such practices.

[Here the gavel fell.]

CONGRESSIONAL FRESHMEN NOT HALF-WITS AND NEED NO PROTECTION

Mr. MAVERICK. Mr. Chairman, I notice the talk of the gentleman from New York [Mr. REED] was mainly about the poor freshmen who come to Congress and do not know anything. The gentleman stated that they needed protection from these wicked bureaucrats who come up here and lead us astray. If we presume that his amendment, which provided, in effect, no Government employee can talk to a Congressman about legislation without permission or invitation, is necessary, I would say that we freshmen in Congress are a bunch of intellectual half-wits. I have not been approached more than two or three times by members of the Government

concerning any legislation whatever, but when they did it was respectful, fair, open, and for the purpose of giving me information. Had it been otherwise, I would have thrown them out; and so would any other Congressman, no matter what party he belongs to.

I have asked for information at the Indian Bureau, I have asked for information at the Department of the Interior. I have asked from all departments, and I have always gotten it. These departments have been willing to give me necessary information and factual information concerning legislation and its effect. Naturally, when some situation arises, they explain certain matters of legislation to me, as they do to all Congressmen, and they ought to do it.

ADMINISTRATIVE AND LEGISLATIVE DEPARTMENTS SHOULD COOPERATE

Some gentlemen seem to think that the administrative branch of the United States Government are our enemies. The administrative branch is a part of the Government just as we are. The answer is, we should cooperate with each other in giving the people good government. Moreover, I consider myself intellectually able to withstand the political blandishments of a few men in any branch of the Government.

If the Republicans were in power they would not dream of offering any such amendment. It is a political rider to this bill. I think the gentleman from New York is serious because he looks serious, but I think the amendment is ridiculous.

Mr. REED of New York. Will the gentleman yield?

Mr. MAVERICK. Yes.

WHEREIN IT IS SHOWN IT IS NOT A SIN TO GAIN KNOWLEDGE

Mr. REED of New York. The gentleman knows that recently it has been disclosed that persons in a department of the Government have written speeches for new Members of Congress to deliver over the radio.

Mr. MAVERICK. That may be an exaggeration, but why not? As far as I am concerned I am proud to have a "brain truster" give me information. For instance, I went to the Department of the Interior and worked all night with one of them to help me prepare a speech that I later delivered over the radio. And I knew what I was saying when I spoke over the radio. I have no contempt for knowledge and learning.

Mr. HOFFMAN. Will the gentleman yield?

Mr. MAVERICK. I yield.

Mr. HOFFMAN. Did the gentleman tell the public how much was his and how much he got from the brain-truster?

Mr. MAVERICK. No; certainly not. Anyone has the right to get his information from where he can get it best. If you search the books and get scientific information, you do not say that 40 percent of it is yours and you got 60 percent out of the books. And if we discuss matters with men who have learning, we can improve ourselves. There is no patent on learning; I try to get it from everybody and everywhere. Anybody has a right to use research information. I do not think it a sin to gain knowledge from men who have it, and I make no bones about the fact that I give and receive information all the time. Only a fool would refuse to discuss matters with well-informed people.

Mr. Chairman, this amendment should be defeated.

Mr. CHRISTIANSON. Mr. Chairman, I move to strike out the last word, and I do this for the purpose of directing a question to the gentleman from New York [Mr. REED], who offered this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. GREGORY], a member of the committee.

Mr. GREGORY. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky that debate on this section and all amendments thereto do now close.

The question was taken; and on a division (demanded by Mr. CHRISTIANSON) there were—ayes 61, noes 43.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. REED].

The question was taken; and on a division (demanded by Mr. CULKIN) there were—ayes 36, noes 63.

So the amendment was rejected.

Mr. CHRISTIANSON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Minnesota makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and fifteen Members present, a quorum.

Mr. REED of New York. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 7, line 3, after the word "legislation", strike out the semicolon and the remainder of the paragraph and insert a period.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 6, line 20, after the word "purposes", strike out the remainder of the line and all of lines 21 to 23, ending with the word "editorials", in line 23.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. McFARLANE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 6, line 6, after the word "States", insert "or to influence any Federal bureau, agency, or Government official or Government employee, to make, modify, alter, or cancel any contract with the United States Government, or any United States bureau, agency, or official as such official, or to influence any such bureau, agency, or official in the administration of any governmental duty, so as to give any benefit or advantage to any private corporation or individual, shall."

Mr. BANKHEAD. Mr. Chairman, I make the point of order against that amendment that it is not germane.

Mr. McFARLANE. Mr. Chairman, that amendment is taken verbatim from the Black resolution on this same subject that is before this committee, and it covers very fully and completely the situation that was considered by this same committee. It is the identical language included in the Black resolution on the antilobbying question before the Senate committee. I think it covers a very important phase of this subject clearly and fully and ought to be made a part of this legislation.

Mr. BANKHEAD. Mr. Chairman, in reply to the gentleman from Texas, although what he says may have been in the original Black resolution, there is nothing in the bill affecting anything except influence on the Congress of the United States and legislation.

The CHAIRMAN. The Chair is prepared to rule. Section 7 deals very definitely with legislation pending before Congress. The amendment offered by the gentleman from Texas to which the gentleman from Alabama makes the point of order, is not germane to that subject, and the Chair sustains the point of order.

Mr. McFARLANE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 6, line 23, after the word "editorials", insert "and to furnish an exact copy of all radio broadcasts made concerning any proposed or existing legislation pending before the Federal Government."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and the amendment was rejected.

Mr. McFARLANE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: Page 6, line 25, insert "or any Member of Congress."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The Clerk read as follows:

SEC. 8. Any person who violates any of the foregoing provisions of this act shall be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

Mr. MAIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill is being sponsored by the majority party. It is obvious it will pass, no matter under what conditions the vote is taken. I want to go on record as being unalterably opposed to the bill. It is safe to assume that a quorum will not be present when the vote is taken, but out of consideration for the feelings of my colleagues I shall not make that point of order at this late hour in the afternoon. I simply want to record myself as opposed to the bill, regardless of the manner in which the vote may be taken.

The pro-forma amendment was withdrawn.

Mr. McFARLANE. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the last amendment that I offered was offered as an amendment to line 25, which added the words "or a Member of Congress." It is a corrective amendment and I think if the rule had not been put on closing the debate the committee would have at least accepted this amendment. It would make this provision then read as follows:

"The provisions of this section shall not apply to any person who merely appears before a committee of the United States Congress, or a Member of Congress."

As it is in the bill, it does not apply to one of your constituents who comes here to present a matter before a committee, but it may apply if he appears and talks with you personally about a piece of legislation in which he is interested, if for any consideration he should appear for himself or for someone else.

Certainly that is a corrective amendment.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. MILLER. It would not apply to that constituent unless he was employed for that purpose.

Mr. McFARLANE. This is an amendment that would release a constituent from the provisions of this bill. I understand it goes back to the proposition, if he appears before a committee of the Congress in support of or in opposition to any pending legislation. You certainly cannot read something into the bill that is not there, and if he so appears voluntarily and without compensation for a friend I believe the provision without the amendment I offer would require registration.

In regard to the other amendment that I did not have an opportunity to speak upon, as the bill now reads, it applies to certain papers, periodicals, magazines, or other publications in which he has caused to be published any articles or such editorials. That amendment made it also apply to propaganda and radio speeches advocating or opposing legislation pending before Congress, broadcast over the radio by these paid lobbyists. Under existing laws and regulations of the Federal Communications Commission it is not mandatory that any radio speeches be filed with anyone. I think all speeches as delivered should be filed with the Commission and available to the public. Certainly such an amendment as that should be placed in this bill. I am just rising at this time to call it to your attention because I did not have an opportunity to do so previously because debate was shut off before reaching my amendments.

The pro-forma amendment was withdrawn.

Mr. CULKIN. Mr. Chairman, I move to strike out the last three words. I wish to query the proponent of the bill briefly. At the outset of this discussion the gentleman from Virginia [Mr. SMITH] stated on the floor that during the progress of the bill he would offer an amendment which would, in effect, exempt farm cooperatives, labor unions, the Grange, and other similar types of organizations from the operation of the bill. I have listened and I have not heard such an amendment. Does the gentleman intend to offer it?

Mr. SMITH of Virginia. What I intended to say was that an amendment would be offered eliminating it from that section of the bill which required them to report all of their receipts and disbursements.

Mr. CULKIN. And that amendment has been offered?

Mr. SMITH of Virginia. Yes; and it was adopted.

Mr. CULKIN. I am not seeking to give these groups an immunity bath, although the purposes of their organization are beneficial to the country, but section 3 would seem to make this unworkable as far as those organizations are concerned.

Mr. SMITH of Virginia. The amendment to which the gentleman has reference has been adopted.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

SEC. 9. If any provision of this title or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

SEC. 10. The provisions of this act shall not apply to any person now required by the Federal Corrupt Practices Act to file such reports nor be construed as repealing any portion of said Federal Corrupt Practices Act.

Mr. DOBBINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dobbins: Page 7, line 14, strike out the words "any person now required" and insert in lieu thereof the words "practices or activities intended to be regulated."

In line 15, strike out the words "to file such reports."

Mr. MILLER. Mr. Chairman, we have no objection to that amendment. It is a clarifying amendment.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I yield.

Mr. O'CONNOR. What it is intended to regulate is not the point.

Mr. DOBBINS. The reason for the inclusion of the words "intended to" is to meet a certain situation which might arise in a criminal case. Without the employment of those words the question might arise as to whether the particular and individual practice involved is covered by Corrupt Practices Act and that would then entail a judicial determination of the individual transaction rather than of such practices as a general class.

Mr. O'CONNOR. It does not sound like legislative language to me. The act either covers certain practices or does not. The gentleman's amendment should read "practices covered by the act." The gentleman should leave out "intended."

Mr. DOBBINS. I think it is more specific as I have written it, if the chairman please.

The purpose of the amendment is to make it impossible for a man to buy immunity from the provisions of the act by the expenditure of \$50. Section 306 of the Corrupt Practices Act provides that anybody who expends \$50 or more in influencing a national election and makes the expenditure in more than one State is required to file a report under that act. This section of the bill as here written would permit anyone who is required to file a report under the Corrupt Practices Act to escape all regulation by this so-called anti-lobbying bill.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. DOBBINS. I am glad to yield to my distinguished colleague from Minnesota.

Mr. CHRISTIANSON. It is true, is it not, under the provisions of section 10 as originally written, a defeated candidate for Congress who as such filed a report under the Federal Corrupt Practices Act might turn lobbyist and by reason of this provision be exempt from the provisions of the act?

Mr. DOBBINS. Yes. Any candidate for Congress would be exempt from the provisions of the act as originally written, but they may be only a few hundred men, as against 120,000,000 persons who could buy immunity from the provisions of this proposed law by merely spending \$50 to influence a national election.

Mr. CHRISTIANSON. Anyone who spends \$50 to influence the election of a candidate for Congress under section 10 would be exempt.

Mr. DOBBINS. No; not to influence the election of just one Member of Congress. To bring the spender under the Corrupt Practices Act the money must be expended in more than one State.

Mr. CHRISTIANSON. Under the Corrupt Practices Act a Member of Congress must file statements of receipts and disbursements.

Mr. DOBBINS. Both the elected Members and the defeated candidates must file.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 11663, pursuant to House Resolution 462, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. SMITH of Virginia, a motion to reconsider the vote by which the bill was passed was laid on the table.

SAN JUAN NATIONAL MONUMENT, PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the San Juan National Monument.

The SPEAKER. Is there objection to the request of the Delegate from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a resolution adopted by the Military Order of the World War, Puerto Rico Chapter, with respect to H. R. 7931, "a bill to establish the San Juan National Monument, Puerto Rico, and for other purposes."

A companion bill, S. 2864, passed the Senate July 30, 1935, and is now on the Speaker's desk—table. I am hopeful that the committee will see fit to bring this measure before the House as soon as possible so that it may be disposed of before they adjourn.

MILITARY ORDER OF THE WORLD WAR,
PUERTO RICO CHAPTER,
San Juan, P. R., March 19, 1936.

HON. SANTIAGO IGLESIAS,

Resident Commissioner of Puerto Rico,

House of Representatives, Washington, D. C.

MY DEAR MR. IGLESIAS: I am pleased to transmit herewith a resolution approved by the Puerto Rico Chapter, Military Order of the World War.

Yours sincerely,

M. G. MORALES, Chapter Adjutant.
Resolution

Whereas, following a survey of the historical and architectural points of interest in the city of San Juan, Puerto Rico, by officials of the Government of the United States, it was recommended that this city be declared a public monument, and, as such, preserved and developed by the Department of the Interior of the United States under general appropriations made by the Congress for the national parks and monuments; and

Whereas Senate bill No. 2864 is pending consideration and passage in the Congress of the United States to materialize the plan establishing San Juan, Puerto Rico, as a national monument; and

Whereas the island of Puerto Rico is the only Territory under the jurisdiction of the United States where Christopher Columbus landed when he discovered the island in his second voyage to America in the year 1493; and

Whereas the city of San Juan has many historical and architectural points of interest which it is fitting to preserve as a memorial to an epic of the past and for the cultural and spiritual recreation of present and future generations; and

Whereas the national convention of the Military Order of the World War, held at Atlantic City on the 17th day of September, 1935, adopted a resolution in support of the plan, which resolution, unanimously passed, was presented by a delegate from the Puerto Rico chapter of the order; and

Whereas the Puerto Rico Chapter of the Military Order of the World War has knowledge of the fact that, although Senate bill No. 2864 has the support of many officials of the United States, it is, however, being objected to without sound or reasonable cause: Now, therefore, be it

Resolved by a meeting of the Puerto Rico Chapter of the Military Order of the World War, held at San Juan, P. R., on January 9, 1936:

1. In conformity with the action of the national convention of the order to request that the proper officials of the Government of the United States favorably consider and recommend the passage of Senate bill No. 2864 establishing the city of San Juan, P. R., as a national monument.

2. That a copy of this resolution be sent by the chapter adjutant to the Honorable Harold L. Ickes, Secretary of the Interior of the United States; to the chairmen of the proper committees of the Senate and House of Representatives of the Congress of the United States; to the Honorable Blanton Winship, Governor of Puerto Rico; to the Honorable Santiago Iglesias, Resident Commissioner of Puerto Rico; and to Col. George E. Ijams, national commander of the Military Order of the World War.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Monday next after the reading of the Journal, the disposition of business on the Speaker's table, and the special order for the day I may be allowed to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent that on Monday next after the reading of the Journal, the disposition of business on the Speaker's table, and the special orders heretofore entered I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. MAPES. Mr. Speaker, reserving the right to object, and I shall not object, is the gentleman from Alabama [Mr. BANKHEAD] prepared to tell us what legislation will be brought up and considered next week?

Mr. BANKHEAD. It is expected that on Monday next we will take up a rule providing for the consideration of the bill pertaining to the Commodity Credit Corporation.

Mr. MAPES. And after that?

Mr. BANKHEAD. After that we expect to take up the State, Justice, Commerce, and Labor Departments appropriation bill.

Mr. RICH. Mr. Speaker, reserving the right to object, may I ask the majority leader if there will be a reduction in that appropriation bill?

Mr. BANKHEAD. I trust so.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ADJOURNMENT OVER

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CANCELANON OF MAIL CONTRACTS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution No. 238.

The Clerk read the Senate joint resolution, as follows:

Senate Joint Resolution 238

Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934

Resolved, etc., That section 5 of the Independent Offices Appropriation Act, 1934, as amended, be amended by striking out "March 31, 1936" and inserting in lieu thereof "May 31, 1936": Provided, That the right of the United States to annul any fraudulent or illegal contract or to institute suit to recover sums paid thereon is in no manner affected by this joint resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, may I ask the gentleman from Virginia [Mr. BLAND] when this resolution was introduced and considered in the Senate?

Mr. BLAND. Today. It was reported by the Post Office Committee and brought up by Senator McKELLAR, considered by the Senate, and passed unanimously.

Mr. LEHLBACH. May I ask the gentleman further if he knows whether the Secretary of Commerce, any of his assistants, the Chief of the Shipping Board Bureau, the Bureau of Navigation of the Department of Commerce have ever seen this resolution, and whether they have expressed any opinion concerning it?

Mr. BLAND. The Secretary of Commerce had not seen it when I called him up. The Secretary of Commerce expressed himself as in favor of it after I brought it to his attention and said he thought it should pass.

Mr. LEHLBACH. What is the purpose of extending the President's control over these contracts for 60 days? The President has had these contracts under consideration for over 2 years and has made no move with respect either to their cancellation or modification. Consequently there cannot be anything very much wrong about these contracts.

Mr. BLAND. I am not discussing that question. The power of the President to cancel these contracts will expire on March 31. This resolution was prepared in the Post Office Department by Mr. Crowley. The Department insists it should be passed if we are to retain the power in the President which the President has now.

Mr. LEHLBACH. A similar resolution extending the President's control over ocean-mail contracts has been passed two or three times.

Mr. BLAND. It was extended first to October 1935, and then from October 1935 to March 1936.

Mr. LEHLBACH. If it is desirable to retain in the President control over these contracts, why cannot the usual course be followed and retain this control in the President until the next Congress meets instead of for 60 days? Has the gentleman any idea what is intended to happen within 60 days?

Mr. BLAND. I presume the Post Office Department had in mind the possibility of legislation. Inasmuch as the power will exist in the President to cancel at any time that he may see fit, I am perfectly willing, so far as I am concerned, to extend it for a longer time. Of course, it would have to go back to the Senate if amended.

Mr. LEHLBACH. Will the gentleman accept an amendment extending the President's control over these contracts for 1 year?

Mr. BLAND. Yes.

Mr. LEHLBACH. May I offer such an amendment?

Mr. BLAND. Of course, the power is in the President to cancel these contracts at any time. He could cancel these contracts tomorrow, a week from tomorrow, or 10 days from tomorrow. I think that is the only way we will get it through by unanimous consent.

Mr. MAVERICK. Mr. Speaker, reserving the right to object, what is the real purpose of this action? I have listened to all this discussion and I do not see the real purpose. The gentleman from Maine [Mr. MORAN] is particularly interested in this matter, but he is not present.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MICHENER. Mr. Speaker, I object.

Mr. BLAND. I hope the gentleman will withhold his objection.

Mr. MICHENER. These important matters are brought in here at 20 minutes to 6 and then they talk about "these very important matters." We will be back Monday.

Mr. RICH. There are 3 days remaining before the end of the month and the gentleman may bring it up in that time.

Mr. BLAND. If it is to be amended, it will have to go back to the Senate for concurrence or conference. The

Post Office Department originally fixed this at March 17, and they suggested that I accept the amendment in order to get it through. Mr. Crowley has been one of those fighting the ocean-mail contracts matter. The Assistant Postmaster called me a few moments ago and told me he thought I had better accept the amendment and let it go to conference.

Mr. MICHENER. Mr. Speaker, I object.

EXTENSION OF REMARKS

Mr. GREGORY. Mr. Speaker, I ask unanimous consent that the Members who spoke on the bill H. R. 11663 and all other Members of the House may have 5 legislative days in which to revise and extend their remarks thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

FLOOD CONTROL IN THE CONNECTICUT RIVER VALLEY—PRESENT AND FORMER FLOODS IN THE CONNECTICUT RIVER VALLEY

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain excerpts from the report of the Natural Resources Board and also from the Chief of Engineers.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CITRON. Mr. Speaker, the past 2 weeks witnessed the most destructive floods known in the history of some sections of the Northeast, causing death and destruction in Ohio, Maryland, West Virginia, Pennsylvania, New York, and New England.

Rising flood waters of the Connecticut River and tributaries inundated farms, villages, and large sections of towns and cities. Everywhere through this great farming and industrial valley the raging waters of this river and its tributaries wrought havoc, ruin, death, and terror, destroyed and damaged churches, homes, personal property, railroads, lighting systems, commercial and manufacturing establishments, and almost brought to a complete stop the business life of this region.

Floods occur every year along the Connecticut River, as they do along most other rivers in our country. Some years find greater floods than other years, but because their intensity and extent are unpredictable and because real prevention measures have not been planned and undertaken, warnings to inhabitants to leave low sections and exposed places, and hasty and last-minute attempts to build bulwarks are of little avail.

The total and exact amount of damage in the area of the Connecticut River Valley caused by the present flood will never be known. Newspaper reports assert that this whole valley suffered between \$150,000,000 and \$200,000,000 damage and that the larger cities like Hartford and Springfield may have been caused as much as \$25,000,000 damage, while for smaller communities, like Middletown, the estimate is about \$1,000,000 to \$1,500,000.

There are no exact estimates of damage caused by floods in this region in previous years. The Weather Bureau of the United States Department of Agriculture reports that the record of flood losses in New England is far from complete. In the year 1900 it was estimated that the losses amounted to more than \$1,000,000. In the year 1927 there were various estimates of the losses, ranging from \$45,000,000 to somewhat more than \$50,000,000. These two years are the only ones since 1899 for which estimates may be called fairly complete. From 1927 until the present floods, there have been no floods of consequence, and the damage from the annual spring and fall floods have been estimated as about \$50,000 annually.

In an article in the Monthly Weather Review, December 1914, the writer mentions some of the floods of considerable magnitude in the Connecticut River. Great floods in New England occurred in April 1852, May 1854, April 1862, October 1869, April 1895, and March 1896, besides those of 1900 and 1927.

If during the past number of years a real plan of protection had been embarked upon, all the estimates are that

its cost would never have approached the losses caused by the flood of this past week or of that which occurred in 1927.

The people of New England will rise to this occasion as they have to many other such emergencies. When the waters recede, they will go back to their once lovely homes, their former factories and places of business and rebuild. They will assist one another to repair and rehabilitate. But this is not sufficient. We must build to prevent such damage and destruction in the future.

A CONNECTICUT VALLEY AUTHORITY BILL WITH AN APPROPRIATION OF \$50,000,000

More than 1 year ago, on January 29, 1935, I introduced a bill, H. R. 4979, for an appropriation of \$50,000,000 for the development of this river and its tributaries, improvement of navigation, flood control by reforestation and construction of dikes, levees, large dams, and reservoirs which could be used also to generate cheap electricity to share the cost of the undertaking. The bill also granted permission, which is necessary under the Constitution, to the New England States to establish, if they so desire, their own authority and to carry out their own plans and program by making agreements or compacts with each other.

This bill proposed, thorough surveys and studies, the formulation of a comprehensive plan for the whole region, and the immediate initiation and construction of projects, which fitted in and coordinated with a complete scheme of flood control for the whole river and many of its tributaries.

The old method was to build dikes in certain places where it was believed the waters would overflow, but various investigations, studies, and the experiences with the Tennessee, Mississippi, and other rivers proved this was insufficient against extraordinary floods. In addition to large dikes and levees, it is recognized that a series of large reservoirs and high dams are necessary on the tributaries and at the headwaters and other parts of the main stream. When high floods are raging down the river, dikes and levees may not be sufficiently strong to stand the strain, unless in addition the floods are controlled and more evenly regulated by great storage reservoirs and dams. It is also believed that reforestation, especially of the hills, consumes much rainfall and regulates the flow of rivers and streams.

In maintaining a lessened flow during flood seasons by collecting the surplus waters in these great reservoirs floods are regulated, and with a well-planned system of dikes and levees in other places along the river front overflowing of adjoining sections of land is avoided. By maintaining a better regulated flow of water during dry seasons and low-water periods navigation is improved and assistance given to avoidance of pollution. Thus the project has sanitary value, which, of course, is difficult of exact estimation.

It therefore follows that real prevention and control of floods are not to be obtained by the old methods of piecemeal undertakings by a village, town, or city, or even by one State. It is a problem for cooperation of all the States in the whole region, and as the same problem affects the many numerous large rivers of this country, it is a national problem, each region being entitled to assistance and cooperation from the Federal Government.

It is based on the experiences and lessons of many years with the troublesome floods of many of our rivers, and already such coordinated undertakings have been constructed or are planned upon the Mississippi, Colorado, Tennessee, and some other rivers. The War Department engineers have arrived at this conclusion in their plans and proposals for protection along many rivers. The National Resources Board have also arrived at the same conclusion, and in their report of November 1934 they state as follows:

To recommend for any basin an inclusive water plan without an exhaustive study of adequate data bearing on all phases of the many problems involved would be most illogical, would invite and deserve severe criticism, would involve economic waste, and might preclude the formulation of a well-balanced plan later. Unfortunately, fundamental data, the consideration of which is a prerequisite to effective planning of an inclusive character, still are lacking in greater or less degree on both the surface and underground waters of most drainage areas throughout the country.

Representative problems of various basins or groups of basins are noted briefly in the following pages.

1. THE NORTH ATLANTIC BASINS

Further utilization of waters in the densely populated North Atlantic seaboard is dependent in large measure on the coordinated development of storage for river regulation. The wide range of administrative and technical problems that are involved in multiple uses of water in this region is illustrated best by the Connecticut and Delaware Basins.

(a) The Connecticut Basin: The lower reaches of the Connecticut River are crowded with manufacturing plants which, together with the accompanying urban areas, have utilized most of the available water power, have made heavy drafts on the stream waters for industrial purposes, and have polluted these waters to such an extent that the river is used for recreation but little and the operation of certain industries is inconvenienced seriously. The congested urban areas are subject to occasional damaging floods. Cooperative efforts to abate objectionable practices in the disposal of obnoxious waste have been initiated recently, but there remains an abundant opportunity to increase the output of prime power, reduce low-water pollution, and minimize or eliminate floods by provisions of additional storage facilities on the tributaries and headwaters. The chief factor standing in the way of this needed development has been the lack of an appropriate agency to make surveys and studies which would recognize all interests, and of an appropriate authority to estimate the costs of feasible works and allocate them among the four States, the scores of municipalities, and the hundreds of business enterprises that would benefit from regulation.

Storms of the intensity of that which caused the great New England flood of 1927, and with an average frequency of about 100 years, are possible throughout almost all of this area. Physiographic conditions are conducive to the development of strong flood flows in most New England and New Jersey drainages, and on the Hudson River above Albany. On the Susquehanna River ice jams have caused very high waters. Damages experienced in the relatively narrow valleys have amounted to as much as \$10,000 per square mile of the drainage area of the river. On some New England streams, such as the Deerfield River, flood flows are absorbed in large measure by storage reservoirs for power or water supply. On other streams, such as the Connecticut River, municipalities have constructed levee systems for local protection. In general, however, flood protection has received little direct attention.

CRITICISMS—IGNORANT AND SELFISH

Nevertheless, in total disregard of past experiences and lessons, of the opinions of experts and authorities, and of the knowledge of damage caused by yearly floods, a few critics, as are usually found, immediately attacked my proposal. Those who criticize from lack of information can be easily disregarded. But there were another few, representing certain selfish interests, who insidiously attacked my suggestion by dragging across it the red herring of Federal interference. These people shoot their poisonous darts into all such progressive proposals. They raise objections to Federal assistance and are even powerful enough to prevent State cooperation, but the time has arrived when the people of New England will not permit obstruction by certain self-seeking, though powerful interests. Nor will they be fooled by the carping criticisms of these interests, motivated by selfishness and lack of patriotism for New England. The people now recognize these obstructionists who continually attempt to undermine all improvements intended to benefit human beings.

The catastrophe that has occurred within the past few weeks proves the error of these critics. The great damage and loss of life in this region from this month's flood is adequate testimony for the urgency of an immediate program of flood control as I proposed.

EFFORTS TO OBTAIN PROPER INFORMATION AND REPORTS AS A BASIS FOR CONSIDERING THE CONNECTICUT VALLEY AUTHORITY BILL

Immediately after the introduction of my bill I approached the Flood Committee and also the War Department concerning their studies of the Connecticut River. The following letters I received from them explain their assistance and cooperation in this subject:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 19, 1935.

HON. WILLIAM M. CITRON, M. C.,
The House of Representatives, Washington, D. C.

MY DEAR MR. CITRON: Reference is made to your desire to obtain a report on the need for flood control on the Connecticut River.

I was very glad to take this matter up with the War Department and in reply received the following statement:

"This Department has completed a field survey of the Connecticut River in the combined interests of navigation, flood control,

irrigation, and the development of hydroelectric power, under the provisions of House Document No. 308, Sixty-ninth Congress, first session. The report is now being prepared by the district engineer at Providence, R. I., and is expected in this office in the near future for review by the Board of Engineers for Rivers and Harbors as required by law prior to its submission to Congress with the recommendations of the Chief of Engineers.

"I have referred your letter to the division engineer, North Atlantic division, for the preparation of a map and a summary of the data on flood control developed in this report which I shall be pleased to forward to you as soon as it is received."

You may be sure it has been a pleasure to have been of some service to you in the matter and I shall keep in close touch with the situation and advise you of any developments.

Yours very truly,

BYRON B. CANN,
Clerk, Committee on Flood Control.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 22, 1935.

HON. RILEY J. WILSON,
Chairman, Committee on Flood Control,
House of Representatives, Washington, D. C.

MY DEAR MR. WILSON: In your letter of February 14, 1935, you stated that Hon. WILLIAM M. CITRON, House of Representatives, was interested in obtaining data on the Connecticut River and its tributaries for the purpose of clearly presenting to the Committee on Flood Control the need and merit of such works as is mentioned in the bill, H. R. 4979.

A field survey of the Connecticut River, undertaken under the provisions of House Document No. 308, Sixty-ninth Congress, first session, has been completed, but the report of the division engineer has not yet been received in this office for review by the Board of Engineers for Rivers and Harbors prior to its transmission to Congress, and the conclusions of this Department have therefore not as yet been formulated.

However, I take pleasure in enclosing herewith a résumé of the information contained in this report which I have had prepared by the district engineer at Providence, R. I.

Very truly yours,

G. B. PILLSBURY,
Brigadier General,
Acting Chief of Engineers.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, March 25, 1935.

HON. WILLIAM M. CITRON,
House of Representatives, Washington, D. C.

MY DEAR MR. CITRON: Complying with your recent verbal request, I take pleasure in enclosing herewith résumé of the report of the district engineer, Providence, R. I., on the survey of the Connecticut River, undertaken under the provisions of House Document No. 308, Sixty-ninth Congress, first session, in the combined interests of navigation, flood control, and the development of hydroelectric power.

The report of the district engineer is expected in this office shortly for review by the Board of Engineers for Rivers and Harbors as required by law prior to its transmission to Congress with the recommendations of the Chief of Engineers. I regret that under a long-established policy of this Department, I am unable to give you a copy of the report of the district engineer until after its transmission to Congress, as such reports are considered confidential until so transmitted.

Very truly yours,

G. B. PILLSBURY,
Brigadier General,
Acting Chief of Engineers.

MILLION DOLLAR AMENDMENT TO FLOOD-CONTROL BILL FOR CONNECTICUT RIVER IS INADEQUATE

Pending this flood-control and the water-power report to Congress by the Chief Engineer, which was based on studies and surveys made by the district engineer, the House passed a flood-control bill which is now pending in the Senate. To that bill I proposed the following amendment on August 22, 1935, which was adopted:

Amendment offered by Mr. CITRON: Page 53, after line 16, add the following paragraph:

"Connecticut River Basin flood control and protection on the Connecticut River by means of bank-protection works, channel enlargement, flood walls and dikes; survey and data in the office of the Chief of Engineers; cost, \$1,000,000."

This sum is insufficient for real protection when we realize that every town along the Connecticut River suffered during the present flood; but it is interesting to note that there were many skeptics when this amendment was passed. These skeptics questioned the need of any money for flood control upon the Connecticut River.

HOUSE JOINT RESOLUTION 377—FOR STATE COMPACTS

On August 13, 1935, I introduced this resolution granting permission to the States to enter into compacts for planning

and undertaking flood control. Some of the States have State planning commissions, and with some interest being shown at the time in State compacts, I introduced this bill to facilitate action by the States and to focus further attention upon flood prevention.

INTERSTATE ASSISTANCE WITH FEDERAL COOPERATION IS NECESSARY

All States involved must cooperate and assist in carrying out any formulated plan. Thorough remedial measures cannot be carried out by one State alone.

The Connecticut River is a navigable stream and the Constitution gives the Federal Government jurisdiction over it. When the State of Massachusetts several years ago threatened to divert waters from this river, Connecticut sought the assistance of the Federal Government and courts to prevent any menace to its navigability. This whole subject interests the Federal Government because any measures undertaken vitally affect navigation. Congress can grant the States permission to do certain things, but it cannot grant away the powers conferred upon it under the Constitution. Therefore whatever is done must have the permission of the Federal Government, who must reserve to itself its constitutional powers and certain control.

WAR DEPARTMENT PLANS

The States have the assistance of the Federal Government, which through the War Department engineers, has made intensive studies and surveys, formulated a partial plan, and can do a great deal of the construction work, when authorized by Congress. The engineers have already formulated a general plan for flood control and power development. Should the States undertake it alone or avail themselves of the assistance of the Federal Government? Whatever they plan and do must be authorized by the Federal Government. If it is their desire to share in the undertaking, they should not refuse material and financial assistance from the Federal Government. This general plan is based on surveys and studies authorized by congressional act in 1927. The War Department engineers do not favor proceeding with the general plan now, but favor immediate undertaking of a part, which they call the "initial program", and then only if local authorities for the States share the expense. Their main argument is that the benefits to navigation for which they are responsible is not represented in the total outlay and that there is no immediate market for power. This reasoning is not very cogent and is not based on fact.

I favor the undertaking of the complete plan, the Federal Government to take care of most of the cost. I recognize the necessity of the interested States collaborating immediately so as to decide which part of the program they will participate in. In the knowledge and experience gained from the present flood it may be necessary for the War Department

Engineers to make some alteration in their plans and conclusions and this is another reason for the need of immediate cooperation by the States.

If Congress decides at the present time to incorporate only the so-called "initial plan", I believe the million dollars already in the bill should remain to pay for the cost of levees and dikes in Connecticut and Massachusetts, and that the whole cost should be paid by the Federal Government. The "initial plan" will hardly assist the lower parts of the valley; it is a practical guaranty and assurance against floods to Vermont and to that region.

Ever since my coming to Congress I have continuously addressed myself to and corresponded with various Government officials and with public-spirited nongovernmental organizations urging this undertaking. I believe the people of New England, in and out of this valley, want immediate consideration by both the State and Federal authorities for this river and some of the other New England rivers.

I have taken the following from the United States Army Engineers' report, known as House Document 412, Seventy-fourth Congress, second session:

5. Power development: The Connecticut Basin has extensive water-power resources of which the most economical and easily developed have been improved. New or redeveloped projects must depend in general upon additional storage for their justification. A comprehensive plan for the ultimate development of power in the basin is presented. This plan includes 19 storage reservoirs with effective storage capacity of 770,300 acre-feet, constructed for the benefit of downstream power plants; and 22 power developments with a proposed installed capacity of 373,600 kilowatts, having an estimated average annual output of 1,276,000,000 kilowatt-hours. The district engineer states that the comprehensive plan as presented indicates the future hydroelectric potentialities of the Connecticut Basin, but that further developments must be on a step-by-step basis as additional power is required.

6. Flood control: Floods are comparatively frequent in the Connecticut Basin and cause serious damages, particularly the great but less-frequent fall floods that have their source on the upper and western tributaries. The most serious flood for which comprehensive data are available occurred in November 1927. This flood caused damages estimated at \$15,500,000, the greater part being to railroad and highway facilities. No general flood-control measures have been taken, the only existing works consisting of dikes and bank protection on the lower main river. A fair degree of protection is afforded on certain tributaries by power and water supply storage reservoirs.

7. The only practicable method of obtaining flood protection is found to be by storage reservoirs, although along the lower river additional dikes and bank revetments may be desirable. A comprehensive plan includes 33 reservoirs with a total effective storage capacity of 931,000 acre-feet and estimated to cost \$41,082,000 with annual charges at \$2,875,000, operated in the combined interest of flood control and power development. The district engineer estimates that flood damages would be reduced on an average of \$294,000 annually and that the storage would have an economic value to existing and potential power developments of \$2,320,000. He finds that no present or prospective market exists for the large increase in power. An initial flood-control project is presented by the district engineer to provide 10 reservoirs as follows:

Tributary basin	Reservoir	Dam			Drainage area controlled (square miles)	Gross capacity (acre-feet) †	Estimated first cost (not including land and damages)	Estimated cost of land and damages
		Type	Maximum height	Length (feet)				
Passumpsic	Lyndonville	Earth	90	984	70	10,800	\$1,066,000	\$151,000
Do.	Lyndon Center	do.	80	1,570	54	31,700	1,305,000	217,000
Do.	Victory	do.	56	560	66	61,000	314,000	207,000
Ammonoosuc	Bethlehem Junction	do.	150	1,112	90	24,200	1,538,000	450,000
Do.	Gale River	Concrete and earth	86	488	86	10,400	351,000	147,000
Ompompanoosuc	Union Village	Concrete	120	850	126	22,000	851,000	133,000
White	Gayville	do.	175	550	226	95,300	1,672,000	1,088,000
Do.	Ayers Brook	Earth	80	2,530	30	23,400	745,000	228,000
Do.	South Tun bridge	do.	85	820	102	25,700	521,000	445,000
Ottawaquechee	Bridgewater Corners	do.	125	1,210	101	48,000	1,459,000	455,000
Total					951	352,500	9,852,000	3,521,000
Total estimated first cost (not including land and damages)								9,852,000
Total								13,373,000

†Includes 268,300 acre-feet below spillway crest for power, and 84,200 acre-feet surcharge storage for flood control only.

The estimated annual charges are \$670,000 if financed at low-interest rates. The district engineer estimates that the plan would reduce average annual flood damages by \$174,500, and that the value to existing power plants would be approximately \$335,000 annually; that the plan, by increasing stream flow, would improve sanitary conditions, and that it would reduce the annual charges for local flood-protection works in Massachusetts, \$35,000. He considers the initial plan to be economically justified if

financed at existing low-interest rates, and the creation of an interstate agency for its execution to be desirable.

8. The division engineer concurs in the views and recommendations of the district engineer as to the navigation improvements. He considers that the plans presented for flood control and power development afford an ultimate rational development; that the first cost and annual charges of the initial flood-control plan proposed by the district engineer apparently prevent its

justification unless and until power developments can be combined with flood control, with power carrying about half the cost of the plan; and that under existing conditions realization of the initial flood-control plan will probably be delayed pending development of a demand for the added power made possible by the plan. He considers that joint action by the several States to create an agency with authority to adopt, finance, and execute a project for effective flood protection appears to be logical and desirable. He is of the opinion that there is insufficient Federal interest in such a project to justify participation therein by the United States.

9. The reports have been referred as required by law to the Board of Engineers for Rivers and Harbors and attention is invited to its report herewith. The Board finds that the project now authorized by Congress for improvement of the river below Hartford will adequately meet the present needs of navigation in that section of the river. It states that modification of the existing project for navigation between Hartford and Holyoke to provide for the construction of the dam and lock at Enfield Rapids by the United States instead of by local interests does not appear warranted at present, and that in its opinion no change should be made in the project as now authorized. It finds no justification for the extension of navigation above Holyoke.

10. The Board has carefully analyzed the plans proposed for the initial construction of 10 reservoirs on selected tributaries for the control of the sources of summer and fall floods. It finds that these reservoirs may be operated to reconcile the interests of flood control and power, with no material sacrifice of effectiveness, reserving sufficient storage so that the peak of a great fall flood would be so reduced as to be no longer destructive. The annual average benefits in reducing flood losses are estimated at \$180,000, the value of water at existing power plants would probably not exceed \$300,000, and the prospective value of the increased flow at four potential new power sites on the main stem of the river is estimated at \$158,000, a total of \$638,000. The estimated annual cost of the improvement, with interest at 4 percent, and amortization in 50 years, is estimated at \$697,000. The Board points out that the economic justification of the project is not established by these figures. The project has, however, intangible indirect values in improving sanitary conditions, in reducing delays and inconvenience to navigation, and in generally increasing public convenience by the reduction in flood heights and increasing low-water flow, all of which render the project worthy of favorable consideration. The Board is of the opinion that the general benefits warrant a Federal expenditure of 50 percent of the first cost of the structures in this initial flood-control plan. It is of the opinion, however, that the creation of an interstate authority to construct the works and assess the benefits does not appear likely of realization, but that the formation within the States of conservancy districts with power to negotiate agreements for payment of stored water, and to raise funds by assessment of local benefits, would be much more readily accomplished.

It points out that the construction of the proposed reservoirs could be effected by the creation of two such districts in the State of Vermont, one embracing the White and adjacent basins, the other the Passumpsic Basin; and one district in New Hampshire embracing the Ammonoosuc Basin; or by a wider bi-State authority embracing the entire watershed within the States of Vermont and New Hampshire. The Board does not find that contracts with existing power interests for the use of stored water and for increasing low-water flow can be expected to meet a large part of the cost of the lands and structures under present conditions, but that a considerable expenditure by the districts would be required even with the Federal contribution outlined. If local interests are prepared to incur these expenditures, the Board considers that the Federal expenditure is warranted. It recommends a Federal project for the construction of storage reservoirs in the tributaries of the Connecticut River substantially in accordance with the initial flood-control plan presented by the district engineer, provided that local interests, through organized conservancy districts, agree to provide all rights-of-way, assume all damages, pay one-half the cost of construction, and agree to take over and operate the works after their completion, in accordance with regulations approved by the Secretary of War.

11. After due consideration of these reports, I concur in the views of the Board. The improvement authorized by Congress for the Connecticut River below Hartford will provide adequately for present needs of navigation. The approved project above Hartford is contingent upon the construction by local interests of a dam at Enfield Rapids. No justification is seen for modification of the project to provide for construction of this lock and dam by the United States. Floods in the Connecticut Basin do much damage. An initial flood-control plan to provide 10 reservoirs on selected tributaries would afford effective relief from the disastrous summer and fall floods. The direct benefits of the plan in reducing flood heights, together with the intangible indirect benefits to sanitation and in reducing delays and inconveniences to navigation warrant, in my opinion, the execution of the project by the Federal Government provided that local interests, through organized conservancy districts meet the conditions of local cooperation proposed by the Board.

I therefore report that a Federal project for the construction of storage reservoirs on headwater tributaries of the Connecticut River, substantially in accordance with the initial flood-control plan presented by the district engineer, is advisable in the interest of flood control, power development, and navigation, at a total estimated cost of \$13,373,000, provided that local interests, through organized conservancy districts with adequate powers and re-

sources, agree to provide all rights-of-way without cost to the United States, assume all damages, pay one-half the cost of construction, and take over and operate the works after completion in accordance with regulations approved by the Secretary of War. Since any reservoir or group of reservoirs included in the complete plan will afford generally proportionate benefits, the construction of any one of these reservoirs or group of reservoirs shall be undertaken when the conditions of local cooperation have been fulfilled with respect to such reservoir or group of reservoirs. The total estimated Federal expenditure required under the complete plan of improvement is \$4,926,000.

E. M. MARKHAM,
Major General, Chief of Engineers.

WORLD WAR DEBTS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHANLEY. Mr. Speaker and my colleagues, for those of us who have carried on the fight for a reasonable and sensible solution of the World War debts, two events have occurred this week that are deeply significant and should not be passed by without notice in this body.

A Paris dispatch stated that former Premier Edouard Herriot was basing his campaign on the necessity of paying the World War debts, while across the water 2 days later a London dispatch asserted that David Lloyd George, wartime Prime Minister, was charging in characteristic fashion that the failure to pay the war debts to the United States was just as heinous as the remilitarization of the Rhineland.

I am certainly glad to see this revival of interest in our sister Republic, France, the more so since that distinguished Government was most emphatic in its insistence that the money advanced to it during the World War was a loan and not a gift. As a matter of fact, our war ambassador had a conference with the French Premier in those war days and wired the Secretary of State on April 11, 1917, the following:

The Premier personally expressed the hope to me that no resolution would be introduced or debated in Congress tending to make a gift to the Government of France from the United States however much the sentiment of good will prompting it might be appreciated by the French people. In view of France's action in the Franklin agreements in the years 1782 and 1783 in the time of our own distress, I hope I may be permitted to suggest that it would appear to be a generous and gracious thing should such an arrangement prove feasible in making the French loan at this time to stipulate that no interest shall be charged or be payable on such a loan during the war and thereafter for a limited number of years.

An article in the *Le Matin* of June 28, 1926, has copies of cables between Ambassador Jusserand and the French Premier in the following translations:

APRIL 12, 1917.

DIPLOMATIE PARIS:

I have just had an interview with the Secretary of the Treasury regarding our financial needs. The amount of \$133,000,000 a month drew no observation from him; the amount of \$218,000,000, which would be reached by adding our expenses outside the United States, appeared high to him, but it is not impossible that we shall get it.

As one of our Allies has made some remarks on the necessity of equal treatment for all, under the pretext that the contrary would be humiliating, special favors for France are no longer spoken of, although it is possible that more will be heard of this later.

The rate of interest will be the same that the Government of the United States will be able to obtain, probably 3½ percent, with a guaranty that if subsequent loans are made at a higher rate the same interest will be paid to the holders of the first loan.

This interest, by the terms of the law, shall be paid by all the Allied countries concerned. As to the term for repayment, I mentioned (supposing this to be desirable) that of 15 years. Mr. McAnoo said that he had no objection to that.

JUSSERAND.

APRIL 17, 1917.

I shall do my best in the matter of repayment in 25 years, but I cannot refrain from pointing out how much easier things would have been made for me if, instead of speaking, as was done, in the imprecise terms, in your telegram no. 536, of a term "as long as possible", the department had told me 25 years, since it had a settled idea on this subject.

I believed that I had good reason to suppose that 15 years would be considered satisfactory.

I cannot too urgently recommend the utmost possible precision in all these practical and urgent affairs with which I am now occupied.

(Signed) JUSSERAND.

The World War Debt Commission, which was created by the act of February 9, 1922, "to review and convert obligations held by United States of America, and for other purposes", took as its fundamental premise "the capacity of the debtor nations to pay." It considered that each nation under obligation to us should be considered by itself and it, as a commission, should take into consideration three fundamental studies—foreign trade, the total wealth, and the total income. Those three principal factors should be indicative of the capacities to pay all the instrumentalities of each government; the total foreign trade which has a bearing on the capacity to effect payments abroad, the total wealth speaking for itself, and the total national income for the ultimate source of a country's capacity to pay. It was obviously interested in the stabilization of currency and any method that would tend to aid the respective ships of state to keep an even keel. It was, of course, anxious to have a prosperous Europe as a prosperous customer, and if it erred at all it erred on the side of charity. Systematic studies were made of various countries and their capacities to pay. If it made any further mistakes these were the failures to more thoroughly scrutinize the efforts of the great banking houses in this country in their paralleled attempts to float private loans. That Commission justified a settlement on the basis of 26 percent with Italy as against a 50-percent settlement with France and 84 percent with England.

The differences in settlement are understandable when one reviews the hearings and understands the psychology of the American Debt Commission. It honestly believed that these percentages would be most helpful not only in assisting the United States in securing a real share of the war debts but would be most helpful in the rehabilitation of the countries themselves.

It is significant also that the charges of Lloyd George bear out our previous contentions about the solemnity and sanctity of these debt agreements as treaty obligations and that if the compacts of nations are to be worth anything in the future there must be an understandable agreement that it is an essential purpose of the debtor nations that no nation can liberate itself from engagements of a treaty except with the other contracting parties' consent.

The statements of the wartime premier is a direct attack on the age-old doctrine of *rebus sic stantibus*. Under the guise of that vicious principle, there has been throughout the ages an implied and understood condition of all treaties that when material circumstances on which treaties have rested have altered so as to render performance impracticable and unduly onerous the party thus disadvantaged may repudiate the treaty. The capricious irresponsibility of this doctrine is seen in the admission that every sovereign state has the exclusive right to determine for itself when the stipulation of a treaty becomes impracticable of performance; thus each nation has a privilege of unlimited discretion in this respect; and when a nation, therefore, determines that it is to its advantage to shelve a treaty, there can be no appeal except to the arbitrament of war. This doctrine *conventio omnis intelligentur rebus sic stantibus*, as it is known in the Latin phrase, is an invitation not only to wanton, flagrant disregard of the sanctities of international covenants but it points out also to all nations the necessity for ample unnecessary military power and armaments to withstand or overawe objections in the case of repudiations. It fosters war.

The history of nations in the exploitation of this doctrine is not confined to continental powers but has been unfortunately used by this country. As a matter of fact many treaties of the United States have not only been violated by this method but by congressional action, for it is now settled constitutional doctrine that a prior treaty may be repealed by a later statute, and we have a number of instances in our own history which reflect no credit on our own attitude in this respect.

Lloyd George recognized the abuse of the doctrine and criticized the British House of Commons on its implied use of this theory in shelving the debts. The press dispatches also pointed out that the brilliant Welchman made a dra-

matic gesture in pointing directly at Prime Minister Baldwin, who had been instrumental in obtaining the British debt settlement in America. It is significant also that a spirited rejoinder to the attack came from Austin Chamberlain, former foreign secretary, whose remarks were greeted with pro-cabinet cheers and opposition jeers when he said:

His Majesty's Government never repudiated its obligations to the United States. No country, no person can be bound to fulfill the impossible.

Germany was not physically strong enough to maintain the demilitarization of the Rhineland zone, as we were physically unable to make payment to America.

Thus it is seen that the ever-present debt discussions are again the cause of parliamentary campaign tactics, but the excuse this time for repudiation is another vicious abuse of treaty obligations.

Once again we repeat the very charitable and understanding remarks of the President of the United States in his speech of June 1, 1934, on the World War debt, wherein he said—

these debts are actual loans made under distinct understanding and with the intention that they would be repaid. Debt settlements made in each case take into consideration the capacity to pay of the individual debtor nations. The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government, in the absence of payment from foreign governments, is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty bonds and the later refunding bonds. It is for these reasons that the American people have felt that their debtors were called upon to make a determined effort to discharge these obligations. The American people would not be disposed to place an impossible burden upon their debtors, but are nevertheless in a just position to ask that substantial sacrifices be made to meet these debts. We shall continue to expect the debtors on their part to show full understanding of the American attitude on this debt question.

The people of the debtor nations will also bear in mind the fact that the American people are certain to be swayed by the use which debtor countries make of their available resources, whether such resources would be applied for the purposes of recovery as well as for reasonable payment on the debt owed to the citizens of the United States or for purposes of unproductive nationalistic expenditure or like purposes. I can only repeat that I have made it clear to the debtor nations again and again that "the indebtedness to our Government has no relation whatsoever to reparations payments made or owed to them, and that each individual nation has full and free opportunity individually to discuss its problems with the United States. We are using every means to persuade each debtor nation as to the sacredness of the obligation and also to assure them of our willingness, if they should so request, to discuss frankly and fully the special circumstances relating to means and method of payment. Recognizing that the final power lies with the Congress, I shall keep the Congress informed from time to time and make such new recommendations as may later seem advisable."

The President has been most fair in his treatment, and it is to be hoped that the prodding of foreign nations by men whose efforts in the past have been so far fruitless will be the cause of a sensible and reasonable debt clearance.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DRISCOLL, for Monday and Tuesday next, on account of important and urgent business.

To Mr. GRAY of Pennsylvania, for 1 week, on account of important official business.

To Mrs. JENCKES of Indiana, for 2 weeks, on account of important business.

To Mr. Sisson (at the request of Mr. O'CONNOR), for several days, on account of illness.

To Mr. ZIMMERMAN, for 1 week, on account of important business.

CANCELATION OF MAIL CONTRACTS

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. Mr. Speaker, unanimous consent for the present consideration of the Senate joint resolution having been refused, is the resolution now referred to the Committee on Merchant Marine and Fisheries?

The SPEAKER. It is within the discretion of the Chair to refer it.

Mr. LEHLBACH. I believe I asked is it now referred?

The SPEAKER. No; it has not been referred.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 543. Joint resolution making an additional appropriation for the fiscal year 1936 for emergency relief of residents of the District of Columbia.

ADJOURNMENT

Mr. O'CONNOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 39 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, March 30, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

739. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to provide for the admission of certain documents in evidence in the courts of the United States; to the Committee on the Judiciary.

740. A letter from the Secretary of the Interior, transmitting a draft of a bill to allow credit for all outstanding disallowances and suspensions in the accounts of disbursing officers or agents of the Government for payments made for adjustments and increases in compensation of Government officers and employees pursuant to the provisions of Executive Order No. 6746 of June 21, 1934, and Executive orders which that order superseded; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SUMNERS of Texas: Committee on the Judiciary. Senate Joint Resolution 234. Joint resolution authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel, in connection with certain legal proceedings, and for other purposes; without amendment (Rept. No. 2255). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 2288. An act to provide for the measurement of vessels using the Panama Canal, and for other purposes; without amendment (Rept. No. 2256). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Committee on the Judiciary. S. 2524. An act amending section 112 of the United States Code, annotated (title 28; subtitle "Civil Suits; where to be brought"); with amendment (Rept. No. 2257). Referred to the House Calendar.

Mr. CORNING: Committee on Interstate and Foreign Commerce. H. R. 10631. A bill to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Alexandria Bay, N. Y.; with amendment (Rept. No. 2258). Referred to the House Calendar.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H. R. 11685. A bill to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; with amendment (Rept. No. 2259). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. H. R. 3450. A bill authorizing an appropriation for the erection of a memorial to the officers and men of the United States Navy who lost their lives as the result of a boiler explosion that totally destroyed the U. S. S. *Tulip* near St. Inigoes Bay, Md., on November 11, 1864, and for other purposes; without amendment (Rept. No. 2260). Referred to the Committee of the Whole House on the State of the Union.

Mr. KELLER: Committee on the Library. H. R. 8998. A bill to authorize the erection of a monument in memory of

Capt. Moses Rogers; without amendment (Rept. No. 2261). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 9040. A bill to provide for the erection of a memorial in the national cemetery of Philadelphia, Pa., in honor of the 40 unknown soldiers of America's wars who lie buried there; with amendment (Rept. No. 2262). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 10716. A bill securing memorial for John Jay, first Chief Justice of the Supreme Court of the United States; without amendment (Rept. No. 2263). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 467. Joint resolution authorizing the erection of a memorial to the late Haym Salomon; without amendment (Rept. No. 2264). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 470. Joint resolution to authorize the selection of a site and the erection thereon of a suitable monument as a memorial to Betsy Ross; without amendment (Rept. No. 2265). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 481. Joint resolution to make available to Congress the services and data of the Interstate Reference Bureau; without amendment (Rept. No. 2266). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 151. Joint resolution making provision for a national celebration of the bicentenary of the birth of Charles Carroll of Carrollton, wealthiest signer of the Declaration of Independence; with amendment (Rept. No. 2267). Referred to the Committee of the Whole House on the state of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 9484. A bill to amend section 36 of the Emergency Farm Mortgage Act of 1933, as amended; with amendment (Rept. No. 2268). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. House Joint Resolution 526. Joint resolution to authorize the Librarian of Congress to accept the property devised and bequeathed to the United States of America by the last will and testament of Joseph Pennell, deceased; without amendment (Rept. No. 2269). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 11849. A bill to amend an act entitled "An act to create a Library of Congress Trust Fund Board, and for other purposes", approved March 3, 1925; without amendment (Rept. No. 2270). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 11617. A bill to authorize a preliminary examination of the Coosa River, Ga., and its tributaries, with a view to the control of their floods; without amendment (Rept. No. 2271). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 11793. A bill to authorize a preliminary examination of various creeks in the State of California with a view to the control of their floods; without amendment (Rept. No. 2272). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Pennsylvania: Committee on Flood Control. H. R. 11806. A bill to authorize a preliminary examination of Passaic River, N. J., with a view to the control of its floods; without amendment (Rept. No. 2273). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 12037. A bill relating to compacts and agreements among States in which tobacco is produced providing for the control of

production of, or commerce in, tobacco in such States, and for other purposes; with amendment (Rept. No. 2274). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 11968. A bill relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; with amendment (Rept. No. 2275). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 12014. A bill relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes; with amendment (Rept. No. 2276). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOCHT: A bill (H. R. 12054) relating to the authority of existing Federal agencies to establish a Flood Rehabilitation Administration for the repair of damages caused by floods or other catastrophes; to the Committee on Flood Control.

By Mr. GRISWOLD: A bill (H. R. 12055) to terminate certain taxes on palm-kernel oil; to the Committee on Ways and Means.

By Mr. McLAUGHLIN: A bill (H. R. 12056) authorizing the State of Iowa, acting through its State highway commission, and the State of Nebraska, acting through its department of roads and irrigation, to construct, maintain, and operate a free or toll bridge across the Missouri River at or near Dodge Street in the city of Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. WHELCHER: A bill (H. R. 12057) for the restriction of immigration; to prevent the purchase and possession of firearms by aliens; and to provide for the deportation of criminal and certain other aliens; to the Committee on Immigration and Naturalization.

By Mr. DEMPSEY: A bill (H. R. 12058) to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama; to the Committee on Irrigation and Reclamation.

By Mr. HUDDLESTON: A bill (H. R. 12059) to provide for the general welfare by establishing a system of Federal old-age pensions, and for other purposes; to the Committee on Ways and Means.

By Mr. CHANDLER: A bill (H. R. 12060) to amend section 80 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, as amended; to the Committee on the Judiciary.

By Mr. KOCIALKOWSKI: A bill (H. R. 12061) to authorize the President to designate an acting High Commissioner to the Philippine Islands; to the Committee on Insular Affairs.

By Mrs. GREENWAY: A bill (H. R. 12062) to authorize the Secretary of the Interior to accept unsurveyed lands in numbered school sections in the State of Arizona in exchange for certain other lands, and for other purposes; to the Committee on the Public Lands.

Also, a bill (H. R. 12063) to amend section 28 of the Enabling Act for the State of Arizona, approved June 20, 1910; to the Committee on the Public Lands.

By Mr. SABATH: A bill (H. R. 12064) to amend the Bankruptcy Act of July 1, 1898, to prevent loss of assets and excessive charges in connection with certain reorganizations, compositions, and extensions, and to aid the district courts in the administration thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. DIES: Resolution (H. Res. 468) providing for the appointment of a special committee to make a study of all existing statutes, Executive orders, rules, and regulations which relate to immigration, deportation, naturalization, and expatriation, and for other purposes; to the Committee on Rules.

By Mr. BLAND: Resolution (H. Res. 469) for the consideration of Senate Joint Resolution 238; to the Committee on Rules.

By Mr. MONAGHAN: Joint resolution (H. J. Res. 549) to make JOHN STEVEN McGROARTY honorary poet laureate of the United States of America; to the Committee on the Library.

By Mr. GASQUE: Joint resolution (H. J. Res. 550) to refund taxes collected under the Bankhead Act and Kerr-Smith Act, and to redeem certain exemption certificates issued thereunder; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SAMUEL B. HILL: A bill (H. R. 12065) for the relief of the Lake Chelan reclamation district; to the Committee on Claims.

Also, a bill (H. R. 12066) to cancel the warrant of arrest and the order of deportation against Eugenio Pupo and to declare lawful his admission to the United States; to the Committee on Immigration and Naturalization.

By Mr. HULL: A bill (H. R. 12067) for the relief of Clifford Y. Long; to the Committee on Claims.

By Mrs. KAHN: A bill (H. R. 12068) for the relief of Miriam Grant; to the Committee on Claims.

By Mr. KINZER: A bill (H. R. 12069) granting an increase of pension to Hettie A. Miller; to the Committee on Invalid Pensions.

By Mrs. ROGERS of Massachusetts: A bill (H. R. 12070) for the relief of Charles Dancause and Virginia P. Rogers; to the Committee on Claims.

By Mr. THOM: A bill (H. R. 12071) for the relief of Paul Custer Wiand; to the Committee on Naval Affairs.

By Mr. THOMAS: A bill (H. R. 12072) granting an increase of pension to Mary Gardner; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10610. By Mr. BIERMANN: Memorial of the Townsend Club, No. 1, of Cresco, Iowa, favoring House bill 7154; to the Committee on Ways and Means.

10611. By Mr. COCHRAN: Petition filed by George Mesingham containing signatures of 400 other citizens of St. Louis, Mo., favoring the passage of House bill 8540, the national lottery bill introduced by Mr. KENNEY, of New Jersey; to the Committee on Ways and Means.

10612. By Mr. HIGGINS of Massachusetts: Petition of the General Court of Massachusetts, requiring that preference in employment on relief projects be given to citizens of the United States; to the Committee on Appropriations.

10613. By Mr. HILDEBRANDT: Resolution of the Huron Chamber of Commerce, protesting against the passage of Senate bills 3958 and 3959; to the Committee on Rivers and Harbors.

10614. By Mr. KRAMER: Resolution of the Board of Supervisors of the county of Los Angeles, State of California, relative to Federal relief funds for the State of California, etc.; to the Committee on Appropriations.

10615. Also, resolution of the Veterans of Foreign Wars of the United States, Lieutenant Kenneth Bell Post, No. 1053, relative to the passage of House bill 11171, providing for an additional 200 beds at the San Fernando Veterans' Hospital, etc.; to the Committee on World War Veterans' Legislation.

10616. By Mr. LAMNECK: Petition of Mrs. B. F. Baughman, president, and Mrs. Karl R. Ausenheimer, secretary, Hesperian Club, Columbus, Ohio, urging hearings on the

motion-picture bills; to the Committee on Interstate and Foreign Commerce.

10617. By Mr. MILLARD: Petition signed by residents in Westchester County, N. Y., urging enactment of House bill 10189; to the Committee on Education.

10618. By Mr. TINKHAM: Resolutions passed by the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Appropriations.

SENATE

MONDAY, MARCH 30, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, March 27, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 11663) to require reports of receipts and disbursements of certain contributions, to require the registration of persons engaged in attempting to influence legislation, to prescribe punishments for violation of this act, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Couzens	Logan	Russell
Bachman	Davis	Loneragan	Schwollenbach
Barkley	Donahay	Long	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Stelwer
Borah	George	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkeley	Glass	Minton	Truman
Bulow	Guffey	Moore	Tydings
Burke	Hale	Murphy	Vandenberg
Byrd	Harrison	Murray	Van Nuys
Byrnes	Hatch	Norris	Walsh
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	White
Carey	Johnson	Pittman	
Chavez	Keyes	Pope	
Clark	King	Radcliffe	

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. TRAMMELL], the Senator from Colorado [Mr. COSTIGAN], the Senator from Rhode Island [Mr. GERRY], and the Senator from California [Mr. McADOO] are absent because of illness; and I further announce that the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Nevada [Mr. McCARRAN], the Senator from Illinois [Mr. DIETERICH], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from Minnesota [Mr. BENSON], the Senator from West Virginia [Mr. NEELY], the junior Senator from Oklahoma [Mr. GORE], the Senator from North Carolina [Mr. BAILEY], and the Senator from New York [Mr. WAGNER] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] and the Senator from New Jersey [Mr. BARBOUR] are necessarily absent.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

UNNECESSARY RENEWALS OF OATHS BY CIVILIAN EMPLOYEES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to dispense with unnecessary renewals of oaths of office by civilian employees of the executive departments and independent establishments, which, with the accompanying paper, was referred to the Committee on the Judiciary.

REPORT ON THE TENNESSEE RIVER SYSTEM

The VICE PRESIDENT laid before the Senate a letter from the board of directors of the Tennessee Valley Authority, submitting, pursuant to law, a report on the Unified Development of the Tennessee River System, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

PRICE BASES INQUIRY—RANGE-BOILER INDUSTRY

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, a report entitled "Price Bases Inquiry—the Zone-Price Formula in the Range-Boiler Industry", being the second of the Commission's reports of an inquiry into the general subject of price bases, which, with the accompanying report, was referred to the Committee on Interstate Commerce.

ANNUAL REPORT OF BOY SCOUTS OF AMERICA

The VICE PRESIDENT laid before the Senate a letter from the chief scout executive of the Boy Scouts of America, transmitting, pursuant to law, the 26th annual report of the Boy Scouts of America, which, with the accompanying report, was referred to the Committee on Education and Labor.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the legislature of the State of Alabama, which was referred to the Committee on Public Lands and Surveys:

Senate concurrent resolution memorializing the President and Congress of the United States to establish a national park on the site of Coosa, that ancient Indian city visited by De Soto's army in the year 1540, commemorating the oldest historical site in America

Whereas it is fully authenticated that De Soto's army, consisting of 600 soldiers and 2,000 burden bearers, encamped and was entertained at Coosa for 2 months in the year 1540—a longer stop, by far, than any other on his march of over 4,000 miles in continental America; and

Whereas the stock of food in that Indian city was sufficient, not only for sustenance of 2,600 visitors for 2 months, but to provide burdens for 500 additional bearers (2,500 in all) upon their departure—proof that the city was of great size, as compared with other known Indian settlements of any period; and

Whereas the archives in the national library at Seville in Spain contain numerous confirmatory documents, including letters written by De Soto's officers while encamped at Coosa, identifying beyond any doubt the historical accuracy of his reported visit; and

Whereas the site on east bank of Coosa River, between Tallaseehatchee Creek and Talladega Creek, in Talladega County, Ala., is clearly identified as the location of Coosa, in the opinion of practically all accepted authorities on aboriginal history; and

Whereas the relative antiquity of De Soto's visit to Coosa, in comparison with other proven occurrences or incidents in American history, is emphasized by the fact that the Spanish army encamped in that great city at a time antedating the founding of St. Augustine by 25 years; the settlement of Jamestown by 70 years, and the landing of the Pilgrims by 80 years, and the further amazing fact that we have yet three-quarters of a century to go before reaching a period as far on this side of the Revolutionary War as De Soto's visit to Coosa stands on the other side of it. Furthermore, its great size suggests that Coosa was an old city even at that remote date—possibly contemporaneous with the Mayan cities. Certainly the earliest placed, and extending furthest into the mists of antiquity, Coosa is, at once, the genesis and the ultima Thule of American history; and

Whereas there is an established American custom of commemorating events of national historical interest, by recognition in the form of parks on the site, of such magnitude as the historical or scenic value may justify; and

Whereas the site of Coosa is bounded on three sides by a magnificent river and two large creeks, fringed with virgin growth of timber, yet undisturbed, and encompassed at distances of 10 and 30 miles, respectively, with mountain ranges of such height as gives inspiring setting for the proposed park; and

Whereas the site is adjacent to two railroads and a trunk highway, and conveniently accessible for visitors from all parts of our country by rail or automobile: Now, therefore, be it

Resolved (by joint resolution of the Alabama Legislature), That the President of the United States, and the Congress, be and are hereby requested to take the necessary steps looking to acquisition of the area embracing the site of old Coosa, and develop same into a National Park of such size and dignity as will be in keeping with the historical importance of the events associated therewith.

Resolved, That copies of this resolution be sent to the President and Vice President of the United States, the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives from Alabama.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the State of Indiana, which was ordered to lie on the table:

House Resolution 11

Whereas there is grave danger of another European war that may eventually become another world catastrophe; and

Whereas the recent warlike action of Germany's dictator in declaring the Locarno Pact dead has caused the clouds of war to gather low over the European horizon: Therefore

SECTION 1. *Be it resolved, That our President and our Congress take necessary steps and formulate plans to safeguard American neutrality; that legislation be adopted immediately that will insure American neutrality and keep America free from foreign entanglements.*

SEC. 2. *Be it further resolved, That a copy of this resolution, properly authenticated, be sent to the President of the United States and one to the Congress of the United States.*

The VICE PRESIDENT also laid before the Senate a telegram from the mayor of Johnstown, Pa., stating, "I deem it imperative that a joint committee of the Senate and the House visit our stricken city and view the ruins for themselves", which was referred to the Committee on Commerce.

He also laid before the Senate a resolution adopted by the New York Commandery, the Naval and Military Order of the Spanish-American War, New York City, N. Y., favoring the enactment of the bill (S. 4011) to further reduce immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, and to provide for the prompt deportation of habitual criminals and all other undesirable aliens, and to provide for the registration of all aliens now in the United States or who shall hereafter be admitted, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the national convention of the German-American League (formerly Friends of the New Germany), at Buffalo, N. Y., protesting against the inculcation and spread of communism and its allied social systems in the United States, which was referred to the Committee on the Judiciary.

He also laid before the Senate a resolution adopted by the North Harlem Community Council, New York City, N. Y., endorsing the so-called Costigan-Wagner antilynching bill, which was ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 10985) to repeal Public Law No. 246 of the Seventy-second Congress, reported it without amendment and submitted a report (No. 1735) thereon.

Mr. TYDINGS, from the Committee on Appropriations, to which was referred the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, reported it with amendments and submitted a report (No. 1736) thereon.

Mr. DUFFY, from the Committee on Military Affairs, to which was referred the bill (H. R. 10388) to aid the veteran organizations of the District of Columbia in their joint Memorial Day services at Arlington National Cemetery and other cemeteries on and preceding May 30, reported it without amendment and submitted a report (No. 1737) thereon.

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of

Massachusetts, reported it without amendment and submitted a report (No. 1738) thereon.

DEPORTATION OF ALIENS—AMENDMENT

Mr. KING. From the Committee on Immigration, and on behalf of the chairman of that committee, I report an amendment to the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes.

The VICE PRESIDENT. Without objection, the amendment will be received and printed.

ENROLLED BILL PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 27, 1936, that committee presented to the President of the United States the enrolled bill (S. 3424) to continue Electric Home and Farm Authority as an agency of the United States until February 1937, and for other purposes.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

A bill (S. 4383) to extend the jurisdiction of the United States Court for China to offenses committed on the high seas; and

A bill (S. 4384) to provide for the admission of certain documents in evidence in the courts of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. MCGILL:

A bill (S. 4385) granting an increase of pension to Minnie J. Minnich (with accompanying papers); to the Committee on Pensions.

By Mr. HARRISON:

A bill (S. 4386) granting the consent of Congress to the State Highway Commission of Mississippi to construct, maintain, and operate a free highway bridge across Pearl River at or near Monticello, Miss.; to the Committee on Commerce.

By Mr. BACHMAN:

A bill (S. 4387) for the relief of James E. Bugg; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 4388) for the relief of Samuel R. Mann;

A bill (S. 4389) for the relief of Samuel R. Mann;

A bill (S. 4390) to amend the National Defense Act relating to the Medical Administrative Corps; and

A bill (S. 4391) authorizing certain officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Military Affairs.

By Mr. POPE:

A bill (S. 4392) to add certain lands to the Sawtooth National Forest; to the Committee on Agriculture and Forestry.

By Mr. BONE:

A bill (S. 4393) to authorize the revision of the boundaries of the Snoqualmie National Forest, in the State of Washington; to the Committee on Public Lands and Surveys.

By Mr. TYDINGS:

A bill (S. 4394) to authorize the coinage of 50-cent pieces in commemoration of the seventy-fifth anniversary of the Battle of Antietam; to the Committee on Banking and Currency.

By Mr. MOORE:

A bill (S. 4395) for the relief of the State of New Jersey; to the Committee on Claims.

(Mr. WALSH and Mr. BULKLEY introduced Senate bill 4396, which was referred to the Committee on Banking and Currency and appears under a separate heading.)

By Mr. McNARY:

A joint resolution (S. J. Res. 240) to authorize the execution of plans for a permanent memorial to Thomas Jefferson; to the Committee on the Library.

By Mr. KING:

A joint resolution (S. J. Res. 241) to declare December 26, 1936, a legal holiday in the District of Columbia; to the Committee on the District of Columbia.

LOANS TO REHABILITATE PROPERTY DAMAGED BY FLOODS

Mr. BULKLEY. I ask leave to introduce, on behalf of the senior Senator from Massachusetts [Mr. WALSH] and myself, a bill to amend the National Housing Act and to facilitate the insuring of loans made for the purpose of replacement and rehabilitation of property damaged by the floods.

In that connection I ask unanimous consent to have printed in the RECORD at this point a brief statement explaining the purpose of the bill.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred, and the statement will be printed in the RECORD.

The statement is as follows:

Proposed amendment to title I of the National Housing Act for the purpose of providing credit for the restoration of property damaged by recent floods

The purpose of this bill is to stimulate lending institutions to make the loans necessary to repair the damage which has been caused by recent floods, by providing insurance through the Federal Housing Administration of loans so made. The provisions of this bill are as follows:

1. The general procedure under title I of the National Housing Act, as now set up by the Federal Housing Administration, is to be used to insure loans for these purposes. No new organization is to be created.

2. The insurance to be granted is 20 percent of the total aggregate amount of loans made by an insured institution for this purpose. This insurance is the same in amount as that in effect under title I of the National Housing Act up to April 1, 1936. It increases for this purpose the insurance granted under title I of the National Housing Act, as amended effective April 1, 1936, from 10 percent to 20 percent, which is the amount of insurance under the original act.

3. A provision is included in the bill permitting a lending institution to apply any unused insurance reserve obtained by it under its contract of insurance in effect up to April 1, 1936, to any losses which may be sustained as a result of loans made for the purposes of this bill. In other words, although any unused insurance reserve created prior to April 1, 1936, may not be used to pay losses sustained under the general provisions of title I as amended effective April 1, 1936, it may be used to pay losses sustained as a result of loans made under the specific provisions of this bill.

4. This bill provides for new construction, replacement, or repair of property destroyed or damaged by floods occurring subsequent to March 1, 1936. Replacement by new construction of industrial or institutional property may be done with the proceeds of loans not in excess of \$50,000. Under title I of the National Housing Act, as in effect up to April 1, 1936, and as amended effective April 1, 1936, new construction was not eligible for financing if the proceeds of the loan exceeded \$2,000. This bill is also designed to permit new construction of property destroyed or damaged by flood, whether or not the new construction is to take place upon the property upon which the original structures stood. In other words, it is desired to permit a property owner whose structure has been destroyed by flood, to rebuild on new property where the danger of damage from flood is not so imminent.

5. The replacement or repair of equipment and machinery which had been installed in property destroyed or damaged by the floods is also permissible.

6. Operations under this bill may continue until January 1, 1937, but may be terminated by the President at any time upon his determination that the emergency situation no longer exists.

7. The amendment to title I of the National Housing Act, effective April 1, 1936, reduces the maximum liability which the Administrator may assume from \$200,000,000 to \$100,000,000. The possible additional liability necessary to provide the insurance contemplated under this bill was not considered at the time the reduction was made in the amendment to title I of the National Housing Act. For this reason a provision is included in this bill authorizing the President to increase the amount of liability which the Administrator is permitted to incur if it should develop that the \$100,000,000 is insufficient.

The bill (S. 4396) to amend the National Housing Act for flood-relief purposes, and for other purposes, was read twice by its title and referred to the Committee on Banking and Currency.

AMENDMENT TO MERCHANT MARINE BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 3500) to develop a strong American merchant marine, to promote the commerce of the United States, to aid national defense, and for other purposes, which was ordered to lie on the table and to be printed.

RECIPROCAL-TRADE AGREEMENTS—AMERICAN PAPER INDUSTRY, ETC.

Mr. DAVIS. Mr. President, in view of the fact that manufacturers in the United States find themselves confronted with tariff reductions under the present system of trade agreements which threaten the extinction of their business, I wish to present a letter written by Mr. Warren B. Bullock, of the import committee of the American Paper Industry. I ask unanimous consent that this letter be published in the RECORD and be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD and referred as requested by the Senator from Pennsylvania.

(The letter appears in the RECORD at the conclusion of the remarks of Mr. DAVIS.)

Mr. DAVIS. Mr. President, under the present system of reciprocal-trade agreements the American manufacturer and his employees, who are vitally interested in continued employment, behold their business traded away and seem to be able to do nothing more to protest such action than to file a brief with the State Department.

Sugar is now our leading import. During the first 11 months of 1935 we imported 5,820,000,000 pounds of sugar, valued at \$133,000,000, practically 70 percent coming from Cuba. Notwithstanding the increase of imports of sugar from abroad, our Government has adopted the program of producing less sugar at home. The records of the Department of Commerce show that during the year 1935 the importation of sugar from foreign countries has increased nearly 500,000,000 pounds over 1934.

Notwithstanding the fact that we knew we were going to have a surplus of rye in domestic production, we permitted foreign countries to ship in nearly 10,000,000 bushels of rye during the year 1935, which increased the surplus to 28,000,000 bushels. As a result rye is today selling on the primary market for less than 40 cents a bushel, whereas it should be bringing 75 or 80 cents a bushel. This represents a loss of over \$7,000,000 to rye growers of the United States.

While farmers were being paid to curtail production of corn, wheat, and oats, we were importing these commodities from abroad. During the first 6 months of 1935 we imported into this country 10,000,000 bushels of oats and 12,000,000 bushels of wheat. In 1935 we paid the farmers of other countries over \$9,000,000 for their corn to be placed in our domestic markets. During the first half of 1935 the United States imported 21,500,000 pounds of butter and there was an increase in the import of meat, wheat byproduct feeds, molasses, flaxseed, oil-cake meal, and wool.

If we are to have reciprocal-trade agreements, I should like to have them operate on the principle enunciated by President McKinley. In speaking of reciprocal relations with other countries he made this clear and convincing statement:

The end in view always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people, but tend rather to increase their employment.

Mr. President, I have long believed that it would be much better for us to maintain the competitive American markets for our own products and thus suggest to foreign competitors that they increase the wages of their workmen who produce their competitive products to a parity with our own. If this were done, it would result in a world-wide improvement of living standards and an increase of purchasing power throughout the world.

The instability of foreign exchange adds yet another factor to this complex problem. Amidst the kaleidoscopic changes of the financial markets of the world attempts are now being made to win our domestic market and undermine American standards of living through the skillful devices of currency manipulation. We must not add to this financial insecurity by abandoning our tariff protections.

How can we hope to increase employment in this country by encouraging Americans to buy foreign competitive products at this time when even in normal times many of our own factories and mills operate not more than 7 months in

each year? I maintain that tariff reductions should not be made with respect to any foreign country on articles in the production of which labor standards, as reflected in wages, living scales, and labor costs, are lower than those which obtain in the production of the comparable articles in the United States.

The case for the new trade policy of the United States is set forth by Dr. Henry F. Grady in the January 1936 issue of *Foreign Affairs*. Dr. Grady says:

We have already lowered many rates, which have been generalized to other countries. When we shall have gone the rounds of most of the important countries of the world, reducing in each case the duties on commodities of which it is the principal or important source, we shall have lowered our tariffs on a great many items where the case for lowering is justified. As a result of extending these reductions to virtually all countries, we will obtain, it would seem, what the proponents of unilateral tariff reduction desire; but we will do it more carefully and scientifically than is possible by legislative action. We will at the same time bring about a substantial downward revision of foreign-trade barriers. Eventually, therefore, our trade-agreements program, with the cooperation of other nations, will have accomplished something of very real importance toward the general reduction of world-trade barriers.

Here again we once more embark, with New World idealism, into the stormy waters of international politics, vaguely trusting to the cooperation of other nations. In this spirit we sent our millions of men and money abroad to "make the world safe for democracy." The same hope inspired us to lead the world in disarmament conferences, taking our pledges seriously and destroying our battleships, while the other signatories to the agreements quietly laughed at us and continued to build for the future. This same illusive hope of the cooperation of other nations led us to loan billions of dollars abroad, and the loans are still unpaid. It is true that there is some talk of payment now that investment of foreign dollars in this country is promising in view of our devalued dollar. And now we put ourselves out front in the abandonment of our tariff protection. Meanwhile we observe that as we lower our barriers our competitors raise theirs, taking advantage of the strange shift in our tariff policy. Such procedure will give but little promise of a solution of our problem of unemployment, which now should be the chief concern of us all.

The letter presented by Mr. Davis was referred to the Committee on Finance, as follows:

IMPORT COMMITTEE OF THE AMERICAN PAPER INDUSTRY,
New York City, February 15, 1936.

Reciprocal-trade agreements—Analysis of effects on American paper industry

This summary of the conditions developing from the consummation of various trade agreements with foreign nations under the so-called Reciprocal Trade Agreement Act, enacted as an amendment to the Tariff Act of 1930, is devoted solely to the results of agreements affecting the paper industry.

As a preliminary comment, however, attention may be called to several pertinent facts: The Trade Agreement Act deprives the American manufacturer of any recourse as to any commodity mentioned in any trade agreement, such as application to the Tariff Commission under section 336 of the Tariff Act for change of duty under the so-called flexible tariff provision of the act. While the President under the unamended act already had the power to make any change up to 50 percent in the rates of duty which were found to be unjustifiable, the Trade Agreement Act now denies any relief to the American manufacturer regardless of any change in conditions which may develop with regard to prices of foreign merchandise.

While it is true that American industry was given an opportunity to be heard before any reciprocal-trade agreement was negotiated, it is also true that no intimation was given at any time whether or not any specific commodity was under consideration for duty reduction. American industry was forced to present its case without knowing whether or not its products were likely to be affected. In every case, however, the American paper industry filed a statement on competition with foreign papers, when a trade agreement with a paper-producing nation was under consideration, taking every step permitted by law to make its needs known.

There is on the statute books an antidumping act, providing for the imposition of a special dumping duty on merchandise sold in this country at less than the fair value in the country of origin. The present administration has denied practically all the complaints which were under consideration when it came into power and those which have been filed since that time. Furthermore, under the reciprocal-trade agreement with the Netherlands, effective February 1, 1936, it is agreed that no antidumping order shall be issued without 30 days' prior notice to the Netherlands

authorities, thus making the enforcement of an American statute to prevent dumping a matter for diplomatic negotiation. This provision automatically applies to any dumping procedure affecting any other country not held to be discriminating against the United States.

Trade agreement with Belgium, effective May 1, 1935: This agreement reduced the rate of duty on vegetable parchment from 3 cents per pound, plus 15 percent ad valorem, to 2 cents per pound and 10 percent. At the time of the open hearing prior to the negotiation of this agreement, the domestic industry filed a statement indicating that any reduction in the rate would be disastrous in its effects on the American paper industry. Ruling prices for this commodity were materially lower at that time than when this industry in 1929 presented to the Ways and Means Committee of the House of Representatives its showing that the rate then existent of 3 cents per pound and 15 percent was not sufficient to equalize the costs of production in the United States and abroad. Despite this showing the duty was reduced in the Belgian agreement. Up to the date of this analysis the imports from foreign countries have not become large in tonnage, owing to the fact that the American mills immediately reduced their prices to approximately cost of production. There are four mills in the United States making this product, located at Bristol, Pa.; West Carrollton, Ohio; Kalamazoo, Mich.; and Los Angeles, Calif. The Ohio company canceled plans for increasing plant capacity and modernization; the other companies took similar though less radical steps. When the new low rates went into effect foreign producers already had a large share of the American market for the higher-priced special grades. The chief increase so far noted in imports of the usual grade sold in the American market has been in shipments from England, which has made no reciprocal agreement with this company, though automatically benefiting from the Belgian agreement. Belgian shipments have not materially increased owing to the American sales at cost. The Belgian product can now be delivered duty paid in this market at about 2 cents per pound less than the American cost price.

Trade agreement with Sweden, effective August 6, 1935: This agreement affects chiefly wrapping paper and unprocessed paperboard made in practically every American paper-making State. The situation as to wrapping paper has already become critical. Imports of kraft wrapping paper in 1934 totaled 4,000 tons, but under the reciprocal agreement reducing the rate from 30 percent ad valorem to 25 percent imports increased to 12,000 tons in 1935. Even at the old rate this paper was imported from Sweden at less than the American cost of production, due chiefly to sales at prices which caused a complaint of dumping by the domestic industry. Finland, which has as yet no trade agreement with this country, can sell, and is delivering, this paper at less than the price for the Swedish product. This reduction in duty was effected despite a decision by the United States Court of Customs and Patent Appeals that this paper was already being sold in this country at approximately 1 cent per pound less than the usual price in the country of origin. Furthermore, in the face of this court decision in May 1934, the Secretary of the Treasury, in September 1934, decided there was no dumping.

The situation as to machine-glazed sulphite wrapping paper bears a close resemblance to that involving kraft paper, particularly as the two grades are used for essentially the same purposes by the consumers. The imports of this grade in 1935, under the reciprocal-trade agreement, were six times the total for 1934, though the tonnage involved is smaller than in the case of kraft. Here again there was a dumping complaint, and here again the Secretary of the Treasury held there was no dumping. Here also the customs officials are collecting duty on a home-market value about 1 cent per pound more than the actual sale price, and yet deliveries duty paid are made at less than the American production cost.

The Swedish agreement "bound" unprocessed paperboard at the existing rate of 10 percent. Regardless of what may develop, the American producer is barred from seeking relief under the flexible provision of the tariff act. Other nations are equal beneficiaries of this decision, particularly in the case of Finland, where a certain type of pulpboard is being sold in Finland at a very low price, possibly less than cost of production, in order to establish a low basis for value for the exports of this commodity, which is chiefly an export product. The established legal dutiable value is less than the Finnish cost of production, but American producers have no recourse under the law, because of the reciprocal-trade agreement.

Trade agreement with the Netherlands, effective February 1, 1936: This agreement is a most notable example of the policy of the administration to reduce duty rates in the face of careful studies of competitive conditions in Holland and the United States. Two important items were affected by this agreement—bristol-board, chiefly produced in New England, and 9-point straw paper for the corrugated-box industry, largely a product of Illinois, Indiana, and Ohio.

In the case of bristol, because of the severe competition which had existed in some grades, the House Ways and Means Committee made a radical departure in the phraseology of the act of 1922, which provided a rate of duty of 3 cents per pound and 15 percent ad valorem for bristol made on a Fourdrinier machine. This bristol is made in various qualities on both cylinder and Fourdrinier machines, and the act of 1930 included cylinder bristol at the rate formerly fixed for the Fourdrinier machine product instead of the old rate of 10 percent as cardboard, under which it had been imported. Importers immediately protested to the United States Customs Court against the higher rate, and after 3 years in the courts a final

decision was rendered by the United States Court of Customs and Patent Appeals holding cylinder bristol to be properly dutiable at 3 cents per pound and 15 percent. The trade agreement with the Netherlands, chief exporter of this product, reduced the rate of duty to 2 cents per pound and 10 percent on all low-priced bristols, this agreement being consummated after the court had decided on the duty rate for this commodity. Inasmuch as the new rate only became effective February 1, there is as yet no indication of the probable results on the American market.

The case of 9-point straw paper is another in which the reciprocal agreement has been the means of overturning a deliberate decision of Congress. Prior to the act of 1930 this commodity was dutiable at 10 percent as paperboard. The Tariff Act of 1930 changed the dividing line between paper and board from 9 points to 12 points, making this commodity automatically dutiable at 30 percent as paper not specially provided for. The reciprocal-trade agreement with the Netherlands reduced this rate 50 percent, to 15 percent ad valorem. Inasmuch as this reduction was effective February 1, there is as yet no indication of the probable results, though they promise to be serious. Representatives of Dutch producers, in advance of the announcement of the new rate, apparently advised of what was to transpire, offered the Dutch product at new low prices and began to take orders for delivery.

The reduction in this rate will have a wide effect not only upon the domestic manufacturers but upon the farmers whose interest the administration professes to have so much at heart. This commodity is used as an inner corrugated medium for the well-known corrugated box and shipping case. The straw paper competes with the chestnut product made in Tennessee and neighboring States from the dead chestnut sold to the mills by the small hill farmers in that region, with the pine product also chiefly made in the South, and with kraft paper made in the Southern States. The most direct sufferers, however, will be the grain farmers of Ohio, Indiana, and Illinois, who have found a profitable market among the paper mills for straw which otherwise would have been burned or disposed of at low prices for stable bedding, etc. Southern Michigan provides about 10 percent of the straw requirements of the American mills, with a portion also coming from western New York, Iowa, and Kansas. The straw-paper mills in the 3 years ending 1935 produced an average of 289,095 tons of this material. About 1½ tons of straw are required to make a ton of paper, so the straw consumption in those years averages 433,642 tons. About one-half ton of straw per acre is the usual product, so the new Netherlands agreement will have an adverse effect on the farmers selling straw from 867,284 acres. Straw paper from Holland is being offered at \$37 per ton, duty paid, as compared with a domestic price of \$46 to \$47. In order to meet the competition the domestic producers will be forced to reduce the price paid for the domestic straw to nearly the entire difference of \$10 per ton, the alternative being to discontinue production and purchase of any of the straw formerly consumed. The only ray of hope to the domestic industry is the fact that the Dutch mills, though nearly as numerous as the American, cannot supply the entire needs of the American market. The foreign product, however, will be imported in sufficient quantities to fix the American price of not only straw but chestnut, pine, and kraft paper.

Respectfully submitted.

WARREN B. BULLOCK, *Manager*.

OUR MUTUAL HERITAGE—ADDRESS BY SENATOR BARKLEY

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a very able and interesting address on the subject Our Mutual Heritage, delivered by the Senator from Kentucky [Mr. BARKLEY] at the annual dinner of the Canadian Society of New York.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members and guests of the Canadian Society of New York, I am deeply conscious of the high honor involved in an invitation to address your distinguished society.

The long list of men who have been your guests in the past includes some of the most celebrated citizens of the two nations. I am, therefore, highly complimented to have my humble name written on such a scroll, and I am particularly happy to be here with the honored Canadian statesman with whom I share this program tonight.

I am persuaded to believe that the American Republic has been enriched by the infusion of your blood into our family stream, as our civic life has been enhanced by your political and economic assimilation and your loyalty to the best standards of American and Canadian citizenship.

There is, as there ought to be, a peculiar affinity which exists between the United States and Canada. For the most part, our background is the same. With some variations, our racial and ancestral roots were nurtured and flourished in the same European soil. To our respective shores came the French, the English, the Irish, the Scotch, the German, and the sons and daughters of other peoples who have been fused into a virile and homogeneous race, breathing the fresh free air of a new world, advancing the frontiers of liberty in both Canada and the United States, setting an exalted example to the rest of the world.

In Canada the French settled largely in Quebec. In the United States they settled in South Carolina and Louisiana and throughout the Nation. Montreal, I believe, is the second largest French-

speaking city in the world, being excelled in that respect by Paris only.

Yet French-Canadians of the Province of Quebec are as loyal to the standards and the traditions of the Dominion as are the descendants of the shires of England, the Highlands of Scotland, or the beauteous hills and lakes of the Emerald Isle.

In the United States a larger and more diverse migration transpired, and one which was in proportion more difficult of complete assimilation. But in both countries the love of liberty, the yearning for political freedom, the demand for popular participation in the functions of government, the right to worship God as conscience might dictate, have all contributed to the perpetuation in this Western Hemisphere of those ideals of the rights of man which were planted in the hearts of our forefathers of the British Isles nearly 10 centuries ago.

We rejoice, therefore, that in the midst of the welter of confusion and suspicion created by the jarring noises of conflicting dictatorships in other parts of the world, we in America, whether in Canada or the United States, and our kinsmen across the seas still carry the torch of liberty to light our paths and still unfurl the banner of democracy unabashed and unashamed.

It is a pitiful commentary on the enlightenment, if not the sincerity, of some of the so-called leaders of world opinion that within less than two decades of the close of the most devastating war that ever cursed humanity or fertilized the soil with its blood, we witness a world torn and wrenched between the ambitions of dictators and the prayers for peace and international accord from the burden bearers of almost every civilized nation in the world. Before the charred walls of destroyed cities are replaced by the parapets of a new existence, before the maimed and crippled victims of the last Great War are healed of their wounds, before the soul-stirring memories of death and disaster inflicted two decades ago are obliterated from our minds, we are disturbed by the constant fear that some apparently insignificant and isolated event in some remote corner of the world may precipitate another brutal era of human carnage. In spite of leagues of nations, in spite of Kellogg pacts, in spite of the renunciation of war as an instrument of national policy, to which practically the entire world pledged itself but recently, we are this day witnessing the encroachment of powerful and ambitious nations upon the rights of smaller and more helpless nations; and as a consequence of this situation every nation in the world is expending more money on armaments than they were spending immediately prior to the last war.

Trade barriers throughout the world, erected in an effort to create each nation into an airtight, watertight compartment wholly independent of all others, increase the friction, restrict the flow of trade in normal channels, increase unemployment, prolong the economic evils from which the whole world suffers, and postpone the fulfillment of the promise made in every great commercial nation to find an outlet for the surplus products of the people who toil that the nations may be clothed and fed.

It is, therefore, refreshing and reassuring to be a part of that contingent of humanity which inhabits North America and is free from the nightmare of fear of any neighbor or combination of neighbors anywhere in this hemisphere. It is a glorious thought to recall that for nearly a century and a quarter, these two nations, Canada and the United States, have lived beside each other along the most extensive international boundary in the world as friends without the mounting of a cannon or fortification, and that neither has suffered from this lack of fear or suspicion or hatred.

Canada and the United States have probably more interests and problems in common than any two countries in the world.

Our people are similar. Our language, inheritance, and our ideals, in the main, are alike.

In the exchange of the products of human toil and ingenuity each is the other's best customer.

From 40 to 50 percent of Canada's exports go to the United States, and from 60 to 70 percent of her imports come from the United States.

Americans have invested more than \$4,000,000,000 in the financial and industrial institutions of Canada, and Canadians have invested more than \$1,000,000,000 in similar institutions in the United States.

The joint use of innumerable waterways along our borders affects vast investments and millions of peoples in both countries.

The plan for the development of the St. Lawrence is but one of many projects undertaken by the two Governments for the advancement of the commercial, economic, and social well-being of the people of both nations.

Other problems include tariffs, immigration, boundaries, and the protection of the immeasurable resources of North America.

Decisions on these and countless other questions of mutual interest and concern will be made by those who are now the youths of Canada and the United States. Those of us who are now upon the scene, who are for a time clothed with some temporary official authority, may make our contribution to the atmosphere of accommodation which may promote the friendly adjustment of these problems; but we must inevitably commit their final solution to those who will bear the responsibilities of another generation or another century.

It is therefore indispensable that they should acquire a fuller and more accurate understanding of their neighbors on both sides of the boundary line in the course of their educational training.

A recent study, made by responsible educational authorities, as to whether either country is doing its full duty in educating its people in this field disclosed some surprising results.

The purpose of this study was to find what Canadian students and American students in the last year of their secondary schools know about the other country.

This test was made among 1,267 American and 1,168 Canadian students drawn from all sections of both countries, and from compositions of some 800 boys and girls in each of the above groups.

The tests included a request to put down the first thing that came into their minds when they thought of Canada or the United States, respectively.

The Canadian student's first impression of the United States was of great wealth, poor law enforcement, the prevalence of crime, large cities, an immense population, opportunities for sports and amusements, and less frequently the trade relations of the two countries.

The American students' first impression when thinking of Canada was of severe weather, the large number of French-speaking inhabitants, abundant natural resources, beautiful scenery, winter sports, the "control" of Great Britain, a source of bootleg liquor, and of police who "get their man."

American students were woefully ignorant of Canadian history and geography. Only 11 percent could give approximately the population within 25 percent of accuracy and only one in five knew that Ottawa is the capital of the Dominion. Most deplorable was their lack of information concerning Canada's Government.

In answering the question, "What kind of government does Canada have?" 33 percent said that "Canada is a possession of Great Britain", "Canada is ruled by Great Britain", "Canada is owned by Great Britain." Twenty-five percent of them made no attempt to answer the question, and almost 50 percent stated that Canada cannot decide her relations with the United States without the consent of the British Parliament.

Failure to recognize that Canada, though a part of the British Commonwealth of Nations, enjoys practically as much liberty and self-government as we in the United States, is unfortunate, as it is often the basis of the student's attitude toward Canada.

As an example of total ignorance on the subject, one student replied that "Canada is under British rule, which is nothing to speak of."

Another said, "I believe Canada should have its independence."

Another said, "Canada is not a country. It is just a Province of England."

The Rush-Bagot Treaty of 1817, which is the basis of the lack of fortifications along the American-Canadian border, was so unknown that only 3 percent of Americans and 20 percent of Canadians had ever heard of its existence. This may explain why many of those who commented on it at all thought it ought to be fortified.

There is equal ignorance in both countries concerning the International Joint Commission which has existed for 25 years and has dealt with numerous questions arising between the two countries.

The reactions of Canadian students toward the United States were equally astonishing and equally unfortunate.

These are typical expressions from Canadian students:

"The United States is a hotbed of hustling, flag-waving, gum-chewing men and women, whose dignity is conspicuous by its absence."

"The information by the average American about Canada is appalling. They seem to think that we bundle ourselves in furs, live in tepees, and crouch around the Arctic Circle."

"The crime in the States is astounding. Weapons are easy to obtain, and anybody out of a job joins a gang and becomes a gangster. The people have much too high an opinion of themselves and do too much talking. They are really just ignorant of the rest of the world and think the States is the one and only place to live in."

"By her literature, movies, etc., the United States is corrupting the world."

If this lack of understanding and knowledge concerning the affairs of each country, this indifference on the part of what should be bright and alert students, exists among those who are in the process of training for the heavy responsibilities of the future in private and public life, how much greater may we suppose it to be among the elder generation of men and women whose opportunities were infinitely below those who are now in our schools?

Undoubtedly some of these expressions concerning each country by the students of the other come perilously near to being true. But on the whole they are woefully and grossly inaccurate, and reveal an impelling necessity to give to the coming generation of citizens of both Canada and the United States a more thorough training in the problems of government arising between the two countries which must be adjusted in the light of sympathetic understanding and knowledge of our respective peoples.

It is a pathetic and humiliating fact that out of nearly 40 elementary histories which recently came under examination, only 6 mentioned the Canadian Confederation of 1867, an event which has affected the whole course of our relations with Canada and Great Britain, as well as those between Canada and Great Britain and the rest of the world.

With the advancement of knowledge, with the transmission of information through all the countless means now available to the world we look forward with confidence to the dawn of a day of fuller and happier intimacy of understanding and appreciation on the part of all the countries of this hemisphere, as well as of the world.

In the very nature of political organizations there must be boundary lines between nations. There can never be a real federation of the world in the sense that it can be brought under the domination of a single nation or a single ruler or a single political system.

Differences in race, in background, in geography, in mental and spiritual outlook, in methods of production and distribution, in the standards of life and the close cooperation between government and people make the existence of many nations throughout the world indispensable and desirable.

But while nations have a right to exist and to work out the destiny of their people in the light of justice and equal opportunity, insofar as they may enjoy and appreciate it, they have no moral right to exercise unjust or autocratic power in the strangling of others merely because of the power to do so.

Happily, we in these two great nations of North America, these two vast democracies which stretch from the North Pole almost to the Equator, constitute the most sublime example in all the history of the world of how two great peoples may live in close proximity and yet in peace and happy accord in all their relationships.

I said "these two great democracies." How else could I describe Canada and the United States? While you in Canada are a part of the far-flung empire upon which it is said the sun never sets, yet you are in every essential a self-governing democracy. Your ties with the mother country are sacred and form a proudfest connection with the ancestral home of most of us in the Old World, yet more and more you, along with the other British Commonwealths, are assuming the obligations and the responsibilities of national existence.

It is one of the glorious aspects of our heritage as children of a common ancestry that for nearly a thousand years we have seen that stream of national and international life bring to the children of men the refreshing waters of freedom, self-government, political autonomy, equality in the enjoyment of life, liberty, and the pursuit of happiness.

That is why we in the United States take a pride in the achievements of the people of Canada. We have made our contribution to those achievements, as Canadians have made theirs toward our achievements.

That is why, in the midst of a recent great bereavement which saddened the whole British Empire through the death of King George, we felt a sort of kinship in that grief, because we understand the instincts of loyalty and we understand the promptings of the universal heart.

We in our country do not believe in monarchy. We withdrew from it more than a century and a half ago, and by that withdrawal perhaps made an inestimable contribution to the liberties now enjoyed by all those within the British Empire.

But while we do not believe in monarchy or the institutions of royalty, we can see something touching and beautiful in the reverence of the British people to the Crown as an institution of unity. It connotes permanency. It typifies the union of the past with the present for the British people and all those who are within the sphere of their national and territorial association.

The old warfare between the Crown and the people has ceased, because the people won their liberties, their right to a voice in their government, and the Crown, while influential and respected, became more a symbol of loyalty than an agency of government. It was recently said by Sir Wilmot Lewis, British correspondent in Washington, that the King reigns but does not govern.

It was because of this, as well as the character and bearing of the late King George, that throughout the world there was on the occasion of his death a sadness produced by the respect and admiration in which he was held as a sovereign and as a man.

I rejoice with you tonight that your great Canadian Society is giving in our country an example of the loyalty which you feel and which we all feel to the highest standards of moral and intellectual conduct which has enriched America, Canada, the British Empire, and all the nations of the world.

AN AMERICAN FUTURE FOR AMERICAN YOUTH—ADDRESS BY SENATOR BENSON

Mr. HOLT. Mr. President, I ask leave to have printed in the RECORD an address delivered by Senator BENSON, of Minnesota, before the meeting sponsored by the American Youth Congress in New York City, March 5, 1936. The address is entitled "An American Future for American Youth—An Insurance Policy Against National Decay."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Of all the people who have been afflicted by the depression the greatest sufferers, perhaps, are our young folks. In a recent article in the Journal of National Education, Jay Elmer Morgan, editor, writes: "America today has largely closed its doors to youth. Take one profession after another—teaching, medicine, law, engineering, journalism—or take the present opportunities of business and industry—they are all closed to youth. Go into your communities and States and make a survey of the population between 16 and 25 years of age, and you will find hundreds of thousands—a total of 3,000,000 over the whole Nation—for whom there are no jobs, no schools. A study of graduates who have gone out during the past 5 years reveals a discouraging and disheartening lack of opportunity. The gates are closed. There is not even a foothold by which they may climb the path of life. They are referred to casually as the 'lost generation.'"

And how does this affect youth? Dr. Herbert D. Williams, director of the psychiatric clinic at Dobbs Ferry, gives the answer. Studies of boys and girls from 16 to 19 years of age show marked increase in crimes, a peak prison population, migration of boys

from home to relieve financial stress of parents, increased number out of school because of poverty, lack of life philosophy, and break-down of old standards and innumerable associated evils. Those facts should be studied by fathers and mothers, particularly those who defend the present social order.

The Republican Party pays no attention to the problem but adopts the ostrich policy of hiding its head in the sand and denying the problem's existence. What do they care whether boys and girls of 18 or 20 are unemployed and wandering as vagrants throughout the land? The young people have no votes.

ADMINISTRATION EFFORTS COMMENDED

The Democrats are to be commended for having concerned themselves with this problem. One of President Roosevelt's first acts after he took office was to establish C. C. C. camps for boys on relief or from relief families. That administration measure met with almost universal and deserved approval. There was some apprehension among liberals that the camps might become centers for militarizing and regimenting our youth, but that did not occur. In fact, I believe that the experience of most young men at the camp had the opposite effect—it has taken away the glory and fascination from the uniform and the bugle. We know the number who have benefited by C. C. C. enrollment, and that number today reaches almost one million. We do not know, however, nor can we ever know, how greatly many of those people have benefited. The C. C. C. camps were not merely camps for the unemployed during a period of want. They were also builders of health, of morale, and of character.

But the C. C. C., while admirable in many ways, helped only a very small portion of the young people in need. It was restricted to boys, and, further, to boys from relief families. In order to give consideration to both boys and girls, the Federal Government instituted student aid.

ORIGINATED IN MINNESOTA

We from Minnesota know something about student aid. It originated in our State. In 1933 Governor Floyd B. Olson, concerned with the problem of unemployed youth, invited a committee of distinguished educators, churchmen, and youth leaders to meet with him and suggest ways and means by which unemployed youth could return to school. After considerable consultation and the formulating of many different plans, the Minnesota plan was drawn up whereby the State contributed 50 percent of the money from relief funds; the Federal Government matched that with another 50 percent; and colleges and universities waived or deferred tuition in cases of students who were in need, or otherwise unable to go to school, and whose scholastic ability was above average. The need for that type of youth relief and its success were evident, and the Federal Government adopted the program and instituted it on a nation-wide scale. That program has been in effect now for almost 2 years. During that time it had aided nearly half a million young men and women to return to or to continue in college.

Again, however, that program was a restricted one. It helped only graduates of high school and those of superior mental ability.

In May of last year, the Federal Government established a national youth administration as an integral part of its Federal relief. That not only provided that young men and women were to be aided in attending college, but there was to be aid for high-school students and, in addition, aid in the form of special and apprenticeship projects for young people who were neither in high school nor college. Many States have supplemented this aid of the Federal Government. In Minnesota, for instance, we give aid to high school and college students over and above that granted by the Federal Government.

But, broad as such plans are, they are not comprehensive enough, as they do not help all classes. Furthermore, in some cases they are not adapted to our present industrial society. For example, it is a fine thing for a boy to go to a C. C. C. camp and to learn something about the beauties of nature, to become strong and self-reliant, to build himself up physically and morally. But we no longer live in a civilization where there is any great need for log choppers and hand ditch diggers. We make material for our buildings now out of various elements, chemically. We dig ditches not with shovels but with dredges. The large scoops, at one bite, move more dirt than a half dozen men could move in a morning. There is, too, another disadvantage of all the measures so far designed to aid youth, and that is, they are essentially only relief measures. Temporary in nature, they may be cut off at any time, and, relying for their financial support on relief funds, they must, of necessity, be restricted to families on relief or on the verge of relief. The vast majority of young men and young women in this country, however, do not come from families who are on relief, although many of them may be in great need and living on a budget almost as low as the budget for relief. Those families cannot contribute anything beyond food and shelter to their children, and even a free educational program is too expensive for them.

BENEFITS TOO FEW

The sad aspect of the present youth administration's efforts to aid American youth is that so few are aided. In my home State, for instance, there were nearly six times as many applications for high-school and college aid as there were places to accommodate them. There were almost 14 times as many applications for high-school aid as there were high-school aid grants, although our State practically doubled the number granted by the Federal Government. It may be true that a few of the applications came from people who were ineligible and whose need and sincerity were questionable.

But the vast majority came from serious-minded young people, who, realizing the inability of their parents to finance their education or their own inability to find part-time work which would enable them to earn their way through school, appealed to the Federal Government for that training which would make them better citizens and ultimately more useful to their country.

With those facts in view, I was happy to introduce in the United States Senate a bill which would aid all classes of American youth, regardless of race, color, or creed, and regardless of whether their parents were on relief or living on subsistence wages just above the margin of relief. That bill would provide work and education for unemployed American youth.

I propose that the number to be aided in high schools and colleges be increased by the Federal Government and that the Federal Government require States to supplement the aid granted them and add to the number of youths who will be aided.

Important as education is, however, for youth, we must not forget the fact that not all education is acquired in classrooms. Much schooling is obtained on the job and through experiences of life. Many boys and girls at a certain age have exhausted the possibility of profiting by additional formal schooling. Other boys and girls, having their theoretical education, need an opportunity to get experience. I propose, as a part of my bill, that those young people have an opportunity to learn vocations and trades partly in vocational schools and partly through working at different jobs.

PROVIDE HELP, EDUCATION

As a means of furnishing them productive employment, I propose the establishment in practically every locality of a youth community center consisting of a playground, a building suitable for indoor meetings, and, perhaps, swimming pools, hiking paths, places where they can have outdoor barbecues, and other wholesome recreations. In some instances those centers might be built in connection with schools and school gymnasiums, in other instances as entirely separate units. I believe that the decision as to whether it is to be part of the school system or part of a separate community system should be left to the community. I believe that every community in America ought to organize committees, one-third of the membership to be composed of young people, to form youth community playgrounds and centers. The Federal Government should then finance the program, provided that the work, in a large measure at least, is done by the young people themselves. The older people of the community should act in a supervisory or advisory capacity.

That plan would give aid to many needy families, furnish work to at least half a million youths, and furnish wholesome recreation and amusement later to countless youths. Unlike many of the relief projects, it would be a permanent improvement. Every community would have acquired something for its young people which it does not have today. All of the young people in America would have centers for recreation, for study, for physical culture, and for mental development which are not available today.

Again, I believe that the Federal Government should aid States in trying to find opportunity for the young unemployed people to receive practical training on the job. Since 1930 the number of young people learning any trade or perfecting any mechanical skill has decreased tremendously. The professions are crowded, and there is a sufficient supply of those with clerical training, but there is a woeful lack of those skilled in the mechanical trades.

The result is that today, if all the factories were to open, we would find ourselves with a serious shortage of young skilled workers. In fact, the shortage would be so serious that we probably could not run all of our machines. In many trades there is not a single person capable of practicing that trade under 30 years of age.

We must remedy that situation. We must not bar youth from opportunity to learn the only type of work which may be available. The Federal Government should increase expenditures for vocational education, and it should urge the States to do likewise.

GUARD AGAINST MISUSE

At the same time, the Federal Government should be on its guard to see that nothing it does in its effort to aid youth in obtaining experience and practical training may be used by unscrupulous employers to beat down the wage standard of union workers. Under no circumstances should we be a party to any scheme which, under the guise of educating youth in a trade, might be used to break the wage standard of the older men engaged in that trade. The Secretary of Labor of the United States should maintain strict supervision of full or part-time apprentice employment for youth, and in that supervision, should cooperate closely with all local unions.

It is my firm belief that a bill such as I have introduced to allow youth to obtain more academic education and more vocational training, and last to construct community centers, would be of great benefit to this country.

When the youth of a nation loses its morale, its hope for the future, its zeal for the things which are to come, then national decay is ahead. That is the danger point, and youth today is losing its morale. We have too long forgotten youth. I feel the least we can do to make up for our neglect is to pass an act such as the American Youth Act, and to begin to plan for a national youth program.

RELIEF, WEST VIRGINIA, AND THE W. P. A.

Mr. HOLT. Mr. President, I ask leave to have printed in the RECORD a radio address delivered by me on the 19th instant, entitled "Relief, West Virginia, and the W. P. A."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Yesterday President Roosevelt requested Congress to appropriate a billion and one-half dollars for relief. Such an appropriation should be administered by those who want efficiency and to benefit those for whom the program was intended. I feel that the United States Senate should make a thorough investigation of the entire relief problem. With millions and billions of dollars being spent, it is time for us to look thoroughly into the whole relief program. With 12,626,000 people out of employment the first month of this year, certainly we should make some definite step toward a permanent policy of handling those so unfortunate as to be without jobs.

The haphazard and loose spending of money cannot be excused over a long period of time. We all realize that when relief was started, that the first duty was to feed and clothe those that needed relief. After 2 years' time we must make a step toward a more definite policy.

I criticize the W. P. A. The President of the United States on the 28th day of April 1935, said:

"The most effective means of preventing such evils in this work-relief program will be the eternal vigilance of the American people themselves. I call upon my fellow citizens everywhere to cooperate with me in making this the most efficient and the cleanest example of public enterprise the world has ever seen. It is time to provide a smashing answer for those cynics who say that a democracy cannot be honest and efficient. If you will help, this can be done."

"I therefore hope you will watch the work in every corner of this Nation. Feel free to criticize. Tell me of instances where work can be done better or where improper practices prevail."

He continues:

"Neither you nor I want criticism conceived in a purely fault-finding or partisan spirit, but I am jealous of the right of every citizen to call to the attention of his or her Government examples of how the public money can be more effectively spent for the benefit of the American people."

I have charged, and I repeat tonight, that the W. P. A. in West Virginia is loaded with politics from top to bottom. May I cite a few instances?

A personnel director of one of the districts wrote:

"The time to correct mistakes is before they are made, if possible. Consequently, we do not want anyone on these jobs who is not right. The hundreds of applications going in should be taken around to the designated leaders in each county and sorted."

"Then the local leaders can't blame the personnel office if the right boys are not on. This, to my mind, is paramount if this organization is to accomplish what it has to do in the next year."

They had a set-up in the State, a system whereby some politician or group of politicians would pass upon those to be placed by the W. P. A. I submitted a list of these men to the United States Senate and placed in the CONGRESSIONAL RECORD a list of those employed and those who recommended the ones holding the positions. Anyone who knows politics in West Virginia can recognize the names of the sponsors and can realize the political set-up.

Projects were overloaded with supervisory forces in order that minor politicians could be given places. The original plan was to have the State administrator, F. W. McCullough, be the sponsored candidate for Governor, and my colleague was to have the entire benefit of the organization for renomination and reelection to the United States Senate. That has been the purpose and aim of the W. P. A. in West Virginia since Mr. McCullough was put in charge. Any defection from the plan by one employed was punished by demotion or dismissal. May I again cite an instance of how far the political set-up was made? The administrative assistant sent the following letter:

"I hand you herewith a list of doctors in Ohio County. Kindly separate the Democrats from the Republicans and list them in order of priority so we may notify our safety foremen and compensation men as to who is eligible to participate in case of injury."

After the lists were compiled they were forwarded back to the safety men with a notation:

"List of county doctors. Instructions. Democratic doctors are listed on the left-hand side and Republicans on the right."

It is getting to be a very serious condition when politics invade the treatment of those so unfortunate as to be injured while trying to earn enough money to buy food and clothing for themselves and families.

I requested an investigation by Harry Hopkins, Federal Administrator, and, after a very thorough whitewashing, he reported that the administration of the W. P. A. in West Virginia was lily white and pure. Such a report was a fraud, sham, and an insult to the intelligence of anyone who knows the conditions.

Harry Hopkins' investigators never attempted to find out the true situation in West Virginia. He brought in this report in order to avoid the responsibility for the failure to correct conditions that had been called to his attention many months before. I stated to the press that to send Harry Hopkins' own force to investigate the W. P. A. in West Virginia was like sending "Baby Face" Nelson to investigate Dillinger. If conditions in West Virginia meet the approval of "Cocky Harry", I feel very sorry for the other 47 States that are not so pure and have not been given a clean bill of health that the great spender has given my State.

Many were taken from private employment to be given larger salaries by the W. P. A. Instances of this have shown that some were increased as much as three times. This has been told to the Senate. In charge of the W. P. A. is a man who has been on the

public pay roll, with the exception of a few years, for 22 years. A man who has never been elected to a public office and who was so little thought of in 1932 he polled but 10 percent of the total votes cast.

On a personnel list of 155 people, which was sent to me by the Administrator himself, there were but 4 distress cases on the whole list.

High Government officials, including the United States attorneys, a member of the National Bituminous Coal Board, and the collector of internal revenue for our State, are all cogs in the W. P. A. political machine. Immediately upon the beginning of the investigation a strong censorship was placed upon every bit of information. Employees were intimidated and threatened with loss of their jobs, their very means of livelihood, if they told anything that would endanger the smooth functioning of the political set-up. Since I made my charges on the floor of the Senate, many of my friends have lost their jobs. Many of those who did lose their jobs were not appointed by me, but because they expressed their feeling of friendship they had to be punished. It has been a reign of terror to silence any opposition, but the people of West Virginia will express themselves very clearly when they get the opportunity. Workers, employees, and members of families of the workers and the employees have been threatened with the loss of their jobs and reprisals if they do not go along. Certainly there is no place in America for such actions.

If these persons had been inefficient, it was the duty of the Administrator to see that they were released long ago; and if they were not inefficient, they certainly should not have been dismissed just because of my attack on the administration of the W. P. A.

The cost of this political set-up is borne by the taxpayers. How is the W. P. A. organized? At the top of the whole set-up is the National W. P. A., including between 250 and 300 employees who are paid to give out press statements saying how great Harry Hopkins is. There is a State W. P. A., next a district W. P. A., and then an area W. P. A., county W. P. A. officials, then project officers, before poor John Jones or Bill Smith, down at the bottom, gets any consideration. Projects have been started and shut down for lack of funds and without any definite knowledge as to the time or means of completion, which in turn will be reflected in the cost to the taxpayers of the different communities where the projects are undertaken. It was my thought that the Relief Act was to take care of those who needed assistance, and not as a means of reward for past political favors or in anticipation of future political advancement. Why should we spend all this money on high-priced officials and their expensive ways of doing business, when we have thousands of families who are eligible for W. P. A. employment but who have not been put to work because of lack of funds in the W. P. A. I wish I had the time tonight to explain to you part of the tremendous cost of the set-up in our State, but I cannot do it in the short time afforded me on the air.

I am gathering information on the W. P. A. throughout the United States, and I will be very thankful if any of the listeners will call to my attention the conditions affecting the W. P. A. in their locality. Mistakes are to be expected, but when found out they should be corrected, not blindly upheld, as has been the attitude of Harry Hopkins. The people want food, not Harry Hopkins' wisecracks.

On one project for which \$90,000 was allocated, I found 64 bosses. So it is with many projects in West Virginia, overloaded with personnel in order that some could be rewarded. Many criticize the W. P. A. for partisan reasons. This cannot be charged against me, because I have been an ardent supporter of President Roosevelt. I feel that it is our duty as Democrats to clear up a miserable mess. To allow it to continue is to accept it. It is our responsibility and we could not nor should not try to dodge the acceptance of that responsibility. I attack it as one who has fought the Liberty League, the Tories, and the privileged class. If nothing is wrong with the W. P. A., why do those defending Hopkins fear an investigation? I ask for it as a friend of the administration. I ask for an investigation as one who believes that the money was appropriated to feed and clothe those unfortunate ones and not as a political vehicle for anyone to ride into office. We do not need any county bosses, State bosses, nor national bosses. The best politics the W. P. A. can play is to do a good job. I am not against relief, although I should like to see a definite, permanent policy for handling it. What I want is the distribution of the relief to be such that the unfortunate who must ask for relief will receive the money appropriated rather than the brass hats and the swivel-chair occupants drawing the money now. The W. P. A. in West Virginia smells to high heaven, and it is my desire to work to clean up the rottenness that causes the political odor.

There is only one way to identify the W. P. A. in West Virginia, and that is to say it is a horrible mess. With thousands begging for an opportunity to work, the big boys at the top sit back and take away money that should go to those at the bottom.

I charge the W. P. A. in West Virginia with being full of politics, with being extravagant and wasteful, and with a thorough censorship and spy system to prevent any complaints.

The only criticism that has been leveled against this attack of mine, except that from the ones on the draw, is that I should not criticize the administration of the act by members of my own party. I feel that it is the duty of all persons, irrespective of politics, to do everything in their power to make the relief act a workable, honest attempt to feed those who are in need.

FARM AND HOME HOUR OF NATIONAL BROADCASTING CO.

Mr. AUSTIN. Mr. President, I ask unanimous consent to have inserted in the RECORD an analysis of the Farm and

Home Hour of the National Broadcasting Co. for the year 1935.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEMORANDUM IN RE AN ANALYSIS OF THE FARM AND HOME HOUR OF THE NATIONAL BROADCASTING CO. FOR THE YEAR 1935

The following analysis of the use of the Farm and Home Hour of the National Broadcasting Co. shows that the bulk of its time was allowed for propaganda purposes to representatives of the Government, mostly the A. A. A. and the Department of Agriculture, and to their principal mouthpiece, the American Farm Bureau Federation. Making allowances for possible errors in published programs in press and for possible changes in programs here and there, the analysis still shows an amazing favoritism to Government officials seeking by means of radio propaganda to carry out the policy of regimentation.

An analysis of the N. B. C. Farm Hour broadcasts for the year 1935 shows a total of 312 addresses. Of this total, representatives of the Government, mostly of the A. A. A. and Department of Agriculture, were given 151 places on the program.

The Farm Bureau received 21 opportunities to pour their propaganda into the farm districts. The Farmers Union had speakers on the network 10 times; the Farmers National Holiday Association 3 times; the Grange twice; and the Farmers' Independence Council once. Business and trade groups were given 10 places on the program in the year, while miscellaneous speakers, including numerous politicians favorable to the New Deal, had a total of 104 places on the program.

FEBRUARY 1, 1936.

OLD AND NEW NAVAL TREATIES COMPARED

Mr. WALSH. Mr. President, I ask to have printed in the RECORD a tabulation prepared by and printed in the Christian Science Monitor, giving illustrations of the main points in the new London Naval Treaty and the former treaties in which Japan and Italy shared with Great Britain, the United States, and France. It is printed in parallel columns and is very instructive and useful.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

[From Christian Science Monitor of Mar. 25, 1936]

OLD AND NEW NAVAL TREATIES COMPARED

The following tabulation gives an illustration of the main points in the new London Naval Treaty and the former treaties in which Japan and Italy shared with Great Britain, the United States, and France:

QUANTITATIVE LIMITATION

Old treaties	New treaty
5-5-3-1.75-1.75 ratio for five great naval powers.	No limit on the number of ships any nation may build. However, behind treaty is tacit understanding of certain restrictions. For example, United States accepted holiday in big cruisers on condition England does not expand cruiser fleet beyond 70. Also it is understood United States and England intend to maintain 5-5-3 ratio in battleships with Japan by building, if necessary.
Battleships fixed at 15 for United States and Great Britain and 9 for Japan and holiday placed on new construction until Dec. 31, 1936.	
Cruiser tonnage limited:	
United States, 323,500 tons.	
Great Britain, 339,000 tons.	
Japan, 208,850 tons.	
This tonnage so divided as to give United States 18 large cruisers, England 15, and Japan 12. England permitted more small cruisers as compensation.	
Destroyers limited to:	
United States, 150,000 tons.	
Great Britain, 150,000 tons.	
Japan, 105,000 tons.	
Submarines limited to:	
United States, 52,700 tons.	
Great Britain, 52,700 tons.	
Japan, 52,700 tons.	
Aircraft carriers limited to:	
United States, 135,000 tons.	
Great Britain, 135,000 tons.	
Japan, 81,000 tons.	
France, 60,000 tons.	
Italy, 60,000 tons.	

ADVANCE NOTICE AND EXCHANGE OF INFORMATION

Requirements for exchange of limited information 1 month after keel laid and again 1 month after completion of any ship.

Advance notification for entire building program required each year providing opportunity for bargaining at frequent intervals. Exchange full information at least 4 months before any keel is laid during construction and again after completion. Much more extensive and important than similar feature of old treaty.

QUALITATIVE LIMITATION

Old treaties	New treaty
Capital ships—35,000 tons and 16-inch guns.	Capital ships, two categories: "A" category: Top limit, 35,000 tons; bottom limit, 17,500. Guns, top limit, 14 inches, with escape clause to 16's if Japan fails to agree to 14's. Bottom limit, 10-inch.
"A" class cruisers—10,000 tons and 8-inch guns.	"B" category: Top limit, 8,000 tons, with guns to be not less than 10 inches.
"B" class cruisers—10,000 tons and 6-inch guns.	"Light surface vessels": Replaces "A" and "B" class cruisers and destroyer categories of old treaty.
Destroyers—1,850 tons and 5.1-inch guns.	"A" class: Anything carrying 8-inch guns up to 10,000 tons.
Submarines—2,000 tons and 5.1-inch guns, but three larger permitted each signatory.	"B" class: Ships from 3,000 to 8,000 tons, carrying not over 6.1-inch guns.
Aircraft carriers—27,000 tons.	"C" class: Ships under 3,000 tons, carrying not over 5.1-inch guns.
	Submarines: Limited to 2,000 tons.
	Aircraft carriers: Limited to 23,000 tons and 6.1-inch guns.
	Six-year building "holiday" in all cruiser-type ships carrying more than 6.1-inch guns or over 8,000 tons in size.
	"Nonconstruction zone" between bottom limit of battle-ships of 17,500 tons and top limit of cruisers of 10,000 tons. Due to "holiday" this means zone from 8,000 tons to 17,500 tons.

ESCAPE CLAUSES

Permitted construction above limits provided, but such clauses never employed.

Permits violation of limitations in event unforeseen developments, war, and excessive construction by other powers.

GENERAL FEATURES

Signed in Washington in 1921 and renewed and revised in London in 1931. Expires Dec. 31, 1936. Adhered to by United States, Great Britain, Japan, France, and Italy, except that only first three named subscribed to all features. France and Italy never accepted the limitations on cruisers, destroyers, and submarines.

Signed in London March 25, 1936. Takes effect Jan. 1, 1937. Expires Dec. 31, 1942. Signed by United States, Great Britain, and France. Open to adherence by Italy, Japan, and Russia. Italy expected to sign before end of year.

RAILROAD PASSENGER FARES

Mr. WHEELER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Daily News of Monday, March 30, 1936, commenting upon a statement by Daniel Willard, head of the B. & O. Railroad, in which he announces that he will not oppose but will put into effect the 2-cent fare on all the B. & O. system. This editorial commends him, and I think properly so.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Washington Daily News of Mar. 30, 1936]

TWO CENTS A MILE

Daniel Willard, head of the B. & O., announces that his road intends to establish the 2-cent fare in June regardless of what the other eastern railroads, who are protesting, do about it.

Interesting in this connection was a talk we had the other day with a railroad man from the West, where the lower rates have been in effect for some time and where real results have been shown. In substance, this is what he said:

"Investigations in our territory have shown that of all passenger business lost to the motors, on highway, and in the air, 90 percent has gone to the private automobile, only 7 percent to the bus, and 3 percent to the airplane. Hence our job has been to fix a rate that will successfully compete with our chief opponent—the private car. We think 2 cents a mile does it.

"To compete, we have to consider the actual out-of-pocket cost to the private car owner as the base. That means just gas and oil. The psychology of the private car owner won't figure anything beyond that. The fact that depreciation is working, that repairs must be made, that new tires must be bought, and that the car sometime will have to be junked just doesn't enter into the picture. The owner looks at it this way: 'I own the car and might as well use it unless I can go cheaper by train.' And cheaper means less than cost of gas and oil. Like it or not, we have to accept that as our competitive problem."

From the point of view of railroad operation it costs very little more to run a full passenger car than an empty. "The difference is infinitesimal", said this railroad man. "It can't even be figured in our accounting."

Trains have to run anyway. The crews have to be on them. The fixed-capital investment is there, and all that. Schedules are required under the Interstate Commerce Commission rules. So why not a rate that will fill the empties? That's the reasoning that prompted the western roads to their reductions, and it's what is prompting Willard to break away from his eastern associates who, for some cause or another, don't see the light.

Anyway, as it appears to us, it's the old story of Marcus Loew all over again—of his practically empty theater at \$2 a head, and of the bright idea which made Loew millions—"more people have got a dime than have got a dollar."

He filled his theaters by acting on that, and the railroads may fill their trains by applying the same general economic philosophy.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. CONNALLY obtained the floor.

Mr. CAPPER. Mr. President—

Mr. CONNALLY. I yield to the Senator from Kansas if he desires to speak. I should like, however, to ask him some questions about his bill.

Mr. CAPPER. I simply wish to say that I hope the motion to recommit the bill to the Committee on Agriculture and Forestry will not be adopted.

The VICE PRESIDENT. The Chair did not know whether or not there was to be any further discussion of the motion. So he looked at both the Senator from Kansas and the Senator from Texas and discovered that each one was looking at the other. So they may settle the matter, and let the debate proceed.

Mr. CONNALLY. Mr. President, the Senator from Texas is very pleased to look at the Senator from Kansas; if that were all I had to contemplate, I would have no difficulty; but it is his bill that I am objecting to, and not the Senator from Kansas.

Mr. President, I think this bill ought to be recommitted, and I will tell the Senate why. There is another bill pending before the Committee on Agriculture and Forestry, introduced by the Senator from Iowa [Mr. MURPHY], which is a much more comprehensive measure, and which really reaches the desired objective much more efficiently than does the bill of the Senator from Kansas.

The chief vice of the bill lies in the fact that it is designed, and its intention is, to narrow and limit the market for livestock. It seems to me there ought to be the widest possible freedom in the market for agricultural products; but the bill seeks to force all livestock, cattle, hogs, and similar products through a few central markets in order to give advantage to those particular markets and to the commission houses and other agencies that are interested in making money off of the sales, rather than giving to the farmer and stock raiser a decent price for his cattle and hogs.

My purpose in moving that the bill be recommitted to the Committee on Agriculture and Forestry is that it may be sent back to the committee for reconsideration, and at the same time that the committee may give consideration to the Murphy bill, which has the approval of the Department of Agriculture and is not objectionable to the stock-raising interests of the country.

The National Cattle Raisers Association is opposed to the Capper bill, and the great Southwestern Cattle Raisers Association is likewise opposed to it. I have in my files a large sheaf of resolutions adopted by various livestock organizations throughout the country opposing the so-called Capper bill. It ought not to be considered now. In the committee it did not have sufficient consideration. I hope the Senate will send the bill back to the Committee on Agriculture and Forestry, so it may be properly considered, together with the Murphy bill, which relates to the same subject.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Kentucky?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Did the Senate Committee on Agriculture and Forestry, of which I am not a member and therefore I do not know, have the Murphy bill before it when it voted to report the Capper bill?

Mr. CONNALLY. The Murphy bill was before the committee in the sense that it had been referred to the committee, but my information is that the Murphy bill was never taken up and never really considered by the committee. I am not a member of the Committee on Agriculture and Forestry, but that is my information.

Mr. BARKLEY. Are we to presume that with the subject before the committee in two different bills the committee totally ignored one of them and did not give any consideration to it as compared to the one which they finally reported?

Mr. CONNALLY. I cannot say what happened in the Committee on Agriculture and Forestry. The Capper bill having been reported, and the Murphy bill not having been reported, it would seem to me that raises the presumption that the committee prefers the Capper bill and not the Murphy bill.

Mr. BARKLEY. Frankly, I do not like the method of killing bills by recommitment. I do not know whether I shall vote for the bill upon its final passage, but it is my preference to have bills considered on their merits. I am wondering whether to recommit the bill to the committee which had both bills before it when it acted on the pending one might result in any further consideration of the Murphy bill, or whether it would not be better to try to substitute the Murphy bill on the floor of the Senate, if the Murphy bill is the better bill, and not recommit the Capper bill to the committee.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. CONNALLY. Certainly.

Mr. JOHNSON. Has the Department of Agriculture considered the bill and rendered any report upon it?

Mr. CONNALLY. My understanding is that the Department of Agriculture has not considered the Capper bill; at least it does not favor it, but does favor the Murphy bill, which is a wholly different measure.

Mr. MURPHY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. CONNALLY. I yield.

Mr. MURPHY. With reference to the so-called Murphy bill, it differs radically from the bill introduced by the Senator from Kansas [Mr. CAPPER]. The Murphy bill does not attempt to go into the subject of direct marketing. The bill I introduced in the last session of Congress was presented at the request of the Department of Agriculture to correct some defects in the Packers and Stockyards Act. The bill introduced by the Senator from Kansas seeks to reform the entire system of marketing livestock and proposes the posting of markets which are not now posted under the Stockyards Act. It would effect the posting of some 600 such stockyards which are not now posted.

My bill does not deal with the subject of direct marketing. That is the basic principle of the Capper bill. If the Capper bill shall be considered, I have prepared amendments embodying my bill which I shall offer to the Capper bill, but I should not like to occupy the position of seeking to block consideration of the Capper bill in favor of my bill, and I shall vote against a motion to refer back to committee.

Mr. JOHNSON. My inquiry is directed to the question of whether or not in the usual fashion the Capper bill was submitted to the Department of Agriculture and a report rendered upon it by that Department?

Mr. MURPHY. Answer to that question could better be made by the Senator from Kansas.

Mr. CAPPER. Mr. President, will the Senator from Texas yield?

Mr. CONNALLY. Certainly.

Mr. CAPPER. I hold in my hand a report from the Secretary of Agriculture on the bill which I am now seeking to have considered by the Senate. The report covers six pages, and a part of it is favorable to the pending bill. The Department raises objections to two or three features,

especially those having to do with the feeding of livestock, but the general trend of the report is favorable to the essential features of the pending proposed legislation.

Mr. JOHNSON. We may take it that the Department has rendered a report approving the bill and requesting its passage?

Mr. CAPPER. No; I do not claim it does that. I have the report here. It was filed a year ago and was thoroughly considered by the committee.

Mr. CAREY. Mr. President, will the Senator from Texas yield?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Wyoming?

Mr. CONNALLY. Certainly.

Mr. CAREY. Is it not a fact that the Secretary of Agriculture submitted the bill of the Senator from Iowa [Mr. MURPHY] to the committee, which bill was not considered, and the Department of Agriculture afterward made an adverse report on the bill of the Senator from Kansas? As I read the report, I considered it an adverse report.

Mr. CAPPER. It is not an adverse report at all. I know nothing about where the bill of the Senator from Iowa originated, but it has been before the committee for more than a year, and apparently the committee has not thought it necessary to give it consideration. It does not attempt to solve the direct buying problem. It covers an entirely different phase of livestock marketing.

The report of the committee, so far as the pending bill is concerned, is overwhelmingly in favor of my bill. Furthermore, every agricultural and livestock organization in the country with one or two exceptions has gone on record for the bill before the Senate. For the purpose of consideration here today I now call the attention of the Senate to the fact that I placed in the RECORD last Monday telegrams, petitions, and memorials from livestock and agricultural organizations all over the country appealing to the Congress to enact this measure. They fill more than four pages of the RECORD and represent more than a million producers who would be directly affected by the bill now before us.

I also have telegrams which came to me within the last 24 hours. One is from Edward E. Kennedy, secretary of the National Farmers Union, and reads as follows:

WASHINGTON, D. C., March 29, 1936.

HON. ARTHUR CAPPER,

Senate Office Building, Washington, D. C.:

Capper bill S. 1424, to amend Packer Stockyards Act, 1921, logical sequence original act. Central and other interstate public markets should be regulated alike. Our livestock producers' cooperative shipping associations and terminal market cooperatives respectfully petition for your support enactment this bill.

EDWARD E. KENNEDY,

Secretary, National Farmers Union.

Then I have an appeal from the American Farm Bureau Federation, which reads as follows:

WASHINGTON, D. C., March 28, 1936.

The motion to recommit the measure by Senator CAPPER, S. 1424, to amend the Packer and Stockyards Act so as to get more information about the marketing of livestock, should not prevail.

The American Farm Bureau Federation has supported the general type of legislation now contained in the Capper bill; representatives of the Farm Bureau have testified in recent years both before Senate and House Committees on this measure. This legislation is not a recent development but has been in the process of formulation on Capitol hill and among farm organizations for at least 7 years, during which time it has been considered in hearings and otherwise, both pro and con, elaborately. The Government and the livestock industry needs to have more information in regard to livestock marketing methods.

This pending bill does not specifically contain a solution of livestock marketing; it is mostly a measure to get information upon which future legislation may be formulated more intelligently.

Consequently it is hoped that the motion to recommit will be defeated and that the measure will be decided by a definite vote in the Senate strictly on its merits.

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

This morning I received a telegram from Furneaux Bros., of Dallas, Tex., leading cattle feeders of that State, reading as follows:

DALLAS, TEX., March 30, 1936.

Senator CAPPER,

Senate Chamber, Washington, D. C.:

We heartily endorse your bill, especially that part prohibiting the packers from the feeding and fattening business. Have wired Senator CONNALLY urging him to support your bill and giving him our reasons for endorsement.

FURNEAUX BROS.

I have put in the RECORD the endorsement of every farm organization in the country, including the National Grange, through its grand master, Mr. Taber, and its Washington representative, Mr. Brenckman.

Mr. CONNALLY. Mr. President, if I may ask the Senator a question in my own time, is it not true that the Bureau of Economics of the Department of Agriculture devoted 2 years to a study of so-called direct marketing, at which this bill is aimed; and did not the Bureau report that direct marketing is not to the detriment of the cattle raiser, but is to his advantage?

Mr. CAPPER. I think there were some features of the report of the Bureau of Economics which were not favorable; but the report has been thoroughly discredited since it was made, and has no support or approval so far as the Senate Committee on Agriculture and Forestry is concerned.

Mr. CONNALLY. By whom was it discredited?

Mr. CAPPER. It was discredited by the livestock interests generally and by all the national farm organizations.

Mr. CONNALLY. Does the National Livestock Association favor the Senator's bill?

Mr. CAPPER. It has at times favored certain features of it. It is not for the bill as a whole.

Mr. CONNALLY. No.

Mr. CAPPER. I have here, and I put into the RECORD last Monday, a telegram from the Kansas State Livestock Association, a part of the American National Livestock Association, appealing to the Senate to pass the bill; and that, I think, represents the sentiments of the great majority of the livestock producers of the country.

Mr. CONNALLY. Let me ask the Senator from Kansas if it is not true that there are 600 points in the United States where there is now what is called a free market, a direct market, where anybody can go to buy and sell in the utmost freedom and real competition, and that under the Senator's bill they will have to have commission men and all the charges and regulations of the central stockyards at Chicago and Kansas City. Is not that true?

Mr. CAPPER. No; that is not correct. All the pending bill does is to place the private packer stockyards under the same supervision and control as are the public stockyards and the markets in which the farmers' cooperatives are participating. There is an overwhelming appeal from the producers of the country that there should be no discrimination as between farmer cooperatives and other producers marketing through public stockyards and the private stockyards. The private yards of the packers are rapidly securing control of the supply of these important markets and fixing the price paid the farmer.

In Kansas City, for instance, which is a very, very important livestock market, as soon as we passed the Packers and Stockyards Act of 1921, the packers immediately started to set up their own private stockyards, in view of the fact that the Congress had adopted the principle of open public competitive markets. At that time and now there were and are about 2,000,000 head of hogs marketed annually through Kansas City. Three-fourths of that production has been gathered in by the private packer stockyards through the agents they send all over the country, while something like one-fourth is marketed in the public stockyards.

Mr. CONNALLY. What difference does it make whether livestock is marketed in the public stockyards or in a little stockyard out at El Paso, or Tucson, or Deming? If the stockraiser gets a good price for his stock, why does the Senator want to force it through Kansas City or Chicago?

Mr. CAPPER. The system devised by the packers puts the packers in control of the markets. It puts them not only in control of their own private stockyards, but in control of the public stockyards. Nobody knows what is going

on or how they fix their prices. All the farmers ask now is that they have the same protection in marketing the livestock through the packer stockyards as they have in the public stockyards. Why should there be any objection to the right to inspect the books and records of the packer private stockyards?

Mr. CONNALLY. Let me ask the Senator another question. Today are not the 600 small stockyards or small selling points which the Senator wishes to put under the control of the Department of Agriculture, and thus add to the cost all the commission charges and items of that kind incident to the operation of the big stockyards in Chicago and Kansas City, absolutely free, and cannot the packers or anybody else go to those markets and buy and sell, and does not the man who pays the highest price get the cattle?

Mr. CAPPER. This measure applies—

Mr. CONNALLY. Is not that true?

Mr. CAPPER. No; that is not true.

Mr. CONNALLY. Well, what is true? What is the matter with those points?

Mr. CAPPER. This measure applies only to markets handling at least 35,000 head of livestock annually; and it applies only to markets engaged in interstate commerce. It does not in any way affect the greater number of the 600 small markets of which the Senator speaks. It simply asks that the packers accept the same governmental supervision that is given to public stockyards so that the farmer can know that his market is not being manipulated by the buyer.

Mr. CONNALLY. Let me say to the Senator that we are not opposed to controlling the big packers in Chicago, Kansas City, East St. Louis, and Omaha. They are already being controlled. This bill, however, seeks in the case of every little shipping point, every junction of a railroad where 35,000 cattle are handled annually, to put them under all the regulations and requirements of the stockyards in Kansas City and Chicago and other points, with all the commission and all the stockyard charges and all the other things that will hamper freedom of sale, hamper competition, and make it harder for the cattle raiser and the farmer to sell their livestock than under the present system.

Mr. CAPPER. The bill does not in any way interfere with the legitimate marketing of livestock.

Mr. CONNALLY. What does it do?

Mr. CAPPER. It simply asks the packers to let the Government have some supervision over their markets, the same as it now has over the public markets, so that the interests of the farmer will be protected.

Mr. CONNALLY. Is it not true that at most of these 600 points there is no factory at all, but simply a market where the packers send their agents and where other purchasers send their agents to buy the farmers' cattle?

Mr. CAPPER. Not more than 40 or 50 markets would be brought under this measure if it should become a law.

Mr. CAREY. Mr. President—

Mr. CONNALLY. I yield to the Senator from Wyoming.

Mr. CAREY. I should like to ask the Senator from Kansas if he does not know that under section 202 of the Packers and Stockyards Act the Secretary of Agriculture now can control the buying of livestock by packers, and that the same report which has been referred to, made by the Bureau of Agricultural Economics, says that the Secretary can control their dealing in livestock?

Mr. CAPPER. The Secretary has now no power whatever to take control over the private stockyards. That leaves the producer at the mercy of the packer.

Mr. CAREY. The Secretary cannot control the stockyards, but he can control the buying there and see that the packers do not resort to any unfair practices.

I should like to read to the Senator from the report on the direct marketing of hogs. It says:

The jurisdiction of the Secretary of Agriculture with respect to packers extends to the purchase of livestock for slaughter, whether at public markets or elsewhere, and to the sale and distribution of the products in interstate commerce.

Mr. CAPPER. I do not know what the Bureau of Agricultural Economics reported there; but the Secretary has not

had regular control or supervision or regulation of the private stockyards and packers.

Mr. CAREY. If the Senator will read section 202 of the Packers and Stockyards Act, I think he will agree that the Secretary has.

Mr. CAPPER. A number of Attorneys General have given decisions that the Secretary of Agriculture had no control over the private stockyards of the packers.

Mr. CAREY. I do not claim that he has control over the stockyards; but he may see that the packers do not resort to any unfair practices.

Mr. CAPPER. All the bill attempts to do is to put such stockyards and packers under the supervision and regulation of the Department of Agriculture, the same as the public stockyards. As it is now, they have things their own way. The farmer cooperatives are all doing business through the public stockyards and are subject to supervision and regulation.

Now they are asking, and I think properly, why the packers should have special privileges under the laws of Congress and be relieved from any kind of supervision or regulation, while the farmers' cooperatives, marketing through public stockyards, are subject to supervision and regulation.

Mr. CAREY. Is it not a fact that the farmer saves money by shipping to these concentration points? He does not have commissions to pay. He does not have yardage to pay.

Mr. CAPPER. I do not think it is a fact. It may be a fact in a few instances, but, generally speaking, I do not believe the private stockyards save the producer any money. I have presented here appeals from every farmers' cooperative in the country, and from all the national farm organizations—the Farmers Union, the Farm Bureau, the Grange, the United States Livestock Association. All of them now are and have been for several years asking Congress to pass legislation which would put them on an equal basis with the private packer stockyards.

Mr. CAREY. I shall have something to say about the matter later.

Mr. BARKLEY. Mr. President—

Mr. CONNALLY. I yield to the Senator from Kentucky.

Mr. BARKLEY. I do not know that I understand all about the bill, but probably that is my fault. I understand that it is contended that the large packers go out through the country and establish their own stockyards, buy up the stock from the farmers individually, by visiting the farm and agreeing on a price, bring the stock into their stockyards, and, in competition with the other stockyards, which are regulated, feed the stock with the purpose of later shipping it to their packing house. Is that true?

Mr. CAPPER. They are going out and buying livestock and putting it in their private yards.

Mr. BARKLEY. Would this bill prevent that?

Mr. CAPPER. There is nothing to prevent the farmer or the stockman selling his livestock to the packers. All they ask is that if the packing houses are doing a business of at least 35,000 head annually and are engaged in interstate commerce, the Federal Government be permitted to see their books and inspect the records to protect the producers against unfair practices.

Mr. BARKLEY. What is the present standard by which it is decided whether a stockyard shall be regulated or not? My recollection is that it depends on the square feet in the stockyard, rather than on the number of head of stock.

Mr. CAPPER. This bill provides 20,000 square feet of an enclosure.

Mr. BARKLEY. The bill also fixes the number per annum at 35,000.

Mr. CAPPER. Thirty-five thousand head per annum. There are many small concerns which are doing a local business, which would not come under the bill. It is the large concerns which would be affected by the measure, concerns owned principally by the big packers. I cited one located in Kansas City, which is an outstanding example, which is handling three-fourths of the hogs coming into the

Kansas City market from all that territory, and without any supervision or control or regulation by the Federal Government.

Mr. BARKLEY. Why is it that they are not supervised or regulated? Is it simply because they are a private market, and buy for themselves, and there is no auction, there is no question of competition?

Mr. CAPPER. The Secretary of Agriculture holds that they are not subject to the provisions of the Packers and Stockyards Act, and we are trying to amend the law so that they will be.

Mr. BARKLEY. What is the attitude of the Secretary of Agriculture on this bill?

Mr. CAPPER. I think he is favorable to it.

Mr. BARKLEY. Has he communicated with the committee, or with anybody here, to indicate his attitude?

Mr. CAPPER. I have talked with him, and he has indicated to me that he is favorable to it. His report is not an unfavorable report. It was filed something like a year ago. There are some provisions of the bill which he is inclined to criticize, but, taking it all in all, I regard it as a favorable report.

Mr. ROBINSON and Mr. SHIPSTEAD addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. CONNALLY. I yield first to the Senator from Arkansas.

Mr. ROBINSON. I was just about to ask, if it is to be determined what the attitude of the Secretary of Agriculture is, why we should not have read what he says about it?

Mr. JOHNSON. Mr. President, the Senator from Wyoming [Mr. CAREY] just handed me a report from the Department of Agriculture in the form of a letter from the Secretary. I have never seen it, and inasmuch as the Senator from Wyoming is familiar with the subject matter, I suggest that he read it to the Senate.

Mr. O'MAHONEY. Mr. President, in answer to the inquiry of the Senator from Arkansas, I can say that I saw in the hands of the Senator from Iowa [Mr. MURPHY] just a few moments ago a letter from the Secretary of Agriculture recommending a totally different bill.

Mr. CAPPER. Mr. President, let me remind the Senator from Wyoming that the Senator from Iowa has said that the other bill does not attempt to cover the provisions of the pending bill.

Mr. O'MAHONEY. That is the difficulty with the Senator's bill; it covers too much territory.

Mr. CONNALLY. Mr. President, reclaiming the floor for a moment only, I should like to know on what authority the Senator from Kansas bases his statement that the Secretary is in favor of the pending bill. This bill has never been reported on by the Department of Agriculture. There is nothing in the record as to the attitude of the Secretary of Agriculture; and, with all due respect to the Senator from Kansas, I challenge his statement.

While I am on the floor, let me cite what the Secretary of Agriculture does say about the bill. I hold in my hand a report from the Bureau of Agricultural Economics of the Department of Agriculture. I understand that Bureau spent a couple of years getting the data and compiling this report. It is entitled "The direct marketing of hogs."

Mr. SHIPSTEAD. What is the date of the report?

Mr. CONNALLY. It is dated in March 1935.

Mr. SHIPSTEAD. Will the Senator yield for a moment?

Mr. CONNALLY. I should like to read from the report; then I will yield briefly.

Mr. President, the pending bill is aimed at what is called "direct marketing." The bill seeks to destroy direct marketing, which is that kind of marketing carried on at small points, not at Chicago and Kansas City, where the packers are regulated, but out at the small points throughout the country, where anybody can go and purchase, whether he is a packer, or whether he is just a cowman, or whether he is a feeder in Kansas, Iowa, Nebraska, or the Dakotas,

and wants to buy cattle in New Mexico or Arizona and feed them. The direct market is where anybody can go and buy cattle or hogs. This bill seeks to destroy that; it seeks to put that activity under the same system that is observed in the great livestock centers such as Chicago and Kansas City.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CONNALLY. Let me refer to what the Bureau says about it. The Bureau of Agricultural Economics of the Department of Agriculture says:

Direct marketing has not lowered the general level of hog prices, nor has it operated to reduce returns to producers.

If direct marketing has not lowered the general prices of livestock, if it has benefited the returns to producers, why is there a desire to destroy it, in order to enrich some commission men, some chiselers in the centers who want to force the farmers' cattle and hogs to the central markets so that they can charge them for stockyard services, so that they can charge them commissions, so that they can get a "rake-off"?

Mr. President, is the farmer or the stock raiser more independent when he has his cattle on his own ranch or on his own farm, and does not have to sell them, or when he ships them to some central market, where everyone knows they are going to be sold at some price, and buyers are there trying to get them as cheaply as possible? If we permit the farmer to have a free market near his own ranch, near his own farm, if the buyers do not offer him a decent price, he can say, "I will not sell; I will keep the cattle at home." But when he is forced to take his stock half way across the country to some central market, he is bound to sell them, because he cannot bear the expense of shipping them back home.

I am in favor of leaving a free market for the stock raiser. Let the farmer and the stock raiser have at least one public market place, where anybody can go and purchase at the highest price the products of the farm and the ranch. Why force them into a central market in order to help some commission man? I make the charge here and now that this bill is sponsored by the livestock commission men of the United States.

Now I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, as I understand the bill, it does not interfere with any marketing at all. It provides, however, if I understand it correctly, that in a market where more than 35,000 head are marketed the operations shall be regulated, as they now are, in the public markets. I do not understand that the bill interferes with any open, free market which handles less than 35,000 head. It seems to me that there is not anything in the bill which would prohibit a packer from buying direct, even in a public market.

Mr. CONNALLY. Mr. President, if the Senator's understanding is correct, what good would the bill do; what would be the object of the measure?

Mr. SHIPSTEAD. I assume that there is supposed to be virtue in Government inspection and Government regulation of public markets where hogs and cattle are sold. Congress has already recognized that in connection with the large public markets. It is charged that packers evade that regulation by going out into the country and opening smaller markets of their own. If Congress was right in the first place, in regulating public markets, I do not see what objection there can be to extending that operation to localities or markets which handle a sufficient quantity of livestock to make them important markets. Those which handle less than 35,000 head could continue, as I understand, as they are proceeding now; there would be no interference with them. I find nothing in the bill which would indicate that a farmer would be compelled to sell through commission men.

Mr. CONNALLY. Why not extend it on down to the individual farmer? If it is such a great benefit, why stop at 35,000 head? Why not make the man who is selling 5,000 head come in under the regulation?

Mr. CAREY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. CAREY. I should like to state for the benefit of the Senator from Minnesota that this bill would require, where anyone bought cattle, hogs, or sheep, in any yard where 35,000 were sold, that he should be licensed. In other words, if a cattleman went there to buy cattle, under this measure, he would have to obtain a license before he could buy cattle there and sell to others.

Mr. CAPPER. I should like to have the Senator point out the provision in the bill which would impose such a requirement.

Mr. CAREY. I can show the Senator a provision which would require that any man who went to a market or stockyard to buy stock should be licensed.

Mr. CAPPER. He would have to be doing a business of 35,000 head annually.

Mr. CAREY. No; he would have to deal in a yard where 35,000 head were handled.

Mr. CAPPER. This bill does not attempt to control or regulate any concern which is not doing a business of at least 35,000 head annually, and it must be engaged in interstate commerce before it could be in anyway interfered with.

Mr. CAREY. As I read the bill, it defines a yard as one handling 35,000 head annually.

Mr. CAPPER. It attempts to regulate stockyards operated by the packers and now exempt from supervision and regulation.

Mr. CAREY. That is what the Senator is trying to do, but he is including yards which handle 35,000 head annually, and there are some 600 such yards in this country, and anyone who went to one of those yards, for instance, to buy a string of cattle could be put under the act.

Mr. CAPPER. The Senator is entirely mistaken; it would not have that effect. I should like to have the Senator point out the provision of the bill which would have that effect.

Mr. CAREY. I will find it for the Senator.

Mr. CAPPER. The Senator from Texas made a statement in regard to the commission men.

Mr. CONNALLY. Let the Senator from Kansas understand the Senator from Texas. I said the measure had the support of the commission men. I make no charge that there is any improper influence, but I do say that the bill is being supported by the commission men. Is not that true?

Mr. CAPPER. I do not think it is. The bill was brought to me by the Farmers Union. Its members in Kansas and nearby States are the largest cooperative handlers of livestock. They insist that the packers' private stockyards shall be on the same basis as they are, so far as supervision and regulation is concerned. It is said that 600 small packing houses will be affected by the bill. That is not correct. It would affect probably less than 50.

Mr. CONNALLY. The Senator from Iowa [Mr. MURPHY], who is a member of the Committee on Agriculture and Forestry, says the bill will affect 600 points which are not now regulated, and that when they are regulated, the cattle sellers, the cattle producers, must bear all the expenses of such regulation by the Department of Agriculture, and, in addition, the commission agents will be there, with their trimmings and their chiseling, all of which come off the man who sells the old cow.

Mr. CAPPER. It is the farmer and stockman who is asking for the enactment of this proposed legislation. We had to make the fight here for 3 or 4 years to pass the Packers and Stockyards Act of 1921.

Mr. CONNALLY. I voted for that act. I am not opposed to the regulation of the packers, but I am opposed to regulating every fellow who has two little yearlings which he wants to sell, and who must get the consent of the Secretary of Agriculture before he may sell them. That is what I am objecting to.

Mr. CAPPER. At the time the Packers and Stockyards Act of 1921 was being considered, all the packers were here opposing it; and they have been here for several years fighting the pending proposed legislation. On the other hand, every farm group and every livestock group, except the American National Livestock Association, is in favor of the proposed legislation; and I will say that a large part

of the membership of the American National Live Stock Association is in favor of it.

Mr. CONNALLY. On that point, I desire to reclaim the floor in order to answer the Senator from Kansas.

The Senator says all the farm groups are for the bill. I ask unanimous consent to have printed in the RECORD a memorandum prepared by the American National Livestock Association in opposition to the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The memorandum is as follows:

MEMORANDUM ON CAPPER BILL (S. 1424)

Sponsored by principally commission men (both old-line and cooperative) and stockyards companies.

Some farm organizations have been dragged into it through their close relationship to cooperative commission companies.

Opposed by practically all livestock organizations in western part of the United States because it reduced competition in livestock buying and places unwelcome restraints upon marketing.

ADVERSE REPORTS

By Secretary, who has submitted amendments to the Packers and Stockyards Act (S. 3036; Senator MURPHY) which have had no consideration and which are based on 15 years' experience in administration of the act.

By Budget Bureau, because of sharp increase in expense of administration of the act, due to requiring posting and practically every railroad feeding point and concentration point in the United States.

By Bureau of Agricultural Economics. See comprehensive report on Direct Marketing, issued in March 1935, with special reference to chapter 7, Factors Affecting Hog Prices, page 115, and chapter 8, Competition for Hogs, page 139. This report completely refutes claim of commission men that direct marketing adversely affects hog prices.

Purpose of bill: To hamper direct marketing of livestock, particularly hogs, thus tending to shift business back to the central markets.

Effect of bill: To seriously hamper normal system of marketing which has for years been employed in entire western and southwestern country, where markets are few, small, and separated by long distances.

PRINCIPAL OBJECTIONABLE ITEMS IN BILL

New definition of stockyards: Section 302, page 5, present definition of stockyards is contained in item 1 of this section. Alternative suggestion, item 2, would require posting of any feeding point through which 35,000 head of livestock moved in commerce because all such movements are for the purpose of eventual sale; would tremendously increase cost of administering act.

Grading (sec. 304A): Page 7 requires that the Secretary shall prescribe grades of livestock in commerce. There is no popular demand and no necessity for such grading; it would be unwieldy and cause expensive shrinks and delays.

Purchases by packers for purpose other than immediate slaughter: The limitation proposed in paragraph (1), on page 2, would limit competition and prevent packers from buying large, unsorted strings of cattle, or in carloads that included one or more animals unsuitable for slaughter.

This item would also prevent packers from buying in markets where they do not operate packing houses and contracting with local packers for the slaughter thereof. This is a more or less common practice in many parts of the country.

Feeding of livestock: This same paragraph ((1) on p. 2) would prevent feeding operations by packers—

In western and southwestern country many packers feed large numbers of livestock, thereby providing a good market for surplus feed crops grown in that territory and supplying the market with a better quality of dressed meat than was formerly the case.

Registration of all dealers: There is a possibility that section 303 on page 6 might require the registration of all casual buyers who drop in at railroad feeding points and buy for their own account for feed-lot use. We have consulted officials of the Packers and Stockyards Administration about this point and they are unable to give us a definite answer as to just what would be required under this section.

F. E. MOLLIN,

Secretary, American National Live Stock Association.

WASHINGTON, D. C., February 26, 1936.

Mr. CONNALLY. That is an association of livestock producers, not from a small section but from all over the United States.

I have a resolution adopted by the Texas and Southwestern Cattle Raisers' Association which represents the States of Texas, New Mexico, Arizona, and all the great southwestern territory. That association of livestock producers is against the bill. I ask unanimous consent to have the resolution printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution is as follows:

Resolution 10, adopted by Texas and Southwestern Cattle Raisers' Association at Amarillo, Tex., March 12, 1936

MARKETING LEGISLATION

There is now pending in the United States Senate the Capper bill, S. 1424, the purpose of which is to hamper the free marketing of livestock at any point other than central markets. It is essential that the fullest possible competition be preserved, and that every avenue of marketing be left open for the use of producers and shippers.

We are strongly opposed to the Capper bill or any other bill which will restrict our freedom of marketing or in any way reduce competition in the purchase of our livestock.

Mr. CONNALLY. Let us see about the farm organizations. The Senator from Kansas says they are all for the bill.

I have in my hand a list of farm organizations. Among the organizations which have passed resolutions opposed to this measure are the American National Live Stock Association, the Border Stock Raisers' Protective Association, the California Cattlemen's Association, and the California Farm Bureau Federation. The Senator from Kansas says all the farm bureaus are for the bill. The California Farm Bureau Federation is not for it. Is it desired to destroy the stockyards of California in order to build up the stockyards of Kansas City and Chicago?

I will give the names of other organizations opposed to the bill: The Colorado Stock Growers and Feeders' Association are opposed to the bill; the Delta County (Colo.) Live Stock Association; the Iowa Cooperative Live Stock Shippers.

What about Iowa? The Iowa Cooperative Live Stock Shippers are against this bill. The Louisiana Cattlemen's Association; the Montana Stockgrowers' Association; the National Wool Growers' Association; the Nebraska Stockgrowers' Association; the Nevada State Farm Bureau. I should like to call the attention of the President pro tempore to the attitude of the Farm Bureau in Nevada. The New Mexico Cattle Growers' Association is opposed to the bill, as is also the Cattle and Horse Raisers' Association of Oregon. I hope that will be noted by the minority leader [Mr. McNARY]. The Western South Dakota Stock Growers' Association, the Texas and Southwestern Cattle Raisers' Association, the Texas Sheep and Goat Raisers' Association, the Utah Cattle and Horse Growers' Association are all opposed to the bill.

I should like to have the Senator from Kansas note the next organization whose name I come to. The Senator from Kansas says all the farm organizations are for his bill. The Western Regional Conference of American Farm Bureau Federation, which is a conference of the Farm Bureau Federation throughout the Western States, is against this bill and has adopted resolutions opposing it. The Wyoming Stockgrowers' Association and the Wyoming Wool Growers' Association are opposed to it.

Mr. President, I ask leave to have printed in the RECORD a list of organizations opposing the proposed legislation, and to have printed in the RECORD resolutions opposing the bill adopted by a great number of the organizations whose names I have mentioned.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

RESOLUTIONS PASSED BY FARM ORGANIZATIONS OPPOSING THE CAPPER BILL, S. 1424, OR ANY SIMILAR LEGISLATION WHICH WOULD RESTRICT THE DIRECT SELLING OF LIVESTOCK

Among the organizations which have passed resolutions opposing legislation of the Capper-Hope-Wearin type are the following:

American National Livestock Association.
Border Stock Raisers Protective Association (Texas).
California Cattlemen's Association.
California Farm Bureau Federation.
Statewide Agricultural Committee of the California State Chamber of Commerce.
California State Grange.
California Stock Growers and Feeders Association.
Delta County (Colorado) Livestock Association.
Iowa Cooperative Livestock Shippers.
Louisiana Cattlemen's Association.
Montana Stockgrowers Association.
National Wool Growers Association.
Nebraska Stockgrowers Association.
Nevada State Farm Bureau.
New Mexico Cattle Growers Association.

Cattle and Horse Raisers Association of Oregon.
Western South Dakota Stock Growers Association.
Texas and Southwestern Cattle Raisers Association.
Texas Sheep and Goat Raisers Association.
Utah Cattle and Horse Growers Association.
Western Regional Conference of American Farm Bureau Federation.
Western Slope Cattle Growers Association.
Wyoming Stock Growers Association.
Wyoming Wool Growers Association.

[American National Livestock Association annual convention, Phoenix, Ariz., Jan. 7-10, 1936]

STRONGEST OPPOSITION

Whereas the Capper-Hope-Wearin bills, submitted in Congress (one of which, the Capper measure, was reported out of committee), constitute an attempt on the part of livestock commission men, stockyards, and other interests to curtail the freedom of marketing of livestock by producers; and

Whereas it is the constitutional right of livestock producers to market their product in accordance with their best judgment; and

Whereas it is to the best interest of our industry to keep open every available channel of marketing: Therefore be it

Resolved, That we register our strongest opposition to these measures, and to any similar legislation which would curtail the free marketing of livestock.

[California Cattlemen's Association annual convention, San Francisco, Calif., Dec. 8, 1934]

INFRINGEMENT OF RIGHTS

Whereas under cover of suggesting legislation to regulate hog buying at concentrating points in the Corn Belt, stockyard interests are making a tremendous drive to pass the Capper-Hope-Wearin bills, the real purpose of which is to force all livestock to be marketed through the central markets; and

Whereas such a system of marketing is entirely unfitted to the needs of the entire range country, and the coercive and restrictive measures proposed are an infringement upon the rights of each individual stockman to sell his stock at home or at feeding points if he so elects: Therefore we urge our Representatives in Congress to firmly oppose any such legislation.

[California Farm Bureau Federation, annual convention, Santa Cruz, Calif., Nov. 18-21, 1935]

FAVOR NO RESTRICTION

Resolved, That we favor no restriction of the seller in disposing of his livestock by forcing him to sell through public stockyards.

[State-wide agricultural committee of the California State Chamber of Commerce, annual meeting, San Francisco, October 1934]

RESULTS WOULD BE HARMFUL

Whereas it has always been the practice in California to sell much livestock of all classes at home or f. o. b. shipping point; and

Whereas if any change were made in the present system of marketing livestock, the results would be extremely harmful, as the markets in this area are far removed from the source of supply, making it both economical and advantageous to deal with buyers from nearby packing plants and with feeder buyers at home: Therefore be it

Resolved, That we oppose any legislation which would interfere with the present right of our livestock producers to sell their livestock at home or at any point en route to market; and be it further

Resolved, That any legislation designed to control the marketing of hogs in the Corn Belt be so restricted and framed as not to disturb the system of marketing livestock now being widely employed in California.

[California State Grange, annual convention, Sacramento, Calif., November 1935]

PREVENT ITS PASSAGE

Whereas the livestock industry of the State needs every possible outlet for the sale of its sheep, cattle, and hogs; and

Whereas the Capper bill, S. 1424, prevents the marketing of livestock at country points and aims to force the marketing of livestock through public stockyards: Therefore be it

Resolved, That this State Grange is opposed to the Capper bill, S. 1424, and that our State and National Granges be urged to do everything possible to prevent its passage, and that a copy of this resolution be sent to our representatives in Congress and our President.

[Colorado Stock Growers and Feeders Association, annual convention, Steamboat Springs, Colo., June 24-25, 1935]

CONSTITUTIONAL RIGHTS

Whereas the Capper-Hope-Wearin bills now submitted in Congress constitute an attempt on the part of livestock commission men and public stockyards interests to curtail the freedom of marketing of livestock by producers and deprive them of their constitutional rights to market their product in accordance with their best judgment: Therefore be it

Resolved, That we register our strongest opposition to these bills, or to any similar legislation curtailing the free marketing of livestock.

[Iowa Cooperative Livestock Shippers' annual convention, Des Moines, Iowa, Dec. 11, 1935]

UTTERLY OPPOSED

We are utterly opposed to any legislation which will restrict the freedom of our local cooperative associations from selling the livestock of their members to that market which they deem will net them the most money, whether it be direct to an interior packer, concentration point, or consigned to a central stockyards market.

In the past our association has opposed the passage of the Capper-Hope-Wearin bills in Congress and similar bills that have been introduced in the Iowa Legislature. We wish to again go on record as opposing all such legislation.

[Louisiana Cattlemen's Association, general meeting, New Orleans, May 4, 1935]

WE VOICE OUR OPPOSITION

We voice our opposition to any marketing legislation along the lines of the Capper bills S. 542 and S. 1424 in the Senate and the Hope and Wearin bills, H. R. 2791, 3843, and 6089, in the House, which would seek to restrict the free movement of livestock from the producing areas in whatsoever manner is most advantageous to the producers thereof.

[Montana Stockgrowers' Association, annual convention, Great Falls, Mont., May 23-25, 1935]

STRONGEST OPPOSITION

Whereas the Capper-Hope-Wearin bills, now submitted in Congress, constitute an attempt on the part of livestock commission men and public stockyards interests to curtail the freedom of marketing livestock by producers:

Resolved by the Montana Stock Growers' Association, That we register our strongest opposition to these bills, or to any similar legislation curtailing the free marketing of livestock.

[National Woolgrowers' Association, annual convention, Phoenix, Ariz., Jan. 29-31, 1935]

OPPOSE SUCH BILLS

We believe it essential to the welfare of the wool grower that the widest possible variety and greatest number of market outlets for his lambs be made available, and we oppose such bills as the Capper and Hope bills now before the Congress of the United States, which would seriously handicap all methods of selling in the country by imposing severe restrictions on all markets other than the central public markets.

[Nebraska Stockgrowers Association, annual convention, Alliance, Nebr., June 13-15, 1935]

DO NOT APPROVE

While we, as an association, do not approve of direct buying or the feeding of meat-producing animals by packers, yet we do not approve of the Capper-Hope-Wearin bills or any similar bills that would hamper the sale of livestock on the ranch or at intermediate points enroute to market.

[Nevada State Farm Bureau, annual meeting, Reno, Nev., Jan. 21-23, 1935]

STRENUOUSLY OPPOSE

Whereas it has been and is the practice in Nevada for producers to sell much livestock on the ranch or f. o. b. shipping point; and Whereas this method of selling is entirely satisfactory to Nevada livestock producers; and

Whereas such livestock may now be sold at home or at the union stockyards (terminal markets), the producer having the right to sell at either place; and

Whereas at the last session of Congress the Capper-Hope-Wearin bills were designed to compel livestock producers to sell all their livestock at union stockyards, and similar bills may be or have been introduced at the present session of Congress: Therefore be it

Resolved, That we strenuously oppose any legislation which is designed to prevent livestock producers from selling at home or to prevent packers or other buyers from buying livestock direct; and be it further

Resolved, That we oppose any restrictions on the practice of direct selling of livestock, and that we oppose any legislation which would compel Nevada livestock producers to sell in union stockyards.

[New Mexico Cattle Growers Association, annual convention, Roswell, N. Mex., Mar. 25, 1935]

STRONGEST OPPOSITION

Whereas the Capper-Hope-Wearin bills now submitted in Congress constitute an attempt on the part of livestock commission men and public stockyards interests to curtail the freedom of marketing of livestock by producers and deprive them of their con-

stitutional rights to market their product in accordance with their best judgment: Therefore, be it

Resolved, That we register our strongest opposition to these bills, or to any similar legislation curtailing the free marketing of livestock.

[Cattle and Horse Raisers Association of Oregon, annual convention, Enterprise, Oreg., May 31 and June 1, 1935]

OPPOSE LEGAL RESTRICTIONS

We oppose in principle any limitation on the marketing of livestock by legal restrictions, and ask that bills of the type of the Capper-Hope-Wearin bills be opposed by the association.

[Western South Dakota Stock Growers Association, convention, Belle Fourche, S. Dak., June 10-11, 1935]

DO NOT APPROVE DRASTIC LEGISLATION

While we, as an association, do not approve of direct buying or the feeding of meat-producing animals by packers, yet we do not approve of drastic legislation, such as the Capper-Hope-Wearin bill, that would hamper the sale of livestock on the ranch or at intermediate points en route to the markets.

[Texas Sheep and Goat Raisers Association, annual convention, San Antonio, Tex., Dec. 5-6, 1935]

STRONGLY OPPOSED

We are strongly opposed to Capper bill S. 1424, or any similar bill which would tend to restrict the producer in disposing of his livestock by selling in the country; that is, f. o. b. shipping points, or any legislation which would tend to force producers to sell their livestock through central markets or stockyards.

[Texas and Southwestern Cattle Raisers' Association, annual convention, San Antonio, Mar. 20-23, 1934]

VIGOROUSLY OPPOSE

Whereas Senate bill 3064 and H. R. 8099, and other pending bills on direct marketing, purport to remedy a certain situation affecting the marketing of hogs, but actually go beyond that and would seriously restrict the present methods of marketing cattle; and

Whereas western ranchmen have for years marketed cattle direct to packers in Texas, California, and elsewhere, profitably, and are opposed to any restrictions being placed on this system of marketing: Therefore be it

Resolved, That the Texas and Southwestern Cattle Raisers' Association in convention assembled on March 22, 1934, vigorously oppose the passage of the above-mentioned pending legislation, and request Congressmen and Senators to use their best efforts to prevent its enactment.

[Utah Cattle and Horse Growers' Association, annual convention, Salt Lake City, Apr. 6, 1935]

REITERATE OUR OPPOSITION

Whereas there are still pending in Congress various bills introduced by Senator CAPPER and Congressmen HOPE and WEARIN, which have for their objective the control of livestock marketing: Therefore be it

Resolved, That we reiterate our opposition to any such bills that will in any way restrict the marketing of our cattle, either on the public markets or otherwise.

[Western Regional Conference of American Farm Bureau Federation, Reno, Nev., August 1934]

UNALTERABLY OPPOSED

Whereas it has always been the practice in the livestock areas of the intermountain and Pacific Coast States to sell much of the livestock, both fat and feeder stock, at home or f. o. b. shipping point; and

Whereas it would be disastrous if any change was arbitrarily made in the present marketing system, as the markets in this area are relatively small and in many cases far removed from the sources of supply, making it both economical and advantageous to deal with buyers from nearby packing plants, or with feeder buyers and others; and

Whereas amendments proposed to the Packers and Stockyards Act for the purpose of controlling the marketing of hogs in the Corn Belt are so broad and inclusive in their scope that they would impose severe restrictions upon the present system of marketing all classes of livestock in the West: Therefore be it

Resolved, That we are unalterably opposed to any legislation that would interfere with the present right of our producers to sell their livestock, or of the packer or feeder buyers to buy them, at home or at any point en route to market where advantageous sales can be negotiated; be it further

Resolved, That we urge the American Farm Bureau Federation, prior to the convening of the next Congress, to call a conference of all livestock-producing interests from the different sections of the country to consider whether amendments to the Packers and Stockyards Act to supervise and regulate the handling of hogs at concentration points in the Corn Belt can be so drawn as not to impose a burden on other sections of the country.

[Western Slope Cattle Growers Association, annual meeting, Rifle, Colo., June 29, 1935]

DO NOT HAVE ENDORSEMENT

Whereas there are now pending in Congress several bills which impose restrictions on the free marketing of livestock; and

Whereas these bills do not have the endorsement of the packers and stockyards administration: Therefore be it

Resolved, That we oppose the passage of the Capper-Hope-Wearin bills, or any other legislation that would prevent full freedom of opportunity in the marketing of our livestock.

[Wyoming Stock Growers Association, annual convention, Cody, June 19, 1935]

FIRM OPPOSITION

Our association is opposed in principle to the method of country buying practiced on an increasing scale by the larger packers. However, we express our firm opposition to drastic legislation such as the Capper-Hope-Wearin bills, which would seek to restrict the freedom of opportunity to livestock producers to sell their livestock as they see fit. In the interest of harmony between the livestock producers and the central markets, which have so much in common, we urge that the above-mentioned bills should be withdrawn.

[Wyoming Wool Growers Association, annual convention, Casper, Sept. 18-19, 1935]

RESTRICT AVAILABLE OUTLETS

Whereas legislation similar to the Capper-Hope-Wearin bills introduced in the last session of Congress will be reintroduced during the next session of Congress; and

Whereas such legislation will severely restrict wool growers in selling on the ranges fat or feeder lambs to packers, speculators, or feeder buyers and will likewise restrict purchases by packers, speculators, or feeders on the ranges or at intermediate points on the way to market: Therefore be it

Resolved, That we oppose all such proposed legislation which will restrict the available market outlets, increase the cost of marketing, and prevent producers from disposing of their livestock in whatever manner they may decide that will net them the greatest return.

[Border Stock Raisers Protective Association, annual meeting, LaPryor, Tex., Mar. 6, 1935]

OPPOSING ALL LEGISLATION

Opposing all legislation that will curtail free marketing of livestock and opposing legislation such as Capper-Hope-Wearin bills.

[Delta County Livestock Association, annual meeting, Delta, Colo., Dec. 29, 1934]

REGISTER OUR FIRM OPPOSITION

We believe that every avenue of marketing should be kept open for the selective use of livestock shippers.

Therefore we register our firm opposition to the Capper bill introduced in the last Senate, and the Hope and Wearin bills introduced in the last House, or any similar bills, which, under the guise of regulating direct marketing, actually seek to prohibit it.

Mr. CONNALLY. I hope the bill will be recommitted to the Committee on Agriculture and Forestry. It has never been reported on by the Department of Agriculture. The Department of Agriculture is not for the bill, but it is for the Murphy bill, which is before the Committee on Agriculture and Forestry. Let us proceed in order. Let the Committee on Agriculture and Forestry consider both bills at the same time, and then report back to the Senate whichever measure it may approve and desire, and then let the Senate act in an intelligent fashion, rather than to take a bite at this bill and then perhaps later on have to consider the Murphy bill.

Mr. CAPPER. Mr. President, I call the attention of the Senate to four pages of the CONGRESSIONAL RECORD of March 23, 1936, beginning on page 4176, in which there is on record, officially, the support of this bill by farm organizations and livestock organizations from one end of the country to the other.

Here is a telegram from the National Livestock Marketing Association, Charles A. Ewing, president, headquarters at Chicago, representing 25 member cooperative livestock marketing associations:

In regard to amendments to Packers and Stockyards Act as provided in S. 1424. The National Livestock Marketing Association, representing 25 member cooperative livestock marketing associations operating upon 23 public livestock markets, who have handled an average of over 111,000 carloads of livestock annually during the past 4 years for approximately 300,000 livestock-producer members and patrons, is vitally interested in above bill and strongly urges its passage.

In the RECORD of March 23, 1936, are four pages of letters, telegrams, memorials, and petitions from all over the country from producers, stockmen, and farmers who favor this proposed legislation, and they have been fighting for it here for the past 10 years. During that time the opposition has been almost entirely from the packers. They are still opposing it.

Here is a resolution adopted by the United States Livestock Association at their annual meeting on February 27, 1936, at Omaha:

We urge the passage by Congress of the Capper-Hope-Wearin amendments to the Packers and Stockyards Act of 1921 in the form now presented by Capper bill, S. 1424, pending on the calendar of the United States Senate. The provisions of the legislation restricting the activity of packers in feeding and finishing livestock for slaughter, applying reasonable supervisory rules and regulations of the Department of Agriculture to private as well as public stockyards, and the access given to the Secretary of Agriculture to packers' books and records to the same extent as he now has access to the books and records of other agencies engaged in livestock distribution are particularly commended.

That provision of the Capper-Hope-Wearin bills favoring the regulation of country buying and prohibiting the feeding of livestock by packers met with unanimous approval.

Another is from the Central Cooperative Association of St. Paul, Minn., which is one of the largest cooperative livestock marketing associations in the country.

Mr. CAREY. Mr. President, will the Senator yield?

Mr. CAPPER. I yield.

Mr. CAREY. I should like to ask the Senator regarding the United States Livestock Association. By whom was it organized, and how is it supported?

Mr. CAPPER. All I know about it is that its president is Mr. Hildebrand, of Nebraska. I think the Senator from Nebraska knows him quite well.

Mr. CAREY. Does the Senator know what his salary is?

Mr. CAPPER. So far as I know, he receives no salary.

Mr. CAREY. Is the Senator aware that the commission men and the stockyard interests support that organization; that they contribute 2½ cents a car toward its support?

Mr. CAPPER. I do not think any such situation as that exists.

Mr. CAREY. I happen to know that it does. I happen to know that this association was organized by the Kansas City stockyards, and that every effort has been made to get the livestock producers into the association. They charge the producers no fees. They send the producers cards and tell them to keep the cards as an evidence of membership. The producers do not even have to acknowledge that they have joined the association, but the association claims the recipients of the cards as members of the association. It is a stockyards-supported organization.

Mr. CAPPER. All I know about it is that every cooperative engaged in marketing livestock in the farm belt is fighting for this proposed legislation, and appeared before the committee through representatives, or sent telegrams or letters or petitions, and the expressions of support were stronger than I have ever heard made by groups of producers on any other measure which has been before Congress.

Mr. CAREY. I can quite well understand why certain producers believe in the bill, because they have been made to believe that these concentration points are lowering the price of hogs. It has been proven by the report of the Bureau of Agricultural Economics that that is not true. I say to the Senator, however, that the principal proponents of this bill are the United States Livestock Association, represented by their attorney. They are responsible for it, and they are supported by the commission men who wish to have livestock brought into the yards where they operate.

IMPEACHMENT OF HALSTED L. RITTER

The VICE PRESIDENT. The hour of 1 o'clock having arrived, under the special order of the Senate the Senate is now in session sitting as a Court of Impeachment for the trial of articles of impeachment against Halsted L. Ritter, judge of the United States District Court for the Southern District of Florida.

The managers on the part of the House of Representatives—Hon. HATTON W. SUMNERS, of Texas; Hon. RANDOLPH

PERKINS, of New Jersey; and Hon. SAM HOBBS, of Alabama—accompanied by the Sergeant of Arms of the House of Representatives (Kenneth Romney), were announced by the secretary to the majority and conducted to the seats assigned them.

The respondent, Halsted L. Ritter, and his counsel, Frank P. Walsh, Esq., of New York City, N. Y., and Carl T. Hoffman, Esq., of Miami, Fla., entered the Chamber and took the seats assigned them.

The VICE PRESIDENT. The Sergeant at Arms will make proclamation.

The Deputy Sergeant at Arms (J. Mark Trice) made the usual proclamation.

Mr. ASHURST. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk (John C. Crockett) called the roll, and the following Senators answered to their names:

Adams	Copeland	King	Pittman
Ashurst	Couzens	La Follette	Pope
Austin	Davis	Lewis	Radcliffe
Bachman	Donahay	Logan	Robinson
Black	Duffy	Loneragan	Schwellenbach
Bone	Fletcher	Long	Sheppard
Borah	Frazier	McGill	Shipstead
Bulkley	George	McKellar	Smith
Bulow	Gibson	McNary	Steiwer
Burke	Glass	Maloney	Thomas, Utah
Byrd	Guffey	Minton	Townsend
Byrnes	Hale	Moore	Vandenberg
Capper	Harrison	Murphy	Walsh
Caraway	Hatch	Murray	Wheeler
Carey	Hayden	Norris	White
Clark	Johnson	O'Mahoney	
Connally	Keyes	Overton	

The VICE PRESIDENT. Sixty-six Senators have answered to their names. A quorum is present.

The Chair will inquire if any Senators are present who have not heretofore been sworn. If there are, the Chair will administer to them the oath as members of the Court.

Mr. METCALF, Mr. BARKLEY, Mr. BROWN, Mr. TRUMAN, Mr. CHAVEZ, Mr. RUSSELL, and Mr. VAN NUYS rose, and the oath was administered to them by the Vice President.

Mr. ASHURST. I ask unanimous consent that the Journal of the last session of the Senate sitting as a Court of Impeachment be considered as read and approved.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ASHURST. Mr. President, it is appropriate now for the Court to hear from the managers on the part of the House and from the counsel for the respondent as to the pleadings.

Mr. Manager SUMNERS. Mr. President, the managers on the part of the House have been authorized by the House to file certain amendments to the articles of impeachment heretofore exhibited to the Senate. I understand that those amendments have not as yet been transmitted to the Senate. Counsel for the respondent have not had opportunity to see them. I suggest, if I may, Mr. President, that the Court recess until tomorrow, at such time as the Court may determine, in order to give opportunity for the managers and counsel for the respondent to have conferences with regard to the pleadings and procedure. I believe it would probably expedite the matter if that course should be adopted.

The VICE PRESIDENT. The managers on the part of the House have suggested that the Senate, sitting as a Court of Impeachment, take a recess until, say, 1 o'clock tomorrow.

Mr. Manager SUMNERS. That will be satisfactory to the managers on the part of the House.

The VICE PRESIDENT. To 1 o'clock tomorrow, with a view to the managers on the part of the House and counsel for the respondent having conferences with reference to amendments to the articles of impeachment.

Mr. KING. Mr. President, pursuant to the suggestion made by the managers upon the part of the House, I move that the Senate, sitting as a Court of Impeachment, take a recess until tomorrow, Tuesday, at 1 o'clock p. m. to us.

Mr. WALSH (of counsel). That is perfectly satisfactory

The VICE PRESIDENT. The question is on the motion of the Senator from Utah.

The motion was agreed to; and (at 1 o'clock and 7 minutes p. m.) the Senate, sitting as a Court of Impeachment, took a recess until tomorrow, Tuesday, March 31, 1936, at 1 o'clock p. m.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its reading clerks, informed the Senate that the House had agreed to a resolution (H. Res. 472), as follows:

Resolved, That a message be sent to the Senate by the Clerk of the House informing the Senate that the House of Representatives has adopted an amendment to the articles of impeachment heretofore exhibited against Halsted L. Ritter, United States district judge for the southern district of Florida, and that the same will be presented to the Senate by the managers on the part of the House.

And also that the managers have authority to file with the Secretary of the Senate, on the part of the House, any subsequent pleadings they shall deem necessary.

STOCKYARDS AND MEAT PACKING

The VICE PRESIDENT. The Senate is now in legislative session.

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill to the Committee on Agriculture and Forestry. The Senator from Kansas [Mr. CAPPER] had the floor at the time when the Senate resolved itself into a Court for the purpose of considering the articles of impeachment.

Mr. CAREY. Mr. President, I understood the Senator from Kansas had the floor, and I should like to ask him if he has concluded his remarks?

The VICE PRESIDENT. The Senator from Kansas had the floor, and the Chair so announced, immediately after the Senate, sitting as a Court of Impeachment, took a recess. The Senator from Kansas did not happen to be in the Chamber at the moment. Does the Senator from Wyoming yield to the Senator from Kansas?

Mr. CAREY. I yield to the Senator from Kansas, if he desires to finish his remarks.

Mr. CAPPER. Mr. President, I prefer to take the floor when the Senator from Wyoming shall have concluded.

Mr. CAREY. Very well.

Mr. President, first, I wish to thank the Senator from Kansas for not insisting upon action being taken on the pending bill during my absence. I was called to Wyoming last week, and the Senator from Kansas very kindly consented to wait until my return. I also wish to say that I am very reluctant to oppose any bill that my friend the Senator from Kansas may have introduced, and I realize that in introducing this bill he is of the opinion that this proposed legislation will be of benefit to the livestock industry. However, I cannot agree with him that the bill will be of benefit to the livestock industry, for, in my opinion, rather, it will do more harm than good by doing away with direct marketing and forcing producers to patronize central markets. So I hope the motion of the Senator from Texas to recommit the bill will be adopted by the Senate.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Idaho?

Mr. CAREY. I yield.

Mr. BORAH. As I understand, this measure is now before us on a motion to recommit?

Mr. CAREY. That is correct.

The VICE PRESIDENT. The question is on the motion of the Senator from Texas to recommit the bill.

Mr. BORAH. What concerns me is that we are really investigating the merits of this bill on a motion to recommit. If the view expressed by the Senator from Texas that the bill will destroy a free market, or an open market, be correct, I should, of course, be opposed to it; but should we dispose of that question on a motion to recommit? Is not the Senator from Kansas entitled to have his bill passed upon by the Senate upon its merits instead of on a motion

to recommit? The bill has been reported by the committee; the committee has passed upon it; it is here for consideration. Now the bill is really being killed—for that is what the motion to recommit means, if adopted—without an opportunity to present the matter upon its merits.

Mr. CAREY. Mr. President, I do not feel that the motion to recommit can be considered intelligently unless the merits of the bill are debated. I have grown up in the livestock business. I am interested personally in anything that will help that industry. If I believed this bill would be helpful, I should favor it, but I feel that this measure, by destroying to a large extent free marketing, would be most harmful.

We have in the United States a large number of central markets where livestock can be shipped and where it is sold by commission men. I have many friends among the commission men. The livestock commission business has been generally honest, and anyone who ships to these central markets, consigning his livestock to a reputable firm, can be assured that he will be fairly dealt with and will receive all the market will stand for his livestock. I have no fight with the commission men, and believe that central markets are most necessary.

However, I happen to know that this bill originated in the Kansas City stockyards and not with livestock producers. The main purpose of the bill is to prevent the operation of concentration yards where the packers have been accustomed to buy hogs. It is an effort upon the part of those doing business in the central markets to compel livestock to be shipped to those markets so they may get the benefit of the commission charges as well as other charges which are made in such yards.

A short time ago, in discussion with the Senator from Kansas [Mr. CAPPER] I called attention to the United States Livestock Association. I reiterate that the association was organized not by livestock producers but by a group of commission men. That organization is responsible for this bill. It was written by their attorney. In order to make it appear that the organization represents the producers, various producers over the country are being constantly solicited to join. No dues are charged for joining, every effort being made to get the names of as large a number of livestock men as possible on the roll of membership.

A livestock man is at the head of the association. I have been advised that he is being paid a salary for acting as such. Certain directors or governors are appointed, and once a year are called together for a meeting and their expenses in attending the meeting are paid. The commission men contribute 2½ cents per car to support the organization. None of the livestock men who are invited to become members pay any membership fees. In fact, they do not even have to acknowledge that they have become members. A membership card is sent out, reading as follows:

THE UNITED STATES LIVESTOCK ASSOCIATION

The undersigned holds a nonassessable membership in the United States Livestock Association and is entitled to vote in accordance with the constitution and bylaws, and has pledged himself to assist the association in serving the best interests of the livestock industry.

The new member is told to keep that card to show that he is a member of the association, and he is not expected to acknowledge it. That is the way the large membership of the United States Livestock Association has been built up. As I have said, it is an association of commission men and stockyards interests and not of the producers, though many producers have joined, not knowing the purpose of the association.

The main purpose of the Capper bill is to do away with the concentration points where large packers are accustomed to buy hogs, but, to accomplish this, many small packers who must feed livestock would be destroyed.

At these concentration yards the packers pay the Chicago price or the price of some other market for the classes of hogs purchased, the price being based on the market price for that day. It is contended by many commission men and others that this lowers the price in the central markets, due to the fact that there is no competition in the central mar-

kets on account of limiting the purchasing of some of the packers.

At the request of various farm organizations a very thorough study was made by the Bureau of Agricultural Economics as to the effect of direct buying, and their report conclusively shows that the price of livestock is not fixed by any one particular market but by the demand throughout the country. Further, the buying at outside yards has not lowered prices.

No producer is compelled to ship to concentration points, but there is some advantage for the producer in doing so. He may not have a carload of hogs; he may have only a truck load. What he ships may belong in several different classes and can be sorted at the yards and put into their proper classifications. Every farmer who ships to these yards saves the cost of commission, yardage, and other charges which he would have to pay at the central markets. The central market is available to him. If he feels that a fair price is not being paid by the packers at concentration points, he has the privilege of going to other markets. He is not compelled to sell at the concentration points.

Each year there has been a constant increase in the number of livestock that are sold at home. Frequently, dealers come out into the ranch country and buy cattle, sheep, or hogs. Feeders buy direct from producers. In many places throughout the country railroad yards handle more than 35,000 head of livestock, which under the terms of this bill would come under control of the packers and stockyards administration.

Therefore, if the bill should become a law it would mean that many of those places where the ranchman is delivering his livestock or where the eastern feeder has been coming to receive his livestock, would be put under the Department of Agriculture, and it would necessarily mean a greatly added expense.

In my discussion with the Senator from Kansas a little while ago I called attention to the fact that any man who deals in livestock in these markets, any farmer or ranchman who might buy livestock, under this bill could be obliged to take out a license from the Secretary of Agriculture or be guilty of violating the law. The Senator from Kansas asked me what part of the bill contains that provision. I invite his attention to section 303, on page 6 of the bill, which reads as follows:

SEC. 303. After the expiration of 30 days after the Secretary has given public notice that any stockyard is within the definition of section 302, by posting copies of such notice in the stockyard, no person shall carry on the business of a market agency or dealer at such stockyard unless he has registered with the Secretary, under such rules and regulations as the Secretary may prescribe, his name and address, the character of the business in which he is engaged, and the kinds of stockyard services, if any, which he furnishes at such stockyard.

I interpret that to mean that if the Secretary of Agriculture so desires he may compel anyone who might purchase livestock at any of these yards to take out a license in order to buy or sell livestock.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CAREY. Certainly.

Mr. FRAZIER. I should like to ask the Senator if he means that anyone, in order to sell at one of the concentration points, must take out a license under the terms of the bill?

Mr. CAREY. I think anyone who buys could be compelled to do so. I do not say that he must do so; that would be for the Secretary of Agriculture to decide. I think the buyers who buy at these yards could be compelled to take out a license. For example, if I went to a stockyard where I was accustomed to buy cattle I would have to be licensed or could not buy without violating the law.

Mr. FRAZIER. To buy stock to feed?

Mr. CAREY. Stock for any purpose.

Mr. FRAZIER. I do not interpret the provision as does the Senator from Wyoming.

Mr. CAREY. Mr. President, there is another provision of this bill which would cause considerable loss to the livestock producers, in that it prohibits the packers from buying live-

stock for any other purpose than for slaughter. There are many places in the country, particularly in California, where the packers are accustomed to go out and buy cattle and other livestock in the country. Frequently a producer will have, among the cattle he is selling, a few cattle that are not suitable for slaughter. Under the terms of this bill, the packer could neither feed any cattle not fit for slaughter nor could he resell them. That would mean that the livestock producer who had been accustomed to selling his livestock at home to the packer would have a few head on his hands which he probably could not dispose of unless he could find another buyer.

Another provision of the bill is that the packers may not engage in feeding livestock. I can understand why there is objection to the large packers engaging in feeding operations. Many persons claim that this livestock, coming in competition with other livestock, tends to depress the market, the packer killing his own livestock rather than buying on the market. I have discussed this matter with some of the larger packers, and I do not believe that any of them would engage in the business of feeding livestock if they could be assured of a suitable supply the year around.

In addition to the big packers, there are scattered throughout the United States a large number of small packers. Many of these packers are in sections of the country where farmers are not accustomed to feeding livestock and where the packers cannot get enough livestock to supply their plants during certain periods of the year. If this bill should be enacted, most of those packing establishments would have to go out of business, for the reason that they could not afford to go to a central market, buy fat livestock, and ship them to their plants.

We have two such plants in my State. With one of those plants I do a great deal of business. It is operated by men in whom I have the greatest confidence. In fact, their reputation is such that many of us send our livestock to them without any agreement as to price, knowing that they will give us the fair price for our livestock. I have not a full list of these small packing plants, but I have a partial list of the plants that must feed livestock in order to continue in operation:

The Tovrea Packing Co., at Phoenix, Ariz.
 The Peyton Packing Co., at El Paso, Tex.
 The Frey Packing Co., at Seattle, Wash.
 The Carstens Packing Co., at Tacoma, I believe, and Spokane.
 The Dixon Packing Co., at Dixon, Calif.
 The Moffatt Packing Co., at San Francisco, Calif.
 The Grayson-Owen Packing Co., at Emeryville, Calif.
 The Kern Valley Packing Co., at Bakersfield, Calif.

In fact, there are 765 concerns engaged in the business of packing and slaughtering livestock in California, and one-third of which are feeding livestock.

The Casper Packing Co., at Casper, Wyo.
 The Bell Packing Co., at Cheyenne, Wyo.
 The American Packing Co., at Ogden, Utah.
 The Hormel Packing Co., at Austin, Minn.
 The Hansen Packing Co., at Butte, Mont.

Every one of these is a small packing plant. All must engage in the business of feeding livestock in order to keep their plants in operation.

I find that Armour & Co. have to feed cattle to have a supply for 1 month of the year at Denver; that they cannot get an adequate supply for their plant there. They have to feed sufficient livestock for 3 months' supply for their plant at Spokane.

The Cudahy Packing Co. have to feed for their plants at San Diego, Los Angeles, and Salt Lake City.

Swift & Co., in order to operate at Fort Worth and Portland, have to engage in feeding operations.

As stated before, this is only a partial list of the various packing plants that would be affected and would be put out of business if this bill should become a law.

There is another provision in the bill whereby packers could not have other packers slaughter hogs for them. Having hogs slaughtered by other packers reduces the cost of

finished product, as it is much cheaper to ship the finished product from these plants than to ship live hogs to some other point and then ship the finished product to their customers.

If anyone will read the Packers and Stockyards Act, section 202, I think he will agree with me that under that act the buying by packers can now be regulated by the Secretary of Agriculture. It is true that the Secretary may not go into the packers' yards and make them public yards, establish commission firms, charge yardage, and all that, the same as in public yards; but the Secretary of Agriculture has all the authority necessary to prevent the packers from dealing unfairly with the producers.

Much has been said about the various associations both for and against this bill. I can understand why some of these organizations that are maintaining cooperative commission firms on the market might be favorable to this bill, as it would mean increased business for those commission firms. I also believe that certain of them do not understand just what the bill would do to the livestock industry should it become a law.

The Senator from Kansas [Mr. CAPPER] states that there is a letter from the Secretary of Agriculture in favor of this bill. I beg to take issue with him on that point, for, as I read the letter, I think it is anything but favorable. At the conclusion of my remarks I shall ask to have this letter from the Secretary printed in the RECORD in full. I desire at this time to quote from portions of it.

I am informed that in April of last year the Secretary of Agriculture addressed a letter to the chairman of the Senate Committee on Agriculture and Forestry suggesting certain amendments to the Packers and Stockyards Act. A copy of a proposed bill was enclosed, which bill was introduced by the Senator from Iowa [Mr. MURPHY]. I believe that I have been correctly informed that the bill of the Secretary was not considered by the committee, but I find that on June 6, 1935, a letter was addressed by the Secretary to the committee on the bill of the Senator from Kansas. I quote from parts of this letter:

Subdivision (1) would prohibit a packer from acquiring livestock for any purpose other than slaughtering and processing in a packing plant owned by the packer. The Department has never made an intensive study of the economic effect of packer feeding on the various interests in the livestock industry, consequently it is not in position to make definite recommendations as to the proper action to be taken with respect to legislation dealing with the elimination or regulation of this practice. It is our understanding, however, that the purchase of livestock for fattening is done to some extent by the large national packing companies and by some of the smaller packers who are located in areas where it is difficult to obtain a dependable supply of certain grades of livestock suitable for slaughter. Packers located in the Southwest and in the Pacific Coast States have followed this practice for many years. Many of these packers are located some distance from public livestock methods and usually obtain their livestock supplies over a relatively wide area by direct purchase from producers. Since relatively little intensive feeding of cattle and lambs is done by stockmen or farmers in their territory, these packers claim that they have found it necessary to feed livestock in order to insure themselves of a dependable supply of the better grades of animals for their trade requirements. In buying livestock from a producer, these packers often purchase all animals offered even though some may be unsuitable for immediate slaughter. Those not suitable for immediate slaughter are either fed out in the packers' own feed lots or they are assembled and reshipped to public markets where they can be sold to those desiring them. In this way livestock producers, especially those in areas having few public markets, have been provided with an economic service which apparently has been beneficial to them. In addition, there is reason to believe that the practice on the part of some packers in certain areas, of buying all livestock offered and of feeding livestock to insure a steady supply of slaughter animals, makes for greater price stability in those areas than might otherwise prevail.

The Secretary says considerably more on that subject, but I shall not take the time to read it; but I ask to have the entire letter and the enclosure inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, the letter and enclosure will be printed in the RECORD at the conclusion of the Senator's remarks.

Mr. CAREY. He also says:

The bill would add a new section, known as 204, providing for the suspension of the registration of a packing plant operated by

a packer who fails to obey an order of the Secretary or who is found guilty of a violation of the act.

Inasmuch as registrations of market agencies and dealers are suspended for violations, it would seem reasonable on first thought that similar action should be taken with respect to a packer who violates the act. On the other hand, the suspension of the operation of a packing plant could easily result in an infliction of punishment or hardship on innocent parties, such as the employees of the plant, the operators of public markets adjacent to it, and livestock producers who are dependent upon the plant for an outlet for their stock. For this reason it is believed that this provision should receive very careful consideration before it is enacted into law. Likewise, the possibilities of subdivision (b) of section 308, which provides for the suspension of the operations of public stockyards for violations of the act should also be carefully considered in view of the possible injury that may be done to the general public making use of such facilities.

There is no question in my mind that if any stockyard or packing plant were closed down those who do business with the stockyards and with the packing plants, as well as their employees, would be seriously damaged. He says further:

The new section 206 would also authorize fines of not less than \$500 nor more than \$10,000 for any packer, officer, or employee, who violates any provision of the act. In view of the proposed provision for suspension of registrations, this might constitute something in the nature of a double penalty for a single violation.

Under the provisions of the bill a packer or a stockyard company could not only have the plant closed down, but could also be punished again by being fined for a violation of the act.

The Secretary says further:

A new section known as 304-A would be added to the act which would authorize the Secretary to prescribe regulations relating to the weighing, fill, dock, or grades of livestock, provided, however, that the Secretary would have no power to employ any person to perform these functions.

In other words, we are going to insist on the grading of livestock at these markets, with no one to see that the grading is carried out. He says further:

With respect to the establishment of rules and regulations relating to the grading of livestock, it is believed that this could be handled best through separate legislation rather than through incorporation in regulatory statutes such as the Packers and Stockyards Act. As the committee is no doubt aware, the Department is now grading many agricultural products under the provisions of specific legislation. Experience has shown that all matters relating to grading are more satisfactorily handled in this manner than by including the authority in general regulatory statutes.

Then he calls attention to the fact that there would be a double penalty to the stockyard owner by suspending him, and also making him subject to a fine, to which I referred before.

I will skip to the last point of the letter from Secretary Wallace, which I quote:

Upon reference of this matter to the Budget Bureau, as required by Budget Circular 49, the Department was advised by the Assistant Director thereof under date of June 1, 1935, that, insofar as this proposed legislation would extend the scope of the Packers and Stockyards Act of 1921, the additional expenditures for administration and enforcement which would thereby be involved would not be in accord with the financial program of the President.

Mr. President, I ask that this letter be inserted in the RECORD at the close of my remarks, together with the enclosure, which is a bill recommended by the Secretary of Agriculture for amending the Packers and Stockyards Act.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. CAREY. Mr. President, I have tried to show in a brief way the effect this bill would have on the livestock industry. I feel certain that if it shall be enacted into law it will do away with free and open marketing, and will cause the producer to pay commission charges and other charges which at present he is not obliged to pay.

As I have before stated, the pending bill originated in the stockyards. The purpose of the bill is to bring business to the stockyards, and so far as helping the livestock producer is concerned, it would do more harm to him than good, through preventing him from selling as he pleases and where he pleases.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. CAREY. I yield.

Mr. FRAZIER. I should like to ask the Senator whether, in his opinion, all the big packers are not opposed to the pending bill?

Mr. CAREY. I think so, yes; and I think all the small packers are as well.

Mr. FRAZIER. The Senator has stated that the bill originated in the stockyards. I cannot quite understand how he reconciles the two statements.

Mr. CAREY. I should have said that it is sponsored by the owners of the stockyards and the commission men.

I will not take more of the time of the Senate, but I hope that the motion of the Senator from Texas to recommit the bill will prevail. I feel that the bill introduced by the junior Senator from Iowa [Mr. MURPHY] is much better than the pending bill, and it has the approval of the Department of Agriculture.

The letter and enclosure presented by Mr. CAREY are as follows:

JUNE 6, 1935.

Hon. E. D. SMITH,

Chairman, Senate Committee
on Agriculture and Forestry,

United States Senate.

DEAR SENATOR SMITH: I have the honor to acknowledge receipt of your request for a report on Senator CAPPER's bill, S. 1424, "a bill to amend the Packers and Stockyards Act, 1921", and the following comments are offered respecting its various provisions:

The bill proposes to strike subdivision (g) of section 202 in the existing act and to add to that section new subdivisions (g), (h), (i), and (j).

Subdivision (g) would forbid a packer from owning or operating any place where stockyard services as defined in the act are furnished other than receiving pens at his packing plant or a stockyard posted under the act. It is understood, of course, that certain packers are forbidden by the consent decree from owning stockyards; and, although we see no particular objection to this provision, we feel that, with the existing regulation over public stockyards, the ownership of them by packers is not as serious a question as it was prior to such regulation.

Subdivision (h) would require a packer to register and to maintain a bond to secure the performance of his financial obligations as a buyer of livestock. We see no objection to requiring packers to register the same as market agencies and dealers do, and we are in favor of the bond requirement for packers.

Subdivision (i) would prohibit a packer from acquiring livestock for any purpose other than slaughtering and processing in a packing plant owned by the packer. The Department has never made an intensive study of the economic effect of packer feeding on the various interests in the livestock industry, consequently it is not in position to make definite recommendations as to the proper action to be taken with respect to legislation dealing with the elimination or regulation of this practice. It is our understanding, however, that the purchase of livestock for fattening is done to some extent by the large national packing companies and by some of the smaller packers who are located in areas where it is difficult to obtain a dependable supply of certain grades of livestock suitable for slaughter. Packers located in the Southwest and in the Pacific coast States have followed this practice for many years. Many of these packers are located some distance from public livestock markets and usually obtain their livestock supplies over a relatively wide area by direct purchase from producers. Since relatively little intensive feeding of cattle and lambs is done by stockmen or farmers in their territory, these packers claim that they have found it necessary to feed livestock in order to insure themselves of a dependable supply of the better grades of animals for their trade requirements. In buying livestock from a producer these packers often purchase all animals offered even though some may be unsuitable for immediate slaughter. Those not suitable for immediate slaughter are either fed out in the packers own feed lots or they are assembled and reshipped to public markets where they can be sold to those desiring them. In this way livestock producers, especially those in areas having few public markets, have been provided with an economic service which apparently has been beneficial to them. In addition, there is reason to believe that the practice on the part of some packers in certain areas of buying all livestock offered and of feeding livestock to insure a steady supply of slaughter animals makes for greater price stability in those areas than might otherwise prevail.

Opposition on the part of certain producers to packers engaging in feeding livestock has developed largely during the last 18 months and appears to be directed mostly to the feeding operations of some of the large national packers rather than to those of the smaller packers. Resolutions against the practice were adopted at meetings of some of the livestock-producer organizations held last year. In response to these resolutions one of the large national packing companies issued a statement last spring outlining its position with reference thereto. This statement was to the effect that feeding operations were carried on only to insure the company an adequate supply of those grades of beef and lamb demanded by its trade and which at times were unavailable at the local markets where some of its plants were located. The statement carried the intimation that the company would be will-

ing to discontinue the practice of feeding whenever it could be assured of adequate supplies of the grades of slaughter animals needed by certain of its plants for local trade demands.

It is difficult to determine, short of a comprehensive and detailed study, the extent to which packers find it necessary to feed livestock for slaughter in order to secure a dependable supply of slaughter animals of the different grades. The large national packers, for the most part, have their principal plants located at or near public market centers, and can obtain their principal supply at these markets and from a wide producing area. Many of the smaller packers, on the other hand, are not located at public market centers, but must depend to a large extent upon supplies purchased from producers in surrounding territory. It is possible, therefore, that the prohibition upon feeding of livestock by packers might be a distinct disadvantage to producers in the territory adjacent to these packing plants by restricting their market outlet for unfinished cattle and lambs.

Subdivision (j) makes it unlawful to conspire to do the things forbidden in the preceding subdivisions, and we have no special comment to offer on this.

The bill would amend subdivision (a) of section 203 by substituting the word "may" for the word "shall" in the third line, thus leaving to the sound discretion of the Secretary the decision as to whether he will institute a complaint against a packer instead of making it apparently mandatory to do so. We feel that this is a desirable change.

The bill would add a new section, known as 204, providing for the suspension of the registration of a packing plant operated by a packer who fails to obey an order of the Secretary or who is found guilty of a violation of the act. Inasmuch as registrations of market agencies and dealers are suspended for violations, it would seem reasonable on first thought that similar action should be taken with respect to a packer who violates the act. On the other hand, the suspension of the operation of a packing plant could easily result in an infliction of punishment or hardship on innocent parties, such as the employees of the plant, the operators of public markets adjacent to it, and livestock producers who are dependent upon the plant for an outlet for their stock. For this reason it is believed that this provision should receive very careful consideration before it is enacted into law. Likewise, the possibilities of subdivision (b) of section 308, which provides for the suspension of the operations of public stockyards for violations of the act, should also be carefully considered, in view of the possible injury that may be done to the general public making use of such facilities.

The bill would add a new section, known as 206, to the act providing for writs of mandamus to compel a packer to comply with the provisions of the act or any order of the Secretary. We see no objection to this provision.

The new section 206 would also authorize fines of not less than \$500 nor more than \$10,000 for any packer or officer or employee who violates any provision of the act. In view of the proposed provision for suspension of registrations, this might constitute something in the nature of a double penalty for a single violation.

The bill would amend section 302 (a) of the act by defining a new type of stockyards. Such yards would be any place where live cattle, sheep, swine, or goats are received incident to or in connection with the sale to packers and where the total number of animals received in the preceding calendar year was more than 35,000 head. It is our understanding that there are quite a number of yards which would fall within this description, and this, of course, would considerably enlarge our supervisory activities and require a substantial increase in the appropriations to enforce the act.

The bill would amend section 303 of the act substantially by writing in the bond requirement, and this, of course, we consider very desirable.

A new section known as 304-A would be added to the act, which would authorize the Secretary to prescribe regulations relating to the weighing, fill, dock, or grades of livestock, provided, however, that the Secretary would have no power to employ any person to perform these functions. With respect to the establishment of rules and regulations relating to the grading of livestock, it is believed that this could be handled best through separate legislation rather than through incorporation in regulatory statutes such as the Packers and Stockyards Act. As the committee is no doubt aware, the Department is now grading many agricultural products under the provisions of specific legislation. Experience has shown that all matters relating to grading are more satisfactorily handled in this manner than by including the authority in general regulatory statutes.

The bill would amend subdivision (a) of section 308 of the act so as to provide for reparation against packers as well as stockyard owners, market agencies, and dealers, and also by providing that reparation may be awarded for violations of the new section 304-A and the new section 317, provided for in the bill. We see no particular objections to this proposal.

The bill proposes to add a new section, known as 317, to the act. Subdivision (a) would provide for suspension of insolvent market agencies and dealers, and we, of course, think that it would be desirable to make this a part of the organic act.

Subdivision (b) would provide for suspension of stockyard owners and of the operation of stockyards. As in the case of packers, there seems to be no good reason why stockyard owners should not be suspended if market agencies and dealers are, but with regard to the actual physical suspension of the operations of a public stockyard, this, as we have previously stated, is a matter which needs to be given thoughtful consideration, in view of the

possible adverse effect on the public interest. This subdivision also provides for the suspension of officers, agents, or employees of any stockyard owner, market agency, or dealer who may violate certain provisions of the act, and with this we are in accord, as we think that it would be very helpful in our administration of the law.

The bill provides for a new section known as 318.

Subdivision (a) authorizes a fine and imprisonment for anyone who carries on business or engages in employment after being suspended, and this, of course, we consider necessary to enforce the law successfully.

Subdivision (b) provides that the operation of a stockyard or a market agency or a dealer business which has been suspended by the Secretary may be enjoined by a court, and we have no special comment to offer regarding this.

The bill would amend section 401 of the act.

Subdivision (a), in addition to the present requirements, would give the Secretary the right of access to all accounts, records, and other papers relating to the business of packers, stockyard owners, market agencies, and dealers, and we think that this is desirable.

Subdivision (b) would give duly authorized employees of the Secretary at all reasonable times access to and the right to copy any books, accounts, or papers relating to the business of these agencies, and we think that this also is a desirable feature of the act.

Subdivision (c) gives district courts jurisdiction to issue writs of mandamus commanding packers, stockyards owners, market agencies, and dealers to comply with requirements of section 401, and this, of course, seems necessary to the successful enforcement of the provisions of that section.

The remaining sections of the proposed bill on page 12 are general in nature and seem to require no special comment on our part.

Upon reference of this matter to the Budget Bureau, as required by Budget Circular 49, the Department was advised by the Assistant Director thereof, under date of June 1, 1935, that, insofar as this proposed legislation would extend the scope of the Packers and Stockyards Act of 1921, the additional expenditures for administration and enforcement which would thereby be involved would not be in accord with the financial program of the President.

Sincerely,

H. A. WALLACE, Secretary.

APRIL 30, 1935.

HON. ELLISON D. SMITH,

Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR: I have the honor to submit for your consideration, and to recommend the enactment of, the enclosed draft of a bill proposing several amendments to the Packers and Stockyards Act for the purpose of facilitating its administration and including as permanent legislation several items that are carried in the annual appropriation act.

The first amendment would require packers to maintain bonds to secure the performance of their financial obligations as purchasers of livestock. The big packers are, of course, financially responsible but experience has shown that the financial condition of many of the smaller packers is none too strong, and there have been cases where producers of livestock have suffered losses due to the inability of these packers to pay for livestock purchased. The failure of the packer to comply with this provision would be made a criminal offense. No provision is made for suspension of packers for failure to give a bond as in the case of market agencies or dealers. It would not seem to be advisable to suspend the packers for failure to give a bond. This amendment also proposes to make it a criminal offense for the packers to violate the act. At present the act requires a cease-and-desist order before court action can be taken.

The amendment proposed in section 2 of the draft would remove any question as to the authority of the Department to join two or more packers in one proceeding. It would also leave it to the discretion of the Secretary to determine whether he should institute a proceeding of his own on account of an unfair practice. This is thought desirable in view of the amendment proposed by the addition of subdivision (i) to section 1, penalizing violations of the act by the packers.

Section 3 of the bill would authorize the filing of claims for reparation by persons claiming losses on account of violations of the act by packers. The act authorizes the filing of such claims against stockyard owners, market agencies, and dealers, but does not authorize such claims against the packers.

The amendment proposed by section 4 of the bill would make the filing of a bond a condition of registration for market agencies and dealers so that they would be subject to the civil penalty of \$500, plus \$25 a day for each day the offense is continued if the bond is not filed. In addition to this provision section 317 (a), which would be added by section 9 of the bill, would incorporate the authority to suspend market agencies and dealers for failure to give a bond which is now carried in the annual appropriation act.

Section 5 of the bill would include in the act as permanent legislation the item now carried in the annual appropriation act authorizing the Secretary to provide for brand inspection.

The amendment proposed by section 6 of the bill would enable the suspension of any new schedule involving higher rates until the hearing to determine the reasonableness of such rates is completed, except that such suspension could not continue for a period of more than 180 days. At the end of that time, if the hearing is

not concluded, the new schedule would go into effect. This limitation seems advisable to deter unnecessary prolongation of the hearing.

The amendment proposed by section 7 of the bill would extend from 90 days to 9 months the time within which claims for reparation may be filed. This would make the time the same in the Packers and Stockyards Act as in the Perishable Agricultural Commodities Act. It very often happens that persons having claims fail to file them within the 90-day period, often due to negotiations looking to settlement or to failure to ascertain definitely that they have been injured. This amendment would also correct a defect in the present act by making the processes of the court extend outside the boundaries of its district. The present act authorizes the filing of suit on a reparation order either in the district where the plaintiff resides or the district where the defendant is engaged in business. The provision for filing suit in the district where the plaintiff resides is of no value at present, because in a case under the Interstate Commerce Act (*Graustein v. Rutland Co.*, 256 Fed. 409) the Court held that it would not get jurisdiction of the defendant because it was not a resident of the district, and no provision was made by the act for process beyond the district. The language proposed for addition is substantially identical with that included in section 7 (b) of the Perishable Agricultural Commodities Act when it was amended.

Section 8 of the bill would provide for temporary cease-and-desist orders pending the completion of a hearing, but for a period not to exceed 6 months, where necessary to prevent injury to private property or to protect the public interest. This would be of great value, for instance, in boycott cases, where the boycotters might destroy the business of the party whom they are boycotting before the hearing could be completed and a cease-and-desist order issued.

The next section of the bill, no. 9, would add several new sections to the act. The first of these, section 317 (a), would incorporate in the act as permanent legislation the provision for suspension in case of insolvency or failure to give a bond which is now carried in the annual appropriation act.

Section 317 (b) would authorize the suspension of any market agency or dealer or any officer, agent, or employee for a violation (a) of section 306 (f) of the act relating to carrying on business without having filed a schedule of rates and charges, charging a rate different from that scheduled, rebating or furnishing any service except as scheduled; (b) of section 307 requiring establishment of reasonable regulations and practices relating to stockyard services and declaring unlawful unreasonable regulations and practices; (c) of section 312 making it unlawful to engage in any unfair, unjustly discriminatory, or deceptive practice or device. A violation of any order of the Secretary would also be cause for suspension. Further provision is made for suspending the conduct or operation of the business of a market agency or dealer committing any such violation. This section does not authorize the suspension of a stockyard owner for violation of the act, the suspension provision being applicable only to employees of the stockyard owner. It would seem to be inadvisable to suspend the yard since this would cause damage and inconvenience to its patrons.

The next section, 317 (c), would provide a penalty of a fine of not less than \$500 and imprisonment for not more than 1 year for the stockyard owners for violating the act.

Section 318 (a) would provide a penalty of not more than \$1,000 or imprisonment for not more than 1 year for carrying on the business of a market agency or dealer, or officer, agent, or employee of the stockyard owner, market agency, or dealer during any period of suspension.

Section 318 (b) would authorize an injunction against carrying on the business of a market agency or dealer during any period of suspension.

Section 319 would put the burden of justifying any increase in rates or charges upon the stockyard owner or market agency filing the new schedule. This follows the requirement of the Interstate Commerce Act in this respect. It would be very helpful in cases involving new rates and schedules. It would not impose any hardship since the person offering the new schedule is in a better position to justify it than the Department is to prove its unreasonableness.

Section 320 is based upon a similar provision in the Perishable Agricultural Commodities Act. It is designed to prevent the continuation in business under some other name or with some other firm or corporation of persons who have been suspended for violation of the act where the offense occurred within 2 years prior to the proceeding. Temporary suspension is also provided for.

Section 321 would authorize an order to prevent any stockyard owner, market agency, or dealer from employing any person who has been suspended.

Section 10 would amend section 401 of the act for the purpose of clarifying its provision with reference to the keeping of records and their inspection by the Department. It would remove troublesome questions that have arisen with reference to the Department's right of access to records and hence would facilitate the administration and enforcement of the act.

Sincerely yours,

H. A. WALLACE, Secretary.

A bill to amend the Packers and Stockyards Act, 1921

Be it enacted, etc., That section 202 of the Packers and Stockyards Act, 1921, is hereby amended by adding thereto the following new subdivisions:

"(h) Operate any packing plant at which livestock is slaughtered in commerce unless he has registered with the Secretary, under such rules and regulations as the Secretary may prescribe, his name and address, the name and location of the plant, and the class of livestock slaughtered or to be slaughtered or processed therein, and unless he has filed a reasonable bond, under such rules and regulations as the Secretary may prescribe, to secure the performance of his financial obligations as a purchaser of livestock.

"(i) Any packer, or any officer, director, agent, or employee of a packer who violates any provisions of this section shall on conviction be fined not less than \$500 nor more than \$10,000, or imprisoned for not less than 6 months nor more than 5 years, or both. Each day during which such violation continues shall be deemed a separate offense. This shall not in any way abridge or alter but is in addition to existing remedies."

Sec. 2. In section 203 of said act the word "packer" and related text shall be construed to denote the plural as well as the singular, and the word "shall" where it first occurs shall be construed as "may."

Sec. 3. The following new section is added to title II of said act:

"Sec. 206. Any person complaining of anything done or omitted to be done by any packer or packers in violation of the provisions of this title may at any time within 9 months after the cause of action accrues file a complaint with the Secretary of Agriculture, who shall thereupon proceed in accordance with the provisions of section 309, of said act, which are hereby made applicable to any such complaint, proceeding, and order and to any suit upon any such order."

Sec. 4. The following language is added to the first sentence of section 303 of said act: "and unless he has filed a reasonable bond, under such rules and regulations as the Secretary may prescribe, to secure the performance of his financial obligations as a market agency or dealer."

Sec. 5. The following language is added to section 305 of said act: "Whenever necessary the Secretary may authorize the charging and collection from owners of a reasonable fee for the inspection of brands appearing upon livestock, subject to the provisions of said act, for the purpose of determining the ownership of such livestock: *Provided*, That such fee shall not be imposed except upon written request made to the Secretary by the Board of Livestock Commissioners or duly organized livestock associations of the States from which such livestock has originated or been shipped to market."

Sec. 6. In 306 (e) strike out the last sentence and insert in lieu thereof: "If any such hearing involving a higher rate or charge cannot be completed within such period of suspension the Secretary may from time to time continue the suspension for further periods of 30 days until the hearing is concluded, except that the total period of suspension may not exceed 180 days, and if the hearing is not concluded within said period the proposed change in the rate, charge, regulation, or practice shall go into effect at the end of such period."

Sec. 7. Section 309 of said act is amended by striking out the words "90 days" in subdivision (a) and inserting in lieu thereof the words "9 months" and by adding to subdivision (f) the following sentence: "The orders, writs, and processes of the district courts may in such cases run, be served, and be returnable anywhere in the United States."

Sec. 8. Amend 312 (b) by adding thereto the following:

"When it appears to the Secretary that such action is necessary to prevent injury to private property or to protect the public interests he may, pending the conclusion of such proceeding, issue a temporary cease-and-desist order which shall not continue in effect for a longer period than 6 months. The provisions of this act respecting final cease-and-desist orders shall be applicable to such temporary orders."

Sec. 9. The following new sections are added to title III of said act:

"Sec. 317. (a) Whenever the Secretary, after notice and opportunity for hearing, finds that any market agency or dealer is unable to meet his financial obligations as a market agency or dealer as they become due in the ordinary course of his business, or has failed to file a reasonable bond as required by the regulations, he may by order suspend such market agency or dealer from carrying on business as such until such time as it is shown to the satisfaction of the Secretary that such market agency or dealer has satisfied past and is able to meet future obligations and has filed such bond.

"(b) Whenever the Secretary, after notice and opportunity for hearing, finds that any market agency, or dealer, or any officer, agent, or employee of any stockyard owner, market agency or dealer has violated or caused to be violated any of the provisions of subdivision (f) of section 306, or section 307, or section 312, or order, rule or regulation of the Secretary thereunder, he may by order suspend such market agency, dealer, officer, agent, or employee from carrying on or engaging in business or employment as a market agency or dealer, or officer, agent, or employee of a stockyard owner, market agency or dealer on any stockyard subject to the provisions of this act, and the Secretary may likewise suspend the conduct or operation of the business of such market agency or dealer committing such violation for a specified period not to exceed 2 years.

"(c) Any stockyard owner who violates any of the provisions of section 307 or section 312, or order, rule or regulation of the Secretary thereunder, shall on conviction be fined not less than

\$500 nor more than \$1,000, or imprisoned for not more than 1 year or both. Each day during which such violation continues shall be deemed a separate offense.

"Sec. 318. (a) Whoever shall carry on or engage in business or employment as a market agency or dealer or officer, agent, or employee of a stockyard owner, market agency, or dealer after his registration has been canceled, or during any period of suspension provided for by section 317 or by section 320, shall upon conviction be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

"(b) The conduct or operation of the business of any market agency or dealer after his registration has been canceled, or during any period of suspension provided for by section 317 or by section 320, shall be unlawful and may be enjoined by any court of competent jurisdiction at the suit of the United States, the Secretary, or any party in interest.

"Sec. 319. Hereafter in any proceeding under this act inquiring into the reasonableness of any change in any rate or charge or any regulation or practice affecting such rate or charge or any new rate or charge or a new regulation or practice affecting any rate or charge for stockyard services, the burden of proof as to the reasonableness thereof shall be upon the stockyard owner or market agency against which the proceeding is directed.

"Sec. 320. The Secretary, after due notice and opportunity for a hearing, may by order cancel the registration of a market agency or dealer if he finds (a) that such market agency or dealer, or any director, officer, agent, or employee thereof was within 2 years prior to such notice responsible in whole or in part for any violation of this act, for which an order of suspension or to cease and desist may be or has been issued, or (b) that such market, agency, or dealer has knowingly employed in any responsible position any person made the subject of any order under section 321 hereof, or who was responsibly connected with any market, agency, or dealer whose registration was canceled within 2 years prior to the date of such notice, or (c) that such market agency or dealer has conducted, or is conducting, the business of any market agency or dealer against whom an order of suspension is in effect. Pending the hearing, such registration may by order be suspended for a period not to exceed 60 days. Any such cancellation shall be effective for a period of 1 year and shall be applicable on all stockyards subject to the act.

"Sec. 321. Whenever the Secretary, after due notice and opportunity for hearing, shall find that any director, officer, agent, or employee of any stockyard owner, market agency, or dealer was responsible in whole or in part for any violation of this act, he may issue an order directing all stockyard owners, market agencies, and dealers subject to this act to refrain from employing or having any dealings with such officer, agent, or employee for a reasonable specified period not to exceed 2 years."

Sec. 10. Amend section 401 of said act to read:

"Every packer, stockyard owner, market agency, and dealer shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. The Secretary is authorized to require annual reports from every packer, stockyard owner, market agency, and dealer, subject to the provisions of this act in such form or forms and relating to such matters and things connected with his business as the Secretary may prescribe. For the purposes of this act the Secretary, or his duly authorized agent or agents, shall at all times during the regular hours of business have access to all accounts, records, and memoranda, including all documents, papers, and correspondence, on the date that this act becomes a law or thereafter existing and kept, or required to be kept, by packers, stockyard owners, market agencies, and dealers subject to this act. The Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept and the matters and things connected with the business of such person which such accounts, records, and memoranda shall disclose. Thereafter, any such person who shall willfully refuse to submit to the Secretary, or to any of his authorized agents, for the purpose of inspection of any accounts, records, and memoranda, including all documents, papers, and correspondence, in his possession or within his control; or who fails to keep accounts, records, and memoranda in the manner and form prescribed or approved by the Secretary, shall be deemed guilty of an offense against the United States, and shall upon conviction in any court of the United States of competent jurisdiction be fined not more than \$5,000 or imprisoned not more than 3 years, or both."

Mr. NORRIS obtained the floor.

Mr. FRAZIER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Burke	Donahey	Holt
Ashurst	Byrd	Duffy	Johnson
Austin	Byrnes	Fletcher	Keyes
Bachman	Capper	Frazier	King
Barkley	Caraway	George	La Follette
Bilbo	Carey	Gibson	Lewis
Black	Chavez	Glass	Logan
Bone	Clark	Guffey	Loneragan
Borah	Connally	Hale	Long
Brown	Copeland	Harrison	McGill
Bulkeley	Couzens	Hatch	McKellar
Bulow	Davis	Hayden	McNary

Maloney	Overton	Sheppard	Vandenberg
Metcalf	Pittman	Shipstead	Van Nuys
Minton	Pope	Smith	Walsh
Moore	Radcliffe	Steiger	Wheeler
Murphy	Reynolds	Thomas, Utah	White
Murray	Robinson	Townsend	
Norris	Russell	Truman	
O'Mahoney	Schwellenbach	Tydings	

The PRESIDING OFFICER (Mr. POPE in the chair). Seventy-seven Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HANCOCK of North Carolina, Mr. HOLLISTER, and Mr. WOLCOTT were appointed managers on the part of the House at the conference.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

Mr. NORRIS. Mr. President, I should like to have the attention of Senators who have not made up their minds on the bill, in order to present views which I think are unbiased and unprejudiced and have been arrived at after a great deal of study over the question involved in the proposed legislation.

First, let me refer to the claim that the bill has not been considered by the Committee on Agriculture and Forestry; perhaps I should rather say "the subject", because the bills have not always been the same, though the principle involved has been the same. It has been considered by the Committee on Agriculture and Forestry for a number of years, with unlimited hearings, at which everybody had an opportunity to be heard without limit, whether for or against the proposed legislation.

The move for the enactment of this legislation commenced under a prior administration. The first hearings were had, I think, when I had the honor to be chairman of the Committee on Agriculture and Forestry. Perhaps that accounts for the fact that I heard all the testimony, because the hearings were held by the full committee, and I considered it my duty to be there all the time. As I remember now, the hearings ran day after day for weeks and weeks. I had no idea whether I was for or against the proposed legislation when the hearings started. I reached my conclusion as a juror reaches his conclusion when he hears the evidence in a case. Later on, the subject matter was again taken up, I think at the last session of Congress, and considerable time was again devoted to hearings on the subject. So, whatever views Senators may hold of the justice of the proposed legislation, I beg them not to be carried away by the claim that this subject matter has not been considered by the Committee on Agriculture and Forestry.

Whatever we do, it seems to me we ought not to agree to the pending motion, which is to refer the bill back to the Committee on Agriculture and Forestry. That would mean its death just as certainly as though a dagger were stuck through its heart. Even if the Senate should pass the bill now, it is doubtful whether it would get through the House in time to be enacted into law at this session of Congress. Sending the bill back to the committee would make its enactment at this session absolutely impossible.

So far as I am concerned, if the Senate should recommit the bill to the committee, I should feel that the Senate was opposed to the proposed legislation, and that it would be useless to try to resurrect the bill.

So many Senators who have discussed the bill—in fact, nearly all of them—have gone somewhat into the details of the bill that I think I ought to refer briefly to that phase.

Let me say that the question has two sides. I do not say that there is not any argument in favor of the view which I

think is wrong. A great many men who have studied the question carefully and honestly have reached different conclusions on this subject. It has been the subject of agitation for a great many years, especially in the part of the country which produces a great many hogs, and men are honestly divided in their opinions. After I had heard the testimony I became a thorough convert to the proposed legislation. I believed then, and I believe now, that this legislation is necessary if we are to take a long view—and I think the proper view—of our great agricultural markets, which are established by law.

Scattered over the country we have these public livestock markets. It may be that their existence is all wrong. It may be that sometime somebody will devise a better plan. It may be that they all ought to be thrown aside and overthrown. I do not believe that, however, and I do not think the Senate believes that. We have spent millions of dollars to build up these market places. We are spending hundreds of thousands of dollars every year to keep them going, on the theory that public markets are necessary where the purchaser and the seller of our livestock products may come together in an open market with free competition, where the stock is sold to the highest bidder without any opportunity on the part of anybody to interfere with the market in any way.

We have had various investigations, running over the past several years, in an effort to try to prevent anyone from manipulating these markets. I do not think the markets are perfect yet by any means; but, so far as I know, no one has come out in the open and said we must overthrow them. We are in danger of doing that, I think, unless we enact some legislation of the kind now before us.

Several other things are involved; but the real issue in the question, which is fundamental, is what is known as direct buying. That is, buying stock at some other place than legally established market places. Very little, if anything, has been said in this discussion, so far as I have heard, to the effect that where direct buying takes place the thing that is harmful is that the price is fixed by the price that day upon this or that public market. In order to give the producer a fair and honest market, it ought to be a place where there is free competition between the buyers. When a packer goes out and buys a carload of hogs direct, they are shipped direct to him. They do not go through the yards. They are not sold on the yards; but the price the packer pays is fixed by the price brought by the hogs which other people shipped and sold on the market.

In other words, a packer buys a carload of hogs; it may be from the individual owner or from a purchaser in some little town. The packer agrees that he will pay the price fixed by the sale, we will say, at South Omaha on that day. The hogs are shipped that day direct to the packer. The price he pays is determined by the market. As I see the matter, Senators—and no one has ever been able to explain this away—if the purchaser who has to buy his hogs at the market in the yards is taken away from the market, it depresses that market. Whenever those who must compete and buy the hogs shipped through the market do not appear on the market, the price goes down.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. In the case of a market where the private buying—which constitutes, say, two-thirds or as much as half of the volume of hogs or cattle—might be withdrawn from that community, it would have the effect of lessening competition in the market place.

Mr. NORRIS. Absolutely. I do not see how we can escape that conclusion. If I should be asked how much it would decrease the price of hogs that day, I must confess that I could not tell. I do not know. I do not know any way to determine that, but it must have a depressing effect; and if all hogs were bought outside of the market, and no price were fixed at the public market place, the price would gradually taper down until it would disappear.

Mr. MINTON. Is it or is it not true that the packers accumulate large quantities of livestock in their own private

yards—for instance, I believe one of the yards is known as the Mistletoe yard at Kansas City—and at the proper moment bring them into the public yards and break the market and thereby control the price of livestock?

Mr. NORRIS. That could be very easily done; I do not know whether that is the practice as a rule; but I know about the Mistletoe yards. The Mistletoe yards are privately owned by Armour & Co., I am told by the Senator from Kansas [Mr. CAPPER], and there is a great deal of testimony offered about what really happened there. The Armour Co., owning the Mistletoe yards, would go out and buy stock of different people in various localities and have the cattle shipped to the Mistletoe yards. They took them from the Mistletoe yards, slaughtered them, and used them in their own business; but the price that was fixed which they had to pay at the Mistletoe yards was the price on the public stockyard where they were not in competition to any great extent, and even in no competition whatever, in fixing the price. It would be to their interest when they had livestock coming into the Mistletoe yards to stay off the market and keep out of competition in order to keep the price down on the public market so that they might get the stock that was shipped to Mistletoe yards at a less price.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. CONNALLY. As I understand the Senator, his contention is that when purchasers go out to a farm or ranch and buy livestock and agree to pay the same price when they arrive in the central market as the central market pays, that is a detriment to the seller, on the theory that there is less competition. Would not the price be lower on the central market if all the stock were marketed there than if some of it was not marketed there?

Mr. NORRIS. If buyers were kept away, that would be so. If stock were shipped to the public market, and buyers stayed away, then there would be no competition in buying, that is true; but the model situation, the fair situation, is to have the buyer and the seller on the same market. That seems to me to be perfectly plain.

Mr. CONNALLY. Suppose a buyer should come to my ranch to buy a carload of cattle or hogs; under this bill what does the Senator think would happen? Would that sale be prevented?

Mr. NORRIS. No. If I had the money, and I went to the Senator's farm and bought all the hogs he had at an agreed price, and I paid him, such a transaction would not be affected by this bill. Congress could not enact any legislation that would affect such a transaction as that.

Mr. CONNALLY. Then, what would be the effect of the bill? What is proposed to be done by the bill?

Mr. NORRIS. The bill would regulate stockyards where 35,000 or more head of stock are handled a year in interstate operations. There is nothing in the bill, Senators, that would prevent one farmer from buying stock from another, or a packer going out and buying hogs of any producer. Such an act would be unconstitutional if we tried to enforce it. If the buyer pays the farmer the price, as many sales can be made and as large sales as they please, if they agree on the price. This bill does not operate against any transaction of that kind.

Mr. LEWIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. NORRIS. I yield.

Mr. LEWIS. May I interrupt the Senator from Nebraska to call his attention to a thought upon which, I think, both of us will have to dwell? This bill would take the situations described by the Senator from Kansas and also by the Senator from Nebraska and promptly place them under Federal supervision and control under the theory either of an amendment of the Stockyards Act or by an original law.

I will not disguise to Senators that I am anxious to preserve the rights of those of my constituency at Chicago who are designated as stockyards owners and those who are in the business. I will not withhold from the Senate that my information, to a great degree, on the whole subject comes

from those particular constituents; but I now submit to the able Senator from Nebraska, a former judge of a court and a recognized able lawyer—how can this tribunal, the Congress, in view of the decision of the Supreme Court in what is known as the A. A. A. case and the decision preceding it in what is called the N. R. A. case, give power to the Federal Government to take control of the matter of dealing, at the gateway of the stockyards within a State and wholly between individuals, in property called livestock, bought by an individual purchaser? How can we turn such transactions into a subject of Federal control? How can this honorable branch of our legislature attempt to control such transactions as a Federal matter when they are purely within the State and are in nowise interstate? I ask the able Senator would not such an act on the part of Congress come clearly within the decisions that have been rendered and would it not be held to be wholly without its power?

I ask the Senator if he has had time, and, if not, will he have time, to examine the decision of the Supreme Court of the United States in the case known as the Atchison Railway Co. against the Santa Fe Railroad, and so forth, and so forth, touching stockyards and the limitations under the act granting certain power to the Secretary of Agriculture, the case to be found in Two Hundred and Fifth United States Reports? May I say that I can state all there is, unless I misconstrue the opinion. An attempt was made to add an extra charge upon the transportation of cattle on their way to the yards, or afterward, by a little road called the Junction Road, I think, within the community. The owners of the cattle protested, as they should have, against such extra charge, and the Court held that it was not within the law to impose the extra charge, and that the act which gives control of the subject to the Secretary of Agriculture is a general act, and that the limitation of the act was because of their being a public stockyards. I ask my able friend, can we do anything else than create public stockyards within the purview of the act now existing? If we attempt to pass the measure which is suggested by the Senator from Kansas, and supported by the able Senator from Nebraska, do we not violate the very opinions of the Supreme Court of the United States lately rendered as to transactions purely individual within a State and in nowise interstate in character?

Mr. NORRIS. Is that all the question?

Mr. LEWIS. I thank the Senator for allowing me to interrupt him.

Mr. NORRIS. I am not familiar with the case to which the Senator refers; I have not read it. I may be entirely mistaken, but up to now I was not aware that anyone was opposing this proposed legislation on the ground that it was unconstitutional. I would not pretend to answer the Senator's question without an examination of the case to which he refers, even if my answer would have any particular weight. However, if the question of constitutionality is raised, I think it can be fully met, although it cannot be met on the spur of the moment, because I had no idea that anyone was going to raise the question of constitutionality; but I myself see no reason why this bill is not constitutional. It is an amendment to a law already on the statute books.

Before leaving the question the Senator from Illinois has asked, I think I ought to say that the Stockyards Act has been before the Supreme Court and has been sustained by that tribunal. I cannot cite the Senator now to the case.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NORRIS. Yes.

Mr. CLARK. I have not the citation of the particular case, but at least one case which went before the Supreme Court is a case which came up from East St. Louis, involving the National Stockyards of East St. Louis in about 1931.

Mr. NORRIS. I wish to go on with some other features of this proposed legislation.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wyoming?

Mr. NORRIS. I yield.

Mr. O'MAHONEY. I was very much interested in the subject the Senator was discussing before the interruption

as to the constitutionality of the proposed act. As I understood the Senator from Nebraska, he was arguing that the development of direct buying tends to depress the price in the public stockyards and that, in turn, tends to depress the price in the field or on the range. Is that correct?

Mr. NORRIS. I think so; yes.

Mr. O'MAHONEY. Was any evidence to that effect produced before the committee at the hearing?

Mr. NORRIS. Oh, yes. No one, as I said a while ago, can tell just how much it affects the price, but those two facts put together convince me that there cannot be any other result. If we have a public market place and nobody buys in that public market place, or if only a few people buy, it is wrong to have the price at the market place fix the price that should be paid in a transaction that has nothing to do with the public market place.

Mr. O'MAHONEY. Has the attention of the Senator been directed to a certain paragraph from the report of the Bureau of Agricultural Economics?

Mr. NORRIS. Yes; I have read that paragraph.

Mr. O'MAHONEY. The particular paragraph to which I refer?

Mr. NORRIS. Yes; I have read everything in the report.

Mr. O'MAHONEY. I am referring to a paragraph on page 17.

Mr. NORRIS. I do not know on what page it is, but I have read it.

Mr. O'MAHONEY. Will the Senator let me put it in the RECORD?

Mr. NORRIS. The Senator need not put it in my argument; he may put it into his own. I do not agree with that paragraph.

Mr. O'MAHONEY. Of course, if the Senator does not yield for that purpose, I cannot put the paragraph in the RECORD at this point.

Mr. NORRIS. Very well. I will put it in.

Mr. O'MAHONEY. I thought it was apropos to the argument.

Mr. NORRIS. Yes; it is.

Mr. O'MAHONEY. This is what the Bureau says:

But there is a marked difference in the character of competition at public markets and at interior buying points. At public markets the competition is for a supply of hogs that is physically present, largely out of the control of the producers, and under the necessity of early sale.

That, it seems to me, indicates immediately that the producer is at a disadvantage when he goes to the public stockyards, because he no longer has his own property wholly within his control.

The report proceeds:

At interior buying points it is a competition to draw hogs, that are still under the control of the producer, to different points. Competition at public markets is more apparent than at interior points, since relatively large numbers of buyers and sellers in personal contact are readily observable at the former, while at the latter the chief evidences of competition are the posted prices and the telephone or personal requests being received for bids on hogs. But to the producer at home, with hogs for sale, the latter competition is more useful, since he is in a stronger position opposite the buyer with his hogs still at home than he would be if they were at a public market and had to be sold.

That is just one of many items.

Mr. NORRIS. I will yield while the Senator reads the balance.

Mr. O'MAHONEY. I do not intend to read it all. That is merely one of the items which led to the conclusion by the Bureau that direct marketing has not lowered the general level of hog prices nor has it operated to reduce returns to producers.

Mr. NORRIS. Mr. President, I should now like to be recognized again. I realize I have lost the floor twice by yielding to questions, but I invite the attention of Senators to the fact that that seems to have been the custom, especially this afternoon. I hope no one will invoke the technicalities of the rule to take me off the floor, which, I admit, could be done, because I have spoken already twice on the subject when I had intended to speak only once. If I may

get back to where I was when I was interrupted and continue the chain of my thought, I shall endeavor to do so.

As I said at the beginning, the argument is not all on one side, but when it develops from the evidence, as it has in this case, that direct buying takes away from the public market competition, which has a tendency always to increase the price, I care not what someone else says, who may be right when I may be fooled, I cannot avoid reaching the conclusion that that practice does depress the price. If I say two and two equal four and somebody else says they equal five, he may be persistent in his view, but still I believe two and two equal four. When we take competition away from a public market, no matter how great the man may be who says that does not affect the price, I cannot believe it. I may have perfect respect for his judgment, but I am not able to understand how we can reduce competition at a public market without depressing the price at the public market.

That settles the fundamental question so far as I am concerned. I may not be logical. I may not know how to reason, but I cannot avoid reaching that conclusion. When I am asked how much the absence of Armour & Co. or Swift & Co. from the public market depressed the market today, I cannot tell. I do not know. No one can tell, so far as I know.

I admit that the man who ships direct sometimes gets a temporary advantage. The public markets have to be supported. If I ship to the public markets there are certain rules and regulations which must be complied with and certain charges which must be paid to maintain the public market. If I ship direct I avoid that expense. I can see how a whole system may get an advantage for the time being out of direct shipping, but a continuance of it strikes down the cornerstone of the fundamental structure which would afford a price sufficient to compensate the stockman for his labors. In other words, he is undermining the business—unconsciously, of course. I do not mean he is malicious. I do not mean he has no right to do it. I am not complaining. However, if he keeps on doing that, eventually he will have stricken down his public market and the farmer who produces stock will suffer.

It is very much like the cooperative organizations in certain communities. If we could get all the producers of certain articles together and have them operate collectively, which could be done at one time before we had some of the regulations we now have, the result would be the same. Farmers would form milk associations or butter associations or other kinds of associations to take the products of the members and ship them collectively—hogs, cattle, horses, anything the farmers produced. In the case of creamery organizations, as I remember very well, the private parties interested would come into a community and pay a larger price temporarily than the cooperative organization could afford to pay. Thus the cooperatives would be broken down. Perhaps money was lost in paying the higher prices, but it was only temporary and was done to drive the cooperative out of business. Then the prices were raised and the losses recouped. It seems to me this is a very similar situation.

Those who are opposed to the proposed legislation have argued that commission men are in favor of the bill. I think that is correct. The commission men are in favor of it, so far as I know. I think that is quite natural. When stock is shipped direct it is not sold on the public market, and the commission men have nothing to do with it. They do not get a commission. It is not dishonorable to be a commission man. It is a perfectly honorable calling. No one has to employ a commission man if he does not want to do so. Operating a packing house is a perfectly honorable occupation; but, as a matter of fact, should we defeat this bill because the commission men are for it? If I were a commission man I would be in favor of it.

The fact that the big packers are opposed to the bill does not necessarily argue for the defeat of the bill. Why are they against it? The commission men are for it because they get business through it. When stock is shipped to a commission man he makes some money out of it. Why are the packers opposed to the bill? One of the sections of the

bill provides for an examination of the books of the packers, to which they are very much opposed; but an examination must be had if we are ever to have such regulations as we ought to have. The packers have a right to be opposed to the bill. I concede that. However, so far as the packers and the commission men are concerned, if it is to be argued against the bill that the commission men are supporting it, then it ought to be argued in favor of the bill that the packers are fighting it.

Suppose farmers or cooperative organizations ship independently and sell outside of the stockyards; they save the yardage fee; they save the commission which would otherwise have to be paid to the commission man. They save perhaps some other charges which are necessarily made for the support and maintenance of a public stockyard. That money would come out of their pockets. Temporarily the farmer who ships and sells directly avoids that expense, but while he is avoiding it I think that just as surely as the sun rises in the east he is killing the goose that lays the golden egg.

What do the farmers' organizations say about the bill? Going back to the hearings, to which I listened for over a month, I remember that every one of the standard, well-known farm organizations was in favor of the bill. Some of the individuals who were there opposed it. One man told the truth when he said:

I myself, individually, ship a carload of hogs and sell it to Armour & Co. It does not go through the stockyards. I get the price that was paid at the stockyards that day, but here was a certain commission and there was a yardage fee which I avoided, and accordingly I made that much more money.

If everybody did like that man the stockyards market would go to pieces overnight. The pending bill is to prevent as nearly as it can be done the packers from following that kind of practice. It cannot be completely prevented, but this is an honest effort to prevent it so far as may be done.

It would not make any difference to me—it might make a difference, but I could not help it—if I were a juror in a case, and after I had heard the evidence and came to a conclusion, somebody said, "The Secretary of Agriculture does not agree with you about this." I might regret the disagreement; I might think perhaps I was wrong; but I should have to follow my judgment which brought me to the conclusion, after hearing the evidence, that if we do not do something of this kind, our great markets are going to be destroyed. They are less valuable now, although I cannot tell just how much, than they were a year ago, because this direct buying is sapping the foundation stones of the industry. Therefore, it seems to me we ought to pass the bill.

Under the circumstances, I have no hesitancy in feeling that such legislation is necessary; and, no matter what is done, I believe the time will come when the farmers will realize that if these market places are destroyed the farmer himself will be the greatest sufferer.

Mr. O'MAHONEY. Mr. President, most of the discussion which has taken place up to date upon this measure has gone to the merits of legislation on the subject, and not to the merits of the pending bill.

The distinguished Senator from Nebraska [Mr. NORRIS], who has just taken his seat, has declared that in his opinion some such legislation is necessary. He may be quite right about it; in fact, I am ready to believe that he is right, because he usually is right; but the question before the Senate is not whether or not some such legislation should be enacted but whether or not this particular bill should be recommended.

Glancing over the bill as it has been reported by the committee, one will quickly realize why the Department of Agriculture has not rendered a favorable report upon it. It seems to me that even a casual reading reveals numerous reasons not only for the attitude of the Secretary but also why the bill requires further committee study.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. NORRIS. I have not read the Secretary's report, and I have never talked with him about it; but I have been told,

upon authority which I think is correct, that the Secretary of Agriculture, after further study, is really in favor of this proposed legislation. It would not affect me, if I should not reach the same conclusion he does, except with regret, because I have great respect for him; but I have read the Bureau of Economics' report on the bill, and I do not agree with them at all, although I must confess that they may be right about the matter and I may be wrong.

Does the Senator from Wyoming know whether the Secretary is really in favor of this bill or is opposed to it?

Mr. O'MAHONEY. I know that the Secretary sent a letter to the chairman of the Committee on Agriculture and Forestry, recommending another bill, the one which was introduced by the Senator from Iowa [Mr. MURPHY]. My colleague [Mr. CAREY] a few moments ago read from what purported to be a letter of the Secretary of Agriculture, criticizing at least some features of the pending bill.

Mr. CAREY. Mr. President—

Mr. O'MAHONEY. I yield to my colleague.

Mr. CAREY. I may say that I called up the Secretary's office—I did not talk to him, but I talked to one of his assistants—and asked if he had made a favorable report on this bill. I was advised that he had not done so. I requested a copy of the report which had been made, of which I read portions earlier in the day. The Department sent me, with the report which the Secretary made, also a copy of his letter to the chairman of the Committee on Agriculture and Forestry, in which he submitted the bill introduced by the Senator from Iowa [Mr. MURPHY]. My impression was that the Secretary favored that bill, and that he was not favorable to the bill now before the Senate; and I think anyone reading that report in its entirety—I have a copy of it here—will agree with me that it is not a favorable report on the pending bill, although the Senator from Kansas [Mr. CAPPER] thinks it is.

Mr. O'MAHONEY. The Senator from Kansas did not include it in the report of the committee, nor in any of his remarks, thus indicating that he does not regard it an argument for his measure.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. SHIPSTEAD. I have here a copy of a letter dated June 6, 1935. I am under the impression that that letter does not refer to the present bill.

Mr. O'MAHONEY. No; it refers to the bill introduced by the Senator from Iowa [Mr. MURPHY].

Mr. SHIPSTEAD. If there is a report by the Secretary of Agriculture on this bill, it seems to me, we ought to have it printed in full.

Mr. O'MAHONEY. I think the Senator is quite right. My understanding is that my colleague the senior Senator from Wyoming [Mr. CAREY] introduced that report in the RECORD this morning.

Mr. SHIPSTEAD. All of it?

Mr. CAREY. All of it. I can furnish the Senator from Minnesota with a complete copy of the letter.

Mr. SHIPSTEAD. Why not have it printed?

Mr. NORRIS. If the Senator will permit me, I think the Senator from Wyoming has already asked that it be printed, and it is to be printed in full in the RECORD, and will be before us in the morning.

Mr. SHIPSTEAD. That is all I desire.

Mr. O'MAHONEY. Is not that correct?

Mr. CAREY. Yes; I quoted from portions of the report.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator whether it is not a fact that the report of the Bureau of Economics, which we have here, is directed at a bill that was before us a year ago?

Mr. O'MAHONEY. Oh, no; I think not.

Mr. SHIPSTEAD. It is not, as I understand, a report on the bill before us.

Mr. O'MAHONEY. The report of the Bureau of Agricultural Economics is a study on the direct marketing of hogs, and it has nothing to do with any specific legislation, as I understand; but, as I was saying, that is not the question before the Senate at this time.

Mr. SHIPSTEAD. That is my understanding. It is not a question of direct selling at all, as I understand the bill.

Mr. O'MAHONEY. No; the merits of legislation on the subject is not before the Senate at the present time. The motion is to recommit this bill; and I desire to refer to one or two phases of the measure as reported by the Committee on Agriculture and Forestry, which satisfy me that the bill ought to be recommitted.

For example, section 7 provides for the addition of a new section to the Packers and Stockyards Act. I think every Senator ought to read this new section, because it is very illuminating. It will be found on page 7, beginning in line 11:

SEC. 304-A. The Secretary shall prescribe—

Observe, that is mandatory.

The Secretary shall prescribe, after hearing, reasonable rules and regulations relating to the weighing, fill, dock, or grades of livestock in commerce, and it shall be the duty of every packer, stockyard owner, market agency, and dealer to comply with such rules and regulations so prescribed by the Secretary: *Provided, however*, That nothing in this section contained shall authorize or empower the Secretary to employ or designate any person or persons to weigh, fill, dock, or grade livestock.

In other words, we are asked by the committee to put ourselves in the position of commanding the Secretary of Agriculture to draft rules and regulations for grading livestock, and then we tell him, "You shall not employ any person for the purposes of weighing and grading stock", thus apparently weakening the power of the Secretary to enforce the rules he is directed to make.

Mr. CAPPER. Mr. President—

Mr. O'MAHONEY. I yield to the Senator from Kansas.

Mr. CAPPER. Do I understand that the Senator from Wyoming would have these stockyards operated by Federal employees?

Mr. O'MAHONEY. Not at all.

Mr. CAPPER. That is what this section is intended to guard against.

Mr. O'MAHONEY. It goes very much further than that. It seems to me the purpose of this section should be clarified, but there are other sections of the bill to which I should like to call the attention of the Senate.

The first section of the bill amends section 202 of the Packers and Stockyards Act by adding a provision making it unlawful for any packer to—

Operate any packing plant at which any livestock is slaughtered in commerce unless he has registered with the Secretary, under such rules and regulations as the Secretary may prescribe.

When we speak of "packers", it should be borne in mind that we are not referring alone to big packers; we are referring to all packers. This bill, if it should be enacted, would apply to the little packer as well as to the big. So we must bear that fact in mind.

Having thus required registration as a prerequisite to engaging in business, the measure, then, in subparagraph (j), proposed to be added to section 204 of the original act, grants to the Secretary this additional authority:

(j) The Secretary may revoke, or suspend for such period as he may determine, the registration of any packing plant or plants operated by any packer who fails to obey any order made by the Secretary under the provisions of this title or who, upon complaint after hearing as herein provided, is found by the Secretary guilty of the violation of any provisions of this title.

In the first place, therefore, it is proposed that a packer may not operate unless he is registered. In the second place, it is proposed that the Secretary may revoke or suspend the registration for violation of any rule or regulation imposed by the Secretary. Now, let us observe section 9 of the bill, which undertakes to add a new section, 318 (a), to the present law. This new provision reads as follows:

Whoever shall operate a stockyard which has been suspended or whoever shall carry on or engage in business or employment as a market agency or dealer, or officer, agent, or employee of a stockyard owner, market agency, or dealer, during any period of suspension provided for by section 317 shall, upon conviction, be fined not more than \$1,000 or imprisoned not more than 1 year, or both.

In other words, by this bill it is proposed that we make it unlawful for any packer, big or little, to operate without

registration, that we empower the Secretary to revoke any registration for the violation of a regulation which he himself imposes, and then that we make it a criminal offense for any packer, or any person, to operate after such revocation or suspension.

The importance of that will be realized when we turn to the language of the Packers and Stockyards Act as it now stands. Section 205 of the act provides that "any packer, or any officer, director, agent, or employee of a packer who fails to obey any orders of the Secretary issued under the provisions of section 203" shall be guilty of an offense "after the expiration of the time allowed for filing a petition for review in the circuit court of appeals or after the expiration of the time allowed for applying for a writ of certiorari."

Section 204 provides that an order made by the Secretary under this act becomes "final and conclusive unless within 30 days after service the packer appeals to the courts in the manner specified in the act."

In other words, under the law as it now stands, if the Secretary issues an order it does not become effective until 30 days have elapsed and the packer has had an opportunity to take his case into court. Under the bill which has been brought forth by the committee that protection of the courts has been completely withdrawn, and it is made possible for a person to be punished as for a criminal offense for violating a mere order of the Secretary which he has not had the opportunity to test in the courts.

The bill contains another interesting provision absolutely new to legislation so far as I know. I should like to draw the attention of the distinguished chairman of the Committee on the Judiciary to this section of the bill. I know that he will be very much interested in the provision. The Packers and Stockyards Act will contain a new section, to be known as section 206a, if this bill should become a law, reading as follows:

Upon application of the Attorney General of the United States, at the request of the Secretary, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any packer to comply with the provisions of this act or any order of the Secretary made in pursuance thereof.

In other words, we are asked to authorize the issuance of a writ of mandamus to compel obedience to an order of the Secretary, and to do that in the same bill which takes away from the packer—and let us bear in mind that it may be a little packer as well as a big one—the right to have his cause tested in the courts. Surely this is a rather extraordinary extension of the judicial power to punish for contempt, and I can see no reason why it should be granted.

Let me also call attention to the language on page 2 of the bill, lines 13 to 19, which makes it unlawful for any packer, little as well as big, to—

Purchase or acquire, directly or indirectly, cattle, sheep, or swine for the purpose or with the intent of feeding and fattening such livestock in order to render it suitable for slaughter, or for any purpose other than the slaughter and processing thereof in a packing plant or plants owned, operated, or controlled, directly or indirectly, by such packer.

I seriously doubt the power of Congress to make such a provision, even if there were no question as to its wisdom.

These are but a few of the aspects of this bill which, it strikes me, indicate that the measure should again have the attention of the Committee on Agriculture and Forestry.

Let me call attention to the fact that section 203 (a) of the law as it now stands provides:

Whenever the Secretary has reason to believe that any packer has violated or is violating any provisions of this title he shall cause a complaint in writing to be served.

The bill reported by the committee strikes out the word "shall" and substitutes the word "may." I should like to have the Senator from Kansas tell me, if he will, why we should make it a matter of discretion with the Secretary of Agriculture whether or not he should make a complaint when he has reason to believe that the law has been violated or that any packer is violating it. It seems to me that that is a liberalization of the law which is not at all necessary.

Mr. CAPPER. Mr. President, I fail to follow the reasoning of the Senator from Wyoming. At first he seems to

be complaining that this bill would take away the right of the packers to appeal to the courts. Then he criticizes the provision which makes it discretionary rather than mandatory with the Secretary of Agriculture to proceed against the packers.

Mr. O'MAHONEY. There is no controversy as to that. I take the position that if the Secretary of Agriculture has any reason to believe that the law has been violated or is being violated, he should file a complaint, and he should not have discretion to withhold filing the complaint.

Most of the matters to which I have alluded are not contained in the bill recommended last year by the Department of Agriculture and is produced by the Senator from Iowa [Mr. MURPHY]. The bill is not open to any of these criticisms with respect to the power of the Secretary to make regulations and to punish criminally for their violation.

It has been stated here, and I think rightly, that the mere fact that any commission man is for the bill is no argument against it. No one can deny the right of any citizen to make himself heard with respect to any matter of legislation. The criticism is directed against the effort of the commission men to masquerade as livestock producers. They come before us pretending that they are one thing, whereas as a matter of fact they are another. I am referring now to the United States Livestock Association, letters and telegrams from which were put into the Record by the distinguished Senator from Kansas. I have in my hand a circular letter which was issued by the United States Livestock Association, signed by Glenn T. Stebbins, executive secretary of that body, and sent to producers of livestock throughout the west. One paragraph of that letter is particularly illuminating. It reads:

DEAR SIR: Your name has been submitted for membership in the United States Livestock Association, and the recommendation has been officially approved by the committee.

You will find enclosed your membership card, which needs only your signature. If agreeable, you may sign it and keep it for your identification as a member. Unless we hear from you to the contrary we shall assume that you have accepted.

Mr. President, that is a very easy matter in which to obtain a large membership. The organizers of the United States Livestock Association took the lists of livestock shippers and producers, sent out cards of membership, and said to the stockmen, "Unless you refuse to join, we regard you as members." It is that body, pretending to be an organization of livestock producers, which comes to us asking for the enactment of the pending bill.

FREEDOM OF THE PRESS, ACCORDING TO HEARST

Mr. MINTON. Mr. President, I am reluctant to address the Senate again at this time; but I suppose this is about as good a time as any, while we are discussing a stockyards bill, to bring up the subject I propose to discuss.

Last Saturday the New York American, on its editorial page, carried an array of photographs which are very interesting.

The first one is a picture of the senior Senator from Alabama [Mr. BLACK]—a picture that looks like one of a callow youth who might just have won the high-school oratorical contest in Alabama.

The next picture Senators would never recognize as a photograph of that great leader and gladiator in parliamentary contests, the distinguished leader of the majority [Mr. ROBINSON]. It looks like someone who had just escaped his keeper.

Then there is the senior Senator from Mississippi [Mr. HARRISON], the chairman of the great Committee on Finance of the Senate. This picture of him looks like somebody just scared out of a brush heap.

Then there is the picture of the distinguished Representative from Texas who has the honor to be chairman of the Committee on Interstate and Foreign Commerce of the House, Hon. SAM RAYBURN. The picture of Mr. RAYBURN looks as though he might be a cattle rustler from the early days in Texas.

The next photograph is one of myself. I have never taken a prize in any beauty contest, and I am not at all sensitive about my appearance; but I submit that this particular picture looks as if it might have been sent abroad by Mr. Edgar Hoover in search of one of his permanent boarders who had escaped from Alcatraz.

The next picture is of the distinguished Speaker of the House of Representatives. It looks like the picture of a justice of the peace from Hoopole Township, Posey County, Ind.

And so, Senators, these extraordinary photographs have been used and are being used by Mr. Hearst in his newspapers to illuminate and illustrate an editorial which accompanies the photographs. The title of this editorial is:

A subservient Congress invites dictatorship in America!

In that editorial we find these words:

When the history of these insane years is written the historian will duly note how men like Speaker BYRNS in the House, and Senators, utterly recreant to their trust, like HARRISON, ROBINSON, and sundry others, have led the Gadarene swine down the slope of constitutional surrender into the abyss.

So we are all characterized by this great publisher of newspapers all over the country as "Gadarene swine." The Scripture does not enlighten us much as to this breed of swine; but I venture the assertion that they are a better breed of swine than Mr. Hearst and his pusillanimous pen-pusher who wrote that editorial.

I call this editorial to the attention of the Senate for the purpose of showing Senators how Mr. Hearst construes his constitutional right of freedom of the press—that freedom of the press is license to call JOE ROBINSON and PAT HARRISON and HUGO BLACK "Gadarene swine", and to include the rest of the Senators in the group. I call Senators who have served long years here with these distinguished colleagues to witness whether their splendid records as Senators and public servants deserve such characterization as that.

Freedom of the press, in this gentleman's estimation, gives him license to characterize JOHN J. McSWAIN, of the House of Representatives, as a traitor to his country, though Mr. McSWAIN twice offered his life in defense of his country. Freedom of the press, in Mr. Hearst's estimation, is license to traduce and villify this man whose public and private life is the soul of honor. Freedom of the press is license to Mr. Hearst to villify and pursue this fine public servant to the distress and anguish of his good family. Yes, freedom of the press to him is license to go into Mexico and to buy spurious documents, which he knew were spurious, and which challenged the honor and integrity of four as pure and noble gentlemen as ever served in the United States Senate.

Oh, I know Mr. Hearst deleted from those articles the names of these Senators before he published the article; but, as I understand, upon the advice of counsel he knew that when a senatorial investigation would come, and when the names would come out there he might broadcast them to the land as privileged communications. He must have known, when he looked at these spurious documents and saw the name of the distinguished senior Senator from Nebraska [Mr. NORRIS], who now enters the Chamber, the name of WILLIAM E. BORAH, and the name of ROBERT M. LA FOLLETTE, that the documents could not have been anything but spurious, for they charged these men with dishonor. But this man spewed these documents forth, and spilled them to the country through the medium of his press as facts; and when confronted with them by the investigating committee he admitted that he knew they were spurious.

So Mr. Hearst's construction of freedom of the press entitles him to attack the members of the Lobby Committee—yes, of the United States Senate—and call them whatever it pleases his fancy to call them, to characterize their actions in any fashion he sees fit.

Mr. President, I have been honored by the Senate with a place upon the Lobby Committee. If I have dishonored the Senate by my service upon that committee, I wish the Senate to tell me so—not Hearst. If I have been recreant to my trust and my duty as a member of the committee, I wish the Senate to tell me so—not Hearst. So far as my judgment will

enlighten me, my colleagues and I have been following in the footsteps of distinguished Members of the United States Senate who have heretofore served on committees of investigation of the Senate. We have been following in the footsteps of Tom Walsh, of Montana; James Reed, of Missouri; Thad Caraway, of Arkansas; Duncan Fletcher, of Florida.

So, my colleagues, if we have been straying from the path in which you would have us go, we have not been conscious of it, because we have been following in the footsteps of these illustrious predecessors of ours. Therefore, if we have been wrong, we ask the Senate to correct us—not Mr. Hearst.

Mr. President, the dictatorship we have to fear in this country today is not a dictatorship by the great humanitarian and friend of the people who occupies the White House at this time.

We need not fear a dictatorship by a subservient Congress; we need not fear a dictatorship at the hands of the courts. The dictatorship we have to fear in this country today is the dictatorship of a purse-proud, insolent, arrogant, bulldozing newspaper publisher by the name of William Randolph Hearst. That is the kind of dictatorship we need fear in this country today; and, so far as I am concerned, the issue is joined there.

LOANS AND ADVANCES UNDER NATIONAL HOUSING ACT—CONFERENCE REPORT

Mr. BULKLEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act relating to the insurance of loans and advances for improvements upon real property, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 2 of title I of the National Housing Act, as amended, is amended, effective April 1, 1936, to read as follows:

"Sec. 2. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building-and-loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience of facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them on and after April 1, 1936, and prior to April 1, 1937, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity for such insurance in order to make ample credit available, for the purpose of financing alterations, repairs, and additions upon improved real property, and the purchase and installation of equipment and machinery upon such real property, by the owners thereof or by lessees of such real property under a lease expiring not less than six months after the maturity of the loan or advance of credit. In no case shall the insurance granted by the Administrator under this section to any such financial institution on the loans, advances of credit, and purchases made by such financial institution for such purposes on and after April 1, 1936, exceed 10 per centum of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance heretofore and hereafter granted under this section shall not exceed in the aggregate \$100,000,000.

"(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title, and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, or improved by some other structure which is to be converted into a structure of any of the types herein enumerated, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000: *Provided*, That after April 1, 1936, no insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit or purchase by it in the amount of \$2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

"(c) Notwithstanding any other provision of law, the Administrator shall have the power, under regulations to be prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"(d) The Administrator is authorized and empowered, under such regulations as he may prescribe, to transfer to any such approved financial institution any insurance in connection with any loans and advances of credit which may be sold to it by another approved financial institution."

"Sec. 2. Section 3 of title I of the National Housing Act, as amended, is hereby repealed."

And the House agree to the same.

The House recedes from its amendment to the title of the bill.

ROBERT J. BULKLEY,
ALEEN W. BARKLEY,
JOHN G. TOWNSEND, Jr.,
FREDERICK STEIWER,

Managers on the part of the Senate.

T. ALAN GOLDSBOROUGH,
M. K. REILLY,
FRANK HANCOCK,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,

Managers on the part of the House.

Mr. BULKLEY. I ask for the immediate consideration of the report.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. BULKLEY. Mr. President, this is the bill to extend for another year the operation of title I of the Housing Act. The operation under that title will expire on April 1 unless action shall be taken; and for that reason we are anxious to have action on the bill this afternoon.

The differences between the two Houses were of a minor technical character; and as the conference report is unanimous, I shall not take the time of the Senate to explain it any further, unless some Senator wishes to hear a further explanation.

Mr. ROBINSON. Mr. President, has the conference report been agreed to in the House?

Mr. BULKLEY. It has not; but we have been asked to take it up here first.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ROBINSON subsequently said: Mr. President, I ask unanimous consent that during the recess of the Senate the Vice President may sign Senate enrolled bill 4212.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. CAPPER. Mr. President, I sincerely hope that the motion of the Senator from Texas will not prevail. The Committee on Agriculture and Forestry has spent days and weeks and months and years in the consideration of the bill that is now pending before the Senate. I have here [exhibiting] more than a thousand printed pages of testimony taken by that committee before the bill was reported. The bill, in fact, has been reported twice by the Senate Committee on Agriculture and Forestry—2 years ago and a year ago—and the report in both instances was unanimous. It is just a question whether we want to amend the Packers and Stockyards Act so that all livestock will come under the provisions of the act which was passed in 1921.

Before I close I wish to submit a telegram which I have just received from Fort Worth, Tex., signed by M. Fowler,

S. L. Fowler, Fred McFarland, Loon Farmer, Jake Dearing, Rolla Rinsley, R. E. Farmer, and Morris Farmer, all of whom are well-known stock feeders in the State of Texas. The telegram reads as follows:

Being regular feeders of cattle, finishing several thousands yearly, I strongly favor passage of Senate bill 1424, prohibiting feeding livestock by packers. Past experience shows such operations extremely detrimental to feeders' interest.

BENEFIT PAYMENTS TO AGRICULTURAL PRODUCERS

Mr. VANDENBERG. Mr. President, I beg the indulgence of the Senate for just a moment while I say an additional word regarding my pending resolution calling upon the Department of Agriculture for a report of all benefit payments under Triple A in excess of \$10,000. The resolution is before the Senate Committee on Agriculture and Forestry. I wish the committee and the Senate to have certain additional information in connection therewith.

The distinguished Secretary of Agriculture has made a statement to the press in opposition to the resolution, precisely as his Department opposed a similar resolution in the House of Representatives. He recites the same objections here that were previously asserted there; and I am bound to say, with great respect, that I consider the objections to be captious and disingenuous. They do not meet the issue; they avoid it. Some better reasons should be presented for maintaining secrecy respecting this gigantic distribution of a billion dollars of public money, or the cloak of secrecy should be drawn aside.

The Secretary presents only two reasons for protesting the Senate resolution. I quote the first from a Washington dispatch in the Baltimore Sun of March 26:

Secretary Wallace said the A. A. A.'s primary objection to the request for a report on all farmers getting \$10,000 or more was the actual job of assembling the data. Like Chester C. Davis, A. A. A. Administrator, he estimated the task would require the undivided attention of the entire Comptroller's division for about 6 weeks.

Such an assignment, the Secretary said, would come at a most inopportune time, the Comptroller's division being occupied now with dissemination of some \$296,000,000 of benefit checks due farmers on last year's contracts.

It is a very adroit and subtle suggestion, Mr. President, that the resolution will interfere with the current distribution of benefit checks due the farmers of America under their 1935 contracts. That is delightfully calculated to raise a protest which will smother the real issue. It is excellent strategy—from the Secretary's point of view—but it does not bear up under scrutiny. The farmers are entitled to their checks without delay because a contract—good or bad—is still a contract, so far as I am concerned; and the Government's obligations under the old A. A. A. should be promptly liquidated before new Government obligations are created under the new law, which, even more than its predecessor, permits the Secretary of Agriculture to disburse public money as he pleases, if he pleases, when he pleases, and how he pleases. If a report on the old law will interfere, at the moment, with a completion of the old disbursements, let the report wait until the contracted disbursement is concluded on W. P. A. But what are the facts?

The Secretary says the report for which I am asking would—

Require the undivided attention of the entire Comptroller's division for about 6 weeks.

But what does the Comptroller say? That it would take his entire division—which counts some 4,500 persons—6 weeks? Oh, no! In a letter to Representative JOHN TABER, dated March 26, 1936, he says the list of beneficiaries can be compiled—

From the punch cards retained by the Division of Disbursement, Treasury Department, which were used to prepare the payment checks.

And how long would that take? An "entire division" for "6 weeks"? Oh, no! He says the primary operation would take 10 operators and machines just 17 days of 7 hours each; or, if the machines be worked in three shifts, as is often the practice, it would take 10 operators and machines

about 1 week. The subsequent labor, to conclude the compilation, would be comparatively simple and would interfere with nothing.

No, Mr. President, the time and labor element presents no insurmountable obstacle if it be decided that Congress and the country are entitled to some small degree of intimate information regarding the disbursement of the largest single sum of money ever disbursed by a nonelected officer of government, solely upon his own discretion and without public report respecting its identified destination.

Even if the task were as burdensome as the Secretary laboriously tries to suggest, that would be no reason for secrecy. The very size of the distribution would seem, at least to some of us, to emphasize the size of the challenge. One does not need to question the integrity of the distribution—which I categorically do not—in order to sustain a belief that the wisdom of the distribution, involving hundreds of thousands of decisions by hastily appointed subordinates, should pass in review for the benefit of whatever information it may disclose bearing upon continued operation of a farm-benefit plan.

So, Mr. President, I repeat my belief that the Secretary's first excuse for avoiding the issue is irrelevant, incompetent, and immaterial.

Now for his second and only other excuse. I quote the Associated Press out of Washington for March 25:

The Secretary said both the "commercial people and the political people" had asked repeatedly for names of contract signers and amounts of benefit payments made, and that the A. A. A. had a steadfast rule of silence for the protection of individuals.

It seems to me that this reason is even more naive than the first. I would be the last to withdraw legitimate "protection for the individual", and I commend this sudden and wholly unexpected zeal in his behalf from this wholly unanticipated source. But in this instance it is misplaced zeal. No individual who draws subsidies from the Public Treasury—no matter how inherently worthy his cause or classification—is entitled to immunity from public scrutiny upon this score. Every penny going out of the Public Treasury is a matter of legitimate public concern. It is doubly a matter of public concern, and most emphatically a matter of congressional concern, when a billion dollars leaves the Treasury through checks that are written by an executive bureau answerable only to its own discretion.

The Secretary speaks solicitously about his fears that "commercial people and political people" would misuse the information I am seeking. I do not know to whom he refers. If by the latter reference he means it would be politically dangerous to let the information out, he may be right. He has all the information. I have only a very small fragment of it. He is in much better position to judge than am I. But I respectfully suggest that dangers are relative, and it would seem to me to be far more dangerous to leave public opinion at the mercy of the countless stories regarding extravagant farm-benefit payments, which have run up and down the land for 2 years, than to bring the true facts out into the open.

I remind the Senate that I have not invited its action on the basis of any of this gossip, although I have received literally hundreds of letters suggesting hundreds of situations, episodes, and incidents which might well be the basis of comment, which I withhold, because I insist upon clinging to the things I can prove.

I have presented three specific exhibits which I am prepared to prove any time, anywhere, when the issue is joined. I have not said even that there is anything necessarily wrong about these three cases. I say simply that they raise a question of public policy which ought to be liquidated. I say simply that the Senate is entitled to the full facts. Then let the facts speak for themselves. They may eloquently vindicate the Department of Agriculture and its A. A. A. administration. If they will, I fail to appreciate why their production should be opposed on the Secretary's plea that "a rule of silence is necessary for the protection of individuals."

My resolution is not asking for information regarding the vast multitude of benefit payments going to the vast majority

of farmers. The average corn-hog benefit check in Iowa was less than \$400. These farmers are still "protected"—to use the Secretary's sympathetic word—under the terms of my resolution. But I submit that the beneficiary in another State who collected \$219,825 in 2 years for not raising 14,587 hogs on 445 acres is manifestly amply able to take care of himself without the need of any secretarial "protection." And how many more are there in this favored class? And why?

The average cotton contract throughout the South is under \$1,500. My resolution does not ask for their disclosure—although I know of no good reason why any Government subsidy should be a secret. The Secretary is "protecting"—his word—the beneficiary who collected \$168,000 for not planting 7,000 acres. I do not believe it will be seriously argued that such beneficiaries as these require any "protection" from anybody. Is this an isolated case? Who knows? The Secretary does. Must the rest of us—and particularly the legislative arm of government, which is supposed to control the public purse—go permanently uninformed?

The average wheat contract in Kansas runs in the neighborhood of \$800. My resolution leaves all such contracts as secret as the day they were made. The so-called little farmer has nothing to fear from these disclosures. Indeed, my mail during the last week strongly suggests that the little farmer would immensely like to know the full facts. He is interested in finding out about the bigger beneficiary who collected \$78,638 in 65 wheat checks in 2 years.

Perhaps it is all just the pro-rata operation of the basic plan. I make no charges. I simply assert the importance of knowing these larger facts for whatever bearing they may have upon our subsequent legislative grants for farm relief. I am sure the Secretary, upon reflection, will not assert a necessity that these larger beneficiaries must huddle beneath the protecting wing of his "steadfast silence" in order to be saved.

Please note that I do not hear my figures questioned. These gentlemen at the other end of the Avenue evidently know exactly what it is I am talking about. In this connection I should like to propound another question to them.

Benefit payments to domestic sugar-beet farmers are being sharply curtailed today—cut back to a basis which violates the moral obligation involved in a benefit-payment plan which was specifically substituted for a reduction in the sugar tariff. These farmers now have neither the tariff nor the full payments intended to be substituted therefor. This is one point where the Secretary's "protection"—his word—is conspicuous by its absence. As a "protectionist" the Secretary picks and chooses the beneficiaries of his grace. In the face of this particularly acute situation, I should like to submit this question:

Is it or is it not true that a great New York bank collected \$705,488.66 as its residuary share of A. A. A. benefit payments to one Puerto Rican sugar operation in 1 year?

Then here is an exceedingly interesting corollary question: Is it or is it not true, that a Puerto Rican sugar company received \$961,064 in 1934-35 as compensation for restricting crops; and that this company concurrently increased its capital stock by a split-up of shares; increased its stock from 70,000 shares selling in the neighborhood of \$160 per share—or a market value of \$11,200,000—to 700,000 shares selling this week in the neighborhood of \$40 per share—or a market value of \$28,000,000?

I do not assert the fact. I ask the question with considerable assurance that it is the fact.

Are these pertinent considerations, Mr. President, for the information of the Senate? Do they not involve serious questions of public policy? Shall they be left to mystifying speculation? Is it an answer for the distinguished Secretary of Agriculture to say that he is too busy to inform the Senate or that somebody needs "protection"?

There is no reason why this resolution should invite a spirit of controversy. The Secretary of Agriculture has administered an enormous responsibility. He has labored under tremendous pressure. He has been pioneering new fields. It is to be expected that the new system should have

disclosed many flaws. Our problem—and his—is to profit by any lessons which hard experience may have taught. The inquiry should proceed in a spirit of cooperation. Nothing of value is gained by evasion or secrecy.

Mr. President, I make this additional statement and the additional suggestion that I am highly hopeful that the Senate Committee on Agriculture and Forestry will find it possible to report the resolution favorably so that the facts may be available to the Congress and the country.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] to recommit the bill to the Committee on Agriculture and Forestry.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Connally	La Follette	Reynolds
Ashurst	Copeland	Lewis	Robinson
Austin	Couzens	Logan	Russell
Bachman	Davis	Loneragan	Schwellenbach
Barkley	Donahay	Long	Sheppard
Bilbo	Duffy	McGill	Shipstead
Black	Fletcher	McKellar	Smith
Bone	Frazier	McNary	Steiner
Borah	George	Maloney	Thomas, Utah
Brown	Gibson	Metcalf	Townsend
Bulkeley	Glass	Minton	Truman
Bulow	Guffey	Moore	Tydings
Burke	Hale	Murphy	Vandenberg
Byrd	Harrison	Murray	Van Nuys
Byrnes	Hatch	Norris	Walsh
Capper	Hayden	O'Mahoney	Wheeler
Caraway	Holt	Overton	White
Carey	Johnson	Pittman	
Chavez	Keyes	Pope	
Clark	King	Radcliffe	

Mr. LEWIS. I rise to reannounce the absence of certain Senators, and the reasons therefor, as given by me upon the previous roll call.

The PRESIDING OFFICER. Seventy-seven Senators having answered to their names, a quorum is present. The question is on the recommitment of the bill. On that question, the yeas and nays have been demanded. Is the demand seconded?

The yeas and nays were ordered.

Mr. FRAZIER. Mr. President, I desire to make a very brief statement.

I am a member of the Committee on Agriculture and Forestry, and attended the hearings which were held on this bill in 1934. At that time we had a great amount of evidence from managers and members of cooperative livestock organizations in favor of the bill. I can refer Senators to several places in the hearings where these men stated that direct buying was responsible for reducing the market price of hogs and cattle, and I think they are correct.

As the Senator from Nebraska [Mr. NORRIS] and others have pointed out, the open markets, the regular markets which are under the supervision of the Agricultural Department under the Packers and Stockyards Act, set the price for hogs and cattle by competitive bids. The direct buyer goes out and buys on that market price; but the products which the buyer gets at these concentration markets or out on the farm are not in competition with the products at the market that makes the prices of the hogs and cattle. Therefore, it seems to me this measure should be given full consideration by the Senate, and not recommitted.

There is no question in my mind but that direct buying has had the effect of putting out of business practically all the cooperative livestock selling organizations. In North Dakota we had a great many cooperative livestock shipping associations, largely under the Farmers' Union organization. I think practically every one of them has been put out of business because of direct buying. There is such a great amount of direct buying that the shipping associations could not exist.

The Mistletoe yard at Kansas City has been used as an example, and I think it is a very good one. Through direct

buying they not only get the best livestock, the best hogs, and the best cattle for the ready market, for butchering, but they thereby take that livestock out of competition with those that go into the open market which makes the price.

So I hope this measure may be further considered in the Senate and not recommitted.

Mr. HATCH. Mr. President, I do not desire to detain the Senate and delay a vote on the bill at this time. Merely in order that the RECORD may show the sentiment of my State concerning the bill, I desire to have printed as a part of my remarks a letter from the president of the New Mexico Cattle Growers Association. I desire to add that in order that the bill may have further study and consideration, especially in connection with the bill introduced by the Senator from Iowa [Mr. MURPHY], I trust the motion to recommit will be adopted.

I also send to the desk and ask to have printed a resolution adopted by the Cattle Growers Association of my State.

The PRESIDING OFFICER. Without objection, the letter and resolution will be printed in the RECORD.

The letter and resolution are as follows:

THE NEW MEXICO CATTLE GROWERS ASSOCIATION,
Albuquerque, N. Mex., January 24, 1936.

HON. CARL A. HATCH,

United States Senator, Washington, D. C.

DEAR SENATOR HATCH: We are enclosing, herewith, resolution adopted at the annual convention of the New Mexico Cattle Growers Association last year, mentioning the Capper-Hope-Wearin bills and registering our strongest opposition to them as well as any legislation curtailing the free marketing of livestock.

We give below specific reasons for being opposed to the revised Capper bill, S. 1424:

(1) We are opposed to the alternate definition of a stockyard in section 302 (2) on page 5.

We believe this would take under control many feeding and concentration points in the West to the distinct disadvantage of the livestock industry.

(2) We are opposed to paragraph (1) on page 2, where it provides that a packer may not purchase or acquire directly or indirectly livestock for any purpose other than the slaughter and processing thereof in plants owned or controlled by them. There is such a situation at Houston, Tex., where the big packers keep buyers and make deals with local packing houses.

(3) We are opposed to section 3 on page 6, which, in our opinion, in connection with the new definition of a stockyard under section 302 would discourage trading operations by legitimate buyers of feeder stock at railroad points where livestock is fed en route to market.

(4) We are very fearful of the effects of section 304 (a) on page 7. We do not want our cattle graded before sale, because in the case of big runs it would be entirely possible for tremendous delays and expensive shrinkage to occur while waiting for the official grader. We do not understand the proviso in the same section, that the Secretary is not empowered to employ people to do this work; hence it would seem well to leave out the whole section.

We would call your attention to the great danger of amendments being added either in the House or the Senate to include the more vicious provisions of the original Capper bill.

The amendments which the Packers and Stock Yards Administration desire, and which they feel are needed better to enforce the act, are introduced in entirely separate bills—H. R. 8051, by Mr. JONES, in the House, and S. 3036, by Mr. MURPHY, in the Senate.

We are urging, therefore, that the entire Capper bill be killed and that such portions of the administration bill as may be desirable be allowed to pass.

Very truly yours,

LEE S. EVANS, President.

[Annual convention of the New Mexico Cattle Growers Association, Roswell, N. Mex., Mar. 25 and 26, 1935]

MARKETING LEGISLATION

Whereas the Capper-Hope-Wearin bills now submitted in Congress constitute an attempt on the part of livestock commission men and public stockyards interests to curtail the freedom of marketing of livestock by producers and deprive them of their constitutional rights to market their product in accordance with their best judgment: Therefore be it

Resolved, That we register our strongest opposition to these bills, or to any similar legislation curtailing the free marketing of livestock.

Mr. KING. Mr. President, I have here a letter from Mr. J. M. Macfarlane, president of one of the leading livestock organizations of the West. In his letter, which is dated February 27 of this year, he states:

We are opposed to the Capper bill, S. 1424, and especially object to the new definition of stockyards contained in section 302

(a) (2), the language of which is so broad as to include practically every railroad feeding point and cause them to take out a license and be put under the Stockyards and Packers Act.

We also object to an excise tax on cattle to pay Corn Belt farmers for cutting down their acreage—

This is not quite germane to the bill under consideration—when such acreage taken out of corn will be put into grass to come in competition with western livestock growers, and we do not think we should be called on to pay these Middle West corn growers. The cattlemen are willing to pay their own way, but do not want to pay for somebody to come into competition with them.

Mr. James A. Hooper, secretary of the Utah Wool Growers' Association, writes me, in part, as follows:

During the close of the last session of Congress, Senate bill No. 1424 was reported out of the committee favorably. We were very much surprised that this bill received a favorable report from the Agriculture Committee, as the bill would place a serious handicap on the marketing of livestock, and would, without a doubt, result in less competition and therefore lower prices.

I have a letter from the American National Livestock Association enclosing copy of a resolution protesting against the pending bill; and the following paragraph is found in the communication:

The entire western livestock industry deplors this effort of the middlemen to attempt to legislate to restrict the freedom of livestock marketing, to reduce competition for our feeder and fat livestock, and to add an unnecessary and unwarranted burden and cost to the administration of the Packers and Stockyards Act.

Mr. President, I shall submit a few words in opposition to the measure before us. It seeks to amend the Packers and Stockyards Act of 1921. It would multiply the number of points that would be constituted as public markets and regulated in detail by the Secretary of Agriculture under an extremely broad grant of power.

The bill is opposed by 24 livestock and agricultural organizations in 13 livestock-producing States, including the American National Livestock Association, the National Wool Growers' Association, and the American Farm Bureau Federation, Western Regional Conference.

Some amendments to the act of 1921 are needed. They have been carefully prepared and are offered in the measure which has been introduced by the Senator from Iowa [Mr. MURPHY].

The bill is sponsored by stockyard companies and commission firms located at the large markets. They are the ones, from the information which I can obtain, who are pushing the pending bill.

Mr. CAPPER. Mr. President—

Mr. KING. The Senator has spoken at great length on Friday and for some time today. I shall occupy but a few minutes; so hope the Senator will pardon me for not yielding.

The interests which are sponsoring the bill are opposed to transactions favorable to the producers and to sales and purchases in the communities and districts run to favor Chicago and a few central market points.

These interests are endeavoring to impose upon producers heavy charges for yardage and sales service and forces to collect at public markets.

The United States Livestock Association advocates this bill; as I am advised, it purports to be an organization of livestock producers, but my information is that it is largely controlled by and mainly composed of individuals connected with public stockyard marketing agencies.

The proposals carried in the pending bill were considered in an A. A. A. and N. R. A. code hearing in 1934 and tabled.

I am advised that the House Committee on Agriculture conducted hearings in 1934 and took no action, and that the Senate Committee on Agriculture held hearings in 1934 and took no action. The latter committee reported the bill in June 1935 without further hearings. Some minor changes were made, but the main provisions, in effect, were not changed.

It is argued by proponents of the bill that its purpose is to extend safeguards provided by the act of 1921 to all other points where packers buy livestock. This would mean public market regulation, registration, and extra expense at several hundred railroad livestock loading pens and other

points which are used primarily for loading and holding purposes, and at which but little buying or selling is done. There are numerous railroad yards in Western States, and I know that is true in my State, at which as much as 35,000 head of sheep are handled in a season, or year.

Occasionally shippers trade between themselves at such points or make sales to packers or other buyers within the yards. There is no justification for subjecting shippers to the requirement of paying, and railroads to charging, extra expenses that would be caused by "posting" such yards under the Packers and Stockyards Act of 1921, as is done for the large public markets which are markets primarily and exclusively.

Second, section 7, page 7, is a new proposal. It would require Government grading, before sale, of all livestock at the present 75 "posted" markets and at the several hundred small yards proposed to be brought under the law. The section says the Secretary "shall prescribe" rules and regulations, and so forth, governing the grading of livestock. It is provided in the bill that the Government shall not pay official graders. However, this only means that the expense of such grading would immediately be paid by someone else, but finally and inevitably paid by the producer, shipper, and for a service which he does not need nor desire.

The bill gives the Secretary of Agriculture unjustifiably broad powers over commerce in livestock, in addition to those exercised under the act of 1921.

Mr. President, I desire to read a few paragraphs from page 197 of the hearings of 1934 before the Committee on Agriculture and Forestry of the Senate, in which there is a quotation from the work entitled "Relationship Between Direct Purchases of Hogs and the Level of Hog Prices", by Mr. Knute Bjorka.

The task of examining these arguments is greatly lightened by the exhaustive statistical studies of the Relationship Between Direct Purchases of Hogs and the Level of Hog Prices, by Mr. Knute Bjorka. Mr. Bjorka found that hog and hog-products prices bear the same relationship to each other during the period 1926 to 1930, when direct buying by packers assumed large proportions, as during the preceding 4-year period, when there was relatively little direct buying. In regard to this point he concludes that " * * * there is no statistical evidence that the relationship between pork-product prices and hog prices has been modified since 1926, when direct buying of hogs showed marked increase."

Likewise there is no statistical evidence that direct marketing has contributed to the depression of prices of pork products. On the contrary, Bjorka's study reveals higher prices since 1926 than prevailing market conditions would lead one to expect. But in regard to this situation he states, "We are not justified in drawing the conclusion that higher prices of hogs (and consequently of pork products) as compared to estimated price during the period 1926-30 was due to the increase in the proportion of hogs bought direct. Other factors may have been responsible. It must be concluded, however, that this study yields no statistical evidence to show that the increase in direct marketing of hogs has had a depressing effect upon the level of hog prices and the price of pork products."

Mr. President, I shall not take further time in discussion of the bill. If the motion to recommit should not prevail, then I may offer further observations upon the bill before us. I hope, however, that the motion to recommit the bill will prevail.

Mr. CAPPER. Mr. President, the bill now before us, introduced by myself, was drafted by a committee made up of the presidents or other executive officers of the National Grange, the Farm Bureau Federation, the Farmers Union, and the United States Livestock Association. It was brought to me by the president of the Farmers Union with the request that it be introduced. I have no doubt, as has been said, that there are commission men in the public markets who are favorable to the proposed legislation, but they are not responsible for the bill now before the Senate. It is a demand by the farmers and stockmen for honest markets.

The Agricultural Council, which met here in January, an organization made up of representatives of every agricultural and livestock organization in the country, endorsed the bill, approved it, and urged its passage. It has had thorough consideration by the Committee on Agriculture and Forestry. As I have previously said, there is testimony

covering something like a thousand pages touching every phase of the problem.

We are told now that we should recommit the pending bill and give consideration to the measure introduced by the Senator from Iowa [Mr. MURPHY]. The Senator from Iowa stated on the floor an hour ago that his bill relates to an entirely different phase of the problem of livestock marketing and does not attempt to cover the problem of direct marketing. He was absolutely correct in that statement.

I sincerely hope the bill will not be recommitted to the committee.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas [Mr. CONNALLY] that the bill be recommitted to the Committee on Agriculture and Forestry. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNARY (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. FRAZIER (when Mr. NYE's name was called). On this question my colleague the junior Senator from North Dakota [Mr. NYE] is paired with the Senator from Rhode Island [Mr. GERRY]. If the Senator from North Dakota were present, he would vote "nay", and the Senator from Rhode Island, if present, would vote "yea."

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am not aware how he would vote on this question if he were present. I transfer that pair to my colleague [Mr. BENSON], and will vote. I vote "nay." If my colleague [Mr. BENSON] were present, he would vote "nay" on this question.

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs on this question:

The Senator from New Jersey [Mr. BARBOUR] with the Senator from Oklahoma [Mr. THOMAS]; and

The Senator from Nevada [Mr. McCARRAN] with the Senator from South Dakota [Mr. NORBECK].

If present, the Senator from New Jersey and the Senator from Nevada would vote "yea", and the Senator from Oklahoma and the Senator from South Dakota would vote "nay" on this question.

The Senator from Maine [Mr. WHITE] has a general pair with the Senator from West Virginia [Mr. NEELY].

Mr. BILBO. I have a general pair with the senior Senator from Iowa [Mr. DICKINSON]. Therefore I do not vote on this question.

Mr. BARKLEY (after having voted in the negative). I have a general pair with the senior Senator from Delaware [Mr. HASTINGS], who is absent. Not being able to obtain a transfer, I withdraw my vote. Otherwise I should allow my vote in the negative to stand.

Mr. LEWIS. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from Colorado [Mr. COSTIGAN], the Senator from Rhode Island [Mr. GERRY], the Senator from California [Mr. McADOO], and the Senator from Florida [Mr. TRAMMELL] are detained from the Senate on account of illness.

I also announce that the senior Senator from North Carolina [Mr. BAILEY], the Senator from Minnesota [Mr. BENSON], the Senator from Massachusetts [Mr. COOLIDGE], the Senator from Illinois [Mr. DIETERICH], the Senator from Oklahoma [Mr. GORE], the Senator from Nevada [Mr. McCARRAN], the Senator from West Virginia [Mr. NEELY], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Georgia [Mr. RUSSELL], the Senator from Oklahoma [Mr. THOMAS], and the Senator from New York [Mr. WAGNER] are unavoidably detained.

I further announce that the Senator from Alabama [Mr. BLACK], the Senator from Virginia [Mr. BYRD], the Senator from New York [Mr. COPELAND], the Senator from Virginia [Mr. GLASS], the Senator from Mississippi [Mr. HARRISON], and the Senator from Montana [Mr. MURRAY] are detained in important committee meetings.

I announce a pair on this question between the Senator from Georgia [Mr. RUSSELL] and the Senator from Colorado [Mr. COSTIGAN]. If present and voting, the Senator from Georgia would vote "yea", and the Senator from Colorado would vote "nay."

In addition, I beg to say that I am instructed by my colleague [Mr. DIETERICH] to say that were he present and voting he would vote "yea" on this question.

The result was announced—yeas 32, nays 33, as follows:

YEAS—32

Adams	Fletcher	King	Radcliffe
Ashurst	George	Lewis	Sheppard
Austin	Gibson	McKellar	Smith
Bachman	Guffey	Metcalf	Steiwer
Carey	Hale	Moore	Thomas, Utah
Chavez	Hatch	O'Mahoney	Townsend
Connally	Hayden	Overton	Tydings
Davis	Johnson	Pittman	Walsh

NAYS—33

Bone	Clark	Loneragan	Schwellenbach
Borah	Couzens	Long	Shipstead
Brown	Donahay	Maloney	Truman
Bulkley	Duffy	McGill	Vandenberg
Bulow	Frazier	Minton	Van Nuys
Burke	Holt	Murphy	Wheeler
Byrnes	Keyes	Norris	
Capper	La Follette	Pope	
Caraway	Logan	Robinson	

NOT VOTING—31

Bailey	Coolidge	Harrison	Nye
Bankhead	Copeland	Hastings	Reynolds
Barbour	Costigan	McAdoo	Russell
Barkley	Dickinson	McCarran	Thomas, Okla.
Benson	Dieterich	McNary	Trammell
Bilbo	Gerry	Murray	Wagner
Black	Glass	Neely	White
Byrd	Gore	Norbeck	

So Mr. CONNALLY's motion to recommit the bill to the Committee on Agriculture and Forestry was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex.; and

H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. TARVER, Mr. UMSTEAD, Mr. THOM, Mr. BUCHANAN, Mr. THURSTON, and Mr. BUCKBEE were appointed managers on the part of the House at the conference.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. CONNALLY. Mr. President, I offer an amendment in the nature of a substitute, being the bill pending before the committee introduced by the Senator from Iowa [Mr. MURPHY], being Senate bill No. 3036.

The VICE PRESIDENT. The Senator from Texas offers an amendment in the nature of a substitute, which will be read:

The Chief Clerk read as follows:

That section 202 of the Packers and Stockyards Act, 1921, is hereby amended by adding thereto the following new subdivisions:

"(h) Operate any packing plant at which livestock is slaughtered in commerce unless he has registered with the Secretary, under such rules and regulations as the Secretary may prescribe, his name and address, the name and location of the plant, and the class of livestock slaughtered or to be slaughtered and processed therein, and unless he has filed a reasonable bond, under such rules and regulations as the Secretary may prescribe, to secure the performance of his financial obligations as a purchaser of livestock.

"(i) Any packer, or any officer, director, agent, or employee of a packer who violates any provisions of this section shall on conviction be fined not less than \$500 nor more than \$10,000, or imprisoned for not less than 6 months nor more than 5 years, or both. Each day during which such violation continues shall be deemed a separate offense. This shall not in any way abridge or alter but is in addition to existing remedies."

SEC. 2. In section 203 of said act the word "packer" and related text shall be construed to denote the plural as well as the singular, and the word "shall" where it first occurs shall be construed as "may."

SEC. 3. The following new section is added to title II of said act: "Sec. 206. Any person complaining of anything done or omitted to be done by any packer or packers in violation of the provisions of this title may at any time within 9 months after the cause of action accrues file a complaint with the Secretary of Agriculture, who shall thereupon proceed in accordance with the provisions of section 309 of said act, which are hereby made applicable to any such complaint, proceeding, and order and to any suit upon any such order."

SEC. 4. The following language is added to the first sentence of section 303 of said act; "and unless he has filed a reasonable bond, under such rules and regulations as the Secretary may prescribe, to secure the performance of his financial obligations as a market agency or dealer."

SEC. 5. The following language is added to section 305 of said act:

"Whenever necessary the Secretary may authorize the charging and collection from owners of a reasonable fee for the inspection of brands appearing upon livestock subject to the provisions of said act for the purpose of determining the ownership of such livestock: *Provided*, That such fee shall not be imposed except upon written request made to the Secretary by the Board of Livestock Commissioners or duly organized livestock associations of the States from which such livestock has originated or been shipped to market."

SEC. 6. In section 306 (e) strike out the last sentence and insert in lieu thereof: "If any such hearing involving a higher rate or charge cannot be completed within such period of suspension, the Secretary may from time to time continue the suspension for further periods of 30 days until the hearing is concluded, except that the total period of suspension may not exceed 180 days and if the hearing is not concluded within said period the proposed change in the rate, charge, regulation, or practice shall go into effect at the end of such period."

SEC. 7. Section 309 of said act is amended by striking out the words "ninety days" in subdivision (a) and inserting in lieu thereof the words "nine months" and by adding to subdivision (f) the following sentence: "The orders, writs, and processes of the district courts may in such cases run, be served, and be returnable anywhere in the United States."

SEC. 8. Amend section 312 (b) by adding thereto the following: "When it appears to the Secretary that such action is necessary to prevent injury to private property or to protect the public interests he may, pending the conclusion of such proceeding, issue a temporary cease and desist order which shall not continue in effect for a longer period than 6 months. The provisions of this act respecting final cease and desist orders shall be applicable to such temporary orders."

SEC. 9. The following new sections are added to title III of said act:

"SEC. 317. (a) Whenever the Secretary, after notice and opportunity for hearing, finds that any market agency or dealer is unable to meet his financial obligations as a market agency or dealer as they become due in the ordinary course of his business, or has failed to file a reasonable bond as required by the regulations, he may by order suspend such market agency or dealer from carrying on business as such until such time as it is shown to the satisfaction of the Secretary that such market agency or dealer has satisfied past and is able to meet future obligations and has filed such bond.

"(b) Whenever the Secretary, after notice and opportunity for hearing finds that any market agency or dealer or any officer, agent, or employee of any stockyard owner, market agency, or dealer has violated or caused to be violated any of the provisions of subdivision (f) of section 306 or section 307 or section 312, or order, rule, or regulation of the Secretary thereunder, he may by order suspend such market agency, dealer, officer, agent, or employee from carrying on or engaging in business or employment as a market agency or dealer, or officer, agent, or employee of a stockyard owner, market agency, or dealer on any stockyard subject to the provisions of this act and the Secretary may likewise suspend the conduct or operation of the business of such market agency or dealer committing such violation for a specified period not to exceed 2 years.

"(c) Any stockyard owner who violates any of the provisions of section 307 or section 312, or order, rule, or regulation of the Secretary thereunder shall on conviction be fined not less than \$500 nor more than \$1,000, or imprisoned for not more than 1 year, or both. Each day during which such violation continues shall be deemed a separate offense.

"SEC. 318. (a) Whoever shall carry on or engage in business or employment as a market agency or dealer or officer, agent, or employee of a stockyard owner, market agency, or dealer after his registration has been canceled or during any period of suspension provided for by section 317 or by section 320 shall upon conviction be fined not more than \$1,000 or imprisoned for not more than 1 year, or both.

"(b) The conduct or operation of the business of any market agency or dealer after his registration has been canceled or during any period of suspension provided for by section 317 or by section 320 shall be unlawful and may be enjoined by any court of competent jurisdiction at the suit of the United States, the Secretary or any party in interest.

"SEC. 319. Hereafter in any proceeding under this act inquiring into the reasonableness of any change in any rate or charge or any regulation or practice affecting such rate or charge or any new rate or charge or a new regulation or practice affecting any rate or charge for stockyard services, the burden of proof as to the reasonableness thereof shall be upon the stockyard owner or market agency against which the proceeding is directed.

"SEC. 320. The Secretary, after due notice and opportunity for a hearing, may by order cancel the registration of a market agency or dealer if he finds (a) that such market agency or dealer, or any director, officer, agent, or employee thereof, was within 2 years prior to such notice responsible in whole or in part for any violation of this act, for which an order of suspension or to cease and desist may be or has been issued, or (b) that such market agency or dealer has knowingly employed in any responsible position any person made the subject of any order under section 321 hereof, or who was responsibly connected with any market agency or dealer whose registration was canceled within 2 years prior to the date of such notice, or (c) that such market agency or dealer has conducted or is conducting the business of any market agency or dealer against whom an order of suspension is in effect. Pending the hearing, such registration may by order be suspended for a period not to exceed 60 days. Any such cancellation shall be effective for a period of 1 year and shall be applicable on all stockyards subject to the act.

"SEC. 321. Whenever the Secretary, after due notice and opportunity for hearing, shall find that any director, officer, agent, or employee of any stockyard owner, market agency, or dealer was responsible in whole or in part for any violation of this act, he may issue an order directing all stockyard owners, market agencies, and dealers subject to this act to refrain from employing or having any dealings with such officer, agent, or employee for a reasonable specified period not to exceed 2 years."

SEC. 10. Amend section 401 of said act to read:

"Every packer, stockyard owner, market agency, and dealer shall keep such accounts, records, and memoranda as fully and correctly disclose all transactions involved in his business, including the true ownership of such business by stockholding or otherwise. The Secretary is authorized to require annual reports from every packer, stockyard owner, market agency, and dealer subject to the provisions of this act in such form or forms and relating to such matters and things connected with his business as the Secretary may prescribe. For the purposes of this act the Secretary, or his duly authorized agent or agents, shall at all times during the regular hours of business have access to all accounts, records, and memoranda, including all documents, papers, and correspondence, on the date that this act becomes a law or thereafter existing and kept, or required to be kept, by packers, stockyard owners, market agencies, and dealers subject to this act. The Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept, and the matters and things connected with the business of such person which such accounts, records, and memoranda shall disclose. Thereafter, any such person who shall willfully refuse to submit to the Secretary, or to any of his authorized agents, for the purpose of inspection of any accounts, records, and memoranda, including all documents, papers, and correspondence, in his possession or within his control; or who fails to keep accounts, records, and memoranda in the manner and form prescribed or approved by the Secretary, shall be deemed guilty of an offense against the United States, and shall upon conviction in any court of the United States of competent jurisdiction be fined not more than \$5,000 or imprisoned not more than 3 years, or both."

The VICE PRESIDENT. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Iowa [Mr. MURPHY].

Mr. MURPHY. Mr. President, I introduced Senate bill 3036 in good faith at the suggestion of the Department of Agriculture. It has now been offered by the Senator from Texas [Mr. CONNALLY] as a substitute for the Capper bill. My bill is designed to correct faults in the Packers and Stockyards Act, which correction is deemed essential by the Solicitor's office of the Department. The bill does not go into the subject of direct marketing. The Capper bill is

primarily concerned with direct marketing. The bills are not at cross purposes.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Texas?

Mr. MURPHY. I yield.

Mr. CONNALLY. Will the Senator please explain to the Senate what direct marketing is and what he wants to do about it?

Mr. MURPHY. That would carry me into an exposition of the terms of the Capper bill. I think I have considerable familiarity with the provisions of that bill. In effect, according to the Bureau of Animal Industry of the Department of Agriculture, it would accomplish the posting of some 600 additional stockyards throughout the country. A stockyard now is posted under the Packers and Stockyards Act and subject to the regulations of that act when it contains in excess of 20,000 square feet of land. The Capper bill would supplement that provision of the Packers and Stockyards Act and would subject to its terms all yards handling 35,000 head of cattle or other livestock a year. It would bring the other 600 yards under the same supervision as the central yards now have. The design of the Capper bill is to secure for the producer of livestock a larger net return than he now receives.

Mr. CONNALLY. Mr. President, I do not want to annoy the Senator, but will he yield again at that point?

Mr. MURPHY. I am very glad to yield to the Senator.

Mr. CONNALLY. When the Senator says 600 additional yards will be posted, does he mean that they will be brought under control of the Secretary of Agriculture?

Mr. MURPHY. Exactly.

Mr. CONNALLY. The expenses and charges and all that sort of thing involved in posting and regulating the 600 additional yards would come out of the producers of livestock through fees and charges, would they not?

Mr. MURPHY. That is the conclusion.

Mr. CONNALLY. How would the Secretary of Agriculture control and regulate and supervise 600 additional marketing points without any expense either to the Government or the producer? Somebody would have to pay those expenses, would they not?

Mr. MURPHY. I believe it is a weakness of the Capper bill that it contains the provision quoted by the Senator from Wyoming [Mr. O'MAHONEY] in his discussion preceding the vote on the motion to recommit. The Capper bill provides, in section 304A, as follows:

Sec. 304-A. The Secretary shall prescribe, after hearing, reasonable rules and regulations relating to the weighing, fill, dock, or grades of livestock in commerce, and it shall be the duty of every packer, stockyard owner, market agency, and dealer to comply with such rules and regulations so prescribed by the Secretary: *Provided, however,* That nothing in this section contained shall authorize or empower the Secretary to employ or designate any person or persons to weigh, fill, dock, or grade livestock.

That seems to me to create an impossible situation in its assumption that the Secretary of Agriculture could, with the appropriation now available to him, supervise 600 additional yards. I do not know what was the purpose of the Senator from Kansas in limiting the Secretary in the matter of expenditure. Obviously, to my mind, it would be an impossibility for him to accomplish that supervision with the personnel now available to him. That is a weakness of the bill but one which does not, as I review it, go to the principle of the measure.

Inasmuch as the Senator from Texas has asked me what the Capper bill does, I shall proceed further.

Packers now own stockyards where they buy cattle or hogs or sheep. Iowa has a number of what are called concentration yards. A farmer will telephone to the representative of a concentration yard and ask him the price for hogs at that yard. The owner of the yard will answer; and the farmer, as he elects, will or will not send his hogs to that stockyard. He may send them to a central market. There are other yards which are frankly auction yards, where the stock is auctioned, and a packer may bid against

another for the stock, but as a rule there is no competitive bidding by packers.

The other market, the central market, has commission merchants who represent the producers of the stock, and who are offering it for sale. In these markets a charge is imposed by the commission merchants. Other charges are imposed for feeding. These charges are paid by the producer of the livestock. In the yards which I have described as concentration yards, and in the yards which I have described as auction yards, the charges are not imposed except as to the yard owners' flat charge.

The presumption is indulged that with this bill passed, the livestock broker will find a way into these other yards, and that the system now effective in central yards will become effective in the concentration yards and in the auction yards. The charges to result probably will be borne by the farmer. The question then arises whether or not these additional costs which he will bear will be returned to him as a result of this proposed new system in higher net prices for his stock.

Mr. BONE. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. BONE. I am interested in the Senator's observations about the so-called auction yards. How are those sales conducted, and who pays for the sales operation? How is that charge allocated, and to whom; or is it all paid by one of the parties?

Mr. MURPHY. The owner of the yard collects a commission.

Mr. BONE. It is in the nature of a commission transaction, then?

Mr. MURPHY. Yes. Those charges now are not regulated by law.

Mr. BONE. I understand.

Mr. MURPHY. In the central market, however, they are regulated by law. In other words, it is a thing to which the producer of livestock assents. It is just a custom which has grown up, I presume.

Mr. BONE. Is that a very sizeable charge, or of what proportions is it?

Mr. MURPHY. It has not been considered an unreasonable charge, as I understand, in those particular yards. In the case of the central yards, the Secretary of Agriculture has found it necessary to impose regulations as respects those charges.

The point about the matter is that sometime after the Packers and Stockyards Act was enacted, this business of direct buying began. Theretofore, all stock had been shipped to central markets. The business of direct buying grew up. It developed tremendously in Iowa. I am satisfied from my own investigation that that was not solely a consequence of posting the yards at Chicago, Sioux City, Kansas City, or other points contiguous to Iowa. The freight rate was changed, making it cheaper to ship dressed meat out of Iowa to the eastern markets than to ship the animal on foot. That gave Iowa packers an advantage in the market over the big packers of the central market points, so that the big packers had to go out into Iowa. They bought plants in my State and went into the business of buying hogs direct, slaughtering some in Iowa, and supplying their plants in Chicago or Sioux City or Omaha in part with hogs bought direct. It was much easier for a farmer to put his hogs in a truck and truck them to market than to put them in a car and ship them to Chicago or Omaha or Sioux City and send somebody along with them, and direct marketing flourished.

However, the direct marketing system has developed to such an extent that the supply of hogs going into these central markets has been constantly diminishing, so the question is raised whether or not in the course of time the central market where prices are supposed to be fixed by competitive bidding will be destroyed. The thought in the minds of the framers of the bill is that when there is kept out of the Chicago or other central market approximately 42 percent of the hog slaughterings of a given day, and 20 percent of the cattle, and those percentages are brought in direct, circuitously, so to speak, around the central yards and into the

packing plants, it destroys the urgency on the packers to bid for the stock that is offered in the open market, because their packing needs for the day are already in considerable measure supplied by direct purchases.

It is probably true that hogs marketed direct in Iowa net the farmer more by the amount of the charges imposed in the central market than they will net him with the Capper bill enacted unless—and this, as I see it, is the pivotal point in the whole thing—unless as a result of bidding in these newly posted yards the price in the central markets, the now posted yards, is raised.

Mr. President, I have no desire whatsoever to speak in words of disparagement of the Capper bill. I am supporting it without a deep conviction that it will accomplish the end sought. I am not sold on the idea that our Iowa hog farmer is going to be a great deal better off by reason of the enactment of the bill. Nevertheless I shall go along with the bill in the hope that the competitive bidding which may result in the newly posted yards will increase the net price which the farmer will receive.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. CONNALLY. Will the Senator explain how these points will become any more competitive under this bill than they now are? Are they not entirely free, and may not anybody go in and buy and pay the highest market price? How is the restriction of a market going to make it more competitive? I should like to have the Senator explain that.

Mr. MURPHY. If the Senator please, the restrictions on the market are all made in the presumed interest of the producer of livestock. One is free to send his stock to a given yard today. It may, however, be a yard owned by Armour; it may be a yard owned by a private company; it may be a yard owned by Swift. These yards will be opened to competitive bidding.

Mr. CONNALLY. Let us take the case of some of the yards that are to be brought in under this bill that are not now under it. Take the case of the small concentration points: Are not they an entirely free market? How will the enactment of this bill put more competition there? Will it not lessen competition?

Mr. MURPHY. If it results in bringing in the commission merchant representing the producer, bringing in the speculator in livestock, and causing bidding which now does not prevail—because in many instances there is a single buyer—if it causes bidding, then it is assumed that it will get the producer a higher price than would otherwise be paid.

Mr. CONNALLY. If it will; but tell us how it will.

Mr. MURPHY. By bringing in the livestock speculator.

Mr. CONNALLY. How will it bring him in?

Mr. MURPHY. The livestock speculators are not there now, Mr. President. They are in the central market. This bill gives them an incentive to go into yards not now posted. But the expected largest gain will be from increased speculative buying in central markets freed from the threat of direct purchases.

Mr. CONNALLY. They are free now to go anywhere in the United States and buy cattle at any place where they can find them, or buy hogs at any place where they can find them. How is the enactment of this bill going to make them do any better than that?

Mr. MURPHY. I shall revert to the original explanation of the matter, which is this:

The whole theory of commission merchants' representation is that the commission man handling the livestock of the farmer will get a higher price than the farmer can get; that in the central market there are also the speculators in livestock, and that these speculators oblige the packers to bid a higher price than they otherwise would bid by holding the stock off the market. I repeat at this point that with competitive bidding at all yards, and no sales direct, prices, in the view of the proponents of this bill, will inevitably rise. I think that is the theory on which it is based. I ask the Senator from Kansas if that is a sufficient exposition, in justice to the bill?

Mr. CAPPER. I think the Senator has stated it correctly.

Mr. CONNALLY. And while they are holding them off the market the stockyard is getting a charge from them for feeding them, and they are losing weight every day.

Mr. MURPHY. That is incontrovertibly true, unless they are fed and the farmer has been disposed to feed his stock before slaughter.

Mr. KING. Mr. President, will the Senator from Iowa yield?

Mr. MURPHY. I yield.

Mr. KING. Does not the Senator regard it as more important or beneficial to the people, say, of the State of Utah, of Colorado, or of Montana, where cattle and sheep and hogs are raised, to have an organization, call it a packers' organization or anything else, that will slaughter the animals and satisfy the domestic demands and then ship to California or Oregon or elsewhere any surplus, than to compel them to ship to Omaha or to Chicago, with a reduction in the weight of the animals during that long haul that is inevitable, with the high cost of shipping, then ship the meat back to Utah and Colorado and the other States after the animals have been slaughtered in Chicago and dressed, and pay the freight both ways?

Mr. MURPHY. Mr. President, in answer to the Senator I will say that my study of the bill did not reveal that it would affect the packers of his State in the respect to which he refers. I think, however, that the packers of the Senator's State come here with more or less justification with a complaint about this bill because of the provision with respect to the prohibition of feeding by packers.

Certainly, in my opinion, there is little or no justification for the packers in our part of the country going into feeding operations, and I think they ought to get out of them, but the packers in the West and Southwest are in a situation a little different. They have to feed, as I am advised, in order to assure themselves a supply of livestock at all times. If the packing plant out there wishes to operate, and there is a deficiency of hogs—if it slaughters hogs—and it cannot feed them, and there are none coming on the market, it means that they will have to go into the Omaha market and buy the hogs, ship them out there and slaughter them, with all that increased expense. Otherwise, if they were permitted to feed, most of the expense would be saved them. I will ask the Senator from Kansas if that is not an approximately correct statement.

Mr. CAPPER. I think the Senator has stated the situation about as it is. I think he has made a fair statement.

Mr. KING. Mr. President, will the Senator from Iowa yield for another question?

Mr. MURPHY. Certainly.

Mr. KING. I find that under the Capper bill it is made unlawful and a crime to—

Purchase or acquire, directly or indirectly, cattle, sheep, or swine, for the purpose, or with the intent, of feeding and fattening such livestock in order to render it suitable for slaughter—

It would be a crime for me or the Senator from Iowa to go into my State or into any State and purchase or acquire, directly or indirectly, any cattle, or sheep, or hogs, in order to feed them and to fatten them.

Mr. BARKLEY. Mr. President, that is not correct.

Mr. KING (reading):

or for any purpose other than the slaughter and processing thereof in a packing plant or plants owned, operated, or controlled, directly or indirectly, by such packer.

I ask the Senator whether he justifies legislation of that kind, and if so, where does he find legal authority to make it a crime for the Senator or myself to go and buy cattle or sheep for the purpose of fattening and feeding them?

Mr. BARKLEY. Mr. President, will the Senator from Iowa yield to me?

Mr. MURPHY. I yield.

Mr. BARKLEY. The bill does not make it a crime for the Senator from Utah or the Senator from Iowa or any other Senator or any other individual to do what the Senator has

stated. I understand it makes it a crime for the packer to do those things.

Mr. KING. Oh, no.

Mr. CAPPER. It undertakes to say that the feeding of livestock is the producer's business, the farmer's business, and not the business of the packer.

Mr. BARKLEY. I understood this was aimed at the custom of the packers of establishing their own feeding stalls or feeding establishments, and feeding the stock themselves preparatory to slaughter.

Mr. CAPPER. In competition with the producer, the farmer.

Mr. BARKLEY. Yes. One other question, if the Senator will yield further.

The Senator from Iowa suggested a while ago, in respect to the western packers, who were situated differently from those in Chicago, that unless they fed their stock, their hogs or cattle, they would be required to go into the Omaha market and obtain them. Of course, if they do feed them, they feed them, I suppose, in the section of the country where they buy them. They establish these feeding places out in the West. Is that correct?

Mr. MURPHY. That is as I understand it to be.

Mr. BARKLEY. Why should they be required to abandon that market simply because they might not be permitted to feed the cattle? They could still buy fattened stock in that section of the country without having to go to the Omaha market to supply their demands.

Mr. MURPHY. The representation is that there are periods when the stock is not being offered, and in order that they may assure themselves a supply and be able to take care of their trade they have to feed, and they make the representation that whenever anybody is ready to assure them a supply of livestock they are ready to quit their feeding operations.

Mr. KING. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. KING. I revert again to paragraph (i) on page 2, and I insist that under the reading of that paragraph it is a crime for anyone to—

Purchase or acquire, directly or indirectly, cattle, sheep, or swine for the purpose or with the intent of feeding and fattening such livestock in order to render it suitable for slaughter—

That is a crime. That is the end of that sentence so far as the significance of that provision is concerned. Then it makes it a crime for him to do either of those things—

or for any purpose other than the slaughtering and processing thereof in a packing plant or plants owned, operated, or controlled, directly or indirectly, by such a packer.

It is a crime to buy for the purpose of feeding and fattening livestock.

Mr. BARKLEY. Mr. President, if the Senator will yield, these subparagraphs refer back to certain denunciations in the original packers act, and I understand that the previous part of that section which denounces certain things applies to packers.

Mr. CAPPER. The Senator is correct.

Mr. BARKLEY. We cannot read this without reading the previous part of that section.

Mr. CAPPER. I think we all remember that the packers were attempting some years ago to engage in all kinds of business which might have some relation to the buying and selling of livestock, and they finally entered into a consent decree in which they agreed not to take on other businesses. But it is found that now they are setting up private stockyards, in which they engage in the feeding of livestock in competition with the producer, in competition with the farmer.

Mr. GEORGE. Mr. President, I wish the Senator from Kansas would tell me how it is in competition with the producer. Do not the packers buy the feed from the producer?

Mr. CAPPER. A large part of the profit is in the feeding of livestock.

Mr. GEORGE. Where does the packer get the feed with which he feeds the livestock? It is a fact that it is not

possible to have hogs in every section of the country ready for the market at all times unless someone bears the burden of carrying the hogs and feeding them. It is just a plain matter of business, and there is no other way of carrying on that operation. If somebody who is organized on behalf of the producers, even though a packing house has made a contribution of land, or put a fence up for them, does not do something about the matter, there is not much chance of having the hogs fed in some sections of the country during periods of the year so as to have them ready for the market. That is the case. Yet it is proposed by the pending bill so to provide that nobody may actually feed his hogs if any packer has contributed anything to the concentration pens or anything else where the hogs are concentrated or fed. Thus, instead of helping the hog producers of the Southeast, it would practically destroy them.

Mr. CAPPER. It is found that the packer is using this feeding device as a means for manipulating the market.

Mr. GEORGE. Oh, no, Mr. President; that is just one of the bugaboos seen here by Senator after Senator. It is a plain business proposition that someone must furnish the feed. Nobody has the feed except the producer. It does not matter to whom the producer sells the feed. He is furnishing the feed, and the cattle and the hogs are using the feed. If it is all simply a conspiracy on the part of the packers to control prices, it seems to me they are subject to prosecution under the existing law.

There certainly cannot be a free flow of hogs in some sections of the country through some periods of the year unless someone feeds the hogs. Are we to outlaw every concentration point, and every feed point, and every little cooperative organization which is handling the hogs and getting them ready for the market, simply because the packers have made some contribution to them? The packers are interested in developing hog raising. They are interested in increasing the production of hogs in my State and in other States. They naturally make their contributions to anything which will increase the volume and the flow of hogs to the market. If the concentration points and cooperative organizations are to be outlawed simply because the packers make some contributions, and it should be said, "Oh, no; they must come under the act; they must be regulated; they must be controlled under the Packers' Act", hog raising in sections of the country will be crippled.

Mr. ROBINSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. MURPHY. I yield.

Mr. ROBINSON. Does the Senator desire to proceed with his remarks, or would he prefer to suspend now and resume in the morning?

Mr. MURPHY. I will say to the Senator from Arkansas that I rose to answer an inquiry of the Senator from Texas [Mr. CONNALLY]. I shall be glad to conclude whatever I have to say in the morning.

Mr. BARKLEY. Mr. President, before the Senator relinquishes the floor, pursuing the colloquy of a moment ago, I simply desire to refer to the fact that section 202 of the Packers and Stockyards Act denounces certain things that may not be done by the packers. Section 202 says that it shall be unlawful for any packer to do certain things which are described in subsections (a) to (g). Subsection (g) is stricken out in the pending bill but certain other subsections are added. All the prohibitions contained in the bill apply to the packers.

DEATH OF JOHN SNURE

Mr. KING. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. KING. The morning press brought us the sad news of the passing of one who enjoyed the confidence, and, indeed, the affection of all who had the privilege of an intimate acquaintance with him.

For many years John Snure occupied a position in the Senate gallery, where we daily had the privilege of meeting and conferring with him. He was a man of integrity, of

high ideals, and was an honor to the great profession which he adorned. He was not only a great writer and journalist, but he was a profound student of public questions, and had a broad and comprehensive knowledge of the social, economic, and political problems of the period in which he labored. His love of truth, his sincerity, his unquestioned honesty and probity earned for him the confidence and, as I have indicated, the esteem and affection of an ever-widening circle of individuals. He wrote and spoke the truth and correctly recorded public events fearlessly and honestly.

We do well to pause in this busy and hurrying life to pay tribute to the splendid and fine character of one who has left us. I pay tribute to him and join with the thousands who mourn his untimely death.

Mr. ROBINSON. Mr. President, I should like to approve what has just been said by the Senator from Utah [Mr. KING] concerning Mr. John Snure. Senators have an opportunity to form a conclusion as to the character and disposition not only of their colleagues, but also of those who are less intimately connected with the work of the Senate.

The press gallery has many men serving the great newspapers and news agencies of the Nation who are conscientious, truthful, and fair. Senators learn to respect and admire one who demonstrates that disposition and those attributes of character.

I believe we would all concur in the opinion that Mr. John Snure never knowingly misstated, and never misrepresented public men, or the incidents that occur in public affairs. He was kind, generous, and courteous. I am sure we are all appreciative of the tribute which was paid him by the Senator from Utah.

Mr. McNARY. Mr. President, I, too, was sad this morning when I read in the press the announcement of the passing of John Snure, whom I have known for the 19 years of my service in this body. He was, like most of the newspaper "boys", reliable and well informed, and never imparted any knowledge which was given in confidence. He was able, and in many respects typified the best that could be found in newspapermen. I join my colleagues on the Democratic side in expressing deep regret at his passing, and I am sure I speak for all the Republican Members of the Chamber.

Mr. LEWIS. Mr. President, I desire to join the able Senators who have preceded me in their tribute to Mr. Snure. Since I was a Member of the House I have known him, and I may say that the eminent Senators who have eulogized him correctly portray him as a gentleman in manner, courteous in his profession, ever faithful as historian, and deserving, sir, the tribute which has come from the eminent Senators who have spoken.

I conclude with the wish that his son, who has taken up the journalistic profession, may realize in his own reputation and achievement that which his father earned—the respect of his fellow men, and the praise of eminent men in high place.

Mr. MURPHY. Mr. President, I rise at this time to say a few words in tribute to our departed friend.

John Snure's journalistic career covered a period of many years in Iowa. I was contemporaneous with him in newspaper work. He was above all a modest man. He was earnest. He was sincere. He was untiring in his industry. He carried in his heart a deep devotion for right and an abiding sympathy with the poor and the oppressed.

I shall always remember with delight that upon my coming to Washington our meeting was as a reunion of long parted friends. I had counsel from him many times on to the wisdom of legislation proposed here, and that counsel was invariably based upon his judgment of the right. Journalism has lost in him an exemplary representative of its best ethics.

REPLACEMENT OF BRIDGES DESTROYED BY FLOOD IN MASSACHUSETTS

Mr. WALSH. Mr. President, the Committee on Commerce has favorably reported House bill 11945, authorizing the Commonwealth of Massachusetts to reconstruct some bridges

over navigable rivers which have been washed out by the recent floods. I have conferred with the leaders on both sides of the Chamber, and they both think immediate action should be taken, without placing the bill on the calendar. I therefore ask unanimous consent that the bill be laid before the Senate and that immediate action be taken.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 11945) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts, which was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar. If there be no further reports of committees, the first nomination in order on the calendar will be stated.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that nominations of postmasters on the calendar may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. ROBINSON. I ask unanimous consent that the nominations in the Army may be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Army nominations are confirmed en bloc.

That completes the calendar.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 42 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 31, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 30 (legislative day of Feb. 24), 1936

APPOINTMENTS IN THE REGULAR ARMY

Clarence Fenn Jobson to be captain in the Quartermaster Corps.

First Lt. Joseph Leroy Bernier to be first lieutenant, Dental Corps.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

Maj. Gennad Alban Greaves to Quartermaster Corps.

POSTMASTERS

MISSOURI

Mary B. Rice, Campbell.

Florence H. Myers, Cuba.

Sam M. Marsden, Hillsboro.

Nadine Glascock, Waverly.

NEW YORK

Mary R. Rattigan, North Creek.

NORTH DAKOTA

John W. Campbell, Ryder.
James M. Thomson, Turtle Lake.

WYOMING

Edmund P. Landers, Casper.
Orcemas O. Davis, Green River.
Ann D. Keenan, Pine Bluffs.
Arthur R. Fish, Wheatland.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 30, 1936

The House met at 12 o'clock meridian.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, hide not Thy face from us and be not silent. Thou art our God, in which we trust and from whom we seek security, rest, and refreshment. Thou art unspeakably satisfying, a benediction, and a triumph. Before we go forth to the duties that await us we most earnestly desire to thank Thee for Him who has shown us a life of lowly duty, unselfish labor, and consecrated sorrow; bid us to rise up and walk in His way. Grant that Thy name on earth may be everywhere honored, Thy kingdom everywhere come, and the whole world filled with Thy glory. Do Thou guide and refresh our thoughts as we labor for the elevation of our people, and when the evening shadows fall may we have great peace. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, March 27, 1936, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River, in the State of Florida, from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and

Technique in Modern Life, to be held at Paris, France, in 1937.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 6544. An act to conserve the water resources and to encourage reforestation of the watersheds of Santa Barbara County, Calif., by the withdrawal of certain public land, included within the Santa Barbara National Forest, Calif., from location and entry under the mining laws;

H. R. 8372. An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

H. R. 10489. An act to authorize the coinage of 50-cent pieces in commemoration of the two hundred and fiftieth anniversary of the founding and settlement of the city of New Rochelle, N. Y.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 1318. An act to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes;

S. 1871. An act granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School;

S. 1880. An act to authorize the award of a decoration for distinguished service to Col. John A. Lockwood, United States Army, retired;

S. 2553. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of C. C. Young;

S. 2926. An act to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes;

S. 3167. An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska;

S. 3247. An act to amend title II of the National Industrial Recovery Act as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935;

S. 3450. An act to regulate the sales of goods in the District of Columbia;

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama;

S. 3516. An act for the relief of Alice D. Hollis;

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes;

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to subbituminous and lignite coal, and for other purposes;

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.;

S. 3836. An act to amend the Criminal Code with respect to the manner of inflicting the punishment of death;

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936;

S. 3870. An act granting a leave of absence to settlers of homestead lands during the year 1936;

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges

across the Red River, from Moorhead, Minn., to Fargo, N. Dak.;

S. 3971. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

S. 3976. An act to amend the act approved February 27, 1931, known as the District of Columbia Traffic Act;

S. 4020. An act to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon;

S. 4132. An act to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army;

S. 4135. An act for the relief of Helen Curtis;

S. 4165. An act amending the District of Columbia Unemployment Act;

S. 4190. An act to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes;

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the incorporation of Bridgeport, Conn., as a city;

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition;

S. J. Res. 38. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations;

S. J. Res. 215. Joint resolution authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C.; and

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware.

UNEMPLOYMENT RELIEF

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution passed by the Boston Northeastern Regional Meeting of the United States Conference of Mayors.

The SPEAKER. Without objection, it is so ordered.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

RESOLUTION ON W. P. A. UNANIMOUSLY ADOPTED AT BOSTON NORTHEASTERN REGIONAL MEETING OF UNITED STATES CONFERENCE OF MAYORS, MARCH 21, 1936

Whereas we have met in formal sessions of the Northeastern Regional Section of the United States Conference of Mayors and have received first-hand reports from the chief executives of the cities of Massachusetts, Connecticut, Rhode Island, Maine, New Hampshire, New York, and New Jersey with regard to the pressing problems of caring for the unemployed needy in these communities; and

Whereas these reports have revealed that, though there has been an evident improvement in general business conditions, still the numbers on relief and in need of aid have not been substantially reduced; and

Whereas the present W. P. A. program has been productive of useful and constructive works of lasting benefit and permanent value to our communities; and

Whereas considerable alarm has been felt over the announced reductions in W. P. A. quotas: Now, therefore, be it

Resolved (as the consensus of the northeastern regional section), That the President and executive committee of the United States Conference of Mayors be instructed to continue their efforts to insure an extension of the W. P. A. program, which is absolutely essential to provide adequate care and assistance for the unemployed employables of our Nation. It is the hope of this group that industry will absorb much of the surplus labor during the coming months and lessen the problem of relief, but until such does take place, we must carry on as in the past. In this connection we authorize the president and executive committee to place at the disposal of private industry all the informational facilities of the Conference of Mayors in any plan which industry may develop in accordance with the message of President Roosevelt on March 18 to effect increased employment during the coming months; be it further

Resolved, That it be recommended to the Works Progress Administrator that W. P. A. quotas be not reduced except as workers are actually placed in other jobs.

(Major cities in New York, Massachusetts, Connecticut, Maine, Rhode Island, Vermont, and New Hampshire represented.)

HEALTH AUTHORITIES OF FOUR STATES UNITE FOR ELIMINATION OF STREAM POLLUTION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing correspondence between myself and Dr. Arthur E. McClue, State health commissioner, and a resolution adopted by the health departments of West Virginia, Virginia, Pennsylvania, and Maryland.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANDOLPH. Mr. Speaker, the recent destructive floods throughout many sections of the country struck with devastating effect the States of West Virginia, Virginia, Maryland, and Pennsylvania. In this connection we are faced with the need for immediate action, not only to bring about control of rivers and streams in this important territory but there ties in closely the proposed program for elimination of pollution. Health authorities recently joined together in an effort to focus the attention of our officials toward the pressing problem of carrying forward a comprehensive program which will aid in combating disease which results from stream pollution.

Correspondence between Dr. Arthur E. McClue, State health commissioner of West Virginia, and myself on this subject and a resolution approved by the health officials of these four States are included herewith:

MARCH 30, 1936.

Dr. ARTHUR E. MCCLUE,

State Health Commissioner, Charleston, W. Va.

MY DEAR DR. MCCLUE: I deeply appreciate your letter of March 26 relative to the program under way for improving conditions in the Potomac River Basin.

I want to congratulate the health officials of Maryland, Pennsylvania, Virginia, and West Virginia for their cooperative effort toward the establishment of the Potomac River conservancy district. I have kept in close touch with this proposal and am exerting every effort possible to secure favorable consideration of this plan. I shall be active along the lines you suggest.

With kindest personal regards, I am,

Sincerely yours,

JENNINGS RANDOLPH.

STATE OF WEST VIRGINIA,
DEPARTMENT OF HEALTH,
Charleston, March 26, 1936.

HON. JENNINGS RANDOLPH,

Member House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RANDOLPH: I have no doubt that you are familiar with the efforts which are being made to improve conditions of public health in the Potomac River Basin.

I wish particularly to call your attention at this time of flood emergency on the Potomac River to the joint action of the health authorities of four States in the Potomac River watershed to establish the Potomac River conservancy district to enable these States to work together with the Federal Government to control detrimental stream pollutions in this area, which is affecting public health.

The enclosed resolution speaks for itself and we would appreciate your help when this matter is brought before the Congress.

Very truly yours,

ARTHUR E. MCCLUE, M. D.,
State Health Commissioner.

Resolution adopted by the representatives of the State health departments of Maryland, Pennsylvania, Virginia, and West Virginia relating to the establishment of the Potomac River conservancy district as recommended by the special advisory committee on water pollution of the National Resources Committee

At a conference held in Baltimore, Md., on January 27, 1936, between representatives of the State health departments of Maryland, Pennsylvania, Virginia, and West Virginia, the following resolution was unanimously adopted:

"Whereas the Special Advisory Committee on Water Pollution of the National Resources Committee has made an extensive survey of stream pollution conditions and of the legislation existing for the control of pollution throughout the United States, and has reported the results of its findings thereon under date of September 16, 1935, to the Honorable Harold L. Ickes, chairman, National Resources Committee; and

"Whereas the said special advisory committee has found that many States are faced with increasingly serious pollution of their waters; that there is a need for the development and adoption of uniform standards of water quality for various uses; that insufficient effort is being made to protect streams used as a source of public and industrial water supply, for recreation, agriculture, and to protect water fowl and fish life from the effects of domestic and industrial waste; and that many States are lacking in legislation properly drawn to cope with these problems; and

"Whereas the said special advisory committee has presented to said National Resources Committee a tentative program for consideration for the interstate control of stream pollution on the basis of drainage areas, where possible; for the simplification and coordination of State laws; for broader authorization and adequate funds for research; for the institution of a cooperative program of investigation to be carried on by legally constituted State agencies with an appropriate Federal agency; and

"Whereas the said special advisory committee has recommended the establishment of a demonstration unit on the Potomac River drainage basin, to be known as the Potomac River Conservancy District, to be used not only as an aid in the solution of the many serious pollution problems in a special program of cooperation between the States of Maryland, Pennsylvania, Virginia, and West Virginia and the Federal Government, but also to serve as a training unit for the development of scientific and administrative personnel for duty with other States; and

"Whereas such a demonstration unit as the Potomac River Conservancy District, involving the States of Maryland, Pennsylvania, Virginia, and West Virginia, would be admirably suited for a demonstration of the possibilities of: (1) Better coordinated water-pollution control legislation in the aforementioned States, and between said States and the Federal Government; (2) more adequate administrative procedure by State agencies; (3) development of the legal and administrative procedures for regional or metropolitan pollution abatement authorities; (4) coordination of municipal sewage disposal projects with State-wide or interstate projects; (5) clearing up unsolved problems of treating industrial wastes; (6) extension of cooperation with industry; and (7) direction of public interest toward adequate control of water pollution; and

"Whereas the Potomac River drainage basin is comparatively small in size; sufficiently close to the Washington base for consultation, negotiation, and review; sufficiently well advanced in detailed major studies and in many cases actual corrective field construction could be undertaken in the immediate future; and is such that Federal expenditures could be kept at a sufficiently modest level to warrant the demonstration program: Therefore be it

"Resolved, That the Department of Health of the State of Maryland, the Department of Health of the Commonwealth of Pennsylvania, the Department of Health of the Commonwealth of Virginia, the Department of Health of the State of West Virginia, charged by law with the duty of protecting the public health and recognizing the importance of clean streams as sources of present and future public water supplies, respectfully request the President of the United States and the Congress, to take such action as may be necessary and to provide sufficient financial aid to carry out the recommendations of the said special advisory committee on water pollution of the National Resources Committee, for the establishment of the Potomac River conservancy district for the purpose of removing the present undesirable, unsanitary, and dangerous pollution of the Potomac River, an interstate stream, where there now exist serious dangers to health and life which are rapidly increasing with the density of population; and be it further

"Resolved, That the State Health Department of Maryland, Pennsylvania, Virginia, and West Virginia do hereby agree to cooperate with the Federal Government, with the National Resources Committee and with the officials of the Potomac River conservancy district, in solving the many problems of stream pollution on the Potomac River drainage basin; and be it further

"Resolved, That copies of this resolution be sent to the President of the United States, to the Members of Congress from the States of Maryland, Pennsylvania, Virginia, and West Virginia, and to the National Resources Committee."

R. H. RILEY, M. D., D. P. H.,
Director of Health, State of Maryland.

BALTIMORE, Md., February 14, 1936.

EDITH MACBRIDE-DEXTER, M. D.,
Secretary of Health, Commonwealth of Pennsylvania.
HARRISBURG, Pa., February 20, 1936.

I. C. RIGGIN, M. D.,
State Health Commissioner, Department of Health,
Commonwealth of Virginia.
RICHMOND, Va., February 24, 1936.

ARTHUR E. MCCLUE, M. D.,
State Health Commissioner, State of West Virginia.
CHARLESTON, W. Va., March 11, 1936.

Mr. Speaker, I am convinced that not only will such a plan aid in better health conditions but we shall have an even flow of water, which will enable the growth of industrial development and the increased employment of workers.

ISSUES INVOLVED IN THE PRESENT DEMOCRATIC PRIMARY CAMPAIGN

Mr. BERLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BERLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address

which I made over station WJHB, at Greensburg, Pa., on Saturday evening, March 28, 1936:

My friends, I consider it most unfortunate that I am compelled to come to this audience and my Democratic friends on a matter of party principle and disagreement; a matter which I dislike. I wish to assure the Democratic voters of Westmoreland County that in the last few months I have made as honest an effort as any man can make to effect a settlement of the Democratic Party difficulties with Chairman J. Hilary Keenan.

Mr. Keenan agreed verbally to my written agreement designed for the sole purpose of advancing the ranks of the Democratic Party to give our President, Franklin Delano Roosevelt, an outstanding majority in the general election in November. I deem a victory for the President of much greater importance to you, my constituents, and the people of the Nation as a whole, than the election of a Congressman, State senator, or State representatives.

Keenan failed to live up to his verbal agreement. Therefore, I am going to take this occasion to define the two major and all-important issues in the present Democratic campaign for Congress. Candidates can almost be forgotten, inasmuch as the principles involved should be of more concern to the voters of the Democratic Party of Westmoreland County than the naming of Democratic candidates. Briefly, here are the issues involved:

First. Shall the Democratic voters of Westmoreland County on April 28 permit, by their votes, one man, Judge J. Hilary Keenan, who arrogantly designated himself as the Democratic organization, to assume complete control and ensconce himself as overlord of the party, so that he may be in a position to not only name the candidate who would be permitted to run at Democratic primaries but to control all patronage, including county, State, and Federal? In other words, in case he should be successful in his greed and avarice, he would then be in complete dictatorial control.

And, second, will the Democratic voters of Westmoreland County sanction Keenan's use of the W. P. A. as a political tool? As you well know, the Works Progress Administration is an organization set up by Congress, at the request of President Roosevelt, to relieve the suffering of the great army of unemployed. Should this or any other relief agency be used as a political football to build a machine for furthering Keenan's selfish ambition to become the boss?

The President has well expressed the genuine feeling of all good Americans—that is, that he did not want to see the Works Progress Administration hampered or discredited by partisan activity.

Administration of public relief and relief work is a public duty. Honesty and integrity are demanded in meeting that responsibility. Those who would make the relief program political and partisan are not capable of serving in public office.

The President has sounded the keynote in saying of the work-relief program, no political distinction can be permitted.

The present political campaign in Westmoreland County is a contest of real democracy against the autocracy of a self-appointed political despot, Judge J. Hilary Keenan.

It is a contest of the people in this district against an attempt at one-man rule of the Democratic Party.

It is a contest of the voters against a political czar.

Arrogance, ambition, personal hatreds, and greed are the platform planks of Keenan.

Keenan is waging a battle of heads he wins or tails the other fellow loses. It's the old Army game, so far as Keenan is concerned. He has concocted a plan to become absolute dictator of the Democratic Party of Westmoreland County and is willing to sacrifice the destiny of the Democratic Party to achieve his aim.

In stating the issues I should like to talk with you a few minutes on two records. Let's look at these records. One is the attempt of Keenan to develop and perfect a political dictatorship along lines that deserve repudiation by the voters of the Democratic Party in Westmoreland County.

The other is the one Keenan is attacking—my own—which I wish to set forth in the course of these remarks.

First, let's look at Keenan's record. In 1932 the Democratic Party won a notable victory in this district. That year I was convinced that the voters of this district wanted a new deal. I campaigned for more than 8 months and covered more than 33,000 miles. Although the victory was a victory of the voters who wanted a new deal, Mr. Keenan took the credit.

In 1934 in the State election Westmoreland County rolled up the second largest Democratic majority in the State of Pennsylvania when the voters of this district endorsed the policies of the Democratic Party. The Democrats won, but again Keenan took the credit and became more and more arrogant.

Keenan was made patronage chief of Westmoreland County by Governor Earle, who had been elected and for whom I have the utmost respect. Now, let's see what Keenan has done for the Democratic Party in the county as a dispenser of State patronage. With a tremendous Democratic majority in the 1934 election, the possibilities of recognition for the Democrats of Westmoreland County were strong. But did Keenan consult and advise with Democratic leaders even among his own intimates? No; he went into a huddle with himself and then muffed his chances. With characteristic selfish desire Keenan assigned to himself the job—and what has he done? Practically nothing outside of getting himself three jobs. What a record!

It is true that an outstanding Democratic attorney obtained a job as assistant United States attorney—that attorney was Jay R. Spiegel, a man whom I was glad to endorse. Upon the retirement of the United States district attorney, Keenan should have

made an effort to have the assistant named for the job which would have brought credit to Westmoreland County, but did he do this? He did not. He stood by and let the principal appointment go outside the county when one of our own citizenry should have had the job.

It is true that Keenan himself became United States marshal, a police job, but later resigned. Did he try to keep this position in this county? No; he permitted it to go outside despite the excellent showing this county gave the ticket in 1932 and 1934. Keenan then took a higher salaried job with the State administration as member of the workmen's compensation board and later resigned to take an appointment as common pleas judge—an office which he sought as an elective candidate and for which the Democratic voters repudiated him at the primary election. After resigning as a member of the compensation board he permitted that job to get away from the Democrats of Westmoreland County.

With the splendid record the Westmoreland County Democrats have, Keenan has not been able to get a job in the State cabinet, or any other recognition which this county deserves, other than regular jobs which belong to the county—but no major offices.

In fact, he let several good positions that had been held by county residents during the Republican administration go into other districts. The most important among these was secretary of mines, formerly held by Walter H. Glasgow, of Scottsdale, a significant office to be held by a resident of the county. Keenan also failed to retain for the Democrats the position of inspector in the department of labor and industry which was formerly held during the Republican administration by Earl Gilchrist, of Scottsdale.

The net result of Keenan's political management of patronage is that of getting himself his three jobs. The fact that he took care of himself first and last illustrates the type of man he is—full of avarice, greed, and selfishness.

And so, let's see what Czar Keenan has up his sleeve for 1936. He is moving forward with his characteristic pretense. He has slated a Westmoreland County businessman who up to 1933 was a Republican, and who debated and admittedly supported and voted for Herbert Hoover in 1932, to become what he calls the Democratic organization's candidate for Representative in Congress in 1936. It would be interesting, if it were possible, to note the reaction of the old line of Democrats, who have all passed on, such as Henry Ackerman, Silas Kline, John B. Keenan, J. R. Spiegel, James M. Laird, Van Buren Laird, Buck Howell, Tommy Martin, Hon. Lucien W. Doty, Peter McCann, Hon. Curtis H. Gregg, J. Q. Truxall, Clark Gadd, and hundreds of others, to Chairman Keenan's wizardry and temerity in selecting a 1932 Hoover Republican, converting and placing him on a Democratic pedestal as a dyed-in-the-wool Roosevelt Democrat, and brazenly telling the Democrats of Westmoreland County that they must vote for his personally chosen candidate. Mr. Robert Allen is that candidate. I have nothing personal against Mr. Allen other than the fact that he is permitting himself to become the pawn of this self-seeking, would-be political dictator.

Mr. Allen was selected by Mr. Keenan as W. P. A. manager when the work-relief program was instituted. This job was merely a curtain-raiser for the 1936 campaign, because it was intended that Allen would run for Congress. Mr. Allen came here a very few years ago from rock-ribbed Republican Vermont. He came here as a sales manager employed by a corporation whose policies have been consistently against the humanitarian program of President Roosevelt. If this county were in the South, Mr. Allen would be called a "carpetbagger." I do not challenge the right of Mr. Allen on his own responsibility to seek public office, but I do think he should be a candidate on his own merits rather than as a pawn of a self-appointed political dictator whose aim is to rule or ruin the Democratic Party in Westmoreland County.

Do you see Keenan's game? If Allen were nominated and elected, he would be obligated to do Keenan's bidding. He would be nothing more than a political puppet. Keenan would be the real boss. Keenan is jealous of what prerogatives and limited patronage a Member of Congress has, and wants to grab that in addition to his other control over local patronage. If Allen were nominated and defeated in the fall election and President Roosevelt were reelected, Keenan would then be in the position of dominating Federal patronage. He would be in the saddle. And, as I have said before, it's heads Keenan wins, tails the other fellow loses. But if the Keenan candidate wins the nomination, the Democratic Party of Westmoreland County loses, because it will be sacrificing its right of choice by ballot for the dictates of a greedy and ambitious political despot.

With that power he would not only be dispensing county, State, and Federal patronage but he would be in the position of saying who would be allowed to run in the primary election and who should not, as he is trying to do now.

In this connection, I should mention that I have supported to the letter the legislation making possible the work-relief program of the President. I have done everything possible to bring new opportunities and new hopes to the unemployed and the unfortunate of this district. So it seems queer indeed to have the would-be one-man Democratic organization of this county use the humanitarian work program to satisfy his ego and therefore sacrifice a Member of Congress who helped bring this program to Westmoreland County.

I might make this observation at this point that Keenan did call a meeting of Democrats of the county to meet in Jeannette to select candidates. He knew those called to be 90 percent favorable toward him. I understand that the group at that meet-

ing voted almost unanimously to oppose my candidacy—the purpose, to be sure, for which the meeting was called. But in order to prolong the farce a committee of nine was appointed from that group to interview the different candidates. The committee of nine meeting was held and I attended and made my statement along with the other candidates. Keenan's candidate, Mr. Allen, did not appear. This unofficial committee made up of Keenan's friends made their report that no candidate should be endorsed for Congress. What did Keenan do with the report? He threw it out of the window, ordered other candidates to step aside, indicated that he was the Democratic organization and that he wanted Allen as his candidate. Democrats remember the State committee members and the county committee have never been called to meet and were not consulted. Four hundred and seventy county committee members and the State committee were completely ignored by Keenan in his selection of a candidate.

Work-relief legislation, like other legislation, is a matter which demands the trust and responsibilities of public office imposed upon Members of Congress. Legislation for alleviating poverty and misfortune is particularly a sacred obligation by the Members of Congress to their constituents. Of all the thousands of persons in relief positions in Westmoreland County, I have not recommended the employment of more than half a dozen persons for positions, and they were on relief and eligible. I challenge anyone to disprove this statement.

I believe the relief workers employed by the W. P. A. will give their Representative in Congress, who helped formulate and make possible the work-relief legislation, their support. I believe their support will go to the Member of Congress instead of to the candidate of the man who arrogantly in charge of the works program, after it had become a reality, tried to build a political machine on the misfortunes and sufferings of his fellow men.

I should like to quote from a letter written by Harold T. Ryan, member of the Democratic county committee. This letter brings to public attention Keenan's disgraceful conduct in trying to use the W. P. A. for political purposes.

I shall quote from a letter written by Mr. Ryan to Mr. Allen, and which was a part of the letter sent to the editor of the Greensburg Tribune Review. Mr. Ryan said, in writing to Allen:

"In the past few days several matters have come to my attention which I find it difficult to believe. I am informed that your petitions were passed around among W. P. A. employees. I also learned that you counted on a nucleus of 9,000 votes among the W. P. A. workers. Surely you can see such implications are proper issue upon which the opposition can build.

"Finally, have you taken into consideration that our elected representative in Washington was the means whereby our county expressed its approval of W. P. A. and secured it? That the individual appointed to administer W. P. A. in the county should use it as a stepping stone to oppose the elected representative who gave us the organization cannot help but react upon the sense of humor of the citizens."

The letter speaks for itself. That is the record of Keenan. It reeks. It smells. It is offensive to every right-thinking Democrat. It is repulsive. It is disappointing. It is shocking to every Democrat with a sense of decency and fair play. That's the Keenan record.

Every voter in Westmoreland County has a right to know my record. My record is found in the pages which set forth the proceedings of the Congress of the United States since I have been a Member of that body. But I will summarize briefly so that all may know how I stand. Here is my record:

In all, there have been 46 major pieces of legislation introduced and passed by the Seventy-third and Seventy-fourth Congresses, all bearing the stamp and approval of President Roosevelt. Of these 46 measures I have voted for every one, and I challenge any one of my political opponents to disprove this statement.

Veterans: I have supported veterans' legislation all the way down the line. Thousands of letters of commendation from veterans of this district confirm the story. A letter from Congressman WRIGHT PATMAN, leader of the veterans' bloc, and National Commander Ray Murphy, of the American Legion, tells the same story.

Labor: I have supported work-relief measures and I have lent every effort to legislation which will wipe out unemployment. Letters from laboring people of this district confirm my statement, as well as a letter from Congressman WILLIAM P. CONNERY, leader of the labor group in the House of Representatives.

Old-age pensions: I went down the line of the President's social-security program to provide a workable plan of pensions and social insurance.

Farm relief: I have always supported farm legislation which would lift the purchasing power of the farmer.

Youth: I supported the C. C. C. measure, which has been a godsend to many thousands of young men and their families throughout this country.

Investors: I voted against the "death sentence" clause because I thought it an unfair attack on the investing public. I voted for the final bill, which was sponsored by the administration, which gives adequate control over public utilities.

I could elaborate on my voting record, but it is set forth in the public proceedings in the United States Congress. I shall go into more detailed discussion of my stand on matters of legislation in subsequent speeches in the campaign. I challenge anyone to look into my record and say that I did not stand for the best interests of the people of this district.

But Keenan, with his usual greed and selfish ambition, will attack me. He will use the weapons of the treacherous. He will be unfair. He will defame. He will vilify. He will try to mislead. He never would stick to facts. He will try to cover up some of his own record in an effort to discredit another's.

He will mention that old threadbare charge long ago forgotten by Westmoreland County Democrats that I failed to attend a victory dinner in 1932.

He will mention a framed spite lawsuit instituted only in an attempt to embarrass me politically.

He will say that I have had relatives on the Government pay roll. I have secured a job for a daughter, but what father would not if he has any feeling or regard for his family? But who is Keenan to charge me with nepotism, when he has, I am informed, 14 relatives on the public pay rolls; that is nepotism gone wild.

They will say that I left the President on the "death sentence" in the public utilities legislation. I had permission of the leadership of the House when I made that vote. The Democratic platform of 1932 said:

"Regulation to the full extent of Federal power of:

"(a) Holding companies which sell securities in interstate commerce.

"(b) Rates of utility companies operating across State lines.

"(c) Exchanges in securities and commodities."

That is the first reason I voted against the "death clause." Secondly, I felt that such stringent requirements would impoverish many and deprive the helpless, the aged, and others of their life savings which had been invested in stocks. Third, I had more than 10,000 letters from reputable Westmoreland County citizens, many of whom I personally know, urging me to vote against that clause. As I have said before, I did vote for the bill as finally drafted, because I felt certain that it was consistent with the party platform and did effectively regulate public utilities with an iron hand.

Others will criticize me for consistently supporting veterans' legislation. But at all times I have voted for legislation which seeks to do justice for the veterans. I have no apologies to make for my record in this respect.

It will be said that I did not favor the Guffey-Snyder coal bill, and that I did not favor legislation for the farmers. A booklet which will be placed in your hands in the near future will contain photostatic copies of letters from leaders in the House of Representatives and from chairmen of important committees endorsing my record and telling the Democrats of this county how I have supported legislation in behalf of the miners, the laborers, the farmers, the veterans, the sportsman, and other groups of constituents.

That is my record, and I have just given you a prediction of the unfair attacks which will be made against me.

While I am discussing the campaign issues in Westmoreland County, I would digress briefly on a subject with which some of you are doubtless familiar.

I am told of the amusing antics of one of our very important (in his own vain opinion) editors of a weekly paper published here in Greensburg. This editor takes great delight in linking my name and my candidacy with other popular, reputable, high-class, clean-living gentlemen. If this be true, I am highly honored, as you are usually judged by the company you keep. The old "saw", "Birds of a feather flock together"—and I further wish to say to you, my Democratic friends, I am pleased to be associated with and to be called "friend" by the gentlemen whose standing this would-be character assassin tries to besmirch. But I am fearful that in his wild rantings of the last few years his attacks have been made on too many respectable men and women in this community, directly or with deceitful innuendos. Thus, his standing in his community and in the county has gone to such a low ebb that decent people resent his many untruthful attacks and unfair statements and refuse further to read his paper. Many others, wishing to be amused and with the common thought "Who is he after now?", read his yellow Tory sheet. This editor has shifted his position and his attack on individuals as often as the moon has changed in the last 4 years.

It might be interesting reading to many of the bituminous coal miners who happen upon his writings if he should tell them of his activities in the coal miner strikes in more than the 25 years he served as superintendent of the Keystone Coal Co. at the Haydenville mine. At that time he was known as a political spy for the Republican Party, part of the time under the command of Harry F. Bovard, a sagacious leader. Any interested person can get his labor record from any old-time miner in the Haydenville district. That record evidently was known to the labor vote of Westmoreland County, as shown by the votes given this editor when he was a candidate at the Democratic primary election last year against Leonard B. Keck, now county controller, and I might say that the reason this editor is now opposing me is due to the fact that I supported the very efficient, capable, official who is now serving as county controller, and I was one of the first persons who suggested to Len Keck that he should be a candidate. This editor, who opposed Keck, made the statement to me, "If he could not beat that dumb Dutchman (meaning Keck) he would never be heard of again in politics." And, in amazement, I am told that he is again asking the Democratic voters to nominate him at the coming primary election as a candidate of the Democratic Party for legislature.

A former Democrat once said in many of his speeches, "Let's look at the record." Let's see what this editor and his paper have stood for. In the beginning, he was financed, the paper

started and given to him by the very people he is now so viciously attacking. To further show his instability I am told that he insisted on, and helped to sponsor the candidacy of his then friend, Willis Ruffner, to oppose me in the coming primary. After less than 4 weeks, he has now turned against Mr. Ruffner, and is supporting Mr. Allen, and it is a fair wager that he may switch to any other candidate before the end of the campaign.

Many Democratic voters will remember his attacks on Chairman Keenan just before the 1935 primary election when a slate was made by Keenan. Now, why this sudden love and admiration for Keenan and his slated candidates in 1936? The voters may again penetrate his disguise and ascertain his reasons.

In his vicious moments he has attacked the clergy, the courts, the city council, the mayor, commissioners, the poor board, and many reputable citizens of this community. It would take more time than I have at my command to recite the vilifying history of his paper, and for what reason? Only one—to endeavor to please someone in power that he might receive lucrative public printing and a soft job for himself—a job without work.

My friends, I will at no future time discuss this person or his vilifying sheet. Sufficient to say that on two occasions in which he has been a candidate the Democratic voters have visualized behind his mask of deceit. The American people admire decency, honesty, sincerity, loyalty, and above all truthfulness. "Doc" Null, the editor of the Observer, cannot claim credit with having any one of these attributes so admirable in decent citizenship.

The contest, ladies and gentlemen, therefore is between two records—one that of unselfish support of the President attested to by his leaders in Congress and by the many thousands of letters from constituents which my office makes reply to within 24 hours after their receipt. The other record is that of Keenan—a selfish, self-appointed, political would-be dictator, who has attempted to take the mantle of Roosevelt and who is now attempting to use a supporter of Hoover in 1932 to defeat your Representative in Congress just in order to satisfy his own greed and ambition. You be the judge. Yours is the verdict.

AMERICANISM PREVAILED OVER COMMUNISM

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to print a report adopted by a resolution passed by the Federation of Citizens' Associations in Washington, consisting of 63 organizations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLANTON. Mr. Speaker, last year the Congress of the United States passed a law to prevent the indoctrination of communism in the public schools of Washington, D. C. That law took effect July 1, 1935. It is permanent law now. The superintendent of schools, Dr. Frank W. Ballou, did not like this law. He claimed that it infringed on his academic freedom, which he wanted unhampered and unrestricted. He claimed that because the law said teachers shall not teach or advocate communism, it prevented factual instruction. He raised so much fuss about it that the board of education called on the Corporation Counsel, Mr. Prettyman, for an opinion. Dr. Ballou seemed to forget that the words "teach" and "advocate" are synonymous, for Webster's Unabridged Dictionary says that "to teach" means "to advocate", and that "to advocate" means "to teach."

Corporation Counsel Prettyman rendered his opinion that the law did not prevent any teacher from expounding the evils and unsoundness of communism, but did prevent teachers from trying to indoctrinate communism.

When Dr. Frank W. Ballou, our \$10,000-a-year superintendent, who on the side has been spending much of his time serving as secretary to \$300,000 5-year commissions, and delivering lectures for honorariums and expenses, learned that he was prohibited from having his 2,900 teachers from teaching anything but sound American doctrines, he rebelled, and still contended that his academic freedom was being interfered with, and he refused to instruct his teachers that they must obey the law.

Under the circumstances the Comptroller General of the United States, who is the head of the General Accounting Office, and whose duty it is to require all public money to be paid out in strict accordance with the law, required the teachers to make affidavit that they had not violated this law before he would allow them to draw their money.

Dr. Frank W. Ballou was advised that if he did not like the affidavits he could very easily get rid of them, for if he would issue a short order that his teachers must obey the law as construed by Corporation Council Prettyman, which gave them the right to teach the evils and unsoundness of communism but prevented them from trying to in-

doctrinate communism, that Comptroller General McCarl would withdraw his order and not require the affidavits. But Dr. Ballou refused to accept the proposal. He insisted on exercising his academic freedom and of being allowed to teach what he pleased. And he proceeded to incite henchmen to action.

The radicals in Washington immediately began to howl. They wanted academic freedom. The Communists in Washington began to howl and to froth at the mouth. They wanted their academic freedom. They wanted their free speech. They wanted to expound factual instruction. They did not want any ignorant majority to control them. They immediately got the ear of the "yellow" sheets, the "pink" sheets, the "red" sheets, and the subsidized sheets, which proceeded to fill their columns with clamoring demands for free speech and factual instruction and academic freedom.

The gentleman from New York [Mr. Sisson] who for years was a member of his home board of education, who is not a member of the District Legislative Committee, is not a member of the District Appropriation Committee, and is not a member of the Committee on Education, nevertheless saw fit on January 20, 1936, to introduce a bill (H. R. 10391) to make more effective the law against advocating communism in the District of Columbia, which specifically provided that teachers could give instruction concerning the political, economic, or social system of any country.

That did not suit Dr. Frank W. Ballou. That did not suit his Board of Education. That did not suit the "pink" sheets, the "red" sheets, or the subsidized sheets. It did not suit the radicals. It did not suit the Communists. They wanted their academic freedom. They cried for it. They bawled for it. They howled for it. They clamored for it. They insisted that they would have nothing less. They wanted all law repealed. They wanted no law. They wanted to be free to do what they pleased, to teach what they pleased, to indoctrinate what they pleased, and they did not want any ignorant majority to exercise any control whatsoever over them.

So on February 21, 1936, the gentleman from New York [Mr. Sisson] introduced his new bill (H. R. 11375) to repeal outright the law that prevents indoctrinating communism in the Washington public schools.

This new repeal bill pleases Dr. Frank W. Ballou. It pleases the Board of Education. It pleases the "pink" sheets. It pleases the "red" sheets. It pleases the subsidized sheets. It pleases the radicals. It pleases the Communists. They all want it. They all cry for it. They all bawl for it. They all clamor for it.

BUT WASHINGTON PEOPLE DO NOT WANT THE SISSON BILLS

In the District of Columbia there are many different associations of citizens. There are 63 different citizens' associations which have banded themselves together in what is known as the Federation of Citizens Associations. For months this Federation of Citizens' Associations has had a committee working zealously to keep communism out of the Washington schools. This committee has been against both of the Sisson bills. It opposed the two Sisson bills at the hearing before the subcommittee handling them.

FIGHT MADE ON FEDERATION COMMITTEE

Dr. Frank W. Ballou and his Board of Education and those helping them in trying to preserve his do-what-he-pleases academic freedom have been so very influential, aided by the pink press, the red press, and the subsidized press, that they caused a vicious fight to be made upon the committee of the Federated Citizens' Associations, thinking that if the committee could be destroyed they would win their fight. The facts were daily misrepresented. The people were told daily that teachers could not even mention Russia. The people were told that if a child asked about Russia the teacher would be compelled to say, "Hush; we cannot mention that subject"; and other claims were made just as ridiculous. Pink teachers from other places were induced to send telegrams demanding do-as-you-please academic freedom. Outside red teachers sent many propaganda telegrams urging the passage of the last repeal Sisson bill. Under such fire and the

influence of such propaganda, several of the 63 citizens' associations voted to endorse the repeal Sisson bill, and one or two tried to repudiate the committee of the federation.

SHOWDOWN CAME LAST SATURDAY NIGHT

There was called for last Saturday night a meeting of the Federation of Citizens' Associations, for the express purpose of acting on the report of said federation's committee. A special effort was made to have present every friend of Dr. Frank W. Ballou, every friend of the board of education, every advocate of the Sisson repeal bill, and every enemy of the law that stopped communism in the Washington schools, for the express purpose of trying to table the federation's committee report and of endorsing, if possible, the Sisson repeal bill.

MOTION TO TABLE COMMITTEE REPORT FAILED

As soon as the meeting was ready for business a Hebrew, named Wender, moved to table the report of the federation's committee. By a vote of over 2 to 1, his motion failed.

MOTION TO ENDORSE SISSON BILL FAILED

Then a motion was made to endorse the Sisson repeal bill. By a vote of over 2 to 1, that motion failed.

MEETING ADOPTED REPORT OF COMMITTEE OF FEDERATION OF CITIZENS' ASSOCIATIONS

Then, by a vote of over 2 to 1, the meeting of the Federation of Citizens' Associations of the District of Columbia adopted its committee report, which is the following, to wit:

Committee report approved and adopted March 28, 1936, by Federation of Citizens' Associations of the District of Columbia, immediately following the voting down by it of a proposed substitute motion to endorse the Sisson repeal bill, H. R. 11375

MARCH 28, 1936.

To the Federation of Citizens Associations, District of Columbia:

The last report of this special committee, dated January 4, 1936, was approved by the federation, and resolutions were adopted on that date describing "existing conditions" in the Public Schools of this District as "favorable to subversive, antipatriotic, and communistic propaganda", and expressly declaring that "the recent action of the Board of Education makes it imperative that the Congress of the United States shall be appealed to without delay to provide an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions." This special committee has made appeal to the Congress as so directed by the federation, the subject matter being presented to the Senate and House District Committees, and also to the House Appropriations Committee.

The Subcommittee on the District of Columbia of the House Appropriations Committee conducted a thorough investigation into this subject matter. The entire subcommittee of five members participated actively in the investigation, and went to original sources for their data. Books and magazines, etc., in use with pupils in the public schools were carefully studied by said subcommittee, with such books, magazines, etc., actually before them for weeks; and the printed hearings show that the subcommittee found an abundance of antipatriotic and procommunistic matter, and also matter tending to seriously affect and undermine fundamental morals of the pupils in the matter of sexual relations. The destruction of sexual morality is well known, of course, to be one of the aims and purposes of communism. The Superintendent of Schools, the head of the history department in the high schools, and the editor of Scholastic Magazine, were heard before said subcommittee, and disclosed no possible excuse or justification for the conditions against which this Federation has complained, and which are now admitted to have been going on for a number of years. In fact, the report of the House Appropriations Committee of March 3, 1936, expressly states (p. 9): "The subcommittee was of the unanimous opinion that the Board of Education should take immediate steps to eliminate from the public schools all communistic books and magazines."

On February 25, 1936, the Subcommittee on Education of the House District Committee began hearings respecting this same subject matter, the hearings coming on upon two bills introduced by Congressman Sisson, of New York, namely:

1. H. R. 10391 (Introduced Jan. 20, 1936) entitled "A bill to make more effective the law against advocating communism in the District of Columbia, and for other purposes."

2. H. R. 11375 (Introduced Feb. 21, 1936) entitled "A bill to repeal a proviso relating to teaching or advocating communism in the public schools of the District of Columbia, and appearing in the District of Columbia Appropriation Act for the fiscal year ending June 30, 1936."

On March 2, 1936, this special committee of the federation presented to said subcommittee on education copies of the five resolutions adopted by the Federation itself, and its executive committee, relating to this subject matter, namely:

1. Resolution adopted by the federation March 16, 1935, advocating a rider upon the then pending District of Columbia appropriation bill, in view of the disclosure that Dr. Charters (shown to be on the advisory board of Communistic Moscow University,

summer school), was being employed for character education in the District of Columbia public schools.

2. Resolution adopted by the executive committee November 12, 1935, providing for the creation of this special committee and the taking of steps to eliminate textbooks in the District of Columbia public schools containing communistic propaganda and secure for the pupils instead "a clear and informative definition of communism and its evil and atrocious aims and purposes."

3. Further resolution adopted by the executive committee December 3, 1935, directing this special committee to extend its work to cover periodicals as well as textbooks.

4. Resolution adopted by the federation December 7, 1935, approving and endorsing the aforesaid actions by the executive committee.

5. Resolutions adopted by the federation January 4, 1936, advocating an immediate appeal to Congress to provide "an effectual remedy and one which will be so thorough that there can be no danger of a recurrence of existing conditions."

In support of these resolutions said subcommittee had called to its attention the precise data which had been revealed by this special committee showing the intolerable conditions going on in the District of Columbia public schools for a number of years. In fact, said subcommittee had the benefit of the then physical production before it by this special committee of books, magazines, etc., to enable it to verify from original sources the truth or falsity of the conditions as found by this special committee. However, said subcommittee failed to take advantage of the opportunity thus afforded it, apparently taking the position that it was not its province to ascertain what conditions in the District of Columbia public schools need congressional action to correct same, nor to recommend appropriate corrective legislation in making its report, but that it should limit itself strictly to favoring or opposing the aforesaid Sisson bills or one of them. If this is the position of said subcommittee, it is certainly an anomalous and unsound one, it being the plain duty of the House District Committee to deal with the subject matter in a practical and constructive way as to what legislation is appropriate and adequate.

Your special committee has carefully considered all of the foregoing and recommends that the federation deal specifically with the following issues which have been raised.

1. So-called academic freedom: We recommend that the Federation reject as fundamentally unsound the proposition advanced by Congressman Sisson and by the Board of Education that it is an invasion of the rights of the school authorities for Congress to direct, regulate, or control any features of the curriculum in the public schools. No one has been able to suggest wherein this proposition has any foundation in American institutions; exclusive legislation for the District of Columbia is vested by the Constitution in the Congress, and the school authorities are public servants obligated to respect and obey such legislation. It should be noted in this connection that as early as 1886 (act of May 20, 1886 (24 Stat. L. 69)), Congress upheld its jurisdiction, not only in the public schools of the District of Columbia but in schools everywhere else subject to the jurisdiction of the Federal Government, by expressly requiring "the nature of alcoholic drinks and narcotics, and special instruction as to their effects upon the human system" to be taught, and to require removal from office of anyone failing or neglecting to comply with such requirement.

2. Legislation requiring pupils to be acquainted with evil aims and effects of communism and other un-American doctrines: Since Congress has the undoubted power to require pupils to be acquainted with the harmful effects of alcohol and narcotics, which affect the individual only directly, and the Nation indirectly, how can anyone seriously question the power of Congress to require that pupils in the public schools of the District of Columbia shall be made acquainted with the evil aims and effects of communism and other un-American doctrine, which affect both the Nation and the individual directly? This special committee recommends that the federation advocate the immediate passage of legislation to this effect, with means for enforcement similar to what is provided for in the aforesaid act of 1886, and with specific requirement that all such subversive doctrines be expressly denounced to the pupils in all textbooks or other data or explanation used with the pupils referring to such doctrines. This is in accord with the uniform position taken by this federation at all times. Not only has the federation at no time objected to pupils in the public schools being made so acquainted, but it has insisted at all times upon the pupils being made so acquainted for their own protection; in other words, that the truth, and not half truths, shall be told the pupils about and against communism and that it is inherently impossible to tell them the truth about communism without teaching against communism and denouncing it as a world revolution conspiracy seeking destruction by force and violence of all nations and practically every vestige of civilization.

3. Repeal of clause as to communism contained in District of Columbia appropriation bill of June 14, 1935: This special committee recommends to the federation that it advocate such repeal just as soon as legislation of the character set forth in the preceding paragraph has been enacted. In so recommending, this committee feels that the emergency purpose of said clause will then no longer exist, and the subject matter will be better and more effectually taken care of by such substitute legislation. The federation should make no apologies to anyone for the emergency protective resolution adopted by it March 16, 1935, on this subject,

the matter being brought up first by then President Yaden, who accepted a substitute offered by Delegate Suter.

4. Withdrawal of requirement for monthly affidavits. This special committee further recommends that this federation also advocate the withdrawal of the requirement for monthly affidavits in any event immediately upon the enactment of the substitute legislation hereinbefore proposed, and, even before such enactment, immediately upon the school authorities acceding to the reasonable demand of Congress that there shall be no teaching about communism which does not teach against and denounce it. As a matter of fact, the clause against communism in the aforesaid District of Columbia appropriation bill of June 14, 1935, does not require any monthly or other affidavits; and it was not until December 1, 1935, that the Comptroller General decided to make such requirement, and then only because it became apparent that the school authorities would not accede to the reasonable demand of Congress (inherently necessary) that no teaching about communism could take place which did not actually teach against and denounce it.

GEO. E. SULLIVAN, *Chairman*,
HARRY N. STULL,
MRS. GEORGE CORBIN,
MRS. HORACE J. PHELPS,

*Special Committee on Elimination of Communistic, etc.,
Matter from District of Columbia Public Schools.*

Mr. Speaker, on last Saturday night in Washington, D. C., Americanism prevailed over communism. The "pinks" and the "reds" were put to route. It was a great victory for our institutions, our Constitution, and our Government.

The time has come when we must stop communism. The time has come when we must put communism out of our country. The time has come when we Democrats must weed all "pinks" and "reds" out of our Government. I have lowered my visor. I have unsheathed my sword. I have entered the lists. I am at war to the finish against all Communists and subversive enemies of good government.

FLOOD CONTROL

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing resolutions passed at a meeting of the Ohio Valley Conservation and Flood Control Congress at Huntington, W. Va., March 24, 1936.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

Resolution

Whereas the Ohio Valley is now being visited by another flood disaster, which might have been averted to a marked degree by the completion of a comprehensive system of source stream-control reservoirs, as has been previously proposed by various organizations in the Ohio Valley; and

Whereas the present flow has caused damage to the extent of at least \$200,000,000 in the Ohio Valley; and

Whereas a comprehensive system of source stream-control reservoirs could have been built for not to exceed \$211,000,000;

We therefore request that, without further delay, the following measures be carried out by proper action and appropriations by the Congress of the United States:

That an appropriation of sufficient funds be made by Congress to permit the Board of Army Engineers to make a comprehensive and detailed survey of the 39 reservoirs, their equivalent, or such a number of these reservoirs as have not been previously surveyed by the Board, which reservoirs were included in Survey Report No. 308, Plan No. 4, Sixty-eighth Congress, second session, as the plan for the ultimate development in the Ohio Valley east of Cincinnati.

It is further requested that appropriations for construction be made by the United States Government as rapidly as the individual projects are approved by the Board of Army Engineers.

"It is estimated that should these 39 reservoirs, their equivalent, or a major portion of them be constructed, material damage and loss of life resulting from future floods in the Ohio Valley would be greatly reduced.

"In the Survey Report No. 308 hereinbefore mentioned it is estimated that the construction of these 39 reservoirs, their equivalent, or a major portion of them will reduce the crest of most floods in the Ohio Valley between Pittsburgh and Cincinnati approximately 8 feet, and a lesser amount from Cincinnati to Cairo, and during certain floods would reduce the crest in the Mississippi River itself below Cairo as much as 2 feet."

Whereas an appropriation of \$364,000 has previously been made by Congress for specification, foundation, exploration, surveys, aerial maps, etc., for the Bluestone Dam on New River, in West Virginia, and \$800,000 has been appropriated by Congress to be used toward the purchase of land which will be inundated by this dam, and

Whereas the construction of this dam will markedly reduce the crest of any floods in the Kanawha Valley, and to a lesser degree reduce the crest of floods in the Ohio Valley, and

Whereas the use of this dam and the ability to render constant flow through its use will mitigate the effects of pollution through dilution in the Kanawha River and Ohio,

We therefore request that the Congress of the United States appropriate at this time sufficient funds to complete construction of this dam.

RECONSTRUCTION FINANCE CORPORATION

Mr. O'CONNOR, chairman of the Committee on Rules, presented a privileged report from that committee on H. R. 11968, as follows, which was referred to the House Calendar and ordered printed.

House Resolution 470

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11968, "A bill relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes." That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend, with or without instructions.

PROTECT AMERICA

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio address delivered by myself.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on March 27, 1936:

The existence of the independent retailer in the United States is threatened by inroads made by the gigantic chain-store organizations. However, one bright hope is held out to him in the Robinson-Patman bill, which the House will vote on during this session. This bill prohibits the payment of brokerage or commission under certain conditions, suppresses pseudo-advertising allowances, protects the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors.

Thousands of independent merchants who were at one time successful, are today numbered among the 12,000,000 unemployed people of our country; yet the footprints of their service toward their community, can be traced back over American history in community building. The history of these independent merchants is a tragic one. They were among those who, in the early days, eliminated the lawless elements who obstructed the progress in the building of communities, villages, towns, and cities.

The service of these independent merchants can be traced to their support of farm organizations, of community clubs, of schools, churches, fire departments, police departments, street improvements, lighting, community chests, and the charitable organizations.

The community in trouble found refuge, in years gone by, in the generosity and assistance given by the independent merchants. Small hamlets and towns grew to big cities and became prosperous. Then came the advent of the great chains. Great financial organizations saw the profit-making possibilities in mass purchases. With their efficiency experts and great financial backing, it is possible for them to demand lower prices; to secure rebates and discounts.

Their operations began in large cities and slowly extended into the rural communities and towns and villages of the Nation. These loans and discounts and pseudo-advertising allowances were the weapons for their own distribution systems.

The independent dealer, struggling desperately with old and tried methods, and through local friendship and service, endeavored to compete, only to find that the community which he had put upon its feet and made to progress was eventually turned over to a powerful organization whose interests were not in the progress of the community but in the turnover of merchandise, which in many cases comes from the mills in which slave labor is employed.

With their mass production and powerful financial backing, with their loans and discounts and rebates, plus the advantages of slave labor, these gigantic organizations swept over our land like locusts, with the result that many independent merchants, whose history can be traced to the very founding of the community, are in the army of unemployed, and in most cases through no fault of their own.

Preserving the American market for the American farmer links itself closely to the need of preserving the American market for the American merchant. It not only links itself closely to con-

ditions prevailing in our country today, notwithstanding the expending of billions of dollars to keep men and women happy by furnishing them employment, at the expense of the American taxpayer, but the question links itself closely to the envious determination of industrialists and capitalists in foreign lands to capture not only the market of the American farmer but the market of the American merchant and the American manufacturer.

It is a question of exploitation of American capitalists, of slave labor in foreign countries at the expense of the army of unemployed workers in America. The American capitalists, closely connected to these gigantic chain-store organizations with tremendous financial interests in foreign lands, are closely connected with this problem, and unless it is solved, the efforts of the American people to maintain the high standard of American living will be futile.

American ships, subsidized by the American taxpayers, bring tons upon tons of manufactured merchandise into our land to be distributed through the medium of chain organizations, and find their way into the homes of the American consumers, whose very existence depends upon the success of the American farmer and the American merchants. This merchandise, manufactured by poorly paid men, women, and children in foreign countries, comes in direct competition with merchandise which can be manufactured by the army of unemployed in our land.

American and foreign ships, many of them subsidized, bring to our shores millions of gallons of foreign-grown coconut oil, to come in direct competition with the products from American farms.

American ships, subsidized by the taxpayers of America, bring tons of merchandise to our land from foreign shores, from foreign factories where men and women work at low wages, to come in direct competition with the workers in American factories where the wages are based on the high standard of American living. Blackstrap molasses by the millions of gallons is coming into our land on ships to come in direct competition with the products of the American farmers and American industry who are entitled to the American market.

Gigantic organizations who are exploiting the slave labor of foreign lands to manufacture merchandise to come into our land in direct competition with the American laboring man, do not hesitate in an effort to exploit Federal funds to gain the cheap labor of Americans in order that their products and their organizations can successfully eliminate the competition of the independent merchant.

With billions of dollars already expended in an effort by our Government to keep millions of people employed, with 12,000,000 still unemployed, with thousands upon thousands of young men and women coming out of our schools and universities, with nothing and no jobs and no hopes to apply their education because there are no jobs, with the President of the United States asking Congress for a billion and a half more money to furnish more employment, with \$500,000,000 authorized to prevent soil erosion and a crop-control program in America by taking out 30,000,000 acres of land from production, the question becomes one of American charity, and charity begins at home.

The American farmer, who is the real customer of the American industrialists, must be given an opportunity to make a living. The American laboring man, who has a right to believe in the promises that the American standard of living will be a job for him in order that he can support his family and those who depend upon him, must be protected against the inroads of foreign-manufactured merchandise. The independent merchant, who through the years has been the very foundation of his community, must be protected against unfair competition and exploitation by the great chain organizations. Unless he is given that protection the few independent merchants who still remain in their old communities struggling for their very existence will be but a memory and the money collected by the agents of these great chains in the communities of America will continue to flow into the coffers of great financiers to be invested in foreign-made manufactured goods and foreign-produced farm products.

It is therefore those who have the interest of the Americans at heart who are hoping for the successful passage of the Robinson-Patman bill in this last session of the Seventy-fourth Congress.

IMPEACHMENT OF JUDGE RITTER

Mr. SUMNERS of Texas. Mr. Speaker, I present a privileged resolution for immediate consideration, and, pending that, it might be that if I made a short explanation of the resolution it would relieve the necessity of reading it.

Mr. SNELL. I think the resolution should be read.

The Clerk read the resolution as follows:

House Resolution 471

Resolved, That the articles of impeachment heretofore adopted by the House of Representatives in and by House Resolution 422, House Calendar No. 279, be, and they are hereby, amended as follows:

Article III is amended so as to read as follows:

"ARTICLE III

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the employment of the law firm of Ritter and Rankin (which at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of *Trust Co. of Georgia and Robert G. Stephens, Trustee, v. Brazilian Court Building Corporation et al.*, no. 5704, in the Circuit Court of the Fifteenth Judicial Circuit of Florida, and after the fee of \$4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter and Rankin, and after Halsted L. Ritter had, on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case, that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that 'this matter is one among very few which I am assuming to continue my interest in until finally closed up'; and stating specifically in said letter:

"I do not know whether any appeal will be taken in the case or not, but, if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give; and further that he was 'of course primarily interested in getting some money in the case', and that he thought '\$2,000 more by way of attorney's fees should be allowed'; and asked that he be communicated with direct about the matter, giving his post-office-box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael, and Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael, and Eisner, was one of the directors, was drawn, payable to the order of 'Hon. Halsted L. Ritter' for \$2,000 and which was duly endorsed 'Hon. Halsted L. Ritter. H. L. Ritter' and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said \$2,000 had been received, without consulting with his former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

"At the time said letter was written by Judge Ritter and said \$2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court, of which Judge Ritter was a judge from, to wit, February 15, 1929.

"After writing said letter of March 11, 1929, Judge Ritter further exercised the profession or employment of counsel or attorney, or engaged in the practice of the law, with relation to said case.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

By adding the following articles immediately after article III as amended:

"ARTICLE IV

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that Judge Ritter did exercise the profession or employment of counsel or attorney, or engage in the practice of the law, representing J. R. Francis, with relation to the Boca Raton matter and the segregation and saving of the interest of J. R. Francis therein, or in obtaining a deed or deeds to J. R. Francis from the Spanish River Land Co. to certain pieces of realty, and in the Edgewater Ocean Beach Development Co. matter for which services the said Judge Ritter received from the said J. R. Francis the sum of \$7,500.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of the law above recited,

and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE V

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1929 said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of some \$12,000, yet paid no income tax thereon.

"Among the fees included in said gross taxable income for 1929 were the extra fee of \$2,000 solicited and received by Judge Ritter in the Brazilian Court case as described in article III, and the fee of \$7,500 received by Judge Ritter from J. R. Francis.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE VI

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1930 the said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of, to wit, \$5,300, yet failed to report any part thereof in his income-tax return for the year 1930, and paid no income-tax thereon.

"Two thousand five hundred dollars of said gross taxable income for 1930 was that amount of cash paid Judge Ritter by A. L. Rankin on December 24, 1930, as described in article I.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

Original article IV is amended so as to read as follows:

"ARTICLE VII

"That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

"The reasonable and probable consequence of the actions or conduct of Halsted L. Ritter, hereunder specified or indicated in this article, since he became judge of said court, as an individual or as such judge, is to bring his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as such judge:

"1. In that in the Florida Power Co. case (*Florida Power & Light Co. v. City of Miami et al.*, no. 1183-M-Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States, authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of \$5,000, although he performed little, if any, service as such, and in the order making such allowance recited: 'And it appearing to the court that a minimum fee of \$5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause.'

"2. In that in the Trust Company of Florida cases (*Illick v. Trust Co. of Florida et al.*, no. 1043-M-Eq., and *Edmunds Committee et al. v. Marion Mortgage Co. et al.*, no. 1124-M-Eq.), after the State Banking Department of Florida, through its comptroller, Hon. Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said *Illick* case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal the United States Circuit Court of Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the *Edmunds Committee* case, supra. *Marion Mortgage Co.* was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Hon. Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932 J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Hon. J. M. Lee succeeded Hon. Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Company of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals which held that the State officer was entitled to the custody of the property involved and that said Eaton and Stearns as receivers were not entitled to such custody. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some \$26,000 as fees out of said trust-estate properties and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

"3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to \$4,500 from his former law partner, as alleged in article I hereof, other large fees or gratuities, to wit, \$7,500 from J. R. Francis, on or about April 19, 1929, J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge; and on, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of \$2,000 from Brodek, Raphael & Eisner, representing Mulford Realty Corporation as its attorneys, through Charles A. Brodek, senior member of said firm and a director of said corporation, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States District Court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"4. By his conduct as detailed in articles I, II, III, and IV hereof, and by his income-tax evasions as set forth in articles V and VI hereof.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office."

Mr. SUMNERS of Texas. Mr. Speaker, the resolution which has just been read proposes three new articles. The change is not as important as that statement would indicate. Two of the new articles deal with income taxes, and one with practicing law by Judge Ritter, after he went on the bench.

In the original resolution, the charge is made that Judge Ritter received certain fees or gratuities and had written a letter, and so forth. No change is proposed in articles 1 and 2. In article 3, as stated, Judge Ritter is charged with practicing law after he went on the bench. That same thing, in effect, was charged, as members of the committee will remember, in the original resolution, but the form of the charge, in the judgment of the managers, could be improved. These charges go further and charge that in the matter connected with G. R. Francis, the judge acted as counsel in two transactions after he went on the bench, and received \$7,500 in compensation. Article 7 is amended to include a reference to these new charges. There is a change in the tense used with reference to the effect of the conduct alleged. It is charged, in the resolution pending at the desk, that the reasonable and probable consequence of the alleged conduct is to injure the confidence of the people in the courts—I am not attempting to quote the exact language—which is a matter of form, I think, more than a matter of substance.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. I may not be entirely familiar with all this procedure, but as I understand, what the gentleman is doing here today, is to amend the original articles of impeachment passed by the House.

Mr. SUMNERS of Texas. That is correct.

Mr. SNELL. The original articles of impeachment came to the House as a result of the evidence before the gentleman's committee. Has the gentleman's committee had anything to do with the change or amendment of these charges?

Mr. SUMNERS of Texas. No; just the managers.

Mr. SNELL. As a matter of procedure, would not that be the proper thing to do?

Mr. SUMNERS of Texas. I do not think it is at all necessary, for this reason: The managers are now acting as the agents of the House, and not as the agents of the Committee on the Judiciary. Mr. Manager PERKINS and Mr. Manager HOBBS have recently extended the investigation made by the committee.

Mr. SNELL. Mr. Speaker, will the gentleman yield further?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. Do I understand that the amendments come because of new information that has come to you as managers that never was presented to the Committee on the Judiciary?

Mr. SUMNERS of Texas. Perhaps it would not be true to answer that entirely in the affirmative, but the changes are made largely by reason of new evidence which has come to the attention of the committee, and some of these changes, more or less changes in form, have resulted from further examination of the question. This is somewhat as lawyers do in their pleadings. They often ask the privilege of making an amendment.

Mr. SNELL. And the gentleman's position is that as agents of the House it is not necessary to have the approval of his committee, which made the original impeachment charges?

Mr. SUMNERS of Texas. I have no doubt about that; I have no doubt about the accuracy of that statement.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. In just a moment. If any further information is desired by the House with regard to these pleadings, I shall yield to my colleague on the committee, Mr. PERKINS, who is really senior to my colleague, Mr. HOBBS. These gentlemen are more familiar with the later discoveries and the investigation than I am, because they conducted it.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MAY. The whole sum and substance of the amended articles of impeachment is to make them more specific and certain in the nature of amended pleadings, such as we do in court, pointing out the particular matters to which this applies, and it is not any new thing, except to more particularize so as to make more definite.

Mr. SUMNERS of Texas. It is not new, except that these gentlemen who made the investigation believe they have made a discovery of certain facts which ought to be presented to the Senate in connection with the case.

Mr. MAY. And this pleading authorizes the presentation of evidence on that subject?

Mr. SUMNERS of Texas. Yes.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. Yes.

Mr. MICHENER. I had not heard of the matter before, but as I understand from what the gentleman says he is not including new charges. Of course, if the gentleman is including new charges, and the House is going to be asked to vote on whether or not this man in their judgment is guilty of those charges, there certainly should be some hearing before the House and some evidence presented on which the House might pass its judgment. On the other hand, if the charges or articles were crudely drawn, and it is the purpose of these articles to perfect or correct that crudeness, then I can see how it could be a matter of form largely, so far as this resolution is concerned.

Do these new articles include new charges, which have not been considered by the House?

Mr. SUMNERS of Texas. Possibly I can make clear just what they do include. Except for what I have designated as the three new articles, the proposed changes are such changes as have occurred to the managers should be made to clarify and make more certain the allegations, and make them more nearly conform to what it is contemplated will be the evidence. As the gentleman from Michigan [Mr. MICHENER] will recall, there is a change in the original articles of impeachment that Judge Ritter was engaged in the practice of law. At least it meant to charge that. The gentleman will remember that there is an additional charge contained in these new articles of impeachment of further activity on the part of the judge in the practice of the law after he went on the bench.

Mr. MICHENER. Will the gentleman yield further?

Mr. SUMNERS of Texas. I yield.

Mr. MICHENER. As far as I am concerned, I intend to let this go through, but I do not want a practice established here which is wrong, that is, that this House informally, without notice, and without consideration, vote on new specific charges on which a man is to be tried in the Senate, without any information on the part of the committee which studied the matter, or without any information on the part of the House, respecting the new charges. Assuming, for instance, that you were to add another charge, charging this man with larceny, and it had not been discussed at all except by the managers. You bring in another charge, charging this man with larceny; it would seem that the House should at least know on what you base that charge before it is asked in a solemn way to impeach this man on that charge. When the next case comes I do not want to be in the position where some will say, "That is what we did in the Louderback case or the English case", or some other case, because if we did it in the English case, or the Louderback case we were wrong.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. RICH. If the things which the gentleman from Michigan [Mr. MICHENER] says are true, why should they be permitted to come in in this case, if your committee has not given further consideration to these charges, and bring something here that you do not know definitely is the case? You have to make up your minds before you bring something here to impeach this man if you expect the House of Representatives to agree to this resolution, because it is not right for you to do it without your own personal knowledge.

Mr. MICHENER. I think the House wants to do everything within its power to have our managers present all the facts to the Senate, but my whole inquiry is aimed at the question as to whether or not this House could morally vote to include articles of impeachment or new charges against any person, about which the House has no information whatever. We must not do it, as a matter of form.

Mr. SUMNERS of Texas. May I make a further brief statement, because we are due in the Senate soon. If I may have the attention of the House, I will try to make a clarifying statement in regard to this whole matter.

As I have had occasion to mention before, much of the confusion in impeachment proceedings grows out of the fact of the confusion between the power under the British system and the power under the American system and the character of prosecution under the British system and the character of prosecution under the American system. I think American lawyers and laymen now agree that under the American system, impeachment is an ouster suit, a civil action. The House recently voted to direct a prosecution at the bar of the Senate to separate a Federal judge from his official position. In the resolution the managers on the part of the House were authorized to file any additional pleadings. The central thing that the House agreed upon was that, in its judgment, whether right or wrong, this judge ought to be ousted from his office. That was the major thing. That is the thing of substance that the House agreed upon. All Members of the House cannot go to the Senate. The House selects certain managers to represent it in an effort to oust a Federal judge whom the House has determined, in its judgment, ought to be ousted.

I agree with the gentleman from Michigan that with regard to these matters we ought to exercise very great caution, but it seems to me that in this procedure is an unnecessary consumption of the time of the Members of the House, who, of necessity, cannot go into the details of the consideration of the separate items and cannot take the time to pass judgment upon changes in pleadings which, in the judgment of its lawyers, and that is the position we occupy, ought to be effected. In the English case, which was the last case, as I recall, in which this question arose, counsel for the respondent objected to what I now recall was article V of the charges. The managers on the part of the House amended article V of the charges and came back to the floor of the House and the House approved that amendment, and we went to trial on those impeachment charges, including article V, the amended article which the House had agreed to. To all practical purposes, this is a lawsuit. The people are one party and the judge is the other party. I do not believe it is feasible in the conducting of a lawsuit for those who represent as large a body as this body to make an explanation that they thoroughly understand in the details of pleadings. It cannot be done. Most of you Members are lawyers. You know that very frequently in the preparation of a case and joinder of issue there is necessity to modify the pleadings, and you never consult your client about it. I would be glad if it could be done in another way. I would be glad if this whole cumbersome machinery could be gotten rid of. I am thoroughly convinced that good behavior is a justiciable issue and can be tried in the courts of the country, and I am about ready to submit a tentative bill to bring that about; but now we have to proceed in this cumbersome way, and the managers who made the chief investigation, the gentleman from New Jersey [Mr. PERKINS], who is ranking minority member of the Committee on the Judiciary, and the gentleman from Alabama [Mr. HOBBS], one of the younger members, suggested that these changes should be made.

I happen to be one of the managers also. I have sat in council with these gentlemen. It is their opinion that these amendments ought to be made before we attempt to join issue in the Senate, and this is why we are here.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield for a question?

Mr. SUMNERS of Texas. I yield.

Mr. MARTIN of Colorado. I understood the gentleman to say a moment ago that the House had decided that the judge in question ought to be ousted from office, but it is my understanding the House by its action merely decided there was probable cause for his ousting and that this is tantamount to the action of a committing magistrate in binding a party over for a hearing on probability of guilt. I do not understand it was our decision that he should be ousted.

Mr. SUMNERS of Texas. I thank the gentleman for the suggestion. I would like to modify my statement, because the gentleman is more nearly accurate than I. What the House decided was that the judge ought to be put to trial before the Senate.

Mr. MARTIN of Colorado. I thank the gentleman.

Mr. SUMNERS of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Resolution 472

Resolved, That a message be sent to the Senate by the Clerk of the House informing the Senate that the House of Representatives has adopted an amendment to the articles of impeachment heretofore exhibited against Halsted L. Ritter, United States district judge for the southern district of Florida, and that the same will be presented to the Senate by the managers on the part of the House.

And also, that the managers have authority to file with the Secretary of the Senate, on the part of the House any subsequent pleadings they shall deem necessary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOT SPRINGS, N. MEX.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7024) to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., the northeast half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, Hot Springs, N. Mex., with Senate amendments, and agree in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "northeast" and insert "north".

Page 2, line 4, after "1933" insert " ", pursuant to the provisions of section 17 of the act of November 9, 1929 (42 Stat. 212).

Amend the title so as to read: "An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico."

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

Mr. SNELL. Mr. Speaker, reserving the right to object, I wish the gentleman from New Mexico would make a short explanation of these amendments. So far as I know there is no objection.

Mr. DEMPSEY. The House passed a bill authorizing the sale of certain land to the municipality of Hot Springs, N. Mex. In the Senate an error was found in the description of the property. The Senate amendments correct the description and amend the title.

Mr. SNELL. It is nothing but a change of the description of a piece of land.

Mr. DEMPSEY. Yes.

The SPEAKER. Is there objection to the present consideration of the Senate amendments?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

COMMEMORATIVE 50-CENT PIECES, LONG ISLAND, N. Y.

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Coinage, Weights, and Measures, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11323) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y., there shall be coined at a mint of the United States to be desig-

nated by the Director of the Mint not to exceed 100,000 silver 50-cent pieces of standard size, weight, and composition, and of a special appropriate single design to be fixed by the Director of the Mint, with the approval of the Secretary of the Treasury, but the United States shall not be subject to the expense of making the necessary dies and other preparations for this coinage.

"Sec. 2. The coins herein authorized shall bear the date 1936, irrespective of the year in which they are minted or issued, shall be legal tender in any payment to the amount of their face value, and shall be issued only upon the request of the chairman or secretary of the Long Island Tercentenary Committee upon payment by him of the par value of such coins, but not less than 5,000 such coins shall be issued to him at any one time and no such coins shall be issued after the expiration of 1 year after the date of enactment of this act. Such coins may be disposed of at par or at a premium by such committee, and the net proceeds shall be used by it in defraying the expenses incidental and appropriate to the commemoration of such event.

"Sec. 3. All laws now in force relating to the subsidiary silver coins of the United States and the coining or striking of the same, regulating and guarding the process of coinage, providing for the purchase of material, and for the transportation, distribution, and redemption of coins, for the prevention of debasement or counterfeiting, for the security of the coins, or for any other purposes, whether such laws are penal or otherwise, shall, so far as applicable, apply to the coinage herein authorized."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. SNELL. Will the gentleman explain this amendment?

Mr. COCHRAN. It is simply a strengthening of the phraseology of the bill to make more certain that there shall be no cost to the Federal Government.

Mr. SNELL. Is that all there is to it?

Mr. COCHRAN. That is all.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

PRELIMINARY SURVEY REPUBLICAN RIVER, KANS.

Mr. WILSON of Louisiana. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8030) to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, in the State of Kansas, with a view to the control of their floods, with Senate amendments, and concur in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 6, strike out "in the State of Kansas."

Amend the title so as to read: "An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods."

Mr. SNELL. Mr. Speaker, reserving the right to object, will the gentleman explain the amendments.

Mr. WILSON of Louisiana. As I understand them, they simply enlarge the power granted in the original bill to permit the survey to be continued outside the State of Kansas. This is necessary because the river flows through Nebraska as well.

Mr. SNELL. What was this preliminary survey?

Mr. WILSON of Louisiana. I yield to the gentleman from Kansas [Mr. CARLSON] to answer the question as this is his bill.

Mr. CARLSON. This is for a preliminary survey of a river. The bill as originally drawn contained the words "in the State of Kansas." About two-thirds of the river lies in Nebraska, so the Senate has taken out the words "in the State of Kansas."

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. CARLSON. I yield.

Mr. SNELL. What did I understand the name of the river to be?

Mr. CARLSON. It is a good name, "Republican River."

Mr. SNELL. I do not object.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

ACQUISITION OF LANDS NEAR MIAMI, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, with a Senate amendment, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ZIONCHECK. Mr. Speaker, I object.

THE NATIONAL HOUSING ACT AND ITS ADMINISTRATION BY THE NATIONAL HOUSING ADMINISTRATION AS IT APPLIES TO FINANCING REHABILITATION OF TENEMENT HOUSES IN SLUM AND BLIGHTED AREAS IN THE CITY OF NEW YORK

Mr. CURLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CURLEY. Mr. Speaker, we hear a great deal about slum and blighted areas in the congested tenement-house sections of large urban centers, and in particular of the type found in my congressional district in the city of New York, and may be found in other districts in the poorer sections of the city.

I have heard many definitions given of the terms "slum" and "blighted" tenements and the possibility of making physical alterations which will modernize them to meet the provisions of the multiple-dwelling law of the State of New York. As to the aforesaid definitions, the best to my mind is given by the United States Information Service, as follows:

"A slum" is most simply defined as "housing (on whatever scale) so inadequate or so deteriorated as to endanger the health, safety, or the morals of its inhabitants." "A blighted area" is defined as a "residential area on the downgrade, which has not reached the slum stage."

TENANTS DOOMED

For the information of those not informed of the plight of both tenants and owners of these outworn and obsolete multiple dwellings, they are forced by the new amendments to the multiple-dwelling law in the State of New York to make their buildings, through mandatory legislation, modern in every detail. This requires extensive alterations calling for vast outlay of expense. If this law is enforced, and the commissioner of tenement house department, Hon. Langdon W. Post, is recorded as having stated he "will enforce the law", then the owners and tenants of the so-called slum tenements are doomed to be victims of a distinct failure on the part of mortgagees to make coordinated effort with building industry for the renovation and rehabilitation of said tenements.

OWNERS HANDCUFFED

The owner is financially handcuffed and unable to negotiate for loans required to reconstruct their buildings and will no doubt suffer the loss of their equity. With respect to the blighted type, it is possible under the provisions of the National Housing Act to negotiate loans up to \$50,000 insured by the Federal Government, which will enable them to remodel and reconstruct their buildings according to law. This low-cost housing problem is one of the most difficult to solve. The various units of so-called low-cost housing built through subsidies granted by the Government do not reach down far enough to lower brackets averaging \$3 to \$5 per room per month.

Private industry finds it impossible to invest in such type of low-cost construction because it is nonprofit producing. Therefore it is the opinion of many experts in this important field of industry that the Government must temporarily lead the way by guaranteeing building loans or such other plan that may be found to be feasible and practical in the premises. It is the honest opinion of all unbiased minds that the Federal Government is exhausting every conceivable means to find a solution to this perplexing problem and keep within bounds of the Constitution. Federal

agencies are cooperating and conferring constantly with labor and industry, as well as with State, municipal, and private organizations in a concentrated effort to give practical relief in the affected slum and blighted areas. President Roosevelt has made it an emphatic declaration of national policy. This policy is that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability, and that to protect home owners is a proper concern of the Government. We are working toward the ultimate objective of making it possible for American families to live as Americans should.

WORK FOR UNEMPLOYED

It is the opinion of experts that the essence of any remedy to restore normalcy throughout the country to our economic structure is work and wages for the 85 percent of the unemployed members of the various crafts in the building industry.

The following plan, submitted to me by experts who have made an intensive study of this subject, will be of interest to every Member of Congress:

PROPOSED PLAN FOR A NATIONAL PUBLIC-HOUSING PROGRAM

The time has come when the frequent pledges of the administration to develop a clear-cut, permanent national public-housing program, designed to improve workers' living conditions, reemploy building workers at fair wages in productive work, and broaden and stabilize the potential market of the building industry, must be fulfilled.

The housing problem, as we see it, comes down to one simple question: How can an adequate supply of decent new housing be built for families with annual incomes of \$1,500, \$1,000, and less? This group comprises from half to two-thirds of the population today, and even in 1929 the vast majority of skilled industrial workers earned less. Bad living conditions will continue, the residential building industry will remain a speculative "luxury trade", and an extreme housing shortage will be unavoidable—unless this question is answered in the near future.

Private enterprise cannot do this job. It has not done it in the past, and it is not doing it today even with the aid of Government-guaranteed mortgages.

Local governments cannot do it alone. Their financial condition is too weak and their resources too restricted to permit them to raise any of the necessary subsidies for low-rent housing. The establishment of local housing authorities capable of initiating, constructing, and operating housing projects, even if the subsidies are provided by the Federal Government, cannot be accomplished all at once. Federal demonstrations of proper standards and efficient large-scale planning technique, will in most cases have to be done first.

The Federal Government cannot provide real leadership or concrete achievements as long as its housing agencies are on a temporary, emergency, work-relief basis. There will be very few efficient local housing authorities until there is a permanent Federal housing authority, equipped with the necessary powers and funds.

In view of these obvious facts, the administration should not delay in pushing forward an adequate legislative program for housing. This responsibility has already been assumed, although in a very small way in the work of the P. W. A. housing division and of suburban resettlement. And the responsibility for protecting the interests of owners and private financial agencies in middle-class and upper-class housing has been taken over by the Federal Government in a very large way, indeed. The H. O. L. C. and the F. H. A. have together about \$4,000,000,000 worth of commitments in this class of residential property.

Is it too much to ask that the Federal Government should do something, even though not on such a Herculean scale, for the actual construction of much-needed dwellings for that half of our population who cannot hope for improved housing conditions by any other means?

The American Federation of Labor at its last convention unanimously adopted a resolution on a public-housing program. It is now the duty of the American Federation of Labor, as the only organized representatives not only of the building-trades workers but also of millions of families in need of better homes, to present this program in more concrete terms. Following are recommendations for immediate Federal legislation and a national housing policy and program:

A NATIONAL PUBLIC-HOUSING AUTHORITY; PREMISES AND GENERAL POLICIES

1. There must be a definite long-term program for the provision of an adequate supply of low-rent housing, available to families who cannot secure decent housing through ordinary private initiative.
2. This program should be entrusted to a new, permanent national public-housing authority, set up in corporate form, with a three- or five-man board on which labor and consumers are represented.
3. All Government-aided, large-scale, low-rent housing activities should be carried out through this authority, except strictly

rural housing and rural resettlement, which properly belong to the field of agricultural planning.

4. The national public-housing authority must be independent of any agency such as F. H. A., primarily concerned with the financing and refinancing of individual middle-class and upper-class homes. Such agencies, and the interests with which they are naturally allied, have too often proven themselves to be hostile to the purposes and procedure of a public-housing program.

5. In view of the need for immediate and effective action, and also in consideration of the impending acute shortage of homes, Federal aid must not be limited to the direct reconstruction of central slum areas.

6. On the other hand, housing for industrial workers must in general be located within easy reach of a variety of work opportunities, and projects must not be set up on the basis of part-time industry and compulsory gardening. In isolated areas, subsistence homesteads merely extend the feudal conditions already existing in many one-industry and company towns. In the suburbs of larger cities they will only serve to keep the level of cash wages down.

7. The national public-housing authority should work through local public-housing authorities and cooperative or other non-profit private agencies representing labor or consumers. Such local agencies should, wherever and whenever possible, initiate, construct, own, and manage housing projects.

STANDARDS TO BE MAINTAINED IN ALL PUBLIC-AIDED HOUSING PROJECTS

1. Prevailing union wage rates, and union working conditions, must be maintained in the design, construction, and operation of all housing projects receiving public aid. In general, all public-aided housing should be constructed by prequalified contractors.

2. There must be bona fide labor and consumer representation on both the national public-housing authority and on all local public-housing authorities eligible to receive Federal aid.

3. Projects should be large enough to be planned as complete neighborhood units, including recreational and social facilities and meeting halls.

4. Minimum physical standards of construction and dwelling design should be set up for each region, below which no public-aided housing can fall.

5. Projects must be so set up and operated that they will remain permanently within reach of the income groups for whom they were intended. Management must be professional and not political.

POWERS AND APPROPRIATIONS

1. The Federal Government must expect to supply practically all of the subsidy needed to make up the difference between "economic rent" and what low-income families can pay. For this purpose the authority must have the power to make capital grants, loans at less than the cost of the money, and clearly defined contractual annual grants.

2. The authority must have the power to make self-liquidating loans to local agencies. These agencies should be encouraged, however, to raise as much of their capital as possible themselves, and the authority should have the power to guarantee the obligations of local agencies.

3. Since most local authorities will be inexperienced and unable to take their full share of responsibility at the outset, and since immediate construction and widespread demonstrations of modern housing standards are essential, the authority must itself have the power to construct and manage housing projects.

4. To carry out these purposes, the authority should receive in this session of Congress an appropriation of \$500,000,000, to be expended within the next 2 years. This sum will go for capital and annual grants, interest subsidies, and running expenses. In addition, it should have the power to issue bonds and to borrow from the Postal Savings Bank and other semipublic sources, in order to provide funds for self-liquidating loans.

BUILDING IMPORTANT ELEMENT

I believe that not until a comprehensive and constructive Nation-wide program of stimulating influences is organized, to give life and energetic vitality to the existing dormant building-construction industry, will we balance our economic structure and bring happiness and contentment into the millions of homes in the Nation. In my own humble opinion, building construction constitutes one of the highly important elements in the life of the Nation, and that it will prove itself, if given the proper opportunity, to be the most powerful essential instrumentality in the Government's heroic efforts to make better living conditions for the 1,500,000 of people forced through no fault of their own to live in the 67,000 slum and blighted tenements of the city of New York.

THE ROBINSON-PATMAN BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the Robinson-Patman bill has been reported favorably by the Committee on the Judi-

ciary of the House by a vote of 11 to 6. The report will be filed by the Hon. HUBERT UTTERBACK for the committee at an early date, and I hope every Member of the House reads the bill and the report.

EQUAL RIGHTS BILL

This bill is not penalizing any person or corporation. It is intended to give equal rights to all and special privileges to none. It will not place a burden or tax on chain stores. It will not deny chain stores any right, privilege, or benefit that they are justly entitled to receive. It will, however, give the independent merchants the same rights and privileges granted by manufacturers to chain stores based upon the same quantity of purchases, and so forth. It will not compel manufacturers to charge chain stores high prices for their goods, but it will compel manufacturers to give independents the same prices under the same conditions. A factory that sells 25 percent of its output to a chain-store corporation will not be permitted to give the chain-store corporation a better price than it gives to the independents who purchase the other 75 percent of the factory output.

CONSUMERS SAVED TWO AND ONE-FOURTH BILLION DOLLARS A YEAR

There is an effort being made by certain selfish, greedy, monopolistic interests to mislead the people and have them believe that the enactment of this bill into law will cost the consumers \$750,000,000 a year. If chain-store corporations doing 25 percent of the retail distribution business can save the consumers \$750,000,000 a year the independent merchants who do the other 75 percent of the retail distribution business will be able to save the consumers two and a quarter billion dollars a year when they receive the same prices as the chain stores receive. Certainly no one will contend that those who purchase the smaller part of a manufacturer's output are entitled to a better price than those who purchase the major part. Competition is guaranteed. The weasel phrases in the Clayton Act are removed and teeth are inserted instead.

EQUAL OPPORTUNITY

If this bill is enacted into law it will greatly curb monopoly, give independent business a fair opportunity, restore employment, and greatly assist consumers, farmers, and wage earners.

NATIONAL YOUTH ADMINISTRATION

Mr. MERRITT of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by my colleague, the gentleman from Massachusetts [Mr. CASEY].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MERRITT of New York. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH E. CASEY, of Massachusetts, on March 16, 1936:

It is a privilege and a pleasure for me to come here to Lunenburg and talk to such a splendid gathering upon a subject which you have chosen—the National Youth Administration.

It may be that because I belong to the younger group in Congress I feel more keenly the problem of youth. But whatever the reason, I believe most sincerely that our Government should become deeply conscious of the seriousness of this problem.

True, the Civilian Conservation Corps was a splendid step in the right direction. In March of 1933 it enrolled 300,000 young men between the ages of 18 and 25 in 1,200 camps throughout the country. This number has since been increased to nearly half a million. The conservation program gave these youths an opportunity to improve their minds and bodies and also provided financial help that was so sorely needed by their families. They are doing a most useful work in preserving our forests and in helping prevent soil erosion and floods throughout the country. I am happy to announce that the civilian conservation camps' enrollment will not be decreased and that this splendid program will continue in full force and effect. I am unreservedly in favor of continuing these camps.

The civilian conservation program was a beautifully conceived and marvelously executed plan. It does not, however, solve the youth problem. It not only makes no provision for girls and young women, but, above and beyond these, there are hundreds of thousands of boys and young men who do not come within its scope. Hence the necessity for the National Youth Administration.

The National Youth Administration was established June 26, 1935, as a division of the Works Progress Administration with a

budget of \$50,000,000. It aims to provide needy young people with educational, recreational, training, and work opportunities. With these aims I am in entire accord. By helping needy students continue in school the National Youth Administration not only provides them with an education but it takes them out of a labor market that is already vastly overcrowded. By providing recreational facilities, it is enabling the youth of the land to build up its health and to find an outlet for its abundant energy in a clean and wholesome manner. It was the Duke of Wellington who said that the Battle of Waterloo was won on the playing fields of Eton. It may be that the battle against the depression will be won on the playing fields of America.

The third aim—to provide training and work opportunities is a most desirable one. Under present circumstances very little can be done. The National Youth Administration has accomplished something, however. It has provided part-time work projects for young people coming from work-relief families, whereby they may work for one-third of a month and receive a one-third security wage appropriate to their locality and the type of work done.

This is the first opportunity, apart from the Civilian Conservation Corps, that the younger group has had to take advantage of the Government's provision for work relief. In the past, regulations have provided that work relief was available to only one member of the family, namely, the head.

By this means young people have some small basis for independence—a dime for bus fare, an occasional movie, a chance to give a girl an ice-cream soda—pitifully small, to be sure, but of tremendous importance to the self-respect and dignity of 18.

I know that there are some who believe youth should have been left to itself—to do or die—upon the theory that is the way to make them self-reliant, thrifty, and courageous. To them I ask, How can youth practice these virtues when there is no opportunity to do so? How can a young person alone buck a vast and intricate industrial system? I know that some of them have done it, but they were exceptional. I am pleading for the average American girl and boy.

Since 1929 hundreds of thousands of young people with high hopes, eager ambitions, and splendid dreams have entered a world where it is no longer enough to have the will and ability to work. Unable to get work they are caught in a vicious circle—without experience they cannot get jobs and because they cannot get jobs they cannot acquire experience.

I would widen the scope of youthful opportunities. I would follow the English system and train them for civil-service examinations and for diplomatic posts. Let us open up careers in public service for them, so that in the future Government positions may be filled by those best fitted for them rather than the present system of filling them with party followers whenever there is a change in administration.

I say to you of the older generation, captains of industry, judges on the bench, statesmen, you all had something out of life, but tell me, wasn't the best time, that time when you were young, young and had nothing, except a chance to feel your strength? That is what youth asks today. An opportunity to feel its strength. Do not deny them this opportunity. Do not destroy youth—youth with the faith, with the strength, with the romance of illusions.

For 7 years youth has been beating upon the door of opportunity with no success. For 7 years youth has come of age in a world where all is changing, confused, and insecure. Is it too much to ask that young people be afforded the opportunities that our fathers and grandfathers had?

Young America is looking forward to the day when it will bear great responsibilities. It is looking forward to the day when it will guide the destinies of our Nation. To this day old America must look forward, too. If young America is not prepared, if it has been handicapped by the present economic and social maladjustments, it is old America which is responsible. It is the future of America that is at stake. Gerald Raftery sets this forth beautifully in his poem entitled "Boy."

"His hands are busy now with bat and ball—
But some day on the levers of the world,
On strange, unknown controls these hands will call
A new world forth; on steering wheels curled
Their strength will guide (through what new element?)
Another age; at work on drawing board
These hands will map the clean, aloof ascent
Of starward-reaching towers, human-cored.

"His eyes, that crinkle now into a grin
Of half-embarrassment, one day will see
A wider world than we can ever win,
A universe we cannot dream to be;
Further in time and space than we have seen
His eyes will see, and watch without surprise
A million miracles of bright routine
Beyond the furthest dreaming of our eyes.

"His brain that puzzles now on a plus b
Will build and plan more bravely on the earth
And battle to the shining victory
Against disease and poverty and dearth.
Beyond our ways his brain will carry on,
Being armed with eagerness and strength and youth,
To learn triumphantly when we are gone
More than we ever knew—or taught—of truth."

REPORT OF THE UNITED STATES EMPLOYMENT SERVICE

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a brief report of the Director of the United States Employment Service.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONNERY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following brief report of the Director of the United States Employment Service:

UNITED STATES DEPARTMENT OF LABOR,
UNITED STATES EMPLOYMENT SERVICE,
Washington, March 28, 1935.

HON. WILLIAM P. CONNERY, JR.,
Chairman, Committee on Labor,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CONNERY: Responding to your inquiry, I submit the following summary of the operations of the United States Employment Service for the 30 months ended December 31, 1935. You will please note that these statistics represent the operations of combined State employment services and the National Reemployment Service for this period of 2½ years.

The number of different individuals applying for employment at the offices of the combined services was 20,714,703.

The total number of placements made by these offices were 13,094,125.

Of the total number of placements, there were 6,219,704 placements on Civil Works Administration and Works Progress Administration projects. The remainder, or 6,874,421, represents placements made on projects of the Public Works Administration or in private industry. The number placed in private industry during this period was 2,892,355.

In response to your further inquiry concerning the Veterans' Placement Service, I submit this statement:

The Veterans' Placement Service is a function of each of the operating offices of the State Employment Services and of the National Reemployment Service.

The priority of opportunity for employment on public works projects as prescribed in the National Industrial Recovery Act for ex-soldiers with dependents, if and when qualified, has resulted in a larger proportion of placements for the veterans than for the whole total of those registered.

The total number of different veterans who applied for employment during this period was 1,440,380. The number of placements made (excluding placements made on work-relief projects) was 1,365,578.

I shall be pleased to submit any further information that you may desire.

Very truly yours,

W. FRANK PERSONS, Director.

AMERICAN AGRICULTURAL ADVANTAGES UNDER THE RECIPROCAL-TRADE AGREEMENTS

Mr. BUCK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain statistical material, for which I have secured an estimate from the Public Printer.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BUCK. Mr. Speaker, at intervals since the opening of this session of Congress we have listened to denunciations of the various reciprocal-trade agreements entered into by the administration. We have had charges hurled that "agriculture was laid on the altar of foreign trade." We have had inserted in the RECORD tables which have purported to show the loss that agriculture might suffer under these agreements, based on the concessions granted foreign countries by the United States. These tables have been easy to compile for the reason that the concessions that we have made to foreign countries on agricultural products have been relatively small, relatively unimportant, and have been safeguarded in all important cases by quota arrangements.

No one, however, has yet arisen to present an accurate picture of the benefits that American agriculture has obtained under these agreements, and so with the permission of the House I desire today to speak somewhat on that subject and to insert tables which will show the actual benefits which already have been, and will be, received by agriculture of the United States from concessions made by foreign countries.

Eleven trade agreements have thus far been concluded and nine have come into effect, as follows: Cuba, September 3, 1934; Belgium, May 1, 1935; Haiti, June 3, 1935; Sweden,

August 5, 1935; Brazil and Canada, January 1, 1936; the Netherlands, February 1, 1936; Switzerland, February 15, 1936; Honduras, March 2, 1936. In addition thereto there are pending trade agreements with Colombia and Nicaragua, details of which are available.

In every one of these agreements substantial reductions in import duties are made by the countries concerned on agricultural products of the United States, including my own State of California, which enter into foreign trade. May I say that the prosperity of California agriculture depends in an important measure on export trade. Criticism has been levied on some of these agreements in that they were taking care of only products of Midwestern States, but a careful analysis of the appended tables will show any unbiased reader wherein all branches of agriculture, from all States, have benefited.

It must be remembered that these agreements are reciprocal-trade agreements. We have given concessions, it is true, and in other agreements to be entered into we will give other concessions; but the balance is so strikingly in favor of our own growers and producers that I think it well worth while to give the concrete facts to the farmer so that he may judge for himself.

It must also be remembered that there is an obvious attempt to confuse the farmer by making him believe that the slight increase in agricultural imports which occurred in the last year is attributable to these reciprocal-trade concessions. Only four of these, however, were in effect during any part of 1935. Only the agreement with Cuba was in effect for the whole year. No agricultural concessions were granted to Sweden, and during the period of 1935 that the Haitian agreement was in effect agricultural imports from that source, owing to a shortage of crops, decreased over a comparable period of 1934. The concessions made to Belgium on agricultural products were small and insignificant, and there was but a slight increase in these import items

during 1935. As to Cuba, the principal imports, sugar and tobacco, were placed on a quota basis, and no complaint is being received from producers of these commodities.

The Canadian agreement has drawn a particular fire from those who would use the farmer as a shield in their warfare to keep intact present ruinous trade barriers. A statement which appeared recently in the CONGRESSIONAL RECORD (p. 2866) purporting to tell the story of increased imports of Canadian agriculture brought in under this agreement included the items of fresh pork, milk powder, fresh beef, bacon, hams, and wool, on which no concessions whatever were made by the United States. This misleading type of information must be answered conclusively, not merely by stating that it is misleading but by showing to the farmer himself how the market for his own products has been widened in Canada and elsewhere.

Mr. Speaker, hundreds of other concessions on other items allied to agriculture industries, such as dressed furs, wines, and fish products, and on industrial products, minerals, petroleum and its products, have been made in these agreements. It is not my intention to set those items out in the tables which I shall append. It is my desire simply to answer conclusively the statement that agriculture has been sold down the river or "across the lakes."

With these remarks I append hereto a series of tables listing the agriculture products on which concessions have been obtained by the United States in the nine trade agreements now in effect and also in those concluded with Colombia and Nicaragua, which are now awaiting exchange of ratification. These tables are taken from official sources and include every item on which the farmers and producers of the United States have received concessions from foreign countries under these agreements. Anyone who will study these tables carefully must become convinced of the magnitude of the reciprocal-trade program and the enormous benefits that our own agriculture stands to achieve under it.

**AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 15, 1936
CANADIAN AGREEMENT**

The majority of the duty reductions occur as a result of the extension to the United States of the most-favored-foreign-nation treatment. In the column headed "Nature of assurance", three designations are used as follows: (1) "M. F. F. N." indicates that the reduction in duty is the result of the extension of most-favored-foreign-nation treatment, without assurance that this rate may not be increased; (2) "Bound M. F. F. N." indicates that the reduction in duty is the result of the extension of most-favored-foreign-nation treatment and that this rate had been bound against increase during the life of the agreement; (3) "Bound below M. F. F. N." indicates that the reduction in duty involves a concession below the present most-favored-foreign-nation treatment and that this rate has been bound against increase during the life of the agreement. The phraseology of the tariff classifications has been abridged. The initials "n. o. p." signify not otherwise provided for more specifically elsewhere in the Canadian tariff. The letter "(s)" following a minimum specific duty rate indicates that it applies only in specified seasons.

Canadian tariff		Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
No.	Item					
ANIMALS AND ANIMAL PRODUCTS						
4	Horses	Each	\$25	\$12.50	50	M. F. F. N.
5	Animals, living, n. o. p.:					
	(a) Cattle, n. o. p.	Pound	3 cents	2 cents	33	M. F. F. N.
	(b) Sheep, lambs, and goats	Per head	\$3	\$2	33	M. F. F. N.
	(c) N. o. p.	Ad valorem	25 percent	20 percent	20	M. F. F. N.
6	Live hogs	Pound	3 cents	1½ cents	58	M. F. F. N.
7	Meats, fresh, n. o. p.:					
	(a) Beef and veal	Pound	8 cents	6 cents	25	M. F. F. N.
	(b) Lamb and mutton	Pound	8 cents	6 cents	25	M. F. F. N.
	(c) N. o. p. (pork)	Pound	5 cents	2½ cents	50	M. F. F. N.
8	Canned meats and extracts, etc.	Ad valorem	35 percent	30 percent	14	M. F. F. N.
9	Poultry and game, n. o. p.	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
9a	Quails, partridges, etc.	Ad valorem	30 percent	20 percent	33	M. F. F. N.
9b	Rabbits frozen for fox feeding	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
10	Meats, prepared, except canned:					
	(a) Bacon, hams, pork	Pound	5 cents	1¾ cents	65	M. F. F. N.
	(b) N. o. p.	Pound	6 cents	3 cents	50	Bound M. F. F. N.
12a	Sausage casings, cleaned	Ad valorem	17½ percent	15 percent	14	M. F. F. N.
13	Lard, etc.	Pound	2 cents	1½ cents	12	M. F. F. N.
14	Tallow	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
15	Beeswax	Ad valorem	20 percent	18 percent	10	M. F. F. N.
16	Eggs in the shell	Dozen	10 cents	5 cents	50	M. F. F. N.
16a	Eggs, frozen, albumen, etc.	Pound	11 cents	10 cents	9	M. F. F. N.
16b	Eggs, albumen, etc., dried	Ad valorem	30 percent	25 percent	17	M. F. F. N.
Ex. 17	Cheese: Roquefort, Camembert, etc.	Pound	7 cents	5.95 cents	15	M. F. F. N.
18	Butter	Pound	14 cents	12 cents	14	M. F. F. N.
18a	Peanut butter	Pound	7 cents	6 cents	14	M. F. F. N.
599	Hides and skins, raw, dry, salted, or pickled	Free	Free	Free		Bound M. F. F. N.
601	Fur skins of all kinds, not dressed	Free	Free	Free		Bound M. F. F. N.
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS						
46	Prepared cereal foods, n. o. p.	Ad valorem	20 percent	17½ percent	12	M. F. F. N.
47	Beans, n. o. p.	Pound	2 cents	1½ cents	25	M. F. F. N.
Ex. 47	Soybeans, n. o. p.	Ad valorem	25 percent	Free	100	Bound below M. F. F. N.
		(and per pound)	2 cents			
48	Peas, n. o. p.	Pound	1 cent	¾ cent	25	M. F. F. N.
49	Buckwheat	Bushel	15 cents	12½ cents	17	M. F. F. N.
50	Buckwheat, meal or flour	100 pounds	50 cents	45 cents	10	M. F. F. N.
51	Barley, roasted, ground, etc.	Ad valorem	30 percent	27½ percent	8	M. F. F. N.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CANADIAN AGREEMENT—continued

No.	Canadian tariff Item	Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS—continued						
					Percent	
52	Barley, n. o. p.	Bushel	25 cents	22½ cents	10	M. F. F. N.
53	Corn meal	Barrel	25 cents	22½ cents	10	M. F. F. N.
54a	Indian corn for manufacture of corn starch, cereals, etc.		Free	Free		Bound M. F. F. N.
55	Indian corn, n. o. p.	Bushel	25 cents	20 cents	20	Bound M. F. F. N.
56	Oats	Bushel	16 cents	9 cents	44	M. F. F. N.
57	Oatmeal and rolled oats	100 pounds	80 cents	50 cents	38	Bound M. F. F. N.
58	Rye	Bushel	15 cents	9 cents	40	M. F. F. N.
59	Rye flour	Barrel	50 cents	45 cents	10	M. F. F. N.
60	Wheat	Bushel	30 cents	12 cents	60	M. F. F. N.
61	Wheat flour and semolina	Barrel	\$1.35	50 cents	63	M. F. F. N.
63	Rice, cleaned	100 pounds	\$1	72 cents	28	M. F. F. N.
65	Biscuits, unsweetened	Ad valorem	25 percent	22½ percent	10	M. F. F. N.
69	Straw	Ton	\$2	\$1.75	12	M. F. F. N.
69b	Hay	Ton	\$5	\$1.75	65	M. F. F. N.
71a	Timothy seed	Pound	2 cents	1 cent	50	Bound below M. F. F. N.
71b	Clover seed (alfalfa)	Pound	3 cents	2½ cents	25	M. F. F. N.
72	Field and garden seeds (over \$5 per pound)	Ad valorem	10 percent	9 percent	10	M. F. F. N.
72d	Millet, rape seed (over 1-pound package)	Ad valorem	10 percent	9 percent	10	M. F. F. N.
72e	Bent-grass seed (over 1-pound package)	Ad valorem	30 percent	27 percent	10	M. F. F. N.
Ex. 73	Broomcorn seed (over 1-pound package)	Ad valorem	15 percent	Free	100	Bound below M. F. F. N.
73	Field seeds, n. o. p. (over 1-pound package)	Ad valorem	15 percent	9 percent	40	M. F. F. N.
Ex. 74	Parsley seed, for manufacturing or blending (over 1-pound package)	Pound	5 cents	Ad valorem, 10 percent		Bound below M. F. F. N.
74	Seeds, beet, turnip, etc. (over 1 pound package)	Pound	5 cents	4½ cents	10	M. F. F. N.
Ex. 75	Lettuce seed, for manufacturing or blending (over 1-pound package)	Pound	10 cents	Ad valorem, 10 percent		Bound below M. F. F. N.
75	Seeds, cabbage, cucumber, lettuce, etc. (over 1 pound)	Pound	10 cents	9 cents	10	M. F. F. N.
76	Seeds, cauliflower, onion, tomato, etc. (over 1 pound)	Pound	25 cents	22½ cents	10	M. F. F. N.
76a	Root, garden and other seeds, n. o. p. (over 1 pound)	Pound	10 cents	9 cents	10	M. F. F. N.
76b	Seeds, field, garden, etc. (under 1 pound)	Ad valorem	35 percent	27 percent	23	M. F. F. N.
76d	Canary, mustard, celery, etc. (over 1 pound), for blending	Ad valorem	10 percent	9 percent	10	M. F. F. N.
78	Florists' stock, palms, ferns, etc.	Ad valorem	25 percent	20¼ percent	19	M. F. F. N.
79	Florists' stock, azaleas, etc.	Ad valorem	20 percent	15 percent	25	M. F. F. N.
79b	Cut flowers	Ad valorem	40 percent	Free	100	M. F. F. N.
81	Trees, n. o. p.:					
	(a) Apple	Each	7½ cents (s)	6 cents (s)	20	M. F. F. N.
	(b) Pear, plum, etc.	Each	9 cents (s)	8 cents (s)	11	M. F. F. N.
	(c) Peach	Each	6 cents	3 cents	50	M. F. F. N.
82a	Grapevines, raspberry bushes, etc.	Each	2½ cents	2 cents	20	M. F. F. N.
82b	Asparagus roots and strawberry plants	Each	¼ cent	0.225 cent	10	M. F. F. N.
82d	Rosebushes, n. o. p.	Each	7 cents	3 cents	57	M. F. F. N.
Ex. 82 (e)	Nut trees for grafting stock	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
82e	Florists' or nursery stock n. o. p.	Ad valorem	30 percent	17½ percent	42	M. F. F. N.
83	Potatoes:					
	(a) In their natural state	100 pounds	75 cents	Free	100	M. F. F. N.
	(b) Dried, etc.	Pound	2¼ cents	Free	100	M. F. F. N.
	(c) Sweet potatoes in their natural state	100 pounds	15 cents	Free	100	Bound below M. F. F. N.
	(d) Sweet potatoes, n. o. p.	Pound	2¼ cents	1¼ cents	36	M. F. F. N.
84	Onions in their natural state ¹	Ad valorem	30 percent	30 percent		Bound M. F. F. N.
		Min. specific rate per pound	¾ cent		(?)	
Ex. 85	Mushrooms, fresh ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	10 cents		(?)	
85	Mushrooms, etc.	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
		Min. specific rate per pound	10 cents		(?)	
86	Beets for manufacturing sugar	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
87	Vegetables, fresh, in their natural state:					
	(a) Asparagus ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	3 cents (s)		(?)	
	(b) Beans, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(c) Brussel sprouts	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(d) Cabbage ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(e) Carrots and beets, n. o. p. ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(f) Cauliflower ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents (s)		(?)	
	(f) Eggplant	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(g) Celery ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents (s)		(?)	
	(h) Cucumbers ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(i) Lettuce ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1½ cents		(?)	
	(j) Parsley	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(k) Peas, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(l) Rhubarb ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(m) Spinach ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	1 cent (s)		(?)	
	(n) Tomatoes	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
		Min. specific rate per pound	2 cents			
	(o) Water cress and whitloof or endive	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Peppers, green ¹	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Radishes	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
	(p) Artichokes	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Horseradish	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Okra	Ad valorem	30 percent	Free	100	Bound below M. F. F. N.
	(p) Not otherwise provided	Ad valorem	30 percent	15 percent	50	Bound below M. F. F. N.
89	Vegetables, canned:					
	(a) Beans	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(b) Corn and tomatoes	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(c) Peas	Pound	3 cents	2 cents	33	Bound M. F. F. N.
	(d) Not otherwise provided	Ad valorem	30 percent	27½ percent	8	Bound M. F. F. N.
90	Vegetables, prepared or preserved:					
	(a) Dried, etc., including flour, not otherwise provided	Ad valorem	30 percent	27½ percent	8	M. F. F. N.
	(b) Pickled or preserved in salt, etc.	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
	(c) Extracts or juices, etc., and sauces	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
	(d) Pastes, etc., of vegetables and meat, etc.	Ad valorem	35 percent	32½ percent	7	M. F. F. N.
91	Scups, etc.	Ad valorem	35 percent	25 percent	29	M. F. F. N.

[See footnotes at end of table]

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CANADIAN AGREEMENT—continued

No.	Canadian tariff Item	Unit of duty	Old duty to United States	New duty to United States	Approximate reduction in duty	Nature of assurance
VEGETABLE FOOD PRODUCTS AND VEGETABLE PRODUCTS—continued						
92	Fruits, fresh, in their natural state:				Percent	
	(a) Apricots ¹	Ad valorem.....	20 percent.....	15 percent.....	25	Bound M. F. F. N.
	(b) Cherries ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2 cents.....)	(15 percent..... 2 cents.....)	(25) (25)	Bound M. F. F. N.
	(c) Cranberries.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2½ cents.....)	(15 percent..... 2 cents.....)	(25) (20)	Bound M. F. F. N.
	(d) Peaches ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1¼ cents (s).....)	(15 percent..... 1 cent (s).....)	(25) (25)	Bound M. F. F. N.
	(e) Pears ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent (s).....)	(15 percent..... ¾ cent (s).....)	(25) (25)	Bound M. F. F. N.
	(f) Plums or prunes ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent (s).....)	(15 percent..... ¾ cent (s).....)	(25) (25)	Bound M. F. F. N.
	(g) Strawberries, raspberries, and loganberries ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 3 cents (s).....)	(15 percent..... 2 cents (s).....)	(25) (25)	Bound M. F. F. N.
	(h) Berries, edible, n. o. p.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 2 cents.....)	(15 percent..... 2 cents.....)	(25) (25)	Bound M. F. F. N.
	(i) Quinces and nectarines.....	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1 cent.....)	(15 percent..... 1 cent.....)	(25) (25)	Bound M. F. F. N.
93	Apples, fresh ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... ¾ cent.....)	(15 percent..... ¾ cent.....)	(25) (25)	Bound M. F. F. N.
94	Grapes, fresh ¹	Pound.....	2 cents.....	1½ cents.....	25	Bound M. F. F. N.
95	Cantaloupes and muskmelons ¹	(Ad valorem..... Min. specific rate per pound.....)	(20 percent..... 1¼ cents (s).....)	(15 percent..... 1 cent (s).....)	(25) (25)	Bound M. F. F. N.
95a	Melons, n. o. p.....	Each.....	3 cents.....	2½ cents.....	17	Bound M. F. F. N.
95b	Passion fruit.....	Ad valorem.....	20 percent.....	15 percent.....	25	M. F. F. N.
Ex. 96	Avocados or alligator pears.....	Ad valorem.....	20 percent.....	Free.....	100	Bound below M. F. F. N.
96	Fresh fruits, n. o. p.....	Ad valorem.....	20 percent.....	15 percent.....	25	Bound M. F. F. N.
99b	Fruits, dried, etc., n. o. p.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
99d	Dates, dried, unpitted in bulk.....	Pound.....	¾ cent.....	¾ cent.....	10	M. F. F. N.
99e	Dates, n. o. p., packaged.....	Pound.....	2¼ cents.....	1.575 cents.....	37	M. F. F. N.
99f	Figs, dried, packaged.....	Pound.....	¾ cent.....	¾ cent.....	10	M. F. F. N.
99g	Dried apricots, pears, peaches, etc.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
100	Grapefruit direct to Canadian port.....	Pound.....	1 cent.....	¾ cent.....	50	M. F. F. N.
100a	Grapefruit, n. o. p.....	Pound.....	1 cent.....	¾ cent.....	50	Bound below M. F. F. N.
Ex. 101	Oranges, during the months of January, February, March, and April.....	Cubic feet.....	35 cents.....	Free.....	—	Bound below M. F. F. N.
101a	Lemons.....	Free.....	Free.....	Free.....	—	Bound M. F. F. N.
104a	Fruit pulp, not grape, unsweetened, canned.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
105	Fruit pulp, n. o. p., and crushed or frozen fruits.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
105b	Olives and cherries, not bottled.....	Ad valorem.....	30 percent.....	17½ percent.....	42	M. F. F. N.
Ex. 105b	Olives, ripe, in brine, not bottled.....	Ad valorem.....	30 percent.....	10 percent.....	67	Bound below M. F. F. N.
105c	Fruits and nuts, pickled, etc.....	Ad valorem.....	35 percent.....	32½ percent.....	7	M. F. F. N.
105d	Jellies, jams, preserves, etc.....	Pound.....	5 cents.....	3½ cents.....	20	M. F. F. N.
105e	Fruits and peels, candied, etc., Maraschino cherries, etc.....	Ad valorem.....	35 percent.....	31.5 percent.....	10	M. F. F. N.
106	Fruits, canned:					
	(a) Apricots, peaches, and pears.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
	(b) Pineapples.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
	(c) N. o. p.....	Pound.....	5 cents.....	4 cents.....	20	Bound M. F. F. N.
108	Honey.....	Pound.....	3 cents.....	2½ cents.....	17	M. F. F. N.
ex. 109	Nuts of all kinds, n. o. p., but not including shelled peanuts, n. o. p.....	Pound.....	2 cents.....	1 cent.....	50	Bound below M. F. F. N.
ex. 114	Nuts, shelled, n. o. p., not including shelled almonds, peanuts, or walnuts.....	Pound.....	4 cents.....	2 cents.....	50	Bound below M. F. F. N.
114	Nuts, shelled, n. o. p.....	Pound.....	4 cents.....	3 cents.....	25	M. F. F. N.
ex. 141	Candied chestnuts.....	(Pound..... And ad valorem.....)	(½ cent..... 35 percent.....)	(0.45 cents..... 31½ percent.....)	(10) (10)	(M. F. F. N.) (M. F. F. N.)
136	Molasses, untreated, direct from place of production.....	Gallon.....	3 cents.....	2½ cents.....	17	M. F. F. N.
138	Maple sugar and sirup.....	Ad valorem.....	20 percent.....	17½ percent.....	12	M. F. F. N.
140	Sirups and molasses, n. o. p.....	100 pounds.....	50 cents.....	45 cents.....	10	M. F. F. N.
141	Sugar, candy, and confectionery, n. o. p.: (ex.) Candied sweets, sugar plums, and gums.....	(Pound..... And ad valorem.....)	(½ cent..... 35 percent.....)	(0.45 cents..... 31½ percent.....)	(10) (10)	(M. F. F. N.) (M. F. F. N.)
167	Malt, etc.....	Pound.....	¾ cent.....	¾ cent.....	33	M. F. F. N.
168	Malt sirups, extracts, flour, etc.....	(Pound..... And ad valorem.....)	(10 cents..... 35 percent.....)	(5 cents..... 30 percent.....)	(50) (14)	(M. F. F. N.) (M. F. F. N.)
258	Linseed or flaxseed oil, etc.....	100 pounds.....	\$1.65.....	\$1.55.....	6	M. F. F. N.
259	Lard oil, etc.....	Ad valorem.....	25 percent.....	22½ percent.....	10	M. F. F. N.
262	Olive oil, n. o. p.....	Ad valorem.....	20 percent.....	17 percent.....	15	M. F. F. N.
TEXTILE RAW MATERIALS						
520	Raw cotton and cotton linters.....	Free.....	Free.....	Free.....	—	Bound M. F. F. N.
549	Wool, etc., combed or less.....	Pound.....	15 cents.....	10 cents.....	33	M. F. F. N.

¹ Provision is made that in no case shall the value for duty contain an advance over invoice value greater than 80 percent of the lowest advanced value in effect during the last 4 years.

² Waived.

BELGIAN AGREEMENT

The following table shows the agricultural products which, when imported into Belgium, will be affected by the trade agreement.

No.	Belgian tariff Item	Old duty ¹	New duty ¹	Percentage reduction
ANIMAL PRODUCTS				
16-A	Lard, natural.....	Free	Free	(²) Bound
47	Entrails, fresh, salted, or dried.....	Free	Free	(²) Bound
212-a-2	Pork, other than simply salted.....	120.75	(²)	(²)
Ex. 214	Canned pork tongues.....	4220.75	\$90.00	\$25.5
VEGETABLE PRODUCTS				
11	Honey, natural.....	92.00	60.00	34.8
51-g-1	Rice, unhusked.....	Free	Free	Bound
51-g-2	Rice, husked.....	Free	Free	Bound
55-a	Groats and semolina of oats (oatmeal).....	41.60	30.00	27.9

¹ Franc per 100 kilos (1933, 1 franc=\$0.03580).

² Grant quota of 3,207,000 kilos average of imports, 1929-33, inclusive.

³ Grant quota of 1,044,000 kilos (average, 1929-33). Duty free, but subject to increase.

⁴ Import license tax 300 francs.

⁵ Import license tax, 200 francs.

⁶ Import tax reduction 33.3 percent.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
BELGIAN AGREEMENT—continued

Belgian tariff		Old duty	New duty	Percentage reduction
No.	Item			
VEGETABLE PRODUCTS—continued				
57-b	Corn starch	27.60	27.60	(7)
73-b	Apricots, dried:			
	1. In containers weighing over 25 kilos	41.40	30.00	27.5
	2. Otherwise	86.25	50.00	42.0
Ex. 78-b-3	Grapefruit	41.40	20.00	51.7
Ex. 91	Peaches, dried	103.50	50.00	51.7
93-a	Pears, fresh, imported, in cases, boxes, baskets, or other packages weighing 20 kilos or less (including pears in larger containers if wrapped in paper or other protecting material).	172.50	86.25	50.0
Ex. 94-a	Pears, dried, for table use	82.80	60.00	27.5
95-a	Apples, fresh:			
	Imported:			
	A. From Apr. 1 to Aug. 31	25.00	25.00	Bound
	B. From Sept. 1 to Mar. 31	28.75	28.75	
95-b	Apples, dried:			
	1. Peeled	62.10	41.40	33.3
	2. Not peeled	20.70	20.70	
97	Prunes:			
	a. Imported in containers weighing 10 kilos or less	138.00	103.50	25.0
	b-1. In casks of at least 180 kilos or in sacks of at least 80 kilos, without interior packing, having per ½ kilo:			
	A. Up to 90 prunes	80.00	60.00	25.0
	B. 91 to 100 prunes	60.00	45.00	25.0
	C. Over 100 prunes	40.00	30.00	25.0
	b-2. Imported otherwise:			
	A. Up to 90 prunes	100.00	75.00	25.0
	B. 91 to 100 prunes	74.00	55.50	25.0
	C. Over 100 prunes	50.00	37.50	25.0
99-b	Fruits, dried	34.50	34.50	Bound
225-b	Canned fruits, in cans of 3 kilos or less	276.00	200.00	27.5
Ex. 273-a	Linseed oilcake	¹ Free	² Free	(18)
277-a	Unstemmed leaf tobacco	500.00	500.00	Bound

¹ Quota increased from 606,400 to 678,528 kilos; 11.2 percent quota increase.
² Import quota license tax of 10.00 francs.

¹ Quota restriction removed; tax reduced to 7.50 francs.
² Tax reduction, 25 percent.

BRAZILIAN AGREEMENT

The following table shows the agricultural products which, when imported into Brazil, will be affected by the new trade agreement. The list includes both those products on which reductions in import duties will be made, and those on which the present duty rates have been bound against increase during the life of the agreement.

Brazilian tariff		Unit	Old rate	New rate	Percentage reduction
No.	Item				
ANIMAL PRODUCTS					
37	Hides and skins; prepared or tanned, not specified: Colored or glazed	¹ L. K.	Milreis 158600	Milreis 113440	26¾
98	Milk: In powder, tablets, or other state, with or without sugar	¹ L. K.	4\$160	2\$600	37½
VEGETABLE FOOD PRODUCTS					
225	Fruit: Plums, cherries, quinces, figs, apples, melons, strawberries, peaches, pears, grapes, and similar, fresh or green		Free	Free	Bound
230	Preserved fruits: Any other fruits: In alcohol, sugar sirup, or honey (jams), solid pack, jelly or pulp	¹ L. K.	7\$800	6\$240	20
240	Cereals, garden produce, and vegetables:				
	P. preserved asparagus	¹ L. K.	5\$200	2\$600	50
	A ¹ others, preserved in any manner, with or without mixture of fruits, in solid pack, except tomatoes, or prepared in any other manner	¹ L. K.	5\$200	4\$160	20
245	Flours: Of oats	¹ L. K.	1\$560	0\$780	50

¹ L. K. means legal kilo measure.

NOTE.—Note 51 of the Brazilian tariff is maintained in its entirety.

COLOMBIAN AGREEMENT

The following table shows the agricultural products which, when imported into Colombia, will be affected by the trade agreement.

Colombian tariff		Old duty (Colombian pesos), (per gross kilo)	New duty (Colombian pesos), (per gross kilo)	Percentage reduction
No.	Item			
Animal products:				
44	Meats, different from those classified in numerals 46 and 47	0.45	0.30	33¼
47	Hams, "butifarras", sausages, and similar foodstuffs, even when preserved in boxes, etc.	.80	.50	37½
50	Milk, condensed, evaporated or in powder	.15	.10	33¼
50-A	Prepared milks for children, including those that have as a principal base milk and malt, such as Horlick's	.15	.05	66¾
	Malted Milk, Mellen's Food.			
50-B	Pure milk and cream, liquid	.15	.15	Bound
52	Hog lard	.30	.15	50
Vegetable products:				
10	Oats and other cereals, crushed, pearled, husked, excluding wheat:			
	Under numeral 10: Quaker oats	.08	.08	Bound
12-A	Cornstarch (Maicena)	.20	.15	25
16-A	Soda crackers and prepared breakfast cereals, such as Corn Flakes, Grape Nuts, Force, etc.	.80	.60	25
19	Fresh potatoes, under numeral 19: Sweetpotatoes, potatoes, and other edible tubers, fresh	.06	.05	16¾
21	Grains and vegetables designated in numerals 18 to 20, preserved in tins, etc.	1.00	.30	70
22	Fresh fruits, under numeral 22: Olives, almonds, peanuts, pistachio nuts, hazelnuts with or without shell, chestnuts, coconuts, nuts shelled or unshelled.	.40	.20	50
23	Fruits of all kinds, dried in the natural, under numeral 23: Dried fruits	.50	.25	50
24-B	Fruits preserved in their own juice, in sirup or in liquor	1.00	.50	50
55	Foodstuffs not specified in other parts of the tariff:			
	Cocornalt, Toddy, Bosco, and similar foods	.37	.30	19
766	Tobacco in leaf, cut tobacco	10.00	5.00	50

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
CUBAN AGREEMENT

The following table shows the agricultural products which, when imported into Cuba, will be affected by the trade agreement.

No.	Item	Margin of preference to United States		Rate to United States in Cuban pesos ¹ (per 100 kilos)		Reduction on rates
		Old	New	Old	New	
ANIMAL PRODUCTS						
		Percent	Percent			Percent
239	Hog lard, neutral hog lard, lard oil, lard stearine	20	20	21.16	\$ 5.00	76.4
240	Compound lard	20	20	25.52	\$ 16.00	37.3
244-C	Oleo oil with a minimum fusion point of 41° C.	20	20	40.00	\$ 16.00	60
102-C	Other crude animal oils and fats including neat's-foot oil and crude tallow	20	20	.20	\$ 1.20	Bound
102-D	Edible tallow, containing not more than 2 percent of free fatty acids	20	20	2.40	\$ 2.40	Bound
102-E	Oleo stearine with minimum fusion point of 47° C., and not containing more than 2 percent of free fatty acids	20	20	2.40	\$ 2.40	Bound
102-F	Crude and impure hydrogenated animal oils and fats, imported directly for soap-making, denatured	20	20	2.40	\$ 1.60	33.3
238-C	Pickled or salted pork	20	25	14.40	\$ 9.00	37.5
241-A	Bacon or salted and smoked pork	20	30	16.80	\$ 13.125	21.9
241-B	Salted fat pork	20	25	14.40	\$ 9.00	37.5
242-A	Cured or smoked hams or shoulders	20	30	19.20	\$ 14.42	24.9
242-B	Sugar-cured hams or shoulders	20	30	24.00	\$ 21.00	12.5
273-A	Canned beef, mutton, or pork	20	25	.32	.30	6.3
VEGETABLE PRODUCTS						
274-C	Refined cottonseed oil, corn oil, and soybean oil	20	30	13.00	\$ 3.01	76.9
274-D	Other refined vegetable oils	20	30	15.60	\$ 4.025	74.2
101-A	Crude cottonseed oil, corn oil, and soybean oil	20	35	10.40	\$ 1.95	81.3
101-E	Hydrogenated vegetable oils and fats imported directly for soap making, denatured	20	20	2.40	\$ 1.60	33.3
101-G	Nonspecified vegetable oils, crude or impure	20	30	12.00	\$ 3.01	75
101-H	Residues from refining cottonseed oil, with not more than 60 percent of free fatty acids	20	20	.50	\$ 1.50	Bound
101-I	Residues from refining cottonseed oil, with more than 60 percent free fatty acids	30	20	3.85	\$ 1.80	79.2
253-A	Unhulled rice (duty combined with consumption tax)	40	50	1.92	\$ 1.60	16.7
253-B	Hulled and semihulled rice (duty combined with consumption tax)	40	50	2.22	\$ 1.85	16.7
255-A	Corn	30	30	2.73	\$ 2.73	Bound
255-D	Oats	20	40	1.12	\$ 1.78	30.4
256-A	Wheat flour	30	30	.91	\$.91	Bound
Note: Wheat flour made entirely of wheat grown in the United States shall be accorded a preference of 40 percent.						
256-C	Corn flour	30	30	3.92	\$ 3.64	7.2
	Corn meal	20	30	6.00	\$ 3.64	39.3
256-D	Oat flour	20	20	1.40	\$ 1.30	7.2
	Oatmeal	20	20	6.00	\$ 1.30	78.3
256-E	Flours of other cereals	20	20	1.60	\$ 1.60	Bound
	Meals of other cereals	20	20	6.00	\$ 1.60	73.3
256-F	Wheat semolina	20	30	6.00	\$ 2.10	65
257-B	Red and pink beans	20	25	4.00	\$ 3.75	6.3
257-C	White beans	20	50	2.00	\$ 2.00	Bound
257-E	Nonspecified beans and lentils	20	40	4.00	\$ 3.00	25
258-A	Peas	20	30	2.08	\$ 1.82	12.5
259-A	Onions, imported from Nov. 15 to the following June 15, inclusive	20	20	4.00	\$ 4.00	Bound
259-B	Onions, imported from June 16 to Nov. 14, inclusive	20	50	4.00	\$ 2.50	37.5
260-B	Potatoes, imported from Nov. 1 to the following June 30, inclusive	20	20	4.00	\$ 4.00	Bound
260-C	Potatoes, imported from July 1 to Oct. 31, inclusive	20	50	4.00	\$ 2.00	50
260-D	Cauliflower, celery, cucumbers, tomatoes, and other fresh garden truck	20	20	1.60	\$ 1.60	Bound
260-E	Other nonspecified fresh garden truck	20	20	1.60	\$ 1.60	Bound
262-B	Apples, pears, peaches, plums, cherries, grapes, and other similar fruits	20	20	1.20	\$ 1.20	Bound
262-D	Melons, imported from July 15 to the following Jan. 31, inclusive	20	40	4.00	\$ 1.20	70
262-E	Other fresh fruits, not specified	20	20	1.60	\$ 1.60	Bound
264-A	Figs and raisins	20	30	1.56	\$ 1.365	12.5
264-B	Other dried or evaporated fruits	30	30	3.20	\$ 2.80	12.5
265-B	Walnuts, filberts, and similar nuts	20	20	1.56	\$ 1.20	23.1
269-A	Dried hay	20	40	1.68	\$ 1.17	30.4
269-B	Stalks and heads of millet	20	20	1.68	\$ 1.20	28.5
269-C	Other herbage, leaves, and plant waste for animal feeds	20	20	1.12	\$ 1.04	7.2
269-D	Bran and hulls of cereals	20	20	.40	\$.40	Bound
269-E	Cake, paste, powder, and meal of oleaginous seeds for animal feeds	20	40	2.64	\$ 1.20	54.6
269-G	Mixed poultry feeds	20	30	2.40	\$ 1.40	41.7
269-H	Other nonspecified animal feeds	20	30	3.92	\$ 3.185	18.8
271-F	Canned peas, sweet corn, and asparagus	30	40	.084	\$.072	14.3
271-G	Nonspecified canned vegetables	30	30	.084	\$.084	Bound
272-B	Canned pears, peaches, plums, apricots, and the like	40	40	.072	\$.06	16.7
273-C	Sauces, mustard, and food extracts for seasoning	20	40	.128	\$.096	25
273-E	Nonspecified canned foods	20	40	.192	\$.144	25
289	Jams and jellies, caramels, sweetmeats, candies of all kinds, and chewing gum	20	40	.24	\$.18	25
291-A	Ordinary crackers	20	20	3.20	\$ 3.20	Bound
291-B	Fine crackers of all kinds, not containing more than 15 percent of chocolate or sweetmeats	20	20	6.40	\$ 6.40	Bound
291-C	Fine crackers containing more than 15 percent and less than 30 percent of chocolate or sweetmeats	20	20	(²)	\$ 16.80	(⁴)
296-A	Unmanufactured tobacco in the leaf	(²)	20	11.00	\$ 8.80	20
296-B	Tobacco stems	(²)	20	.27	\$.216	20
TEXTILE RAW MATERIAL						
112-A	Raw cotton	30	30	.35	\$ 1.35	Bound

¹ Cuban peso equals approximately \$1.

² Not to be increased during life of agreement.

³ \$04 if of chocolate, \$24 if of sweetmeats.

⁴ 73.8% reduction if of chocolate; 30% if of sweetmeats.

⁵ No preference.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
HAITIAN AGREEMENT

The following table shows the agricultural products which, when imported into Haiti, will be affected by the trade agreement.

Haitian tariff		Unit ¹	Old rate	New rate	Percentage reduction
No.	Item		(Gourdes=\$0.20)		
ANIMAL PRODUCTS					
12003	Beef, mutton, or pork, fresh or refrigerated.....	G. K.	0.30	0.10	66⅔ percent.
12006	Beef and pork, smoked or salted, not specified, including jerked beef.....	G. K.	.30	.30	Bound.
12007	Beef and pork, pickled in brine.....	G. K.	.25	.25	Do.
12008	Tongues, heads, tails, jaws, or feet, salted or pickled in brine.....	G. K.	.20	.20	Do.
12011	Lard of pork or of other animal origin, however packed.....	N. K.	.50	.375	25 percent (conditional). ³
12418	Common cheese, packaged or not, including Cheddar, Swiss type, Edam type, Gouda type, processed cheese, and the like.	N. K.	1.00	.60	40 percent.
12420	Butter.....	N. K.	1.60	.30	50 percent in specific rate.
12423	Evaporated milk or cream and any kind of milk, preserved, concentrated, condensed, or powdered..	N. K.	1.30	(9)	50 percent in ad valorem rate.
12424	Malted milk, infants' food, and like preparations.....	N. K.	1.30	(9)	Do.
VEGETABLE PRODUCTS					
12130-a	Fresh apples, grapes, and pears.....	N. K.	1.10	.06	40 percent in specific rate.
12131-a	Raisins, prunes, and apricots, pressed, dried, or desiccated, packaged in any form.....	N. K.	1.25	1.16	36 percent in specific rate.
12135-b	Certified seed potatoes, when cut in pieces, with the eyes plainly visible.....	N. K.	.12	Free	100 percent.
12404-a	Peaches, pears, apricots, berries, cherries, apples, and fruits for salad, preserved in their juice, in sirup or in water.	N. K.	.40	.26	35 percent.

¹ G. K. = Gross kilo; N. K. = Net kilo.

² In accordance with par. 2 of art. I of the general provisions the tariff-rate reductions on these commodities will become effective during any fiscal year when the budget of expenditures of the Republic of Haiti is promulgated in the amount of gourdes 40,000,000 or more.

³ Or 20 percent ad valorem.

⁴ 10 percent ad valorem.

GENERAL NOTE.—The present customs surtax of 5 percent of the duty will continue to apply when the new rates of duty become effective.

HONDURAN AGREEMENT

The following table shows the agricultural products which, when imported into Honduras, will be affected by the trade agreement.

Honduran tariff		Old rate (Lempiras ¹)	New rate (Lempiras ¹)	Percentage reduction
No.	Item			
ANIMAL PRODUCTS				
602, 1564, 2287	(Hams, sausages, and other kinds of meat, preserved or packed in containers of tin, earthenware, and glass, except salt beef and corned beef.....)	{ 0.42 .50 .35 }	0.27	{ 36 46 37 }
1563, 2286, 2501	Hams, shoulders, bacon, and sausages, smoked, in unspecified containers.....	{ .45 .30 }	.22	{ 51 33½ }
1644	Condensed milk.....	.30	.20	33½
1644	Evaporated milk.....	.30	.15	50
1645	Dried skimmed milk.....	.22	.15	32
1645	Dried whole milk.....	.22	.22	Bound
1765	Butter.....	1.32	.42	68
VEGETABLE PRODUCTS				
687	Breakfast foods other than rolled oats and oatmeal.....	.20	.20	Bound
687	Rolled oats and oatmeal.....	.20	.10	50
1287	Fresh apples, pears, plums, grapes, cherries, and strawberries.....	.05	.05	Bound
1288	Canned fruits.....	.52	.14	73
1289, 1290, 1292	Dried fruits of all kinds.....	{ .12 .32 }	.08	{ 33½ 75 }
1314	Biscuits and crackers, not sweetened or flavored.....	.32	.16	50
1314	Biscuits and crackers, sweetened or flavored.....	.32	.32	Bound
1390, 1648, 1737, 2017, 2057	Canned tomatoes (including tomato paste), corn, peas, and asparagus.....	{ .32 .38 .42 }	.11	{ 66 71 74 }
1402	Flour, wheat.....	.12	.12	Bound

¹ Lempira equaled \$0.49 November 1935.

NETHERLAND AGREEMENT

The following table shows the agricultural products which, when imported into the Netherlands, will be affected by the trade agreement.

Netherlands tariff		Old quota (in metric tons)	New quota (in metric tons)	Duty binding for pre- vailing rates	Nature of concession
No.	Item				
SECTION A. NETHERLANDS					
Ex. 104	Animal products: Pure lard and steam lard.....			Free.....	Bound. NOTE.—Entry free of duty is bound when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and special conditions provided for any future quantitative limitations on imports.
Ex. 104	Oleomargarine (oleo oil).....			Free.....	Bound. NOTE.—Entry free of duty is bound when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.
Ex. 104 II. B.	Oleo stearine: 1. When fluid at 15° C. 2. Other.....			100 net kilos florin 0.70. Free.....	Bound. NOTE.—Duty treatment is bound as specified when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.
Ex. 104, II. B.	Grease stearine: 1. When fluid at 15° C. 2. Other.....			100 net kilos florin 0.70. Free.....	Bound. NOTE.—Duty treatment is bound as specified when used for the fabrication of margarine, technical production or reexport. Exemption and refund provisions of crisis taxes are consolidated and specified.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
NETHERLAND AGREEMENT—continued.

Netherland tariff		Old quota (in metric tons)	New quota (in metric tons)	Duty binding for pre- vailing rates	Nature of concession
No.	Item				
SECTION A. NETHERLANDS—CON.					
Animal products—Continued.					
Ex. 146, VI. B. 1. b.	Horse meat, salted.....	(1)	1,000	Florins 7.50 per 100 kilos.	Bound.
Ex. 129, I.	Vegetable products: Leaf tobacco; seed leaf, Maryland, Kentucky, and Virginia types.			Florins 1.40 per 100 kg.	Do.
Ex. 148, I. 4.	Fresh apples.....			12 percent.....	Do. NOTE.—The present monopoly fee is bound against increase, while for the period March-June, inclusive, it will be reduced by one-half for a quantity of 13,500 metric tons from the United States. Assurances are given concerning the application of the lower (fl. 0.02) rate prior to March in years of Netherland crop shortage.
Ex. 148 I. 5.	Fresh pears.....			do.....	Bound. NOTE.—The present monopoly fee is bound against increase, while for the period February-June, inclusive, it will be reduced by one-half for a quantity of 2,300 metric tons from the United States. Assurances are given concerning the application of the lower (fl. 0.02) rate prior to February in years of Netherland crop shortage.
Ex. 148 I. 6.	Dried prunes.....			do.....	Duty bound. NOTE.—The monopoly import fee is reduced, by one-half, from florin 0.04 per kilo to florin 0.02 per kilo.
Ex. 148 I. 11.	Raisins.....			do.....	Duty bound. NOTE.—The monopoly import fee is reduced, by one-half, from florin 0.02 per kilo to florin 0.01 per kilo.
Ex. 148 I. 16.	Apricot kernels.....			10 percent.....	Duty bound.
Ex. 148 I. 18.	Grapefruit.....			12 percent.....	Duty bound. NOTE.—The existing monopoly import fee is entirely removed.
Ex. 148 III. B. and C.	Canned fruits:				NOTE.—The monopoly import fee is reduced, by one-half, from florin 0.02 per kilo to florin 0.01 per kilo.
	1. Containers of 1.2 kilos or less.			30 percent.....	Bound.
	2. Containers of 1.2 kilos but not over 5 kilos.			15 percent.....	
Ex. 148 III. C. 1 (a) and 3 (a).	Canned asparagus, for con- tainers of:				Bound. NOTE.—Monopoly import fees are bound as follows: (A) can- ned pineapple, ¹ florin 0.075 per kilo; (B) other canned fruit, (1) if containing more than 5 percent added sugar, ² florin 0.05 per kilo; (2) if containing 5 percent or less added sugar (a) in containers of not more than 1.2 kilos, florin 0.10 per kilo; (b) in containers of over 1.2 kilos but not over 5 kilos, florin 0.05 per kilo.
	1. 1.2 kilos or less.....			30 percent.....	
	2. Over 1.2 kilos but not over 5 kilos.....			15 percent.....	
	3. Over 5 kilos.....			10 percent.....	
Ex. 148 III. C. 1. c.	1. Rolled oats and cereal breakfast foods: In bulk.			Free.....	Bound. NOTE.—Monopoly import fees are bound at florin 0.15 per kilo for containers of 1.2 kilos or less and at florin 0.10 per kilo for larger containers.
	2. Rolled oats and oat grits: In packages.			10 percent.....	
Ex. 148 I. 24.	"Peeled" and cleaned or polished rice.	1,784	3,500		Bound. NOTE.—It is conceded that the monopoly import fee on rolled oats, packaged or not, shall be reduced so that it shall not exceed 134 times whatever monopoly import fee may be in effect at any time for oats. Based on the present fee for oats (for human con- sumption) this reduces the fee on rolled oats from 8 florins to 5.83 florins per 100 kilos.
	1. In bulk.....			Free.....	
	2. In packages.....			10 percent.....	NOTE.—The present low monopoly import fee is bound.
Ex. 148 I.	Wheat flour ³				
	Milling wheat ³				
	Soybean cake.....		2,500		
Ex. 148 I.	Textile raw material:				Bound.
	Cotton, raw, in bulk.....			Free.....	
SECTION B. NETHERLAND INDIES					
Vegetable products:					
Ex. 34 II.	Fresh apples.....			30 percent.....	Do.
Ex. 34 II.	Fresh grapes.....			do.....	Do.
Ex. 36.	Dried fruits, n. e. s., ex- cept dates and tama- rinds.			do.....	Do.
Ex. 93 and ex. 42.	Oatmeal, oat flakes, corn flakes, wheat flakes, rice flakes; and grits.			18 percent.....	Do.
Ex. 97 II.	Fruits, in water, sirup, or wine.			30 percent.....	Do.
Ex. 101 and ex. 103.	Vegetables, preserved; also asparagus and arti- chokes; in bottles and glass jars or other air- tight containers.			do.....	Do.
Ex. 121 I.	Leaf tobacco.....			Florins 18.....	Do.

¹ No separate quota.

² For containers of not over 5 kilos.

³ The Netherlands Government undertakes to purchase annually from mills in the United States of America a quantity of wheat flour equivalent to not less than 5 percent of the annual total wheat-flour consumption in the Netherlands, provided that the price of such wheat flour delivered in the Netherlands is competitive with the price of other foreign wheat flour of comparable grade and quality. The Netherlands Government undertakes to purchase annually a quantity of milling wheat originating in the United States of America equivalent to not less than 5 percent of the annual total consumption of foreign milling wheat in the Netherlands, provided that the price of the milling wheat originating in the United States of America is competitive with the world price for milling wheat of comparable grade and quality.

NOTE 1.—Of the total annual quantities of either milling wheat or wheat flour originating in the United States of America which the Netherlands Government undertakes to purchase pursuant to the foregoing provisions, one-twelfth part thereof will be purchased each month unless purchases for 1 or more months are made in advance. If in any month the prices of milling wheat or wheat flour originating in the United States of America are not competitive and for this reason the monthly purchases are smaller than those provided for above, the Netherlands Government shall not be obligated to compensate for such deficiency by correspondingly increased purchases in later months.

NOTE 2.—The Netherlands Government will give sympathetic consideration to any representations which the Government of the United States of America may make with respect to any matter pertaining to the application of the provisions of this schedule.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
NICARAGUAN AGREEMENT

The following table shows the agricultural products which, when imported into Nicaragua, will be affected by the trade agreement.

No.	Item	Unit ¹	Old rate (cordobas ²)	New rate (cordobas ²)	Percentage reduction
Nicaraguan tariff					
ANIMAL PRODUCTS					
956	Hog lard and other lard of animal origin, however packed.....	N. K.	0.12	0.10	17
Ex. 1073	Condensed milk or cream.....	N. K.	.12	.07	42
Ex. 1073	Evaporated milk or cream.....	N. K.	.12	.04	67
Ex. 1073	Dried whole milk or cream.....	N. K.	.12	.10	17
Ex. 1073	Dried skimmed milk or cream.....	N. K.	.12	.07	42
VEGETABLE PRODUCTS					
964	Wheat flour.....	100 N. K.	2.10	2.10	Bound
987	Raisins, dates, figs, prunes, and similar pressed fruits, including dried apples, peaches, apricots, and pears.....	N. K.	1.20	1.12	40
990	Beans, dried.....	100 N. K.	1.00	1.00	Bound
1042	Fruits, preserved in their own juice, in sirup, or in water, in any container.....	N. K.	1.12	1.08	33
1078	Preserved vegetables of all kinds (other than pickled), n. o. p., in any container.....	N. K.	1.16	1.10	37

¹ N. K. = net kilo.

² Cordoba = \$1 United States for customs purpose, March 1936.

³ So long as the present Franco-Nicaraguan commercial treaty remains in force, the most-favored-nation provision of the agreement assures the products of the United States of a rate of duty at least one-quarter below duties specified in the column headed "Old rate."

SWEDISH AGREEMENT

The following table shows those agricultural products which, when imported into Sweden, will be affected by the trade agreement

No.	Item	Old duty (Swedish crowns per 100 kilos ¹)	New duty (Swedish crowns per 100 kilos ¹)	Percentage reduction
Swedish tariff				
ANIMAL PRODUCTS				
26	Pork, salted.....	12.00	12.00	Bound.
VEGETABLE PRODUCTS				
Ex. 130	Apples, fresh (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	10.00	Rate reduced 50 percent for month of January.
	Apples, fresh (entering during period May 1 to Jan. 31, inclusive).....	20.00	20.00	
	Apples, fresh (entering during period Jan. 1 to Apr. 30, inclusive).....		10.00	Rate reduced 50 percent for months of December and January.
	Apples, fresh (entering during period May 1 to Dec. 31, inclusive).....		20.00	
Ex. 131	Pears, fresh (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	10.00	Rate reduced 50 percent for months of December and January.
	Pears, fresh (entering during period May 1 to Jan. 31, inclusive).....	20.00	20.00	
	Pears, fresh (entering during period Dec. 1 to Apr. 30, inclusive).....		10.00	Rate reduced 50 percent for months of December and January.
	Pears, fresh (entering during period May 1 to Nov. 30, inclusive).....		20.00	
Ex. 132	Grapefruit (entering during period Feb. 1 to Apr. 30, inclusive).....	10.00	Free	100 percent.
	Grapefruit (entering during period May 1 to Jan. 31, inclusive).....	20.00	Free	100 percent.
Ex. 135	Apricots and peaches, dried.....	Free	Free	Bound.
137	Prunes, dried.....	Free	Free	Bound.
Ex. 138	Pears, dried.....	Free	Free	Bound.
Ex. 139	Apples, dried.....	Free	Free	Bound.
140	Mixed fruits for salad, dried.....	Free	Free	Bound.
Ex. 142	Raisins.....	15.00	Free	100 percent.
188	Rice, milled.....	2.00	2.00	Bound.
198	Cornstarch.....	20.00	20.00	Bound.
Ex. 307	Cereal breakfast foods.....	20.00	15.00	25 percent.
Ex. 310	Pineapple, sweet, preserved in large containers.....	50.00	20.00	60 percent.
313	Coffee substitutes (not containing coffee).....	20.00	20.00	Bound.
Ex. 318	Canned fruits:			
	Peaches.....		50.00	33.3 percent.
	Apricots.....		50.00	33.3 percent.
	Pineapples.....		30.00	60.0 percent.
	Pears.....		50.00	33.3 percent.
	Mixed fruits for salad.....		50.00	33.3 percent.
	Grapefruit.....		30.00	60.0 percent.
NOTE.—Canned fruits intended for use in the confectionery industry or for the production of sweet-preserves or marmalades entering in containers of sizes not suitable for retail trade are not included in this number. They are dutiable at lower rates.				
Ex. 321	Canned soups.....	75.00	50.00	33.3 percent.
Ex. 321	Canned pork and beans.....	75.00	50.00	33.3 percent.
359	Cottonseed cake.....	Free	Free	Bound.
361	Linseed cake.....	Free	Free	Bound.
365:1	Copra cake.....	Free	Free	Bound.
365:2	Other oilcake.....	Free	Free	Bound.
901	Cotton, uncarded.....	Free	Free	Bound.

¹ 1933, 1 Swedish crown equaled \$0.2195.

² For all kinds.

AGRICULTURAL PRODUCTS ON WHICH CONCESSIONS WERE OBTAINED BY THE UNITED STATES IN THE ELEVEN TRADE AGREEMENTS CONCLUDED TO MAR. 18, 1936—Continued
SWISS AGREEMENT

The following table shows the agricultural products which, when imported into Switzerland, will be affected by the trade agreement.

No.	Item	Swiss tariff	Old quota (quintals ¹)	New quota (quintals ¹)	Old duty (in francs per quintal ²)	New duty (in francs per quintal ²)	Percentage reduction on duty
ANIMAL PRODUCTS							
95	Lard ³		(⁴)	(⁴)	* 20.00	* 20.00	50 percent (by suppression of supplementary duty). Bound.
149	Bladders, intestines, rennet				2.00	2.00	
VEGETABLE PRODUCTS							
1	Wheat		Zero	1,180,000	.60	.60	
12	Rice in milled, husked, or broken grains; groats or semolina of rice		20,000	20,000	4.50	4.50	Bound.
24a	Apricots, apples, pears, fresh, but not in bags or in bulk		24,146	24,146	5.00	5.00	
25a-1	Plums and prunes, dried or pressed, not pitted, in containers of all kinds weighing 50 kilograms or more		15,000	24,709	5.00	5.00	Bound.
25a-2	Plums and prunes, dried or pressed, not pitted, in containers of all kinds weighing less than 50 kilograms				15.00	10.00	33½ percent.
27	Fruits, dried or pressed, pitted or stoned		10,600	11,000	50.00	* 40.00	20 percent.
33	Raisins of all kinds, except Malaga raisins and Denia raisins in clusters				10.00	10.00	Bound.
44b	Vegetables preserved in vinegar or otherwise, in containers of all kinds weighing 5 kilograms or less, other than preserved tomatoes, but including preserved asparagus		6,500	10,000	40.00	* 40.00	Bound.
101b	Preserved fruits of all kinds, including those in sugar or in alcohol, in any type of container (including candied fruits), except those classified under number 101a.				55.00	45.00	18.2 percent.
TEXTILE RAW MATERIAL							
341	Cotton, raw				.20	.20	Bound.

¹ Quintal equals 220 pounds.

² 1934, Swiss franc equals \$0.324.

³ The Swiss Government agrees that not less than 90 percent of the total permitted importations of lard shall consist of lard originating in the United States of America. The annual quota thus allotted to the United States shall be divided into four equal calendar quarter quotas. Should any part of such quarterly quota not be utilized, the unused portion thereof may be reallocated to other countries. If, however, an import permit issued to a given importer has not been utilized within 30 days of its issuance, the Swiss authorities agree to offer to all other importers entitled to import lard from the United States the right to import, within 30 days, the quantity stipulated in the said permit. The Swiss Government will authorize the importation of lard within 3 months after this agreement comes into force.

⁴ Embargo on imports.

⁵ 90 percent of total Swiss importation when importation is resumed.

⁶ Plus 20.00.

⁷ Supplementary duty suppressed.

⁸ On apricots.

⁹ On asparagus.

PERMISSION TO ADDRESS THE HOUSE

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that on Monday next, April 6, after the reading of the Journal and disposition of business on the Speaker's table, I may be permitted to address the House for 15 minutes in reply to the gentleman from New York in connection with his criticism of the Secretary of Agriculture.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. RICH. Mr. Speaker, reserving the right to object, if the gentleman can defend the Secretary of Agriculture in connection with things he has done in this administration, the gentleman from Oregon ought to be given an hour.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial appearing in this morning's Washington Herald entitled "Polecat Politics."

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ZIONCHECK. Mr. Speaker, I object to the editorial. I do not object to the gentleman's remarks.

NEW ENGLAND TODAY AND TOMORROW

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address that I made.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BREWSTER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address which I delivered on March 26, 1936, over the radio:

The Yankee network is to be cordially commended for the patriotic service it is rendering not only to New England but to the Nation and possibly to the world by developing these New England town meetings of the air. In these tumultuous times many ponder whether or not government of the people can cope with the stupendous problems of these days. Across the seas dictatorships are established and parliaments are abolished.

Dictatorships in their inception sometimes offer a glittering contrast to the inefficiency and paralysis that often seems to be characteristic of popular government.

The sturdy individualism of New England developed in the town meetings and giving its stamp to the pioneers who did so much to make America in the last century needs now to reassert itself in coping with these new problems and demonstrating the capacity of revitalized patriots to see and think and speak in terms of a nation and a world in dire distress.

The remarkable response of New England communities to the appeal of the Red Cross for funds to assist in flood relief demonstrates that the voluntary spirit of cooperation has not disappeared in any abject dependence upon governmental aid.

In recent years the Government has done much in many lines.

Northern New England realizes the significance of the Passamaquoddy development in giving relief to those who are in need, and in assisting in the industrial rehabilitation of an area that was certainly depressed.

We profoundly appreciate the consideration of the authorities in Washington and their readiness to help in every way with the funds that have been placed at their disposal and the authority that they may now exercise. New England, however, seems more than ever determined to do everything within its power to help itself in the solution of the problems with which we are faced.

It is our understanding here in Washington that the Red Cross is assisting all communities in extending aid to those suffering from the recent devastating floods and that the Red Cross expects to help greatly in individual rehabilitation in homes and farms.

Meanwhile the Works Progress Administration, otherwise known as the W. P. A., through its administrators in each State will immediately receive and promptly pass upon projects to restore public property of any kind that has been damaged by the floods. This applies to bridges, highways, schoolhouses, waterworks, sewer systems, public buildings of any kind, and any other public property. They ask only that the local community make such contribution as it is able.

In carrying out these projects the usual limitations as to relief labor and material cost will not apply.

All those in authority here in Washington have been most helpful and sympathetic and ready to cooperate in any way within their power. The New England Senators and Representatives have kept in constant touch with their constituencies and with all the governmental agencies which were in a position to render aid and feel assured of prompt action to afford relief.

As the days and the weeks and the months pass by here in Washington one becomes constantly more impressed with the necessity of contacts with the folks back home. Washington is a vampire city living upon the vitality of a nation. Washington easily becomes mesmerized with its own importance as the wires pour in here from every quarter of the land, and yet it is the farms and the factories of the Nation from which alone Washington may draw its life.

One comes in daily contact here with representatives from every section of the United States and with citizens of every

conceivable point of view. Interests and influences of sundry and subtle kinds operate above and below the surface. Every conceivable appeal that may affect human actions is brought to bear here to influence the destiny of a nation.

Yet our constituencies after all are the things we exist to serve. This forum is not the place nor does time permit to discuss the tremendous problems with which this Congress is now faced.

There are not lacking those who feel despair over the capacity of a great self-governing democracy to face the challenge of the economic and social mechanism we have evolved. They suggest the creation of a Frankenstein that will destroy our civilization.

Whether or not our civilization may end in such a catastrophe as have other great civilizations that have preceded us upon this earth, certainly this generation of Americans do not propose to sit idly down and permit our great heritage to be dissipated without a struggle.

There can be no challenge of the profound truth that American democracy may continue to be an example and an inspiration for the struggling peoples of mankind only if the spirit of the New England town meetings shall continue to animate the people of the United States, and they shall individually and resolutely determine the course of their affairs.

The subtle and sinister suggestion that the governmental relief measures incident to this great depression will destroy the independence of the American people and that they will go the way of Greece and Rome, content with their corn and their circuses, is a challenge to the descendants of the 10 generations who have made America preeminent among the nations of the world.

New England has been justly proud of its position as one of the twin settlements from which poured out across a continent the energy and the visitation which have made America what it is today.

New England has long exercised an influence out of all proportion to its size in the councils of the Nation. We should have been more than human if that responsibility had not been sometimes abused and that power sometimes exercised for something less than the welfare of the Nation as a whole.

New England suffers now somewhat for the sins of its fathers in an attitude of mind in other sections of the country that is not always sympathetic with the ideas of New England as to how our national progress may best be served and America made a better nation in which more and better Americans may live richer and better lives.

New England today and tomorrow will be worthy of its past if it shall go forward, true to its ideals and traditions, and more than ever determined to lead the Nation away from the morass in which civilization would inevitably be engulfed if we should yield to the subtle suggestion that popular government is no longer equal to our needs.

The minute men and women of New England may continue to serve the Nation in its hour of greatest need. Surely that opportunity for service lies open before us in individual reconsecration to the spirit of our forefathers and the determination that government of the people, by the people, and for the people shall not perish from the earth.

EXTENSION OF REMARKS

Mr. MOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MOTT. I did not understand the gentleman's objection to my unanimous-consent request. I am not sure just what his objection was.

Mr. ZIONCHECK. Mr. Speaker, I objected to the editorial. I do not care what else the gentleman puts in the Record.

The SPEAKER. The gentleman will restate his request.

Mr. MOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein an editorial appearing in this morning's Washington Herald entitled "Polecat Politics", which has to do with the Black investigation in the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

Mr. ZIONCHECK. Mr. Speaker, I object.

The SPEAKER. Under the special order for today, the Chair recognizes the gentleman from Massachusetts [Mr. TREADWAY] for 20 minutes.

THE BUDGET AND FOREIGN-TRADE FALLACIES

Mr. TREADWAY. Mr. Speaker, I ask that I be not interrupted during the course of my remarks, and I also ask unanimous consent to revise and extend my remarks in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FAILURE OF ACTING DIRECTOR OF THE BUDGET TO REPLY TO OFFICIAL CORRESPONDENCE

Mr. TREADWAY. Mr. Speaker, I desire to call the attention of the House and of the country to the manner in

which inquiries of Members of Congress, and probably all citizens, are treated by officials of the administration.

Under date of March 17, and mailed that day, I addressed a letter to the Honorable David W. Bell, Acting Director of the Budget, in which I called attention to the fact that Members of the House have said on the floor that "the Budget for the ordinary appropriations and expenditures is balanced." I asked Mr. Bell for the authority for that statement and inquired whether it was borne out by his accounts.

Under date of March 26 I again wrote to Mr. Bell, calling his attention to the failure of any reply to reach me and added that I would be glad to have information as to the difference between an ordinary budget and an extraordinary budget. I further inquired under what authority of law there are in existence at this time two budgets.

Up to this morning both of my letters remain unanswered. If the inquiry was not a proper one and if Budget information must be confidential and withheld from Members of Congress, well and good, but that is not my conception of the Budget Director's official position nor of mine as a Member of this House. I, therefore, call upon him publicly to furnish this information. If he does not intend to furnish it, ordinary courtesy would require that he answer my two letters and state his reason for not providing the information I have asked for in an official way.

FOREIGN-TRADE FALLACIES

Mr. Speaker, I was quite surprised at reading in the press the other day certain extracts from the speech by a very prominent Republican before the Economic Club in New York City, wherein he seems to have accepted without question the oft-stated but thoroughly misleading doctrine (a) that we are a creditor nation and (b) that to regain our foreign export markets we must accept more imports.

The gentleman evidently has been misinformed regarding our international position and is unfamiliar with our experience in the last 2 years as regards the attempt to increase exports by increasing imports. I feel sure that he would not have embraced this false doctrine if he had been aware of the true facts.

WE ARE NO LONGER A CREDITOR NATION

In the first place, we are not a creditor nation. Mr. George N. Peek, who until recently was foreign-trade advisor to the President, showed in his letter to the President of April 30, 1935, that our book position as of December 31, 1934, as a creditor nation was wholly dependent upon the value of our direct investments abroad, such as branch factories, mines, plantations, public utilities, and so forth, and upon the status of the war debts. Our direct investments are still being carried on our books at the 1929 valuation of nearly \$8,000,000,000, which is 50 to 60 percent too high; and, as far as the actual value of the war debts as an asset is concerned, one man's guess is as good as another's.

If we charged off the war debts and scaled down our foreign investments to the 1936 valuation we find that we are no longer a creditor nation, particularly in view of the large increase in foreign holdings of American securities. Therefore, the argument that we must revise our tariff policy because we are a creditor nation is not sound.

In his reports to the President as foreign trade adviser, Mr. Peek showed that as a result of our international trade in 1934, including both visible and invisible items, we were a net debtor to the world for the year in the amount of \$970,000,000. Largely as a result of our huge purchases of gold and silver, and more recently as a result of increased imports under the so-called reciprocal-trade treaties, we had an adverse balance of visible trade in 1935 amounting to some \$1,841,000,000. This, of course, does not include invisible items, for which statistics are not yet available, which consistently run against us.

Our adverse balance of international trade in the last 2 years has been settled largely by the transfer to foreigners of American-held securities, and has resulted in a corresponding reduction in our net creditor position. I referred to this fact in my remarks of March 4, and in connection

with my remarks of March 17, I inserted in the RECORD a table showing our heavy adverse balance of visible trade during 1934 and 1935. The trend is continuing in the same direction. Therefore, I submit to the proponents of the administration's trade-treaty program the question, whether, on the basis of these facts, we can regard ourselves for practical purposes as a creditor nation, or whether we can accept the theory that we are a creditor nation as a basis for foreign trade and tariff policy?

FOREIGN TRADE INCLUDES MANY INVISIBLE ITEMS

Mr. Speaker, the theory that to regain our export markets we must admit more imports is one of those part truths that is more deceptive than an outright false premise. Many other things besides agricultural and industrial products enter into trade between nations. In addition to merchandise imports and exports, there are the so-called "invisible" items, which include shipping and other services, tourists' expenditures, immigrant and charitable remittances, interest payments, and so on; also gold, silver, and securities. All these items enter into the total balance of payments, and often dominate completely the merchandise balances.

For example, Great Britain, in spite of a definitely adverse balance of merchandise trade, has been able through the sale of her shipping, banking, and other services, and through the receipt of interest from her foreign investments to maintain a favorable balance of payments in 1935 amounting to some 37,000,000 pounds sterling, or approximately \$185,000,000.

So far as our own country is concerned, we have in the past depended on a large favorable balance of merchandise trade to offset the heavy invisible balances against us.

We now find this merchandise balance falling off sharply, having dropped from \$478,000,000 in 1934 to \$234,000,000 in 1935. In February of this year we had an unfavorable balance of merchandise trade in the amount of \$10,191,000 as against a favorable balance of \$10,508,000 in February a year ago. On top of this, we find during 1934 and 1935 a vast excess of imports over exports, including gold and silver, the proceeds of which have been used by foreigners not for additional purchases of American goods and services, or for payment on public and private debts, but for the repatriation of their own bonds at perhaps 25 cents on the dollar, or for the acquisition of American securities and other capital assets.

FOREIGNERS BUYING AMERICAN SECURITIES RATHER THAN GOODS

The vast increase in our imports has not resulted in any perceptible increase of our commodity exports, and therefore has been of no benefit to American agriculture, industry, or labor but has merely made possible a heavy drain on our liquid assets. This whole matter is very thoroughly and authoritatively discussed by Mr. Peek in a speech before the National Industrial Conference Board last October, which I commend to the attention of the House as being unchallenged, and in my opinion unchallengeable.

INCREASED IMPORTS HAVE NOT RESULTED IN INCREASED EXPORTS

I say emphatically that increased imports do not necessarily result in increased exports. This has been our experience during the past 2 years, and experience is to be relied upon more than theory. It has been said that in order to get foreign countries to purchase from us we must put additional purchasing power in their hands by letting them sell us more of the goods we consume here in the home market. This the administration has done, to the injury of our own farmers, manufacturers, and workingmen who were deprived of the opportunity to supply the domestic market with their products. However, in spite of the fact that in 1935 we imported foreign goods in the amount of \$2,047,000,000, an increase of 24 percent over 1934, and in spite of the fact that we bought over \$2,000,000,000 of foreign gold and silver at artificially inflated prices, making total imports of more than \$4,000,000,000, foreign countries only purchased American goods in the amount of \$2,282,000,000, which was an increase of only 7 percent over 1934. There is nothing to indicate that the creation of still further purchasing power in the hands of foreign countries, whether by

additional tariff reductions or gold and silver purchases, will result in any further increase in our export trade.

The present administration has based its entire foreign-trade policy upon the false premise to which I have referred. It can and will be challenged. The Republican Party can never accept this fallacious doctrine as a basis for its tariff policy, and it will not allow itself to be committed either directly or indirectly to the foreign-trade theories and fallacies of the present administration. We have more than a valid case against the administration, and we are going to press it in the coming campaign.

Mr. BANKHEAD. Mr. Speaker, I do not want to violate the gentleman's request, but I wonder if he would yield to me for a question?

Mr. TREADWAY. I yield to the distinguished Democratic leader.

Mr. BANKHEAD. As I understand it, although I have not been so informed by the gentleman who is now addressing the House, the speech now being delivered by the gentleman from Massachusetts is in answer to a speech made in New York a few days ago by Colonel Knox, the illustrious candidate for nomination as President of the United States, in which Mr. Knox took a position directly opposite to that now being assumed by the gentleman from Massachusetts?

Mr. TREADWAY. I did not name the individual, as stated by the gentleman from Alabama; however, he is right in the assumption that it was Colonel Knox who addressed the Economic Club in New York last week to whom I referred. This gentleman enunciated views directly opposite to those which I hold and directly opposite to views that other men hold as well.

FOREIGNERS ALREADY HAVE TREMENDOUS FREE MARKET IN UNITED STATES

No one can possibly object to our buying abroad in increased quantities those things which we do not produce at home, but which we consume in great quantities. I refer, of course, to such products as coffee, tea, rubber, spices, raw silk, and so on. These articles are now on the free list, and so far as I know no one has sought to have a duty placed upon them. We charge foreign countries nothing for the privilege of selling these commodities in our rich domestic market, and it seems to me that we could well trade our surplus products for these things that we need rather than encourage increased importations of competitive agricultural and industrial products which we can and do produce at home.

We constantly hear it said that our tariff rates are too high, but seldom are any specific instances cited. However, if they are excessive in any instance, adequate machinery is afforded whereby they may be reduced by as much as 50 percent upon a showing that the existing duty more than offsets the difference in foreign and domestic production costs.

WHOLESALE TARIFF REDUCTIONS SOLVE FOREIGN UNEMPLOYMENT PROBLEM, BUT NOT OUR OWN

There is no excuse, in my opinion, for the wholesale reductions being made by the President under the authority granted him by the subservient Democratic Congress. These reductions are being made upon competitive products produced on our own farms and in our own factories, irrespective of differences in foreign advantages in production costs. They have resulted in no compensating advantages in the way of increased exports. Thus the result has been to take a job away from one man without creating a job for another, to close one factory without opening another, to increase the surplus of one farm commodity without finding a market for the surplus of another, to give employment to foreign workers in preference to our own, and to perpetuate our unemployment problem, and lengthen our relief rolls.

FARM EXPORTS DECREASING

The promise was held out that if the President were given the authority to enter into foreign-trade treaties we would be enabled to dispose of our surplus farm products. Instead, agricultural exports have declined. On the other hand, agricultural imports have increased. One of the principal items

for which a foreign market was going to be found was lard, but our exports of lard declined from 431,000,000 pounds in 1934 to only 96,000,000 pounds in 1935. Another item was wheat, but our exports of wheat declined from 17,000,000 bushels in 1934 to only 233,000 bushels in 1935.

This list shows there is no such thing as a tariff barrier keeping out agricultural products from foreign countries. I wish there were. There should be such a barrier to protect the agricultural interests of our own country. It is ridiculous to say there are tariff barriers when records and statistics show that no such things exist. Why are we not given some illustrations of what these tariff barriers are? You do not hear anyone give any illustrations or cite any concrete example of the effect of such tariff barriers, and if there were, there is plenty of machinery of Government to correct such a situation.

FARM IMPORTS INCREASING

As against this decline in agricultural exports, agricultural imports have increased as follows: Corn from 3,000,000 bushels in 1934 to 43,000,000 bushels in 1935, wheat from 8,000,000 bushels in 1934 to 27,000,000 bushels in 1935, oats from 6,000,000 bushels in 1934 to 10,000,000 bushels in 1935, live hogs from 7,716 pounds in 1934 to 3,400,000 pounds in 1935, fresh pork from 182,000 pounds in 1934 to 4,000,000 pounds in 1935, and butter from 1,250,000 pounds in 1934 to 22,700,000 pounds in 1935.

We have heard a great deal about tariff barriers, but there is no appearance of them in the importation of these commodities. On the contrary, imports have come in in excessive quantities, crowding out our own products in spite of the existing tariff rates.

TRADE TREATY RESULTS CONTRARY TO EXPECTATIONS

I was very much interested in hearing a gentleman say, a few moments ago, that in 15 minutes he can defend the record of Secretary of Agriculture Wallace. The gentleman has a big job on his hands to perform in 15 minutes.

Secretary of Agriculture Wallace, who is one of the leading exponents of the administration's present trade policy, admitted in his annual report for 1934 that there was danger of the trade-treaty program producing results other than those that were expected and hoped for. That is exactly what has transpired. In my humble opinion, the repeal of the Reciprocal Tariff Act and the abrogation of the treaties made thereunder should be one of the major planks in the Republican platform in the coming campaign. I feel confident that the coming Republican convention will take up this subject and write a plank that means something when the party appeals to the voters of the country to support the Republican candidates who will be nominated at Cleveland. [Applause.]

The SPEAKER pro tempore (Mr. STARNES). Under the special order of the House, the gentleman from Michigan [Mr. Hook] is recognized for 15 minutes.

Mr. HOOK. Mr. Speaker, on January 3 of this year I introduced a resolution in the House of Representatives asking for a congressional investigation of the administration of Federal relief moneys in the State of Michigan.

I realize that my request for favorable action on this resolution requires explanation on my part. Let me make it clear at the outset that I am not quarreling with the high ideals and purposes behind the granting of Federal assistance to our States and localities to relieve suffering and prevent starvation. I grant the necessity for Federal assistance and laud the actions of our great humanitarian President, Franklin D. Roosevelt, in submitting to Congress his request for funds so that no person will starve in this land of plenty. In spite of the enormous burden that the relief load has placed on our Treasury of the United States, there are times when it seems to me that our grants to the needy have not been large enough.

The administration of President Roosevelt pledged itself to care for these millions of our good citizens who had been deprived of a means of livelihood and brought face to face with starvation because the Republican Party permitted entrenched greed to exploit at will. That pledge has been

faithfully kept, and despite the wails that have gone up from certain quarters over an unbalanced Budget, the mass of our people, I know, appreciate what has been done for them.

I realize the magnitude of the task to which the Democratic Party addressed itself. This was an emergency job and one for which machinery of administration did not exist. Most admirable of all policies of this administration of relief as announced by President Roosevelt was that which banned politics. No one with a grain of human sympathy in his make-up would ask that a program of relief be administered other than on a strictly nonpartisan basis. Of all the funds spent by the American Government in our history none have been more precious than these dollars which have been appropriated for direct and work relief. Any man guilty of misusing these funds has committed no ordinary crime. These funds were appropriated to furnish subsistence to families who would otherwise lack food. Misuse of the funds means that children were forced to suffer, their bodies wracked by undernourishment. I can contemplate no more heinous crime than this.

And this is the point of my request for an investigation of the relief administration in Michigan. I have charged publicly and I do so again, that the administration of relief in Michigan has been contaminated by Republican politics, that the program of assistance to the needy has been perverted by Republican politics, that the efficiency of the program has been impaired because of the chicanery of Republican politicians who have administered it. Funds have been misused in Michigan, discrimination has been practiced, and I lay the responsibility for this situation directly upon Dr. William Haber, E. R. A. administrator, deputy administrator of the W. P. A., State director of the National Youth Administration, official in charge of the distribution of surplus commodities, and mouthpiece of Mr. Harry Hopkins, in Michigan.

I am, of course, best acquainted with the situation in my own district in upper Michigan, where the Relief Administration is directed by one of Mr. Haber's henchmen, Walter M. Berry; but from dozens of facts in my possession, I am convinced that elsewhere in the State, the same rotteness prevails. I wish that I had all the facts relative to each instance of perversion that has been called to my attention. If I had these it would not be necessary to ask for an investigation—indictments would be in order.

I should like such an investigation to give to the people of Michigan, and to this Congress, full details as to why it has been necessary to call a grand-jury investigation of the Relief Administration in Antrim County. Among the charges made here are: First, that relief funds given to some persons were charged against others; second, that certain people were paid for work never performed; third, that supplies purchased from a certain drug store for persons not on relief were charged to relief clients; fourth, that pay rolls have been padded; fifth, that bonuses were paid in 1934, when no provision was made for such payment.

I want an investigation to determine the facts as to pay-roll padding in Detroit, estimated at half a million dollars or more. I have seen evidence of where one person's name was carried on at least three pay rolls. I have seen names on pay rolls that are patently fictitious—Julius Caesar, Mark Antony, and other names taken from history books or from the tombstones of some obscure cemetery.

I should like an investigation to inform us as to why in 1933 and 1934, the Relief Administration in Lansing, where Mr. Haber is located, showed extreme favoritism to certain of the coal dealers. I should like to have the facts also as to the purchase and distribution of coal in Detroit, during the past few years. I should like to know why when the city of Detroit stopped buying coal for relief clients, the policy of placing these purchases on bid, which had been in effect for 20 years, was discarded and the orders placed as those in charge of relief desired. Who got the orders and why?

I should like to know how many cases similar to that of Alex. Lewis, clerk in the public-welfare offices in Detroit, caught in 1931 after he had obtained some \$200,000 by faking grocery orders and vouchers, can be found.

I should like a check to be made as to the relationship between the relief administration in Detroit and certain real-estate dealers as to the rental of homes for relief clients.

The people of Michigan deserve to know why the Lenawee County Relief Commission was suspended in 1935 and the administrator framed. Why did Mr. Haber's office instruct the Lenawee administrator to bill certain expenses against work projects where the labor was not actually used?

We are entitled to know whether the rural rehabilitation organization, when this agency was a part of the relief administration, made a loan of \$24,000 to the Sunrise Co-operative Farm in Saginaw County, and whether this loan was later paid out of relief funds and covered up.

I should also like to know why Mr. Haber ignored the report of a member of the Michigan Society of Architects, made as the result of an investigation during 1934 and 1935, which showed that Government money was ruthlessly wasted and diverted to purposes which could not be legal under the law. I can tell you why. It was because this report showed plainly that the responsibility rested on Mr. William Haber.

I want to know why Mr. Haber permitted Federal funds to be used to build a conservatory of music in Cheboygan, Mich., on private property. Why, when relief administration officials had full knowledge of the facts, did Mr. Haber sanction a conspiracy contract between a certain architect, Davenport, and the county engineer in Berrien County, named Preston, wherein Davenport contracted to bribe Preston with one-half of his commission of 10 percent. A certified copy of the contract and a signed statement by Preston can be obtained. At a hearing before the Michigan Society of Architects board of engineers Davenport admitted the bribery. Max Barton, regional engineer, was implicated in this situation.

Why has Haber permitted materials to be purchased without complying with Government regulations? Why has he accepted false and perjurious statements from architects, such as that of an architect on the juvenile detention home in Detroit? And why have officials implicated in these situations been promoted to positions of high authority rather than dismissed, as was the case of Max Barton, who is now in the employ of the W. P. A. in the Flint region?

I want to know why Mr. Haber appointed an unscrupulous contractor from Flint to be purchasing agent of the W. P. A. there. I refer to Mr. Cecil Kelly. I have information that when Mr. Kelly submitted his bid on the Mayville School, of Mayville, Mich., he endorsed it as follows:

Five hundred dollars is my bid for adding the bleachers to the gymnasium. If there is a lower bid than my bid, deduct \$50 from that bid and that will be my final bid.

Why has Mr. Haber employed architects who were not licensed, this being contrary to the compiled laws of Michigan? Why in many instances were no bids taken on material purchased?

Perhaps a real investigation would discover the meaning of a certain telephonic conversation between Dr. Haber and Mr. Berry during the political campaign of 1934, in which Mr. Haber told Mr. Berry to go down the line for Fitzgerald, the Republican candidate for Governor. I have in my possession signed affidavits from two persons who swear that they heard a Mr. Balkema, then a henchman of Haber, state that he listened in on this conversation and that he heard Dr. Haber make this statement.

I should like to know, too, how it happens that a certain Mr. Much—and others, too, could be mentioned—a Republican candidate for township supervisor in Marquette County, Mich., was given the authority to distribute Federal surplus commodities while running for office. My answer is that the whole relief set-up in Marquette County is under complete Republican domination, and that every means possible has been used in the Relief Administration to give political advantage to the Republican Party. Perhaps, too, the Republican character of the Relief Administration in upper Michigan will explain why these officials insisted that they be given the power of naming the distributors of surplus commodities before any merchandise under their control would be moved. I wonder how those families who have been forced to wait

for weeks for this supplementary assistance feel when they learn that Republican politics was the cause of their privation.

Perhaps with an investigation we could find out what the true facts are regarding the Misery Bay Road project in Houghton County. In January 1935, the director of the works division of the E. R. A. in Michigan stated that the records in his office showed that \$35,000 had been spent on 7.6 miles of this road from Toivola to Misery Bay. The project, according to these records, was 99 percent complete. I have affidavits in my files signed by farmers, residents in these communities, showing that practically no work was ever done on the road. Where did the money go?

I should like to know why men were given work-assignment slips for the Misery Bay road project and then taken to work on a high-school project in a nearby community, Painesdale. I should like to know why no action was taken by the Relief Administration on this situation after it was called to their attention.

I want to refer, too, to another matter that I believe needs explanation. This is the naval-armory project for Hancock, Mich. I am particularly interested in this project, because it is one of the most worth-while projects in my district. Last November, while in Lansing, Mich., I checked on this project and was informed that it had been approved by President Roosevelt and by the Comptroller General. Final approval was given on January 3, 1936, under Treasury warrant no. 1265, which allocated \$125,086 of Federal funds for this particular project. I was told in Lansing that moneys allocated to this project were deposited in banks and reserved for exclusive use on this project. I was hopeful that the project would be put into effect soon.

Yesterday, I received a telegram containing information that the moneys allocated to the Hancock Armory had been diverted to be used in Bay City. This was something of a surprise, to say the least. I immediately attempted to reach Mr. Hopkins, but failed to locate either him or his assistant, Mr. Aubrey Williams. I did get in touch with the office of Mr. Howard Hunter, of the W. P. A., and I asked for a definite ruling as to whether funds allocated to one project could be diverted to another. The ruling obtained was that such diversion was not regular or legal. On the basis of this information I wired Mr. J. B. Thornton, of Hancock, Mich., as follows:

Re tel. Hancock Naval Reserves Armory. I have conferred with W. P. A. authorities here and requested definite ruling. Informed as follows: Funds for projects approved by President and Comptroller General with Treasury warrant issued cannot be transferred to any other project. I put concrete problem to them with regard to Hancock Armory. They are making complete investigation here and will notify me very shortly. States authorities of W. P. A. cannot legally divert funds allocated to your project to Bay City. I am contacting State authorities, also, and will notify you as early as possible.

About an hour after the wire had been sent I was called by Hunter's office and informed that the ruling was not what I had been told previously. It seems that Mr. Hopkins issued a bulletin last September giving State W. P. A. administrators power to divert funds from one project to another of a similar classification. It was intimated that the relief load and related conditions were the deciding factor in such cases of diversion. The facts are, of course, that the relief load in Houghton County, Mich., is about as heavy as in any place in Michigan, so that this cannot be the reason for the rejection of the Hancock project.

Within a short time this Congress is going to consider an additional appropriation for work relief, and I think it is high time that we take cognizance of some of the problems involved in the administration of this program. I recognize the need for flexibility in such a program, but, inasmuch as the Members of this House are in the end to be held responsible for the administration of the program, I submit that we should take considerable care in the formulation of the policies under which this program is to operate. I do not believe that the national Administrator, Mr. Harry Hopkins, should be delegated the authority of a dictator. If he is to have this power, his name should be Hitler, not

Hopkins. As Members of Congress, we should, by our actions, see that the money we appropriate is used as we intend it to be used. We can do it in spite of the power of Harry Hopkins, as evidenced by the actions a little over a week ago on the C. C. C. camp program. We were told that Harry Hopkins thought the camps ought to be reduced in number. At the time of our meeting I told the members of our group that just as long as we submitted to Harry Hopkins we would be on the receiving end of all the adverse criticism in the country. We took concerted action then, and we can take it again.

I notice that the junior Senator from Michigan [Mr. VANDENBERG] has purposed that the relief moneys be turned over to the individual States, to be administered as each State administration saw fit. The Senator may sincerely believe that this would be a corrective step. I disagree with him, for I know that the Senator's campaign manager, Mr. F. L. Woodworth, is the State welfare director, and I know for whose benefit the money in Michigan would be spent.

Woodworth today works hand in glove with Mr. Haber, and Haber's power in Michigan is already so vast as to make him the biggest detriment the relief program has. Why should Haber be given full authority to play hide and seek with projects which have been approved by the President and the Comptroller General and for which a Treasury warrant has been issued? A case in point is the armory project at Hancock, Mich. One of the best projects in upper Michigan. This project received every approval necessary except that of Mr. Haber, and in spite of the fact that the relief load in Houghton County, Mich., is as high as any place in the United States, Mr. Haber does not see fit to put it in operation. There is something funny about this whole business, and I should like to find out what the truth is.

Why was not the report of the investigation made by a special investigator of the E. R. A. as to the administration of relief in my district made public? I can tell you why, because I have seen a summary of the investigator's report. The investigator found that under Haber and Berry, who handles the relief in upper Michigan, there was a preponderance of Republicans in the relief administration greater than 2 to 1. The investigator found that money upward of \$100,000 had been spent in a most irregular fashion on a playground project in Ishpeming, Mich., on the private property of the Cleveland Cliffs Mining Co.

He found that a certain member of the Houghton County relief administration had been guilty of irregularities in connection with the purchase of fuel for relief clients. There are dozens of such damning items to be covered, had I time to do so. And, finally, the report was not made public because it stated definitely that Walter Berry, of a strict Republican background, was not a fit personality to head the relief administration in upper Michigan. The investigator stated further that this was the opinion of persons of every political faith—Republican, Democratic, and Independent. No action was taken on the report, and I wonder why? Mr. Hopkins and Mr. Haber saw fit to cover the whole episode with whitewash. The E. R. A. investigated itself and found no evil. Mr. Haber protected Mr. Berry and Mr. Hopkins protected Mr. Haber. We have heard recently about a similar whitewashing investigation carried on in the State of West Virginia, where the W. P. A. investigated itself after facts as to the rottenness were brought to light by Senator HOLT, of that State. This whitewashing is so much a parallel of the one which resulted after the investigation in my district last year, that I am led to the conclusion that the Relief Administration is no fit agency to investigate itself. We need a real investigation to find out why Mr. Hopkins protects such men and such irregularities.

It has been charged that I have not presented conclusive facts to show the necessity for a complete inquiry into the relief administration in Michigan. I realize that I do not have all the facts; neither do the thousands of persons who have written me in the past year complaining about discrimination in the administration of relief. That is why we want an investigation to determine the facts.

(The time having expired, by unanimous consent Mr. Hook was given 2 minutes more.)

Mr. HOOK. I have been charged by the Republican press in Michigan with desiring this investigation for selfish political reasons. I give the lie to that statement. Attacks have been made on me and statements have been made about me in an attempt to browbeat me into submission and to silence my voice, attacks which distorted the facts. I care not for myself and will carry on no matter how rotten the onslaught is. If I have to acquiesce by silence to the dishonesty and rottenness that is prevalent in the administration of relief in my State in order to be a Member of Congress, then I will not be here, for when conditions are brought to my attention I, as a Representative of my people, will bring them to light so that the crooks and thieves may be eliminated from the high and mighty places they hold.

So long as I am a Member of this august body, just so long will I fight dishonesty and corruption, lies and slanderous remarks about me notwithstanding.

I am willing to abide by the results of an honest and impartial investigation. I do not desire to have any voice in the choosing of any official charged with the administration of relief. But I do desire, and I shall insist, that those who are given the responsibility of administering relief be men and women of honesty, sympathy, and ability, interested in the welfare of our people, and not cheap, petty politicians interested only in the advancement of party interests. They must be men and women who are in sympathy with the program which they are administering. Certainly they must not be persons whose only desire is to discredit the agency for which they are working and to defeat the administration under which their agencies are established. When such able men and women, who have the success of the program at heart and who are really interested in the welfare of our people, are put in charge of relief in Michigan our people will be satisfied. [Applause.]

The SPEAKER pro tempore (Mr. McCORMACK). Under the special order of the House, the Chair recognizes the gentleman from Ohio [Mr. LAMNECK] for 30 minutes.

Mr. FIESINGER. Mr. Speaker, I think my colleague has an important message which should be heard by the Members of the House, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. COOPER of Tennessee. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 53]

Adair	Driscoll	Kocialkowski	Reed, N. Y.
Allen	Dunn, Miss.	Larrabee	Richards
Amile	Eckert	Lea, Calif.	Richardson
Andrews, N. Y.	Ellenbogen	Lee, Okla.	Robson, Ky.
Berlin	Farley	Lesinski	Romjue
Brennan	Flannagan	Lewis, Md.	Rudd
Brewster	Ford, Calif.	Luckey	Sabath
Brooks	Gasque	Lundeen	Sadowski
Buckbee	Gassaway	McClellan	Sanders, La.
Buckley, N. Y.	Gillette	McGehee	Sandlin
Bulwinkle	Goldsborough	McKeough	Schulte
Carmichael	Gray, Pa.	McLeod	Sirovich
Casey	Greenway	McReynolds	Sisson
Chapman	Gregory	Maas	Stack
Claiborne	Halleck	May	Steagall
Clark, Idaho	Hamlin	Montague	Stewart
Connery	Hartley	Montet	Sweeney
Costello	Hobbs	Moran	Taber
Crosby	Hoeppel	Nichols	Thomas
Culkin	Jenckes, Ind.	Norton	Tobey
Cummings	Kee	Oliver	Underwood
Darden	Keller	Peterson, Fla.	Werner
Dear	Kennedy, Md.	Polk	Wood
Dietrich	Kerr	Rabaut	Zimmerman
Dorsey	Kinzer	Reed, Ill.	

The SPEAKER. Three hundred and thirty-one Members have answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. Speaker, I move to suspend further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from Ohio [Mr. LAMNECK] has the floor.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield for a unanimous-consent request?

Mr. LAMNECK. I yield.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, be taken from the Speaker's table, that the House insist upon its amendments and agree to the conference asked for by the Senate.

The SPEAKER. The Clerk will read the title to the bill.

The Clerk read as follows:

To amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. DINGELL. Reserving the right to object, I should like to ask the gentleman from Maryland whether the question of the \$2,000 homes is involved in this request?

Mr. GOLDSBOROUGH. Of course they are.

Mr. DINGELL. Has the House committee agreed to give up the \$2,000 homes?

Mr. GOLDSBOROUGH. The conferees have not yet been appointed.

Mr. DINGELL. I withdraw my objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. GOLDSBOROUGH, Mr. REILLY, Mr. HANCOCK of North Carolina, Mr. HOLLISTER, and Mr. WOLCOTT.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and insert therein certain tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE TAX BILL

Mr. LAMNECK. Mr. Speaker, ladies and gentlemen of the House, I want to discuss this afternoon for a few moments a matter which to me is one of the most important that has ever come before the House since I have been a Member.

What I am going to say about it I want you to know follows from a very firm conviction. There is no politics in this statement. I am not trying to get even with anybody or show any particular independence in my attitude, but I am convinced that the new tax bill we are now considering is not good for America, and I am not afraid to pay whatever penalty goes with my position. [Applause.]

I do not want to pose as a tax expert. There are men on the Committee on Ways and Means, of which I am glad to be a member, who know more about tax legislation than I do.

But I have not been convinced by them or anybody else that this tax bill is a good thing for America. I have not seen a more hard-working subcommittee than the subcommittee having in charge the consideration of this bill. They have worked hard and diligently for 3 or 4 weeks. I attended many of their meetings, and had it not been for this deliberation on their part, it would have been utterly impossible to have presented this matter to the Congress in any form that would have permitted of its adoption.

I do not know whose bill this is. I do not know whether it is the President's bill, whether it is the Treasury's bill, or somebody else's bill, and I do not care anything about that. I think that we should consider this tax bill from the standpoint of whether this is a good thing for America or whether it is not, whether it is a good thing for business, and I claim that a bill that is not good for business is not good for the United States of America.

I am including herewith the schedule of rates to be charged to corporations on earnings beginning with January 1936.

The schedules proposed are as follows:

SCHEDULE I

CORPORATIONS WITH ADJUSTED NET INCOME OF \$10,000 OR LESS

If there is no undistributed net income, there shall be no tax on the adjusted net income.

If the undistributed net income is 10 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 1 percent.

If the undistributed net income is 20 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 3½ percent.

If the undistributed net income is 30 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 7½ percent.

If the undistributed net income is 40 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 13 percent.

If the undistributed net income is 50 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 18½ percent.

If the undistributed net income is 60 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 24 percent.

If the undistributed net income is 70 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 29½ percent.

If the undistributed net income is 70.3 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 29.7 percent.

SCHEDULE II

CORPORATIONS WITH ADJUSTED NET INCOMES OF MORE THAN \$10,000

If there is no undistributed net income, there shall be no tax on the adjusted net income.

If the undistributed net income is 10 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 4 percent.

If the undistributed net income is 20 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 9 percent.

If the undistributed net income is 30 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 15 percent.

If the undistributed net income is 40 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 25 percent.

If the undistributed net income is 50 percent of the adjusted net income, the rate of tax on the adjusted net income shall be 35 percent.

If the undistributed net income is 57½ percent of the adjusted net income, the rate of tax on the adjusted net income shall be 42½ percent.

If the percentage which the undistributed net income is of the adjusted net income is not one of the percentages of the adjusted net income shown in schedule I or II, then the rate of tax shall be proportionate.

If the adjusted net income is more than \$10,000, the tax, at the option of the corporation, shall, in lieu of being computed under schedule II, be computed by adding:

(1) A tax upon the adjusted net income computed under schedule I; and

(2) A tax upon the amount of the adjusted net income in excess of \$10,000, at the rate in schedule II, which would be applied if the tax were being computed solely under such schedule.

SCHEDULE III

EXEMPTION OF BANKS

It is recommended that incorporated banks and trust companies bona fide operated as such be exempted from the plan proposed under recommendation no. II and be subject to a tax of 15 percent on the net income (see recommendation no. XV, relating to intercorporate dividends) in lieu of the present graduated corporation tax. It is further recommended that banks continue to be subject to section 102 of the Revenue Act of 1934 relating to accumulation of surplus to avoid surtax.

The subcommittee leaves to the full committee as an unsettled question whether dividends paid by banks to shareholders, individual or corporate, should be treated under the present law or whether they should be fully taxable like dividends paid by other corporations.

SCHEDULE IV

TREATMENT OF INSURANCE COMPANIES

It is recommended that all bona-fide insurance companies (mutual and stock, foreign and domestic) be exempted from the plan proposed under recommendation no. II and be subject to a tax of 15 percent in lieu of the graduated rates under existing law; except that foreign insurance companies other than life and other than mutual be subject to a rate of 22½ percent in lieu of the graduated rates under existing law.

It is recommended that dividends received by all insurance companies be treated the same as dividends received by other corporations (see recommendations no. XV).

SCHEDULE V

CORPORATIONS IN RECEIVERSHIP

It is recommended that corporations in receivership be exempt from the plan proposed under recommendation no. II and be subject to a tax of 15 percent in lieu of the graduated rates under existing law.

Dividends received by such corporations shall be included in net income, and dividends paid by them shall be subject to tax in the hands of the shareholder as in the case of dividends paid by other corporations.

SCHEDULE VI

FOREIGN CORPORATIONS

It is recommended that foreign corporations be exempt from the plan proposed under recommendation no. II and be subject to a tax of 22½ percent instead of the rate under existing law, accompanied by a change in the rate on withholding under existing law to 22½ percent.

SCHEDULE VII

RAILROADS

It is recommended that railroads be subject to the plan proposed under recommendation no. II and the privilege of filing consolidated returns be continued as to them; the rate of tax to be the same as in the case of other corporations under recommendation no. II; but with the right to make a new election, whether or not to file a consolidated return for their first taxable year under the new law.

If in the affiliated group the parent corporation is in receivership the entire group shall be taxed as other corporations in receivership (see recommendation no. V). If any other member of the group is in receivership it does not gain the exemption referred to in recommendation no. V.

SCHEDULE VIII

EXEMPT CORPORATIONS GENERALLY

It is recommended that corporations now exempt from income tax under section 101 of the Revenue Act of 1934 (labor, agricultural, charitable, and other nonprofit corporations), be exempt from the new plan and from the corporation tax under existing law.

SCHEDULE IX

CAPITAL STOCK TAX

The rate of capital stock tax imposed by section 105 of the Revenue Act of 1935 is proposed to be reduced to 70 cents per \$1,000 of the adjusted declared value for the capital stock tax year ending June 30, 1936. This constitutes a substitution of a 70-cent rate for a \$1.40 rate. The tax is proposed to be terminated for all later years.

SCHEDULE X

EXCESS-PROFITS TAX

The excess-profits tax imposed by section 106 of the Revenue Act of 1935 is proposed to be terminated at the end of the first income tax taxable year of the taxpayer which ends after June 30, 1936. The rate is not changed. Corporations whose income tax taxable years are on a calendar year basis will be subject to this tax for the calendar year 1936.

These schedules exempt certain business institutions. For instance, they exempt banks. They claim in this bill that the new tax proposal is too drastic for banks, but I am not arguing that point at all. Therefore, they say banks and insurance companies shall be assessed a tax of 15 percent, instead of the rates applying under these schedules. They say to a foreign insurance company, "We will not assess you 15 percent, we will not assess you the rates applying under this bill, but we will assess you 22½ percent." They say to corporations in receiverships, "We cannot assess you the rates applying under this bill, but we will assess you a rate of 15 percent." They say to all other foreign corporations, 22½ percent. They exempt certain corporations, such as labor, agricultural, and other nonprofit corporations. In fact, in this bill they do not treat all alike. I claim that any tax bill that is not good for the banks and other financial institutions of this country is not good for business generally. Why should we exempt one corporation and make a certain rate apply to it and say to all other corporations that are not in this particular selective group, "Your rate is higher; we make it 42½ percent, we make it 25 percent, we make it 15 percent, or we make it 13 percent, but we cannot apply this drastic law to the banks and insurance companies because it might destroy confidence, it might destroy the depositors' chances to get their money back, it might destroy the possibility of the banks and the insurance companies staying on a sound financial basis?"

Mr. Speaker, the Ways and Means Committee of the House of Representatives, whose duty it is to prepare all tax bills for the consideration of the House of Representatives, begin hearings today.

You are all more or less familiar with the various proposals under consideration. To refresh your memory, I might say that the proposed measure consists principally of a tax on corporation surpluses and the so-called "windfall tax", which is an attempt to recover the taxes due the Federal Government when the A. A. A. was declared unconstitutional.

Everyone who has given any thought to the matter realizes that we must have additional taxes or cut down expenses; and since there is no apparent intention to reduce expenditures, the only recourse left for us is to increase revenue. I have no objection whatsoever to this procedure, because, as I have said before in addressing the members of the committee, no individual, no group of individuals, no business organization, no governmental organization, can continue to spend more than its income without sooner or later facing disastrous results.

Under the present law we tax corporation incomes on a graduated basis ranging from 12½ to 15 percent. After the corporation pays these taxes it has a right to handle its earnings in any way it sees fit. The corporation can pay out its earnings in dividends; it can retain them in surplus, to be used for a rainy day; it can make plant improvements; it can retire existing debt; it can use the money for banking purposes if it wants to; it can invest the surplus in securities, or, in fact, do anything it deems necessary.

We are not satisfied with the enormous taxes now being paid by the corporations but are proposing a radical departure from the existing order. What I have been trying to determine since the proposal was originally made is: What is the motive? Who are we trying to get? In other words, are we singling out certain business institutions that we propose to destroy by this method of taxation? If so, we should be frank about it and let the Congress determine whether we should go along with such a proposal or whether we should continue the policies that we have followed in the past. It is a rather difficult matter to act intelligently on any proposal unless we have all the facts.

The next tax suggested provides that a corporation can no longer run its own affairs, and unless the corporation complies by distributing its corporate earnings in line with the provisions of the law we immediately proceed to penalize. If a corporation should desire to retain all its earnings for any one year, no matter for what purpose, we automatically assess a tax which would be almost equal to half of its corporate earnings. The theory back of such a revolutionary piece of legislation is that we are going to force the corporations to do what Congress says. This is not the first time that we have attempted to compel business of this country to follow our bidding or suffer a penalty tax. I only need refer to the Guffey Coal Act to illustrate my point. In this act we assessed a penalty tax of 15 percent to compel the coal operators to adopt a lot of rules and regulations provided for under the act.

Under the new tax proposal we say to a corporation whose earnings are in excess of \$10,000 a year: "If you want to retain 10 percent of your earnings, we will tax you 4 percent on your total earnings, or a rate of 40 percent of the amount retained. If you desire to keep 20 percent of your earnings, we shall tax you 9 percent of your total earnings, or a rate of 45 percent of the amount retained. If you desire to retain 30 percent, we shall assess a tax of 15 percent of the total earnings, or a rate of 50 percent of the amount retained. Should you want to retain 40 percent of your earnings, a tax of 25 percent is assessed against your total earnings, which would mean a rate of 62½ percent of the amount retained. If you desire to retain 50 percent of your earnings, a tax is assessed of 35 percent of the total amount earned, or a rate of 70 percent of the amount retained. If you desire to retain all of your earnings, as soon as the amount retained equals 57½ percent the balance would have to be paid in taxes and the stockholders would receive nothing."

In the latter illustration, and roughly speaking, if a corporation desired to retain all of its earnings it was possible to retain, the Government would take about half of the money and the corporation could retain the other half. If this is not a revolutionary proposal, then I miss my guess. The highest rate ever assessed against industry in England, I understand, was about 22½ percent, and here we are assessing all industrial organizations at a rate of 42½ percent if they retain all their earnings. Ladies and gentlemen, I warn you that if this tax bill is passed it will destroy every small incorporated business institution of the country, and

will so impair the credit, the earning power, and the stability of large corporations that it will result in their being unable to continue on a profitable basis.

During the consideration of the tax bill by the subcommittee of the Ways and Means Committee and the experts from the Treasury Department, it developed that the new measure was too drastic and too revolutionary when applied to banks, life-insurance companies, and mutual fire-insurance companies. The group, after due consideration, decided that the above classes of business should be exempt from the application of the new bill because it would probably create in the minds of the public a lack of confidence in these institutions. It would probably impair their financial standing and cause other results too horrible to contemplate. I agree with them in their conclusions.

Under the present law these institutions are in the same class, paying the same tax that any other business institution would pay, and I humbly submit that if this law is not of such a nature as to permit its application to the institutions above mentioned, then it should not be applied to any other business institution, and for the same reason.

Sometime ago we passed the Social Security Act, and the method of raising the revenue to pay for this activity was a tax on pay rolls. To provide for the unemployment insurance, a pay-roll tax will finally be assessed of 3 percent. To provide funds for the old-age annuity, another tax on pay rolls of 3 percent will be assessed, and in the latter group the employee will have to pay 3 percent of his earnings also. We have also passed a Railroad Pension Act, which provides for an assessment against the employees of 3½ percent of the pay roll and an assessment against the railroad of 3½ percent on the pay roll.

How will the new tax bill affect the above legislation? I claim that if the tax bill impairs the credit and financial standing of the corporations that pay the unemployment tax, the old-age annuity tax, and the railroad-pension tax, we threaten the very foundation of the Social Security Act and the Railroad Pensions Act, and in addition we may seriously affect the employment possibilities in all these corporations. As far as I am concerned, I do not feel like going on a bill that is almost certain to put men and women out of jobs. Information from my district, which is a railroad center, is that railroad taxes under the so-called corporate surplus-tax legislation will be increased over 100 percent. I claim they cannot withstand this and continue to pay good wages, continue employment, and keep their property in good condition. Perhaps the proponents want Government ownership.

Why should corporations have a surplus? The reasons are many. First, corporations should have surplus earnings to make them sound financially. A small corporation, in order to grow, must absolutely keep all its earnings in its surplus in order to get anywhere. A corporation should have a surplus for a rainy day, to permit them to operate during periods of depression and keep people employed. A corporation should have a surplus to make plant improvements. It should have a surplus for expansion. It should have a surplus to run the plant during depression periods when earnings are low. It should have a surplus to pay its stockholders dividends during depression years. It should have a surplus to keep men employed during depression years, even at a loss. I heard of a plan the other day that claimed if they had shut down when the depression started they could have saved \$7,000,000 a year, and the only reason they could operate was because they had a surplus. I know of a concern in my home city that has not made a cent since 1929, and yet has never failed to pay a dividend each year and has never failed to keep hundreds of men employed at good salaries, all because they had a surplus.

I want to quote at this point an editorial appearing in a Columbus, Ohio, paper, which expresses my position exactly, and which I think expresses the opinion of every sound business executive in the United States. I quote:

"RAINY DAY" RESERVES

The need which corporations have for adequate "rainy day" reserves has been expressed often and eloquently since Congress began work on the new plan to tax corporate surpluses. Even

friends of the proposal have warned that it would be a mistake to force a too extravagant distribution of dividends. If any proof were needed of the validity of this warning, the floods have provided it, and in a spectacular fashion. In their wake are the ruins of hundreds of industrial plants, through which the waters swept, driving thousands of men from their jobs.

"Corporations will have to dip into their reserves for millions of dollars to repair and rebuild these plants before the men can go back to work. It is not hard to visualize what would happen if all of these corporations had to raise money for this necessary reconstruction.

"Probably it will be found that some of these corporations are in that unfortunate position, which means that the jobs of their employees will have to wait while terms are made with investment bankers.

"Congressmen working on the tax bill might well study these specific examples. The experience of the corporations whose properties were damaged by the floods should provide valuable testimony on the uses, needs, and sufficiency of corporate cushions."

Now, the tax experts come along with a proposal and say to us that that sort of a plan is no good—out of date. Do we want the word to go out to the country that the Democratic Party and its responsible leaders are against business in one breath, and then appeal to them in another breath that we want them to assist us with all their might and main to put the unemployed back to work? I said the other day, and I repeat it now, that if we are ever to put the unemployed back to work on a sound basis it must be through productive industry.

By our tax program we penalize initiative, we penalize frugality, and we penalize all other business virtues that tend to build and not to destroy. The only reason I am making these remarks in the consideration of this bill is because I want the Members of the House to consider the radical departure from the existing order in the new tax program. I want them to study the proposal, to contact their constituents in business and otherwise, so that when the bill does come up we will have an opportunity to consider it on its merits and not pass it simply because somebody requested it.

Another feature of the tax bill is the so-called windfall tax, which is intended as a tax to reclaim the processing taxes returned to the taxpayer because of the Supreme Court decision. I have no quarrel with the idea of reclaiming these taxes, provided it was handed down to the consumer and collected by the processor; but I know as a proven fact that there are some industries in my congressional district who were not able to pass the taxes on to the consumer for a long time after the bill's enactment. At the time the Supreme Court decided the A. A. A. unconstitutional, most of the meat packers of my district were in a position where the Internal Revenue Department was considering taking them over and selling their property to collect the taxes, and if this windfall tax is assessed I predict that the Government of the United States will own every small pork-packing plant in the United States. I know nothing about the conditions in the textile industry or in the milling industry and other industries, but I do know something about the situation as it applies to the small pork packers.

Are we, by legislative act, going to put out of business those classes of industries to which I have referred, located in my congressional district and all other districts, put out of employment all of the employees now working for these institutions, and place the large packers in a position where they will monopolize this industry in the future? As far as I am concerned, ladies and gentlemen, I am not going to be a party to it. There is also a serious constitutional question involved.

It is an easy matter to criticize, I know, and I have always felt that when one has an objection to a proposal he should have a substitute, because I believe we are all agreed we must have increased taxes under the circumstances. I am offering for your serious consideration a substitute. I will attempt to have the committee adopt it, and if the committee will not adopt it, I expect to offer it on the floor of the House as an amendment to this bill. My substitute is to increase the corporation taxes now existing to raise at least \$500,000,000 in additional taxes. In addition, I suggest the repeal of the present law which exempts corporation dividends from the application of the normal tax rate. This

change will raise about \$270,000,000. These two changes will raise as much revenue as is being requested by the administration.

I further suggest that no windfall taxes be assessed against any processor whose profits for the period that the tax was in effect was less than 6 percent of invested capital plus depreciation, depletion, and other charges now permitted by the Internal Revenue Department. I am offering these suggestions in all sincerity and for your serious consideration.

I know of no other way to protect them; I know of no other way to preserve them to their rightful owners; and I am offering these suggestions in all sincerity. There are two or three things wrong with the way in which we operate here. In the first place, we do not know enough about legislation when it comes before us; and I submit, without criticism, that that is the fact. Many bills come before us that we do not know the A B C of, and I predict when this bill comes up there will not be 20 percent of both sides of the aisle, Republicans and Democrats, who will know very much about the bill. How do we know—I do not know—what effect this is going to have on business; what the final effect will be? It is impossible to know. If you considered this tax bill for 60 days, you could not determine what the final result on the country would be.

I claim you can never have a prosperous America unless you have a prosperous business. Do not forget that. If we have some other scheme in mind, if we do not want private individuals and corporations to run the business of this country, that is one issue. If that is the issue, I want to know it. It would not take me very long to determine what side I would be on when it comes to that proposition. [Applause.]

I yield now to my colleague from Michigan.

Mr. DINGELL. Mr. Speaker, I would like to ask the gentleman from Ohio whether he does not know that the report thus far drawn and presented to the full committee includes the allowance of such statutory exemptions as are now in existence?

Mr. LAMNECK. I know that.

Mr. DINGELL. That has nothing to do with what the gentleman contends at the present time, of what depreciation reserve or other reserve, as at the present time in existence, will remain untouched?

Mr. LAMNECK. I was not discussing reserves for various reasons. I was discussing the bill and the rates applying. I know there has been no change in the provision in the existing law, which provides that a business institution can set aside a reserve for depreciation, depletion, and things like that. I was not discussing that feature of the bill.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. BANKHEAD. As I understand the facts, the gentleman from Ohio is, of course, anticipating what will be the result of the deliberations on the hearings before the Ways and Means Committee on this question. It may be that he is correctly anticipating the conclusion at which they will arrive, but the fact is, is it not, that the gentleman is criticizing and attacking a bill, even before a hearing is had, and before the advocates, or opponents, have been heard before the full committee, and before any decisions have been reached with reference to what the bill will be?

Mr. LAMNECK. I will answer the gentleman. I want to tell you the facts as I see them. If I have any criticism of the work of the subcommittee it would be that that committee would not consider any other proposal except the recommendations that were sent to it by somebody. You could no more get a consideration for my proposal, or any other proposal, in that subcommittee than you could jump over this building. They confined their activities entirely to the recommendations that were submitted to them for consideration. I am of the opinion, and I want to make the prediction, that no bill will come out of that committee except the one that has been proposed. I am not a prophet nor the son of a prophet, but that is my individual opinion.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. PETTENGILL. What is the situation with reference to a corporation that has an outstanding bond issue and

the mortgage provides that no dividends may be paid until a sinking fund has been built up to retire the bonds or to meet a profit and loss deficit?

Mr. LAMNECK. There is a provision made in this bill for such a thing as that. To my surprise, instead of our making that kind of a corporation pay the tax now existing, we come along and say, "That tax is not high enough. You are crippled. You are about out of business and we are going to give you another sock and raise your rates 50 percent over the existing rate. We are going to charge you 22½ percent." We raise their rates 50 percent and we will be sure, when we do that, to give them a knockout blow.

Mr. MARSHALL. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. MARSHALL. Is there any provision in the bill to meet a situation where a company has already distributed back the processing taxes which it has collected? I have a letter from an industry in the gentleman's own district, in which they say they have passed this money back to the people to whom it belonged, and they are willing to furnish an affidavit to that effect?

Mr. LAMNECK. That is past earnings?

Mr. MARSHALL. Processing taxes.

Mr. LAMNECK. I do not think the bill applies.

Mr. MARSHALL. I refer to the processing taxes which have already been collected.

Mr. LAMNECK. Oh, the gentleman will have to answer that, because I cannot answer it. I have not been able to answer it.

Mr. MARSHALL. This gentleman says in his letter that if another tax is assessed against them it will mean bankruptcy for that institution. It is in the gentleman's own district.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. LAMNECK. I yield.

Mr. RICH. If a corporation wishes to improve its property by the construction of new buildings or the purchase of new equipment, under the law, as I understand it, they will have to pay the Federal Government a large percentage on this improvement or this equipment because of the fact that it must take its surplus and pay it to its stockholders, and will be unable to invest it in new improvements and new equipment?

Mr. LAMNECK. If it keeps all of its earnings, it is assessed 42½ percent.

Mr. RICH. And that would necessarily retard new improvements and the purchase of new equipment?

Mr. LAMNECK. I agree with the gentleman.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield further?

Mr. LAMNECK. I yield.

Mr. BANKHEAD. Do I understand the gentleman to say that regardless of any circumstances that might exist, regardless of how tremendous or extravagant the surplus accumulated may be, the gentleman is opposed to any legislation seeking in any way to tax the undistributed surplus of any corporation?

Mr. LAMNECK. I have not given that much consideration.

Mr. BANKHEAD. Is that not consistent with the gentleman's attitude?

Mr. LAMNECK. I do not think so. Now, just for the information of the House, I want to call attention to the fact that in this country of 127,000,000 people we only have 9,000 whose earnings are in excess of \$100,000 a year.

The SPEAKER. The time of the gentleman from Ohio [Mr. LAMNECK] has expired.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1937

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11418) making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman from Missouri tell us by how much the bill has been increased since it left the House?

Mr. CANNON of Missouri. As I recall it, approximately \$39,000,000. I do not remember the exact amount.

Mr. RICH. Mr. Speaker, until we find out what the increase is I think it is necessary to object. We increased this year's appropriation \$14,000,000 over last year's appropriation. The gentleman says he does not know what the amount is. This is the trouble with the House of Representatives, we do not know what we are doing in making these appropriations. Mr. Speaker, I must object.

Mr. CANNON of Missouri. Mr. Speaker, if the gentleman will yield, no one keeps in mind these astronomical figures added by the Senate to House appropriation bills. The amount is approximately \$39,000,000. Whether it is \$39,887,944.42 or \$39,887,944.43 is immaterial. Any increase over the amounts provided by the House bill is unwarranted, and I am now asking the House to disagree to every penny that has been added.

Mr. RICH. Then it is our obligation to support the gentleman. I think it is our business to stand up here and support the gentleman in his objection to the increase. The gentleman should ask the majority leader to stand up and support him, too, because it is necessary that we cut down these appropriations.

Mr. BANKHEAD. I will say to the gentleman that I will support him.

Mr. RICH. Then, let us do it. Let us say, as the House of Representatives and to the Senate, that it is time for them to stop.

Mr. CANNON of Missouri. Mr. Speaker, I am in fullest accord with everything the gentleman says. The bill was generous as it passed the House and certainly nothing should be added. I trust the House will agree to the request to disagree to the Senate amendments and ask for a conference.

Mr. RICH. I am saying these things only because I think it is my duty. I want to say to the majority leader and to the other Members of the House of Representatives that the appropriation bills we have passed carry an increase of \$245,000,000 over what the same bills carried last year. This is an astounding figure, but the Senate is going to add another \$200,000,000 to appropriation bills yet to be passed by them and I think it is time to begin if we are ever going to get this country out of its position of debt. The worst is ahead of us. It is your duty and it is my duty to say we are going to stop these increases. If we cannot stop the Senate, then it is too late. We ought to do it, and I hope the majority leader will help the chairman of the Subcommittee on Appropriations for the Department of Agriculture.

Mr. CANNON of Missouri. Mr. Speaker, there is no difference of opinion whatever between the gentleman and myself on that score. I am asking unanimous consent to disagree to every amendment and object to every increase.

Mr. RICH. Let us put up a little fight and try to cut it down. I hope the gentleman succeeds. I will back him to the limit.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, TARVER, UMSTEAD, THOM, BUCHANAN, THURSTON, and BUCKBEE.

COMMODITY CREDIT CORPORATION

Mr. DRIVER. Mr. Speaker, I call up for consideration House Resolution 446.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3998, "A bill to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season." That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill

for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. DRIVER. Mr. Speaker, I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, the purpose of this resolution is to make in order the consideration of the bill S. 3998, reported to the House by the Committee on Banking and Currency, which bill has for its purpose to increase the capital of the Commodity Credit Corporation, an organization created under Executive order in October of 1933 to stabilize the value of farm products through the advance of money to producers of farm commodities. At that time the capital stock of the Commodity Credit Corporation was fixed at \$3,000,000, all of which was advanced by the Reconstruction Finance Corporation for the purpose of its creation. The Reconstruction Finance Corporation has advanced to the Commodity Credit Corporation during the course of its operation multiplied millions of dollars on farm commodities. Today this corporation has outstanding as a debt \$311,000,000, which was loaned on cotton, wheat, corn, naval stores, and tobacco. Of the amounts loaned practically 90 percent had been repaid, but \$280,000,000 has been on cotton. The Commodity Credit Corporation today is disposing in a careful way of its accumulations of cotton stocks. They have about 4,500,000 bales of cotton on which they have advanced 12 cents per pound.

On the cotton disposed of from that accumulation they have lost no money, notwithstanding the fact the carrying charges in the way of insurance, interest, and storage amounts to about 1 cent per pound on pledged cotton; but the superior grades of cotton that has been disposed of has enabled the Commodity Credit Corporation to sell this amount at the market value for a sufficient sum to cover the additional amount above the loan. However, the Chairman of the Reconstruction Finance Corporation makes the statement that if he disposed of this accumulation of cotton today there will be sustained a loss of possibly \$31,000,000 because of the fact that much of the 4,500,000 bales is not of the high-grade staple that has been disposed of heretofore.

Mr. Speaker, the purpose of this bill, according to the statement of the chairman of the Reconstruction Finance Corporation, is to take \$97,000,000 of the amount of money already loaned and add it to the \$3,000,000 existing capital of the Commodity Credit Corporation, giving a total capital of \$100,000,000. This will be accomplished without the necessity of taking \$1 from the Treasury of the United States to add to the capital stock now utilized by the Reconstruction Finance Corporation. It is a mere bookkeeping transaction brought about by transferring the money that has been advanced on the commodities and making an increase in the capital of the Commodity Credit Corporation. The purpose of bringing about this increase is to enable the Commodity Credit Corporation to place this business in the hands of private bankers. The statement is made that there is a demand for this class of security at a lower rate of interest than that which is being paid now by the producers and owners of these commodities which they have pledged. In other words, the Reconstruction Finance Corporation today is paying 2¾ percent to the Treasury for the money which they lend to the Commodity Credit Corporation. They charge for carriage one-quarter of a cent, or 3 percent, on the money they advance to this corporation, which in turn lends the money to the producers of these commodities at a rate of 4 percent.

Mr. Jones made the statement to the Banking and Currency Committee that this class of paper, backed by a capital of \$100,000,000, could find investment in private banking channels at possibly 1½ percent, in his opinion, and not to exceed 2 percent. The rule is an open rule.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. DRIVER. I yield to the gentleman from Maryland.

Mr. GOLDSBOROUGH. Mr. Jones stated that the Commodity Credit Corporation could borrow from the banks at

1 percent and lend to the farmers at a rate of 2 percent to 2½ percent.

Mr. DRIVER. From Mr. Jones' statement I do not think there is any doubt but what an advantageous position could be secured with this addition to the capital stock and without the use of additional money.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTIN of Massachusetts. Mr. Speaker, this legislation affects one of the liberal government Delaware organizations which were once more popular in Washington than at the present time. If the smoke around this bill was brushed away, we would find there is only one real object sought in this measure. That is to cover up the losses the organization has sustained in the last 2 or 3 years.

The pretense is made of lower interest rates. Why, you cannot tell Members of Congress the securities of this corporation, with its huge holdings of cotton, on which they have advanced money and on which they will ultimately take a tremendous loss, will obtain lower interest rates than the securities of the Reconstruction Finance Corporation. I submit this is not reasonable, and I do not believe it will materialize.

Mr. Speaker, I repeat, this legislation is offered for the purpose of concealing for the present, until after election, the fact that this corporation has sustained great losses in connection with cotton. Today there are over 6,000,000 bales of cotton under the control of this organization. Some day there is going to be a big loss. According to present market prices, it would be over \$50,000,000, and it will be much larger when the day of adjustment arrives.

I sympathize with the Roosevelt administration. They have a bear by the tail and they do not dare let go. If they let go, they are afraid the cotton market might be demoralized, or go lower than it is at the present time. This, of course, on the eve of election would be most disturbing. If the corporation continues to advance more money and acquire more cotton, they are only aggravating conditions and inviting a greater crash than would happen if they commenced to unload in an orderly way at the present time. From a political viewpoint, the strategic thing to do is to create the larger corporation and make it possible to acquire more surplus cotton and then wait until after election for the loss to become evident. If somebody gets disturbed at that time, it will not mean anything. But right now there is only one thing to do, and that is to promote the political cause of the Roosevelt administration, regardless of the cost in public moneys. To be sure, eventually the taxpayers are going to lose a large amount of money by carrying these huge burdens. But what of that? By this time the taxpayers are so insensible as a result of the punishment they have taken that another fifty or hundred million dollars will mean nothing. We can, in my judgment, anticipate huge losses.

Mr. CRAWFORD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. CRAWFORD. In the committee report it is cited that the Corporation is now without adequate capital with which to carry on its operations. It is also stated that the Reconstruction Finance Corporation can make additional loans to the Commodity Credit Corporation without increase of borrowing power of the R. F. C. What is there to prevent the R. F. C. from making loans on the basis of the present capital structure of the Commodity Credit Corporation?

Mr. MARTIN of Massachusetts. The R. F. C. can make loans indefinitely, if they wish.

Mr. CRAWFORD. It is not necessary to increase the capital?

Mr. MARTIN of Massachusetts. It is not essential that they do that.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Has the gentleman had an opportunity to compare the efficient way in which the

Commodity Credit Corporation has been operated with the inefficient way in which the old Farm Board was operated?

Mr. MARTIN of Massachusetts. No. But if a comparison is made, I think the gentleman would find that the end would be the same. The old Farm Board losses were great, and this Corporation will also be a tremendous loser when we finally balance the sheet.

Mr. HANCOCK of North Carolina. Is it not a fact that under the operations of the Federal Farm Board 69 cents of every dollar appropriated to that fund by Congress was finally lost?

Mr. MARTIN of Massachusetts. I think this concern is going to have a terrific loss; and let me say to the gentleman that, while I do not know whether his statement is accurate or not, I am not disputing the statement, but I believe this corporation is going to show a tremendous loss before we get through with it. The loss will come next year.

Mr. HANCOCK of North Carolina. Would the gentleman be agreeably surprised if the losses were less than 5 cents on the dollar?

Mr. MARTIN of Massachusetts. I would be astounded.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. CRAWFORD. In that respect, is it not true that ownership carries risk and that efficiency of operation cannot be determined until the inventories are finally liquidated?

Mr. MARTIN of Massachusetts. Certainly.

Mr. CRAWFORD. And this is the real answer to that question.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GIFFORD. It might help the gentleman to suggest that under the Republican administration of the Farm Board we forgot to guarantee the farmer 12 cents a pound on cotton and hold the cotton. This would be efficiency in the mind of the gentleman from North Carolina. We also forgot to subsidize the farmer on what he exported and, in fact, we forgot to do a lot of things in the way of artificially holding up the price and making guaranties to the farmers. We did not throw the entire Government credit behind the proposition, as is usual in this administration.

COMPARISON OF FEDERAL TAX CONTRIBUTIONS WITH EMERGENCY RELIEF EXPENDITURES—BY STATES

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain tables which I myself have prepared.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a table which I am herewith inserting in the RECORD, which will show that for the year 1935 the Federal Government paid 74.4 percent of all expenditures for emergency relief. The State governments paid 12.3 percent and the local governments contributed 13.3 percent.

These figures will show that in 14 States the Federal contribution was over 90 percent of all money spent for relief. These States are Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Montana, New Mexico, North Carolina, South Carolina, South Dakota, Tennessee, Virginia, and Wyoming.

There were 13 States where the Federal contribution was between 80 percent and 90 percent, as follows: Arizona, Colorado, Idaho, Illinois, Kentucky, Maryland, Nebraska, Nevada, North Dakota, Ohio, Oklahoma, Texas, and West Virginia.

It will be noted that the average contribution of the Federal Government was 74.4 percent. In addition to the 27 above-mentioned States in the 90-percent and 80-percent class, there were 8 States that received contributions greater than the average, as follows: Kansas, Michigan, Minnesota, Missouri, Oregon, Pennsylvania, Utah, and Washington.

We now come to those States that received less than the average contribution from the Federal Government. Those

Comparison of Federal tax contributions with Emergency Relief expenditures, by States

States	Population as of Apr. 1, 1930	Percent of total popula- tion	Total internal- revenue collec- tions, fiscal year 1934 ¹ (includes income tax)	Percent- age of total paid by each State	Income-tax collections, fiscal year 1934	Percent- age of total paid by each State	Amount of obligations incurred for Emergency Relief, ² by sources of funds, by States, January through December 1935							
							Obligations incurred for Emergency Relief							
							Total amount	Federal funds		State funds		Local funds		
								Amount	Percent	Amount	Percent	Amount	Percent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Alabama	2,646,248	2.15	\$3,829,578.78	0.17	\$1,938,284.21	0.24	\$18,747,347	\$17,331,528	92.4	\$312,212	1.7	\$1,103,607	5.9	
Alaska	59,278	.05	217,483.43	.01	158,930.88	.02								
Arizona	435,573	.35	1,037,839.06	.04	487,599.02	.06	7,825,965	6,902,827	88.2	923,138	11.8	0	0	
Arkansas	1,854,482	1.51	2,380,596.40	.10	891,381.50	.11	17,528,741	16,942,786	96.7	156,957	.9	427,258	2.4	
California	5,677,251	4.61	141,302,729.49	6.14	57,469,209.10	7.02	129,126,776	61,687,753	71.0	36,403,058	28.2	1,035,965	8.8	
Colorado	1,035,791	.84	10,503,757.22	.46	4,586,088.90	.56	22,139,749	19,755,146	89.5	440,165	1.7	1,944,438	8.8	
Connecticut	1,606,903	1.30	27,142,913.41	1.18	15,515,146.56	1.91	25,231,342	12,884,036	51.1	2,153,329	8.5	10,193,977	40.4	
Delaware	238,380	.19	17,612,694.74	.77	12,922,925.19	1.58	1,212,696	642,928	53.0	0	0	569,738	47.0	
District of Columbia	480,899	.40	10,942,692.42	.48	6,725,048.57	.82	9,126,616	6,982,540	76.5	0	0	2,144,076	23.5	
Florida	1,468,211	1.19	10,983,830.90	.48	4,437,630.34	.54	15,407,586	14,494,534	94.1	15,492	.1	897,560	5.8	
Georgia	2,903,506	2.36	10,646,337.05	.46	5,047,449.43	.62	21,650,541	20,343,180	94.0	0	0	1,307,361	6.0	
Hawaii	368,336	.30	5,116,469.80	.22	3,287,591.36	.40								
Idaho	445,032	.36	928,631.12	.04	402,048.73	.05	7,608,512	6,234,540	82.0	786,077	10.3	587,895	7.7	
Illinois	7,630,654	6.19	162,086,758.02	7.05	63,537,029.35	7.78	122,923,596	100,502,123	81.8	17,849,265	14.5	4,572,208	3.7	
Indiana	3,238,503	2.63	27,119,263.71	1.18	8,916,842.17	1.09	34,727,293	22,769,124	65.6	131,510	.4	11,826,659	34.0	
Iowa	2,470,939	2.01	7,983,997.40	.35	4,246,667.58	.52	19,918,313	12,392,639	62.2	2,368,471	11.9	5,157,203	25.9	
Kansas	1,880,999	1.53	10,857,840.84	.47	3,013,605.83	.37	28,478,253	21,696,007	76.2	245,247	.9	6,536,999	22.9	
Kentucky	2,614,589	2.12	64,234,124.40	2.79	5,147,249.33	.63	18,795,601	15,972,497	85.0	1,062,607	5.6	1,760,497	9.4	
Louisiana	2,101,593	1.71	15,873,788.26	.69	4,799,512.61	.59	19,479,559	18,560,428	95.3	0	0	919,131	4.7	
Maine	797,423	.65	5,844,114.37	.25	3,433,033.05	.42	10,108,978	5,659,233	56.0	1,005,107	9.9	3,444,638	34.1	
Maryland	1,631,526	1.32	36,015,131.88	1.57	19,154,022.60	2.34	16,924,322	14,383,874	85.0	2,244,330	13.3	296,118	1.7	
Massachusetts	4,240,614	3.45	76,107,937.04	3.31	39,622,028.81	4.85	105,221,184	67,169,620	63.8	117,777	.1	37,943,787	36.1	
Michigan	4,842,325	3.93	97,002,998.41	4.22	28,169,277.71	3.47	66,451,429	49,892,324	75.1	9,255,394	13.9	7,303,711	11.0	
Minnesota	2,563,953	2.08	24,930,976.70	1.08	10,551,764.40	1.29	44,411,649	34,435,134	77.5	3,498,292	7.9	6,478,223	14.6	
Mississippi	2,009,821	1.63	1,504,789.00	.07	631,034.61	.08	13,641,949	12,713,575	93.2	74,597	.5	853,777	6.3	
Missouri	3,620,367	2.95	59,397,650.56	2.58	22,074,838.51	2.70	42,095,762	32,151,020	76.4	6,069,417	14.4	3,875,325	9.2	
Montana	537,606	.44	2,295,465.71	.10	685,114.28	.08	9,821,460	9,085,409	92.5	409,230	4.2	326,821	3.3	
Nebraska	1,377,903	1.12	5,817,711.08	.25	2,630,338.71	.32	15,834,466	12,971,001	81.9	2,748	(³)	2,860,717	18.1	
Nevada	91,058	.07	2,246,071.52	.10	1,736,364.78	.21	2,776,444	2,308,553	83.1	115,527	4.2	352,364	12.7	
New Hampshire	465,293	.38	3,270,549.71	.14	1,455,411.37	.18	5,606,532	2,159,299	38.5	1,560,868	27.8	1,886,365	33.7	
New Jersey	4,041,334	3.28	96,003,207.65	4.17	41,337,659.13	5.06	62,632,087	45,724,549	73.0	12,283,310	19.6	4,624,228	7.4	
New Mexico	423,317	.34	722,330.63	.03	289,861.02	.04	8,145,609	7,718,337	94.7	339,512	4.2	87,760	1.1	
New York	12,588,066	10.22	528,994,948.71	22.99	260,844,259.47	31.92	308,644,238	172,306,206	55.8	54,670,506	17.7	81,667,526	26.5	
North Carolina	3,170,276	2.57	230,632,858.61	10.02	12,957,991.46	1.59	16,342,984	16,294,426	99.7	0	0	48,558	.3	
North Dakota	680,845	.55	683,733.62	.03	292,321.55	.04	13,736,377	11,860,493	86.3	41,938	.3	1,833,946	13.4	
Ohio	6,646,697	5.39	111,810,173.15	4.86	37,895,741.72	4.64	97,737,344	85,397,724	87.4	8,514,075	8.7	3,825,545	3.9	
Oklahoma	2,396,040	1.95	41,239,069.72	1.79	6,921,570.00	.72	21,681,574	19,439,486	89.7	179,960	.8	2,062,128	9.5	
Oregon	953,786	.77	4,225,654.88	.18	1,740,784.85	.21	12,223,034	9,104,956	74.5	1,690,750	13.8	1,427,328	11.7	
Pennsylvania	9,631,350	7.82	183,687,536.45	7.98	66,461,022.18	8.13	213,007,900	163,647,051	76.8	39,994,466	18.8	9,366,383	4.4	
Rhode Island	687,497	.56	11,538,478.95	.50	6,125,959.00	.75	8,680,303	3,038,140	35.0	2,396,796	27.6	3,245,367	37.4	
South Carolina	1,738,765	1.41	3,274,252.65	.14	2,047,644.16	.25	12,777,010	12,449,258	97.4	1,324	(³)	326,428	2.6	
South Dakota	692,849	.56	881,211.05	.04	347,033.97	.04	13,335,010	12,020,466	90.1	0	0	1,314,544	9.9	
Tennessee	2,616,556	2.12	11,610,658.70	.51	5,163,773.23	.63	18,155,148	16,486,435	90.8	250,000	1.4	1,418,713	7.8	
Texas	5,824,715	4.73	60,587,753.27	2.20	16,176,698.67	1.98	45,311,523	39,320,117	86.8	5,775,663	12.7	215,743	.5	
Utah	507,847	.41	2,218,179.28	.10	914,966.26	.11	10,575,958	8,297,073	78.2	1,425,473	13.5	883,412	8.3	
Vermont	359,611	.29	1,129,956.00	.05	644,405.85	.08	2,694,865	1,759,661	65.3	16,745	.6	918,459	34.1	
Virginia	2,421,851	1.97	116,674,856.64	5.07	8,796,186.92	1.08	14,168,727	13,357,218	94.3	14,359	.1	797,150	5.6	
Washington	1,563,396	1.27	10,147,805.31	.44	3,592,337.63	.44	20,886,242	16,087,670	79.9	3,232,872	15.5	965,700	4.6	
West Virginia	1,729,205	1.40	7,833,959.88	.34	3,582,747.46	.44	20,707,801	17,679,605	85.4	2,715,205	13.1	312,991	1.5	
Wisconsin	2,939,006	2.39	40,237,539.14	1.75	7,796,324.34	.95	49,196,223	35,231,996	71.6	3,179,922	6.5	10,784,305	21.9	
Wyoming	225,665	.18	972,176.41	.04	422,561.86	.05	3,470,354	3,173,941	91.5	242,816	7.0	53,597	1.5	
Philippine Islands			475,225.15	.02										
Total	123,202,660	100.00	2,300,816,308.88	100.00	817,025,339.72	100.00	1,826,930,942	1,359,978,466	74.4	224,166,247	12.3	242,786,229	13.3	

¹ Exclusive of processing taxes.² Includes obligations incurred for relief extended under the general relief program, under all special programs, and for administration; these figures also include purchases of materials, supplies, and equipment, rentals of equipment (such as team and truck hire), earnings of nonrelief persons employed and other expenses incident to the emergency work-relief program.³ Less than half of 1 percent.

NOTE.—Statistics on population compiled from Census figures; data on Internal Revenue collections from Bureau of Internal Revenue; Emergency Relief obligation statistics from release of Mar. 18, 1936, by Federal Emergency Relief Administration.

States where the Federal contribution was between 60 and 74.4 percent are as follows: California, Indiana, Iowa, Massachusetts, New Jersey, Vermont, and Wisconsin.

The final category includes those States which received less than 60 percent from the Federal Government of all money spent in those States for relief. There are but six of them, as follows: Connecticut, Delaware, Maine, New Hampshire, New York, and Rhode Island.

Expenditures for the Public Works Administration, the Civilian Conservation Corps, the Civil Works Administration and all other forms of public works expenditures are not included in these tables. If they had been included—Federal loans excepted—the Federal Government's contribution to unemployment relief would have been substantially greater.

Touching the question of the contribution by the States to the Federal Treasury in the form of Federal taxes, we find that there are 26 States whose total Federal taxes, excluding processing taxes, are less than the amount they received from the Federal Government for emergency relief expenditures alone. These States are: Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, and Wyoming. There are many other expenditures by the Federal Government in these States covering various lines of activity, and if these were added to the total of the relief expenditures the comparison between Federal taxes paid and Federal expenditures would, of course, be sharper.

COMMODITY CREDIT CORPORATION

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, it has been said that this bill merely authorizes a bookkeeping operation by which the R. F. C. transfers \$97,000,000 from loans to the C. C. C. to capital investment.

In order to understand this we must review the set-up of the Commodity Credit Corporation and the investments of the Reconstruction Finance Corporation in that Corporation. First let it be understood that the Commodity Credit Corporation is managed from the Reconstruction Finance Corporation office and is virtually a part of the Reconstruction Finance Corporation. So during these debates let us not imagine the Commodity Credit Corporation in one building, with a directorate and a staff, far removed from the building and the directorate and the staff of the Reconstruction Finance Corporation, because for all practical purposes they are one and the same.

The Commodity Credit Corporation was set up under an Executive order signed by the President on October 17, 1933. It is a Delaware corporation and it has a capital of \$3,000,000. We gave the President general authority to set up a corporation having these powers, and he did so. Understand that until the Reconstruction Finance Corporation extension bill was enacted by the Congress last year, the Congress of the United States had never at any time directly approved the organization of the Commodity Credit Corporation. When we extended the life of the Reconstruction Finance Corporation last year, we extended the effective life, but not the corporate life, of the C. C. C. until April 1, 1937. The Corporation is chartered under Delaware law for an indeterminate period of years, but its life is limited to April 1, 1937, by section 7 of Public, No. 1, Seventy-fourth Congress, or such earlier date as may be fixed by the President by Executive order.

The Corporation borrows its money from the Reconstruction Finance Corporation and pays 3 percent for it. It makes loans to cotton farmers and charges 4 percent for it. The Reconstruction Finance Corporation gets its money from the Treasury of the United States at 2½ percent. There is one-fourth of 1 percent spread between what the Reconstruction Finance Corporation pays for its money and that for which it lends it to the C. C. C. There is a 1 percent spread between what the Reconstruction Finance Corpora-

tion receives from the C. C. C. and that for which the farmer pays for it.

We should not fool ourselves at all about this legislation. As I said in the beginning, we were told that it was purely and simply a little bookkeeping operation, whereby the Reconstruction Finance Corporation would credit itself with the purchase of \$97,000,000 worth of capital stock of the C. C. C. and reduce the loans which it held against cotton and corn and resin and turpentine that much.

Against a capitalization of \$3,000,000, the Reconstruction Finance Corporation has a total debt outstanding against cotton loans of \$288,300,977.77, according to the daily report of the loans of the Commodity Credit Corporation as of March 9, 1936. Against this \$3,000,000 capitalization the Reconstruction Finance Corporation, on that date, had loaned the Commodity Credit Corporation, or there was outstanding on that date on loans, \$311,607,614.29. We might as well meet this thing and understand it and not try to fool ourselves or our constituents about the purpose of this bill. The Reconstruction Finance Corporation has got itself into a very bad banking bargain. It has got itself in a hole, and hold some very bad loans. It is bad banking for any bank to loan over \$311,000,000, against a capitalization of \$3,000,000.

So they come to Congress and ask us to bail them out.

Now, this is not so bad. Simply because they have made this mistake in the past is no reason in itself why we should not help them out of this hole and increase the capitalization of the C. C. C., but, Mr. Speaker, one of the purposes of this bill is to delay the day of reckoning and allow the Commodity Credit Corporation to charge against its capital the loss in cotton, whatever it is, instead of compelling the Reconstruction Finance Corporation to call its loans and sell the cotton on the market.

Now, Mr. Jones says that he would not call the loans, and there is no danger whatever of demoralizing the market by the sale of C. C. C. cotton holdings. So there is absolutely no reason why the bill is before Congress, except that the President is doubtful about the policy he established in pegging the price of cotton at 12 cents, and wants Congress to put its stamp of approval on that policy.

This is the first time you have been called upon to put your stamp of approval on the methods of the Commodity Credit Corporation whereby they try to peg the price of a commodity at any figure.

Mr. SNELL. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SNELL. As a matter of fact, what difference is there between the Commodity Credit Corporation and the old Farm Board?

Mr. WOLCOTT. I was coming to that. These gentlemen on the Democratic side may be all right and sincere, but at their convention in 1932 they denounced the Farm Board of the Republican Party because of its attempt to stabilize agricultural prices by taking the surplus off the market. They did it in these words:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products and the unsound policy of restricting agricultural products to the demands of domestic markets.

You condemned it, and when I read it in your platform I said:

Could the Republican Party be so vile, so low, as to jeopardize the interests of the taxpayers of the United States by putting into operation such a destructive machine as the Farm Board?

I was not here at that time, so I do not know what I would have done.

Now, we have your party, your President, and the Department of Agriculture advocating for cotton what the Republican Party in the Farm Board tried to do for wheat. There is no denying that. I call attention that at the present time your President has created another Farm Board and called it the Commodity Credit Corporation, and the only distinction between the Farm Board and the Commodity Credit Corporation is in the name and the fact that now you deal in

cotton instead of wheat. The Commodity Credit Corporation loans 12 cents a pound on cotton.

There is a carrying charge, a warehouse charge, a storage charge, and so forth, of a cent and a half a pound, and there is 1 cent a year interest charge which it has to pay, so at the present time it has invested 14½ cents in every pound of cotton it holds, and there are over 4,500,000 bales of it in the warehouses of the Commodity Credit Corporation. It is pyramiding from year to year. Do you know what four and a half million bales of cotton amount to? With the 800,000 bales of futures which they also control, it is just about one-half of 1 year's production of cotton in the United States, and about 25 percent of the world production of cotton for 1 year. In 1934 we produced in the United States a little over 9,000,000 bales of cotton, and we took off the market through the Commodity Credit Corporation more than half of the year's yield of cotton in the United States. Are you going to continue to do that? If you are going to continue to do that, you not only are pyramiding the expenses, the cost of carrying this, but the carry-over last year was between three and four million bales of cotton above the average carry-over, so it is going to necessitate a continuation of this Commodity Credit Corporation beyond April 1937, unless you dump it on the market. You have one of two alternatives with respect to this hole you have gotten yourselves into. You may either dump this cotton and demoralize the market, and take your loss, or you can hold it and take your loss.

You are going to lose, because the Reconstruction Finance Corporation, in their good judgment, do not want to and they will not dump this cotton on the market, and each year you are increasing the carrying charges by 1 cent a pound. If you hold it you will take a loss, because by reason of the false dollar value which you have given cotton, you are constantly decreasing the amount of cotton exported, which has constituted 50 percent of the cotton crop of the United States from the time that the memory of man runneth not to the contrary, and you are pyramiding not only the amount of cotton held but also the carrying charges against that cotton to the extent that you have to take either one of two ways out, as I have said—by dumping it on the market and depreciating the price of cotton, or holding it and taking your loss in the manner which I have said. The point I make is this: In 1930 would any of you on the Democratic side have voted to institute the Farm Board? Did you do so? If you did, then with consistency you can put your stamp of approval upon the Commodity Credit Corporation, but if you were against the Farm Board, as you said in your platform, then you cannot with consistency put your stamp of approval on the Commodity Credit Corporation.

Now, I am going to speak politically for a moment. Every time we have criticized the Agricultural Adjustment Act you gentlemen have come back at us and said, "Farm Board." You have thrown the Farm Board in our faces, but henceforth when the Republican side of the House denounces the farm policies of the administration, do not say anything to us about the Farm Board, because we are going to say that you have approved the Farm Board by the institution of the Commodity Credit Corporation.

Mr. REILLY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. REILLY. Is it not a fact that this Commodity Corporation loaned millions and hundreds of millions on cotton and corn in 1934 and got it all back without the loss of a dollar?

Mr. WOLCOTT. I shall have to answer the gentleman by saying that upon the basis of the 1934 crop the loans or total holdings of the Commodity Credit Corporation of cotton amounted to 49 percent of the crop. The loans on the corn crop amounted to eight one-thousandths of a cent as against 49 percent of the cotton crop, and when you tell us about the Commodity Credit Corporation loaning on corn for the purpose of helping the corn farmer, be reminded that the total the Commodity Credit Corporation invested is eight-thousandths of a cent on every dollar of corn, whereas it has 49 cents on every dollar of cotton.

Mr. HANCOCK of North Carolina. It is true, is it not, that the Commodity Credit Corporation has made \$128,-000,000 in corn loans?

Mr. WOLCOTT. The reason for getting their corn loans back is the fact that they had an entirely different policy for corn than for cotton. They did not try to peg the price of corn, but they did peg the price of cotton, and now, with cotton down to 11½ cents, you have a paper loss there below what you pegged your price at, with an actual loss of about 3 cents a pound at the present time on every pound of cotton. I think the figures are somewhere between \$34,000,000 and \$38,000,000, which you have already taken as a paper loss on cotton, which is increasing with every drop in the cotton market and increasing every month that you have to carry this four and a half million bales of cotton.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HANCOCK of North Carolina. Is it not a fact that, with the exception of a few loans made in 1933, pending the enactment of the Agricultural Adjustment Act, the Commodity Credit Corporation has never made a loan of a dollar against any commodity except below the market price of that commodity?

Mr. WOLCOTT. I think probably that, unless we analyze that much further, the gentleman's question in the main may be answered in the affirmative; but they should have anticipated, as we all anticipated, that cotton would drop in price, even if they made a 12-cent loan when cotton was 12½ or 13 cents, because that loan was made for the express purpose of pegging cotton at 12 cents. You did not loan against corn with the idea of pegging the price at any given level; and because you loaned underneath the market price of corn, they could repay their loans. You have to take the loss on cotton because you loaned on a false value and not upon a true market value. [Applause.]

The SPEAKER. The time of the gentleman from Michigan has again expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Speaker, on several occasions during this session of Congress I have taken the floor and criticized what I considered to be legislation inimical to the best interests of the dairy industry of this country. A few weeks ago when this House passed the new agricultural program—the soil-conservation bill—we had before us the so-called La Follette amendment, an amendment that was put in the bill in the Senate and brought to this body. It was offered on the floor by my distinguished colleague from Wisconsin [Mr. HULL] in identical terms with the La Follette amendment offered in the Senate, and that amendment was rejected on the floor of the House. That amendment was intended for the purpose of stabilizing the dairy industry. One of the reasons why that amendment was objected to was that it was carrying on activities similar to the activities of the old Farm Board. At that time, when we were considering stabilization for dairying, the House thought it was wrong to consider stabilization activities. It is always wrong to do these things for the dairy industry, but today we find ourselves perpetuating and continuing a policy of stabilization, primarily in the interest of cotton—but it is fundamentally wrong to do so for the dairy industry.

The La Follette amendment provided permissive authority to the Secretary of Agriculture to carry on operations almost identical with the operations carried on by the Commodity Credit Corporation, activities similar to those that will be carried on in the future. It is all right for cotton, but it is fundamentally wrong when it comes to dairying.

I want to say this for the Record. At the very time when that La Follette amendment was being considered in

conference, the Senate having put it in and the House having turned it down, at the very time the conferees from this House and the Senate kicked the La Follette amendment out of the window, the Senate passed this bill which is primarily for cotton. It was turned down because it is fundamentally wrong to carry on this stabilization for the dairy industry. I want to warn the majority Members of this House, the present party in power, against what has been going on in the past with reference to the dairy industry. The dairy industry is becoming pretty well convinced, I want to say to my Democratic friends, that they are getting a dirty deal from this administration. I want to say to you that if you expect the support of dairymen in the coming election, you had better change your tactics. You have to recognize that if a proposition is fair for cotton, that the dairy industry ought to get a fair deal out of it. We have as much right to expect fair treatment as any other group of agriculturists.

Mr. Speaker, I yield back the balance of my time. [Applause.]

The SPEAKER. All time has expired.

Mr. DRIVER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3998, with Mr. Cox in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, this seems to have become something of a discussion as to the relative merits and demerits of the Commodity Credit Corporation and the Farm Board. Despite everything said on either side, I do not think any fair-minded individual can say there is any essential difference in the operations of the Federal Farm Board and the Commodity Credit Corporation. They were both organized for the purpose of stabilizing prices, and anyone now praising the Commodity Credit Corporation and making the claim it has been a great success cannot very consistently condemn the Farm Board policies. Anyone who condemns the Farm Board policies cannot consistently defend the policies of the Commodity Credit Corporation. Their objectives and purposes were essentially the same, and likewise the administration of one was no different from the other. The Commodity Credit Corporation was more fortunate than the Farm Board in that it began its operations during a time of rising prices. As to its corn loans, it was particularly fortunate because the drought and a short corn crop in the succeeding year brought corn prices to a high point which had not been attained for a number of years.

Mr. THOM. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. THOM. I know the gentleman from Kansas is always fair in his discussions on the floor of the House, and I should like to ask him a question. Under the Farm Board system there was no control of crops and no effort made to avoid a surplus, whereas during the life of the Commodity Credit Corporation there has been in existence crop-control programs which have made less possible the piling up of surpluses. It therefore seems to me that the Commodity Credit Corporation has operated under a different set of circumstances and more favorable circumstances.

Mr. HOPE. That has been given as a reason and an excuse for the operations of the Commodity Credit Corporation, and it has been used as a reason for distinguishing its operations from those of the Farm Board. As a matter of fact, I do not believe it is a valid distinction, because had it not been for the 1934 drought we would have had, even with the reduction in effect, at normal yields a corn crop of a size sufficient to have caused a loss so far as the stabilization efforts of the Commodity Credit Corporation were concerned. As far as cotton is concerned, although there has been a reduction in the domestic production, there has been an increase in world production which has to a large extent acted as an offset to domestic reductions. Cotton being a world crop, the efforts to reduce production have been quite ineffective. So that I do not believe, except in theory, there is the great distinction which the gentleman has just mentioned.

Mr. WOLCOTT. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. While the Cotton Control Act was in effect the statistics show, and the experts tell us, that the carry-over for last year was between three and four million bales above the average.

Mr. HOPE. That is true.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Is it not true that since 1933 the surplus in cotton has been reduced from 13,000,000 bales to a little less than 9,000,000 bales?

Mr. HOPE. The surplus in American cotton?

Mr. BROWN of Georgia. American cotton.

Mr. HOPE. Yes; that is true. That was due, of course, to the reduction under the Bankhead Act.

Mr. Chairman, I want this afternoon to particularly discuss the cotton situation and the operations of the Commodity Credit Corporation as far as cotton is concerned. I expect to vote for the pending bill, because I do not consider that a vote on this measure is a vote on the merits or the demerits of the Commodity Credit Corporation. I think this bill provides for a better financial set-up and one under which the Commodity Credit Corporation can better conduct its operations; therefore I expect to vote for it. But I do want to point out some of the results of the operations of this measure and its effect upon the cotton industry in this country.

It does seem strange perhaps that after the experience we had with cotton under the Farm Board Act, whereby we suffered a loss of something like \$145,000,000, that we would enter into cotton-stabilization operations such as the Commodity Credit Corporation has undertaken. Particularly is it strange that it should be done by an administration which so thoroughly condemned the Farm Board. The reason given is that which was stated by the gentleman from Ohio a few moments ago, namely, that there was a reduction campaign in effect as far as cotton was concerned, and that under those circumstances it was perfectly safe to attempt to stabilize prices. That might have been all right if cotton were purely a domestic commodity, but when it is considered that half of our cotton must be exported, and that our total production during the last 2 years was about two-fifths of the world production, it can be seen that a domestic reduction might have very little bearing. Cotton prices are made in the world market and are based on world production.

Mr. Chairman, I wish to speak particularly in reference to the policy that was adopted in 1934 of lending 12 cents per pound on cotton, which was so much above the market price that the Government succeeded in acquiring 4,500,000 bales of cotton, or approximately half of the crop grown in the United States in 1934. It still has this cotton on its hands. In addition to this it has in spot cotton and in futures something like 1,100,000 bales of additional cotton owned by other Government agencies. So that today the Government of the United States has under its control considerably more than one-half of the crop of cotton that we have grown in either of the last 2 years.

These cotton loans of 1934 have done considerable injury, I think, to every producer of cotton in the country. What have been the results of these loans which were made at

higher than the market price of cotton? In the first place they have done more than anything else to lose us our export market. Our exports of cotton for the marketing year 1934-35, when this policy was in effect, were only 4,799,000 bales, which is the lowest for many, many years. I do not have the figures all the way back, but this was lower than any year since 1920, and I think for a good many years prior to that time unless during the war period.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question in that connection?

Mr. HOPE. I yield.

Mr. BANKHEAD. Is it not true that during the same period there was a tremendous reduction in the exports of other raw materials and manufactured good from this country?

Mr. HOPE. I think that is true.

Mr. BANKHEAD. And it did not apply particularly to cotton exports the gentleman will admit.

Mr. HOPE. The gentleman does not think that it helped the cotton situation any because our exports of other raw materials were down at the same time? It did do a definite damage to the cotton industry of this country to lose our export markets as we did, mainly as a result of this abnormally high loan value placed on cotton.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BANKHEAD. However, the gentleman will admit that the statistics show that the reduction in the exportation of cotton was smaller in percentage than in any other commodity of foreign export, will he not?

Mr. HOPE. No; I do not have any figures that show that. I can simply say I do not know whether that is true or not.

Mr. BANKHEAD. I can say that that is true.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. CRAWFORD. What the figures also show is that while our exports of cotton and cotton goods dropped off, the exports of Japan picked up by thousands of percents of increase, the exports of cotton goods from Japan replacing our markets.

Mr. HOPE. I think that is true, and I thank the gentleman for his contribution.

Now, the unfortunate part of this matter was that while we were reducing our production of cotton in this country and while our exports were falling off as a result of this unwise policy, other countries were increasing their production, and in the crop year 1934-35 the world production of cotton outside of the United States was the greatest ever known, and this year, 1935-36, the world production of cotton outside the United States has still further increased above that for the year 1934-35, in spite of the reduction which American farmers made last year.

There was an increase in world acreage of over 3 percent and an increase in production of over 10 percent during that time, so that whatever benefits we may have acquired in this country by reducing our cotton acreage have been nullified and neutralized by this increase in cotton production in other countries. In other words, every bale of cotton that the American farmer has failed to produce has been produced by some foreign farmer, and he is sending it today into the world market, where American cotton formerly went.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I cannot yield right now. If I get more time, I shall be pleased to yield to the gentleman.

This brings us to this situation: Irrespective of having lost part of our world cotton market, we have the problem on our hands of disposing of 4,500,000 bales of cotton, in addition to the 1,100,000 bales which are still left over from the Farm Board operations. It has been 5 years since the Farm Board bought any cotton, and we still have 1,100,000 bales of Farm Board cotton, owned by the Government. How long, at this rate, is it going to take us to dispose of

this 4,500,000 bales that the Government has acquired through the Commodity Credit Corporation?

Everyone knows we are going to produce a larger cotton crop this year, weather conditions being the same, than we did last year or the previous year, and everyone knows that world cotton production is increasing. So how are we going to dispose of this 4,500,000 bales of cotton which the Government now has on hand? If we sell it today at the going market price of spot cotton, which was 11.70 in New York on Saturday, we stand to lose practically \$40,000,000, because the Government has in this cotton today something like 13½ cents a pound. This means a loss of practically 2 cents a pound on 4,500,000 bales of cotton.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HOPE. So this is the loss which would accrue to the Government if this cotton could be sold at today's prices.

But this cotton cannot be sold this year and all the time charges and expenses are going on and piling up against this cotton at the rate of about two-thirds of a cent per pound per year.

If we should sell this cotton, we know what effect it would have on the cotton market. It would absolutely demoralize it, and the Government will not adopt that policy.

So we have today as the result of this ill-advised policy of loaning more than cotton was worth—we have as a result of this policy on our hands 4,500,000,000 bales of cotton, which is going to be a deadweight on the cotton market and will result in all probability in lower prices for cotton for a number of years to come. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Chairman, in my opinion there are many material differences between the Commodity Credit Corporation and the old Farm Board. Any man who has read the report filed by this Corporation is obliged to take a great deal of pride in it. It would be difficult to measure its accomplishments. It has been of great benefit to the producers of many products in our country, especially the cotton and corn farmers. Whereas, the old Farm Board's operations brought the price from a high point to a lower point, the Commodity Credit Corporation's operations have resulted in bringing the commodity prices from a low point to a high point.

This bill should be quite easily understood by all who want to understand it.

Mr. Jones, in his statement before the committee, outlined four major points involved in this legislation:

(1) No new Government funds will be required, the bill merely transferring a portion of the funds heretofore advanced by the Reconstruction Finance Corporation to an investment in capital stock of Commodity Credit Corporation.

(2) The bill will not affect the Budget, is not objectionable to the Secretary of the Treasury, and has been approved by the Secretary of Agriculture and Administrator of Agricultural Adjustment Administration.

(3) It will enable the Corporation to meet its obligations to the Reconstruction Finance Corporation, and place it in a position to margin its loans and borrow from private sources on the security of commodities at very low interest rates and without Government guarantee.

(4) It will assist the Corporation in the orderly liquidation of its stock of cotton and other commodities without adversely affecting prices.

The hearings before the House committee set out in detail the origin of this Corporation. I call the attention of the House to a letter from the Chairman of the Reconstruction Finance Corporation to the President, recommending that this legislation be enacted, which recommendation was approved by the President.

Under section 201-d, title II, of the Emergency Relief and Construction Act of 1932, as amended, the following authority is given to the Corporation: To make loans to bona-fide institutions

organized under the laws of any State or the United States, and having resources adequate for their undertaking.

I call attention to that last clause which authorizes the Reconstruction Finance Corporation to make loans to any bona-fide institution "having resources adequate for their undertaking."

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes. I yield to my friend.

Mr. WOLCOTT. Is there any reason why the President by Executive order should not direct that the charter of the Commodity Credit Corporation be amended and its capitalization increased from \$3,000,000 to \$100,000,000?

Mr. HANCOCK of North Carolina. I know of no particular reason except that probably this is the quicker way of doing it. Of course only Congress can authorize the investment by the R. F. C. in the capital stock of the Commodity Credit Corporation. That is the main reason this bill is before us.

Mr. WOLCOTT. The charter has to be amended, anyway, and would it not be quicker for the President, as he did in the first place, to provide for that by Executive order; and is there not authority under the Reconstruction Finance Corporation Act for the Reconstruction Finance Corporation to invest in this capital stock without further authorization by the Congress?

Mr. HANCOCK of North Carolina. I think from a legal standpoint the gentleman's statement is absolutely correct, but I believe that the Members of the Congress welcome the opportunity to give this legislation his or her approval.

Mr. WOLCOTT. Will the gentleman tell us why this legislation is before us, except that the administration wants us to put our stamp of approval upon the Commodity Credit Corporation?

Mr. HANCOCK of North Carolina. I think practically every Member of the House, and I hope the gentleman will join with us, desires this opportunity of expressing his appreciation for this legislation because of the wonderful good it has done the producers and the country in general.

So much has been said about the relationship between the Commodity Credit Corporation and the old Farm Board that some of us on the committee had anticipated this issue would be raised. I think anyone who fully understands the philosophy behind the Commodity Credit Corporation could not under any fair and rational construction, say that it was even distantly akin to the old Federal Farm Board. It is true that both corporations were born in America, and that is about the only similarity of any consequence that one can correctly relate as between these two institutions.

Although it has nothing whatever to do with the merits of this bill, it was anticipated that, for partisan reasons, advantage would be taken of the opportunity afforded by its consideration to criticize this administration by attempting to compare the Commodity Credit Corporation and its operations to the late and lamented Federal Farm Board and its operations under the Hoover administration.

The Federal Farm Board was created by the Agricultural Marketing Act, approved June 15, 1929. It should be remembered that that act constituted the entire agricultural program of the Hoover administration and that the Farm Board was the sole agency for its administration. Its record and the tremendous losses sustained, in its futile effort to stabilize prices, are still fresh in the minds of most of us. This administration, which could not help but profit by the mistakes of its predecessor, attempted to meet the situation by a carefully considered program, based upon the voluntary participation and cooperation of the farmers. I refer to the Agricultural Adjustment Act approved May 12, 1933, as amended.

Aside from the objectives sought to be achieved, this program is fundamentally different from that embodied in the Agricultural Marketing Act, administered by the Farm Board, as is immediately perceptible from the declaration of policy of the Congress as stated in the two acts.

The policy declared in the Agricultural Marketing Act is—

To promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their products.

The policy declared in the Agricultural Adjustment Act is to—

Establish and maintain such balance between the production and consumption of agricultural commodities, and such marketing conditions therefor, as will reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in a certain base period fixed by the act.

You are all familiar with the means by which this administration sought to carry out this policy and achieve these results under the Agricultural Adjustment Act, as amended, prior to the much-discussed decision of the Supreme Court invalidating the processing taxes levied under the act. You are also familiar with the means by which this administration now, and as the result of the Supreme Court decision, seeks to carry out this policy and achieve these objectives under the Soil Conservation and Domestic Allotment Act, approved February 29, 1936. I shall refer to the means by which the Hoover administration vainly attempted to carry out the policy and achieve the objectives of the Agricultural Marketing Act later in distinguishing the nature and character of the loans made by Commodity Credit Corporation from the stabilization loans and operations of the Federal Farm Board.

As indicated by the statements of policy just quoted from the two acts, the Agricultural Marketing Act approached the problem from the standpoint of removing and controlling surpluses of agricultural commodities, and the Agricultural Adjustment Act approached the problem from the standpoint of preventing the creation of surpluses of agricultural commodities. Commodity Credit Corporation was created to assist in carrying out the policy and achieving the objectives of the Agricultural Adjustment Act by making loans to farmers cooperating in the program, upon the security of agricultural commodities, in order that such farmers might orderly market their commodities.

Only the original loans made by the Corporation upon the 1933 corn and cotton crops were made in an amount in excess of the market value of such commodities at the time the loans were approved and might be, in a sense, regarded as price-pegging loans.

In this connection it should be recalled that there was a considerable carry-over from the 1932 crop, and that the agricultural adjustment programs, which were then just beginning to function, could hardly become effective for almost a year. The prices of agricultural commodities were greatly depressed, and loans of the character made by Commodity Credit Corporation were deemed necessary to permit the farmers to carry these commodities and orderly market same in order to reap the benefits of the increased values anticipated as the result of the agricultural adjustment programs.

The loan on the 1933 corn crop was paid in full, including 4 percent interest, by producers. Loans on the 1933 cotton crop, with the exception of a negligible amount, have been paid by the producers, and no loss on these loans will be suffered.

With the exception of the original loans made by the Corporation on the 1933 cotton and corn crops, all loans made by the Corporation have been for less than the market value of such commodities at the time the loans were approved. There has been much discussion within the past few months concerning the 12-cent cotton loans made by the Corporation during the 1934-35 season. While cotton prices are now slightly less than the amount of such loans, with carrying charges added, when the loan was arranged the price was approximately 13½ cents.

The loans of 55 cents per bushel on the 1934 corn crop were paid in full, with interest, and without loss to the Government.

The Corporation is loaning 45 cents per bushel on the 1935 corn crop, and 10 cents per pound on the 1935 cotton crop, both amounts being considerably less than the present market values of such commodities, and no losses are anticipated.

There will be some loss in connection with present loans on gum resin and gum turpentine, but not a great deal. These loans were made in connection with a program of market adjustment, under a license and marketing agreement of processors under the Agricultural Adjustment Act.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. WOLCOTT. The gentleman mentions that the loss on gum resin would not be very great. I call the gentleman's attention to the fact that the only investment the Commodity Credit Corporation has in gum resin is \$5,839,185.64, so that the loss, if it lost all of it, would not be tremendous.

Mr. HANCOCK of North Carolina. No; and I think more than a million dollars of that amount has been collected.

The chairman of the Committee on Banking and Currency, in explaining the nature and purposes of the bill, has given a comprehensive summary of the organization, loan policy, source of funds, and record of the Commodity Credit Corporation. It is my purpose to show wherein the operations of this agency differ from those of the Federal Farm Board.

First. The affairs of the Federal Farm Board were managed by a board of eight directors, each of whom drew a salary of \$12,000 a year. Commodity Credit Corporation is managed by a board of nine directors composed of officials of several other departments or agencies of the Government experienced in commodity financing, and who serve without additional compensation, including the Secretary of Agriculture, the Governor of the Farm Credit Administration, and the Administrator of the Agricultural Adjustment Administration. The Corporation's president is the Honorable Lynn P. Talley, assistant to the directors of the Reconstruction Finance Corporation, former Governor of the Federal Reserve Bank of Dallas, and generally recognized as one of the best qualified bankers in the United States.

Second. The Federal Farm Board was authorized to make loans only to cooperative marketing associations and to stabilization corporations, in which all of the voting stock was held by cooperative marketing associations. The futile efforts of the Board to stabilize prices were made by loans both to cooperative marketing associations and to stabilization corporations. It will be recalled that both the stabilization corporations and the cooperatives through which these efforts were made were completely dominated and controlled by the Board, and in most instances their organization was suggested and supervised by the Board.

Prior to the Supreme Court decision the Commodity Credit Corporation, as previously stated, made loans only to the actual producers of commodities, each of whom had cooperated in the adjustment program in the past and had agreed to so cooperate in the future. This requirement had a definite relationship to the success of the program. The stabilization loans and purchases of the Farm Board were made without reference to any program of production or market adjustment to prevent the accumulation of succeeding surpluses. Commodity Credit Corporation has made loans only upon commodities with respect to which there was in effect a program of production or market adjustment under the Agricultural Adjustment Act, as amended.

Third. The next distinction between the operations of the Federal Farm Board and Commodity Credit Corporation is very important. Loans of the character made by the Federal Farm Board resulted in the physical concentration usually in or near merchandising centers of large stocks of agricultural commodities. This in and of itself had an adverse effect on the markets. The transaction between the

producer and the Cooperative or Stabilization Corporation was one of purchase, the producer having no further direct interest in the commodity. Because of the control of these cooperatives and the stabilization corporations by the Federal Farm Board, the effect was that a board of eight men in Washington had the determination of when to sell, the quantity to sell, and the prices at which sales would be made. Many of you will, doubtless, recall the many announcements made by the Chairman of the Federal Farm Board as to what was or was not to be done in order to dispel the numerous uncertainties and rumors concerning the disposition of the large stocks held by the Board.

Fourth. Commodity Credit Corporation makes its loans to the farmer at his nearest or most convenient point of storage, and, in the case of corn, this is on the farm where it is sealed under State law. The farmer gets no greater loan if he pays freight and transportation costs. Hence, there is no large concentration of commodities in or near market centers. Notwithstanding the fact that, under the terms of the note and loan agreement, the producer is not personally liable on a loan from Commodity Credit Corporation except in cases of fraud or breach of contract; the transaction is one of pledge and not of sale. The producer's full equity is thus preserved, and he may obtain the release of the collateral at any time upon payment. Until a loan matures, the producer alone determines when to sell. A number of producers scattered over the entire Cotton Belt can sell locally, through the customary channels, a tremendous amount of cotton, in a single day, without adversely affecting the market. While it is well known that an offering, even of a nominal amount, by an agency owned or controlled by the Government and carrying a large stock, will immediately have the effect of depressing prices.

Fifth. In order to make its revolving fund of \$500,000,000 go as far as possible, the Farm Board used private funds by subordinating its lien and borrowing a portion of its loan on commodities from large metropolitan banks, or groups of banks. This aggravated the depressing effect of its large stocks on the market, since the banks could and would, necessarily, have to sell if their calls for additional margin were not promptly met by the Farm Board. Commodity Credit Corporation loans to producers are made under an arrangement whereby banks and other local lending agencies may make the loans to producers in the first instance, on forms furnished by the Corporation, such of them as meet the requirements of the Corporation being acceptable to it for purchase, at par with accrued interest at 1 percent less than the rate of interest applicable to the producer's note, if tendered on or before a fixed date. Banks serving the locality in which the commodity is produced have proven they are not only anxious to serve the farmers but are eager for the investment of surplus funds in these loans. In making them they render a valuable service to the producers and to the Government. More than 50 percent of all loans made to producers have been made by and carried by local banks and other lending agencies, and many of such loans were repaid by producers while still held by such banks and other lending agencies.

Commodity Credit Corporation has no appropriation for administrative expenses, and its operations are financed entirely from its earnings. On March 15, 1936, Commodity Credit Corporation had collected income of \$594,069.09 in excess of all administrative expenses. On accrued basis, the Corporation on the same date showed a net profit of \$4,093,294.32. This, of course, does not take into account any losses which may ultimately be sustained from its operations.

Although no comparison can be made at this time between the losses of the Federal Farm Board and the possible losses of Commodity Credit Corporation, since any losses of the latter Corporation will be established only by the ultimate liquidation of its affairs, attention is called to the following statement with reference to the Federal Farm Board, included in the report filed by the committee selected from the Senate Committee on Agriculture and Forestry, under the provisions of Senate Resolution 42, Seventy-second Congress,

to investigate the activities and operations of the Federal Farm Board (S. Rept. 1456, 74th Cong., 1st sess.):

The losses actually sustained on June 30, 1935, were equivalent to 50 percent of the amount of the revolving fund, and the loan balances estimated as uncollectible amounted to 17 percent of the fund.

Actual or prospective losses—a total of \$344,911,021.26—therefore, were equivalent to 67 percent of the amount of the fund and to 69 cents out of every dollar originally appropriated to the fund by the Congress of the United States.

I therefore trust our good friends who are merely talking for the RECORD will join with us and make the vote unanimous on the passage of the bill. [Applause.]

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am hoping to clear up one or two things which, to my mind, have not been mentioned. First, I want to compare as the others have compared the Federal Farm Board with this Commodity Credit Corporation and its methods. The only difference between the Republican Party and the Democratic Party has been like that of pledging the Government credit. The Democratic Party provided a billion dollars to the banks for the purchase of preferred stock, and then threw the whole Government after it by guaranteeing bank deposits. Here they were smart enough to guarantee the price of cotton at 12 cents, which at least temporarily stabilized the price. Cotton could remain about that, because our people knew they could not buy it any cheaper and they had to pay 12 cents because if they did not the Government would take it. This, however, does not square with what the Democrats promised in 1932 when they criticized our method. Well do we remember those days when the farmers of this country pleaded with the Hoover administration to come to their aid, and do so to the amount of several hundred million dollars. This little Commodity Credit Corporation owes about \$300,000,000 to the R. F. C., and it has a capitalization of only \$3,000,000. The R. F. C. states that those notes came due February 14 of this year, and they hesitate to renew them. They have renewed them twice. The R. F. C. does not want to renew them again.

They prefer to raise this capitalization so that the Commodity Credit Corporation can go to the banks of the country for loans, which they can do, on this cotton, at as low as 1 percent. Thus the farmers can save money. But if they renew the loans and hold them indefinitely, as Mr. Jones says he must hold them, and pay insurance, storage, interest, and other expenses, you will note that there will be a loss of perhaps 3 cents a pound on some 6,000,000 bales of cotton now controlled by the Government. We may lose 5 cents a pound, under that word "indefinite", and the probabilities are that we will lose \$300,000,000 before the entire transactions are liquidated. Take your pencil and figure it out. Five hundred pounds to the bale, 6,000,000 bales; a loss of perhaps 5 cents per pound. Temporarily we may use this scheme to unload it on the banks at 1 percent, with the guaranty of the Government to take over the loans if necessary. Temporarily, I say, the farmers may be benefited, because the banks know that they can bring those loans in later and the Reconstruction Finance Corporation must take them up.

Have you forgotten the Reconstruction Finance Corporation statement of a year ago? How much did they tell you they were obligated to take back in loans from banks that have already loaned on cotton, besides the Commodity Credit Corporation? I forget the exact amount, but, as I recall, it was some \$800,000,000. Figure this plan out, if they are forced to hold cotton off the market, as they must do under this plan of constantly renewing of notes. In reply to questions, Mr. Jones, of the R. F. C., said they would have to hold it indefinitely.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Mr. WOLCOTT. I yield the gentleman 5 additional minutes, Mr. Chairman.

Mr. GIFFORD. I hope it is made clear to you that this is only a temporary adjustment. The Reconstruction Fi-

nance Corporation desires that the Commodity Credit Corporation place their loans with banks. It might help the farmer temporarily, but in the end it may all have to come back again, if it has to be indefinitely held. You are talking only about the \$280,000,000 owed to the Corporation, but the banks have advanced a lot of money besides this to the farmers. The Government has not only loaned and practically guaranteed all other loans and the whole Government credit is thrown back of this cotton because of the guaranteed price of 12 cents. Of course, they cannot sell it abroad at the world price except for the subsidy paid to the farmers. Currency troubles also prevent selling it abroad. This is explained by Mr. Jones' testimony at the hearing. It appears that we must hold it indefinitely for home consumption. Even now there is a carry-over of some 4,000,000 bales. Do not only look back at the Farm Board and make comparison, but also look back and examine your Democratic platform of June 17, 1932.

Mr. Roosevelt said:

We must at once take the Farm Board out of speculation in wheat and cotton and try out a new plan to get surplus crops out of the country without putting the Government into business.

May I emphasize the words "to get surplus crops out of the country"?

When President Hoover suggested to the farmers that they plow under every third row of cotton, do you remember the howl of rage that went up from all over the country? But immediately when you came into power, you went much further and said to the farmer, "Plow it up and we will pay you for doing so." "We will throw the full Government credit back of the farmer no matter what the loss!"

We did not attempt to pledge the whole Government credit in all sorts of schemes, as A. A. A. guaranties and subsidies. We promised the farmers merely cooperation, which we could not get. Neither could you until you baited them and paid them liberally to give it.

All of your criticisms of the Farm Board fall flat today in view of the many costly experiments you are making. But, as I have often said, "You have built the house. You have pledged the Government. We have to live in it with you." Some of us will vote for the bill. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. BANKHEAD. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, this bill only seeks to increase the capital stock of the Commodity Credit Corporation from \$3,000,000 to \$100,000,000. I do not see why anyone should oppose it.

The purpose of the bill is to enable the Commodity Credit Corporation to secure money at a small rate of interest. It can obtain money from private sources probably as low as 1 or 1½ percent. Many bankers who are unable to obtain good security for their funds are willing to loan to the Commodity Credit Corporation at this low rate of interest because they are protected and the security is adequate. Should the Corporation obtain loans for 1½ percent, with a spread of 1 percent for operation, it could then make loans to the farmers for something like 2½ percent, whereas under the present law the farmers have to pay 4-percent interest to the Corporation.

Heretofore the Reconstruction Finance Corporation made loans to the Commodity Credit Corporation at the rate of 3 percent, and the Commodity Credit Corporation made loans direct to the farmers at the rate of 4 percent.

The Commodity Credit Corporation was established as a governmental agency for the purpose of making loans on agricultural commodities and to finance the carrying and orderly marketing of such commodities. The Corporation loaned the corn farmers in 1933 and 1934, 45 cents per bushel when the market price was around 18 cents per bushel. It loaned on cotton 10 cents per pound in 1933 when cotton was being marketed for more than 10 cents per pound. The corn farmers paid back all their loans and the Commodity Credit Corporation lost nothing. In 1934 this Corporation loaned to cotton growers 12 cents per pound on cotton. At

that time it was bringing a little more than 12 cents per pound. Unfortunately cotton declined to some extent. The Corporation has on four and one-half million bales of cotton a loan of 12 cents per pound. With warehouse and carrying charges, the Corporation has something like 13½ cents per pound on the 12-cent cotton. To dump this cotton on the market at this particular time would certainly depress the market and probably the price of cotton would decrease 2 or 3 or perhaps 4 cents per pound.

By orderly marketing of cotton we can sell the surplus without depressing the market, and the Government will not lose on the loans, but if we dump a large amount on the market at this time the Government will probably lose a very large sum. So long as a threat exists that cotton may be dumped on the market without warning, it places both the buyer and the seller in the position of being frightened and therefore has a tendency to depress the market.

I hope and believe that by the passage of this bill and the orderly marketing of this cotton the Government will not lose anything.

Cotton does not deteriorate in the Government warehouses of the Nation, and therefore all the surplus cotton can be safely carried without any damage in grades. I know of no other commodity which can be carried for such a length of time without deteriorating. It is claimed by some that cotton would not deteriorate for half a century in our well-built Government warehouses.

None of the cotton farmers asked for loans on their corn in the cotton area.

I know of no other governmental agency which has been as beneficial to the farmers in stabilizing the prices of commodities as the Commodity Credit Corporation.

It is absolutely necessary that some method should be provided so that all the Government-owned cotton will not be forced on the market at one time, and I therefore cannot understand why anyone would oppose this bill.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia [Mr. BROWN].

Mr. CITRON. Can the gentleman tell us whether or not with the increased capitalization as provided in this bill the tobacco farmers of the Connecticut River Valley may hope for help? I have heard a great deal about cotton, but I am interested particularly in tobacco.

Mr. BROWN of Georgia. It certainly will. This Corporation can lend on any commodity. Last year and this year it lent about \$7,000,000 to the tobacco growers of this country.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, that is too much. Five minutes will be enough.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, I feel it would be trespassing on the indulgence and sufferance of the Members of the House at this late hour in the afternoon to talk for 20 minutes when it is not necessary, but like Ishmael of old, I want to raise my voice in the wilderness on this matter, since the issue of the old Farm Board has been injected into the discussion.

The gentleman from North Carolina [Mr. HANCOCK] a few moments ago undertook to state the essentials of this difference. If I were asked to state the difference between the old Farm Board and the Commodity Credit Corporation I would say it is a difference only in alphabetical arrangement. One would be the F. F. B., and the other would be the C. C. C. Back in 1928, of course, we had not learned how to ravish the alphabet, so we called it the Federal Farm Board. I feel this is the essential difference between the two. As one traces out the operations and functions of the Farm Board and of the Commodity Credit Corporation, the similarity is very manifest.

By way of history I feel this charitable and good-natured political bantering that is taking place this afternoon is rather informative, because it gives us a chance to revise and extend history. We can revise and extend our remarks in 20 minutes, but sometimes it takes 4 years to revise and extend history so that it will accord with the record. What impresses me out of history, of course, is what was written in the Democratic platform in Chicago in 1932 when they recited:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products and the unsound policy of restricting agricultural products to the demands of domestic markets.

This was one of the solemn covenants made with the people in the platform of 1932.

Pursuant to that platform the candidate for the highest office within the gift of the people addressed himself to the country on the 14th of September at Topeka, and said:

When the futility of maintaining the price of wheat and cotton through so-called stabilization became apparent, the President's Farm Board, of which his Secretary of Agriculture was a member, invented the cruel joke of advising the farmers to allow 20 percent of their wheat land to lie idle, to plow up every third row of cotton, and to shoot every tenth dairy cow.

And at last, after practically all the harm that could possibly be done had been done, the President's acceptance speech of 1932 fully recognizes the futility of the stabilizing experiment and merely apologizes for the result.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a further quotation at this point?

Mr. DIRKSEN. I yield.

Mr. SNELL. In the speech of Candidate Roosevelt on June 17 he said:

We must at once take the Farm Board out of speculation in wheat and cotton, try out a new plan to insure getting crop surpluses out of the country without putting the Government in business.

Mr. DIRKSEN. Quite true.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. DIRKSEN. I yield.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 additional minutes to the gentleman from Illinois.

Mr. MARTIN of Colorado. I just wanted to know from the gentleman if he is going to vote for the bill.

Mr. DIRKSEN. Yes; I will say to my good friend from Colorado I fully intend to vote for the bill.

Mr. MARTIN of Colorado. The reason I asked is because the gentleman from Oklahoma [Mr. MASSINGALE] and I have made an agreement to applaud every Member who talks against the bill and votes for it. I just want to know in advance so we can get ready, you know.

Mr. DIRKSEN. I deeply appreciate the vagaries of the mind of the gentleman from Colorado, but I simply cannot overlook this opportunity to call the kettle black in view of the experience we have had since 1932, but I assure the gentleman we do it in the most charitable fashion in the hope of keeping the historic record straight. But as we talk about the Farm Board my good friend from Colorado doubtless will remember something about it having been a tallow-pot tiller of the soil, or a farmer, himself out there in Colorado. As late as 1931 they had about 247,000,000 bushels of wheat and something like \$208,000,000 of direct advances to cotton. Then it became necessary to liquidate the holdings. We swapped 25,000,000 bushels of wheat for 1,050,000 of Brazilian coffee, and I think we still have several thousand bags of that coffee left. It is being marketed in an orderly fashion at the present time.

We sold 15,000,000 bushels of wheat to China. We have received the interest on the note, but not the money. We sold 7,500,000 bushels of wheat to Germany. We have received the interest on the note, but we have not received any of the principal sum. We gave 844,000 bales of cotton and 85,000,000 bushels of wheat to the Red Cross. So by the time the whole score was settled it cost us \$371,000,000.

If what the gentleman from Massachusetts who preceded me said is pathetically true that ultimately the loss of the Commodity Credit Corporation may run as high as \$300,000,000 then both of the major parties have proved to their own satisfaction, after painful experiment, that stabilization is not all it is cracked up to be.

The gentleman from Georgia stated that the Government ultimately would not lose money on this venture, but that is only half of the story. The other half is what is the cotton farmer going to lose? Let me tell you a little experience I had back in the days of the Farm Board when I used to go into the bake shop with a white cap and suit on and help make doughnuts, tea rolls, bread, and all that sort of thing. A flour salesman would come in to sell flour. I remember distinctly on one occasion I said, "What kind of quotation can you give me on 5,000 barrels of good spring-wheat flour?" He said, "If you can tell me what the Farm Board is going to do with the great backlog of surplus that is piled up at the present time, I will tell you what I can do by way of a future quotation on flour."

There is the difficulty in a stabilization program. It is the fact that you set up an enormous surplus of some basic commodity and it hovers as a sinister influence over the market so that it begins to destroy prices. It begins to inspire a species of fear in the minds of purchasers. They begin to buy from hand to mouth, whether it is the small-town baker or one who goes into the market and buys a million barrels of flour at a time. I am not so sure, as we accumulate these surpluses in the warehouses, in spite of the efforts of the Commodity Credit Corporation, that the cotton farmer is not going to ultimately have to pay the bill. As you pile up these surpluses you cannot help but have fear and apprehension over the consuming market. Ultimately it will be reflected in the form of lower prices.

Mr. Chairman, it must be patent that the philosophy of the Commodity Credit Corporation is not different from the Federal Farm Board. It is simply a question of stabilization. You do it by advancing money, whether it be on turpentine or resin, cotton or corn, wheat, peanuts, or tobacco. It makes no difference. You pile up a surplus. You advance the money so that the producer can hold it awhile in the hope that there will be an appreciation in the price; but it is essentially a stabilization operation, whether it be the Farm Board or the Commodity Credit Corporation, and as soon as we pile up enough we cannot get away from this deflection in price which sets in and the producer pays the bill.

Mr. MARTIN of Colorado. Will the gentleman permit another interruption?

Mr. DIRKSEN. It will be the rarest kind of pleasure.

Mr. MARTIN of Colorado. I may say to the gentleman it may be that we appear to be criticizing the former administration for doing in one form what we are undertaking to do in another, but it looks like there is one thing that we can agree on in this country. We have a problem of excess production. Apparently we cannot agree on the remedy, but we ought to agree on the fact that we are faced with a permanent problem of excess production in agriculture, the same as in industry. The question is, How are we going to meet this problem? We are undertaking to meet it here perhaps by methods that may ultimately fail. However, the problem is there, and it has to be faced, and it has to be solved before we will have stability and prosperity in either agriculture or industry in this country. In other words, we no longer need the number of farmers and we no longer need the number of workers to produce what the people of this country can consume.

Mr. DIRKSEN. I will say that in large part I think the gentleman is right.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. I believe your party can be criticized in one respect. You criticized us for a stabilization operation in 1932 and then you turn around and make the same identical mistake. The result, foresooth, must be the same result.

The wind-up is a headache. We lost \$371,000,000 on the Farm Board. You are going to lose money on the Commodity Credit Corporation. The only difference is you lose the money more efficiently than we did, because we have been charged with the dereliction, shall I say, of indifference to the task. You are doing it much more efficiently.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I do not believe we were losing money on the A. A. A. The sugar bill, so far as I know, was working perfectly in the West. The sugar companies had accepted it, the growers had accepted it, and the workers had accepted it. They were all making more money than before; the industry was prospering. There was no complaint from the consumer, and the plan was at the same time financing itself.

Mr. DIRKSEN. There was some excuse for the Farm Board losing money in its wheat operations. It started to finance wheat when wheat was selling at \$1.15 per bushel for No. 2 at Kansas City. Wheat finally went down to 45 cents a bushel. Let me point out, however, that at no time in the history of its operations from 1929 until 1932 was there more of a spread in wheat than from 7 to 15 cents between Winnipeg, Liverpool, Kansas City, and Chicago. You had a deflection in the wheat price everywhere in the world, so the price of wheat in this country was simply going down corresponding to the depression in price in Liverpool, Winnipeg, and other places of the world. They could not help it, as a matter of course; but now you have had the extra advantage of having taken 40,000,000 acres out of cultivation and having had an agricultural act that, according to the last record that came to your office this morning, cost \$1,480,000,000. Having taken 40,000,000 acres out of cultivation, the Commodity Credit Corporation should have a far better record than it does at the present time; but the brutal and stark fact remains, when you get through with the stabilization operation you will have made the same identical mistake for which we were criticized in 1932. You will wind up with a financial loss and a great big hangover.

For practical purposes the Commodity Credit Corporation now owns about 5,000,000 bales of cotton. This cotton was pledged for loans of 12 cents a pound. The market price is about 11½ cents. Insurance, warehousing, and other charges have brought the C. C. C.'s investment to 13½ cents a pound. It will probably cost a cent per pound per year to carry this cotton. In a brief while another crop will go to market. Invariably there is a price recession as we go from the old into the new crop. What assurance is there, therefore, that the C. C. C.'s losses, in spite of all the financing skill that can be brought to bear, will not go to two hundred or three hundred millions before this venture ends?

Nobody will deny that it has brought relief. That, however, could be said of the Farm Board. It, too, brought momentary relief. But sooner or later it had to reckon with the overhanging visible supply, and when apparent oversupply and sluggish demand began to operate, seven-eighths Middling cotton went from 18 cents to 6 cents. That is where the real problem began. It will therefore be interesting, and perhaps a bit painful, to see what the ultimate outcome will be. We may have to fight this battle all over again before we find durable relief.

Mr. Jones' testimony is most illuminating on this whole matter, and I quote some fragments of what he stated to the committee. At one point he said: "This cotton will not bring 13½ cents * * *." Again he stated, "The market is now around 11½ cents." Later he stated that, "There is still a substantial surplus." At still another point he stated that, "At the end of the current market year the carry-over of American cotton will be between eight and nine million bales, which is three or four million bales above the average normal carry-over." That statement of fact is fraught with significance for the future. At another time he said, "We could move a good deal of this cotton now if the countries that need it had anything to buy it with." And, finally, he said, "We have the cotton and cannot do much else except hold it and feed it out to the market as the market

will take it." Meanwhile there will be another cotton crop, and then what?

I shall support the bill, however, because we cannot leave the C. C. C. suspended in midair with 5,000,000 bales of cotton and a paper loss of \$50,000,000. We are in the position of Macbeth, who having committed the crime, said:

I am in blood, stepped in so deep
That should I wade no more,
Returning were as tedious as go o'er.

There is little to do except go "oe'r"; but it is only fair to remind the hosts of democracy that what they so glibly condemned in 1932 as extravagance and speculation on the part of the Farm Board now takes on the habiliments of sacred policy. Funny what a difference a few years make.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. BUCKLER].

Mr. BUCKLER of Minnesota. Mr. Chairman, since you have been discussing the Farm Board and the Commodity Credit Corporation here this afternoon, I would like to explain to you the difference between the Farm Board and the Commodity Credit Corporation.

As I understand from the information that has been given us on this floor, the Commodity Corporation lends the money direct to the farmers, and if you have had a loss of \$25,000,000 or \$30,000,000 the farmers have received that money, but I would like for any of you to show me any farmer in the United States who ever received any benefit from the Farm Board. [Applause.]

When the Farm Board started its operations, wheat out in my country was selling at \$1.35 a bushel. Mr. Legge, chairman of the Farm Board, whom I happen to know personally, and who has been on my farm, was a very nice gentleman and had good intentions, but somebody down in Washington pulled the props out from under Legge and he fell down with the whole proposition.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. BUCKLER of Minnesota. I cannot yield, as I have only 5 minutes. I hope the gentleman will excuse me.

As I was saying, wheat was worth \$1.35 a bushel in my country and I was one of the farmers who had 10,000 bushels at that time. Mr. Legge went over the Northwest and told the farmers that \$1.35 was too cheap. He said, "Don't sell your wheat, hold it. He pegged the price at \$1.25", and we expected, of course, we would never have to take any less than \$1.25 and we thought we might perhaps get more and therefore we held our wheat. What happened? The gamblers and speculators in Minneapolis and other markets of this Nation went to work and unloaded their wheat on the Farm Board. Then the powers down in Washington told Mr. Legge to drop the price, stating he could not hold it at \$1.25, and he dropped it to 75 cents before the farmers had a chance to sell their wheat. The farmers still thought perhaps they would get 75 cents but in a very short time the 75-cent price was withdrawn and a great many of the farmers in the Northwest held their wheat until it went down to 50 or 60 cents. The Farm Board gathered all of this surplus up from the speculators and the gamblers and held the wheat for years.

The farmers thereafter sold their wheat as low as 30 cents a bushel. Therefore, this 370,000,000 lost by the Farm Board went to the speculators and elevator companies.

This is the history of the Farm Board. These speculators and gamblers not only sold the wheat to the Farm Board, but they went on the market and sold millions of bushels of wheat they did not have—in other words, "hot air"—in order to depress the price, because if they could force the price down, they could collect the difference between \$1.25 and 50 cents a bushel. Legge had the actual wheat and was in a good position to break the gamblers, which no doubt he intended to do, but Hoover or somebody down in Washington told him not to do it. As you will remember, Mr. Legge resigned and only lived a few years thereafter. Pegging the price of cotton is a step in the right direction. Before we get out of this depression I believe the Government will have to set a minimum price on all farm commodities. Farmers are the only class of people in the United States that produce

their crops for less than cost and allow the gamblers to set the price. They have only been able to do this by denying themselves of all the luxuries, a great deal of the necessities of life, and working themselves and children long hours.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. Mr. Chairman, after this full discussion I hesitate to ask time to say a few words on this bill, and would not do so were it not for the fact that the constituency which I represent is vitally interested in the matter of commodity loans, especially corn raisers of the Middle West and in the district which I represent.

I have listened this afternoon to a discussion of the comparative merits and demerits of the Farm Board and the Commodity Credit Corporation. I have heard the men on our majority side defend the Commodity Credit Corporation as against the Farm Board, and vice versa.

I think there is a vital distinction between the two. The distinction I have in mind is the fact that during the time when the Commodity Credit Corporation was in operation we had a program of control, which had the effect of raising the price of farm products.

My distinguished friend the gentleman from Kansas [Mr. HOPKINS] credited the drought with the raise in farm prices. This is a matter of controversy, but it will be very difficult for us to satisfy the farmers of the Middle West that the farm-relief program of this administration has not had a very beneficial effect on the prices of farm commodities.

Now, let us not lose sight of the fact that this is a bill merely to increase the capitalization of the Commodity Credit Corporation. I have read the report. I am interested in it because I am a member of the group known as the agricultural group or the prairie group—I was appointed chairman of the committee on commodity loans of the prairie group, and this committee has done much work on the subject.

We discussed this matter with Mr. Davis, of the Agricultural Adjustment Administration, and he said that in his opinion such a bill would bring about the result desired; in other words, continue the loans on corn which have been made up to this time.

On March 2 I introduced a bill—H. R. 11556—to increase the capital stock of the Commodity Credit Corporation, just as it is increased by the bill under discussion. The Senate passed S. 3998, the bill now before the committee, and the Banking and Currency Committee reported that bill favorably. That action of the committee will insure speedier passage than if H. R. 11556 were reported out, and I heartily approve the committee's action.

I can say, without fear of contradiction, that of all the acts of this administration looking to farm relief, that which permitted the loan of 45 cents a bushel on corn has met with the highest approval throughout the agricultural sections of this country.

So I say that I am interested in this bill and the continuance of these loans, and I trust the bill will pass. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield the remainder of my time to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY. Mr. Chairman, the purpose of the pending bill is to permit an increase of from \$3,000,000 to \$100,000,000 of the capital stock of the Commodity Credit Corporation.

The Commodity Credit Corporation was organized in October 1933 by an Executive order for the purpose of stabilizing the value of farm products, through the advancing of money to farmers so that they could hold their crops and market the same in an orderly manner.

The capital stock of the Commodity Credit Corporation is \$3,000,000, and it is proposed in the pending bill to grant permission to this Corporation to increase its capital stock to \$100,000,000. The increase of \$97,000,000 of capital stock is to be taken up by the Reconstruction Finance Corporation and is to be paid for in loans already outstanding from the Finance Corporation to the Commodity Credit Corporation. The passage of this bill will call for no further expenditure of

money on the part of the Reconstruction Finance Corporation. The purpose of this bill is to put the Commodity Credit Corporation on a better financial basis so that it might be able to borrow money at a lower rate from private interests.

The Commodity Credit Corporation has loaned hundreds of millions of dollars to farmers on their crops, and of the sum loaned practically all has been repaid except the loans made on the crops for 1934, particularly the cotton crop of 1934.

In 1933 the Government loaned to the farmers 10 cents a pound on their cotton. This loan has been repaid, so also the loans made on corn and other agricultural products for that year.

In 1934 the Government loaned 12 cents a pound on cotton. At the time the said loans were made cotton was selling at 13½ cents a pound. Since that time the price of cotton has fallen off about one-half cent a pound, and the 12-cents-a-pound loan to the farmers for their cotton, together with the interest on the loans and storage charges, take up more than the difference between the 12-cents-a-pound loan on the cotton and the selling price of 13 cents a pound.

It would appear from the facts of the workings of this Corporation that the loan of 12 cents a pound on the cotton crop of 1934 was too high, and that the Corporation very likely will have to take a substantial loss. However, the object and aim of all agricultural legislation has been to put purchasing power in the hands of the farmer. There can be no doubt at all but that as a result of loans made to farmers by this Corporation the farmers in general have received hundreds of millions of dollars more for their crops than they would have received if they had not secured such loans.

One great difficulty with the farmer and his prices is that too many farmers have to sell their products immediately after being harvested, with the result that the market is glutted and prices fall. The Commodity Credit Corporation may cost the Government some money, but it has been of great benefit to the farmers, and, again, it may point the way to a proper set-up that will make it possible for the farmer to be relieved of the necessity of putting his crops on the market at a time when the market is overloaded. In other words, some kind of a set-up is sought that will enable the farmer to borrow on his crops and to hold the same until he can get reasonable prices.

I regret very much that my genial friend from Illinois [Mr. DIRKSEN], and a valuable member of the Banking and Currency Committee, did not see fit to stay in the Hall after his own speech and listen to the very instructive speech of our colleague from Minnesota [Mr. BUCKLER] on the workings of the old Hoover Farm Board. Mr. BUCKLER is what is known as a dirt farmer, and I take it knew what he was talking about when he told the story of the Farm Board and the wheat farmer, a story of ruin to the farmer.

There has been much said in this debate about the criticisms that the Democratic Party heaped on the old Farm Board and the fact that in its Commodity Credit Corporation it had set up the same kind of machinery for helping the farmer. I am not prepared to go into the history of the old Farm Board, but I think it is quite generally understood that the Farm Board cost the Government several hundred million dollars and that during its existence the trend of farm prices was downward, and I do know that during the existence of the Commodity Credit Corporation the trend of prices has been upward. To my mind, the most significant thing about the Farm Board legislation of the Republican Party and the Commodity Credit Corporation set-up of the Democratic Party is that it indicates that both parties have recognized that we have a serious farm price problem. Both parties have tried to set up machinery, through legislative enactment, that would bring about a parity of agricultural prices with other prices, particularly the prices that farmers have to pay for the products of the factory.

The old Farm Board attempted to help the farmer in two ways: One, through pegging operations on the stock market; and, two, through setting up corporations for the purchase of surplus farm products. Under the old Farm Board the farmer dealt with these corporations. Under the Commodity

Credit Corporation loans have been made, and are being made, directly to the farmer on his corn, his wheat, and his cotton, and so forth.

Mr. DIRKSEN. But what the Farm Board did was to finance a stabilization of cotton through a threefold program: First, it held 1,300,000 bales; second, it financed 2,100,000 bales through the cotton cooperatives; and, third, it financed 2,000,000 bales through the banks of the South. Is not that orderly marketing?

Mr. REILLY. No; it does not appear to have worked that way. The accumulated surpluses had a depressing effect upon the market, and, as I have stated, under the Farm Board agricultural prices tended downward, while under the Commodity Credit Corporation agricultural prices have tended upward.

My good friend from Illinois [Mr. DIRKSEN] is much concerned about the Democratic platform of 1932 and the failure of the Democratic Party to pay any attention to its platform pledges. The Democratic platform was written in July 1932. It was almost 8 months thereafter that Mr. Roosevelt took office—March 4, 1933. At the time the Democratic platform was written Mr. Hoover and his associates in the management of the Republican Party were telling the people that prosperity was just around the corner and that all the country had to do was to wait a little while longer. During the period from July 1932 to March 1933 the promised prosperity did not appear from around the corner. Instead, conditions got worse economically every day until, when Mr. Roosevelt was sworn in as President of the United States, industry and agriculture were on the verge of a collapse. The fact of the matter is, as it has often been stated, at that time our country was on the operating table. Mr. Roosevelt was confronted with a condition and not a theory when he took office and it was not what the makers of the Democratic platform had pledged the party to do in July 1932, but rather what had to be done on March 4, 1933, in order to save our industrial democracy.

Mr. Roosevelt was elected President of the United States because the country was tired of the watchful-waiting tactics of Mr. Hoover's administration. The people wanted action. They wanted the Government to do something affirmatively to aid industry and agriculture, to prevent the banks from failing. In other words, they wanted the Government to stay the rush of the panic. They wanted action, as I have stated, and they got it under the New Deal program to save the industry and agriculture of this country.

When Mr. Roosevelt came to Washington the leaders of the agricultural world were there to meet him and to beg of him to do something to save the farmer from ruin. Awaiting him also were the leaders of the industrial world begging him to do something to save industry, and there also came to him an appeal from the bankers to save the banks of the country from wrack and ruin.

The much condemned N. R. A. was not the product of Mr. Roosevelt's brain, but rather the program of the leaders of industry to save themselves. The A. A. A. was not Mr. Roosevelt's mental child, but rather the program of the great majority of the leaders of agriculture as their plan for saving the farmers of the country from wrack and ruin.

Notwithstanding the fact that much criticism has been hurled at these two pieces of legislation, I am of the opinion that the N. R. A. saved our industrial and that the A. A. A. was a godsend to our agricultural world.

Mr. HOLLISTER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, certainly the world moves. As the distinguished gentleman just preceding me has so eloquently claimed as the excuse for the failure of the President to keep his political promises.

It moves in more ways than one and, even though the reasons and the excuses just given by this distinguished gentleman were all true, there is no excuse for either the administration, or the underlings of this administration, condoning violations of the Federal law by confirming certain acting postmasters and refusing to confirm certain other

acting postmasters, when the latter refused to purchase a confirmation, as it is claimed by a well-known Democrat the first group did.

I ask unanimous consent to revise and extend my remarks and to insert in the RECORD certain letters and an extract form of an application for postmaster under civil service.

The CHAIRMAN. Without objection, it is so ordered.

Mr. HOFFMAN. Here is a letter received from a Democratic acting postmaster, the same gentleman having served as a Democratic county chairman for 20 years, having contributed from his own funds to the Democratic organization and to Democratic campaigns, a man who, if there be any such thing as party reward, had certainly earned from his party an acknowledgment of his services and the appointment and confirmation to this minor position, which pays a compensation of but \$2,800, small reward certainly for all those long years of faithful service; a gentleman whose father, for almost 50 years, served in the like capacity—as chairman of the Allegan County Democratic committee.

This acting postmaster refused to pay for his confirmation as postmaster, after he had been appointed acting postmaster. He recognized the request for campaign funds for what it was and, true to his standards, he refused to be a party to the violation of the Federal statute, and the result you have in his own language. Let me read his letter:

My political enemies had the Postmaster General call the local office "vacant" so that they would be enabled to get me out. I cannot understand on what theory this office could possibly be classed as "vacant" as long as there is an eligible Democrat.

You will remember, too, that I was thoroughly investigated, and was cleared of any wrongdoing. That report is on file in the Post Office Department.

The fact of the matter is that I am to be punished because I would not violate the law regarding the purchase of Government positions. Those who did buy their confirmations (which the jury found was the fact), have been, or are being confirmed. That puts this administration in the position of approving of such illegal acts. And I cannot understand how they can afford to be put in that position. The inspectors called on the Democratic postmasters in this district with the result that they had damaging statements from all of them, and as a result, they had the Government subpoena 46 of them to give testimony in that trial in Grand Rapids. The special district attorney only used about 15 of them and then informed the court that he had a total of 46 witnesses on hand but that the testimony of the others would only be a repetition, and therefore he would rest his case without calling them. Of the 15 or so that did take the witness stand, about 11 of them testified that they were approached to give the ex-Congressman 10 percent of a year's salary for the confirmation. The others of us testified that we did not pay because we knew that it was against the law.

I am enclosing a copy of a letter to Mr. Sadowski, and a copy of a letter to Horatio Abbott. Also, I am enclosing one of the civil-service instruction sheets, and I call your attention to the last paragraph which concerns the paying for Government positions.

Sincerely,

EDMUND M. COOK.

The facts speak for themselves. This man, as were others, was appointed as acting postmaster in the Fourth Congressional District. Certain of them were approached by a Government official, who has since been convicted and is now confined in prison, and were asked to pay a certain percentage of their salaries, and were told, in substance, according to this gentleman's letter, that if they did pay they would be confirmed; that if they did not pay, they would be kicked out.

But it is not for me to criticize. The foregoing letter from this Democratic county chairman gives a fair bird's-eye view of the situation. The letters to which he makes reference were written to a Democratic Congressman and to the Democratic national committeeman from the State of Michigan. They are as follows:

ALLEGAN, MICH., March 23, 1936.

HON. GEORGE C. SADOWSKI,
Member of Congress, Washington, D. C.

DEAR MR. SADOWSKI: I am enclosing a copy of a letter to Mr. Abbott, which will explain itself.

Kindly use your efforts to prevent the giving of the patronage in this county to and through men who voted the Republican primary ballot in 1932 and prior thereto.

The gentleman who is attempting to secure this post office away from me voted a Republican primary ballot in 1934.

I have been acting postmaster since November 1, 1933, and I was thoroughly investigated by two inspectors from the Postal Department. They interviewed 70 of our citizens, and they all complimented me.

I am the chairman of the Democratic county committee, and I am the chairman of our Democratic county executive committee. I was regularly elected to each position.

If men who illegally bought postmaster confirmations are to be condoned and their illegal acts approved by this administration, I want to know it. I have always contributed generously to our party; in fact, I have paid all of the costs for 20 years. Please bear in mind that we were not asked to contribute. On the contrary, we were asked to buy confirmations, and the jury so found the fact to be.

I shall be pleased to hear from you regarding this matter, and I trust that I may have your assistance.

Respectfully,

EDMUND M. COOK.

ALLEGAN, MICH., March 22, 1936.

HON. HORATIO J. ABBOTT,
Democratic National Committeeman,
Ann Arbor, Mich.

DEAR MR. ABBOTT: We, the presidents of the Young Peoples and the Women's Democratic Clubs, of Allegan County, respectfully call your attention to the patronage question in this county.

Naturally we are very familiar with political conditions here, and we desire to inform you that W. R. Vaughan has no legitimate claim to the chairmanship of our Democratic county committee. He was made "temporary chairman until election" 10 days prior to the November election in 1934. He has never called a meeting of our county committee.

Our chairman Edmund M. Cook was unanimously elected to fill the vacancy in the chairmanship, and he is also the chairman of our executive committee, being unanimously elected to that position also.

Mr. Cook has been our county chairman for 20 years and has officiated as acting postmaster at Allegan since November 1, 1933. He passed the examination and stood a very rigid investigation after charges had been preferred by the then Democratic Congressman in 1934. There is now an attempt to crucify him for the reason that he knew the law and refused to purchase a confirmation. Others who did violate that law have been, and are being, confirmed, and we do not think that this great Roosevelt administration will be placed in the position of condoning these illegal purchases of confirmations.

We earnestly beg of you to prevent this crucifixion of the best standing Democrat in this county.

Only the best interests of the party have prompted us to take this matter up with you, and we think that we are entitled to consideration, and, we respectfully ask that you take this matter up with us if there is any further information you may desire.

Very respectfully,

DOUGLAS NASH,
President, Allegan County Young Peoples Club (Democratic).
AIMEE EARLEY COOK,
President, Allegan County Women's Democratic Club.

The extract from the application for postmaster, which declared this office vacant, is as follows:

Warning: All persons are warned against offering, promising, paying, soliciting, or receiving any money or other valuable thing as a political contribution, or otherwise, for use of influence, support, or promise of support, in obtaining appointment. Any such act is a violation of law and offenders will be prosecuted.

This Democratic county chairman who has been refused confirmation has long been a loyal Democrat, accepting the party's candidates, the party's platform, believing in the party's principles. He has given far more than he was able of both time and money to the Democratic organization and the furtherance of its purposes. He is respected, as is his family. His mother still lives in this community, where her husband for so many years, without political reward of any kind, served as county chairman, and where he, too, gave both time and money to—and in fact for many years was—the Democratic organization.

This refusal to confirm him is this man's reward for resisting temptation, for refusing to pay a bribe. Is it strange that he, his family, his mother, his relatives, and his friends should have come to believe that virtue must be its own reward, for certainly no other is given him by the Democratic organization?

On the contrary, it would appear as though those in control of patronage desired to discourage the giving of information which would tend to expose crookedness and violation of law, if such exposure resulted in discredit to the party's candidates.

Mr. HOLLISTER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as frequently occurs in some of the bills we have recently had before us, there has been a great deal said which has been beside the point. In connection with this bill there has been a great deal of discussion of the relative merits of the Commodity Credit Corporation and the

Federal Farm Board. There is not any difference, and no matter how hard you work you cannot find any difference.

The world has not changed any, either, notwithstanding what the gentleman from Wisconsin [Mr. REILLY] said about today being a different world from the world of 1932. The same people are striving, with the same ideas, trying to bring about the same results, and unfortunately making very much the same mistakes.

I doubt the advisability of having ever organized the Commodity Credit Corporation. I question the wisdom and judgment with which it has been carried on, as to the amount of the margin on the loans it has made. I dread a continuation of the work of the Commodity Credit Corporation, in the event it still talks about making additional loans. On the other hand, we have it here before us. The question presented is not whether it shall be put out of existence or extended, because that question was passed on last year by the Congress, and the Corporation was extended until a period about a year from now.

The only problem is whether or not we should permit this refinancing set-up which Mr. Jones assures us will enable the Commodity Credit Corporation to secure cheaper money, that it may in turn pass it on to the borrower, and put itself in such financial position that it may be able to do some of its financing in the outside market, instead of all of its financing through the Reconstruction Finance Corporation.

I appreciate very clearly, as has been pointed out, and I think it should be pointed out again, that in a way the passing of this bill gives an opportunity to those in charge of the Reconstruction Finance Corporation to conceal, perhaps, the undoubted loss which will occur with respect to the Commodity Credit Corporation. Manifestly a corporation with \$3,000,000 capital and some \$300,000,000 of loans, if there is a slight loss at all on the loans, its capital will be completely wiped out and it will show a considerable loss over and above that, whereas if you shift it to a corporation with a capital of \$100,000,000 and approximately \$200,000,000 of loans you can have a very substantial loss which only appears as impairment of capital. But anybody who can read a statement and who knows figures can take a pencil and put it down on a piece of paper and see that the same loss is there.

If it is true that there are certain advantages to be achieved from the point of view of permitting the Corporation to reduce its activities and to secure outside money, rather than Reconstruction Finance Corporation money, I am willing to go along, notwithstanding the possibility it gives to have a kind of concealment of the loss which we know is going to occur.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of Agriculture and the Governor of the Farm Credit Administration are hereby authorized and directed to take all necessary steps to increase the capital stock of the Commodity Credit Corporation by \$97,000,000; and that the Reconstruction Finance Corporation is hereby authorized and directed to acquire \$97,000,000 of the nonassessable capital stock of the Commodity Credit Corporation: *Provided,* That nothing herein shall be construed to increase the amount of notes, bonds, debentures, and other such obligations which the Reconstruction Finance Corporation is authorized and empowered under existing law to issue and to have outstanding at any one time.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that all Members who have spoken may have 5 legislative days in which to extend their own remarks.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The CHAIRMAN. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Cox, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season

to season, and pursuant to House Resolution 446, he reported the same back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the third reading of the Senate bill. The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. SNELL) there were ayes 55 and noes 10.

Mr. SNELL. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and I make the point of order that there is no quorum present.

Mr. BANKHEAD. Mr. Speaker, will the gentleman withdraw that and perhaps we can traffic a little?

Mr. SNELL. I will withdraw it.

Mr. BANKHEAD. There is a conference report that we are very anxious to have considered this afternoon. We will agree to let the vote on this bill go over until tomorrow if the gentleman will withdraw his point of order.

Mr. SNELL. I will withdraw it.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) entitled "An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes."

NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH submitted a conference report on the bill (S. 4212) to amend title I of the National Housing Act, and for other purposes, for printing in the RECORD.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 4212.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. HOUSTON. Mr. Speaker, reserving the right to object, does this cut out the \$2,000 for small houses?

Mr. GOLDSBOROUGH. Yes.

Mr. HOUSTON. Then, Mr. Speaker, I object.

REPORT OF FEDERAL TRADE COMMISSION WITH RESPECT TO AGRICULTURAL INCOME AND ECONOMIC CONDITION OF AGRICULTURAL PRODUCERS

Mr. WARREN. Mr. Speaker, I offer a joint resolution, House Joint Resolution 553, extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally, and I ask unanimous consent for its immediate consideration.

The Clerk read the House joint resolution, as follows:

House Joint Resolution 553

Joint resolution extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally

Whereas the Federal Trade Commission was authorized under the provisions of Public Resolution No. 61 (74th Cong., 1st sess.), approved August 27, 1935, to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally; and

Whereas the said Commission was directed to present an interim report to the Congress on January 1, 1936, describing the progress made and the status of its work under said public resolution, and a final report with recommendations for legislation not later than July 1, 1936; and

Whereas it appears that the appropriation for conducting this investigation carried in the deficiency appropriation bill failed of passage in the first session of the Seventy-fourth Congress, and was not actually made until February 11, 1936, although the resolution authorizing the investigation was introduced some 18 months prior to the date specified for the completion of the investigation and report, and was approved August 27, 1935; and

Whereas the extensive information called for under the terms of the said public resolution has caused frequent and numerous requests for extension of time upon the part of persons from whom such information has had to be obtained, such extensions amounting to from 1 to 3 months in addition to 30 days' time originally allowed by the Commission; and

Whereas it is learned that such of the necessary information cannot be secured by July 1, 1936; and

Whereas it appears that it will be possible for the Commission to secure and present much more comprehensive data and to present a much more thorough and accurate study and report upon the same if the time within which it is directed to complete its investigation and submit its final report thereon with recommendations for legislation be extended: Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it hereby is, authorized and directed to proceed under the public resolution aforesaid and is directed to complete the investigation thereunder and to submit a final report to the Congress with recommendations for legislation not later than October 1, 1936.

It is hereby further provided that any unexpended balance of the appropriation of the \$150,000 made in the Independent Offices Appropriation Act for the fiscal year 1936 in accordance with the authority contained in Public Resolution No. 61, Seventy-fourth Congress, first session, is hereby made available for like purpose to and including October 1, 1936.

THE SPEAKER. Is there objection to the immediate consideration of the resolution?

MR. SNELL. Reserving the right to object, Mr. Speaker, as I understand it, this resolution simply gives them additional time to conclude the investigation and file a report, and it does not ask for any additional money?

MR. WARREN. That is correct. They were to file their report on July 1. This is to give them until October.

THE SPEAKER. Is there objection?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

MR. BANKHEAD. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday may be dispensed with this week.

THE SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SIROVICH, for 1 week, on account of illness.

To Mr. HILL of Alabama (at the request of Mr. STARNES), indefinitely, on account of illness in his family.

ORDER OF BUSINESS

MR. BANKHEAD. Mr. Speaker, as I understand it, the unfinished business tomorrow after the reading of the Journal will be the vote on the bill we just concluded?

THE SPEAKER. The gentleman is correct.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 813. An act authorizing the Secretary of Commerce to establish a fish-cultural station in Arizona; to the Committee on Merchant Marine and Fisheries.

S. 1075. An act for the relief of Louis H. Cordis; to the Committee on Claims.

S. 1419. An act for the relief of George S. Geer; to the Committee on War Claims.

S. 1975. An act to authorize certain officers of the United States Navy, officers and enlisted men of the Marine Corps, and officers and enlisted men of the United States Army to accept such medals, orders, diplomas, decorations, and photographs as have been tendered them by foreign governments in appreciation of services rendered; to the Committee on Naval Affairs.

S. 2126. An act for the relief of Ralph Reisler; to the Committee on Claims.

S. 3128. An act for the relief of Daniel Yates; to the Committee on Military Affairs.

S. 3160. An act to amend the law relating to residence requirements of applicants for examinations before the Civil Service Commission; to the Committee on the Civil Service.

S. 3371. An act for the relief of John Walker; to the Committee on Claims.

S. 3372. An act to provide funds for cooperation with the public-school district at Hays, Mont., for construction and

improvement of public-school buildings to be available for Indian children; to the Committee on Indian Affairs.

S. 3411. An act to authorize the acquisition of land for military purposes at Fort Ethan Allen, Vt.; to the Committee on Military Affairs.

S. 3460. An act to authorize the Secretary of the Interior to ascertain the persons entitled to compensation on account of private claim 111, parcel 1, Nambe Pueblo grant; to the Committee on the Public Lands.

S. 3488. An act to provide for an examination and survey to determine the best utilization of the surplus waters of the San Juan River and to determine the feasibility and cost of storing such waters and of diverting them to the Rio Chama; to the Committee on Irrigation and Reclamation.

S. 3537. An act for the relief of Felix Griego; to the Committee on Military Affairs.

S. 3581. An act for the relief of Henry Thornton Meriwether; to the Committee on Naval Affairs.

S. 3685. An act for the relief of George Rabcinski; to the Committee on Claims.

S. 3692. An act for the relief of William T. J. Ryan; to the Committee on Claims.

S. 3747. An act for the relief of Maizee Hamley; to the Committee on Claims.

S. 3770. An act to award a special gold medal to Lincoln Ellsworth; to the Committee on Coinage, Weights, and Measures.

S. 3781. An act limiting the operation of sections 109 and 113 of the Criminal Code and section 190 of the Revised Statutes of the United States with respect to counsel in certain cases; to the Committee on the Judiciary.

S. 3789. An act authorizing the Secretary of Commerce to convey the Charleston Army Base Terminal to the city of Charleston, S. C.; to the Committee on Merchant Marine and Fisheries.

S. 3821. An act to authorize the award of the Purple Heart decoration to Maj. Charles H. Sprague; to the Committee on Military Affairs.

S. 3859. An act to authorize the procurement, without advertising, of certain War Department property, and for other purposes; to the Committee on Military Affairs.

S. 3868. An act to amend section 32 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and/or completing the construction of other bridges over the navigable waters of the United States, and for other purposes", approved August 30, 1935; to the Committee on Interstate and Foreign Commerce.

S. 3885. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; to the Committee on Interstate and Foreign Commerce.

S. 3950. An act to aid in defraying the expenses of the Sixteenth Triennial Convention of the World's Woman's Christian Temperance Union to be held in this country in June 1937; to the Committee on Foreign Affairs.

S. 4026. An act to amend the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

S. 4232. An act to create a commission and to extend further relief to water users on United States reclamation projects and on Indian irrigation projects; to the Committee on Irrigation and Reclamation.

S. J. Res. 209. Joint resolution authorizing the presentation of silver medals to the personnel of the Second Byrd Antarctic Expedition; to the Committee on Naval Affairs.

S. J. Res. 230. Joint resolution amending paragraph (4) of subsection (n) of section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

ADJOURNMENT

MR. BANKHEAD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until tomorrow, Tuesday, March 31, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

House Committee on the Public Lands will meet Tuesday, March 31, 1936, at 10:30 a. m., room 328, House Office Building, to consider various bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

741. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Marblehead, Ohio, with a view to establishing a harbor, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

742. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Grand Bayou Pass, La., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

743. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 26, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Otter River, Vt., with a view to making the river navigable from Vergennes to Lake Champlain, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

744. A letter from the Chairman of the Federal Trade Commission, transmitting the report of the Federal Trade Commission entitled "Price Bases Inquiry—the Zone Price Formula in the Range Boiler Industry", being in pursuance of section 6 of the act creating the Federal Trade Commission; to the Committee on Interstate and Foreign Commerce.

745. A letter from the Acting Secretary of the Treasury, transmitting a proposed bill designed to dispense with unnecessary renewals of oaths of office by civilian employees of executive departments and independent establishments; to the Committee on the Judiciary.

746. A letter from the Chairman of the Tennessee Valley Authority, transmitting its report on the Tennessee River system pursuant to section 2 of the act of August 31, 1935, amending section 4 (j) of the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

747. A letter from the chief scout executive of the Boy Scouts of America, transmitting, in accordance with the act of June 15, 1916, entitled "An act to incorporate the Boy Scouts of America, and for other purposes", the twenty-sixth annual report of the Boy Scouts of America (H. Doc. No. 328); to the Committee on Education and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLER: Committee on the Judiciary. S. 3344. An act to appoint one additional judge of the District Court of the United States for the Eastern and Western Districts of Kentucky; without amendment (Rept. No. 2277). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'LEARY: Committee on Merchant Marine and Fisheries. H. R. 10308. A bill to amend article 3 of the "Rules Concerning Lights, etc.", contained in the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States", approved June 7, 1897; with amendment (Rept. No. 2279). Referred to the House Calendar.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 9009. A bill to make lands in drainage, irrigation, and conservancy districts eligible for loans by the Federal land banks and other Federal agencies loaning on farm lands, notwithstanding the existence of prior liens of assessments made by such

districts, and for other purposes; without amendment (Rept. No. 2280). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. S. 754. An act to amend section 21 of the act approved June 5, 1920, entitled "An act to provide for the promotion and maintenance of the American merchant marine, to repeal certain emergency legislation, and provide for the disposition, regulation, and use of property acquired thereunder, and for other purposes", as applied to the Virgin Islands of the United States; with amendment (Rept. No. 2281). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILSON of Louisiana: Committee on Flood Control. H. R. 10836. A bill to authorize the preparation of a comprehensive plan for controlling the floods, regulating the flow of waters, land reclamation, and conserving water for beneficial uses, in the basins of the Sabine and Neches Rivers, and for other purposes; with amendment (Rept. No. 2282). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 11854. A bill to provide for the erection of a monument to the memory of Gouverneur Morris; without amendment (Rept. No. 2284). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. COSTELLO: Committee on Military Affairs. H. R. 588. A bill for the relief of Alex Lindsay; without amendment (Rept. No. 2283). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11550) for the relief of Frank Stirk Hailey; Committee on Claims discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 8576) for the relief of Sanford N. Schwartz; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 11115) for the relief of Bertha May Paddock; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 6695) for the relief of Daniel N. Farnell; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8011) to extend the benefits under the World War Veterans' Act, 1924, as amended, to Ethel Boyd; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9242) granting a pension to Ellen Morris McClain; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROGERS of Oklahoma (by departmental request): A bill (H. R. 12073) to reserve certain public-domain lands in New Mexico as an addition to the school reserve of the Jicarilla Indian Reservation; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 12074) to consolidate the Indian pueblos of Jemez and Pecos, N. Mex.; to the Committee on Indian Affairs.

Also (by departmental request), a bill (H. R. 12075) to authorize the collection of penalties, damages, and costs for stock trespassing on Indian lands; to the Committee on Indian Affairs.

By Mr. THOMAS: A bill (H. R. 12076) for the exchange of land in Hudson Falls, N. Y., for the purpose of the post-office site; to the Committee on Public Buildings and Grounds.

By Mr. WILCOX: A bill (H. R. 12077) to amend section 902, title IX, of the Social Security Act, approved August 14, 1935; to the Committee on Ways and Means.

Also, a bill (H. R. 12078) to regulate bondholders' committees acting in interstate commerce or through the mails, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAVENS: A bill (H. R. 12079) to provide for a preliminary examination of the Poteau River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

Also, a bill (H. R. 12080) to provide for a preliminary examination of the Sulphur River in Arkansas with a view to flood control and to determine the cost of such improvement; to the Committee on Flood Control.

By Mr. DEROUEN: A bill (H. R. 12081) to revise the boundary of the Grand Canyon National Park in the State of Arizona, the abolition of the Grand Canyon National Monument, the restoration of certain lands to the public domain, and for other purposes; to the Committee on the Public Lands.

By Mr. GOLDSBOROUGH: A bill (H. R. 12082) to amend the National Housing Act for flood-relief purposes, and for other purposes; to the Committee on Banking and Currency.

By Mr. GREEN: A bill (H. R. 12083) to amend the act of February 5, 1917, as amended, so as to provide for the deportation at any time of persons entering the United States in violation of law, and to prohibit the making of loans or the giving of relief to such persons and to prohibit the employment of such persons; to the Committee on Immigration and Naturalization.

By Mr. MAVERICK: Resolution (H. Res. 473) creating a select committee of the House to investigate the flood situation, and for other purposes; to the Committee on Rules.

By Mr. CITRON: Joint resolution (H. J. Res. 552) proposing an amendment to section 7, article I, of the Constitution of the United States, permitting the President of the United States to disapprove or reduce any item or appropriation of any bill passed by Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 12084) for the relief of Giuseppe Campo; to the Committee on Immigration and Naturalization.

By Mr. CROWE: A bill (H. R. 12085) granting a pension to Jessie M. Melton; to the Committee on Invalid Pensions.

By Mr. DALY: A bill (H. R. 12086) for the relief of John McShain, Inc.; to the Committee on Claims.

By Mr. DARDEN: A bill (H. R. 12087) granting a pension to Arthur Leonard Wadsworth, 3d; to the Committee on Pensions.

By Mr. DOCKWEILER: A bill (H. R. 12088) granting a pension to Mattie A. Heard; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 12089) for the relief of Josephine M. Pryor; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 12090) granting a pension to Grace A. Beatty; to the Committee on Invalid Pensions.

By Mr. HALLECK: A bill (H. R. 12091) granting an increase of pension to Elmira J. Douglass; to the Committee on Invalid Pensions.

By Mr. KNIFFEN: A bill (H. R. 12092) granting an increase of pension to Catherine Moore; to the Committee on Invalid Pensions.

By Mr. RISK: A bill (H. R. 12093) for the relief of Bartholomew Shea; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 12094) for the relief of Walter B. Johnson and others; to the Committee on Claims.

Also, a bill (H. R. 12095) for the relief of Belle Huffine; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 12096) for the relief of Patrick J. Brennan; to the Committee on War Claims.

By Mr. THURSTON: A bill (H. R. 12097) for the relief of Salem F. Grew; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida: Joint resolution (H. J. Res. 551) granting insurance payments to Hugh H. Newell; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10619. By Mr. BEITER: Petition of the Hornell Chamber of Commerce, Hornell, N. Y., making certain recommendations for flood-control work to be undertaken in the central-southern part of New York, and urging suitable appropriations by the Congress for this work; to the Committee on Flood Control.

10620. By Mr. JOHNSON of Texas: Memorial of C. P. Bodwell, Sr., of Avinger, Tex., route 3, favoring House bill 10359; to the Committee on Pensions.

10621. By Mr. KRAMER: Resolution of the Trust Deed & Mortgaged Home Owners' Association, of Los Angeles, relative to refinancing and amortizing loans on homes, etc.; to the Committee on Banking and Currency.

10622. By Mr. LAMBERTSON: Petition of Mrs. W. W. Cooke and 46 other citizens, all of Topeka, Kans., favoring passage of House bill 8739; to the Committee on the Judiciary.

10623. By Mr. LAMNECK: Petition of Mrs. C. S. James, secretary, Linden Woman's Christian Temperance Union, Columbus, Ohio, urging early hearings on the motion-picture bills; to the Committee on Interstate and Foreign Commerce.

10624. By Mr. RISK: Resolution of the Maud Howe Elliott Chapter, No. 245, Order of Ahepa, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10625. Also, resolution of the Newport County Pomona Grange, No. 4, of Newport, R. I., requesting that the frigate *Constellation* be retained at its present port, Newport, R. I.; to the Committee on Naval Affairs.

10626. Also, resolution of the Rhode Island Fruit Growers' Association of the State of Rhode Island, favoring the appropriation by the Congress of the United States of \$3,000,000 for the purpose of preventing the spread of Dutch elm disease and for the eradication of the same; to the Committee on Appropriations.

10627. By Mr. SUTPHIN: Petition of the Bradley Beach Democratic Club, urging the Federal Government to make an appropriation for coastal erosion; to the Committee on Appropriations.

10628. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, memorializing the Congress of the United States relative to requiring that preference be given to citizens of the United States in employment on unemployment relief projects financed by Federal funds; to the Committee on Labor.

10629. Also, petition of 400 citizens of Pittsfield, Mass., urging enactment of the workers' social insurance bill (S. 3475); to the Committee on Ways and Means.

10630. By the SPEAKER: Petition of the North Harlem Community Council; to the Committee on the Judiciary.

SENATE

TUESDAY, MARCH 31, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, March 30, 1936, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwellenbach
Benson	Davis	Loneragan	Sheppard
Billbo	Donahey	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Stelwer
Borah	Frazier	McNary	Thomas, Utah
Brown	George	Maloney	Townsend
Bulkley	Gibson	Metcalf	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

Mr. ROBINSON. I announce that the Senator from Alabama [Mr. BANKHEAD], the Senator from California [Mr. McADOO], the Senator from Florida [Mr. TRAMMELL], the Senator from Rhode Island [Mr. GERRY], and the Senator from Colorado [Mr. COSTIGAN] are absent because of illness; and that the Senator from Illinois [Mr. DIETERICH], the Senator from Nevada [Mr. McCARRAN], the senior Senator from Oklahoma [Mr. THOMAS], the Senator from West Virginia [Mr. NEELY], the junior Senator from Oklahoma [Mr. GORE], the senior Senator from North Carolina [Mr. BAILEY], the junior Senator from North Carolina [Mr. REYNOLDS], and the Senator from Georgia [Mr. RUSSELL] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON] is necessarily absent.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent from the Senate.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the bill (S. 3998) to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

ENROLLED BILLS AND JOINT RESOLUTION

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H. R. 381. An act granting insurance to Lydia C. Spry;
 H. R. 605. An act for the relief of Joseph Maier;
 H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);
 H. R. 762. An act for the relief of Stanislaus Lipowicz;
 H. R. 977. An act for the relief of Herman Schierhoff;
 H. R. 2469. An act for the relief of Michael P. Lucas;
 H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;
 H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;
 H. R. 3369. An act for the relief of the State of Alabama;
 H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;
 H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;
 H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;
 H. R. 6335. An act for the relief of Sam Cable;
 H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;
 H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quar-

ter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico;

H. R. 7788. An act for the relief of Mrs. Earl H. Smith;

H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods;

H. R. 8032. An act for the relief of the Ward Funeral Home;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 8901. An act to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis.;

H. R. 9200. An act authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord) in California;

H. R. 10185. An act to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10262. An act to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H. R. 10316. An act to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.;

H. R. 10465. An act to legalize a bridge across Second Creek, Lauderdale County, Ala.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto;

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods;

H. R. 11045. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes;

H. R. 11425. An act for the relief of Gustava Hanna; and

H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937.

PETITIONS

Mr. CAPPER presented petitions of sundry citizens of Courtland and Ellinwood, both in the State of Kansas, pray-

ing for the enactment of the so-called Robinson-Patman anti-price-discrimination bill, which were ordered to lie on the table.

REPORTS OF COMMITTEES

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (S. 4023) to provide for the continuation of trading in unlisted securities upon national securities exchanges, reported it with amendments and submitted a report (No. 1739) thereon.

Mr. COOLIDGE, from the Committee on Immigration, submitted a supplemental report (No. 1156, pt. 2) to accompany the bill (S. 2969) to authorize the deportation of criminals, to guard against the separation from their families of aliens of the noncriminal classes, to provide for legalizing the residence in the United States of certain classes of aliens, and for other purposes, heretofore reported from that committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 4397) for the relief of Edith J. Alexander (with accompanying papers); to the Committee on Claims.

By Mr. STEIWER:

A bill (S. 4398) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; and

A bill (S. 4399) to authorize payments in lieu of allotments to certain Indians of the Klamath Indian Reservation in the State of Oregon; and to regulate inheritance of restricted property within the Klamath Reservation; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 4400) for the relief of Barbara Jaeckel; to the Committee on Foreign Relations.

(By request.) A bill (S. 4401) to provide for educational, recreational, and welfare work in the United States Engineering Department for civilian employees; to the Committee on Education and Labor.

(By request.) A bill (S. 4402) to amend the retirement laws affecting certain grades of Army officers; to the Committee on Military Affairs.

By Mr. ADAMS:

A bill (S. 4403) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Nettie Stephens, Minnie Simpson, and Luro M. Holmes, heirs of John Stephens, deceased, against the United States; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 4404) for the relief of Charles Dancause and Virginia P. Rogers; to the Committee on Claims.

By Mr. ASHURST:

A bill (S. 4405) to amend section 11 of the Federal Register Act approved July 26, 1935 (Public, No. 220, 74th Cong.); to the Committee on the Judiciary.

By Mr. FRAZIER:

A bill (S. 4406) to provide for construction and equipment of school buildings on the Turtle Mountain Indian Reservation, N. Dak.; to the Committee on Indian Affairs.

PRODUCTION COSTS OF WOOLEN KNIT GLOVES AND MITTENS

Mr. COPELAND submitted the following resolution (S. Res. 270), which was referred to the Committee on Finance:

Resolved, That the United States Tariff Commission is directed, under the authority conferred by section 336 of the Tariff Act of 1930, and for the purposes of that section, to investigate the differences in the costs of production of the following domestic articles and of any like or similar foreign articles: Knit gloves and mittens made wholly or in chief value of wool, dutiable under paragraph 1529 (a) of such act.

NONFEDERAL PROJECTS NOT FINALLY DISAPPROVED

Mr. HAYDEN. I submit a resolution and ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection? The Chair hears none. The resolution will be read for the information of the Senate.

The resolution (S. Res. 271) was read, considered, and agreed to, as follows:

Resolved, That the Federal Emergency Administrator of Public Works is hereby requested to furnish the Senate the following information:

A list of non-Federal projects pending in the Federal Emergency Administration of Public Works which have not yet been finally disapproved by said Administration, such list to indicate as to each project (a) its location, (b) its type, (c) its estimated cost, (d) the amount of loan requested, (e) the amount of grant requested, and (f) whether or not it has been examined and approved.

IMPEACHMENT OF HALSTED L. RITTER—ADDITIONAL EXPENSES OF TRIAL

Mr. ASHURST submitted the following resolution (S. Res. 272), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That there is hereby authorized to be expended from the contingent fund of the Senate, to defray the expenses of the impeachment trial of Halsted L. Ritter, \$15,000 in addition to the amount heretofore authorized for said purpose.

AVERTING THE FLOOD PERIL—ADDRESS BY SENATOR GUFFEY

Mr. HAYDEN. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject Averting the Flood Peril, delivered over the radio last night by the Senator from Pennsylvania [Mr. GUFFEY].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today thousands of Americans are laboring to repair the ravages of flood. The subsiding waters have left a trail of muck and slime, of pestilence and debris, of poverty and terror. Tragically but grimly people turn to the task of rebuilding. After a national disaster such reconstruction as is possible must proceed. Yet shall we do no more than merely repair and replace and await another flood? Shall we not resolve to take such measures as will prevent these disasters in the future?

Within the past fortnight devastating floods raged through 12 States. Every one of the New England States suffered acutely. Power houses were swept away and bridges toppled over like rows of dominoes. In my own State of Pennsylvania flood waters reached an all-time high and the loss to homes and to industries is estimated at several hundred millions of dollars. At Pittsburgh, one of the greatest and busiest industrial centers in the world, the flood barricaded every highway and railroad leading into the city, submerged homes and factories, halted transit lines, and by wrecking electric, gas, and steam systems left people without heat, light, or cooking facilities.

The losses in rural areas were less dramatic but perhaps even more tragic, for there was a loss to farm lands in the State of \$100,000,000 through the washing away of some of Pennsylvania's most fertile soils. Houses can be replaced, factories rebuilt, but life-giving soil washed down the rivers is gone forever.

Unless we control floods, and control soil erosion at the same time, the Nation faces physical and social bankruptcy. That culmination is just a matter of time, and a relatively short time at that, unless we take action.

The strength of other civilizations has been sapped by letting this disease run its course unchecked, and we can save ourselves only by adopting the preventive methods and cures of modern science. The rapidity with which this country has been populated has been exceeded only by the pace at which this population has stripped it of its natural resources, and in this process great scars have been inflicted on the land itself.

As I watched for a few moments the swollen waters of the Allegheny and the Monongahela Rivers flow through the streets of Pittsburgh, and the waters of the Potomac spread out over Washington's famous parks, I was struck by one common character they possessed—their foreboding color.

The many thousands of you who watched the flood waters or saw the pictures last week were aware of this same ominous quality. It was not alone the swiftness of the current which was foreboding, nor its width which seemed fateful. It was the color. The wreckage of houses, barns, trees, and bridges was spectacular, but within the water there was a greater wreckage—the wreckage of the land.

This loss of soils will remain unrecorded in monetary terms. Yet the Soil Conservation Service has estimated that 250,000,000 tons of topsoil was washed away out of the reach and use of man. It is difficult to comprehend such a gigantic figure. You have seen pictures of the massive liner, *Queen Mary*, that England is building, and we are told that it will be bigger than any ship now afloat on any ocean. If this huge boat were loaded each trip with all the earth it could carry, it would take over 6,000 trips to carry as much soil as washed down our rivers in a single flood.

We may rebuild the cities, but when we remember that it takes from four to six hundred years for Nature to build a single inch of topsoil, it is obvious that the soil is lost as far as our present civilization is concerned.

About one-third of this quarter billion tons of topsoil was washed into the sea. The other two-thirds was deposited in and

near river beds, clogging navigable channels and creating other obstructions. Many of the rivers navigated by our forefathers are today so filled with silt that they cannot be used. Some of this silt is inevitably deposited behind great dams and if unchecked in time destroys their effectiveness.

Since our country was first settled we have ruined 50,000,000 acres of cropland in the United States, seriously injured 50,000,000 more, and are now threatening another 100,000,000 acres. Our earliest Presidents realized the necessity for properly caring for the soil. George Washington ceased raising tobacco at Mount Vernon because it was a clean-tilled crop which he found was causing soil erosion. Thomas Jefferson, at Monticello, introduced contour plowing and terracing to control the erosion of the soil on his plantation. These early leaders of our country recognized the paramount importance of soil conservation.

These problems of flood and erosion control were of great interest to President Roosevelt when he was Governor of the State of New York, for he was concerned with the proper use of the land and waters of the Empire State. When he became President, one of his first acts was to appoint a board to study the natural resources of the United States.

Late in 1934 the Mississippi Valley Committee reported that "planning for the use and control of water is planning for the most basic functions of the life of the Nation. . . . The aggregate losses in the United States from major floods may not be as great as those from certain less dramatic causes, such as soil erosion, nevertheless, flood loss creates a problem which must be squarely faced."

Finding that annual losses due to soil erosion in the watershed of the Mississippi River were at least 20 times greater than the losses caused by floods of the Mississippi and its principal tributaries, this committee reported that control of erosion was vital to the national welfare.

Last week Morris L. Cooke, who was chairman of this Mississippi Valley Committee, and later of the water section of the National Resources Board, testified before a Senate committee as to the urgency of this twin problem of flood control and soil erosion, and made it clear that preventive measures taken upstream together with adequate dams and flood control works downstream are both necessary if we are to obtain the most effective results.

The National Resources Board, after a careful study of the natural resources of our country pointed out the pressing need for a wiser use of our land. Its report stressed the interrelationship between the proper use of our land and success in controlling our waters and emphasized the need for proper flood control.

The conservative and independent New York Times last week appraised the report of the water planning committee of this board as "a document of the highest social importance, prepared by far-seeing engineers. Its water planning committee developed the first comprehensive proposal for the control and utilization of the Nation's streams, from rills to mighty rivers. The committee's survey makes it plain enough that the problem presented cannot be solved by individual communities and States. It is regional. It concerns not merely the Mississippi and its tributaries, but the countless little streams that interlace the country from coast to coast. With it are bound up recurrent droughts, erosion that carries away the topsoil of the upland farms and leaves hardpan almost as impervious to water as a sheet of glass, water-power plants, irrigation projects, pollution of streams, inland navigation, municipal water supply, water conservation, and water utilization in their broadest aspects.

"If the floods have taught us anything, it is the need of something more than a dam here and a storage reservoir there. We must think of drainage areas embracing the whole country—think of small projects which number thousands, but which are necessary, individual pieces in a vast mosaic of definite pattern, think of major engineering undertakings in terms of decades."

I have just seen an attractive small book called "Little Waters." It recently was issued under the joint auspices of three agencies of the Federal Government—the Soil Conservation Service, the Resettlement Administration, and the Rural Electrification Administration. The President sent a copy of this to Congress, and in an accompanying message recommended that consideration be given to procedure for conserving the waters of the "Little Rivers." This book shows by means of pictures and a simple text how vital it is for this Nation to utilize and control small streams if our major rivers are to be of the greatest possible service to us. To those of you who have a real interest in this subject, write me and I will gladly send a copy of this study entitled "Little Waters."

As a result of the work of this administration we have a better knowledge of floods, their causes, and cures. We have an improved understanding of what man must do to work successfully with nature. We know now that successful flood control in the last analysis is dependent upon proper land use. Not only erosion control but reforestation, water storage, irrigation, and drainage are factors in the flood situation which we can ignore only at our peril.

The sum and substance of the lesson pointed out by all of these reports is just this—adequate flood control can only be attained by controlling the raindrops from the time they hit the ground until they reach the ocean.

The administration has not confined its efforts merely to studying the flood problem from Washington and securing expert reports upon it. A program is under way and work has been started in the field that will meet the twin problem of flood and erosion control as the program is expanded to include every drainage basin in the country.

The new farm act has as its no. 1 objective the conservation of the soil itself and its fertility through wise land use.

Until recently the American farmer has been planting 3 acres of soil-depleting crops to 1 acre in soil-building crops. The new legislation will help to replace this destructive practice with a program of soil building through crop selection.

The Department of Agriculture has announced as the national goal of the proposed program an increase of 30,000,000 acres in the area of cropland in soil-conserving and soil-rebuilding crops such as grasses and legumes. Grass roots are doing far more for the country than "grass-root conventions."

The Soil Conservation Service, with several other Government agencies, is making rapid progress in the fight to conserve not only our land but our water resources as well.

Every field an invisible reservoir is one of its major goals. By contour plowing instead of plowing up and down slopes, by terracing, by strip cropping, by planting trees on steep slopes, by building check dams in gullies, by constructing small ponds, and by developing proper crop rotations the Soil Conservation Service has already accomplished much in several regions.

The Forest Service is building for the future by planting trees on millions of acres of hilly and poor lands which have been unproductive for years. The root structures of these trees will hold the soil and the water, both of which are today being wasted on these desolate slopes. In addition the Forest Service is helping the farmer to restore his woodlot and so increase his valuable underground water storage. A considerable portion of the labor for this work is being supplied by the boys in the 2,000 C. C. camps.

In these ways part of our program is being carried out. By holding the rain where it falls and retarding it until it enters the ground, every field becomes an invisible reservoir, and water is saved for productive use instead of wasting itself as part of destructive floods.

The effectiveness of these important measures is shown by the statement of the Director of the Soil Conservation Service "that the volume of run-off water can be reduced 20 to 25 percent—the margin, in most cases, between mere high water and destructive floods."

The T. V. A. is demonstrating how effective an aid to the storage of underground waters would be provided by the proper farming of the 10,000,000 acres of farm land in the Tennessee Valley. Necessary as these undoubtedly are, the storage of water in nature's own reservoirs can be greatly expanded by intelligently readjusting the use of our agricultural lands. Such an operation, while not as spectacular as a large dam of concrete, will provide even greater storage for the rain falling on the earth. In the Tennessee Valley there are about 10,000,000 acres of land which are under cultivation or which have been farmed. While on much of this land about 15 inches of rainfall each year runs off quickly into the streams, it has been found that by changing farming practices this run-off can be reduced to about 5 inches—that is, 10 inches of this water can be saved. Such practices include reforestation and the substitution of cover crops like grass for clean tilled crops like corn and tobacco. This permits the water to soak into the ground. By holding this 10 inches of rainfall on each acre every one of the 10,000,000 acres in the valley would be made a reservoir for an additional 1,130 tons of water.

Thus the 10,000,000 acres would provide an underground storage reservoir for more than eleven thousand million tons of water. The tremendous magnitude of this reservoir is hard to visualize—yet it would be more than three times the storage capacity of the immense lake forming behind the great Norris Dam.

In addition to these measures which we have been discussing there can profitably be constructed many small reservoirs, ponds, and lakes which will aid in controlling floods and in furnishing opportunity for power and increasing facilities for fishing, swimming, and waterfowl. Such recreational facilities should be available in every community.

On the larger rivers these measures will aid, but there will still be great need for retarding basins, large dams, dikes, and levees such as we have been building in this country for over 200 years.

Yet without adequate upstream headwater control the useful life of these dams will be seriously diminished. This is shown by a recent study of a number of major reservoirs in the South, which disclosed that this group had silted up in less than 36 years. The reduction of the silt hazard by modern methods of erosion control is one of the best means of protecting the public's investment in these great projects.

Much of the \$500,000,000 of public-works funds which this administration is investing in water-control projects is going into great flood-control works, and their construction is largely in the capable hands of the Army Engineers and the Bureau of Reclamation.

These water-control projects range from the Columbia River to Florida and from California to New England. Many of them are in the early stages of construction, and it will take several years to complete the larger ones.

Two outstanding projects are the navigation and flood-control works in the Tennessee Valley and a comprehensive project for the use and control of waters in the great Central Valley of California.

On the Tennessee Valley flood control is being achieved by a coordinated program involving correct land use, erosion control, reforestation, and the construction of dams on the larger rivers. This unified development of all the natural resources in the valley will be of tremendous benefit to the valley and the Nation in the coming years.

In the Central Valley of California the administration's comprehensive project is designed to utilize to the fullest extent the

waters of this fertile region. Great engineering works are under way to provide sufficient water for irrigation, to restore the ground-water levels, and to control the destructive floods that in the past have ruined property and carried millions of tons of fertile soil into the sea. In addition, the program will provide electrical energy to meet the growing demands of agriculture and industry, and will improve navigation of the rivers.

Floods are, of course, no respecter of State boundaries. When there is a flood in West Virginia, the destructive waters of the Monongahela cannot be stopped at the borders of Pennsylvania even by an order of a supreme court. Nor can Ohio protect itself from floods arising in the valleys of Pennsylvania, New York, or West Virginia.

In a very early case the United States Supreme Court decided that the power to regulate interstate commerce embraces the power to keep navigable rivers free from obstructions to navigation. Every step in the water-control program of the administration is a help to the navigation of our rivers. It aims to prevent dangerously high water in certain seasons and dangerously low water in others. It helps to keep silt and other obstructions from our streams.

The law supports the administrative program in its smallest detail, and there is nothing on the statute books to indicate that a project involving navigable streams must be large or spectacular in order to be constitutionally valid.

As Secretary of Agriculture Henry Wallace says, "If the individuals comprising a nation cannot call upon government for help in the battle against forces as wide and deep-lying as the foundations of the nation itself, then neither the individuals nor the nation can have any hope for the future."

Nature has a way of educating both individuals and nations through emergencies. We are well advised to give heed to such warnings. Anyone who has seen the rush and heard the roar of those mighty uncontrolled waters and the wreck and ruin left in their wake will go the limit in bringing relief to the distressed and in aiding the rebuilding of what has been destroyed. This the national administration has done and will continue to do through special congressional appropriations, encouragement of private giving through the Red Cross, and by utilizing the forces of the Federal Housing Administration and the Reconstruction Finance Corporation, the C. C. C., the W. P. A., and the P. W. A. in the work of rehabilitation. No effort must be spared in easing the burdens of suffering and loss wherever it occurs.

But we are fortunate indeed in having at the head of the Government one who, while wholly conscious of what this immediate emergency means to millions of our people, has for many years been practicing the doctrine of the conservation of our natural resources to the end that such a catastrophe as this might be avoided.

If, out of our recent harrowing experiences and through this leadership in the cause of soil erosion and flood control, this Nation girds itself for a winning struggle against devastating national forces, the floods and the suffering will not have been in vain.

ADDRESS BY HON. JOSEPHUS DANIELS TO DEMOCRATIC CLUB OF LOS ANGELES

Mr. ROBINSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Josephus Daniels, American Ambassador to Mexico, before the Democratic Club, Los Angeles, Calif., February 14, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Aside from its health-giving climate and varied rich resources and a people given to hospitality, California has a rare interest for the political-minded, particularly in the early days of a Presidential year. Those who are now studying the political skies of 1936 are busy trying to observe signs in the heavens to foretell what will be their portent by the "ides of November." For California is as true a barometer as exists when an expert is needed in the knowledge of the political firmament. In ordinary periods, when normal conditions prevail, California voters stick to normality and monotony and vote the Republican ticket; but when normality and monotony have conceived and brought forth their progeny in the shape of booms which enrich a favored few at the expense of the toiling many, and brought depression in their wake, California voters have contracted the habit of voting for a Democrat for President to "clean up the mess."

Let us take a look at the record that history records. In the memory of most men and women now living there have been four periods in which the people of California and the country turned to progressive candidates for President to lift them out of the slough of reactionary despond. The first of those periods was in 1892 after Republican rule had prostrated agriculture and industry and many people thought that only by creating a new party could conditions be improved. But then, as now, new parties made no effective appeal to the bulk of voters. The people chose rather to find the needed change by using the Democratic Party as the agency of recovery. They elected Cleveland in 1892 with his pledge of tariff reform and through a tax on incomes, placing the main cost of government upon those who received the largest benefits and were therefore most able to pay. There is no other sound basis of taxation. When nations or states, except in extreme emergency and then temporarily, impose taxes on the principle of con-

sumption, they are shifting the burdens upon those receiving the least benefits and who must pay out of their little to enable the rich to escape their fair proportion. The ingenuity of man has not invented a more cruel and unjust method of taxation than a tax on consumption. Whenever enacted it ought to be entitled "An act to transfer the cost of government from the backs of the rich to the shoulders of the poor."

Mr. Cleveland was the first candidate for President in the last half century to advocate a graduated income tax. In 1892 California, fired by the pioneer spirit of an equal chance, gave a majority of its votes to Grover Cleveland. However, the inability of that administration to restore prosperity sent the Democratic Party into the wilderness for a long period.

The second time the issue of progress versus reaction influenced the Presidential election was in 1904 when Theodore Roosevelt, then the scourger of "malefactors of great wealth", contested with Alton B. Parker, who vainly sought to chain the Democratic Party to the chariot wheels of ultraconservatism. California by an overwhelming majority voted for Theodore Roosevelt.

By 1912 the people of California, led by HIRAM JOHNSON, a militant Republican progressive, and by Democratic progressives, joined hands, in spirit, with forward-looking men and women of other Commonwealths to make an end of "standpatism." Again, distrusting the utility of a new party, California and virtually the whole country as well, voted to put an end to reaction. Again the decision was to entrust the new freedom to the rejuvenated Democratic Party led by a scholar in politics, Woodrow Wilson, the forerunner of the so-called "brain trust." The people then, as now, preferred the brain to any other part of the anatomy for guidance.

There came in 1916 the crucial test whether progress or reaction should reside in the White House. The Republicans named their ablest and strongest easterner in the person of Justice Charles Evans Hughes. He made a brilliant campaign, but he was tied to the body of death incarnated in his party's domination by privilege and his own opposition to the income-tax amendment to the Constitution. The country was closely divided. California was to cast the deciding vote. In that year, in a sense, the immediate destiny of America and the world rested upon a virtual referendum of the voters of California. Would Californians rise to their great opportunity? Though a large majority of the voters registered as Republicans, in that crisis they rose above partisanship and continued Woodrow Wilson in the White House, a decision which carried historic blessings to the United States and to mankind. No one who lived in those anxious days can forget how all eyes were turned to California as the votes were being counted. The result in 1916 accentuated the truth of the saying, "As goes California so goes the Union."

Again in 1932 America stood at the crossroads. A period of favoritism and ineptness and frenzied finance had brought the country to its lowest depths. Fifteen million willing workers vainly walked the streets looking for a chance to turn honest labor into bread for their families. Farmers could find no markets for their crops and were losing their farms. Factories and mines were shut down or running on short time. Business was at a standstill and at its lowest ebb. Banks were bursting in the faces of hysterical depositors. The country had gone red if the ledgers could be trusted. It was the worst red peril it had ever faced. Manufacturers of red ink could hardly meet the demand, while there was an oversupply of black ink needed in normal bookkeeping.

In the face of the worst panic that had struck the country, what was being done to save a hopeless and despairing people who, through no fault of their own, faced hunger and the destruction of all their possessions? The answer is nothing; and nothing was ever done so meticulously and so consistently, so persistently, and so blatantly as nothing was done to avert or cure the record-breaking disaster. In that crisis, when a man and a party were needed to lift the country out of hopelessness into hope, to what for help and deliverance did the people turn? I know and you know and all the people who have been delivered from want and had their feet placed on the high road of recovery know that their chief debt for being lifted out of the debacle is due to the majestic commonwealth of California. It was then clear to nonpartisan observers that once again the Democratic Party was to be the chosen instrument to "clean up the mess." It was not so clear to some what individual with courage and vision should be chosen as the leader in the crusade to take us out of the red and carry us into restoration. Californians divided. Some said Roosevelt, some said Smith, some said Garner. In the end, thanks chiefly to the wisdom of Californians who put recovery above personalities, Franklin D. Roosevelt and John N. Garner were nominated for President and Vice President. They were given an unprecedented popular and electoral vote. California deserves the largest share of credit for their nomination and election. And every man, woman, and child who lives in more comfort and greater security than in 1929-32, as they send expressions of gratitude to Roosevelt and Garner and their associates, must say, "Hall and honor to California! It led the way out of the desert into the promised land."

I come as one of many, representing an agricultural section which was "broke" and "busted" in 1932, to give you and all Californians thanks for leading in the election of a President whose policies have transformed our country into one of returned and increasing prosperity.

In the presence of a recovery that defied the hopes of the most optimistic in 1932, there are sad evidences that we are a nation of short memories embracing many ingrates. In March 1933, when the poor were starving and the rich felt they were headed for

disaster, the interests now organizing for a return to the old order sent their spokesmen to Washington with their appeals, "Save us or we perish." They then told Roosevelt that without strenuous, quick, and even radical action they were doomed. Those who did not go to Washington in person sent SOS messages, "Save our souls and bodies and property." They threw up their hands and admitted impotence. "Do something! Do something quick!" they cried. "Increase the national debt to forty billions, assume large powers, direct business and industry, take over the banking business (over 10,335 banks failed the previous year), be the farmer who will control agriculture, fix dividends (if any) and wages, do anything you think will bring order out of chaos. Be a dictator for salvation. For God's sake, save us! We have tried and failed. Only a puissant and active government can deliver us."

There was ground for these entreaties. In the three preceding years the national income had decreased from eighty-one to forty billion dollars. Government bonds were selling as low as 83.

That was the appeal from a discouraged people to a courageous President. He needed, however, no such hysterical cry for help coming from men who are now organizing Belshazzar's feasts to defeat the man who ventured all and endured all to restore faith and prosperity. He knew that there could come no general recovery without first rescuing agriculture from the depths into which it had been brought by his predecessors.

The first steps were to bring back buying power to the tillers of the soil. The farm income had dropped from ten and a half billion dollars in 1929 to a little over \$4,000,000,000. There had been 35,000 foreclosures of farm mortgages in 1 month. Farmers could not pay their taxes nor educate their children. To raise agriculture from the depths was as essential to start the wheels of industry as to aid farmers.

What was the result of that policy? To mention only the leading crops, the price of wheat in 30 months increased from 48 cents a bushel to \$1.01, a gain of 111 percent; cotton went up from less than 6 cents to 11½, an increase of 92 percent; corn from 21 to 60 cents a bushel; and tobacco over 100 percent increase, with a decreased production. Nearly all other crops have brought more money to the dirt farmers under the New Deal. Their cash income has increased 86 percent since the spring of 1933, due to the new legislation and to wise policies of the Roosevelt administration.

As soon as the agriculturists received better prices, how did the Roosevelt achievement affect industry and business? In 30 months the national income has increased thirty-seven and one-half billion dollars. Steel production has increased 250 percent. Everybody is riding, and automobile registration has increased 357 percent, while all automobile companies have made money hand over fist; listed stocks are 134 percent higher; bonds, 22 percent; building permits, 20 percent; merchandise sales, over 51 percent; and like improvement is seen in almost every line. Utility companies, which had almost drowned investors by the excess of water, have witnessed increased production of 19 percent. That's the way Roosevelt has "killed" the industry. As it gives rural electrification at lower rates it will steadily increase its business and everybody will be helped, except those who were induced to pay good money for stocks representing nothing but water.

Statistical figures of progress and betterment could be multiplied indefinitely. And yet—and yet—some of the very men whose incomes have been increased most by Roosevelt prosperity are spending some of the wealth they owe to Roosevelt to "gang up" against him and the policies that lifted them out of the ditch. In 1932, when the old order had brought them to the brink of bankruptcy, they cried, "Save us or we perish!" Now that they are on dry land they are biting the hand that fed them.

"When the devil was sick, the devil a saint would be;
When the devil was well, the devil a saint was he."

The men who wear the livery of privilege, masquerading under the name of the Liberty League, organized the forces which annulled the A. A. A., which raised the farmer from the danger of becoming a peon. In their policy of putting nothing, or one of the shams suggested in its place, the only "rugged individualism" and liberty left the farmer will be to sell his products below the cost of production. That was the "liberty" he enjoyed before 1933. And that is the only liberty he would get under the return of the old order.

While getting red in the face denouncing every plan that has lifted the country from the depths, these devotees of liberty (limited) have had no condemnation of the policies of favoritism under which the great bulk of the wealth of the country has been monopolized by the favored few. When these shouters against processing and excise taxes that aid agriculture give up all the subsidies, immunities, and privileges which have made them and their employers rich—when they disgorge such Midas-like incomes, made by manipulation, and give a better division to their employees—when that time comes, they may hope to have their spoutings receive some attention. Until then every citizen, except those who are getting all the cream and their sycophants and hirelings, will turn a deaf ear to their expressed love of liberty and the Constitution.

Why have the prophets of privilege collected a large sum to fight the New Deal? The answer is plain. It is because government has a heart and moves toward social justice. They oppose Roosevelt because he has done much to help the farmer; has put 5,000,000 idle men to work; has taxed excessive wealth; has followed the example of Sweden, Germany, and England in providing security for the old; has sought to put an end to stock jobbing and watered holding companies; has pressed for the right of labor for collective bargaining; and opposed grinding the seed corn by

the employment of child labor, and in a score of other ways stood firmly for the rights of the forgotten man, while giving fair play to private initiative and protection to property.

If entrenched privilege mobilizes for a restoration of the old order, what is the plain duty of the businessman and manufacturer who was in the red or near the brink in 1932, or whose business was jeopardized by monopolistic concern? Of the farmer who has been transformed from a near peon to an independent farmer? Of the mechanics and other men dependent on wages or salaries? Of the professional men whose incomes were reduced? Of journalists who were rescued from distress? Of the citizens whose savings were lost or imperilled or decreased, and who now find them more valuable? Of men and women who love their country and wish to be one in which all who now live and those to come will have a fair chance? It is as plain as a pikestaff that to save their souls and protect their interests all these people must present a solid front against the organized minority who declare they will "gang up" against the President.

California led in the nomination and election of the President. Its early settlers braved the heat of the deserts and the cold of the mountains to set up here a new commonwealth. They had faith in themselves and in their future. They were not afraid of experiments. The Californians of today are their descendants in progress and courage. They have turned their backs upon the old order. They welcome the new day of equality, of a fair division of the fruits of labor and skill, of the spirit of justice that fills the air. As they rush forward to greet the new day they will be found as in 1892, 1904, 1912, 1916, and 1932, united and militant for Roosevelt and the New Deal, as they were for Teddy and the square deal, and Wilson and the new freedom. They don't want to go back to the shanty they occupied in 1932. They moved out into better quarters. They know that the only issue in 1936 will be: Shall we restore the old order or solidly stand behind the New Deal and go forward? In the words of Franklin Roosevelt, California will say: "We will not retreat!"

THE CHOICE BEFORE US—ADDRESS BY CHARLES P. CARROLL, JR.

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address entitled "The Choice Before Us", delivered by Charles P. Carroll, Jr., student of and speaker on international relations in Yale University, a member of the Yale Political Union, at Waterbury, Conn., February 2, 1936.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The people of our Nation today face the gravest issue to arise in their national existence; an issue which has called, not to one but all; an issue which has brought to you a realization of the world in which it finds itself. War or peace? That is the question we as a nation must solve.

On all sides we find an answer: The League of Nations, international law, neutrality. Of these three answers, which one can we accept?

The League of Nations? No; for it has been proved conclusively that this international government has pitted the strong against the weak in order to preserve an unjust status quo in Europe.

In 1924 the Corfu incident ended in League intervention, and League intervention resulted in a desire for revenue by Benito Mussolini, a revenge which by militarizing a people and a nation he now sees partially achieved in Ethiopia.

In 1932 the League remained silent as Japan invaded Manchuria; in 1933 remained silent as Great Britain led a punitive expedition into Afghanistan; but in 1936, as Great Britain, which virtually is the League, sees Japan penetrate farther and farther south into the British sphere of commercial influence in China, the League tightens its grip on Far Eastern affairs. Also, in 1936, we see a League attempting to halt an African war, a war which greatly threatens England's life line of Empire.

A review of the facts of the case will show even to greater extent the workings of a British league.

First, there is the matter of an oil embargo. When Great Britain realized last year the intense feeling of hatred upon the part of the Italian people because of the possibility of an embargo she immediately, and quite cannily, deflected this enmity upon the people of the United States by making it a question of whether America, unconcerned with League action, would or would not sell oil to Italy.

This embargo which, for peace is imperative to establish, has not been acted upon; and Great Britain, through the Anglo-Persian Oil Co. of Sir Henri Deterding, continues to supply 50 percent of Mussolini's needs in shipments to Italian Somaliland. Are industrial profits or peace the goal of the League? Is it not a pity to find a nation as great as Great Britain striving for both, when, if ever, they can be gained simultaneously?

Second, there is the Hoare-Laval peace pact of last year. It is to be noticed that even in this Britain considered her interests as the paramount issue.

In the division of Ethiopia under this plan of geographical distribution one finds Lake Tana, source of the Nile, very subtly left in Ethiopian possession. Why? Because the waters of Lake Tana which form the Nile have been used for years for irrigational and agricultural purposes in Egypt and the Anglo-Egyptian Sudan, and have served as a source of hydroelectric power as well as a source of sweet water for those in the Suez.

Should Italy gain control of this body of water and divert the flow from its usual course for similar purposes in its colonization of Ethiopia the effects on British interests in Africa, needless to say, might prove disastrous.

Lastly, we come to the military alliance of Wednesday, January 22. Turkey, Greece, Czechoslovakia, France, and Great Britain have now banded together in a pledge of mutual cooperation in case of an attack upon any member by Italy. This is the result of sanctions, of League of Nations' actions, which will result in an alignment of powers forming a counteralliance, and this in war. Either the alliance must decay or war will eventuate. Surely any American student of League history should realize that our entrance into such an organization is not essential to the welfare of our people or those of Europe. The scope of possible belligerency would only be extended.

Of the second possibility afforded us for the maintenance of peace, namely, international law, what should be our answer?

Those who uphold international law, such as the eminent authority at Yale University, Prof. Edwin M. Borchard, say that we have come to think of international law more in the breach than in the observance. Dr. Borchard declares also that executive incompetence caused our entrance into the last war and that we never seriously attempted to uphold our rights as a neutral.

To the first argument youth of this generation would have, in my opinion, but one answer. That is that flagrant abuses of international law, because of the desperation of one whom it governs, incite many who are responsible for their neutrality upon strict adherence to law out of their position as a neutral into a position as a belligerent. The results of the breach are more detrimental to mankind than the results of the observance are beneficial. Also it does not seem logical to believe that a man driven to desperation is going to obey a law when, by obeying, he lessens his own chances for survival.

In the second argument, Dr. Borchard implies the necessity of executive competence to a righteous administration of international law. Realizing competence cannot be written into law, would it not be better to enact into law legislation which is not wholly responsible for its administration upon the discretion and competence of an executive? Would it not be better to have built the machine of peace before the need for its use arises when cold and sober fact and experience can be used as guides to its construction, instead of that time when human prejudice, bias, and "group" influence may form the basis of the opinion of the builder?

To prove more conclusively the improbability of the future success of international law should it be resumed by a neutral as its policy in trading with belligerents, it is necessary to review the history of our failure to maintain a real neutrality from 1914-17.

In my opinion, history will record the date of our entrance as that day when our foreign trade first reached belligerent shores.

From that day on we notice a decrease in our trade with the Central Powers, which brings our commercial relations with them to a negligible importance. We notice an allied paper blockade which stops 2,100 out of 2,400 American ships in the first year of the war. We then see our trade with the Allies growing by leaps and bounds and our Nation, by the vacillation of its national administration, subject itself to the dictums of Great Britain in order not to interfere with a prosperous trade, a trade which induced an inflationary economic life into America, bringing us from the debtor to the creditor class, a trade which, if interfered with, might cause a deflationary collapse in America and evict a national administration.

The Chief Executive at the time was a great man, yet a man given too much to an ideal, too little to practical experience. And because of this found himself, not by his own wish but by misfortune, a pawn in the hand of circumstance.

It is entirely fitting that youth should subject itself to a rigid, analytical, and unbiased history of that war; and youth today, unacquainted with the emotions and psychology of the war, is peculiarly fitted to such a task.

Trade, loans and credits, and war psychology—these, in my opinion, caused our entrance. These did not induce an Executive incompetence. These did, however, effect a policy of watchful waiting, a policy of drifting which brought us to the brink of war and then precipitated us into the crisis.

Trade brought us into conflict with the Germans and induced a moral unneutral feeling among our people. Trade brought us into disagreement with England, but we risked our trade in argument. Trade brought us prosperity, a prosperity we felt we could not lose. Loans and credits, the coordination of industrial agencies, allowed our trade to go on. War psychology, pro-Ally propaganda, and a realization of the source of profit brought us upon entrance in alignment with the Allies.

That trade and those loans and credits when endangered brought us into war, not because one man found it to his benefit, but because all America believed it to be her benefit.

André Tardieu, French statesman of the war period, is but one foreigner to realize, after war, the real cause of our entrance. He said:

"Profits had swollen tenfold; the Allies had become the sole customer of the United States. Loans the Allies had obtained from the New York banks swept the gold of Europe into American coffers. From that time on, whether desired or not, the victory of the Allies became essential to the United States."

This is what international law and desire to trade did for us in 1914-17. Some may say, "Yes; but President Wilson refused the use of pressure in order to bring England and Germany into a mutual revocation of their policies effecting United States trade", namely, the blockade and the submarine.

LXXX—294

This was realized by the President and considerable meditation over the possibility of a compromise was undoubtedly made. But was an interference in trade worth the possible disastrous effects on American economic life? For by this time America was much more dependent on foreign trade industrially, commercially, and agriculturally than in a period of normalcy when she is but dependent to 10 percent.

Will not another wartime President find his hands similarly bound? Will not America, should war again come, find her younger generation disgusted at the failure of a President to act with courage, perhaps losing temporary profits, but saving lives and future and greater profits?

Now, there remains but one answer—neutrality. Of neutrality we have two very different types, the discretionary and the mandatory.

Discretionary neutrality leaves to the President the power of execution. "May", instead of "shall", is the reading of the law.

Could such a policy possibly produce the desired results? It is to be doubted; for, if it were Executive incompetence which caused our entry into the last war, there is no reason to believe we might not enter future wars because of the same reason.

If it were the influence of commercial and industrial pressure groups, then the Chief Executive should be guarded against a possible recurrence of such pressure in wartime by a mandatory policy. If it were trade that brought us to war, then the administration should not be given permission to restrain or allow trade, but should—not might—be forced to restrain trade. Sanctionists will say such a policy will put to an end all hopes of American cooperation with the League or similar international organizations supposedly desirous of gaining peace.

This argument is to be refuted; for, although we as a nation are not defining aggression, we are, by restraining trade with both belligerents, acting in cooperation with international government. They trade with one belligerent. We trade with neither belligerent.

Our opponents will say, "But why not trade when we can?" Should we enter into a business contract, if by entering that contract we endanger our neutrality, our economic status quo, and our national psychology, because of a moral sympathy in a financial interest?

If loans and credits caused our entrance into the war, is not a policy which is mandatory upon the President better than one which might enable "interests" to cause, through him, an indiscretion? If the submarine caused our entrance, is not a policy which commands the President to advise citizens that their trade and lives are within their own hands in time of war a better one than that policy which permits the President to advise, which, also, permits argument with belligerents on any interference with trade and permits moral unneutrality and war psychology in case of loss of life?

Some may say that America refuses to protect the trade and lives of its citizens in time of foreign conflict by such a policy.

Perhaps America is beginning to realize that going to war to save \$5,000,000,000 in war profits cost in bonuses, pensions, aid and care for the suffering, the disabled, and the dead (to say nothing of the economic consequences of war and war itself), \$100,000,000,000.

Should we not realize then, also, that in the past we have through thoughts psychologically stimulated to a high belief in honor gone to war defending the lives of a few Americans by the deaths of thousands of others? Man cannot regulate national psychologies by legislation, but man can attempt to rid the Nation of the stimuli of such psychologies.

So we come to the mandatory policy of neutrality.

Its opponents say that such a drastic policy containing provisions for equally drastic embargoes will disrupt the economic life of the Nation just as it did in 1807, and that it will end just as did that policy in 1812.

Any thorough student of history will realize that the Hartford convention represented the thought of New England and in the infant-industry period of economic existence—New England largely dependent upon shipbuilding and foreign trade. America has progressed greatly since that era in her history until today only 10 percent of her economic life is dependent on foreign trade, and her infant-industry period in all lines of economic existence is gradually giving way to a stabilized, highly industrialized economic society, a society much better equipped to withstand the shocks that others have been unable to weather.

Even more materialistic persons have said, "Perhaps what we need is another war." If lives do not mean anything to them perhaps their realization will. Wartime profits will be more than lost in that economically disastrous period that follows every war known to our generation as a depression.

W. P. A. WORKERS IN THE FLOOD DISTRICTS OF PENNSYLVANIA

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD for the information of my colleague the senior Senator from Pennsylvania [Mr. DAVIS] two newspaper clippings from the Pittsburgh Press of Sunday, March 29, 1936—one entitled "W. P. A. Workers Unsung Heroes of Big Flood" and the other being an excerpt from an article headed "City's Vital Agencies Win Praise for Activities During Flood Crisis", by Kermit McFarland, dealing with the same subject. If my colleague needs additional information, I might suggest that he interview any one of

the Moose lodges in Pennsylvania, or go to his home town of Sharon, where he can get more information concerning the heroic work done by the men working for the W. P. A.

There being no objection, the newspaper articles were ordered to be printed in the Record, as follows:

[From the Pittsburgh (Pa.) Press of Mar. 29, 1936]

W. P. A. WORKERS UNSUNG HEROES OF BIG FLOOD—30,000 MEN, 1,000 TRUCKS HELP CITY TO "DIG OUT"

Individual acts of heroism and long hours of labor without rest fell to the lot of Works Progress Administration men throughout Allegheny County during its most disastrous flood, it was revealed yesterday when James E. Kesner, district director for W. P. A., summarized the work of his organization.

The report showed 30,000 men and 1,000 motor trucks were thrown into the job of "digging out" and rehabilitating the county's stricken areas.

"Hours before the crest of the flood was reached," Director Kesner reported, "W. P. A. men in rowboats were assisting in the rescue of persons marooned on the upper floors of their homes and buildings by the rapidly rising waters."

HEROISM COMMON

"Acts of dramatic heroism were common, men risking their lives time and again to carry children and aged persons to safety."

"Thousands of W. P. A. men worked continuously for 16 to 20 hours, refusing rest when additional crews could not get into the districts to relieve them."

One of the more spectacular rescues was in downtown Pittsburgh, but names of individual members of that crew were lost in the rush of work and excitement of the emergency.

The crew built a makeshift raft in Fifth Avenue near Smithfield Street. Attaching 1,000 feet of rope to the improvised craft, the men pulled it by truck to the lower end of the triangle, where refugees were taken aboard and pulled to safety. More than 1,000 lifeguards, assisted by the W. P. A. workers, carried on this work until all those marooned by high water had been removed.

All regular W. P. A. project work was stopped when the flood first came up and W. P. A. employees were either put to work at once or held in readiness to leave for stricken areas at a moment's notice.

WORK LONG HOURS

Radio calls were broadcast by Director Kesner as conditions became critical, and within a half hour crews were organized and dispatched by truck and train. Men living in sections first hit by flood were directed to organize themselves into rescue squads and assist borough and township officials.

The administrative force of the Works Division of W. P. A. in the old post-office building remained on the job 48 hours without relief. These men, in charge of Donald Moore, superintendent of operations, and C. R. McKinney, supervising engineer, were responsible for organizing and directing the various units.

When telephone service was suspended, this crew of men re-established its headquarters in the Telephone Building, Seventh Avenue.

Director Kesner announced yesterday there will be no cessation of activity by W. P. A. as long as there is work to be done. He said he intends to keep his men on the job wherever needed.

[From Pittsburgh (Pa.) Press of Mar. 29, 1936]

(Excerpt from article by Kermit McFarland)

The Works Progress Administration here—maligned by critics, cursed even by its friends, weighted down with red tape—literally leaped to the aid of every agency greedy for its services and proved beyond doubt that, given a free hand, it can function efficiently, economically, and effectively. Waiving formality, the local administrators had 48,000 men at work in jig time.

STOCKYARDS AND MEAT PACKING

The Senate resumed the consideration of the bill (S. 1424) to amend the Packers and Stockyards Act, 1921.

The VICE PRESIDENT. The question is on the amendment, in the nature of a substitute, offered by the Senator from Texas [Mr. CONNALLY] to the pending bill.

LEGISLATIVE APPROPRIATIONS

Mr. SCHWELLENBACH obtained the floor.

Mr. TYDINGS. Mr. President—

Mr. ROBINSON. Mr. President, I understand that the Senator from Maryland [Mr. TYDINGS] desires to ask that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of the legislative appropriation bill. I do not know whether that is in accord with the wishes of the Senator from Washington, who has the floor.

Mr. SCHWELLENBACH. With the understanding that the legislative appropriation bill will take but a very short time, and that at the conclusion of its consideration I will again be recognized, I will yield to the Senator from Maryland for the purpose indicated.

The VICE PRESIDENT. The parliamentary situation is that the Senator from Washington [Mr. SCHWELLENBACH] gave notice last week that he desired to address the Senate today. As the Chair understands, the Senator from Washington is perfectly willing that the unfinished business shall be laid aside temporarily and to yield the floor for the time being so that the legislative appropriation bill may be considered. The Senator from Washington will be recognized at the conclusion of the consideration of the appropriation bill.

Mr. ROBINSON. Mr. President, of course, there can be no limit placed on the consideration of the legislative appropriation bill, but the Senator from Washington can take the floor at any time during the consideration of that bill.

The VICE PRESIDENT. The Senator from Maryland is recognized.

Mr. McNARY. Mr. President, I understand the Senator from Maryland is about to request consideration of the legislative appropriation bill. I inquire if the bill has been reported and if notice has been given by publication of the report?

Mr. TYDINGS. That is correct.

Mr. McNARY. Are there many amendments to the bill?

Mr. TYDINGS. There are only very few amendments, to which I think there will be no objection.

Mr. McNARY. I have no objection to the consideration of the bill.

Mr. TYDINGS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of House bill 11691, being the legislative appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. TYDINGS. I ask that the formal reading of the bill be dispensed with and that it be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will state the first amendment reported by the committee.

The first amendment of the Committee on Appropriations was, under the heading "Senate—Office of the Secretary", on page 2, line 17, after the word "clerk", to strike out "\$4,200" and insert "\$4,500", so as to read:

Assistant financial clerk, \$4,500.

The amendment was agreed to.

The next amendment was, on page 2, line 25, after the figures "\$3,360", to strike out "executive clerk, and assistant Journal clerk, at \$3,180 each" and insert "assistant Journal clerk, \$3,360; executive clerk, \$3,180", so as to read:

Assistant Journal clerk, \$3,360; executive clerk, \$3,180.

The amendment was agreed to.

The next amendment was, on page 3, line 3, after the word "each", to strike out "assistant librarian, and assistant keeper of stationery, at \$2,400 each."

The amendment was agreed to.

The next amendment was, on page 3, line 4, before the word "one", to insert "one at \$3,180"; in line 6, after the word "each", to strike out "two at \$2,640 each, one at \$2,400" and insert "one at \$2,640, five at \$2,400 each"; at the end of line 7, before the word "at", to strike out "four" and insert "two"; in line 8, after the word "each", to insert "two at \$1,860 each"; and in the same line, before the word "at", to strike out "two" and insert "four", so as to read:

Clerks—one at \$3,180, one at \$2,880 and \$300 additional so long as the position is held by the present incumbent, four at \$2,880 each, one at \$2,640, five at \$2,400 each, two at \$2,040 each, two at \$1,860 each, four at \$1,740 each.

The amendment was agreed to.

The next amendment was, on page 3, line 9, after the figures "\$2,460", to strike out "two assistants in the library at \$1,740 each."

The amendment was agreed to.

The next amendment was, on page 3, line 11, after the word "each", to strike out "one in Secretary's office, \$1,680" and insert "two in Secretary's office, at \$1,680 each", so as to read:

Laborers—one at \$1,620, five at \$1,380 each, two in Secretary's office, at \$1,680 each.

The amendment was agreed to.

The next amendment was, on page 3, at the end of line 12, to change the appropriation for the office of the Secretary from \$123,360 to \$130,500.

The amendment was agreed to.

The next amendment was, under the subhead "Document room", on page 3, line 15, after the words "first assistant", to strike out "\$3,360" and insert "\$2,640"; in the same line, after the words "second assistant", to strike out "\$2,400" and insert "\$2,040"; at the end of line 15, to strike out "four assistants, at \$1,860 each" and insert "three assistants, at \$2,040 each"; and in line 17, after the words "in all", to strike out "\$18,540" and insert "\$16,140", so as to read:

Salaries: Superintendent, \$3,960; first assistant, \$2,640; second assistant, \$2,040; three assistants, at \$2,040 each; skilled laborer, \$1,380; in all, \$16,140.

The amendment was agreed to.

The next amendment was, under the subhead "Office of Sergeant at Arms and Doorkeeper", on page 7, line 22, after the word "storekeeper", to strike out "\$4,440" and insert "\$4,800", so as to read:

Deputy Sergeant at Arms and storekeeper, \$4,800.

The amendment was agreed to.

The next amendment was, on page 7, line 23, after the word "one" where it occurs the first time, to strike out "\$2,640" and insert "\$3,000"; in the same line, after the figures "\$2,100", to insert "one, \$2,000"; in line 24, before the word "at", to strike out "three" and insert "two"; and in line 25, after the figures "\$1,800" to insert "one to the secretary for the minority, \$1,800, one, \$1,500", so as to read:

Clerks—one, \$3,000, one, \$2,100, one, \$2,000, two at \$1,800 each, one to the secretary for the majority, \$1,800, one to the secretary for the minority, \$1,800, one, \$1,500.

The amendment was agreed to.

The next amendment was, on page 8, line 10, after the word "janitor", to strike out "\$2,040" and insert "\$2,400", so as to read:

Janitor, \$2,400.

The amendment was agreed to.

The next amendment was, on page 8, line 15, before the word "at", to strike out "thirteen" and insert "fourteen", so as to read:

Telephone operators—chief, \$2,460; 14 at \$1,560 each.

The amendment was agreed to.

The next amendment was, on page 8, line 20, before the word "at", where it occurs the second time, to strike out "twenty-nine" and insert "twenty-eight", so as to read:

Laborers—3, at \$1,320 each; 28, at \$1,260 each; 3 at \$840 each.

The amendment was agreed to.

The next amendment was, on page 8, line 24, to change the appropriation for the office of Sergeant at Arms and doorkeeper from \$254,784 to \$259,664.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses of the Senate", on page 10, line 14, after the word "thousand", to strike out "\$10,000" and insert "\$18,000", so as to read:

For folding speeches and pamphlets at a rate not exceeding \$1 per thousand, \$18,000.

The amendment was agreed to.

The next amendment was, under the heading "Capitol Police", on page 23, line 11, after the word "captain", to strike out "\$2,460" and insert "\$2,700", and in line 16, after the words "in all", to strike out "\$144,440" and insert "\$100,680", so as to read:

Salaries: Captain, \$2,700; 3 lieutenants, at \$1,740 each; 2 special officers, at \$1,740 each; 3 sergeants, at \$1,680 each; 52 privates, at \$1,620 each; one-half of said privates to be selected by the Sergeant at Arms of the Senate and one-half by the Sergeant at Arms of the House; in all, \$100,680.

The amendment was agreed to.

The next amendment was, under the subhead "Capitol Buildings and Grounds", on page 26, line 24, after the figures "\$120,963", to insert a comma and "of which \$25,000 shall be immediately available", so as to read:

Capitol Grounds: For care and improvement of grounds surrounding the Capitol, Senate and House Office Buildings; Capitol power plant; personal and other services; care of trees; planting; fertilizers; repairs to pavements, walks, and roadways; purchase of waterproof wearing apparel; maintenance of signal lights; and for snow removal by hire of men and equipment or under contract without compliance with sections 3709 (U. S. C., title 41, sec. 5) and 3744 (U. S. C., title 41, sec. 16) of the Revised Statutes, \$120,963, of which \$25,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the heading "Library of Congress—Legislative reference service", on page 32, at the end of line 15, to strike out "\$92,990" and insert "\$77,990", so as to read:

To enable the Librarian of Congress to employ competent persons to gather, classify, and make available, in translations, indexes, digests, compilations, and bulletins, and otherwise, data for or bearing upon legislation, and to render such data serviceable to Congress and committees and Members thereof, including not to exceed \$5,700 for employees engaged on piece work and work by the day or hour at rates to be fixed by the Librarian, \$77,990.

The amendment was agreed to.

The next amendment was, under the subhead "Increase of the Library", on page 35, at the end of line 6, to strike out "\$5,000" and insert "\$7,000", so as to read:

For the purchase of books and periodicals for the Supreme Court, to be a part of the Library of Congress, and purchased by the Marshal of the Supreme Court, under the direction of the Chief Justice, \$7,000.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. ROBINSON. Mr. President, it seems to me worthy of note that in the legislative general appropriation bill there is only a total net increase in the amount carried in the bill as it passed the House of \$4,860. There are some increases in excess of that amount over the amounts approved by the House, but the net result is an increase of only \$4,860.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

FREEDOM OF THE PRESS

Mr. SCHWELLENBACH. Mr. President, during the short time I have been a Member of this body I have attempted religiously to give observance to the rule relating to the limitation upon discussion by new Members of the Senate. With the exception of a few questions, or explanations of bills which I have reported from committees, and one instance during the month of January of this year, I have not taken any time of the Senate in discussing any of the matters or affairs before the Senate.

However, last July I was honored by the Senate, through the Vice President as its presiding officer, with appointment upon a committee for the purpose of the investigation of lobbying. During the past 6 weeks this committee has been subjected to very severe and very persistent criticism upon the part of the opposition to the administration, and particularly upon the part of the press of the Nation. I believe it is desirable that some of those charges be considered and fully discussed.

Without in any way deprecating the other individuals and organizations which have attacked the committee, I want to limit my remarks to those attacks which have been made by two. I refer, first, to Mr. Jouett Shouse, of the American Liberty League, and, second, Mr. William Randolph Hearst.

I am not going to waste very much time discussing the radio remarks of Mr. Jouett Shouse. I have two reasons for

this. In the first place, the committee has been afforded, by the Columbia Broadcasting Co., an opportunity upon next Thursday evening to reply to Mr. Shouse's latest speech, and, in the second place, I do not believe anyone pays very particular attention to what Mr. Shouse may say. I think the time of the Senate should not be taken needlessly in considering his remarks.

However, I do want to say for Mr. Shouse that he is improving. In his first radio broadcast on March 6, addressing the people of the Nation on behalf of the American Liberty League, Mr. Shouse made this statement:

Let us see just what has happened in the city of Washington, the Capital of our Nation. Every telegram sent by any citizen of the United States to anyone in Washington between February 1 and December 1, 1935, has been subject to examination by employees of the Federal Communications Commission or the Black committee. Every telegram sent out of Washington during those 10 months has been subject to such examination.

Checking up the figures with the telegraph company, the Senator from Alabama [Mr. BLACK], chairman of our committee, reported to the Senate that the number of telegrams coming into and going out of the city of Washington, to which Mr. Shouse made reference in his speech of March 6, amounted to 14,000,000.

In his speech of last Friday evening, Mr. Shouse has revised the figures and now says that more than 22,000 telegrams sent from or received at the Washington offices between February 1 and December 1, 1935, were copied and turned over to the Black committee. In other words, he has revised the figures from 14,000,000 down to 22,000. We must give credit to Mr. Shouse for his recognition that his first statement was in error to the extent of just 13,978,000 telegrams. If there is anyone in the Senate with ability along mathematical lines, he might estimate the percentage of error in Mr. Shouse's first national broadcast.

But I do not care, Mr. President, thus lightly to dispose of the charges which have been made against this committee. It is my desire, briefly, concisely, and with language so clear that no one can misunderstand it to make a statement in reference to the activities of the committee.

The committee consists of five members, four of whom are lawyers. We believe that we at least have a speaking acquaintance with the Constitution of the United States. We know that every member of our committee has as great love and respect for the Constitution of the United States as any newspaper editor or any member of the opposition who may, because of the fact that he desires to prevent the disclosure of facts such as have been uncovered by the committee, attempt to attack the committee upon the ground that the committee is abusing constitutional rights and privileges.

The committee in its every activity has assiduously attempted to protect the constitutional rights of everyone connected with the investigation. In the subpoenas which we have issued, contrary to the statement or the inference or the innuendo contained in a speech upon the floor of the Senate a few weeks ago, we have followed religiously the forms which have been laid down for us and used by prominent Members of the Senate in the years gone by. The forms we used were used by and approved by such men as Thomas J. Walsh, of Montana, a constitutional lawyer of recognized ability; such men as the conservative Reed Smoot, of Utah; such men as the able James A. Reed, of Missouri. Certainly no one can contend that those three gentlemen or any one of them were crazy radicals such as the papers are inclined to call those of us on the Black investigating committee today. We have followed definitely and religiously the forms which were approved and were used by those Members of this body in the past years.

Further, no telegram sent into or out of Washington by any person, association, or corporation not engaged in lobbying activity was at any time examined by the committee or any member of the committee or any of its agents or employees.

Further, we did not at any time, no matter what any Member of this body may attempt to insinuate or infer, make use of the Federal Communications Commission in an effort to secure information. The telegrams which we se-

cured were secured as a result of the power and authority of the Senate under our own subpoena.

One charge only which has been made against us are we willing to confess. That was the charge delineated here last Friday by the junior Senator from Oregon [Mr. STEIWER], to the effect that we had made a misuse of subpoenas because we had used subpoenas duces tecum, and that a subpoena duces tecum means "to bring with you"; that in certain instances, instead of the telegraph company bringing the telegrams to us, we sent our representatives to the telegraph companies and they brought the telegrams. That technical charge which the junior Senator from Oregon made was correct. If he wants to protect and defend the interests of the country which attempt to taint the legislation of the country by relying upon a technicality of that kind, he may get what comfort he can out of such a technical objection.

Mr. President, I wish now to refer to Mr. William Randolph Hearst. William Randolph Hearst, who has been condemned and criticized by the newspaper fraternity of this country since 1895, when he first appeared in the city of New York, and took over the New York Journal, has today become the plumed knight leader of the newspaper fraternity of the country.

A couple of weeks ago he commenced a suit against your committee. The Washington Times for March 14 sets out the allegations in that suit:

Charging conspiracy against the Black committee and the Federal Communications Commission, William Randolph Hearst yesterday petitioned District Supreme Court to compel them to return private telegrams seized in their wholesale foray.

The publisher, through Attorney Elisha Hanson, asked the court to order the five Senate investigators and the seven Commissioners to appear and answer his charges that their seizure of private correspondence violates constitutional rights.

Jerome D. Barnum, president of the American Newspaper Publishers' Association, filed an affidavit in support of the Hearst suit.

The American Newspaper Publishers' Association by resolution condemned the Black committee and the Commission and pledged assistance of its 438 newspapers, representing more than 80 percent of national newspaper circulation, to its members so attacked in the "unwarranted attempt to abridge the constitutional guarantee of a free press."

I say Mr. Hearst, after all the vilification and abuse to which he has been subjected by his fellow newspapermen of this country, has at last reached the position of leadership and is today the plumed knight leading the American newspaper fraternity in the protection of their constitutional rights. He comes down here through the medium of his attorney, a Mr. Elisha Hanson, who parades himself before the public in Washington as being an authority upon constitutional law. Anybody with any information about legal conditions in the city of Washington or about newspaper conditions knows that Elisha Hanson is today, and always has been, just a "stooge" for William Randolph Hearst and the rest of the newspaper fraternity of this country who believe that newspapers should be run upon the basis and theory of a sweatshop.

They make two contentions against us: First, that we have violated the fourth amendment to the Constitution, that we have invaded the private rights of the citizens by seizing private papers; second, that we have violated the first amendment of the Constitution and are threatening the freedom of the press.

Mr. President, when I am considering charges which are made, when I am considering high-sounding phrases put forth by any individual, I always feel that there is only one way by which we may judge or evaluate the sincerity of that individual in the charges he makes. Mr. Hearst contends that it is wrong for the Senate to subpoena telegrams from the telegraph company. He contends that it invades the constitutional rights and privileges of our citizens. I think, therefore, it is pertinent at this time to go back through the record of Mr. Hearst and see what has been his attitude through the years on the question of stealing papers, of securing papers by bribery, of securing papers by intimidation, of securing papers by forgery, if you please, Mr. President.

Before that, however, I desire to pay tribute to Mr. Hearst along one line—that is, his ability as a money maker. I do not believe there is any man in the country today who has exhibited any greater ability in the acquisition of wealth and fortune than Mr. William Randolph Hearst. It is true that as a young man he inherited a fortune from his father; but he has many times multiplied that fortune, and I think it is only proper that we should pay tribute to his ability along that line.

I have before me a copy of the magazine *Fortune* for October 1935, and I refer only briefly to it.

According to this magazine—and it has not been denied—Hearst means \$220,000,000: 28 newspapers, 13 magazines, 8 radio stations, 2 cinema companies, \$41,000,000 worth of New York real estate, 14,000 shares of Homestake, and 2,000,000 acres of land—cattle, chicle, and forest. That is the fortune of William Randolph Hearst, the fortune of the man who is today attempting to speak on behalf of the common people of this country.

You know, Mr. Hearst for years lived in the balmy climate of southern California. He may have been attracted by the climate; he may have been attracted by its proximity to the great movie colony at Hollywood; I do not know which. But, at any rate, he had thousands upon thousands of acres, a front which occupied miles upon miles of the Pacific coast; and there, in the balmy climate of southern California, he operated and directed the campaign for amassing and further amassing this fortune. A few years ago, however, he tired of San Simeon, as he has a way of tiring of anything in his life that is most intimate and should be most sacred. He tired of San Simeon, and he decided that he would build for himself a new place up in northern California. So he went up north of Oakland to a place called Wyntoon, and there he has built for himself a Bavarian village, a marvelous Bavarian castle; and there he and his friends gather and loll in luxury, while the men who work for him are working under wage and other conditions which are a disgrace to the newspaper profession of the country.

While Mr. Hearst was spending \$15,000,000 to build this Bavarian castle at Wyntoon, while he was getting \$500,000 a year in salary, while he was boasting of the fact that never at any time during the depression had he failed to pay dividends to himself and his other stockholders, he was putting into effect three separate and distinct reductions of 10 percent each in the salaries of his employees.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. Is it not also true that Mr. Hearst maintains in his organization what the boys in his employ know as a "butcher" who circulates around among his employees, firing men instantaneously? And did not the "butcher" come to Washington recently, and just instantaneously fire about 15 men off the *Times* and *Herald*?

Mr. SCHWELLENBACH. Yes; and at any time any one of his employees or any group of his employees attempt to protest against that sort of action, or attempt to organize under any law that may have been passed, Mr. Hearst and his "stooge", Elisha Hanson, rushed behind the Constitution, and used the Constitution and the freedom of the press to protect them in their right to reduce wages and to reduce the forces of the various Hearst papers.

A survey made a few years ago by the Washington Newspaper Guild showed that the Hearst papers paid the lowest scale to their editorial staffs and to their mechanical staffs of any newspapers in the country; and despite the fact that there were three 10-percent cuts while Mr. Hearst was building his \$15,000,000 Bavarian castle at Wyntoon, so that his and his Hollywood movie stars might enjoy themselves. Up in the press gallery now are men who at this minute are writing articles for Mr. Hearst and sending them out over the wire. Those articles will be critical of this committee. Those articles will be critical of the argument I am presenting. These men have to write critical articles. They are forced by the whip of economic necessity to work for Mr. Hearst. They have families which must be fed; yet they know in their inner hearts that there is not any man

in the country today more despised by the people who work for him than William Randolph Hearst.

Mr. President, in view of the fact that these remarks involve a rather lengthy discussion of Mr. Hearst's career, there may be some who feel that I am going back too far into history. I wish to open my remarks by reading a brief paragraph from Oswald Garrison Villard in a book entitled "Some Newspapers and Newspapermen":

Undoubtedly it is the shortness of the American public's memory that is Hearst's best ally. People simply do not remember. Every journalist knows that; every journalist knows that he must begin a "story" of past events with a recital of facts which every thoughtful person ought to recall. Who remembers today the wicked and dastardly part which Hearst played in bringing on the War with Spain? Who remembers his strident appeals then to the basest of passions? Who remembers the bitter outcry against him? Only a few; and it is a question, not of years but of months, before even the members of our university clubs will have only a vague idea as to what Hearst did or did not do during the World War. Time is thus the chief ally of Hearst and of his type of journalist. But even time cannot wholly efface certain facts. Hearst the man has recently been called "one of the most melancholy figures of our time." He has done more to degrade the entire American press than anyone else in its history—more than Pulitzer and both the Bennetts combined. He has achieved enormous material success—it is said that his net profit in 1922 amounted to \$12,000,000—but he is without popular respect or regard. He is a man dreaded and feared, much sought after by a type of politician, but he has never been personally beloved, never even by those deluded fellow citizens of his who at times made the welkin ring with their cheers for him during campaigns which have almost invariably resulted in his defeat. A man of mystery, he will never be anything else than anathema to great masses of citizens. If at times he is the champion of the poor and oppressed, he has no personal following of the kind that worshipped Roosevelt. Millions will read him, but following him is a different matter.

Men have not stuck to Hearst in great numbers and with enthusiasm always at white heat, because of just doubts as to his sincerity and intellectual honesty. Let it be set down at once that Hearst is as unstable as the winds; like them he can blow hot in Chicago and cold in Atlanta or Boston at the same time. Thus when his newspapers published an appeal to the Governor of Georgia that the life of the unfortunate Frank be spared, it was carefully omitted from Hearst's Atlanta newspaper, where its publication would have made him unpopular. So it constantly happens that his newspapers advocate different policies in different cities. Similar examples of this yielding to expediency, of this moral and political instability, could be multiplied indefinitely.

Mr. President, that is the statement of Mr. Villard in reference to Mr. Hearst, and it is because of the statement of the necessity for reminding people as a result of the shortness of memory that I am going back into the history of Mr. Hearst's newspaper exploits over quite a period of years.

In view of the fact, however, that the newspaper fraternity as a whole has joined with Mr. Hearst in this attack upon the committee, I am going to start with an incident which occurred during the World War.

As Senators know, Mr. Hearst owns and controls the International News Service. During the war, because of the use of the customary "Hearstian" practices in the handling of news out of the nations of Europe, prior to our entry into the war, first England, then France, then Canada, and then several others of the allied countries, denied to Mr. Hearst and the International News Service the use of the wires out of those countries. It appeared at that time that the International News Service had suffered an almost fatal blow, it being impossible for it to secure war news for the users of its service in the United States. Yet, mysteriously the International News Service was able to continue day by day providing the news of war conditions to the people of the United States through the International News Service. It was a mystery that could not be understood, and, finally, the Associated Press took upon itself the task of making an investigation.

The Associated Press attempted, by a process of elimination, to discover from what source this news was coming. They were convinced that some representative of the Associated Press was giving out news to the Hearst service immediately it was received by the Associated Press in this country. Finally, by a process of elimination, they reached a certain telegraph editor in the city of Cleveland, and they decided to test out their fears. So there was given to this telegraph editor in the normal way through the Associated

Press wires a story about a battle which had occurred upon the eastern front in which the Russian Army had received a crushing blow. The battle never occurred; there was no such battle; and the Russian Army did not receive the blow. But the Russian general, General "Nelotsky", was killed in this battle. Lo and behold, immediately the story was put through the Cleveland telegraph office, the International News Service throughout the country commenced to print the story of this battle, of the death of General "Nelotsky", and of the fact that the Russians had received this crushing blow.

Then the Associated Press knew the facts, and they started a suit against the International News Service, and the suit was taken to the Supreme Court of the United States. The contention upon the part of the Associated Press that Mr. Hearst and his International News Service had secured this news through the medium of bribing an employee of the Associated Press was established. If anyone has any doubt about it, he can read the opinion of the Supreme Court. The title of the case is *The International News Service v. The Associated Press* (248 U. S. 215).

I do not need to characterize the method by which this news was secured by Mr. Hearst. The Associated Press characterized it. The name of the general was "Nelotsky." Just stop and think of that a moment. It needs the "ky" on the end to make it a Russian name, but the first part of it is the word "stolen" with the letters reversed.

The securing of news by larceny and bribery was the charge which the Associated Press made and sustained against William Randolph Hearst, this man who talks about the sacredness of the press and the sacredness of telegraph wires.

He bribed a telegraph operator and stole the news. And let it be said to the eternal disgrace of the American newspaper profession that the Associated Press did not have the courage to remove Mr. Hearst from membership in that organization.

Mr. President, that occurred during war times, and I think it might well be to think a little about Mr. Hearst's attitude. He is a patriot! Just a few days ago there was disclosed in the House of Representatives a telegram under the terms of which the editor of Hearst's Washington paper was directed to declare that a Member of the other body, an honored Member, the chairman of the Committee on Military Affairs of that body, a man who had twice offered his life in defense of his country, was a traitor to the country. When we made the telegram public, Mr. Hearst and Elisha Hanson raised their hands in holy horror and said that was terrible.

Let us see a little more about Mr. Hearst's papers and their attitude during the World War. On February 25, 1917, a telegram was sent by Mr. Hearst to Mr. S. S. Carvalho, the editor of the New York American. Senators will remember the conditions existing in the spring of 1917. They will remember the severance of diplomatic relations with Germany. They remember the attitude of mind of the American people, and the absolute necessity, if we were to attempt to avoid entrance into that war, that nothing be done to disturb that attitude of mind.

What did Mr. Hearst, the great patriot, do? He sent this telegram to his New York editor:

Please keep standing in American across top of the editorial page the verses of The Star-Spangled Banner as originally written. Please keep standing in evening paper the verses printed in American, reproduced from Harper's Weekly during the Civil War, and referring to shipment of arms by England to South America.

(Signed) HEARST.

That was a very patriotic thing to do, at a time, mind you, when everybody recognized the necessity of maintaining the stability of mind of the American people!

Let us see the real motive behind that telegram. On March 3 he sent another telegram to the same paper:

If situation quiets down please remove color flags from first page and little flags from inside pages, reserving these for special occasions of a warlike or patriotic kind. I think they have been good for this week, giving us a very American character and probably helping to sell papers, but to continue effective they should be reserved for occasions.

(Signed) HEARST.

"They probably have helped to sell papers." This man, with his innate greed and selfishness, with his absolute lack of any regard for the American people, was doing anything "to sell papers", realizing, as he must have realized, that if we got into that war thousands of Americans would go overseas and participate in the war, and all that would remain for their fathers and mothers would be a memory of a white cross upon the poppy covered fields of France; realizing, worse than that, that these men might come back and be in the condition in which have seen them in dozens of American veterans hospitals, their lungs destroyed by gas, coughing, bleeding, gradually disintegrating unto death; or even worse than that, as I have seen them in a number of American psychiatric hospitals, I remember one boy who at regular intervals would take a dive under the bed, because of the fact that the barrage was about to start. That is what William Randolph Hearst was playing with when he put those American flags upon the pages of the New York American.

What did he do? He calmly and blandly said, "It probably helps sell papers." That is the patriot who has the temerity to attack, through his editorial columns, that distinguished and honored patriot, the chairman of the Military Affairs Committee of the House of Representatives.

Mr. President, let us go back to the Spanish-American War and consider the matter of patriotism and the matter of using wars for the purpose of selling newspapers. As I indicated a little while ago, when Mr. Hearst's father died he left his son a considerable fortune, and his first newspaper venture was in San Francisco in the form of the San Francisco Examiner. He was very successful with that, and he wanted new fields to conquer, so about 1895 he came back to New York City and picked up a small paper there, which had been very unsuccessful, a paper known as the New York Journal. The name of that paper was later changed to the New York American, and in the discussions about it the names are sometimes used interchangeably.

Mr. Hearst participated in the campaign of 1896 without very much success. Then there came the necessity for making a financial success of the New York Journal or the New York American. I do not ask Senators to take my word for it, but I desire to read just briefly from a story written by the man who at that time was the editor in chief of the New York Journal, in Mr. Hearst's employ.

His name is Willis J. Abbot. He later became the editor of the Christian Science Monitor, and, I believe, is now a member of the editorial staff of the Christian Science Monitor. He wrote a book entitled "Watching the World Go By", and in it he told about Mr. Hearst's activity immediately prior to the Spanish-American War, which deals directly upon this question of sacredness and sanctity of papers, the sacredness and sanctity of telegrams, and the sacredness and sanctity of documents.

On page 213 of this book by Mr. Abbot we find the following language:

"Cuba Libre!" ("Free Cuba!") became the password in the American offices, and our editorial rooms were haunted by dark, undersized men who spoke in whispers and revealed to the very cub reporters secrets which should have made thrones topple. * * * Much of the information which those gentlemen thrust upon us was too easily disproved by the friends of peace, so Hearst sent his own men down to the island to ferret out more convincing evidence of Spanish brutality—and if necessary, to manufacture it. The most distinguished pair thus employed were Richard Harding Davis, novelist, and Frederick Remington, famous as an artist drawing pictures of frontier life. Very zealous indeed were these gentlemen. As a fruit of their observations and collaboration, there appeared in the Journal a three-column drawing by Mr. Remington showing a Cuban girl in a steamer state-room, stripped to the skin, while three brutal and lascivious Spaniards were searching her garments for treasonable documents. The vessel was the American ship *Olivette* and the Journal cried, "Does our flag protect women?" A resolution of inquiry was straightway introduced into Congress, and the fires of chivalric American manhood had begun to crackle, when the unspeakable World produced the young lady herself, who declared in horror that nothing of the sort had ever happened. She and another young Cuban senorita suspect had indeed been searched, but by a discreet matron in a private cabin, while the officers remained outside. The correspondents hastily produced their alibis. Mr. Davis pointed out that his copy nowhere charged that the search

was conducted by men. Mr. Remington averred as the story did not say that women were the officials, he was entitled to suppose that men were involved. It was characteristic of the Hearst methods that no one suffered for what in most papers would have been an unforgivable offense, and I never heard the owner of the paper, in public or in private, express the slightest regret for the scandalous "fake."

I shall read of another incident described by Mr. Abbot:

One incident that disturbed the harmony of our editorial rooms for as much as 48 hours was the publication of a photograph showing, according to its caption, Spanish soldiers driving Cuban patriots into the sea, at the point of the bayonet, to be wretchedly drowned. It was very convincing. The camera, we all knew, could not lie, and a most illuminating editorial on the callous indifference of Spaniards to human life accompanied the picture. All went well for a day or two, when a loathsome contemporary appeared with the same photograph, showing it to have been a picture of a bathing beach in Cuba. The callous Spanish soldiery had been pasted in. Did the responsible editor suffer? Not at all. His whole life has been spent in high places in the Hearst service.

Proceeding, Mr. President, with the quotation from Mr. Abbot, who was, as I reminded the Senate, the editor in chief of the Hearst newspaper at that time:

"Hearst was accustomed to refer to the war, in company with his staff, as 'our war', and his famous cable to Remington, when the artist wearied of life in Cuba and pleaded for recall on the ground that there would be no war, emphasized this sense of personal proprietorship.

"You furnish the pictures; I'll furnish the war" (William Randolph Hearst), cabled the editor, and speedily made good on that promise.

How did he make good? On February 9, 1898, there appeared the following in the New York Journal:

THE WORST INSULT TO THE UNITED STATES IN ITS HISTORY—SPAIN'S MINISTER CALLS PRESIDENT MCKINLEY A "LOW POLITICIAN, CATERING TO THE RABBLE"

Monstrous language used by Dupuy De Lome in a letter to Senor Canalejas, wherein he denounces everything American and exposes the fact that Spain's commercial negotiations are only a blind for effect.

What happened then? Let me refer again to Mr. Abbot:

Early in 1898 the value to the Journal of the crowd of Cuban conspirators who hung about its office was made evident. I was called one night to the office of Sam Chamberlain, the managing editor, who handed me a letter in Spanish with its translation, while the little Cuban insurrecto, Palma, stood by smiling with the air of one who had won a victory. The letter turned out to be a personal one from the Spanish Minister, Dupuy de Lome, to a friend in Cuba. It had been stolen, of course, from the Habana post office by a sympathizer with the revolution—

This is the same William Randolph Hearst who talked about the sacredness of telegrams and of documents—

It had been stolen, of course, from the Habana post office by a sympathizer with the revolution. Compunctions concerning the manner in which it was obtained did not, however, trouble the Hearstian mind. Anyone could see that it made De Lome's continuance at Washington impossible and added another count to the indictment rolling up against Spain.

Within a week after that time, with the destruction of the *Maine*, we were headed to war, which, as Mr. Abbot said, Mr. Hearst always referred to as "our war." "You furnish the pictures, I'll furnish the war!" And he proceeds to use as the incident a document which had been stolen from the mail in a post office. The sacrosanct, pious individual who now would castigate the Senate because it attempts to use subpoenas to get telegrams did not hesitate to use a letter stolen from a Cuban post office.

But what was the result? The result was perfect. By February 24 the circulation of the New York Sunday Journal had gone up to 200,000. By the same date the circulation of the Evening Journal had increased to 519,032; and by May 2, 1898, the day of Dewey's victory at Manila, the circulation of the New York Journal, as the result of the operation of its war which it incited and which Mr. Hearst called his war—the circulation of the Journal had increased to 1,600,000.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. BLACK. I should like to ask the Senator a question. As I recall, volunteers were called for in that war. May I ask the Senator whether or not the newspapers show that Mr. Hearst volunteered to fight in his war, or did he leave the fighting to be done by other people?

Mr. SCHWELLENBACH. The only participation that Mr. Hearst personally took in the war was of a newspaper nature in an effort to gain scoops upon other newspapers in the city of New York. Mr. Hearst did not volunteer. He never has participated in any military activity. His position is that of using military activities in order that he may increase the circulation of the newspapers in which he has his money invested. What difference did it make to Mr. Hearst if as the result of that war hundreds and thousands of young men were sent down into the tropical country and returned sick and disabled, and even today are suffering as the result of tropical diseases acquired at that time? What difference did it make to him? The circulation of the New York Journal increased to 1,600,000.

Then at the conclusion of the war another Hearstian method of getting news appeared. On the 1st of January 1899 there appeared in the New York Journal the first publication of the Paris protocols and peace treaties. Prior to the time they had been made public, prior to the time the Senate of the United States had any opportunity to know what was in them, prior to the time that even the President of the United States had an opportunity to know what was in them, a representative of William Randolph Hearst went into the offices where the protocols were being prepared, stole them, and sent them to Mr. Hearst, and this man who believes in the sanctity of correspondence and of documents printed them despite the fact that by printing them he might make it impossible for a treaty to be effectually negotiated.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. MINTON. In France, however, they did not have a constitution containing a fourth amendment which protected persons against unreasonable search and seizure.

Mr. SCHWELLENBACH. I think the Senator's observation is quite pertinent.

It is a peculiar thing, Mr. President, that the leader of the movement in this country today toward fascism, the man who when he returned after a visit with Mr. Hitler in Germany editorially praised Mr. Hitler, the man who more than anybody else is advocating fascism in this country—and under fascism Senators know what remains of personal liberty or freedom of the press—this man is the same William Randolph Hearst who today is so ardent in his protection of the rights of the people under the Constitution.

(At this point the Senate, sitting as a Court of Impeachment, resumed its session, and Mr. SCHWELLENBACH yielded the floor for the day.)

IMPEACHMENT OF HALSTED L. RITTER

The VICE PRESIDENT. The hour of 1 o'clock having arrived, to which yesterday the Senate, sitting as a Court of Impeachment, took a recess, the Senate, sitting as a Court, is now in session for the trial of the articles of impeachment against Halsted L. Ritter, United States district judge for the southern district of Florida.

The managers on the part of the House of Representatives were announced by the secretary to the majority, and they were conducted to the seats assigned them.

The respondent, Halsted L. Ritter, accompanied by his counsel, Frank P. Walsh, Esq., and Carl T. Hoffman, Esq., entered the Chamber and took the seats assigned them.

The VICE PRESIDENT. The Sergeant at Arms will make proclamation.

The Deputy Sergeant at Arms made the usual proclamation.

The VICE PRESIDENT. The Chair will inquire if there are any Senators present who have not taken the oath as members of the Court?

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barkley	Borah	Byrd
Ashurst	Benson	Brown	Byrnes
Austin	Bilbo	Bulkeley	Capper
Bachman	Black	Bulow	Caraway
Barbour	Bone	Burke	Carey

Chavez	Hale	McNary	Sheppard
Clark	Harrison	Maloney	Shipstead
Connally	Hatch	Metcalf	Smith
Coolidge	Hayden	Minton	Steiwer
Copeland	Holt	Moore	Thomas, Utah
Couzens	Johnson	Murphy	Townsend
Davis	Keyes	Murray	Truman
Donahey	King	Norris	Vandenberg
Duffy	La Follette	O'Mahoney	Van Nuys
Fletcher	Lewis	Overton	Wagner
Frazier	Logan	Pittman	Walsh
George	Loneragan	Pope	Wheeler
Gibson	Long	Radclyffe	White
Glass	McGill	Robinson	
Guffey	McKellar	Schwellenbach	

Mr. LEWIS. I reannounce the absence of certain Senators for the reasons given on the previous roll call, and ask to have the announcement stand for the day.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

The Chair will now administer the oath to any Senators present who have not taken the oath as members of the Court.

Mr. NYE rose, and the oath was administered to him by the Vice President.

Mr. ASHURST. I ask unanimous consent that the Journal of the proceedings of the last session of the Senate, sitting as a Court of Impeachment, be considered as having been read and approved.

The VICE PRESIDENT. Without objection, it is so ordered.

What is the pleasure of the Court?

Mr. ASHURST. Mr. President, this is the appropriate time for the managers on the part of the House and counsel for the respondent to enter finally into an agreement, or for the Senate to make some order as to the pleadings.

The VICE PRESIDENT. The Chair recognizes the managers on the part of the House to present the amended pleadings.

Mr. Manager SUMNERS. Mr. President, on behalf of the managers on the part of the House, I desire to present the amended pleadings, which have been authorized by the House. It has been suggested to the managers on the part of the House by some Members of the Senate that if the substance of the amendments could be stated, instead of having the amendments read, it would comport with the convenience of the Senate.

Mr. ASHURST. Mr. President, if there be no objection from any Senator and no objection from the managers on the part of the House, and no objection from counsel for the respondent, I ask unanimous consent that the managers on the part of the House be permitted to state the substance of their amendments, and that the amendments be printed for the use of the Senate as a Court, and also that the House be notified of the action taken.

The VICE PRESIDENT. Does the Senator desire, in addition, to ask that the amended pleadings be printed in the Record for the benefit of Senators?

Mr. ASHURST. I make that request, and that, instead of being read, the amended pleadings be formally stated.

The VICE PRESIDENT. That was the procedure in the cases heretofore. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. TYDINGS. Due to serious illness in the home of my mother, which will probably necessitate my absence during a portion of the trial, I ask unanimous consent to be excused from such attendance as may be necessary while I am away, and also from voting upon the evidence produced in this case.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator is excused.

The Chair recognizes Mr. Manager SUMNERS.

Mr. Manager SUMNERS. Mr. President, as counsel for the respondent have been supplied with copies of the amended pleadings, and as, under the order of the Senate, they are to be printed, I will make the statement just as brief as possible.

There are three new articles which, in the main, make up the amended pleadings.

The VICE PRESIDENT. It has been suggested to the Chair that he suggest to the manager on the part of the

House, in order that he may be better understood, that while speaking he occupy a place at the desk.

Mr. Manager SUMNERS (speaking from the desk in front of the Vice President). Mr. President, two of the articles now presented, incorporated in the amended pleadings, have to do with income-tax matters; one of the provisions has to do with the practice of law.

There are certain alterations in two of the other articles, but I believe it is not necessary for me to indicate what they are, because they are perfectly obvious from an examination of the pleadings.

With this brief statement, Mr. President, unless it is desired that the managers on the part of the House make a more extended statement with regard to the amendments, I have concluded.

The VICE PRESIDENT. What is the pleasure of the Court?

Mr. ROBINSON. Mr. President, may I inquire how long it would take to read the amendments to the pleadings?

Mr. Manager SUMNERS. They are not very short.

Mr. ROBINSON. I fear that the amendments are not fully understood by those who have heard the statement that has been made. Perhaps the manager on the part of the House will elaborate his statement a little, so as to make clearer the nature of the changes.

The VICE PRESIDENT. Does the Senator ask that the pleadings may be read?

Mr. KING. I approve of their being read.

Mr. ROBINSON. I believe that the pleadings should be read.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk proceeded to read the amendments to the articles of impeachment.

During the reading,

Mr. Manager SUMNERS. Mr. President, may I presume to make the statement, with the consent of the Senate, that the next article, which is very long, is identical with the original article, except that the new articles which have been read are referred to in article VII, and there is a change in tense. The next article is a very long one; and I thought possibly that statement might save the reading of that particular article.

The PRESIDING OFFICER (Mr. BACHMAN in the chair). What is the pleasure of the Senate?

Mr. ROBINSON. Mr. President, in view of the statement made by the manager on the part of the House, I ask that the further reading of the amendments to the articles of impeachment be dispensed with.

The PRESIDING OFFICER. Have the honorable attorneys for the respondent any objection to that procedure?

Mr. HOFFMAN. They have no objection, Mr. President.

Mr. ASHURST. Very well.

The PRESIDING OFFICER. Without objection, then, the further reading will be dispensed with.

The amendments to the articles of impeachment are, in full, as follows:

AMENDMENTS TO ARTICLES OF IMPEACHMENT AGAINST HALSTED L. RITTER

(H. Res. 471, 74th Cong., 2d sess.)

CONGRESS OF THE UNITED STATES OF AMERICA,
IN THE HOUSE OF REPRESENTATIVES,
March 30, 1936.

RESOLUTION

Resolved, That the articles of impeachment heretofore adopted by the House of Representatives in and by House Resolution 422, House Calendar No. 279, be, and they are hereby, amended as follows:

Article III is amended so as to read as follows:

"ARTICLE III

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373) making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that after the

employment of the law firm of Ritter & Rankin (which, at the time of the appointment of Halsted L. Ritter to be judge of the United States District Court for the Southern District of Florida, was composed of Halsted L. Ritter and A. L. Rankin) in the case of *Trust Co. of Georgia and Robert G. Stephens, Trustee, v. Brazilian Court Building Corporation et al.*, no. 5704, in the circuit court of the fifteenth judicial circuit of Florida, and after the fee of \$4,000 which had been agreed upon at the outset of said employment had been fully paid to the firm of Ritter & Rankin, and after Halsted L. Ritter had, on, to wit, February 15, 1929, become judge of the United States District Court for the Southern District of Florida, Judge Ritter, on, to wit, March 11, 1929, wrote a letter to Charles A. Brodek, of counsel for Mulford Realty Corporation (the client which his former law firm had been representing in said litigation), stating that there had been much extra and unanticipated work in the case, that he was then a Federal judge; that his partner, A. L. Rankin, would carry through further proceedings in the case, but that he, Judge Ritter, would be consulted about the matter until the case was all closed up; and that 'this matter is one among very few which I am assuming to continue my interest in until finally closed up'; and stating specifically in said letter:

"I do not know whether any appeal will be taken in the case or not, but, if so, we hope to get Mr. Howard Paschal or some other person as receiver who will be amenable to our directions, and that the hotel can be operated at a profit, of course, pending the appeal. We shall demand a very heavy supersedeas bond, which I doubt whether D'Esterre can give; and further that he was, 'of course, primarily interested in getting some money in the case', and that he thought '\$2,000 more by way of attorneys' fees should be allowed'; and asked that he be communicated with direct about the matter, giving his post-office box number. On, to wit, March 13, 1929, said Brodek replied favorably, and on March 30, 1929, a check of Brodek, Raphael & Eisner, a law firm of New York City, representing Mulford Realty Corporation, in which Charles A. Brodek, senior member of the firm of Brodek, Raphael & Eisner, was one of the directors, was drawn, payable to the order of 'Hon. Halsted L. Ritter' for \$2,000 and which duly endorsed 'Hon. Halsted L. Ritter—H. L. Ritter', and was paid on, to wit, April 4, 1929, and the proceeds thereof were received and appropriated by Judge Ritter to his own individual use and benefit, without advising his said former partner that said \$2,000 had been received, without consulting with his former partner thereabout, and without the knowledge or consent of his said former partner, appropriated the entire amount thus solicited and received to the use and benefit of himself, the said Judge Ritter.

"At the time said letter was written by Judge Ritter and said \$2,000 received by him, Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"After writing said letter of March 11, 1929, Judge Ritter further exercised the profession or employment of counsel or attorney, or engaged in the practice of the law, with relation to said case.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

By adding the following articles immediately after article III, as amended:

"ARTICLE IV

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of a violation of section 258 of the Judicial Code of the United States of America (U. S. C., Annotated, title 28, sec. 373), making it unlawful for any judge appointed under the authority of the United States to exercise the profession or employment of counsel or attorney, or to be engaged in the practice of the law, in that Judge Ritter did exercise the profession or employment of counsel or attorney, or engage in the practice of the law, representing J. R. Francis, with relation to the Boca Raton matter and the segregation and saving of the interest of J. R. Francis therein, or in obtaining a deed or deeds to J. R. Francis from the Spanish River Land Co. to certain pieces of realty, and in the Edgewater Ocean Beach Development Co. matter, for which services the said Judge Ritter received from the said J. R. Francis the sum of \$7,500.

"Which acts of said judge were calculated to bring his office into disrepute, constitute a violation of the law above recited, and constitute a high crime and misdemeanor within the meaning and intent of section 4 of article II of the Constitution of the United States.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE V

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting

as a United States district judge for the southern district of Florida, was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1929 said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of some \$12,000, yet paid no income tax thereon.

"Among the fees included in said gross taxable income for 1929 were the extra fee of \$2,000 solicited and received by Judge Ritter in the Brazilian Court case as described in article III, and the fee of \$7,500 received by Judge Ritter from J. R. Francis.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office.

"ARTICLE VI

"That the said Halsted L. Ritter, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida was and is guilty of a high crime and misdemeanor in office in manner and form as follows, to wit:

"That the said Halsted L. Ritter, while such judge, was guilty of violation of section 146 (b) of the Revenue Act of 1928, making it unlawful for any person willfully to attempt in any manner to evade or defeat the payment of the income tax levied in and by said Revenue Act of 1928, in that during the year 1930 the said Judge Ritter received gross taxable income—over and above his salary as judge—to the amount of, to wit, \$5,300, yet failed to report any part thereof in his income-tax return for the year 1930, and paid no income tax thereon.

"Two thousand five hundred dollars of said gross taxable income for 1930 was that amount of cash paid Judge Ritter by A. L. Rankin on December 24, 1930, as described in article I.

"Wherefore the said Judge Halsted L. Ritter was and is guilty of a high misdemeanor in office."

Original article IV is amended so as to read as follows:

"ARTICLE VII

"That the said Halsted L. Ritter, while holding the office of United States district judge for the southern district of Florida, having been nominated by the President of the United States, confirmed by the Senate of the United States, duly qualified and commissioned, and, while acting as a United States district judge for the southern district of Florida, was and is guilty of misbehavior and of high crimes and misdemeanors in office in manner and form as follows, to wit:

"The reasonable and probable consequence of the actions or conduct of Halsted L. Ritter, hereunder specified or indicated in this article, since he became judge of said court, as an individual or as such judge, is to bring his court into scandal and disrepute, to the prejudice of said court and public confidence in the administration of justice therein, and to the prejudice of public respect for and confidence in the Federal judiciary, and to render him unfit to continue to serve as such judge:

"1. In that in the Florida Power Co. case (*Florida Power & Light Co. v. City of Miami et al.*, no. 1183-M-Eq.), which was a case wherein said judge had granted the complainant power company a temporary injunction restraining the enforcement of an ordinance of the city of Miami, which ordinance prescribed a reduction in the rates for electric current being charged in said city, said judge improperly appointed one Cary T. Hutchinson, who had long been associated with and employed by power and utility interests, special master in chancery in said suit, and refused to revoke his order so appointing said Hutchinson. Thereafter, when criticism of such action had become current in the city of Miami, and within 2 weeks after a resolution (H. Res. 163, 73d Cong.) had been agreed to in the House of Representatives of the Congress of the United States, authorizing and directing the Judiciary Committee thereof to investigate the official conduct of said judge and to make a report concerning said conduct to said House of Representatives, an arrangement was entered into with the city commissioners of the city of Miami or with the city attorney of said city by which the said city commissioners were to pass a resolution expressing faith and confidence in the integrity of said judge, and the said judge recuse himself as judge in said power suit. The said agreement was carried out by the parties thereto, and said judge, after the passage of such resolution, recused himself from sitting as judge in said power suit, thereby bartering his judicial authority in said case for a vote of confidence. Nevertheless, the succeeding judge allowed said Hutchinson as special master in chancery in said case a fee of \$5,000, although he performed little, if any, service as such, and in the order making such allowance recited: 'And it appearing to the court that a minimum fee of \$5,000 was approved by the court for the said Cary T. Hutchinson, special master in this cause.'

"2. In that in the Trust Co. of Florida cases (*Illick v. Trust Co. of Florida et al.*, no. 1043-M-Eq., and *Edmunds Committee et al. v. Marion Mortgage Co. et al.*, no. 1124-M-Eq.) after the State banking department of Florida, through its comptroller, Hon. Ernest Amos, had closed the doors of the Trust Co. of Florida and appointed J. H. Therrell liquidator for said trust company, and had intervened in the said Illick case, said Judge Ritter wrongfully and erroneously refused to recognize the right of said State authority to administer the affairs of the said trust company and appointed Julian S. Eaton and Clark D. Stearns as receivers of the property of said trust company. On appeal, the United States Circuit Court of

Appeals for the Fifth Circuit reversed the said order or decree of Judge Ritter and ordered the said property surrendered to the State liquidator. Thereafter, on, to wit, September 12, 1932, there was filed in the United States District Court for the Southern District of Florida the Edmunds Committee case, supra. Marion Mortgage Co. was a subsidiary of the Trust Co. of Florida. Judge Ritter being absent from his district at the time of the filing of said case, an application for the appointment of receivers therein was presented to another judge of said district, namely, Hon. Alexander Akerman. Judge Ritter, however, prior to the appointment of such receivers, telegraphed Judge Akerman, requesting him to appoint the aforesaid Eaton and Stearns as receivers in said case, which appointments were made by Judge Akerman. Thereafter the United States Circuit Court of Appeals for the Fifth Circuit reversed the order of Judge Akerman, appointing said Eaton and Stearns as receivers in said case. In November 1932, J. H. Therrell, as liquidator, filed a bill of complaint in the Circuit Court of Dade County, Fla.—a court of the State of Florida—alleging that the various trust properties of the Trust Co. of Florida were burdensome to the liquidator to keep, and asking that the court appoint a succeeding trustee. Upon petition for removal of said cause from said State court into the United States District Court for the Southern District of Florida, Judge Ritter took jurisdiction, notwithstanding the previous rulings of the United States Circuit Court of Appeals above referred to, and again appointed the said Eaton and Stearns as the receivers of the said trust properties. In December 1932 the said Therrell surrendered all of the trust properties to said Eaton and Stearns as receivers, together with all records of the Trust Co. of Florida pertaining thereto. During the time said Eaton and Stearns, as such receivers, were in control of said trust properties, Judge Ritter wrongfully and improperly approved their accounts without notice or opportunity for objection thereto to be heard. With the knowledge of Judge Ritter, said receivers appointed the sister-in-law of Judge Ritter, namely, Mrs. G. M. Wickard, who had had no previous hotel-management experience, to be manager of the Julia Tuttle Hotel and Apartment Building, one of said trust properties. On, to wit, January 1, 1933, Hon. J. M. Lee succeeded Hon. Ernest Amos as comptroller of the State of Florida and appointed M. A. Smith liquidator in said Trust Co. of Florida cases to succeed J. H. Therrell. An appeal was again taken to the United States Circuit Court of Appeals for the Fifth Circuit from the then latest order or decree of Judge Ritter, and again the order or decree of Judge Ritter appealed from was reversed by the said circuit court of appeals which held that the State officer was entitled to the custody of the property involved and that said Eaton and Stearns as receivers were not entitled to such custody. Thereafter, and with the knowledge of the decision of the said circuit court of appeals, Judge Ritter wrongfully and improperly allowed said Eaton and Stearns and their attorneys some \$26,000 as fees out of said trust-estate properties and endeavored to require, as a condition precedent to releasing said trust properties from the control of his court, a promise from counsel for the said State liquidator not to appeal from his order allowing the said fees to said Eaton and Stearns and their attorneys.

"3. In that the said Halsted L. Ritter, while such Federal judge, accepted, in addition to \$4,500 from his former law partner as alleged in article I hereof, other large fees or gratuities, to wit, \$7,500 from J. R. Francis, on or about April 19, 1929; J. R. Francis at this said time having large property interests within the territorial jurisdiction of the court of which Judge Ritter was a judge; and on, to wit, the 4th day of April 1929 the said Judge Ritter accepted the sum of \$2,000 from Brodek, Raphael & Eisner, representing Mulford Realty Corporation, as its attorneys, through Charles A. Brodek, senior member of said firm and a director of said corporation, as a fee or gratuity, at which time the said Mulford Realty Corporation held and owned large interests in Florida real estate and citrus groves, and a large amount of securities of the Olympia Improvement Corporation, which was a company organized to develop and promote Olympia, Fla., said holdings being within the territorial jurisdiction of the United States district court of which Judge Ritter was a judge from, to wit, February 15, 1929.

"4. By his conduct as detailed in articles I, II, III, and IV hereof, and by his income-tax evasions as set forth in articles V and VI hereof.

"Wherefore, the said Judge Halsted L. Ritter was and is guilty of misbehavior, and was and is guilty of high crimes and misdemeanors in office."

JOSEPH W. BYRNS,

Speaker of the House of Representatives.

Attest:

[SEAL]

SOUTH TRIMBLE, Clerk.

The PRESIDING OFFICER. What is the pleasure of counsel for the respondent with reference to the amendments?

Mr. HOFFMAN. Mr. President, with reference to the amendments, we ask the honorable Senate, sitting as a Court of Impeachment, to grant to us ample time within which to file our response to the amended or new articles. If I may be permitted to do so, I suggest that 48 hours will be ample time. We have no desire to take time that would interfere with the present arrangement for trial on the 6th of April.

The PRESIDING OFFICER. Counsel for the respondent has indicated that 48 hours would be ample time. Is there objection to that?

Mr. Manager SUMNERS. There is no objection on the part of the managers for the House.

The PRESIDING OFFICER. What is the pleasure of the Court? Is there objection?

Mr. ASHURST. Mr. President, am I correct in the understanding that the honorable counsel for the respondent are granted 48 hours within which to reply to all the pleadings?

Mr. HOFFMAN. Just the new articles. We are ready to file pleadings this morning directed to articles I, II, III, and the original article IV, which is now article VII.

Mr. ASHURST. Very well, Mr. President; I am sure there will be no objection to counsel for the respondent being granted 48 hours; and now is the appropriate time for counsel for the respondent to exhibit their reply to the various articles heretofore presented.

The PRESIDING OFFICER. There being no objection, the 48 hours requested will be allowed, and the Court will now hear counsel for the respondent.

Mr. ASHURST. Would the attorney for the respondent object to taking a place on the rostrum? It would facilitate audition very much, if there is no objection.

Mr. HOFFMAN. There is no objection, sir.

The PRESIDING OFFICER. There is no objection.

MOTION TO STRIKE CERTAIN ARTICLES

Mr. HOFFMAN (speaking from the desk in front of the Vice President). Mr. President, at this time the respondent presents his motion to strike article I, or, in the alternative, to require of the prosecution election as to whether it will stand upon article I or upon article II, and to strike article VII as it is under the present arrangement of the pleadings. We ask that this motion be filed and read.

The PRESIDING OFFICER. The clerk will read the motion.

The Chief Clerk read as follows:

In the Senate of the United States of America sitting as a Court of Impeachment. *The United States of America v. Halsted L. Ritter, respondent*

MOTION TO STRIKE ARTICLE I, OR, IN THE ALTERNATIVE, TO REQUIRE ELECTION AS TO ARTICLES I AND II; AND MOTION TO STRIKE ARTICLE VII

The respondent, Halsted L. Ritter, moves the honorable Senate, sitting as a Court of Impeachment, for an order striking and dismissing article I of the articles of impeachment, or, in the alternative, to require the honorable managers on the part of the House of Representatives to elect as to whether they will proceed upon article I or upon article II, and for grounds of such motion respondent says:

1. Article II reiterates and embraces all the charges and allegations of article I, and the respondent is thus and thereby twice charged in separate articles with the same and identical offense, and twice required to defend against the charge presented in article I.

2. The presentation of the same and identical charge in the two articles in question tends to prejudice the respondent in his defense, and tends to oppress the respondent in that the articles are so framed as to collect, or accumulate upon the second article, the adverse votes, if any, upon the first article.

3. The Constitution of the United States contemplates but one vote of the Senate upon the charge contained in each article of impeachment, whereas articles I and II are constructed and arranged in such form and manner as to require and exact of the Senate a second vote upon the subject matter of article I.

MOTION TO STRIKE ARTICLE VII

And the respondent further moves the honorable Senate, sitting as a Court of Impeachment, for an order striking and dismissing article VII, and for grounds of such motion, respondent says:

1. Article VII includes and embraces all the charges set forth in articles I, II, III, IV, V, and VI.

2. Article VII constitutes an accumulation and massing of all charges in preceding articles upon which the Court is to pass judgment prior to the vote on article VII, and the prosecution should be required to abide by the judgment of the Senate rendered upon such prior articles and the Senate ought not to countenance the arrangement of pleading designed to procure a second vote and the collection or accumulation of adverse votes, if any, upon such matters.

3. The presentation in article VII of more than one subject and the charges arising out of a single subject is unjust and prejudicial to respondent.

4. In fairness and justice to respondent, the Court ought to require separation and singleness of the subject matter of the charges

in separate and distinct articles, upon which a single and final vote of the Senate upon each article and charge can be had.

(Signed) FRANK P. WALSH,
CARL T. HOFFMAN,
Of Counsel for Respondent.

The PRESIDING OFFICER. The Court will now hear the honorable managers on the part of the House.

Mr. KING. Mr. President, I venture to suggest that the representative of Judge Ritter might desire to make some observations.

The PRESIDING OFFICER. The presentation will be made. The Chair simply desired from the managers on the part of the House their views with reference to the motion.

Mr. KING. But I had reference to one of the counsel for Judge Ritter. I suggested that it is possible that he might desire to submit something in support of his demurrer, or motion to strike, before the honorable managers on the part of the House desire to respond.

The PRESIDING OFFICER. Opportunity for that course will be afforded.

Mr. KING. If counsel does not so desire, I have no objection.

Mr. Manager SUMNERS. Mr. President, may the managers on the part of the House inquire as to the procedure in testing the validity of the motion to strike? Counsel for the respondent has read the motion to strike. It has not been supported by argument, except the argument stated in the motion. The managers on the part of the House, of course, desire to resist the motion to strike. Do I understand—and I am inquiring for information—that the managers on the part of the House are at this time to present the reasons why, in their judgment, the motion to strike ought not to be sustained?

The PRESIDING OFFICER. The Chair may say this as a ruling, if it meets with the approval of the Court:

Counsel for the respondent will present argument in support of the motion to strike, after which the managers on the part of the House will have an opportunity to be heard.

Mr. Manager SUMNERS. Thank you very much, Mr. President.

Mr. HOFFMAN. May I proceed, Mr. President?

The PRESIDING OFFICER. Counsel may proceed.

Mr. HOFFMAN. Mr. President, taking up first the motion insofar as it relates to articles I and II—and I shall be as brief as I possibly can in presenting the motion—article I charges the corrupt receipt by Judge Ritter of \$4,500 from a former partner, A. L. Rankin, and alleges the primary source of the fund from which the \$4,500 was paid to be a fee allowed to Rankin in what is known as the Whitehall case, a foreclosure proceeding then pending before Judge Ritter.

That is the substance of article I.

Article II elaborates upon the same subject matter contained in article I—namely, the Whitehall case—and charges, first, an arrangement between three others and Judge Ritter to institute and maintain that particular litigation in the court of Judge Ritter; secondly, the allowance of exorbitant fees by Judge Ritter in connection with that litigation; and, third, the corrupt receipt by Judge Ritter of the same \$4,500 from Rankin, derived from the same primary source which is charged in article I. So that article II embraces and includes everything that is charged in article I in the identical and same phraseology that is found in article I. Therefore we have moved to strike article I, because article II covers the same and identical subject matter and the same substantive offense. The result is injustice and embarrassment to the defendant, in that he is required twice to defend the charge presented in article I.

Under those circumstances we believe that article I should be stricken and dismissed, or that the prosecution should be required to elect as to whether it will proceed under article I or article II. We believe that the respondent ought not to be required twice to answer and defend the subject matter of article I, and we believe that the prosecution ought not to be permitted by such an arrangement of pleading of that particular offense to receive or exact from the Senate two votes upon the same charge, but that, when once voted

upon, the vote of this body should be final upon that particular charge.

As we analyze it, the adoption or reiteration in article II of all that is charged in article I results in a collective or accumulative arrangement of the adverse vote, if any, upon article I to augment the adverse vote, if any, upon article II, which is decidedly unjust to the respondent. So, in justice to the respondent, we ask in this motion that election be required, or that article I be dismissed.

So much for the motion insofar as articles I and II are concerned.

The motion as directed to article VII presents two serious objections to the form and frame of the charges in article VII.

In article VII from six to eight separate and distinct and unrelated offenses are set out in one article. In paragraph numbered 1 of article VII a charge is laid of misconduct in connection with the litigation known as the Power Rate case. In paragraph numbered 2 of article VII, charges of misconduct of the respondent are made with respect to the litigation known as the Trust Co. of Florida litigation. Paragraph 3 of article VII charges the receipt by the respondent of certain fees and gratuities—namely, the \$4,500 item made the basis of the charge in article I and in article II; a \$7,500 item made the basis of the charge in article IV; and a \$2,000 item made the basis of the charge in article III.

Then paragraph 4 of article VII by reference adopts and makes a vital and substantive part of article VII all of the articles preceding, namely, articles I, II, III, IV, V, and VI.

The result of that arrangement, as we see it, is that it is decidedly unjust to the respondent to be required to meet a massed or cumulative charge of that nature.

One vital question which we present in connection with our pleadings as to article VII is the duplicity of the pleadings. No single count of any criminal indictment or information should contain more than one separate and distinct charge. No two charges could be presented in any criminal prosecution in any one count of an indictment. All separate crimes in a criminal proceeding must be made the subjects of separate and distinct counts, for each count is the statement of a separate and distinct offense and stands upon its own footing.

The reason for the rule in criminal procedure is that the verdict must be an entirety, and the jury cannot find a defendant guilty of part of a charge or count or indictment and not guilty of the remainder, but must return the verdict as an entirety upon the whole count or article. So it is here—that the vote, I take it, will be upon the entire article, and that this body sitting as a Court of Impeachment will not vote upon the numbered paragraphs or upon the specific charges, but will vote upon the massed charges of the article.

These charges are all of separate, distinct, substantive offenses. None is dependent upon the other. They are unrelated.

I am not going to take the time of the Senate to quote the authorities upon the subject of duplicity. They are too numerous, and the members of the Court are familiar with those authorities. I am going to leave the question of duplicity with the statement that the general rule in criminal proceedings is that a charge against an accused must be stated in such a manner as to render the indictment not subject to the objection of duplicity, for if there is duplicity, it tends to confuse the issues, creates a multiplicity of issues, and embarrasses the defendant in the preparation and presentation of his defense. There is no better established rule in criminal procedure.

In civil procedure the same method of pleading could not be sustained over objection, for several separate, distinct, and unrelated causes of action could not be pleaded in one count of a declaration in any civil proceeding. They would of necessity have to be stated as separate and distinct actions and defended as separate and distinct actions. The rule of duplicity applies in civil as well as in criminal proceedings. We know of no court in which such a massed, duplicitous pleading could be sustained, and we think that such a pleading ought not to be countenanced by this body.

One other objection which we urge to the frame and form of article VII is its collective, accumulative arrangement. Before the Senate reaches a vote on article VII the Senate will have voted upon articles I, II, III, IV, V, and VI, and it is contemplated by the Constitution, in our judgment, that the votes of the Senate upon articles I, II, III, IV, V, and VI, all the preceding articles, shall be single, definite, and final, and that there shall not be presented again in a massed, cumulative, collective arrangement in the final article, the same matters upon which the Senate will have previously passed judgment by a single and final vote upon those matters separately.

Such an arrangement is decidedly unjust to the respondent. The single, separate, and final vote upon the preceding articles should end those articles, and they should not be voted upon again in the final catch-all arrangement of article VII.

The object and purpose of such an arrangement can be but to cumulate adverse votes, if any, upon prior articles, with the hope that the cumulative or collective arrangement may be sufficient to sustain those articles in the vote upon the final article, which prior articles were not sustained when separately voted upon prior to the vote on article VII.

In a former case tried in this Court a similar arrangement of a pleading in the final article was presented, and, in an opinion filed in that case by Senator BAILEY, of North Carolina, he directed attention to just such a final article as we have here. Senator BAILEY in his opinion with reference to this same subject matter stated:

The final article of the articles of impeachment, in my judgment, ought not to have been considered. It was a summary of the four preceding articles, a sort of catch-all designed to collect all of the votes of "guilty" on the preceding four articles, and so by accumulation to gather two-thirds of the Senate to sustain the impeachment, which could not be sustained on any of the articles or on all four considered separately. In other words, two-thirds of the Senate might have voted "not guilty" on each of the four articles, as was done—these containing the entire case—and yet two-thirds might have voted "guilty" on the fifth article, which was no stronger than the four upon which he had been found not guilty, which, fortunately, did not happen. This course is prejudiced, and it is to be hoped that it will not be repeated. A respondent ought to be tried upon the articles, and, if acquitted on each, he ought not to be convicted on all of them assembled in one article.

In this proceeding the effect of this method is made manifest. A majority of the Senate declared him "not guilty" on each of the four specific articles, but on the fifth, which was only a collection of the four, a majority declared him "guilty." Whereas some voted "guilty" on one article and "not guilty" on others, it appears that all who voted guilty on any article were combined by the fifth. This unsound procedure ought not to be countenanced.

The Senate's power to try impeachments is predicated not only upon protection of the courts, the Government, and the people, but also upon the capacity of the Senate to do justice to respondents.

Mr. President, having by this motion called the attention of the Court to the unjust and prejudicial arrangement of this pleading, which we believe is oppressive to the defendant, we ask that the Court rectify that situation and not countenance the collective and duplicitous pleading in the form of the seventh article.

The PRESIDING OFFICER. The Court will hear the managers on the part of the House of Representatives.

Mr. Manager SUMNERS. Mr. President, Senators will observe from an examination that article I charges the respondent with having corruptly received from his former law partner the sum of \$4,500. Article II charges the respondent with having been a party to a conspiracy entered into with his former law partner and two or three other persons mentioned in article II. It charges a champertous proceeding on the part of those who initiated the action in the court of respondent; that the respondent was advised of the fact that that proceeding was born in champerty, and that the respondent made effective that conspiracy by holding jurisdiction in his court of this case over the protest of the owner or the controller of the \$50,000 worth of bonds necessary for the attorney who filed the bill to represent in order that the court might hold jurisdiction. I do not desire to amplify that further. I merely call the attention of Senators to those two charges. An examination will show

clearly that one is not a repetition of the other, though, of course, in the second there is an inclusion of the statement in the former charge that the respondent corruptly received from his former law partner the sum of \$4,500 in cash paid in his office behind closed doors.

With regard to article VII and in connection with the statement of Senator BAILEY, of North Carolina, to which reference has been made, but which I have not had the opportunity to examine, it is evident that the Senate did not agree with Senator BAILEY. His statement was in the nature of a complaint against the Senate for having refused to strike exactly such an article as article VII in our pleadings. I am not advised that there was a motion to strike, but complaint was made by Senator BAILEY that the Senate had given consideration to and voted upon an article which I assume was identical with article VII, with reference to which complaint is here made.

Senators will recall that in the last impeachment case tried in this honorable Court there was such an article included. May I direct attention to just what article VII provides? I think article VII is the most rational, practical, sensible assembling of charges that can be made in an impeachment case. What is it we are attempting to do here? This is not a criminal case. Much of the observation of counsel for the respondent had reference to the practice in criminal cases. I assume that Senators are all familiar with the fact that we in this country drifted into the observance and followed the precedents of the English procedure where an impeachment trial was a criminal proceeding, with the possibility of a judgment involving the death penalty, confiscation of property, and so forth. Having no precedents of our own in the first case, we looked, as frequently occurred in the early days of the Republic, to the English procedure for our precedent. That is evidently how we fell into the application to our impeachment procedure of the procedure usually found to be observed in criminal cases. But the House and the Senate, having examined what is the place and what are the provisions for such action under the impeachment clause of the Constitution, are, I believe, all agreed that appropriate action can be taken only in an ouster suit. When we wrote our Constitution we specifically denied to the Senate the power to punish for crime, and limited the Senate to ouster, with the possibilities of a judgment in bar.

When we look a little further into the place and provisions with respect to impeachment we see that in the exercise of the powers of the Senate there is combined a part of all the powers of Government, and they must be here.

Members of this august body must, however, answer to the people every 6 years, because they are servants of the people. Members of the House of Representatives must answer to the people every 2 years. Every 4 years the people decide who shall be President.

With regard to the judiciary, there is no place where they must answer except in this great body, and the Senate possesses all the powers that a free people enjoy in order to preserve a virtuous, efficient judiciary in America. That power must rest somewhere. It rests nowhere except here.

Mr. President and members of this honorable Court, I am going to conclude in just a very few minutes. I appreciate your interested attention, and I am not going to trespass upon it.

What does article VII charge? Article VII charges that the respondent by specifically alleged conduct has done those things the reasonable and probable consequences of which are to arouse a substantial doubt as to his judicial integrity.

We contend that that is the highest crime which a judge can commit on the bench. It is not whether he did this thing, that thing, or the other thing, but whether or not the sum total of the things he has done has made the people doubt his integrity as a judicial officer.

I beg to make this practical suggestion, that if a judge on the bench, who is in office during good behavior, by his proved acts makes the people doubt whether his court is a court where they are going to get a square deal and whether it is an honest place to go to, the Senate cannot be technical.

That is what the Senate is trying to find out about, I assume. When doubt enters, confidence departs. And when confidence in the man who sits on the bench is gone, confidence in the court is gone. We on the part of the House of Representatives charge, and we assume the responsibility of proving, and we will endeavor to convince the Senate that the sum totals of the specific charges on the part of the House specified in section 7 do in their reasonable probabilities arouse doubt. We ask the opportunity of establishing that fact, and respectfully demand at the hands of the Senate, if we do establish the fact, the judgment which ought to follow.

Mr. ASHURST. Have counsel for respondent any reply to make?

Mr. HOFFMAN. May I briefly respond, Mr. President?

The PRESIDING OFFICER. Counsel for the respondent may proceed.

Mr. HOFFMAN. Mr. President, in response to the argument presented by the managers on the part of the House, I wish merely to comment that the question presented by the motion is one of fairness and justice to the respondent in the presentation and in the answer and defense of the articles of impeachment here before the body.

I have no desire to review, as did the managers on the part of the House, the history of impeachments in England and in this country, nor to try to reconcile conflicts of opinion as to what is or what is not an impeachable offense. We present one proposition as to articles I and II, and that is that everything that is embodied within article I, in the same identical phraseology, is embodied in article II, and we ask the judgment of the Senate whether, under such circumstances, we shall be required twice to answer to the charge made in article I, and whether this Court, by that arrangement, will accord to the prosecution two votes upon the charge made in article I, when, in our judgment, the Constitution contemplates that in every court there shall be one judgment and in this Court one vote upon a charge presented against any respondent. That is the sole and only question presented by the motion with respect to articles I and II—whether the respondent shall twice be charged with the same offense, namely, the corrupt receipt of \$4,500 from his former law partner, and whether also this body will permit two votes upon that charge.

So we ask that the managers on the part of the House be required to elect as to whether they will stand upon article I, abandoning the elaboration set out in article II, or whether they will stand on article II, the elaborated article, which embraces and includes everything charged in article I.

Now, with respect to article VII, it is true that at the commencement of the article it is stated that the conduct hereinafter specified tends to bring the court into disrespect and reflects upon the integrity of the Federal judiciary. That is the substance of every one of the charges, and that is the reason for the presentation of the charges, namely, the opinion of the prosecution that the acts charged do just that. But it is charged that this conduct constitutes crimes and misdemeanors for which the respondent may be impeached, and then there are numerous paragraphs setting out six or eight definite and specific unrelated charges, all alleged as crimes and misdemeanors.

The rule of duplicity is well known to every lawyer who has practiced in any court for any length of time in civil or criminal law. I say that it is well founded and fastened in criminal procedure, but it is no less the rule of law in civil proceedings. You cannot take unrelated matters in a civil pleading and mass them in one count of a declaration or pleading. You cannot sue for breach of contract upon a promissory note and upon an open account, all in the same one single count of a declaration when they are unrelated and separate and distinct transactions, separate and distinct substantive acts, as is the case here in article VII.

So as to article VII we present, I say again, one question, the question of duplicity—whether duplicity of pleadings shall be permitted in a court of impeachment when they are not permitted in any other tribunal in this country. Secondly, whether or not there shall be permitted a massing

or collective arrangement which evades the spirit and purpose of a single, final, ultimate, definite vote upon one specific charge under the Constitution; in other words, whether the duplicity shall prevail in this Court in pleadings, and whether or not adverse votes on previous articles can be accumulated or collected and massed on the final vote, with the hope of sustaining the charges which were not sustained when separately voted upon.

The question, so far as I have been able to ascertain, has never heretofore been presented in any pleading in any impeachment case before this body. It is for the first time, so far as I know, now presented. There was no such motion in the Louderback case.

Mr. ASHURST. Mr. President, I assume that the Presiding Officer will desire to take some time to examine all the pleadings and will not be prepared to announce a decision on this point until the next session of the Court?

The PRESIDING OFFICER. It is the opinion of the present occupant of the chair that while the necessity for early decision is apparent, the importance of the matter would justify the occupant of the chair in saying that no decision should be made until the proceedings are printed and every member of the Court has an opportunity to investigate and consider them. Is there objection to that suggestion of the Chair? The Chair hears none.

Mr. ASHURST. Do counsel for the respondent desire to ask any questions at this time?

Mr. HOFFMAN. Mr. President, I want to say that at the proper juncture I wish to file and have read the respondent's answer to article II and amended article III. The motion relates to other articles.

Mr. ASHURST. Do counsel for the respondent now file their complete answer?

Mr. HOFFMAN. To article II and amended article III. The motion is directed to article I, and as to an election between article I and article II, and to article VII.

Mr. ASHURST. Do counsel wish the answer read?

Mr. HOFFMAN. Yes; to dispose of the answer to article II and the amended article III, to suit the convenience of the Court.

Mr. ASHURST. When will the complete answer be made?

Mr. HOFFMAN. We have been granted 48 hours in which to make answer to the new articles. As to articles I and VII, whether we respond to them will depend on the action on the motion which has been made.

Mr. ASHURST. Would it be satisfactory to make a complete answer at one time?

Mr. HOFFMAN. Whatever suits the convenience of the Senate will be agreeable to us.

Mr. ASHURST. Very well. Then, Mr. President, if there be no objection, I shall ask unanimous consent that the entire answer of counsel for the respondent be submitted and read at the next session of the Court.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ASHURST. Mr. President, counsel for the respondent were granted 48 hours to answer the amended articles, which I think is appropriate; but there is a special order set for Thursday next, at 1 o'clock, and if there be no objection, I ask because of the special order that the date be set for Friday of this week, which will be a longer time than 48 hours.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

Mr. ROBINSON. Mr. President, will the Senator fix the hour?

Mr. ASHURST. I thank the Senator. I will suggest 1 o'clock.

Mr. ROBINSON. On Friday next at 1 o'clock?

Mr. ASHURST. On Friday next at 1 o'clock.

The PRESIDING OFFICER. If there is no objection, the proceedings of the Senate sitting as a Court of Impeachment will be resumed on Friday next at 1 o'clock.

Mr. HOFFMAN. Mr. President, I wish to make an inquiry. If I understand the Senator correctly, we are not to be

required to file any pleadings to the articles attacked by the motion until after the Senate has ruled upon the motion?

Mr. ASHURST. The learned counsel is correct.

Mr. HOFFMAN. And we will be apprised of the ruling of the Senate prior to Friday in order that we may be in readiness to file the answer on Friday?

Mr. ASHURST. I cannot give any assurance. The Presiding Officer may need some time to consider the pleadings and look up the precedents.

The PRESIDING OFFICER. What is the further pleasure of the Court?

Mr. ASHURST. Mr. President, if no Senator has a question to ask and if the managers on the part of the House and counsel for the respondent have no questions to ask or suggestions to make, I move that the Senate, sitting as a Court of Impeachment, adjourn until Friday, April 3, at 1 o'clock in the afternoon.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arizona.

The motion was agreed to; and (at 2 o'clock and 10 minutes p. m.) the Senate, sitting as a Court of Impeachment, adjourned until Friday, April 3, 1936, at 1 o'clock p. m.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Mr. BACHMAN in the chair). The Senate is now in legislative session.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 553) extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PARKS, Mr. BLANTON, Mr. McMILLAN, Mr. SNYDER, Mr. DICKWEILER, Mr. BOLTON, and Mr. POWERS were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON of Georgia, Mr. DREWRY, and Mr. DARROW were appointed managers on the part of the House at the conference.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 553) extending the time for the Federal Trade Commission to make an investigation and file final report with respect to agricultural income and the financial and economic condition of agricultural producers generally was read twice by its title and referred to the Committee on Agriculture and Forestry.

ORDER OF BUSINESS—RECESS

The PRESIDING OFFICER. The Senator from Washington [Mr. SCHWELLENBACH] is entitled to the floor.

Mr. ROBINSON. Mr. President—

Mr. SCHWELLENBACH. I yield to the Senator from Arkansas.

Mr. ROBINSON. Does the Senator from Washington desire to yield to enable me to suggest the absence of a quorum?

Mr. SCHWELLENBACH. May I inquire of the Senator from Arkansas whether the special order set for this afternoon will be taken up at 2:30?

Mr. ROBINSON. It will be.

Mr. SCHWELLENBACH. Does the Senator know how long the special order will take?

Mr. ROBINSON. I am impressed with the idea that it may take 2 hours. I have no definite way of determining the length of time that will be required, but it probably will require the remainder of the afternoon.

Mr. SCHWELLENBACH. If a quorum should be called, probably it would be 25 minutes after 2 o'clock before it was completed; I would not care to continue in the meantime, and I shall be very glad to hear any suggestion the Senator from Arkansas may make as to whether I should continue now or wait until tomorrow.

Mr. ROBINSON. I do not think that it will be convenient for the Senator to proceed now, in view of the fact that only 15 minutes remain until the special order is to be reached. Therefore, if there is no objection, I move that the Senate take a recess for 15 minutes, or until 2:30 o'clock p. m.

The motion was agreed to; and (at 2 o'clock and 12 minutes) the Senate took a recess until 2:30 o'clock p. m.

At the expiration of the recess the Senate reassembled.

WAR DEPARTMENT APPROPRIATIONS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. COPELAND. I move that the Senate insist on its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. COPELAND, Mr. HAYDEN, Mr. SHEPPARD, Mr. NORBECK, and Mr. TOWNSEND conferees on the part of the Senate.

EXECUTIVE SESSION—LAMAR HARDY

The VICE PRESIDENT. The hour of 2:30 o'clock having arrived, under the special order entered on March 27, the Senate is now in executive session for the purpose of considering the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwollenbach
Benson	Davis	Loneragan	Sheppard
Bilbo	Donahay	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Steiwer
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Maloney	Townsend
Bulkeley	Gibson	Metcalf	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Eighty Senators have answered to their names. A quorum is present.

Mr. NORRIS. Mr. President, as the Senate probably knows, Mr. Lamar Hardy, an attorney of New York City, was appointed during the last recess of the Congress to fill the vacancy in the office of district attorney in the southern judicial district of New York. When Congress convened his name was sent to the Senate as an appointee for the full term, so that he is now holding the office under the appointment made during the recess.

This nomination was referred to the Committee on the Judiciary, which committee in turn referred it to a subcommittee. The subcommittee held hearings, reported to the Committee on the Judiciary favorably, and the Judiciary Committee made a favorable report to the Senate, and Mr.

Hardy's nomination, under the unanimous-consent agreement, is now before the Senate for action.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. The Senator does not mean to infer, of course, that the report from the Committee on the Judiciary was unanimous?

Mr. NORRIS. Oh, no.

Mr. KING. I was not at the meeting when the nomination was considered, but if I had been present, with the knowledge I have of the record, I should have voted in the negative.

Mr. NORRIS. Mr. President, if every Member of the Senate would read the printed hearings, I would not trespass upon the time of the Senate to say a single word. I have no personal knowledge of or acquaintance with this nominee, and no knowledge, outside of what I have gathered from reading the evidence of this case. I have read all the evidence, and I base my objection to confirmation upon the conclusions I have reached from reading the evidence.

The Bar Association of New York took up this matter, appointed a committee to make an investigation, and that committee reported to the association. At the request of the friends of Mr. Hardy, action was deferred, I think, for a week, and then it was taken up at one of the largest meetings the Bar Association of New York ever held. The accounts in the newspapers stated that in the neighborhood of 800 members of the association were present.

The committee which had been appointed, and which had made its report, submitted a resolution as follows:

Resolved, That, in the opinion of this association, the connection of Lamar Hardy, Esq., with the affairs and management of the State Title & Mortgage Co. and its affiliated companies has disqualified him from holding the office of United States attorney for the southern district of New York.

The resolution was fully debated, and upon a final vote the resolution was adopted by the Bar Association with 321 votes for it and 247 votes against it.

Some of the most eminent attorneys in the city, and of the Nation, for that matter, participated in the debate. Against the resolution and in favor of the confirmation of Mr. Hardy were ex-Governor Miller, Mr. Coudert, and Mr. Colby, who was at one time, as we know, Secretary of State of the United States.

The adoption of the resolution was urged by men of similar ability—Charles C. Burlington, Thomas B. Thacher, and Samuel Seabury. There were others participating, but I mention those names because most of the Members of the Senate are familiar with them.

When the matter was heard by the subcommittee of the Committee on the Judiciary eminent attorneys appeared on each side. The witnesses on each side of the controversy, so far as I could gather from the evidence, were eminently fair, and I have no criticism to offer of what any of the witnesses said on either side of the controversy.

Mr. President, let me say that I do not offer the action of the bar association as conclusive. I realize that that association is entitled to consideration, entitled to more consideration, I believe, than the subcommittee gave it. Its action all through has been highly respectful, and there is no doubt in my mind that the friends of Mr. Hardy had as many members of the association present when the vote was taken as it was possible to get. The meeting was adjourned for a week at the request of his friends, so I take it there was present a full and fair representation of the Bar Association.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WAGNER. I happen to be a member of that association. It contains more than 3,000 members. Only about 500 members participated in the meeting. If it will not interrupt the Senator, I may add that there are three other bar associations in New York having greater membership. For instance, the New York County Lawyers' Association, which is not opposed to Mr. Hardy, has a membership of over 6,000.

Mr. NORRIS. The Senator will not claim, will he, that any of those associations have taken any action or adopted any resolution in favor of Mr. Hardy?

Mr. WAGNER. That is not customarily done.

Mr. NORRIS. It was not done in this case.

Mr. WAGNER. There was no disapproval.

Mr. NORRIS. No. No action was taken by any of the bar associations except the one to which I referred.

Mr. WAGNER. So far as I know—and I have served for a number of years on the judiciary committee of the Bar Association of New York—it is only when that committee or the association is requested to approve or disapprove that it takes action. If, however, there is a general disapproval of a nominee for judge, or of a nomination such as that which is now under consideration, the bar associations always deem it their duty to express their views on the disapproval.

Mr. NORRIS. The Senator has anticipated what I expected to say, because in the questions that were asked of the witnesses representing the bar associations the point the Senator has raised was brought out. I should have reached a discussion of it in due time. I expect to read some of the evidence; but, since the Senator has raised the question, I shall take up the discussion of that point now.

Objection is made to the action of the bar association in question because other bar associations exist, because there are 25,000 lawyers in the city of New York, and because the other bar associations have not acted. Mr. President, it is said also of the association which did act that a large number of its members were not present. Yet I think it is undenied that this association never held a meeting at which there was a greater attendance than at the meeting in question. The New York newspapers had been discussing the nomination. It was a matter of gossip on the streets of New York.

In view of what has been said in the Senate, I shall read some of the news items which appeared at the time of Mr. Hardy's nomination. There was great interest in the subject. The fact that some other bar association did not condemn Mr. Hardy ought to be answered sufficiently, I think, by saying that none of the bar associations—not one of them—ever passed any resolution in favor of Mr. Hardy or took any action, when, as a matter of fact, it was known all over the city of New York that there was wide objection to the confirmation of his nomination.

I shall probably go into that subject a little more fully when I take up the questions which were asked some of the witnesses.

I now read a news item to show that nothing was concealed. Everything was open. I think Mr. Hardy and his friends devoted all their ability and much of their time to an effort to have all Mr. Hardy's friends present at the meeting of the bar association. I think the evidence shows that there was but one other meeting of the bar association at which there was so large an attendance as there was at the meeting in question.

I now read from a news item appearing in the New York Times of January 10, 1936:

Bar asks Senate to reject Hardy.

Association here votes 321 to 247 against his confirmation as United States attorney.

Mortgage case is cited.

I should not read these news items, or some of the letters which I may read, if I had not first read all the evidence. In my judgment, some of the letters I have, some of which I may read, fairly state the facts which must be deduced from the evidence taken by the subcommittee of the Committee on the Judiciary.

After a hot debate in which leading members of the New York bar participated, the Association of the Bar of the City of New York adopted a resolution last night urging the United States Senate to refuse to confirm the appointment of Lamar Hardy as United States attorney. The vote was 321 to 247.

Mr. Hardy's right to serve in the office, which he now holds by an ad-interim appointment, was defended by former Governor Nathan Miller; Bainbridge Colby, former Secretary of State; and Frederick Coudert, former president of the bar association.

Against them in the debate, urging the adoption of the report of the committee on the judiciary, which criticized the appointment

of Mr. Hardy on the ground of his prior connection with the State Title & Mortgage Co., were Samuel Seabury; Thomas B. Thatcher, chairman of the charter revision commission; and Charles C. Burlingham, former president of the bar association.

More than 800 members of the association attended the meeting, which was said to be the largest since the association met to place itself on record in opposition to the nomination of Samuel Hofstadter and Aron Stener as supreme court justices at the close of the Hofstadter investigation into New York City affairs.

The committee's objection to his appointment was based upon the findings of Moreland Act Commissioner George Walger and Abraham Halprin, of the State insurance department, in connection with the affairs and management of the State Title & Mortgage Co., with which Mr. Hardy was associated from 1927 to 1931.

I may say that it was the 27th day of October 1931 when Mr. Hardy resigned from the position he held with the company. He was with the company from its beginning. He was one of the organizers of the company.

In that period, it was said, Mr. Hardy's fees from the company amounted to \$165,000.

I will say to the Senate that, as I remember the evidence, it shows that \$165,000 in fees was paid to Mr. Hardy during the first 2 years. He was with the company about four and a half years altogether. There is no evidence which I remember of any fees paid to him after that, or, if they were, what they were; but that he obtained \$165,000 in 2 years from the company is undisputed.

Members of the committee took the position that while there was no suspicion of wrongdoing on Mr. Hardy's part, it might be embarrassing to him and to the Government if he were called as a witness at the trial of the indictment in Federal court charging the company with using the mails to defraud.

Not being a member of the association, Mr. Hardy was not able to attend the closed meeting of the association to defend the propriety of his remaining in office. Influential members of the association, however, were understood to be ready to fight against the adoption of the committee's condemnatory report.

I should like to have the Senate remember that I am reading a news item, and where I think there is anything in the item contrary to what the evidence shows I shall point it out, as I have already done in one or two instances.

The report was presented to the membership and its adoption urged by Alfred A. Cook, chairman of the committee on the judiciary, who was also counsel to Commissioner Alger in the Moreland Act inquiry into the activities of the guaranteed mortgage companies. The report contained the following resolution, about which the debate centered.

I have already read the resolution. I desire to digress at this point to comment upon the chairman of the judiciary committee of the bar association. He had charge of the investigation of Mr. Hardy. He had been appointed by the Governor to take part in an investigation of the various mortgage guaranty companies, of which this company was one. The investigation, I think, was brought about at the instigation of the Governor of New York. Mr. Cook served in that investigation. The investigation of this company, so the testimony shows, lasted for 10 months. Mr. Cook participated in it with great reluctance. The Governor personally asked him to act, and he made this condition to the Governor, that if he went on his services should not be paid for by the State; he accepted the position under those conditions, and after a 10 months' investigation reached the conclusion that this mortgage company in particular was one of the worst of all of them, and he so testified before the committee.

The bar association committee's report was distributed confidentially to members more than a week ago. Last night's meeting, originally scheduled for January 2, was postponed 1 week at the request of friends of Mr. Hardy to give him an opportunity to prepare his side of the case. It said: "The official report of the Moreland Act Commission and the report made to the superintendent of insurance by Mr. Halprin, as well as the civil and criminal proceedings instituted by public officers against the State Title Mortgage Co."—

That is the particular mortgage company to which I have referred—

"and certain of its officers and directors, indicated that the affairs of the State Title & Mortgage Co. were managed in violation of law and, in many respects, in disregard of the normal standards of business morality and of the financial interests of thousands of small, helpless, and uninformed investors whose investments in the State Title Mortgage Co. aggregated millions of dollars."

Continuing, the report said:

"In the opinion of this committee, the appointment of Lamar Hardy, Esq., is contrary to the public interest and would seriously impair public confidence in the administration of justice through the high office of the United States attorney for the southern district of New York."

Calling attention to the Federal indictment against officers and directors of the mortgage company, the report said:

"On the trial of the indictment now pending in the Federal court, charging the use of moneys in a scheme to defraud, the history of the State Title from its inception in all probability will become material.

"One of the principal issues may be whether the defendants acted in good faith and believed in the truth of the representations alleged to have been made. On that issue, and also because two of the overt acts alleged in the conspiracy count of the indictment relate to matters which had their inception before Mr. Hardy's resignation, it is not unlikely that he will be called as a witness by the defendants.

"In that event he would be in the embarrassing and inconsistent position of having to testify against the Government, whose chief law officer in this district he now is.

Another newspaper article—and I could cite nearly as many articles as there are newspapers published in New York City if I wanted to do so—

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. WALSH. What office did Mr. Hardy hold in the State Title & Mortgage Co.?

Mr. NORRIS. He was a member of the board of directors and he was chairman of the executive committee for a long time. He was a member of the board of directors longer, however, than he was chairman of the executive committee. He was also counsel for the company.

Mr. WALSH. Did he devote his whole time to the active management of the company?

Mr. NORRIS. I cannot say as to that, but I presume he did not. The records show that he was present at nearly all the meetings of the board of directors.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. LA FOLLETTE. Would not the fact that he received \$165,000 in fees in 2 years' time indicate that he must have rendered some alleged service in order to justify such a payment?

Mr. NORRIS. It would seem that he ought to have performed some service, anyway.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. I think the record will show that he not only was a director, one of the five, but that he organized that company.

Mr. NORRIS. He did. There was a holding company. There were a whole lot of companies, all intermingled. This particular company held other companies, and it itself was held by another company. Mr. Lamar Hardy himself organized this particular mortgage company and became one of its directors and chairman of the executive committee at its inception.

The president of that company has been tried and found guilty. I do not know whether or not his case is pending in the upper courts now, but he has already been tried and found guilty. There are indictments now pending against several of the other members of the board of directors. There is a civil suit pending against all of them, and that civil suit includes Mr. Lamar Hardy. He is a defendant in that suit, which has not been tried as yet, but the evidence before the subcommittee of the Judiciary Committee shows that in order to relieve himself of any liability in that civil suit he offered to settle by payment of \$16,500.

I cannot give the details as to how this company was tied up. The funds were invested under the law of New York. In its securities were invested the savings of orphan children and of guardians. I am not familiar with the law that governed the case, but someone—I think the insurance commissioner—has sued for \$5,000,000 to recover some of the losses which it is alleged were sustained by reason of the fraudulent and disreputable methods which this title and

mortgage company pursued in getting rid of its investments to investors.

It is the custom, I understand, under the laws of New York to divide up mortgages. In this instance they were held, rather, in escrow, and certificates were issued of a smaller denomination, similar to debentures. They were sold to the public. They were issued in amounts as low as \$10, and millions of them were sold. The suit brought by some officials of the State of New York deeming these investments to be illegal and wrong is to recover damages for the loss of these funds.

Mr. WALSH. Mr. President, did the Senator state that these securities were recognized as valid investments by the insurance commissioner of the State of New York?

Mr. NORRIS. I would not say that the officers of the State of New York who had to deal with these funds could not themselves be charged with fraud. I am not sufficiently familiar with the law of New York to know as to that; but it would seem to me that they could be. For instance, I suppose, under the law, there are various regulations as to the character of mortgage that may be taken, and if it was in default, it would not come within the rule. Yet millions of dollars of mortgages were in default; some of them were under foreclosure proceedings and were assigned to various organizations that have a right to invest different funds, insurance funds, orphans' funds, and so forth.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Several million dollars were acquired by the city chamberlain representing widows and orphans?

Mr. NORRIS. Yes, sir.

Mr. KING. And the money was lost?

Mr. NORRIS. I presume the law provides that certain kinds of securities could be invested in by those having funds in their charge. Deception was practiced upon them, and there might have been collusion; but, at least, a lot of these so-called investments that did not measure up to the requirements of the law got into the hands of these various officials.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. MURPHY. The Senator said that some of the officers of the company were indicted and convicted?

Mr. NORRIS. Yes.

Mr. MURPHY. Was there any presentment of facts against Mr. Hardy made to the grand jury or any allegation of fraud committed by him?

Mr. NORRIS. None that I know of. For some reason, he was never indicted, and I do not know that there was any attempt made to indict him.

I started to read, when I was interrupted, a news item, or rather an editorial, from the New York Herald Tribune of January 4, 1936, which is headed "An untimely selection" and which reads:

The published excerpts of the report of the judiciary committee of the Bar Association of the City of New York relating to the proposed appointment of Mr. Lamar Hardy as United States attorney for the southern district do not reflect on the character of Mr. Hardy. They do make it plain that his selection at the present time is open to grave criticism.

The principal reason is his long and intimate association with the State Title & Mortgage Co., whose officers are under indictment on serious charges. Mr. Hardy himself has not been indicted. But he was intimately connected with these officers at a time when many of the acts for which they have been indicted took place. No charge has been made that he was himself involved in these unsavory transactions. But it is certainly clear that this connection would prejudice his usefulness in the event that his former associates came up for trial while he was in office.

The fault appears to be that of the President's associates for not apprising him of all the facts in the case. This is not the first time that Mr. Roosevelt has been imposed on by his political friends. Under the circumstances the wise and proper course for Mr. Hardy is to ask the President not to send his name to the Senate for confirmation. By thus withdrawing he will avoid a possible double embarrassment—to himself and to the President who appointed him.

Mr. President, before I read some of the evidence I am going to invite the attention of the Senate to an extension of remarks appearing in the CONGRESSIONAL RECORD of March

13, the present month, made by Hon. MARTIN J. KENNEDY, of New York, in the House of Representatives on that day. Mr. KENNEDY is himself a resident of this judicial district. He said:

Mr. Speaker, ladies, and gentlemen, I attend the hearings of the Senate Judiciary Committee, held in the Capitol on March 9 and 10, in connection with the nomination of Lamar Hardy for the office of United States attorney for the southern district of New York. I am always interested in having appointed to public office men of outstanding ability; but I have a particular interest in the office of the United States attorney for the southern district, because I live in that district. In addition to my personal interest in this appointment, I have an official interest because of my membership on the special committee appointed by the Speaker to investigate real-estate bondholders' reorganizations.

Our congressional committee, in order to accomplish the purpose for which it was created, must have the cooperation and wholehearted support of the United States attorney. In investigating these real-estate reorganizations, I necessarily have become familiar with the sale of real-estate bonds and participating certificates. Unfortunately, in many cases the committee is helpless to aid the poor bondholders, because the underlying security behind the bonds and certificates is absolutely worthless.

Mr. Hardy, the President's nominee for the office of United States attorney, has been closely identified with a mortgage company that sold a great many mortgages and certificates which must be classified as worthless. As an officer and director of this company, the State Title & Mortgage Co., he has naturally been friendly with the other companies engaged in this type of business throughout the greater city of New York.

The president of the company, with which Mr. Hardy was associated, the State Title & Mortgage Co., was indicted and convicted of fraudulent practices. At the present time there are awaiting trial a number of other officers of the same company. As a former colleague, and now as district attorney, Mr. Hardy must necessarily find himself in an embarrassing position.

The district attorney of New York will have a lot of work ahead of him in connection with these mortgage companies, and as many of these are personal friends of Mr. Hardy, he certainly cannot be expected to be an aggressive prosecutor. Mr. Hardy has been in office for nearly 3 months and has never tried a single case. We require an active man; one who will set the pace for his assistants.

More than a quarter of a million families—

Let me read that again. I am reading this because I read the evidence, and in my judgment these statements are fully borne out by the evidence. I am not reading all of this speech, but I believe that everything I do read states the facts as shown by the evidence taken before the subcommittee of the Committee on the Judiciary when they had the nomination before them. I read:

More than a quarter of a million families have lost their life savings in these defaulted mortgages. Due to Mr. Hardy's intimate association with the companies that sold these worthless mortgages, I do not believe that he will have the moral support of the people of New York.

The Bar Association of New York is opposed to the confirmation of Mr. Hardy, as well as practically every newspaper published in the city of New York.

The New York Evening Post of March 12 expresses the situation perfectly as follows:

"It doesn't take a sensitive nose to detect the atmosphere of a biased court. The Senate Judiciary Subcommittee 'judging' the fitness of Lamar Hardy to be United States attorney for the southern New York district gave itself away early in its hearing. Every courtesy was extended to Hardy and to Max D. Steuer, his counsel. But, say the dispatches, 'Alfred A. Cook was interrupted in his answers to questions when he tried to elucidate the objections to Mr. Hardy's confirmation as recorded by the Association of the Bar of New York City. Mr. Cook was forced virtually to defend the standing of the Bar Association.' * * * Was the subcommittee judging Hardy or judging the Bar Association? Is its mind made up in advance to confirm a nominee opposed by the bar, the press, and the public of his own city? Why did the two Senators most concerned, WAGNER and COPELAND, of New York, stay away from the hearing? Were they afraid to offend New York City by helping Hardy, and afraid to offend party leaders by opposing him?"

"Does the Senate realize it is placing in charge of Federal securities law prosecution in the financial heart of the country the man who sat tight as chairman of the executive committee of the defunct State Title & Mortgage Co. while it evolved financial maneuvers that brought losses to thousands? That Hardy is one of the defendants in a \$5,000,000 suit brought by the State banking department to recover some of these losses?"

"Does the Senate realize that 10 of Hardy's former associates are under indictment? Does it understand that Hardy will probably be called as witness for the defense in Federal trials of these associates—that the Federal attorney will then be testifying against the Federal Government?"

"Hardy's defense, that he did not know what was going on, is no answer to the Bar Association. We do not want as public prosecutor (even though his character may be white as snow) a man who did

not know what was going on under his nose. A United States attorney is supposed to know what happens around him."

I ought to digress now to say—and I do it with some embarrassment and reluctance—that, in my opinion, the reference made by the news item I have just read to the unfair way in which those who are opposed to Mr. Hardy's confirmation were treated by the subcommittee was fully justified. That is one reason why I desired to have every Member of the Senate read that testimony. Mr. Cook, whom I described a while ago as a man who had devoted 10 months of his time, without pay, at the request of the Governor of New York, to getting the facts in these mortgage-fraud cases, was before the subcommittee; and I shall read some of the testimony he gave, or tried to give. In my opinion, there was no reason why this man or the other witnesses who appeared against the confirmation of this nomination were not entitled to all the respect that every fair court and every fair committee always wish to give to their witnesses. I do not believe they received that kind of treatment. On the other hand, the greatest courtesy was shown to Mr. Hardy and his friends when they testified.

Mr. KING. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. KING. Does the Senator intend to call attention to the examination by the subcommittee of Mr. Shearn, who was sent down by the New York Bar Association to present the matter?

Mr. NORRIS. I intend to read portions of the testimony of Mr. Shearn, and also portions of the testimony of Mr. Cook. I may not have the same points in mind, and it may be that I shall find I am trespassing too long on the time of the Senate; and if the Senator from Utah thinks parts of the testimony which I do not read should be read, I shall be very glad to have him read them.

I have here a letter from Hon. Charles Burlingham, known all over the country. I think, as one of the outstanding lawyers of the country. I should not read what he says if I were not, in my judgment, able to say that I think he states the facts according to the development of the evidence.

In part of this letter Mr. Burlingham says:

The fact that for 4½ years he—

That refers to Mr. Hardy—

had been actively connected with a disreputable title company, not merely as counsel but one of its organizers, a director and chairman of its executive committee, also a director and counsel for some of the subsidiary affiliated companies, taken with the fact that the company and several of its directors are under indictment in the United States District Court for the Southern District of New York, and its president convicted of a criminal offense, and Mr. Hardy himself sued for negligence and waste by the State superintendent of insurance—all these considerations disqualify him from holding the office of United States attorney, for no man with such connections can command the confidence of a community in which hundreds of thousands of small investors have lost millions of dollars through the mismanagement of his company.

Mr. President, that is not exaggerated. Hundreds of thousands of small investors lost millions of dollars. I may not, for lack of time, read all the evidence; but one of the witnesses was questioned by the subcommittee on that point. The member of the subcommittee said, in substance:

"Do not these people, when they invest money, usually have an attorney to advise them? Would you condemn this man if he had advised somebody wrongfully? If these investors made mistakes, they were their mistakes."

The answer was, however:

"The people who made these investments had no attorney. They were saving their pennies. They were answering the advertisements which appeared in the newspapers, and which said, 'You cannot lose your money if you buy these securities. This is a safe investment. It is gilt-edged. You run no risk if you put your savings into the securities of this company.'"

Thousands of persons invested their savings—persons who could not afford to lose even \$5. The loss of a small amount of money means poverty to thousands of persons who put into this company the money they had accumulated by saving their pennies, after they had been induced to do it

by advertisements in the newspapers, circulated all over, saying that this was the greatest investment on earth and that there was no possibility of loss; and yet they lost every dollar they invested.

Mr. LA FOLLETTE. Mr. President—

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Is it not a fact that this company advertised that these certificates were safe, and that they were backed up by a \$10,000,000 guaranty fund?

Mr. NORRIS. Yes; that was one of the advertisements.

Mr. LA FOLLETTE. And was it not alleged in the advertisement that these funds were under the regulation and supervision of the insurance department of the State of New York?

Mr. NORRIS. Absolutely; that is correct.

Mr. MURPHY. Mr. President—

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. MURPHY. At the time referred to, was Mr. Hardy chairman of the executive committee of the mortgage company?

Mr. NORRIS. Yes. I would not say that he was chairman at the time of all the defaults, but, as this letter says and the evidence shows, I have somewhere among the papers the amount of investment made in these certificates and the amount of money handled while Mr. Hardy was in the company and afterward. By far the major portion of the money was handled while he was a member of the board of directors and chairman of the executive committee.

Mr. MURPHY. My mind is not yet clear as to the investments. Presumably the facts as to them will be developed later. I wished to associate Mr. Hardy with the advertisements if it is a fact that he was chairman of the committee at the time the advertisements were published.

Mr. NORRIS. He was chairman of the committee at the time; yes. I cannot say that Mr. Hardy wrote these advertisements or that he ever read them; but I do say that they were put out and circulated among the people while he was connected with the company.

Mr. LA FOLLETTE. Mr. President, if the Senator will yield further, does not the testimony show that at the very time while Mr. Hardy was still connected with the company, and at the very time these advertisements were being published, the official investigation made by the State of New York indicated that the guarantee fund was impaired?

Mr. NORRIS. Yes, sir; it does show that.

I read further from the letter to which I have referred:

All the title companies were mismanaged, but this was the worst of all.

As I remember the testimony, Mr. Cook, who was the attorney, and spent 10 months on the investigation, stated in effect that while he investigated a great many of the title companies, and they were rotten, they were dishonest, this was the worst of the lot.

Further, it should be borne in mind that Martin Conboy, who preceded Mr. Hardy as United States attorney, was superseded as prosecutor of title companies at his own request merely because he had acted as counsel for one of the companies.

There is an example to set. This man Mr. Conboy, who had been United States attorney for that district, resigned because he had been attorney for one of these companies. That is vastly different from being attorney for the company, member of the board of directors, chairman of the executive committee, and drawing \$165,000 for your services. If the same course had been followed by Mr. Hardy, he would not have accepted this appointment under any circumstances.

This writer further says:

The advocates of confirmation avoided the issue and devoted their efforts to show that Mr. Hardy had borne a good reputation at the bar.

I quite appreciate that a candidate who has the approval of the Senators of his own State rarely fails of confirmation. I suspect—

I shall not read that part of the letter, because the Senator from New York is here, and he may speak for himself if he wishes to do so.

The nomination is an affront to New York City. At this moment the administration of criminal justice here is in a lament-

able state. Governor Lehman has superseded Mr. Dodge as district attorney for New York County, appointing Thomas E. Dewey to dig into the rackets. He has superseded Mr. Geoghan in Kings County by Hiram Todd to prosecute the Druckman murderers. The appointment of Mr. Hardy as Federal prosecutor would seriously impair public confidence in the administration of justice.

Mr. LA FOLLETTE. Mr. President, will the Senator suffer another interruption?

Mr. NORRIS. I yield to the Senator.

Mr. LA FOLLETTE. In connection with the matter of the guarantee fund and the advertisements, I should like to direct the attention of the Senator from Iowa [Mr. MURPHY] to the testimony of Mr. Spence, found on page 97 of the hearings. He says:

There is one feature about the guarantee fund to which I would like to call the attention of the committee in some detail, which will not take but a moment. I will call your attention to pages 80 and 81 of Mr. Halprint's report.

That is the official report of the investigation conducted by the Governor's investigators.

He shows there that the company purported to have in the guarantee fund \$5,573,000 of assets. He finds the only assets listed by the company that fulfilled the requirements of section 16 were the assets entitled "Building Loans and Permanent Mortgages on Hand", in the amount of \$1,034,000, in round numbers. He says, therefore, that there was a deficiency in the guarantee fund, as of January 2, 1930, of substantially \$4,500,000. He finds there was a deficiency in the guarantee fund at the end of December 1930 of \$3,095,077.

Mr. MURPHY. Mr. President, will the Senator from Nebraska yield?

Mr. NORRIS. I yield.

Mr. MURPHY. Am I to understand, from what the Senator from Wisconsin has read, that in 1930 Mr. Hardy was the chairman of the executive committee?

Mr. LA FOLLETTE. I know he was an officer of the company, and it was in June 1930 that the advertisement was printed in the newspapers advising small investors that this was a safe and simple type of investment, because they were fully protected by this guaranty fund, when at that particular time, or at least between January 2, 1930, and December 1930, this advertisement appearing in June, the fund was between three million and four and a half million dollars impaired, so that the advertisement was false on its face.

Mr. MURPHY. It appears from a reading of page 138 of the hearings that Mr. Hardy recites that the last meeting of the executive committee he attended was in September 1931, so the presumption is that he was present at the meetings in 1930 when there was the deficiency in the fund referred to as a guaranty fund.

Mr. LA FOLLETTE. That is correct, and, as I recall, some of those who were protesting against Mr. Hardy's confirmation offered to furnish the subcommittee a list of the times when he was present, and the subcommittee did not care to have it printed in the record, but it was filed with the committee.

Mr. VAN NUYS. O Mr. President, the Senator from Wisconsin should look at the report of the hearings, and he will find it incorporated in the report.

Mr. HATCH. On page 122.

Mr. VAN NUYS. Together with every other exhibit, every other memorandum, and evidence of the fact that every witness Mr. Cook asked for in the subcommittee hearing was called.

Mr. LA FOLLETTE. The Senator is no doubt correct about that. I was misled by the statement that the paper was received and filed with the committee.

Mr. VAN NUYS. It appears in the transcript.

Mr. POPE. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. I yield.

Mr. POPE. Does the Senator know when Mr. Hardy severed his connection with the company?

Mr. NORRIS. On the 27th day of October 1931. He resigned as chairman of the executive committee a month or two before that, I believe.

Mr. President, it is doubtful in my own mind whether I ought to take up the time of the Senate to read the evidence showing what happened when the committee from the New York Bar Association appeared before the subcommittee of the Committee on the Judiciary of the Senate. The subcommittee reported to the full committee, and the full committee reported the nomination before the evidence was printed. I was not present at the meeting when the nomination was voted on by the Judiciary Committee, but there was a synopsis of the evidence furnished by the subcommittee. The evidence had not been printed when the Judiciary Committee acted on the nomination, however.

I am going to read a little of the examination, commencing on page 85.

Mr. Clarence J. Shearn was one of the witnesses. He was chairman of the committee which the bar association sent to Washington to appear before the subcommittee. I think he has shown by his testimony and his demeanor on the stand that he is a remarkably fine gentleman. As I read his testimony, he made a splendid showing. He held back what I think he would have been justified in saying, perhaps, from the way the examination was conducted, and the way he was prevented from giving information which would not have been very friendly or favorable; but he was a perfect gentleman through it all. The same may be said of Mr. Cook, who followed him, and who, as I have said, was intimately connected with this investigation, and knew of his own personal knowledge of the happenings about which he was testifying.

Mr. Shearn started to testify, but he did not get very far before he was interrupted. When he would start on a subject he would be interrupted. The nature of the questions indicated that the members thought he was rather out of place in being there, that he was unnecessarily taking up the time of the committee, that they did not want to hear his testimony, that the facts about which he was testifying were set out in the exhibits.

The first part of the hearings, comprising about 80 pages, I believe, is composed of letters and telegrams of recommendation and congratulation sent to Mr. Hardy, to the Attorney General, to the President, and to the chairman of the Judiciary Committee, congratulating him on receiving this nomination. I have never known such thing to happen before, but nearly half the hearings is taken up with the printing of these letters, such letters as usually never appear at a hearing; but they did appear at this point. They are interesting reading, they are all short, they are all about the same. They are to the effect, "I know this man; he is a fine lawyer, he is a fine citizen, he is a patriot." I have no doubt they all tell the truth. I have no doubt that Mr. Hardy is a very able attorney. At least, no one has questioned his ability.

I do not desire to find fault with those who favor the confirmation of Mr. Hardy, because very noted gentlemen in New York do favor it, have favored it, and have advocated confirmation of the nomination. But I must take all the evidence together in forming my judgment, and my conclusion is that it would be a terrible mistake to install this man in the office of district attorney for the southern district of New York.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. BARKLEY. I understand that he was installed by recess appointment last autumn.

Mr. NORRIS. Yes; he was.

Mr. BARKLEY. And has been serving some 6 months.

Mr. NORRIS. Yes.

Mr. BARKLEY. Does the Senator know anything about the manner in which he has performed his duties during the 6 months?

Mr. NORRIS. No; the only thing I know about that is from one of the letters, or news items, which I have read, which stated he had not yet tried a lawsuit. I did not pay any attention to that, however. He might be in that office a year and not try a lawsuit, and yet be a perfectly efficient officer. I concede that.

Mr. BARKLEY. If the Senator will yield again, my question was prompted by the statement the Senator made a moment ago that in view of certain conditions in New York, which he outlined, the appointment of Mr. Hardy would not be encouraging to those who believed in law enforcement.

Mr. NORRIS. It certainly would not be.

Mr. BARKLEY. I wondered whether his 6 months' tenure in the office had given any color to that fear.

Mr. NORRIS. I do not think so. If there is any such feeling in the city of New York, I do not know of it. Of course, there might be.

Now I read from the examination of Mr. Shearn:

Senator DIETERICH. Do you think it would be more proper for the bar association to present its evidence in such manner as might reflect upon the character or integrity or ethics of Mr. Hardy, after these numerous tributes have been paid to him, instead of having us try cases that are absolutely foreign to anything we have a right to consider? Do you expect the committee to try the cases that grew out of all these mortgage companies in New York?

Mr. SHEARN. I do not. If I may answer one of your questions first, we are not asking you to try any of these cases or to try Mr. Hardy on any theory that he is guilty of a violation of law. We make the point and urge upon you that, while he terminated his connection with that company, the fact that he was one of its organizers, the fact that he was a director and a member of its executive committee for 4½ years and chairman of the executive committee, the fact that within 2 years he received \$165,000 as legal fees from one of its associated companies, the fact that he had that intimate connection with this company, the fact that thousands of investors suffered great losses through the activities of that company, tends to undermine public confidence in Mr. Hardy.

Senator DIETERICH. Is it not true that a great many concerns of that kind, in passing through that critical period, caused considerable losses to investors? If the intimate connection of an attorney with a client, when that client may have been guilty of some wrongdoing that resulted in losses to investors, would reflect upon the attorney to the extent to disqualify him from holding public office, very few attorneys would be qualified for public office. Is that not true?

Mr. SHEARN. I think there is a very clear distinction between an attorney advising or counseling with a client, and a man sitting as a member and chairman of that client's executive committee.

Senator DIETERICH. You get what I have in mind, do you not? I want to find out whether or not Mr. Hardy's conduct has been such that it would be unsafe to put him in charge of prosecutions or to take charge of the business of the Government as district attorney.

Mr. SHEARN. We feel that he should not be confirmed for that office.

Senator DIETERICH. I understand you do, but is it based entirely on that?

Mr. SHEARN. On what?

Senator DIETERICH. On his association with this mortgage company.

Mr. SHEARN. There is no question about that. That is a concern which has been marked in the report as showing great violations of law, which has been marked by terrible losses on the part of investors.

Senator DIETERICH. Is that not true of most mortgage companies?

Mr. SHEARN. It has been marked by the trial and conviction of its president; by the indictment of the company itself; by the indictment of a number of its directors for misleading advertisements put out while he was chairman of the executive committee.

That answers the question of the Senator from Iowa.

Senator DIETERICH. But there has been no indictment of Mr. Hardy?

Mr. SHEARN. If we have to distinguish or determine, in dealing with the requisites for the office of district attorney, whether the appointee has ever been indicted or convicted of a crime, it would seem rather difficult.

I submit, Mr. President, that as we read all the examinations of the witnesses, it seems that the able attorneys who were examining were going on the theory that unless Mr. Hardy had been indicted, unless he had been convicted of a crime, in view of the fact that he was a good lawyer and could try a lawsuit, he would be all right for district attorney. If that is the theory, if that is what the Senate believes in, it ought to confirm this man. But they went on the theory, and I believe every citizen in the United States knowing anything about the matter will go on the theory, that one of the causes of the terrible depression which overtook this country was the conduct of thousands of dishonorable, dishonest, illegal organizations, just like this mortgage company, which were taking tribute from God's poor, robbing the investors of what they had saved up perhaps in a life-

time, robbing the orphans and the widows. Even though those who robbed these poor people did so under the guise of law, even though they have never been indicted or tried or convicted, if that is the kind of a district attorney we must have, and if we must put such a man in office just because he is a good lawyer and because when Uncle Sam gets into a lawsuit he can try it properly, then I have not any conception of what a district attorney or other officer of the United States ought to be. I submit that he ought to be an example of honesty, of honor, so that those who do not hold office, the rank and file of our citizens, may know that those who wear the emblem of official authority are honest men, honorable men, who have not wrongfully taken anything from anybody.

The Senator from Illinois [Mr. DIETERICH], a member of the subcommittee, asked Mr. Shearn further:

Do you defend people before the United States district court?

Mr. SHEARN. I have never been engaged in criminal practice.

Senator DIETERICH. Do you ever have any civil practice before the United States district court in which the services of the United States district attorney would be engaged on the other side?

Mr. SHEARN. Not that I am aware of. If I had, I might have sent him a message of congratulation.

I think there is a little irony in that answer which the Senate ought to get. That may explain some of the telegrams and letters of congratulation which are printed in the hearings.

Senator DIETERICH. That might be.

Mr. SHEARN. No; I am in the Federal courts very little.

Senator DIETERICH. How long have you known Mr. Hardy?

Mr. SHEARN. Since about 1913, I think.

Senator DIETERICH. Have you ever heard his integrity questioned?

Mr. SHEARN. Never.

Senator VAN NUYS. Has he ever been guilty of any moral turpitude that you know of?

Mr. SHEARN. Unless you draw that inference from the activities of this company with which he was connected.

Senator VAN NUYS. I am familiar with that. I have read these records. You would not say he was guilty of moral turpitude, would you?

Mr. SHEARN. I would say that these activities of this company with which he was connected during that long period, in view of his important and intimate relationship to them, would certainly be far from creditable to Mr. Hardy.

Senator DIETERICH. Let me ask you a question as between lawyers. You say it has been a long practice that candidates for judicial offices and quasi-judicial offices have been submitted to the bar association and their moral and ethical qualifications vouched for by the association.

Mr. SHEARN. Sometimes.

Senator DIETERICH. That is true, is it not?

Mr. SHEARN. Sometimes.

Senator DIETERICH. Is the reason you are pressing this protest of the bar association because they seem to be drifting away from the practice?

Mr. SHEARN. Senator, you seem to be conducting an inquisition of me.

Senator DIETERICH. You are a witness, and we have the right to know that.

Mr. SHEARN. Senator, it is not. That is not correct. Of course, it would not be becoming in me to offer any criticism of that.

Senator DIETERICH. Do you believe that anybody should delegate its authority, as we have in Congress, which is very limited, to any other body?

Mr. SHEARN. I do not ask you to delegate anything, but I do think you should pay some attention to what an association of over 3,000 members in the city of New York has to say about a man up for confirmation.

Then a Mr. Spence testified before the subcommittee. His examination was much the same as that of the previous witness.

Then came Alfred A. Cook. Senators must remember that Alfred A. Cook is the man whose personal knowledge about this mortgage company is greater than that of any other person whose testimony appears in the record. He is the attorney who worked on this investigation for 10 months. As I said in the beginning, he worked without pay, at the request of the Governor of the State of New York. He tried to testify. He had some difficulty in doing so because of the examination which went on, and from time to time he was diverted from what he was trying to say. I desire to read some of his testimony:

Mr. Cook. Irrespective of all that, I do not see how it is possible—I may be in error and I say this with deference—in the public

interest for the Senate to confirm, in a situation such as this, anybody who was actively connected with the affairs of this company, whether he personally did this or that. It is impossible for me to conceive that such is a proper appointment. With this record before you, with the evidence of the fact that Mr. Hardy took an active part in the affairs of this company, because he was present at something like 70 meetings out of 83 of the board of directors and executive committee, I think you must conclude that he either knew what was going on, or, if he did not know what was going on, then, as a director, he should have known.

I submit, Senators, that it ought not to be possible for a man who was paid \$165,000 for 2 years' work to cover himself up with the cloak that while he held this office, while he was in this important position, while he organized the company, while he was taking the money which came from widows and orphans and small investors, nevertheless he did not know what was going on in the company. As a matter of law he was chargeable, and he ought morally to be chargeable, with notice of what the board did.

Senator DIETERICH. All these suits and prosecutions that were brought against the company occurred after he had ceased to be a director and had severed his connection with the company.

Mr. Cook. I know; but one of the suits was brought against Mr. Hardy and other directors by reason of waste and negligence.

Senator DIETERICH. For what years?

Mr. Cook. During the time he was there. That was when the waste and the negligence occurred.

Senator DIETERICH. That is a civil action?

Mr. Cook. Yes, sir.

Senator DIETERICH. That is still undetermined?

Mr. Cook. That is still undetermined, but that is the action where the defendant came to court and offered a settlement. Mr. Hardy offered, as I recall it, \$16,500 in payment of his liability. I believe Mr. Hardy says he did that in order to get rid of the suit, and it was cheaper to do it that way than otherwise.

A suit against me would have to be a pretty important one before I should think it was cheaper to pay \$16,500 than to try the lawsuit.

If I misquote him, I want to be corrected.

Mr. Hardy was right there on the other side of the table. He heard this statement.

If I misquote him, I want to be corrected. There was a suit brought for negligence and waste during the period that he was a director. There are other civil suits against Mr. Hardy, many of more serious nature than that.

Senator DIETERICH. We have plenty of reputable citizens who have civil suits brought against them.

Mr. Cook. Yes.

Senator DIETERICH. You would not disqualify anyone by reason of that?

Mr. Cook. No.

Senator DIETERICH. Those civil suits are all based upon breach of contract of some kind, are they not?

Just note that answer:

Mr. Cook. But these suits for waste and negligence, every one of them alleges fraud.

Senator DIETERICH. They might allege fraud, but it has not yet been proven.

Mr. Cook. No.

Mr. President, the testimony I have just read about Mr. Hardy offering \$16,500 to satisfy his liability is not denied. At least he went on the stand after that statement, after he had sat there and heard the testimony of Mr. Cook, and did not deny it; so I take it that he must have felt there was some reason to believe that the suit would go against him when it was finally determined, and he was willing to pay \$16,500 to settle it.

Mr. President, although there are several other matters of interest which might well be presented, it would seem that I am wearying Senators by taking up so much time, so for the present, and until and if something is said which I think needs refutation, I shall yield the floor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property and for other purposes, and it was signed by the Vice President.

LAMAR HARDY

The Senate, in executive session, resumed the consideration of the nomination of Lamar Hardy to be United States attorney for the southern district of New York.

Mr. VAN NUYS obtained the floor.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BONE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Johnson	Overton
Ashurst	Clark	Keyes	Pittman
Austin	Connally	King	Pope
Bachman	Coolidge	La Follette	Radcliffe
Barbour	Copeland	Lewis	Robinson
Barkley	Couzens	Logan	Schwellenbach
Benson	Davis	Loneragan	Sheppard
Bilbo	Donahay	Long	Shipstead
Black	Duffy	McGill	Smith
Bone	Fletcher	McKellar	Stetwer
Borah	Frazier	McNary	Thomas, Utah
Brown	George	Maloney	Townsend
Bulkley	Gibson	Metcalfe	Truman
Bulow	Glass	Minton	Tydings
Burke	Guffey	Moore	Vandenberg
Byrd	Hale	Murphy	Van Nuys
Byrnes	Harrison	Murray	Wagner
Capper	Hatch	Norris	Walsh
Caraway	Hayden	Nye	Wheeler
Carey	Holt	O'Mahoney	White

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

Mr. VAN NUYS. Mr. President, as chairman of the subcommittee which considered the nomination of Mr. Hardy, I think it incumbent upon me to state very briefly the facts as I know them to be, after having listened to every word of the testimony and having read all the exhibits submitted at the hearing. While I have great respect for the conscientious work of the distinguished Senator from Nebraska [Mr. NORRIS], yet I feel that he has drawn some unwarranted conclusions from certain excerpts from the evidence.

As to the unfairness of the committee, I may say that at the close of the second day's hearing, which was the end of the hearings, Mr. Cook came to me personally and thanked me for the courteous and fair manner in which the hearings had been conducted. I know of no one more interested in the outcome of the consideration of the nomination than Mr. Cook. I vouch for the truthfulness of that statement.

Mr. Hardy received an ad-interim appointment in November 1935. He is serving as United States attorney under that appointment at this time. The two Senators from New York and the senior Senator from Mississippi [Mr. HARRISON], Mr. Hardy's native State, can tell more about his honorable lineage than can I; but I say without reservation, after having served as chairman of many subcommittees of the Judiciary Committee to pass upon the question of the confirmation of nominations for United States attorneys, Federal judges, United States marshals, and so forth, that never has a nominee come to the city of Washington and appeared before the Judiciary Committee with such a volume of unqualified endorsements as did Lamar Hardy in this particular instance.

John W. Davis, ex-Governor Miller, Col. "Bill" Donovan, judges of the Supreme Court of New York, judges of the court of appeals, judges of the United States district court, men of the highest type and character in scores of instances unqualifiedly approved this nomination. Nor does Mr. Cook or any member of the small percentage—and it is a very, very small percentage—of the Bar Association of New York opposed to confirmation attack the character or the legal attainments of this nominee.

When Mr. Cook was on the witness stand I asked him what his objection to this man was. He said it was confined

solely to his connection with the State Mortgage & Title Co.; that outside of Mr. Hardy's activities with that company he considered Mr. Hardy eminently fit to serve as United States attorney for the southern district of New York.

I wish I had time, but I must be brief, to read to the Senate the long list of distinguished judges, citizens, lawyers, and representative men and women of the State of New York and also of the State of Mississippi who support the confirmation of this nomination.

The distinguished Senator from Nebraska [Mr. NORRIS] makes much of the statement that Mr. Hardy received a total sum of \$165,000 as attorney for the company to which reference has been made. The truth of the matter is that Mr. Hardy did not receive \$165,000 as attorney for the company. The undisputed evidence shows that he received \$165,000 for his work for three or four companies. He received from the State Title & Mortgage Co. \$30,000 for four and a half years' work, an average of \$7,500 a year, which no lawyer in the Senate would question as unreasonable compensation from a mortgage and title company having investments running into many, many million dollars.

That is just another evidence of the unfairness of the small clique—for that is what it was—in the Bar Association of New York which came down here and opposed this nomination. The records were open to all of them for all the years in question; and yet they made the assertion that Mr. Hardy received \$165,000 from this company, when they knew, because the records were accessible to them, that he never received over \$7,500 a year for his services to the company during 4½ years.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. WHEELER. Do I understand that this man was chairman of the board of directors of this company?

Mr. VAN NUYS. He was chairman of the executive committee.

Mr. WHEELER. And while he was serving as chairman of the executive committee did the company send out advertisements containing false representations with reference to the company?

Mr. VAN NUYS. Does the Senator mean in the official statements of the company to the State of New York?

Mr. WHEELER. In the official statements or in the company's advertisements.

Mr. VAN NUYS. I was coming to that matter directly. The Senator from Nebraska dwells upon the fact that indictments have been returned in the State courts against several of the officers of this company. That is true; but every one of the indictments was based upon activities which took place long after Mr. Hardy had severed his connection with the company.

Mr. WHEELER. What I had reference to was the time while he was chairman of the executive committee. Were any of the false representations sent out during that time or any of the advertisements misrepresenting the actual facts in the case?

Mr. VAN NUYS. No misrepresentations were contained in any official statement to the insurance department of the State of New York or any other department. Advertisements were inserted in the New York newspapers which may or may not be said to be misleading. At that time the company was entirely solvent.

Mr. WHEELER. What I wish to find out is, Were misleading statements sent out while Mr. Hardy was chairman of the executive committee?

Mr. VAN NUYS. If they may be denominated misleading, they were sent out during that period. Of course, Mr. Hardy had nothing whatever to do with that department. The company had over 100 employees, and auditors such as Ernst & Ernst audited every dollar of the assets and liabilities before any dividends were declared or any statements published. Simpson, Thatcher & Bartlett, one of the distinguished law firms of New York City, prepared all the mortgage indentures, and did all that sort of legal work for the company. The company had the highest grade loan committee that it was possible to assemble in the State of New York. The for-

mer comptroller for the Metropolitan Life Insurance Co., who had passed on more mortgages and appraised the values of more real estate in the city of New York than any other man in that city, was chairman of the loan committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. CLARK. I understand that in connection with the activities of this company several indictments were brought in, and that no indictment was brought in against Mr. Hardy.

Mr. VAN NUYS. That is correct.

Mr. CLARK. Is it not fair to believe that if Mr. Hardy's activities had been blameworthy, or if there was any ground for any charge against him in connection with the activities of the company, he also would have been indicted?

Mr. VAN NUYS. I think that is a fair presumption; but I have read the indictments word for word, and, as I have told the Senate, they are based on facts and activities of the company which took place long after Mr. Hardy had severed his connection with the company.

Mr. CLARK. The point I desire to make is that a grand-jury investigation of the company, going into the whole subject, if it was an honest investigation, naturally would have included Mr. Hardy. Apparently, the grand jury did not find anything blameworthy in Mr. Hardy's conduct.

Mr. VAN NUYS. That is a proper conclusion. I thank the Senator.

Mr. NORRIS. Mr. President, will the Senator yield there?

Mr. VAN NUYS. I yield to the Senator from Nebraska.

Mr. NORRIS. I could not hear all of the inquiry of the Senator from Montana; but, as I understood, he asked about something which is claimed to have taken place entirely after Mr. Hardy had left the company.

I find on page 115—and, because I did not hear all that was said, I do not know whether this fits in or not—the following testimony by Mr. Cook:

When the superintendent of insurance examined into that prior to January 2, 1930, he found a deficiency of some \$3,000,000 in that so-called guaranty fund.

Mr. VAN NUYS. I shall go to that subject directly.

Mr. NORRIS. It is true that that deficiency was not immediately reported. The Senator from Illinois [Mr. DIETERICH] asked when the report was made. The answer was that the report was made December 16, 1935; but, as the evidence showed, there was a deficiency of \$3,000,000 in the guaranty fund on January 2, 1930. That, of course, was while Mr. Hardy was connected with the company.

Mr. VAN NUYS. Directing the attention of the Senator from Nebraska to that particular instance—and I shall quote from the record in a few minutes—it was a very serious legal question what securities were eligible for the guaranty fund. The best lawyers of New York were questioned about that matter on the witness stand. One of them said it was a legal fiction, it was a matter of bookkeeping, more than anything else. Later legislation on the subject was passed which was not in existence at the time Mr. Hardy was there; but the attorney for the Superintendent of Insurance, the counsel for that department, passed on the securities and held that they were eligible for the guaranty fund. I do not know what else the company could do. If the counsel for the State superintendent of insurance said, "Here are certain securities, and they are eligible for the guaranty fund", I do not know what further authority a man should require.

Mr. NORRIS. Mr. President, if the Senator will yield at that point, that may be a technical legal excuse for the kind of case the Senator has put; but if the securities put up were in default, were not up to the standard required by law, the fact that they were approved by the person who was to handle them merely indicates that he, as well as the other fellow, was in on the fraud.

Mr. VAN NUYS. I may say, in answer to that question, that that certainly is the most pertinent and material indictment against this nominee. To me it was a very serious indictment. In answer to it I wish to quote a statement by Hon. Nathan L. Miller, former Republican Governor of New

York, known to every Member of the Senate, at least by reputation.

Governor Miller appeared at the hearing on this resolution before the bar association in New York. He appeared on behalf of Mr. Halprin. That was on the 9th of January 1936. Governor Miller said:

I am authorized to say that in an interview with Mr. Halprin—

Mr. Halprin is the man who conducted the examination against the State Title Co. for the superintendent of insurance. He is quoting Mr. Halprin himself:

I am authorized to say that in an interview with Mr. Halprin as late as January 4—

That was 5 days before the hearing of the bar association—he stated that the State Title Co. was one of the two companies in the whole State that did not sell mortgages or certificates with arrears in taxes and that the insurance department never had a complaint from any certificate holder or mortgage holder that a certificate or mortgage sold to him was in default of taxes, interest, or anything else; that the investigation made by the department clearly showed that State Title was the only company operating in New York City against which no complaint was made because of the sale of certificates or mortgages when taxes were in arrears and that he did not find any mortgage or certificate—

This is Halprin himself speaking, I may say to the Senator—

that he did not find any mortgage or certificate sold that had any default on it at all.

Mr. NORRIS. That is contrary to the testimony of Mr. Cook, who made the investigation.

Mr. VAN NUYS. It is absolutely contrary to the testimony.

Mr. NORRIS. That there were such cases—and he gives the dates and amounts—and, as far as the guaranty fund is concerned, I have the testimony right before me now where it is shown that they did not comply; that mortgages were sold even after foreclosure; that the interest was not paid; that the taxes were not paid; that they did not comply with any moral obligation of any kind.

Mr. VAN NUYS. It becomes a question of credibility of witnesses, and I would take the appointee of the State, Mr. Halprin, who has spent years in this activity, rather than the statement of the chairman of an investigating committee who goes out to find certain facts and always finds them and does not produce the countervailing facts which may discredit the conclusions.

Mr. NORRIS. The committee of which Mr. Cook was chairman was not appointed for that purpose. It was appointed by the Governor.

Mr. VAN NUYS. I mean the committee of the bar association.

Mr. NORRIS. He had to use the same man who was acting for the Governor in making this investigation. As I remember, he said that this title company was the worst of all; and if it was not bad, if no complaint had ever been made against it, it would follow, I think, that we would expect to find that all of the investors were paid. The Senator will not deny that they all lost, will he?

Mr. VAN NUYS. Oh, the Senator will not deny that there were 16 or 18 companies, of which this was one of the small ones. This one, I think, had \$35,000,000 in default at the time of the investigation; others had \$800,000,000, \$700,000,000, and so on. They were all under the supervision of the superintendent of insurance and are being rehabilitated, and if real-estate values come back, as most of us hope and believe they will, these companies will be solvent within a very short time. Those are the facts in the case.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. VAN NUYS. I yield.

Mr. LA FOLLETTE. I am very much interested in the question concerning the guaranty fund, because, as I understand, there is no denial of the fact that at the time Mr. Hardy was connected with the company it did issue and circulate, through the medium of newspaper advertising, a statement in which the absolute safety of the certificates and the prompt payment of principal and interest were unequivocally, unconditionally guaranteed by a fund. Then,

if the Senator will refer to page 97, in the testimony of Mr. Spence, he will find that he refers to the report of Mr. Halprin, whom the Senator has been quoting with favor, and refers to pages 80 and 81 of Mr. Halprin's testimony. Mr. Spence states that pages 80 and 81 of Mr. Halprin's report show that the company purported to have in the guaranty fund \$5,573,000 of assets, and he states, "He finds the only assets listed by the company that fulfilled the requirements of section 16 were the assets entitled 'Building Loans and Permanent Mortgages on Hand', in the amount of \$1,034,000, in round numbers. He says, therefore, that there was a deficiency in the guaranty fund, as of January 2, 1930, of substantially \$4,500,000. He finds there was a deficiency in the guaranty fund at the end of December 1930 of \$3,095,077.

Can the Senator state whether or not that statement made by Mr. Spence concerning the facts to be found on pages 80 and 81 of Mr. Halprin's report is correct or incorrect?

Mr. VAN NUYS. I can only quote from Mr. Halprin's report further, where he says that it was the opinion of counsel for all the mortgage companies, 16 or 18 of them, and apparently of counsel for the insurance department, that if mortgages had been at any time in good standing, and counted in the guaranty fund, such mortgages continued to be available to be counted, even though the real estate had depreciated.

It is just a question of the legal interpretation of the statute whether or not the securities deposited in the guaranty fund were eligible. Some of the best lawyers said they were, others said they were not. That is about the only conclusion one can arrive at after giving a good deal of thought to the question.

Mr. LA FOLLETTE. Has the Senator made reference to the particular pages of Mr. Halprin's report referred to by Mr. Spence?

Mr. VAN NUYS. I think that if the Senator from Wisconsin will look at pages 19 and 20, he will find it.

Mr. LA FOLLETTE. In the printed hearings?

Mr. VAN NUYS. Either the printed hearings, or in the report which I hold in my hand; I am not sure which.

Mr. LA FOLLETTE. As I understand, the Halprin report was not made a part of the committee record.

Mr. VAN NUYS. No; it was just placed on file, subject to examination.

Mr. BONE. Mr. President, I have found a statement of Governor Miller, in which he says that he is informed that the firm of Simpson, Thacher & Bartlett prepared all of the indentures for group series and certificated mortgages and were the consultants in connection with the problems affecting the issuance and sale of those securities, and that two other lawyers—Mr. Kovin and Mr. Donegan—who were vice presidents of the company, supervised all of the actual details, and that during the entire period referred to in the report, Mr. Hardy was engaged in and maintained an office for the general practice of law. Is that statement correct?

Mr. VAN NUYS. That is correct. Some materiality has been attached to the fact that the city chamberlain of the city of New York invested in these securities and lost a lot of money. The city chamberlain is an official of the court who invests the trust funds of wards of the court, minors, people of unsound mind, that type of people.

The city chamberlain is supposed to be one of the best judges of the value of real estate and of bona-fide securities in the whole city of New York. Most of these investments were made upon order of the court, after investigation as to their value and validity. I think one of the highest compliments that could be paid to the mortgage company in question is that the city chamberlain of the city of New York, under order of court, after petition and hearing, invested millions of dollars in this particular mortgage and title company. Instead of that action being used as an indictment against the company, it seems to me to be one of the most admirable endorsements of the good faith of the company and the value of its securities.

I wish to refer to one other matter. The Senator from Nebraska [Mr. NORRIS] has criticized the subcommittee somewhat because of its attitude. It also has developed

that the investigating committee headed by Mr. Cook may be subjected to similar criticism. The truth is that after the President made the ad-interim appointment of Mr. Hardy, and he took his office, this self-constituted committee of censorship, composed of a small part of the Bar Association of New York, invited Mr. Hardy to appear before it and show reason why he should be appointed United States attorney for the southern district of New York. On that committee of 12 there was 1 prominent lawyer defending a claim brought by the Government against his client for over \$6,000,000. There were three other lawyers defending substantial claims brought by the Government. Mr. Hardy said, "I will not put myself under obligation to you gentlemen. I have an undivided loyalty to the Government of the United States."

Mr. President, I glory in Mr. Hardy's independence. As one of the witnesses said, if he had subjected himself to that committee and put himself under obligation to lawyers of that type, he would have disqualified himself, in the witness' opinion, as a nominee for the position of United States attorney, and I am sure the Senator from Nebraska will agree with that statement.

Mr. NORRIS. Mr. President, if the nominee was so sensitive, he certainly would not let the fact that one member of the bar association committee or two or three members of the bar association committee had cases against the United States make him feel as though he would be disqualified if he went before the committee. If he felt so sensitive, it seems to me he ought to have told the President, as the editorial which I read said he ought to do, that he did not wish to embarrass the President or his administration or the administration of justice in New York, and he ought not to have permitted his name to come before the Senate at all, as a candidate, under all the circumstances.

Mr. VAN NUYS. I suggest to the Senator that it was not a question of being sensitive, but it was a question of a man having fine sensibilities, which this man demonstrated by refusing to attend the committee meeting.

Mr. NORRIS. I do not believe Mr. Hardy would have been subject to criticism had he gone before the committee. In fact, I think he ought to have gone to the meeting of the committee, no matter who was on the committee, if he had any defense to make, and ought to have made it. If he had done so, in my opinion, it would not have put him under any obligation to some attorney who had an action pending against the United States.

Mr. VAN NUYS. That is just a difference of opinion, Mr. President. I think it would; and I think Mr. Hardy is to be complimented upon his undivided loyalty, as I stated previously.

Mr. NORRIS. At least nobody criticized him for not going. The committee desired to be fair. It said, "You may appear here."

Mr. VAN NUYS. Mr. President, I desire to say in conclusion that if Mr. Hardy had gone before the committee of the bar association and those gentlemen defending millions of dollars' worth of claims against the United States had endorsed him, we never should have had this difficulty presented to us.

That is all I have to say.

Mr. COPELAND. Mr. President, it would be absurd for me to attempt any discussion of the legal aspects of this case. But there is a human side to it which means much to me. I should not be satisfied to have the record terminated without speaking of that side of the problem.

In the beginning of his remarks, the Senator from Nebraska [Mr. NORRIS] said that he had no personal knowledge of or acquaintance with Mr. Hardy. I am sorry that the Senator has not had that privilege. It is a privilege, one that I have enjoyed for nearly a quarter of a century. Because of my contacts with Mr. Hardy and my faith in him as a man, my opportunities to know something of his character, and my belief in his integrity, I want to say just a word or two about him.

In the first place, Mr. President, I desire to tell Senators that I was in Mr. Hardy's confidence in the matter of his

appointment from the time it was broached to him by the President. Please do not misunderstand me. I do not make recommendations to the President and he never consults me about those he intends to make. But in this particular instance, Mr. Hardy, my friend, came to me to tell me that the President was anxious to have him made United States district attorney for the southern district of New York. He told me of his embarrassment by reason of the fact that he had had this request made of him, embarrassment because of his activities in his profession and in his own office; that it would be a personal and financial loss to him to accept the office. But the President had asked him to do it, and he felt that perhaps, in view of his long-time, close relationship with Mr. Roosevelt, he ought to accede to the request. The matter drifted along for some months, when I learned from Mr. Hardy that the request had been renewed.

It does not seem to me that a man who is drafted for a job could be considered as one who might, by reason of his acceptance of the office, improperly serve former associates. If Mr. Hardy had been an active candidate for this office, if I had had 300 letters from his friends, such letters as we have recorded in the volume of the hearings, that would create quite a different impression. But Mr. Hardy is in this embarrassing position today by reason of the fact that he was commandeered by the President of the United States to take a place he never sought, to undertake this important work in New York.

I can quite understand why the President wanted Mr. Hardy. He has been tested in the fire of public opinion through many years. He was corporation counsel under Mr. Mitchel, a reform mayor, and had a distinguished career in that office. He brought to the position a degree of intelligence, legal training, and efficiency such as that office has rarely had. As an intelligent, well-informed citizen of the State of New York, of course, Mr. Roosevelt, first as a private citizen and afterward as Governor of the State, knew of the achievements of this fine, outstanding character. I was not and am not surprised that the President in looking over the field in New York chose this particular man.

The other day I opposed, and shall continue to oppose certain nominations of the President which I think are uncalled-for nominations. But I am glad to support the nomination of Mr. Hardy, not because of the political endorsement he has from that group of the Democratic Party of New York to which I belong, because he has not that endorsement so far as I know, but because my endorsement, my hearty and sincere endorsement of Mr. Hardy, arises from the fact that I know the man. Doubtless I have made many mistakes in my estimates of men, but after all a doctor learns a lot about people that the layman never grasps, perhaps. In this instance there is no disagreement between the doctor and the multitude of other people who have gladly endorsed this nominee.

It may be unusual, as the Senator from Nebraska said, to include in a senatorial record a list of names such as we find here. Not until this afternoon did I look over that list. I find recorded here the names of men I know personally, and have known for years. For instance, we have the name of Samuel Seabury. Samuel Seabury is anathema to my branch of the Democratic Party. Nevertheless Samuel Seabury is an outstanding character, respected, if not beloved, by all of New York. He has said he is for Mr. Hardy.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Nebraska?

Mr. COPELAND. Certainly.

Mr. NORRIS. Is that the same Seabury who appeared at the meeting of the bar association which considered the nomination and who advocated the adoption of a resolution against Mr. Hardy?

Mr. COPELAND. I am not familiar with what happened at the meeting of the bar association, not being a member of the bar. I do not know whether it is the same Samuel Seabury or not, but I find here a telegram of congratulation and best wishes from Samuel Seabury.

Mr. NORRIS. That would not necessarily be inconsistent with the fact that he did what I have suggested. If I am wrong, I should like to be corrected.

Mr. COPELAND. I do not know whether the Senator is wrong or not, but if Mr. Seabury, the man of whom the Senator from Nebraska speaks, is opposed to Mr. Hardy, then some of my New York friends will be all the more for him.

Mr. NORRIS. Then the Senator is reading some recommendations in which he himself does not believe?

Mr. COPELAND. I question that conclusion, but let me give one or two in which I certainly do believe.

Mr. NORRIS. I should like to get the record straight about Mr. Seabury. The record shows that Mr. Seabury was advocating the adoption of a resolution condemning Mr. Hardy and afterwards sent him a letter of congratulation. I suppose that is on the same theory that the defeated candidate for office usually sends a letter of congratulation to the man who beat him.

Mr. COPELAND. It may be, but I hope the Senator has more reason than the one he just alleged for his opposition to Mr. Hardy; and, of course, he has, because he has already recited them.

I shall now refer to some persons who are better known to me than Mr. Seabury. I find a letter of congratulation—and I think I heard the Senator from Nebraska say a little while ago that the gentleman appeared before the committee in behalf of Mr. Hardy—from Mr. Nathan L. Miller, former Governor of the State of New York. It has been my duty to appear on the stump against Mr. Miller, yet for him I have always had very high regard and respect. I think when he speaks in approval of a candidate for office he is very sincere in the matter.

Then we have Mr. George Z. Medalie. He does not belong to my branch of the Democratic Party or any other branch of the Democratic Party. But he had long experience as United States district attorney in New York and gained the respect of the community because of the fine way in which he conducted that office. He was also the opponent of my colleague, but in spite of that fact and also that he has always opposed me in my appeals for votes, he is an upstanding man whom my colleague and I respect.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. NORRIS. I presume an examination of the record and the newspapers at the time would disclose the fact that Mr. Hoover, when he was defeated by Mr. Roosevelt, sent Mr. Roosevelt a telegram of congratulation. Would the Senator infer from that that Mr. Hoover was going to support Mr. Roosevelt?

Mr. COPELAND. I hold no brief for Mr. Hoover. I assumed when Mr. Roosevelt was elected President that Mr. Hoover, as a good citizen, would say, "I am for you and wish you well."

Mr. President, I have not been so fortunate when I have run for office always to have my opponent telegraph me his congratulations. I stayed home on one election night, though wishing to go down and join the celebrants, because I felt I could not go until I had had that letter or telegram of congratulation from my opponent. I did not get it and I missed all the fun. But if Mr. Hoover sent this telegram of congratulation, he did the proper thing, as I see it.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. Byrd in the chair). Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. Certainly.

Mr. BARKLEY. Those persons who are recorded as having congratulated Mr. Hardy were not opponents of his for the office to which he was appointed, so there is no analogy between a defeated candidate congratulating his successful opponent and the endorsement of Mr. Hardy by these different men.

Mr. COPELAND. That is correct. I thank the Senator and agree with him.

I do not know how much it may mean to other Members of the Senate, but to me it is very significant to find certain names included in this list. I find, for example, a letter from Mr. William T. Chadbourne, who happens to be a personal friend of mine. He might have been my opponent if he had had votes enough in the Republican convention at the time the opponent who did run against me was nominated. Mr. Chadbourne sent a letter to Mr. Hardy. Mr. Chadbourne is a bosom friend and had much to do with the election of the present mayor, Mr. LaGuardia, of the city of New York. My colleague [Mr. WAGNER] reminds me, sotto voce, that Mr. Chadbourne managed Theodore Roosevelt's campaign in 1912.

I find here a very cordial letter from the Reverend Dr. Christian F. Reisner, of New York. Dr. Reisner is the best-known Methodist preacher in the State of New York, pastor of the Broadway Tabernacle. He is a man who has taken an unusual interest in civic affairs in the city of New York, a man who is often critical even of his friends.

When I ran for the Senate in 1922 the wet and dry issue was about as bitter as it has ever been in my State. Outstanding Democrats like the Senator from Kentucky [Mr. BARKLEY], the Senator from Mississippi [Mr. HARRISON], and the Senator from Arkansas [Mr. ROBINSON] had not yet turned wet! When I was a candidate in 1922 my good old friend Dr. Reisner, whom I had known in the West and with whom I had a rather intimate acquaintance extending over a period of 25 years, denounced me because, he said, "While Dr. COPELAND is a Methodist, he is running on a platform which is as wet as the Atlantic Ocean." But the Reverend Dr. Reisner—a just man, a man who has a right to express his opinion, and does so no matter where the chips may fall, as I have already indicated—writes a letter to the President of the United States to say:

I cannot resist the impulse to heartily congratulate you over the most excellent appointment of Lamar Hardy—

And so forth.

It is perhaps unnecessary to go along with this argument or with the recital of more names, but I find here the name of Arthur Woods. Arthur Woods—a wealthy man who had no need to participate in political life in any manner whatever—was one of the best police commissioners the city of New York ever had. Arthur Woods is pleased over this nomination. He is not a lawyer, so I do not suppose he went to the Bar Association to make any comments on the subject.

I find here the name of William L. De Bost. Mr. De Bost is a leading citizen of Staten Island. For years he was president of the New York Board of Trade. He is one of the finest Christian gentlemen I have ever known, and a man who is respected throughout the length and breadth of New York. He says:

There is some justice in politics after all.

And, speaking of the President—

And his picking you out for this position is most gratifying to all self-respecting citizens here.

I should like to have Mr. De Bost say that about me sometime.

Mr. President, I am not going to say more. If I were regarding this purely as a matter of politics, I should not be for Mr. Hardy. In the first place, I never had an appointment from the administration, and I never expect to have one. I have every reason to be in opposition to the appointments made by the administration. In the next place, Mr. Hardy is not endorsed, as I said a little while ago, by the branch of the Democratic Party in New York to which I belong. But disregarding politics entirely, and speaking to you Senators as one man to a group of men, regardless of mistakes that may have been made, regardless of captious criticism of unfortunate legal entanglements, in spite of all the things that might be said in bitterness—all of which I think can be and have been explained away—I am here to say to you, my dear colleagues, that we shall never be called upon to pass judgment upon a finer character than that upstanding citizen of my city, Mr. Lamar Hardy.

Mr. WAGNER. Mr. President, I do not want to delay the vote upon the question of the confirmation of Mr. Lamar Hardy. However, I should not wish to create, as a result of keeping quiet, any impression that I might be indifferent to Mr. Hardy's confirmation. I regard him—and that is my only reason for supporting him—as eminently qualified, from the standpoint of character and legal acumen, for this very high and important office.

I do not criticize those who appeared before the Judiciary Committee in opposition to the confirmation of Mr. Hardy, nor do I question their sincerity; but it will be noted that all of the opponents admit that Mr. Hardy is a man of fine character and exceptional capacity, which he has exhibited not only in the private practice of the law but also in public office.

My colleague has just mentioned the fact that Mr. Hardy was corporation counsel of New York, and thus headed what is, I think, the largest public legal office in the United States; and it is generally recognized that we have never had a more able and conscientious man in the position.

Any misapprehension as to the character and ability of Mr. Hardy, which may have arisen as a result of some of the things that have been said here, may be removed without difficulty.

Let me emphasize first of all that the district attorney of New York County made a thorough investigation of the conduct of the companies which have been discussed here this afternoon. Now, I am not here to condone a single act or offense of some of those who conducted some of these mortgage companies. In my judgment, there were some individuals guilty of fraud, and others probably of criminal offenses. But the investigation, when it was completed, clearly exonerated Mr. Hardy of any unworthy act, or of any impropriety in association with these companies.

Secondly, the attorney general of the State of New York made a thorough investigation of the conduct of the companies; and as a result of his investigation it was clearly established that Mr. Hardy was free from any kind of wrongdoing.

I desire to add only one other thing. Very recently, Mr. Lamar Hardy rendered a public service of great value to the people of New York, for which he neither asked nor received any compensation whatsoever. At the time the Bank of the United States failed, several years ago, about 500,000 depositors were threatened with the loss of all their savings. Together with Mr. Max D. Steuer, of New York, Mr. Lamar Hardy volunteered his services to the depositors of the institution; and for months, without any compensation, Mr. Hardy gave practically his entire time to the task of salvaging as much as could be salvaged for the depositors of the bank. He also attempted to bring about a reorganization of the bank.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. WAGNER. Yes.

Mr. WHEELER. I am seeking information. I find, on page 94 of the testimony, the following statement by a man by the name of Spence. I do not know Mr. Spence, but I am assuming that his testimony is correct. He said:

Now, to get back to the situation under which that company was operating, in 1930 and 1931 it still continued to sell to the public property which had been foreclosed, and sold such mortgages to the public for 3 or 4 years. Not only that but that company sold to the chamberlain of the city of New York over \$3,000,000 of securities, mortgage certificates, and straight mortgages. All but some \$250,000 of those mortgages are in default.

In other words, he states that this company, during the period when this man was chairman of the executive committee, sold mortgages which had been foreclosed.

Mr. WAGNER. I may say to the Senator that although I would be quite willing to rely upon Mr. Hardy's word that he had nothing to do with the particular transaction which the Senator has mentioned, it is not necessary to rely on that alone. There have been investigations by the Attorney General of the United States and by the attorney gen-

eral of the State of New York and by the district attorney of New York County, not only into the conduct of this company but of a number of other companies involved. All reached the conclusion, which even Mr. Cook and Mr. Shearn, as opponents of Mr. Hardy, have reached, that Mr. Hardy's well-earned reputation for character and integrity were in no way affected by those transactions.

Mr. NORRIS. Mr. President—

Mr. WAGNER. The Senator from Nebraska read an account—and I do not know whether it was in a newspaper or from the testimony—in which it was emphasized that none of the gentlemen in opposition questioned the integrity or the capacity of Mr. Lamar Hardy.

Mr. NORRIS. I could not hear all of the answer of the Senator to the Senator from Montana, but regardless of how many investigations might have been made, does the Senator excuse the conduct of that corporation, as shown in the testimony at the bottom of page 94, when over \$3,000,000 was invested in those securities, and it was shown that all but \$250,000 of these mortgages were in default?

Mr. WAGNER. Of course, I do not excuse it. I might say to the Senator that I am one of several attorneys in New York who have attempted to reorganize some other companies, so that we might save at least a part of the fortunes which had been invested in securities. What I do say is that I am convinced by all of these investigations that Mr. Hardy is not involved in any of the transactions which have been criticized.

Mr. NORRIS. At the time of these occurrences Mr. Hardy was a member of the board of directors and chairman of the executive committee of the company.

Mr. WAGNER. I may say that at the bar association meeting Mr. Seabury and Mr. Cook and a third gentleman, whose identity I do not recall, spoke in opposition to Mr. Hardy, but conceded that, so far as his character and his capacity were concerned, they were in no way impugned. The opposition merely expressed the fear that because of Mr. Hardy's association with these companies public confidence in him might not be inspired.

In answer to that, let me say that my colleague read letters and telegrams from some of the most eminent people in New York, not merely lawyers who practice in court but others, endorsing Mr. Hardy.

Mr. NORRIS. Mr. President, the Senator knows from his experience, with applications being made to him for appointment to office, that practically anyone can get endorsements of that kind.

Mr. WAGNER. No.

Mr. NORRIS. Yes; it might have been shown here that he was a member of the church, that he contributed to charity, and all that sort of thing, indicating very good qualities.

Mr. WAGNER. Mr. Abram I. Elkus and a host of others of similar standing would not, if they had the slightest question about the integrity of Mr. Hardy, endorse him. These matters have all been publicized in New York, and it was after that was done that these particular endorsements came to Mr. Hardy. I do not rely upon that alone, however. I have read the testimony in the case, and I think I know my conscience, and if I were satisfied that Mr. Lamar Hardy was not, from the standpoint of character and capacity—and character more than capacity—qualified for this office, I would not support him. Unlike my colleague, I was never consulted with reference to this nomination, nor did Mr. Lamar Hardy confide in me to the extent of asking my advice as to whether he ought to accept the office or not.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for a question?

Mr. WAGNER. Certainly.

Mr. LA FOLLETTE. If the Securities Act had been on the statute books when Mr. Lamar Hardy was a member of the board of directors and chairman of the executive committee of this title company, he would have been responsible, would he not, for the character of advertising that was put out to the public concerning the securities they were offering for sale?

Mr. WAGNER. So far as that is concerned, at the time when Mr. Hardy was connected with the company, as I understand, a report had been made by the superintendent of insurance in which he found this particular company not only solvent but profitable.

Mr. LA FOLLETTE. I was not referring to the acts which resulted in the indictment of other directors of the company. I was confining my inquiry to the question as to whether or not Mr. Hardy, as a director and chairman of the executive committee of this company, would not have been liable under the provisions of the Securities Act for knowledge and responsibility as to advertising in the press of securities which his company was offering for sale.

Mr. WAGNER. I do not know enough about the facts to answer whether or not there would have been any civil liability.

Mr. LA FOLLETTE. I understood the Senator was absolving Mr. Hardy from responsibility on the ground that he did not know what was going on, but, as a matter of fact, he was a director of this company; and he was chairman of its executive committee when it was issuing advertising, as I understand, to the people of New York asking them to invest in these securities because they were so safe and because they were protected by this guaranty fund, when Mr. Halprin's report showed that the guaranty fund at that time was impaired to the extent of some four and a half million dollars.

Mr. ROBINSON. Mr. President, I inquire of the Senator from New York whether he would be willing to suspend now and resume tomorrow.

Mr. WAGNER. Yes; I would be willing.

Mr. ROBINSON. It is apparent that some more time, perhaps an hour, will be required to conclude consideration of the nomination now before the Senate. I therefore desire to submit a request for unanimous consent.

I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that at not later than 1 o'clock the Senate proceed to vote on the nomination.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. LA FOLLETTE. I suggest to the Senator that it would be more equitable to provide for some limitation of debate so that no one Senator or two or three Senators could occupy the entire time.

Mr. ROBINSON. Mr. President, I will have to change the request, in view of the suggestion of the Senator from Wisconsin.

I ask unanimous consent that when the Senate completes its labors today it take a recess until 12 o'clock noon tomorrow, and that the consideration of the nomination now before the Senate be resumed in open executive session when the Senate convenes tomorrow at 12 o'clock, and that no Senator thereafter shall speak more than once or longer than 10 minutes on the nomination.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Executive reports of committees are now in order.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER (Mr. BYRD in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the next nomination in order on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. ROBINSON. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

MESSAGE FROM THE HOUSE

A message from the House of Representative, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. STEPHEN A. RUDD, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

NAVAL AIR STATION, MIAMI, FLA.

The Senate resumed legislative session,

The PRESIDING OFFICER (Mr. BYRD in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WALSH. I move that the Senate insist on its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on the part of the Senate.

DEATH OF REPRESENTATIVE RUDD, OF NEW YORK

The PRESIDING OFFICER. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The resolutions (H. Res. 474) were read, as follows:

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES, March 31, 1936.

Resolved, That the House has heard with profound sorrow of the death of Hon. STEPHEN A. RUDD, a Representative from the State of New York.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, this House do now adjourn.

Mr. COPELAND. Mr. President, as we have just learned, one of our beloved colleagues from New York, Hon. STEPHEN A. RUDD, has departed this life. He was a man highly respected and beloved by the people of his district, and, as I have already indicated, he was beloved by his colleagues. At a later time we shall hold more appropriate exercises in his memory. In the meantime, I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S. Res. 273) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. STEPHEN A. RUDD, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution, the Presiding Officer appointed as the committee on the part of the Senate Mr. COPELAND and Mr. WAGNER.

Mr. COPELAND. Mr. President, as a further mark of respect to the memory of the late Representative RUDD, I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Wednesday, April 1, 1936, at 12 o'clock meridian.

CONFIRMATIONS

*Executive nominations confirmed by the Senate March 31
(legislative day of Feb. 24), 1936*

POSTMASTERS

CALIFORNIA

Ethelbert T. Stanford, Castella.
Nannie A. Coleman, Kentfield.
Grace P. Johnson, Windsor.

IOWA

Ruth A. McMeel, Coggon.
Elmer J. Hylbak, Lake Mills.
Frank W. Baumgardner, Livermore.
Byrd S. Clark, Mount Vernon.
Hans C. Johnson, Northwood.
Daniel C. Norris, Prairie City.
Harry F. Lewis, West Liberty.

LOUISIANA

Frank B. Kennedy, Cameron.
Samuel A. Fairchild, Vinton.

MISSOURI

Margaret H. Stewart, Mexico.

HOUSE OF REPRESENTATIVES

TUESDAY, MARCH 31, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

Gracious Father, have us go in the path of Thy commandments and incline our hearts unto Thy testimonies. Let Thy mercies come to us, O Lord, even Thy salvation, according to Thy word. Do Thou arrest our attention and shape the character of our thoughts and desires. In Thee may we learn is the destiny of humanity; enrich it with the ministries of Thy knowledge; enfold the least and the feeblest, the noblest and divinest. We pray Thee to enable us to guard most jealously our impulses and our conceptions of our high calling, that the lament of failure may not be a minor note in our service. O keep our people from the coils of disobedience and from being guilty lovers of lawlessness. Enthuse us all with the spirit of a deep sense of moral government and with the courage of a mighty crusade against the threatening vanities and selfish luxuries of modern life. O Prophet of God, may we be gratefully mindful of Thee as we approach earth's greatest hour. We kneel at the altar of our souls in recognition of Thy providence. An honored Member, a splendid citizen, and a good man has left us. Comfort the sorrowing loved ones and keep them in perfect peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 11945. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts.

COMMODITY CREDIT CORPORATION

Mr. SNELL. Mr. Speaker, just before we adjourned last evening, at my request there was an arrangement whereby we were to have a roll call on the passage of the Commodity Credit Corporation bill. I have changed my mind and withdraw my demand for a roll call vote.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

WAR DEPARTMENT APPROPRIATION BILL, 1937

Mr. PARKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11035) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. RICH. Mr. Speaker, reserving the right to object, can the gentleman tell us by how much the bill was increased in the Senate?

Mr. PARKS. The Senate increased the bill fifty-odd millions. It is because of this we are asking the conference, and I sincerely trust the gentleman will stay with us when we come back.

Mr. RICH. This is the War Department appropriation bill.

Mr. PARKS. Yes; but the increase was in the nonmilitary activities, rivers and harbors.

Mr. RICH. Does the gentleman recall that the House increased the bill \$120,445,036 over last year's appropriation?

Mr. PARKS. I think the gentleman's figures are wrong.

Mr. RICH. No I am not wrong, the figures are correct. When the House of Representatives increased this bill \$120,000,000 and over it was excessive.

Mr. PARKS. It was within the Budget.

Mr. RICH. Who made out this Budget?

Mr. PARKS. The powers that be, of course; the people who brought back prosperity made it out.

Mr. RICH. Whom does the gentleman mean by "the powers that be", who are they in Washington?

Mr. PARKS. The people who brought us back from this terrible depression we were in, the people who got this country so the gentleman's concern said, "We have had the best year in many, many years"; they are the people who helped make this Budget.

Mr. RICH. The people who brought back prosperity?

Mr. PARKS. That is right.

Mr. RICH. If there is prosperity, I should like to know just exactly where it is.

Mr. PARKS. In the gentleman's manufacturing concern. That statement was made on the gentleman's own letterhead.

Mr. RICH. There is no use getting funny about this.

Mr. PARKS. I am not funny; I am awfully serious.

Mr. RICH. This is not going to be funny; this is one of the most serious things facing the Nation today. The most serious problem we have facing this Nation today is unemployment; people in need. There is only one thing for us to do, and that is to conduct the affairs of Government in a sound, sensible, businesslike way. We owe certain obligations to the people back home, and I am trying to think of these people.

Every time we increase an appropriation bill over what it was the previous year we are increasing the cost of Government, and next year it will require larger appropriations than this year. The point I want to stress is that the sorrowful effects of this extravagance will not become apparent until the future. It is not what we are doing right now but what faces us in the future. We certainly are wrecking the Nation financially, and the future boys and girls will have to bear the burden.

Mr. PARKS. Will the gentleman now let me say one thing? We are asking this conference with the Senate in order that so far as it is possible and practicable we may stand by the figures of the House and not increase the bill by this fifty-odd millions of dollars, and I hope I may have the gentleman's assistance.

Mr. RICH. The gentleman certainly will have that.

I ask the gentleman if he does not think we ought to cut down the \$121,000,000 increase the bill carried over last year? Otherwise we will be faced with a further increase next year.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. PARKS. I yield.

Mr. BLANTON. The Senate has added amendments aggregating \$62,000,000 to this bill. What the House of Representatives wants to do is to keep this \$62,000,000 out of it. The House of Representatives kept this bill within the Budget, and it did not exceed the Budget until it went to the other end of the Capitol, and the Senate added numerous amendments carrying many millions of dollars to it.

Mr. RICH. The trouble with our conferees is that they let the Senate pull things over on them.

Mr. BLANTON. The gentleman is very much mistaken about that. The House conferees are always able to hold their own with the Senate.

Mr. RICH. We want conferees who have some backbone.

Mr. BLANTON. I believe that the Speaker will appoint conferees who have plenty of backbone.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Chair appointed the following conferees: Mr. PARKS, Mr. BLANTON, Mr. McMILLAN, Mr. SNYDER of Pennsylvania, Mr. DOCKWEILER, Mr. BOLTON, and Mr. POWERS.

THE DEPARTMENTS OF STATE, JUSTICE, THE JUDICIARY, COMMERCE, AND LABOR APPROPRIATION BILL, 1937

Mr. McMILLAN, from the Committee on Appropriations, reported the bill (H. R. 12093) making appropriations for the Departments of State and Justice and for the Judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1937, and for other purposes (Rept. No. 2286), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BACON reserved all points of order.

NATIONAL HOUSING ACT

Mr. GOLDSBOROUGH. Mr. Speaker, I call up the conference report on the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

[To accompany S. 4212]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 2 of title I of the National Housing Act, as amended, is amended, effective April 1, 1936, to read as follows:

"Sec. 2. (a) The Administrator is authorized and empowered, upon such terms and conditions as he may prescribe, to insure banks, trust companies, personal finance companies, mortgage companies, building and loan associations, installment lending companies, and other such financial institutions, which the Administrator finds to be qualified by experience or facilities and approves as eligible for credit insurance, against losses which they may sustain as a result of loans and advances of credit, and purchases of obligations representing loans and advances of credit, made by them on and after April 1, 1936, and prior to April 1, 1937, or such earlier date as the President may fix by proclamation upon his determination that there no longer exists any necessity

for such insurance in order to make ample credit available, for the purpose of financing alterations, repairs, and additions upon improved real property, and the purchase and installation of equipment and machinery upon such real property, by the owners thereof or by lessees of such real property under a lease expiring not less than six months after the maturity of the loan or advance of credit. In no case shall the insurance granted by the Administrator under this section to any such financial institution on the loans, advances of credit, and purchases made by such financial institution for such purposes on and after April 1, 1936, exceed 10 per centum of the total amount of such loans, advances of credit, and purchases. The total liability incurred by the Administrator for all insurance heretofore and hereafter granted under this section shall not exceed in the aggregate \$100,000,000.

"(b) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it (1) unless the obligation bears such interest, has such maturity, and contains such other terms, conditions, and restrictions as the Administrator shall prescribe in order to make credit available for the purposes of this title, and (2) unless the amount of such loan, advance of credit, or purchase is not in excess of \$2,000, except that in the case of any such loan, advance of credit, or purchase made for the purpose of such financing with respect to real property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants, or improved by some other structure which is to be converted into a structure of any of the types herein enumerated, such insurance may be granted if the amount of the loan, advance of credit, or purchase is not in excess of \$50,000: *Provided*, That after April 1, 1936, no insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it in the amount of \$2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

"(c) Notwithstanding any other provision of law, the Administrator shall have the power, under regulations to be prescribed by him and approved by the Secretary of the Treasury, to assign or sell at public or private sale, or otherwise dispose of, any evidence of debt, contract, claim, property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this section, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligations may be referred to the Attorney General for suit or collection.

"(d) The Administrator is authorized and empowered, under such regulations as he may prescribe, to transfer to any such approved financial institution any insurance in connection with any loans and advances of credit which may be sold to it by another approved financial institution."

"Sec. 2. Section 3 of title I of the National Housing Act, as amended, is hereby repealed."

And the House agree to the same.

The House recedes from its amendment to the title of the bill.

T. ALAN GOLDSBOROUGH,
M. K. REILLY,
FRANK HANCOCK,
JNO. B. HOLLISTER,
JESSE P. WOLCOTT,

Managers on the part of the House.

ROBERT J. BULKLEY,
ALBEN W. BARKLEY,
JOHN G. TOWNSEND, Jr.,
FREDERICK STEIWER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4212) to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The Senate bill limited the loans, advances, and credit, and purchases of obligations representing loans and advances of credit made on and after April 1, 1936, to the financing of alterations, repairs, and additions upon improved real property and the purchase and installation of equipment and machinery upon such real property by the owners thereof or by leases of such real property under a lease for a period of not less than 1 year. Under this provision of the Senate bill, loans for new construction on vacant land would not be permitted but under the House amendment such loans would have been permitted. The conference agreement adopts the provision in the Senate bill in this respect, but in lieu of the provision with respect to leases contained in the Senate bill the conference agreement adopts the provisions of the House amendment, namely, that an eligible lessee should be one holding under a lease expiring not less than 6 months after maturity of the loan.

The House amendment also contained a provision, which was not contained in the Senate bill, under which the financing of the purchase and installation of equipment and machinery on real property was in connection with loans made to owners and lessees of property already improved by apartment or multiple-family houses, hotels, office, business, or other commercial buildings, hospitals, orphanages, colleges, schools, churches, or manufacturing or industrial plants. The conference agreement provides that the insurance provided for under the bill shall not apply to any loan in the amount of \$2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

The House amendment also contained a provision not contained in the Senate bill under which the Administrator was authorized and empowered to transfer to any improved financial institution in connection with loans and advances of credit to it by another approved financial institution. The conference agreement retains this provision with minor clarifying amendments.

The House also recedes from its amendment to the title of the bill.

T. ALAN GOLDSBOROUGH,
M. K. REILLY,
FRANK HANCOCK,
JOHN B. HOLLISTER,
JESSE P. WOLCOTT,

Managers on the part of the House.

Mr. DUFFEY of Ohio. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Adair	Driscoll	Kee	Polk
Allen	Dunn, Miss.	Kennedy, Md.	Ramspeck
Amile	Eaton	Kinzer	Reed, Ill.
Berlin	Eckert	Kocialkowski	Robison, Ky.
Brewster	Ellenbogen	Lee, Okla.	Romjue
Buckbee	Farley	Luckey	Sanders, La.
Buckley, N. Y.	Fish	Lundeen	Short
Bulwinkle	Fitzpatrick	McClellan	Sirovich
Carmichael	Gillette	McGehee	Steagall
Casey	Goodwin	McGroarty	Stewart
Cavicchia	Gray, Pa.	McKeough	Sweeney
Chapman	Greenway	McLeod	Taber
Claiborne	Gregory	McReynolds	Thomas
Clark, Idaho	Halleck	Montague	Tinkham
Connery	Hamlin	Montet	Underwood
Crosby	Healey	Moran	Wadsworth
Culkin	Hoeppel	Nichols	Wearin
Dear	Houston	Norton	Wood
DeRouen	Jenckes, Ind.	Oliver	Zimmerman
Dorsey	Jenkins, Ohio	Peterson, Fla.	

The SPEAKER. Three hundred and fifty have answered to their names. A quorum is present.

On motion of Mr. BANKHEAD, further proceedings under the call were dispensed with.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, since the House adjourned yesterday our beloved colleague, Congressman Rudd, of New York, has passed away. It was the purpose of the leadership of the House to adjourn immediately upon the call of the House this morning, except for the fact that a conference report on the Housing bill, extending its terms, has to be acted upon at once. The Housing Act expires tomorrow night. This conference report has already been adopted by the Senate. It is the purpose to send an airplane to the President to have this law continued before its expiration tomorrow night at 12 o'clock. For this reason, and this reason alone, the House is in session at this time, and, as I understand, we will adjourn immediately upon action being taken on this conference report.

Mr. Speaker, the conference report on the House bill is a unanimous report on both sides of the Congress. It was agreed to yesterday afternoon, and the Senate immediately adopted the report. It is desirable that the report be acted upon immediately in the House. Last evening I asked unanimous consent for immediate action in the House, but there was an objection. Under the rules action had to be deferred until this morning.

The House bill as adopted is practically as passed by the House, with the exception that the clause involving new

construction on buildings covered by insured loans up to \$2,000 was not left in the House bill. That provision was stricken at the instance of the Senate. The Senate agreed that equipment should be stricken out of the Senate bill, which, as I stated before, leaves this legislation practically in the form it left the House, with the one exception that the so-called cheap new construction involving loans up to \$2,000 is no longer in the bill.

Mr. COLDEN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from California.

Mr. COLDEN. Does the striking out of this provision deprive the people of the greatest need in this country of the provisions of this aid?

Mr. GOLDSBOROUGH. I was just going into that feature. I can assure my friend that it does not deprive the people of this country of anything, and if the Members will bear with me I will try to explain why that is true.

Mr. Speaker, it was not intended by the Congress that new construction under title I involving loans of less than \$2,000 should have been in the law, but after the law was passed it was construed as containing such a provision. The Federal Housing Administration was very reluctant to act under it, but they were compelled to do so. This has resulted in a racket which is destroying the modest home builders, and it is for their protection and their protection alone that this provision has been stricken from the legislation.

Mr. MAY. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Kentucky.

Mr. MAY. I notice in the conference report this statement:

The conference agreement provides that the insurance provided for under the bill shall not apply to any loan in the amount of \$2,000 or less for the purpose of financing the purchase and installation of equipment and machinery upon improved real property.

As I understand this language, it simply means that a man who wants to install plumbing in his house or heaters or anything of that kind in a building of less than \$2,000 cannot get it from the Housing Administration?

Mr. GOLDSBOROUGH. Of course, he could get aid for the installation of plumbing. The conference report shows no change from the bill as it passed the House on that proposition.

Mr. MAY. I would like to have the gentleman give us a little information on what the racket is, if this is eliminated.

Mr. GOLDSBOROUGH. The provision which the gentleman refers to is exactly as it left the House. There is no change in that. It is only in this new construction of buildings that the change has been made in the conference report.

Mr. CARPENTER. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Kansas.

Mr. CARPENTER. May loans of \$2,000 be made for repairs?

Mr. GOLDSBOROUGH. Yes. It is only new construction that is involved. Now, let me explain about this racket.

Many of the banks of the country have built up large insurance reserves. You understand that when the banks have insured up to 20 percent the Federal Housing Administration not only insures the individual loan but it insures all loans that have been taken by the bank. A lot of these banks have built up tremendous reserves, some of them as much as two or three million dollars, and one of them in New York, the National City Bank of New York, about \$12,000,000. So a builder can go to a man and say, "I will put you up a building at \$2,000 and you will not have to put up a cent." What happens is that the builder constructs the house, a promissory note is given by the owner to the builder, the builder takes it to the bank, and the bank discounts it and is protected in its discount by virtue of this large insurance reserve which it has accumulated. This has become a racket, and has become a racket to such an extent that it is recognized by the large

lumber dealers who value their reputation, and these large lumber dealers have now come to the Federal Housing Administration and insisted that this practice must be stopped, because these buildings will not be paid for. They are placed in undesirable locations. Often a man is taken out in the country and is told, "Here is a new property and here is A Street and here is B Street and here is C Street, and we can build you a house here and it will be an improved community in a short time." He builds the house and takes the note and the note is discounted by the bank. The bank is protected by its insurance and the owner, of course, has the bag to hold. He owes a note of \$2,000 and has property that is undesirable.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself 5 more minutes.

Mr. MAVERICK. Mr. Speaker, will the gentleman yield? Mr. GOLDSBOROUGH. I yield.

Mr. MAVERICK. The Federal Housing Administration does not have to accept that undesirable note.

Mr. GOLDSBOROUGH. They have to undertake the insurance.

Mr. MAVERICK. Does the gentleman mean it is compulsory for them to take such an undesirable note?

Mr. GOLDSBOROUGH. I mean the note does not go to them. When they have qualified the bank to do business, the owner's note is given to the builder. The builder takes the note to the bank and discounts it, and as soon as that note is discounted all the bank does is to report that loan to the Federal Housing Administration and that increases the insurance reserve of the bank.

Mr. MAVERICK. I do not understand how they can be made to take undesirable loans and I cannot understand what the location of the property has to do with the kind of equipment involved, because if the F. H. A. takes bad loans, they will take them whether there is equipment involved or not. I do not understand how that is relevant.

Mr. GOLDSBOROUGH. Equipment is not in the controversy. The House bill did not contain the equipment provision and the only controversy here is over new building construction.

Mr. MAVERICK. But there is such a thing as having new buildings in a new part of town that is good.

Mr. GOLDSBOROUGH. Of course, and that can be taken care of under title II of the Federal Housing Act. Title II of the Federal Housing Act provides that before these mortgages shall be accepted by the Federal Housing Administration they shall be on streets that have sewers, and where they will have schools and churches and things of that kind.

Mr. MAVERICK. I thank the gentleman very much.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CELLER. May I ask the gentleman whether or not there is continued in this conference report the provision that the Government will finance loans for equipment like refrigerators and oil burners in houses?

Mr. GOLDSBOROUGH. As the gentleman knows, when the House passed its bill a few days ago it did not contain that provision.

Mr. CELLER. I wanted to know whether the Senate had put in such a provision.

Mr. GOLDSBOROUGH. No. It was in the Senate bill, and it was taken out in conference.

Mr. CELLER. I thank the gentleman.

Mr. HEALEY. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Massachusetts.

Mr. HEALEY. There seems to be some confusion as to the action of the Federal Housing Administration on these applications for loans. Is it not a fact that before the Federal Housing Administration agrees to insure a loan the Housing Administration itself passes on the loan? They have an appraisal made and then pass on the application.

Mr. GOLDSBOROUGH. That is true under title II, but under title I they do not have a thing in the world to do with

it. To illustrate the matter: You are a builder, and you come to me and you offer to build me a house for \$2,000, and state that I do not have to put up any money. You recommend a location, and I agree to it. I give you my note for \$2,000, and you take the note to the bank and have the note discounted, and it does not make a particle of difference to the bank whether the note is any good or not, because the bank has built up sufficient insurance reserves to cover the loan.

Mr. HEALEY. That is under title II?

Mr. GOLDSBOROUGH. No; under title I.

Mr. HEALEY. You mean to say that the Housing Administration does not pass on the application or turn it down?

Mr. GOLDSBOROUGH. That is the reason we want to get rid of it.

Mr. HARLAN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HARLAN. If what the gentleman says is true, why is not it preferable to correcting it in one or two ways by giving the Housing Administration supervision of the small loans—making provision for insuring 20 percent of the total instead of insuring 20 percent of each individual loan?

Mr. GOLDSBOROUGH. Small loans can be made under title II, and the supervision can be made under title II.

Mr. DINGELL. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman.

Mr. DINGELL. The gentleman knows my enmity to this measure. I would like to ask whether the gentleman from Maryland would not change his attitude if he knew that the bankers were virtually in collusion with the banking racket?

Mr. McCORMACK. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What has been the gentleman's observation in relation to interest charges?

Mr. GOLDSBOROUGH. The result is this, that these small home owners who have built without any capital have to pay interest amounting to 9.7 percent.

Mr. McCORMACK. And in some cases higher.

Mr. GOLDSBOROUGH. Yes; in some cases higher; 9.7 is the minimum.

Mr. McCORMACK. And under title II you would not have to pay as much.

Mr. GOLDSBOROUGH. Under title II the interest would be less than 7 percent.

Now, I want to say a word or two about some other legislation. There is a bill here reported from the Committee on Banking and Currency giving the Reconstruction Finance Corporation the right to make rehabilitation of loans. This bill was reported from the Committee on Banking and Currency, and we have a rule from the Rules Committee.

I have introduced another bill to help the flood situation, to extend the power, under the National Housing Act, so there will be flood relief in the matter of construction. In other words, so far as the flood areas are concerned, 20 percent will be allowed as insurance for new construction, and the banks will be allowed to use the accumulated reserves. That legislation will be pressed just as fast as possible, and I very sincerely ask the Members of the House to rely upon the judgment of the Banking and Currency Committee and of the conference committee on this legislation. It is legislation we have had before us for 4 or 5 years. We have seen its operation in every possible aspect, and we believe that the conclusion that we have reached is sound and in the public interest. [Applause.]

I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I want the Members to take a look at this plan of a small cottage, which was fabricated by the Federal Housing Administration. It is a cottage approximately 22 feet wide and 26 feet long and contains 2 bedrooms, a large combination kitchen and living room, a bath, and a little alcove eating place. Their estimate upon this cottage, with labor at \$1 per hour, is \$966. Mind you, this is the Federal Housing estimate. And for a range,

plumbing fixtures, electric fixtures, and all other necessary appurtenances \$266. The total cost to set up that house equipped for a family would be \$1,227 without the cost of the lot. I contend, and I believe experts in the housing field contend, that when once we can give some momentum to the building of cottages of this kind, so that we can appeal to the folks in the low-income brackets, we are going to absorb the carpenters and the plasterers and the hod carriers and the bricklayers and a great many others among the families who are unemployed at the present time. It seems to me that the whole hope of the unemployment program lies in giving momentum to a sane, common sense housing program that makes an essential appeal to the folks in the low-income brackets. There is the Government's own exhibit on a low-cost house. This is the thing that we are contending for, and have contended for under title I, and yet the conference report that is before you today is going to make it impossible to build those little homes under title I of the act if the conference report is adopted.

Mr. GOLDSBOROUGH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. GOLDSBOROUGH. But under title II the same house can be built.

Mr. DIRKSEN. I said title I. The gentleman should let me finish my story.

Mr. GOLDSBOROUGH. All right, if the gentleman does not want to be fair. I cannot help that.

Mr. DIRKSEN. I would like to explain how we should consider title II in my own way.

Mr. GOLDSBOROUGH. I stated under title II that same house could be built and could be built where the interest charge would be less than 7 percent, while under title I it is nearly 10 percent, and under title II the owner would be protected in the location of his property.

Mr. DIRKSEN. I shall answer the gentleman in a moment. I want to build this thing up logically and get back to the legislation pending at the present time. We reported this bill out of the Banking Committee last week. We amended the language so as to make it possible to build new construction under title I. That bill came on the floor and was passed by this House. The Senate meanwhile had passed a bill with different language. It went to conference, and yesterday afternoon the conference report came back, so that the new construction feature was taken out of the bill, and as a result you cannot build new construction under title I. The gentleman from Maryland [Mr. GOLDSBOROUGH] says that we have authority under title II to build those homes with the insurance feature.

Mr. Sisson. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. Sisson. I have a great deal of respect for the gentleman from Illinois, but is it not a fact that really the gentleman from Illinois is opposed generally to the philosophy of the Housing Act and that this one provision which we passed inadvertently and which has generally been regarded as unsound in the legislation is the provision for which the gentleman most zealously contends?

Mr. DIRKSEN. I hardly think that is a proper statement, although I know that my friend is always fair. The fact of the matter is that I am as much interested in housing as any Member of this body today, but I do not believe that the Housing Administration has conducted this thing in an efficient way so as to get results whereby a solution of the unemployment problem can be contrived.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. DIRKSEN. I do not believe the Housing Administration has conducted this thing in an efficient way so as to get results, and that is borne out by the fact that the President is reported to have said last week that the Government housing program is a mess. If it is a mess in the language of the occupant of the White House, certainly we

can possibly implement that program so as to give it momentum and get these people back to work on new construction.

Now let me answer the gentleman from Maryland. He says that this can be constructed under title II. As an abstract matter, that is absolutely correct; but the trouble with it is that when you want to build even a small home under title II these gentlemen down in the Housing Administration will tell you what the grade line of the lot has to be, how many closets you have to have in a bedroom, what your water supply has to be, and they will tell you what kind of sewage disposal they will approve or disapprove. They will dictate precisely the kind of a house you can build and where you can build it. They have made it so difficult to get mortgage insurance on new construction that their own record of new construction is their own impeachment. To the 31st of December 1935, after they had been doing business for 17 months, they accepted mortgages on 42,000 homes, and only 12,000 of those 42,000 homes were of new construction. What further proof is required to show that the F. H. A. has done a great deal to refinance existing mortgages and extremely little to inspire new construction? Financing mortgages on existing property creates no jobs. Insuring mortgages on new construction does create jobs. Their record for creating jobs is, therefore, quite unimpressive. Twelve thousand new houses! What is it? It is a mere drop in the bucket. Meantime, millions of people who would like to go to work upon new construction and get a job as a result of the housing program are not able to get those jobs, and the Federal Housing Administration is sitting on the lid. They say that under title I it will develop into a racket. Do not forget that under the provisions of this bill the insurance feature has been written down to 10 percent, so that on a \$1,227 house, where they get a small lot, to make a total of about \$1,600, the most they can get on any kind of a loan is going to be but 10 percent. Now, suppose a banker takes a first mortgage upon that property, say, a \$1,000 mortgage; there remains the sum of \$600 for a modernization loan. It means that 10 percent of that would be guaranteed by the Federal Housing Administration, which would only be a \$60 guaranty on a \$1,600 house.

How singular that we are willing to take billions of dollars and dump it into buildings where the Federal Government assumes the whole cost, and here we can get a housing program started on the basis of small homes, where we guarantee only 10 percent of the cost. I ask which would be the more acceptable of the two?

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BANKHEAD. In order to clarify this issue, because I know a great many Members are seeking light, is it the gentleman's admission that under title II they have authority to make provision for this construction of which he has been speaking?

Mr. DIRKSEN. Yes.

Mr. BANKHEAD. Under title I that is all they could do, is it not?

Mr. DIRKSEN. They have authority under title II, but it operates under a mutual mortgage system encumbered with red tape, whereby they so carefully look over all features as to simply throw a wet blanket on the whole program. We are contending that title I ought to be liberalized so as to permit new construction, because then you can get idle money everywhere in the country to go to work.

Mr. BANKHEAD. But this provision which the gentleman is advocating is not mandatory upon the commission, is it?

Mr. DIRKSEN. We are trying to make it so.

Mr. BANKHEAD. But, as I understand it, the language of the bill does not require them to make these loans willy-nilly, does it?

Mr. DIRKSEN. Does the gentleman mean under title II or under title I?

Mr. BANKHEAD. Under title I.

Mr. DIRKSEN. Precisely as they have made over \$370,000,000 worth of loans, using their own judgment in the mat-

ter, and recognizing the fact that the banks have a very precise interest in the money they loan.

The SPEAKER. The time of the gentleman from Illinois [Mr. DIRKSEN] has again expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. DIRKSEN. You cannot be unmindful of the fact that when a banker, a building and loan association, or an installment company or a financing institution makes a loan, they have a very abiding interest in the thing, because after all only a very small proportion of their loan is insured. I contend they are not going to permit an undue amount of abuse to creep in, because they are interested in the directional growth of their own community, and to see that it is not littered and dotted with a lot of paper-shell houses.

I think this is one of the finest provisions that could be written into the bill, and we ought to vote down this conference report.

It has been said that unless we curb the new construction activities under title I, a building racket will develop. What a singular admission to make after three hundred millions have been loaned under title I already and the efficiency with which it was done is loudly heralded and boasted of by the administration. It is said that if we authorize new construction under title I, there is a grave possibility of heavy losses. How does this stack up with the statement made before the committee by Mr. McDonald, the Administrator, that the losses have been very nominal? And if there have been no losses to speak of under title I in the past, by what strange reasoning do the proponents of this conference report now seek to make this House believe that there will be a larger proportion of losses in the future?

Frankly, I do not understand this reasoning. Heretofore we have been appropriating billions for relief and for unemployment. Will anyone contend that it is better to spend the whole cost out of public funds for building a dog pound at Memphis or a monkey cage in some other town as against a program where private funds are stimulated to a building program under which only a small percent of the loss is insured by the Government?

May I remind you that 76 percent of every building dollar goes for labor and that a program for the building of small houses will go further toward getting at our real unemployed problem than any other suggestion that has yet been advanced? Of this amount, 44 cents is expended on the site. On a \$2,000 home, \$880 would be expended for labor in the locality where such a house is built; and what a splendid thing it would be if a low-cost housing program could be initiated under title I of this act whereby work might be provided for thousands of men. Let us send this bill back to conference and insist that the original House language be restored whereby new construction under title I will be permitted.

The SPEAKER. The time of the gentleman from Illinois has again expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. DUFFEY].

Mr. DUFFEY of Ohio. Mr. Speaker, I think the full membership of this House should understand just exactly how this parliamentary situation arose today. On the 22d of January, H. R. 1051, introduced by myself, called for just a simple provision for the extension of effective date of title I, to April 1, 1937. From that time until last week not only was no action taken by the Committee on Banking and Currency but instead came a new bill with controversial provisions from the Housing Administrator and injected into the consideration of the extension of time of title I. It is not necessary, insofar as title I is concerned, that the legislation be passed today. It can pass a week from today or any reasonable time and still be operative thereafter.

The conference committee struck out that provision which makes reference to new construction of small houses up to \$2,000 in value. The Senate eliminated a provision for electrical appliances. It seems to me, Mr. Speaker, that although the reports which have been given to us by the

Housing Administrator have a great deal of encouragement, in the administration itself we have not gone right down to the depths of the situation in the building industry, which is so vital to recovery.

As has been so well and frequently said, the building industry was the first to suffer and perhaps the last to recover. Real prosperity depends on the return of that industry. It is a known fact that something like 35 crafts, 35 different types of laboring men, are involved in the construction of any new home. Although it might well be said that the emergency arising from the floods is merely a subterfuge or an outside argument why title I should be amended as it was passed by the House last week, yet we know that throughout the Nation there is great demand for small homes. People desire to have homes, and wide demand exists. It will open up the door to a type of business which, like other types, will help absorb unemployment.

I submit, Mr. Speaker, that this matter is so important that the membership of the House ought to vote down this conference report and send the bill back to conference with instructions that this provision for the small homes up to \$2,000 should be retained by the House, and the conferees should be so instructed.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Speaker, ladies and gentlemen of the House, it should take only a few words of explanation to clarify the meaning of the conference report which is now before the House. These reports are necessarily a compromise of the differences between Senate bills and House bills. It is our only means of ironing out the divergence of views between the Members of the House and Members of the Senate. After full and free discussion of these differences, your committee did its best to preserve the House views, but it was necessary that we should give way on one rather important provision, which seems to me to be the main reason for the opposition to the report. I am convinced in my own mind that the report is the best that we could secure in the interest of preserving the House views. Of course, it is a matter for you gentlemen to determine; you can adopt it or you can reject it. That is your prerogative and your right. A considerable number of the Members of the House have during the last several days had an opportunity to understand my attitude toward the operations under title I of the Federal Housing Act. I am glad to say that some of the abuses which I pointed out will hereafter not be possible under the language of the bill covered by the report. This, of course, in its final analysis, will depend upon the attitude of the officials in charge of the law and the extent to which they conform their operations hereafter to the expressed intent of Congress as disclosed in the debate.

The elimination of new construction under title I, as agreed to in the conference report, is entirely proper. A careful review of this legislation from its beginning clearly shows that construction of new homes was to be carried on under title II. Title I was devoted to insuring loans for the purpose of making repairs, alterations, and improvements to homes. Under later amendments authority was given the administration to insure the purchase and installation of mechanical appliances and equipment. This was, of course, a perversion of the original concept of the bill. All of these loans were originally intended to be character loans, and it was solely for that reason that Congress appropriated the \$200,000,000 to protect the lending institutions against loss. If it had been known then that these lending institutions would have required security behind their loans, I am confident that this legislation would not be on the statute books today. Certainly no one here would hardly have supported it in the light of what has happened under the operations of title I.

To permit new construction under title I would be to encourage an unsound operation. It would operate against

the owner of the home as well as the Government. In the first place, the Federal housing has little control of or supervision over the loans made under title I, and would therefore be unable to protect the borrower. In the next place, these loans could be second, third, or fourth mortgages, and could apply to any price home. This is, of course, absurd, in the light of the original purpose of title I. Then, too, we should remember that the interest rates and penalties allowed under title I against the borrower are inconsistent with true home-financing rates. Another reason why new construction should not be permitted under title I is that the loans only run for approximately 30 months, which would mean that the borrower would have to resort to the old abominable practices involved in refinancing, which always carry additional brokerage charges and exorbitant costs. No man could be more interested in seeing a sound and feasible plan developed for low-cost housing and well-built, low-priced homes than the man who is addressing you. I shall continue to labor for these accomplishments.

The plan of the beautiful little cottage, so emotionally described by my good friend from Illinois [Mr. DIRKSEN] was never intended to be a title I project. My understanding is that it represents a pattern which the F. H. A. has been working on to take care of home owners whose incomes are in the low brackets. You should remember that under title II the F. H. A. has the authority and the means of insuring new construction up to \$1,000,000,000. The interest rate, if I am correctly advised, including the insurance premium, would not exceed 7 percent, and the loans may be amortized over a period of 20 years. Through this plan the borrower has some real protection, but this depends largely upon the administration of the act.

The House should know that the Administrator recommended that the provision permitting new construction under title I be stricken out of the bill. I therefore feel that the House should abide by the judgment of its conferees, and especially when the report is actually in the interest of the low-cost home program to which several Members have referred in their remarks. As a matter of fairness, too, to the F. H. A., it should be remembered that under title I it is all going out and nothing coming in. The only means of covering their operations and providing for inevitable losses is eliminated when you permit new construction under title I, for there is no insurance rate charged against the borrower. No one is more ashamed of the accomplishments of F. H. A. under title II, so far as new construction is concerned, than I am. At the proper time I shall be prepared to advocate necessary changes which will insure that this phase of their activities will be paramount, rather than the refinancing of old loans, which has been largely another bailing-out process for certain financial institutions. This, however, is not the time to go into that matter.

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 additional minutes to the gentleman from North Carolina.

Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. GOLDSBOROUGH. Is it not true that under title I these loans are insured to the banks by the Federal Government without any cost whatever on their part?

Mr. HANCOCK of North Carolina. That is correct; and it is a point that I have labored here during the last week to make the House see and understand.

Mr. MAY and Mr. MAVERICK rose.

Mr. HANCOCK of North Carolina. I yield first to the gentleman from Texas and then I shall be glad to yield to the gentleman from Kentucky.

Mr. MAVERICK. I wish to ask the gentleman two questions. We have heard a great deal of talk about the bankers' racket. My first question is, Are these loans properly supervised; and my second question is, Can a man make a loan to build a cottage costing around \$2,000 under present regulations?

Mr. HANCOCK of North Carolina. Answering the gentleman's first question, I will say that it is impractical and almost impossible for the F. H. A. to exercise strict supervi-

sion over loans insured under title I. Under title II arrangements, as I am informed, are being worked out to take care of the \$2,000 type of new homes, similar to the design and plan presented to the House by the gentleman from Illinois [Mr. DIRKSEN].

Mr. MAVERICK. One further question, if the gentleman will permit. Are the laws adequate to provide strict supervision? Does not the gentleman think there should be strict supervision under title I?

Mr. HANCOCK of North Carolina. It would have been impossible for the legislation to be effective in the execution of its original purpose if the regulations were too binding and restricting or involved the usual bolts of red tape. We must not forget the conditions which were responsible for this unusual law.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. MAY. I agree very fully with the gentleman's attitude, and I agree with him that we ought to make this housing crowd keenly conscious of what Congress wants them to do, which is to let the small man with moderate means build a small house if he wants to under this program. If this is the gentleman's idea, and I know it is, it is my idea and that of everybody else so far as I know, why would it not be the safest way to write it into the statute law so that they would know beyond peradventure what they should do?

Mr. HANCOCK of North Carolina. Let me say to my friend from Kentucky that we thought the bill would be effective in accomplishing this very purpose. The language is quite clear. It must be said, however, in fairness to them, that the housing problems have not been as easy to work out as some would think. There are many complications and especially if the program is to be effectively sound. I have always felt like the Government should do everything proper to encourage home ownership. I have also always contended that a man with a family who wanted to own a home should be accorded preferential treatment in the matter of financing. There is no doubt that some of the failure of the F. H. A. to increase residential building is due to a lack of understanding of the problem or their inability to enlist the cooperation of financial institutions throughout the country. It is to be hoped, however, that a more efficient program is in the making.

Mr. MAY. Will it be possible, with the statute enacted as this report provides, for the administration to prepare regulations which would block these small loans of \$2,000 under title II?

Mr. HANCOCK of North Carolina. Of course not; but the effectiveness of the program will depend upon the attitude of those who formulate and administer it.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. The so-called racket that the Acting Chairman spoke about has resulted so far in a loss of less than five-thirteenths of 1 percent. In other words, the loss to the Government has been less than five-thirteenths of 1 percent?

Mr. HANCOCK of North Carolina. I cannot answer the gentleman's question. As he well knows, I do not agree with many of the published figures of the F. H. A.

Mr. BROWN of Michigan. The gentleman knows that \$312,000,000 has been loaned under the provisions of this act and that the loss is less than \$900,000?

Mr. HANCOCK of North Carolina. I know the reported loss is supposed to be less than a million dollars. But, as I stated the other day, this is what you might call a "prospective" figure. Of course, no one can determine today the actual losses; but common sense tells us that the older the loans get the higher will be the curve of losses.

Mr. BROWN of Michigan. Why does the gentleman think that after improvement in general conditions these losses are going to be greater in the future than in the past?

Mr. HANCOCK of North Carolina. Economic conditions will have their effect, but it is a matter of common sense

that the older the loans get the more the loss will be. New loans do not usually show much loss.

Mr. BROWN of Michigan. Are not these loans getting gradually better by reason of payments?

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. HANCOCK of North Carolina. I would say to the gentleman from Michigan that some of the loans will improve, but some of them will get worse. It does not stand to reason that out of 870,000 loans as reported of this kind, made under these conditions where the banks and installment financing companies are protected by the Government, more than 75 percent of them will ever be paid in full. Of course, that is my estimate, and is not worth, perhaps, any more than the estimate of any other person who is familiar with the operations under title I. If the loans had been strictly character loans this percentage would not have been something to decry. That is my view, though I know the gentleman from Michigan does not subscribe to it.

Mr. Speaker, I trust the House will adopt this report. Title I expires tomorrow by law. We cannot accomplish anything, in my opinion, by further delaying action. I therefore trust the House will uphold the hands of its conferees and adopt the conference report. [Applause.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I hope we may be able to clarify this situation. These character loans have been made under title 1, no matter whether the party had one, two, or more mortgages outstanding on the property. Why should one not build a little home costing \$1,375 to \$2,000 complete, as well as add to a home already constructed? Everyone realizes the red tape, the expense required under title 2. People will not build small homes under title 2; we all know that.

Our committee reported a bill permitting the financing of such homes. The conference committee of the House has, however, agreed with the Senate to prevent this, and the issue is clear. What has been done under title 2? Many banks had a great many mortgages which they insured and unloaded on other finance companies, which is easily done since the credit of the Government is back of them.

Three-fourths of the loans made under title 2 have been made on property already built and only 25 percent for new construction. The issue is plain. Few new small houses will be built under title 2, and just now, with the conditions resulting from the floods, we need this legislation.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. BROWN].

Mr. BROWN of Michigan. Mr. Speaker, I regret to find myself in opposition to the conference report. Let no one in this House who believes we ought to vote down this report get the idea that the parliamentary situation is such that we must have this conference report adopted today in order to continue the Federal Housing Administration. It is going to continue regardless of what we do today. A delay of a week or 10 days in extending the administration of title I for another year is of no particular importance.

Mr. O'CONNOR. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from New York.

Mr. O'CONNOR. Of course, the Federal Housing Administration continues without this legislation as to all parts except title I?

Mr. BROWN of Michigan. The gentleman is absolutely correct. It would be impossible under existing conditions to get this bill signed by the President in order to make it effective on April 1, the date when title I expires.

Mr. Speaker, there is a marked distinction between loans under title I and title II of this bill. A great deal has been said about the claim that mortgages could be obtained under title II of the act, which would fill the need covered by the existing

provisions of title I. Title I does not contemplate the use of mortgages. It is a character-loan provision. It enables men and women who desire to build these small houses to borrow when it is impossible under existing conditions to give a mortgage. Whenever it is possible to give a mortgage title II is used; but under title II insurance has been provided by the Government to the amount of 20 percent, now 10 percent in the new bill, of the total amount of F. H. A. loans made by an insured bank for the benefit of those unable to give a lien.

If we eliminate the provisions of title I relating to small houses, and do not forget that we are changing the law as it has been in effect ever since the Housing Act was adopted, we are no longer going to be able to build the type of house that the gentleman from Illinois exhibited to the Members a while ago.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. Notwithstanding the original idea that the loans under title I were to be based on character, has it not been the general practice to take security in order to cover these loans made by approved lending institutions?

Mr. BROWN of Michigan. That is entirely up to the banks. They may or may not. The simple and direct way to do all that is wanted would have been to enact H. R. 10269, the bill introduced by my able colleague from Michigan [Mr. DINGELL], simply extending for another year the present provisions of title I. The same result would be reached by the adoption of the Duffy bill. Both of these gentlemen have a comprehension of the needs of the lumber and equipment industries and of their customers. Their solution is better than the restrictive provisions of this bill.

Mr. HEALEY. Will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Massachusetts.

Mr. HEALEY. Is it possible for the Federal Housing Administration to pass on all loans under title I? Do they pass on all applications?

Mr. BROWN of Michigan. They pass on them in this way. They have established regulations to which the loans must conform, and if the applications do not conform to those regulations, the loans, if made, are not insured.

Mr. HEALEY. Then, as a matter of fact, they reserve the right to reject or approve the loan.

Mr. BROWN of Michigan. I very much regret to have to disagree with the chairman of the committee and with the conference committee, but I firmly believe, if we vote down this conference report today, we will get a measure here that will do two things. It will continue the policy of the past in making loans upon electrical equipment in the small home, and let me pause and digress a moment to say that under this bill a man who wants to spend \$2,100 to put a gas furnace in a large home can get the loan under this bill, but the woman who wants to buy a washing machine cannot do it. This does not seem to me to be fair. Notes for the purchase of machinery and equipment based on prices of \$2,000 and up to \$50,000 are insurable, but notes for purchase of equipment of less than \$2,000 are not insurable. Such discrimination is beyond my comprehension, and I am confident would be rejected if the House fully understood the facts. The other desirable change is the insurance of small-house construction loans.

The conferees had an opportunity to liberalize this bill by adopting the Senate provision insuring loans for the purchase of small machinery and equipment for homes, such as washing machines, and so forth, and adopting the House provision for the insurance of loans to encourage small-home construction. The conference report strikes out the liberal provision in both bills, and, in my judgment, largely emasculates title I. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, these small loans, as was said by the gentleman from North Carolina, were originally intended to be character loans, but the banks have built up insurance reserves; in other words, if the banks make 10 loans of \$1,000 they are insured on each loan to the extent of \$200, but this builds up an entire insurance reserve not of \$200 on each loan but of \$1,000. So they can apply this \$1,000 on any of the loans that may fail. The result has been that banks have built reserves of as high as \$12,000,000 in one case and of hundreds of thousands of dollars in other cases. So the result is that the loans are not character loans at all.

Let me go over it again. The builder goes to a man and says, "I can build you a house for \$2,000, and you will not have to put up a dollar." The man says, "All right; you go ahead and build it." He builds it and takes the man's note for \$2,000. He carries it to one of these banks, and the bank has built up a sufficient reserve to be able to take 100-percent risk on the payment of that note, and if he takes it he is getting 9.7-percent interest on the note. Therefore, these bankers are not only insured by the Federal Government on these loans 100 percent, but they get 9.7 percent interest on the loan.

This is the result insofar as the bankers are concerned. There is absolutely no consideration shown to the man who has bought the house. He has his note of \$2,000 to pay, and he has it to pay with an interest charge of 9.7 percent, in the face of the fact that the bank is taking no risk at all and is getting a rate of interest of 9.7 percent.

Mr. BROWN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BROWN of Michigan. Why does the gentleman from Maryland think it is necessary to pass an amendment to this bill, which I understand he has introduced, to permit loans on these small houses under title I in the flood area, if, as the gentleman says, these loans can be obtained under title II?

Mr. GOLDSBOROUGH. I did not say that loans in the flood areas could be made just as readily under title II, because under title II the Federal Housing Administration undertakes to consider the needs of the owner, where the property should be located, the sewer facilities, the school and the church facilities, and whether or not, as a matter of fact, the property will be permanently desirable, and this would not always be practicable in the flood area.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HANCOCK of North Carolina. Can the gentleman conceive of a man able to own a \$2,000 home wanting to finance it through a system whereby he will be charged about 10-percent interest and be liable for 5-percent default payment and cannot have the loan run longer than 30 months, when under title II he can get the same loan for less than 7-percent interest and it can run for 20 years?

Mr. GOLDSBOROUGH. Of course, the poor fellow is deluded into buying a house under title I, and 100 percent of them will lose their property—practically every one of them. [Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were 112 ayes and 50 noes.

Mr. DIRKSEN. Mr. Speaker, I object on the ground that a quorum is not present and make a point of order that a quorum is not present.

The SPEAKER. The gentleman from Illinois makes the point of order that no quorum is present. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum, and the conference report is agreed to.

On motion of Mr. GOLDSBOROUGH, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

NAVAL AIR STATION—MIAMI, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8372) to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station, and to authorize the construction and installation of a naval air station thereon, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

Mr. SNELL. What is this bill?

Mr. VINSON of Georgia. I am asking that a House bill passed with Senate amendments be sent to conference.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. VINSON of Georgia, Mr. DREWRY, and Mr. DARROW.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 238. Joint resolution to extend the time within which contracts may be modified or canceled under the provisions of section 5 of the Independent Offices Appropriation Act, 1934; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 381. An act granting insurance to Lydia C. Spry;

H. R. 605. An act for the relief of Joseph Maier;

H. R. 685. An act for the relief of the estate of Emil Hoyer (deceased);

H. R. 762. An act for the relief of Stanislaus Lipowicz;

H. R. 977. An act for the relief of Herman Schierhoff;

H. R. 2469. An act for the relief of Michael P. Lucas;

H. R. 3184. An act for the relief of H. D. Henion, Harry Wolfe, and R. W. McSorley;

H. R. 3254. An act to exempt certain small firearms from the provisions of the National Firearms Act;

H. R. 3369. An act for the relief of the State of Alabama;

H. R. 3629. An act to authorize the acquisition of additional land for the use of Walter Reed General Hospital;

H. R. 4439. An act for the relief of John T. Clark, of Seattle, Wash.;

H. R. 5764. An act to compensate the Grand View Hospital and Dr. A. J. O'Brien;

H. R. 6335. An act for the relief of Sam Cable;

H. R. 6645. An act to amend the act entitled "An act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926;

H. R. 7024. An act to authorize the sale by the United States to the municipality of Hot Springs, N. Mex., of the north half of the southeast quarter and the northeast quarter of the southwest quarter of section 6, township 14 south, range 4 west, New Mexico principal meridian, New Mexico;

H. R. 7788. An act for the relief of Mrs. Earl H. Smith;

H. R. 8030. An act to authorize a preliminary examination of Republican River, Smoky Hill River, and minor tributaries of Kansas River, with a view to the control of their floods;

H. R. 8032. An act for the relief of the Ward Funeral Home;

H. R. 8038. An act for the relief of Edward C. Paxton;

H. R. 8061. An act for the relief of David Duquaine, Jr.;

H. R. 8110. An act for the relief of Thomas F. Gardiner;

H. R. 8300. An act to authorize a preliminary examination of Suwannee River in the State of Florida from Florida-Georgia State line to the Gulf of Mexico;

H. R. 8559. An act to convey certain land to the city of Enfield, Conn.;

H. R. 8577. An act to amend the Teachers' Salary Act of the District of Columbia, approved June 4, 1924, as amended, in relation to raising the trade or vocational schools to the level of junior high schools, and for other purposes;

H. R. 8797. An act to provide a preliminary examination of Onondaga Creek, in Onondaga County, State of New York, with a view to the control of its floods;

H. R. 8901. An act to provide for the establishment of a Coast Guard station at or near Apostle Islands, Wis.;

H. R. 9200. An act authorizing the erection of a marker suitably marking the site of the engagement fought at Columbus, Ga., April 16, 1865;

H. R. 9671. An act to authorize the Secretary of the Treasury to dispose of material to the sea-scout service of the Boy Scouts of America;

H. R. 10182. An act to authorize the Secretary of War to acquire the timber rights on the Gigling Military Reservation (now designated as Camp Ord), in California;

H. R. 10185. An act to amend the act approved June 18, 1934, authorizing the city of Port Arthur, Tex., or the commission thereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex., and to extend the times for commencing and completing the said bridge;

H. R. 10187. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.;

H. R. 10262. An act to extend the times for commencing and completing the construction of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H. R. 10316. An act to legalize a bridge across Poquetanuck Cove at or near Ledyard, Conn.;

H. R. 10465. An act to legalize a bridge across Second Creek, Lauderdale County, Ala.;

H. R. 10490. An act to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory and supplementary thereto;

H. R. 10975. An act authorizing a preliminary examination of Marshy Hope Creek, a tributary of the Nanticoke River, at and within a few miles of Federalsburg, Caroline County, Md., with a view to the controlling of floods;

H. R. 11045. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H. R. 11323. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the first settlement on Long Island, N. Y.;

H. R. 11365. An act relating to the filing of copies of income returns, and for other purposes;

H. R. 11425. An act for the relief of Gustava Hanna; and H. J. Res. 305. Joint resolution accepting the invitation of the Government of France to the United States to participate in the International Exposition of Paris—Art and Technique in Modern Life, to be held at Paris, France, in 1937.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 4212. An act to amend section 2 of the National Housing Act, relating to the insurance of loans and advances for improvements upon real property, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted as follows:

To Mr. EATON, indefinitely, on account of illness, at the request of Mr. BACHARACH.

To Mr. EICHER, for the remainder of the week, on account of official business.

To Mr. FARLEY, for 6 days, on account of important business.

To Mr. GILLETTE, for 1 week, on account of official business.
To Mr. UTTERBACK, for 1 week, beginning April 1, on account of important business.

To Mr. WEARIN, for 1 week, on account of official business.
To Mr. CURLEY, for 5 days, on account of important business.

ROBINSON-PATMAN EQUAL OPPORTUNITY BILL

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, H. R. 8442, the bill to give independent merchants equal rights and privileges, is now pending on the House Calendar. Judge HUBERT UTTERBACK, for the Committee on the Judiciary, filed a report on the bill today. The report is several pages long, discusses the bill fully, and contains convincing reasons why the bill should become a law. A copy of this report may be obtained from the document room upon request.

MIDDLEMEN

Much is always said about the middleman. Eliminate the middleman, reduce the cost to consumers by direct sales, and so forth. As much as we talk about eliminating the middlemen, it is impossible—just as impossible as it is to eliminate modes of transportation from the producer to the consumer. You may change the methods of distribution and may call brokers, jobbers, and wholesalers by other names, but the services rendered by these brokers, wholesalers, and jobbers must be rendered by others. Their services cannot be eliminated although you may change methods and change names. It is in the interest of the country that we have independent brokers, jobbers, and wholesalers. If the present trend continues, these functions will be performed by agencies owned or in control of the large banker-controlled corporate chains. When that happens the producers and manufacturers will not have a fair competitive market. It will be a fixed market—fixed for the benefit of the corporate chains. A small manufacturer will not have the name of an independent broker in each city of the United States that he can send a mimeographed statement to announcing his wares for sale, which will permit orders to come piling in at a very small cost to him for the services rendered by the brokers. On the other hand, this small manufacturer must operate his plant for the benefit of the corporate chains or not at all. There will not be independent competitive channels that may be used for distributing his goods. The present trend is toward fewer buyers and fewer sellers. This is a definite trend toward monopoly.

BROKERAGE

Although this bill does not prohibit direct sales from the manufacturer to the consumer, and does not compel the payment of brokerage, it does provide that the payment of brokerage by a buyer to the seller or by the seller to the buyer shall be prohibited. This will eliminate a form of bribery. Recently it was learned that an agent for the potato growers on the Atlantic seaboard had a contract with the growers to furnish them seed, fertilizer, and spray materials at good prices; the growers to deliver their potatoes at harvesttime to him, and the agent would then sell the potatoes and after deducting proper charges divide the proceeds three-fourths to the growers and one-fourth to himself, the agent. It was discovered that this agent was under contract to a large mass buyer which compelled him to sell all potatoes to this mass buyer at the market price or forfeit \$5 per car. In return for this the mass buyer was giving the farmers' agent a secret rebate of \$2.50 a car, and incidentally, the buyer was so large that he made the market prices. No one would think about condoning his lawyer accepting a fee or secret compensation from the other party. No ethical person would expect to bribe or influence his competitor or the other party to a transaction by the payment of a fee or commission to his agent. This law will prevent such trickery, chicanery, and bribery.

CONSUMERS SAVED ENORMOUS SUM

All chain stores in the United States in all lines of business are doing about 25 percent of the retail distribution business. If these stores can save the people \$750,000,000 a year on 25 percent of the sales, when all the other 75 percent—the independent merchants—receive the same prices as the corporate chains, the consumers of America will be saved two and a quarter billion dollars a year. Remember, our bill is not to compel manufacturers to raise prices to the chains, but to compel manufacturers to give the same prices to the independents based upon the same quantity and under the same conditions.

PERMITTING THE PRESIDENT TO VETO SEPARATE ITEMS OF AN APPROPRIATION BILL

Mr. CITRON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. CITRON. Mr. Speaker, yesterday I introduced a proposed amendment to the Constitution permitting the President of the United States to veto separate items of an appropriation bill.

Section 7, article 1, of the Constitution of the United States permits the President to veto bills. If the President desires to veto parts of an appropriation or a so-called rider to a bill, he must veto the whole bill. To veto a whole bill because of his objections to individual items may not always appear logical and reasonable. I believe that in our day, with bills and appropriations containing various matters and propositions, it is unfair to the President and to Congress to have a procedure of veto, which may often prevent real consideration of the part objected to.

We have on several occasions amended the procedural parts of our Constitution. It appears to me that this problem is worthy of our serious consideration. The importance of the veto is recognized in our Federal and in all the State Constitutions. My suggestion is not new. It has been brought up in Congress in previous terms. I am convinced that the time has arrived for consideration of this proposal.

At the present time 39 of the 48 States provide for a veto of separate items.

EXTENSION OF REMARKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the conference report have 5 legislative days to extend their remarks.

The SPEAKER. Is there objection?

There was no objection.

DEATH OF STEPHEN A. RUDD

Mr. CULLEN. Mr. Speaker, it is with profound sorrow and deep regret that I rise in my place today to announce to the membership of the House the death of one of our distinguished colleagues, STEPHEN A. RUDD, of Brooklyn, N. Y.

Mr. RUDD served in the Seventy-second Congress and was reelected to the Seventy-third and Seventy-fourth Congresses. He was a member of the Board of Aldermen of the City of New York for 12 years and served with great distinction as a member of that body. He was born and reared in Brooklyn and respected and admired as one of its distinguished citizens and lawyers.

Mr. RUDD was a citizen of high character, a conscientious man, a good legislator, sincere in his efforts to do that which was for the general good and general benefit of the country—a splendid American.

I had a personal acquaintance with him for a period of 25 years. In all that time Mr. RUDD never swerved in his loyalty to his party and to his country. He distinguished himself as a member of the Foreign Affairs Committee of the House with honor and distinction. He sat in his seat day after day; and though his life was fast ebbing away, he insisted on attending to his duties as a Member of this House.

Only on my earnest solicitation did he consent to leave the House and go to his home, never to return here. Mr. RUDD was the kind of man we must admire, the type that

comes to a legislative body such as this who realizes his duty and appreciates its membership. He stood on the floor here like a soldier with his gun, defending his country, and he would not leave though his life was fast ebbing away. It is sad to think about a man of that type or to think of any Member of the House who is called to the Great Beyond, for, after all, with all of the work that we do, with all of the debates that we have, with all of the differences of opinion which we express on the floor of the House, yet when the final roll call comes, our bickerings are buried beyond recall.

STEPHEN RUDD will go down in the memory of this House and the country as one of the ablest men, one of the most sincere men, one of the most conscientious men that ever served in the House. As I said a moment ago, when I went to his seat—and he invariably sat in that same corner—I said, "Steve, you must go home." I could see him dwindling away and dwindling away. Yet his answer was, "Tom, I belong here, I want to do my duty; if the Lord calls me, I would just as soon be called here as at home." However, I prevailed upon him and sent him home, and at 6 o'clock this morning he passed away. This is a great personal sorrow to me, because of my close association with him. He was strong in his sentiments, strong in his convictions, strong in courage, and strong for his friends. He was peaceful, quiet, calm, collected. He was a good father and splendid husband. The Lord has called him, and may the Lord have mercy upon his soul.

Mr. Speaker, I offer the following resolution, which I send to the desk.

The Clerk read as follows:

House Resolution 474

Resolved, That the House has heard with profound sorrow of the death of Hon. STEPHEN A. RUDD, a Representative from the State of New York.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER appointed the following committee: Mr. CULLEN, Mr. DELANEY, Mr. CELLER, and Mr. SOMERS of New York.

The SPEAKER. The Clerk will report the remainder of the resolution.

ADJOURNMENT

The Clerk read as follows:

Resolved, That as a further mark of respect this House do now adjourn.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; accordingly (at 1 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Wednesday, April 1, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

748. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of waterway from the intracoastal waterway, by way of the Florence Canal, to Gueydan, Vermilion Parish, La., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

749. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accom-

panying papers, on a preliminary examination of Columbia River at and near Hammond, Oreg., with a view to preventing erosion caused by construction of the south jetty, and providing a protected harbor near the mouth of said river, authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

750. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Wakulla River, Fla., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

751. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Clinton River, Mich., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

752. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of Hatchie River, Tenn., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

753. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1936, submitting a report, together with accompanying papers, on a preliminary examination of channel from Croatan Sound to Manns Harbor, N. C., authorized by the River and Harbor Act approved August 30, 1935; to the Committee on Rivers and Harbors.

754. A letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to the provisions of section 201 (b), title II, of the Emergency Relief and Construction Act of 1932, the report of its activities and expenditures for February 1936, including statements of authorizations made during that month, showing the name, amount, and rate of interest or dividend in each case (H. Doc. No. 436); to the Committee on Banking and Currency and ordered to be printed.

755. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the legislative establishment, House of Representatives, for the fiscal year 1936, in the sum of \$750 (H. Doc. No. 437); to the Committee on Appropriations and ordered to be printed.

756. A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$7,000,000, for the fiscal year ending June 30, 1936, to remain available until expended, for the War Department, for the acquisition of land in the vicinity of Sacramento, Calif., and the construction thereon of an Army Air Corps depot (H. Doc. No. 438); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McMILLAN: Committee on Appropriations. H. R. 12098. A bill making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; without amendment (Rept. No. 2286). Referred to the Committee of the Whole House on the state of the Union.

Mr. UTTERBACK: Committee on the Judiciary. H. R. 8442. A bill making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases and

to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by unfair competitors; with amendment (Rept. No. 2287). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 11036. A bill to amend section 4321, Revised Statutes (U. S. C., title 46, sec. 263), and for other purposes; with amendment (Rept. No. 2288). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. House Report 2289. A report relating to the War Department pursuant to House Resolution 59. Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McMILLAN: A bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; to the Committee on Appropriations.

By Mr. HOFFMAN: A bill (H. R. 12099) to declare the Benton Harbor Canal at and above Ninth Street, Benton Harbor, Mich., a nonnavigable stream; to the Committee on Rivers and Harbors.

By Mr. DICKSTEIN: A bill (H. R. 12100) to amend section 17 of an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898 (30 Stat. 550), as amended by the act approved January 7, 1922 (42 Stat. 354; U. S. C., title 11, sec. 35), and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLISTER: A bill (H. R. 12101) granting to the States of the Ohio Valley consent of Congress to an interstate compact or treaty for the purpose of controlling or reducing stream pollution; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 12102) to provide for the preparation of a plan to reduce the pollution of navigable waters and for the appropriation of money for that purpose; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 12103) to provide for the preparation of a plan to reduce the pollution of navigable waters of the United States; to the Committee on Rivers and Harbors.

By Mr. BANKHEAD: Resolution (H. Res. 475) providing for the consideration of Senate Joint Resolution 234, authorizing the Senate Special Committee on Investigation of Lobbying Activities to employ counsel in connection with certain legal proceedings, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUNCAN: A bill (H. R. 12104) granting an increase of pension to Mary E. Smith; to the Committee on Invalid Pensions.

By Mr. GINGERY: A bill (H. R. 12105) granting a pension to Cora M. Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12106) for the relief of Diemer L. Bathurst; to the Committee on Claims.

By Mr. GRAY of Indiana: A bill (H. R. 12107) granting a pension to Irwin Stump; to the Committee on Pensions.

By Mr. LUDLOW: A bill (H. R. 12108) granting a pension to Emma Clark; to the Committee on Invalid Pensions.

By Mr. NELSON: A bill (H. R. 12109) granting an increase of pension to Mary A. Borts; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 12110) for the relief of Luther Smith; to the Committee on Military Affairs.

By Mr. THURSTON: A bill (H. R. 12111) for the relief of Minnie Jordan; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10631. By Mr. CITRON: Petition of the Hartford (Conn.) Typographical Union, regarding interstate commerce and the Constitution; to the Committee on Interstate and Foreign Commerce.

10632. By Mr. COLDEN: Resolution adopted by the Trust Deed and Mortgaged Home Owners Protective Association, protesting against certain practices of the Home Owners' Loan Corporation, copy of letter referred to in resolution being attached thereto; to the Committee on Banking and Currency.

10633. By Mr. DUFFEY of Ohio: Resolution of the Polish Workers' Club of Toledo, Ohio, Ninth Congressional District,

opposing enactment of the Reynolds-Starnes bill (H. R. 11172) pertaining to aliens, and for the removal of the difficulties of becoming American citizens; to the Committee on Immigration and Naturalization.

10634. By Mr. FORD of California: Resolution of the Council of the City of Los Angeles, memorializing the President, the Senate, and the House to appropriate funds for the continuance and completion of flood-control construction under the direction of the Army engineers in Los Angeles County of the State of California; to the Committee on Appropriations.

10635. By Mr. GUYER: Petition of citizens of Johnson County, Kans., petitioning the restoration of prohibition to the District of Columbia through the enactment of House bill 8739; to the Committee on the District of Columbia.